



INTERIM
REPORT FOR
THE SIX
MONTHS
ENDED
30 JUNE 2020

Atlantia 



Interim Report for the six months ended 30 June 2020

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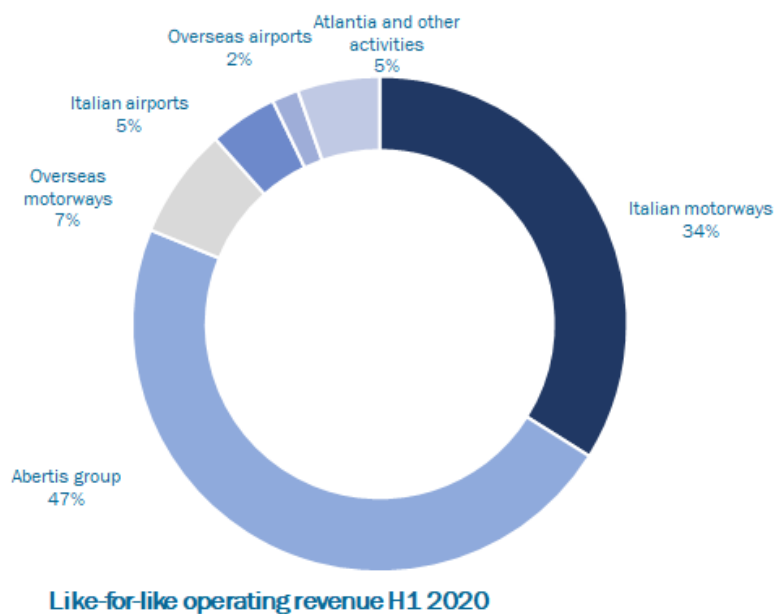
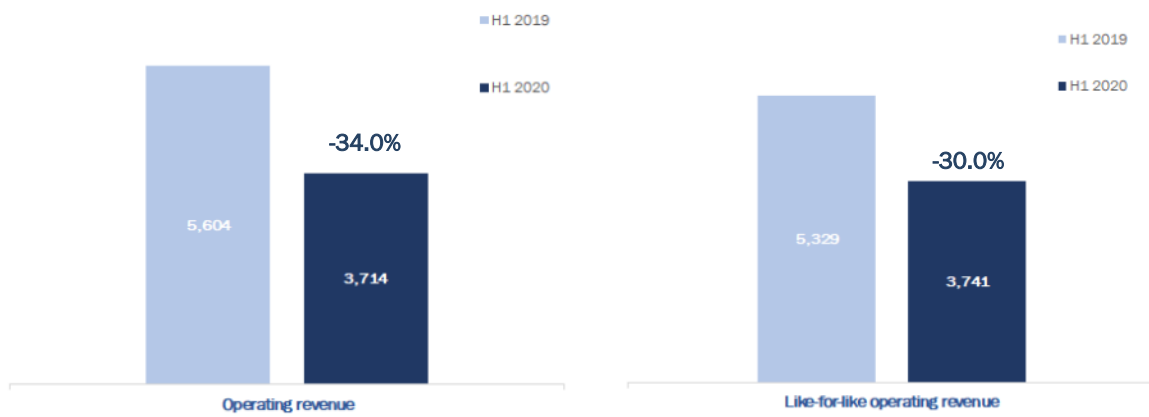




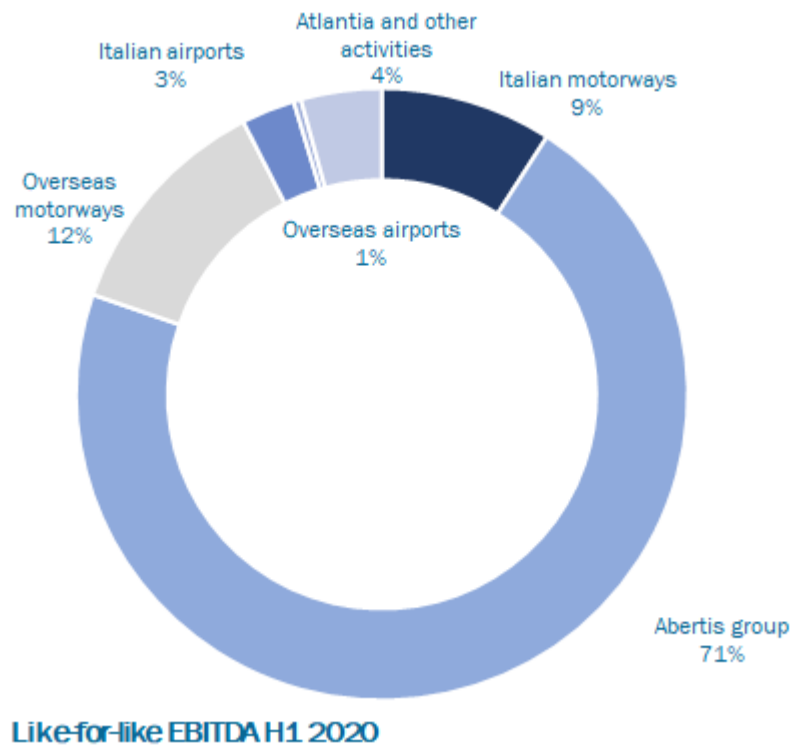
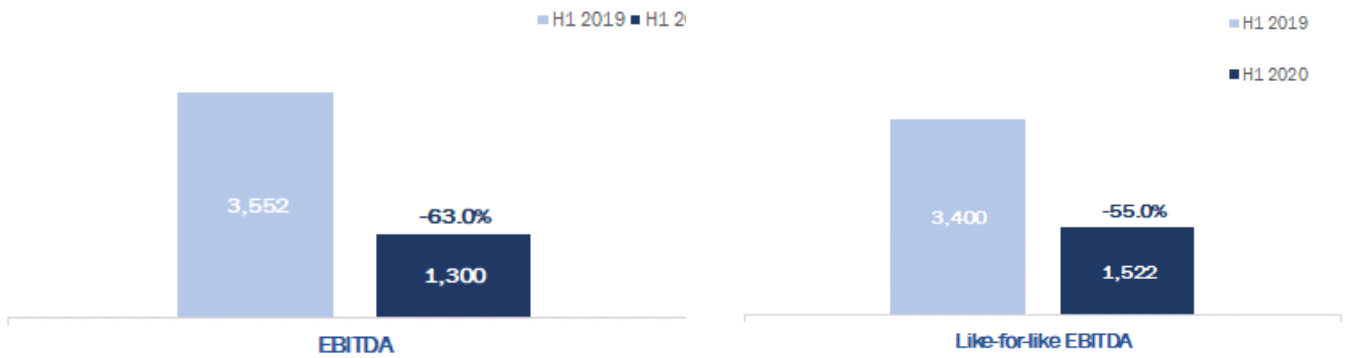
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INTRODUCTION

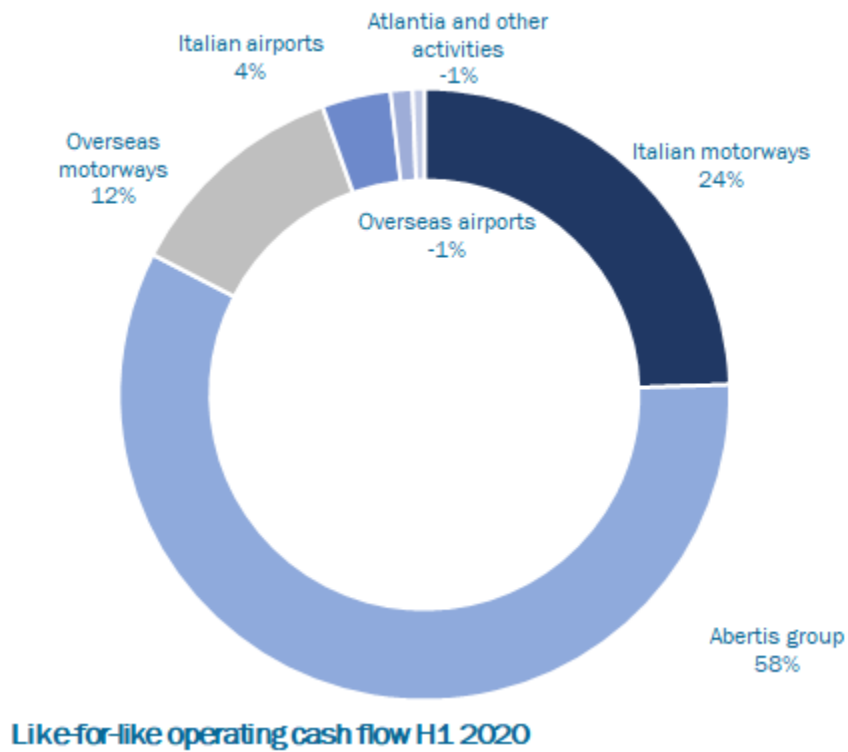
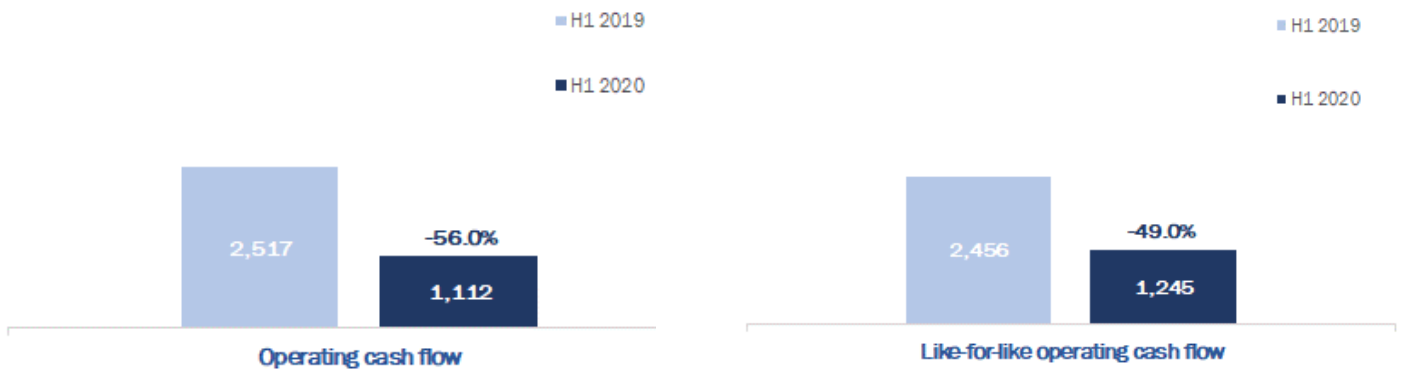
Consolidated financial highlights



Operating revenue is down, essentially due to the impact of the Covid-19 pandemic and changes in scope, primarily linked to the expiry of Aumar’s concession in Spain and Autovias’s concession in Brazil in 2019 and the first-time consolidation of RCO in the first half of 2020.



EBITDA is down, essentially due to the impact of the Covid-19 pandemic and increased provisions made by Autostrade per l'Italia.



Operating cash flow is down, essentially due to the impact of the Covid-19 pandemic and increased net financial expenses.

Summary of financial results

€M	H1 2020	H1 2019 (restated)	Increase/(Decrease)	
			Absolute	%
Toll revenue	2,971	4,493	-1,522	-34%
Aviation revenue	138	394	-256	-65%
Other operating income	605	717	-112	-16%
Operating revenue	3,714	5,604	-1,890	-34%
EBITDA	1,300	3,552	-2,252	-63%
<i>EBITDA margin</i>	<i>35%</i>	<i>63%</i>	<i>n/s</i>	<i>n/s</i>
Operating profit/(loss) (EBIT)	-735	1,541	-2,276	n/s
<i>EBIT margin</i>	<i>-20%</i>	<i>27%</i>	<i>n/s</i>	<i>n/s</i>
Profit/(Loss) for the period	-1,056	752	-1,808	n/s
Profit/(Loss) for the period attributable to owners of the parent	-772	594	-1,366	n/s
Operating cash flow	1,112	2,517	-1,405	-56%
Capital expenditure	633	815	-182	-22%

€M	H1 2020 ⁽¹⁾	H1 2019 ⁽¹⁾	Increase/(Decrease)	
			Absolute	%
<i>Like-for-like operating revenue</i>	<i>3,741</i>	<i>5,329</i>	<i>-1,588</i>	<i>-30%</i>
<i>Like-for-like EBITDA</i>	<i>1,522</i>	<i>3,400</i>	<i>-1,878</i>	<i>-55%</i>
<i>EBITDA margin</i>	<i>41%</i>	<i>64%</i>	<i>n/s</i>	<i>n/s</i>
<i>Like-for-like operating cash flow</i>	<i>1,245</i>	<i>2,456</i>	<i>-1,211</i>	<i>-49%</i>

€M	30 JUNE 2020	31 DECEMBER 2019	Increase/(Decrease)	
			Absolute	%
Net invested capital	52,882	51,625	1,257	2%
Equity attributable to owners of the parent	5,860	7,408	-1,548	-21%
Net debt	39,166	36,722	2,444	7%
Net financial debt ⁽²⁾	42,097	39,536	2,561	6%

(1) Like-for-like amounts are calculated by excluding the impact of the following from consolidated amounts: (i) changes in the scope of consolidation, (ii) changes in exchange rates and (iii) events and/or transactions not strictly connected with operating activities that have an appreciable influence on amounts for at least one of the two comparative periods. These include the provisions made by Autostrade per l'Italia, in 2020, in relation to the undertaking given with the aim of settling the dispute brought by MIT.

(2) The section, "Alternative performance indicators", includes the reconciliation of net debt with net financial debt.

The Group around the world

MOTORWAYS

Italy

Atlantia	Interest held by Atlantia	Km	Concession expiry
Autostrade per l'Italia	88.06%	2,855	2038
Società Italiana per il Traforo del Monte Bianco	44.91%	6	2050
Raccordo Autostradale Valle d'Aosta	21.54%	32	2032
Tangenziale di Napoli	88.06%	20	2037
Autostrade Meridionali ⁽¹⁾	51.94%	52	2012
Autostrada Tirrenica ⁽²⁾	88.06%	55	2046
Abertis	Interest held by Abertis	Km	Concession expiry
Autostrada Brescia Padova	90.03%	236	2026
Total		3,256	

Spain

Abertis	Interest held by Abertis	Km	Concession expiry
Autopistas España	100%		
Acesa	100%	479	2021
Aucat	100%	47	2039
Aulesa	100%	38	2055
Avasa	100%	294	2026
Castellana/Iberpistas	100%	120	2029
Autopistes Catalanes	100%		
Invicat	100%	66	2021
Túnel de Barcelona	50.01%	46	2037
Trados-45	51.00%	15	2029
Total		1,105	

France

Abertis	Interest held by Abertis	Km	Concession expiry
Sanef	100%	1,396	2031
Sapn	99.97%	372	2033
Total		1,768	

Poland

Atlantia	Interest held by Atlantia	Km	Concession expiry
Stalexport Autostrada Malopolska	61.20%	61	2027

Brazil

Atlantia	Interest held by Atlantia	Km	Concession expiry
AB Concessões	50.00%		
Rodovias das Colinas	50.00%	307	2028
Concessionária da Rodovia MG050	50.00%	372	2032
Triângulo do Sol Auto Estradas	50.00%	442	2021
Abertis	Interest held by Abertis	Km	Concession expiry
Arteris	41.97%		
Fernão Dias	41.97%	570	2033
Litoral Sul	41.97%	406	2033
Planalto Sul	41.97%	413	2033
Via Paulista	41.97%	721	2047
Régis Bittencourt	41.97%	390	2033

Intervias	41.97%	380	2028
Fluminense	41.97%	320	2033
Centrovias ⁽³⁾	41.97%	218	2020
Total		4,539	

Chile

Atlantia	Interest held by Atlantia	Km	Concession expiry
Grupo Costanera	50.01%		
Litoral Central	50.01%	81	2031
Costanera Norte	50.01%	43	2033
Autopista Nororiente ⁽⁴⁾	50.01%	22	2042
Vespucio Sur	50.01%	24	2032
AMB ⁽⁴⁾	50.01%	10	2024
Vespucio Oriente (AVO II) ⁽⁵⁾	50.01%	5	2052
Ruta 78-68 ⁽⁶⁾	50.01%	9	2049
Los Lagos	100%	134	2023
Abertis	Interest held by Abertis	Km	Concession expiry
Vias Chile	80.00%		
Rutas del Elqui	80.00%	229	2022
Rutas del Pacifico	80.00%	141	2024
Autopistas del Sol	80.00%	133	2021
Autopista de Los Libertadores	80.00%	116	2026
Autopista de Los Andes	80.00%	92	2036
Autopista Central	80.00%	62	2032
Total		1,101	

India

Abertis	Interest held by Abertis	Km	Concession expiry
Trichy Tollway	100%	94	2026
Jadcherla Expressways	100%	58	2026
Total		152	

Puerto Rico

Abertis	Interest held by Abertis	Km	Concession expiry
Autopista de Puerto Rico	100%	2	2044
Metropistas	51%	88	2061
Total		90	

Argentina

Abertis	Interest held by Abertis	Km	Concession expiry
GCO	42.87%	56	2030
Ausol	31.59%	119	2030
Total		175	

Mexico

Abertis	Interest held by Abertis	Km	Concession expiry
RCO - FARAC I	51.26%	664	2048
COVIQSA	51.26%	93	2026
CONIPSA	51.26%	73	2025
COTESA	51.26%	31	2046
AUTOVIM	51.26%	15	2039
Total		876	

AIRPORTS			
	Interest held by Atlantia	Airports	Concession expiry
Aeroporti di Roma	99.38%	2	2046 ⁽⁷⁾
Azzurra Aeroporti	60.40%		
Aéroports de la Côte D'Azur	38.66%	3	2044

OTHER BUSINESSES			
Atlantia	Interest held by Atlantia		Sector
Telepass ⁽⁸⁾	100%		Electronic tolling systems
Electronic Transaction Consultants ⁽⁹⁾	64.46%		Electronic tolling systems
Spea Engineering	97.49%	Motorway and airport infrastructure engineering services	
Pavimental	96.89%	Motorway and airport infrastructure construction and maintenance	
Abertis	Interest held by Abertis		Sector
Abertis Mobility services	100%		Electronic tolling systems

Note: The figures in the table refer to operators consolidated on a line-by-line basis. Atlantia holds 50%+1 share in Abertis.

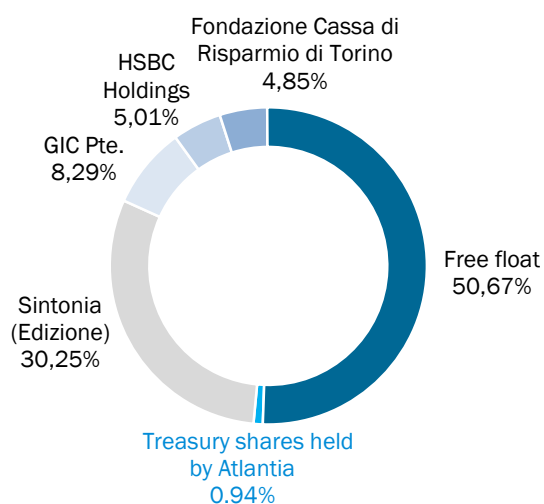
- (1) Following the tender process for the award of the new concession for the A3 Naples-Pompei-Salerno motorway, which awarded the concession to Consorzio SIS, Autostrade Meridionali challenged the award before Campania Regional Administrative Court, requesting injunctive relief and cancellation of the award. Further details are provided in the section, "Significant legal and regulatory aspects".
- (2) A draft addendum to the concession arrangement is currently being negotiated with the Grantor.
- (3) This concession expired on 3 June 2020.
- (4) The concession term is estimated on the basis of agreements with the Grantor.
- (5) This operator has been awarded the contract to build and operate the Amerigo Vespuccio Oriente II section of motorway.
- (6) This operator has been awarded the contract to build and operate the Conexión Vial Ruta 78-68 section of motorway.
- (7) ADR's concession has been extended by two years to 30 June 2046 (Law Decree 34/20).
- (8) Present in 11 European countries: Italy, France, Spain, Belgium, Portugal, Poland, Austria, Germany, Denmark, Norway and Sweden.
- (9) This investment was sold in July 2020.

OTHER INVESTMENTS ⁽¹⁰⁾			
Atlantia	Interest held by Atlantia		Sector
Aeroporto di Bologna	29.38%		Airport management
Hochtief	23.86%		Construction
Getlink	15.49%	Operation and management of the Channel Tunnel	

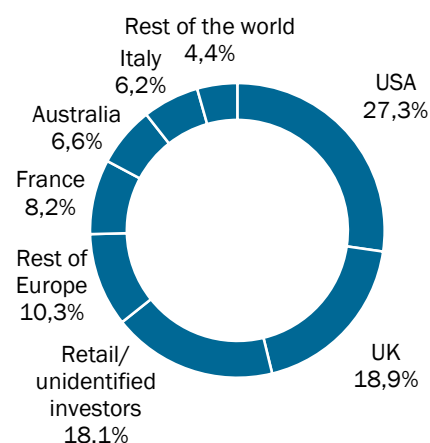
- (10) Companies not consolidated on a line-by-line basis.

Atlantia's ownership structure and share price performance

Atlantia's ownership structure



Geographical breakdown of the free float⁽¹⁾



Source: CONSOB data as at 30 June 2020. (1) Source: Nasdaq data as at 30 June 2020.

Atlantia's share price performance



ATLANTIA'S SHARE PRICE PERFORMANCE		H1 2020
Closing price (€)		14.30 ⁽¹⁾
High (€)		23.03
Low (€)		9.82
Stock market capitalisation (€m) ⁽²⁾		11,809

Source: Thomson Reuters Datastream.

(1) Closing price on 30 June 2020. (2) Figure calculated on the basis of the closing price on 30 June 2020.

Corporate bodies

Board of Directors in office for the period 2019-2021	Chairman	Fabio Cerchiai
	Chief Executive Officer	Carlo Bertazzo ⁽¹⁾
	Directors	Sabrina Benetton ⁽²⁾ Andrea Boitani (<i>independent</i>) Riccardo Bruno (<i>independent</i>) Mara Anna Rita Caverni (<i>independent</i>) ⁽³⁾ Cristina De Benetti (<i>independent</i>) Dario Frigerio (<i>independent</i>) Gioia Ghezzi (<i>independent</i>) Giuseppe Guizzi (<i>independent</i>) Anna Chiara Invernizzi (<i>independent</i>) Carlo Malacarne (<i>independent</i>) Valentina Martinelli ⁽²⁾ Ferdinando Nelli Feroci (<i>independent</i>) Licia Soncini (<i>independent</i>)
	Secretary	Stefano Cusmai
Internal Control, Risk and Corporate Governance Committee	Chairwoman	Cristina De Benetti (<i>independent</i>)
	Members	Andrea Boitani (<i>independent</i>)
		Mara Anna Rita Caverni (<i>independent</i>) ⁽³⁾
		Dario Frigerio (<i>independent</i>)
Committee of Independent Directors with responsibility for Related Party Transactions	Chairman	Dario Frigerio (<i>independent</i>)
	Members	Riccardo Bruno (<i>independent</i>)
		Carlo Malacarne (<i>independent</i>)

- (1) Carlo Bertazzo, was appointed the Company's Chief Executive Officer by the Board of Directors on 13 January 2020. With effect from 1 March 2020, Carlo Bertazzo also assumed the role of General manager of Atlantia SpA. On 26 May 2020, Carlo Bertazzo informed the Company that he was resigning from the Nominations Committee.
- (2) On 29 May 2020, the Annual General Meeting approved the appointments of Sabrina Benetton and Valentina Martinelli as Directors to serve until approval of the financial statements as at and for the year ended 31 December 2021. Both Directors has previously been co-opted by the Board of Directors at the meetings of 31 October 2019 and 6 March 2020, respectively.
- (3) On 9 July 2020, the Director, Mara Anna Rita Caverni, tendered her resignation with effect from 31 July 2020.

Nominations Committee⁽⁴⁾	Chairwoman Members	Gioia Ghezzi (<i>independent</i>) Ferdinando Nelli Feroci (<i>independent</i>) Licia Soncini (<i>independent</i>)
Human Resources and Remuneration Committee	Chairman Members	Riccardo Bruno (<i>independent</i>) Andrea Boitani (<i>independent</i>) ⁽⁵⁾ Giuseppe Guizzi (<i>independent</i>) Anna Chiara Invernizzi (<i>independent</i>) Carlo Malacarne (<i>independent</i>)
Board of Statutory Auditors in office for the period 2018-2020	Chairman Auditors	Corrado Gatti Alberto De Nigro Sonia Ferrero Lelio Fornabaio Livia Salvini
	Alternate Auditors	Laura Castaldi Michela Zeme
Independent Auditor for the period 2012-2020	Deloitte & Touche SpA	

(4) On 11 June 2020, the Board of Directors approved changes to the composition of the Nominations Committee, reducing the number of members from 5 to 3.

(5) Appointed a member of the Committee on 17 January 2020 to replace Carlo Bertazzo.





02

INTERIM REPORTS ON

OPERATIONS

Financial review for the Atlantia Group

Introduction

The financial review contained in this section includes and analyses the reclassified consolidated income statement, the consolidated statement of comprehensive income, the statement of changes in consolidated equity and the statement of changes in consolidated net debt of the Atlantia Group (the "Group") for the first half of 2020, in which amounts are compared with those for the same period of the previous year. The review also includes the reclassified statement of financial position as at 30 June 2020, compared with the corresponding amounts as at 31 December 2019.

The international financial reporting standards (IFRS) endorsed by the European Commission and in effect as at 30 June 2020 were used in the preparation of the accounts for the first half of 2020. There have not been any changes with respect to the standards used in the Annual Report for 2019.

The reclassified consolidated income statement for the first half of 2019 includes certain differences with respect to the information published in the Interim Report for the six months ended 30 June 2019. These reflect completion of the Purchase Price Allocation process following the acquisition of the Abertis group completed at the end of October 2018, as described in greater detail in the Annual Report for 2019.

In addition, the Atlantia Group's scope of consolidation as at 30 June 2020 has changed with respect to 31 December 2019. This follows completion, on 5 June 2020, of the acquisition of a 51.3% stake in Red de Carreteras de Occidente ("RCO") by the subsidiary, Abertis Infraestructuras. The acquired company's 5 subsidiaries manage 876 km of motorway network serving Mexico City and Guadalajara in Mexico, generating revenue of over €400 million and EBITDA of more than €300 million in 2019. The company's net debt amounts to €2 billion.

At the date of preparation of the Interim Report for the six months ended 30 June 2020, whilst taking into account the new proposals for a settlement of the dispute with the MIT put forward by Autostrade per l'Italia and Atlantia in July 2020, and the Government's stated willingness to bring to an end the procedure for serious breaches of Autostrade per l'Italia's concession arrangement, certain material uncertainties remain. These primarily regard the content, procedures and timing of the process involved in concluding the related agreements.

In view of the fact that, on 15 July 2020, the Cabinet Office announced that it "has decided to begin the settlement process as provided for by law, without prejudice to the fact that the right to revoke the concession will only be waived once the settlement agreement has been finalised", in preparing the Interim Report for the six months ended 30 June 2020, Atlantia assessed whether the going concern basis is appropriate, as required by law and by the applicable accounting standards.

In addition to the above, Autostrade per l'Italia and Atlantia continue to be exposed to liquidity and financial risk, linked to the major impact on traffic and revenue at the Group's principal subsidiaries caused by the spread of the Covid-19 pandemic.

As part of the above assessment, the Company has considered the uncertainties and risks relating to the subsidiary, Autostrade per l'Italia, and Atlantia's exposure to liquidity and financial risk, within a time-frame of twelve months from the date of approval of the Interim Report for the six months ended 30 June 2020.

In brief, with regard to Autostrade per l'Italia, the assessment, conducted also by the subsidiary's Board of Directors, took into account the following aspects:

- a) relations and outstanding litigation between Autostrade per l'Italia and the Grantor, as described in greater detail in the section, "Significant legal and regulatory aspects";
- b) the Italian Government's approval of the so-called *Milleproroghe* Decree, above all art. 35 of the Decree (as referred to in the section, "Significant regulatory aspects"), which, among other things, amends the legislation governing the "revocation, forfeiture or termination of road or motorway concessions, including those for toll roads and motorways";
- c) the downgrade, following the entry into effect of art. 35 of the *Milleproroghe* Decree, of Autostrade per l'Italia's credit ratings to below investment grade and of its outlook by the international agencies, Moody's, Fitch and Standard & Poor's, affecting the Company's ability to borrow in the financial markets. As already noted in the Annual Report for 2019, the downgrade to below investment grade could expose the subsidiary to the risk that the European Investment Bank (the "EIB") and, in relation to its share of the debt, Cassa Depositi e Prestiti ("CDP") might request additional protections, and, were such protections not judged to be reasonably satisfactory, they could request early repayment of the existing debt (amounting to a nominal value of approximately €2.1 billion, with approximately €1.7 billion, including early repayment penalties, guaranteed by Atlantia). The failure to satisfy a request for early repayment from the EIB or CDP could result in similar requests from Autostrade per l'Italia's other creditors, including bondholders;
- d) the restrictions on movement, introduced in response to the emergency caused by the spread of the Covid-19 virus, which have led to a sharp fall in traffic volumes, and have had a significant impact on the results for the first half of 2020 and are also expected to be reflected in the results for 2020 and 2021. This situation has also had significant repercussions on the temporary ability of Autostrade per l'Italia and the other operators it controls to generate sufficient cash to fund planned investment and to service debt. Together with the regulatory framework in the first half of 2020, it has also had a wider impact on Autostrade per l'Italia's ability to borrow in the financial markets in order to meet its financial needs.

With regard to points a) and b) above, Autostrade per l'Italia submitted a new settlement proposal on 11 July 2020 with a view to bringing to an end the procedure for serious breach of the Concession Arrangement. The proposal, based on the results of numerous exchanges with the Government, the MIT and the Ministry of the Economy and Finance, sets out key aspects of the settlement, described in more detail in the section, "Significant legal and regulatory aspects".

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

In response, on 15 July 2020, the Cabinet Office announced, through press release n.56, that, in view of the proposed settlement, the Government "has decided to begin the settlement process as provided for by law, without prejudice to the fact that the right to revoke the concession will only be waived once the settlement agreement has been finalised".

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

With regard to points c) and d) above, and, more generally, the uncertainty regarding Autostrade per l'Italia's ability to generate sufficient cash to fund planned investment and to service debt, and its wider ability to borrow in the financial markets in order to meet its financial needs, it should be noted that the agreement for the first €400 million tranche of the financial support to be provided by Atlantia was signed on 10 June 2020. €350 million of this amount, forming part of the €900 million in financial support that Atlantia has committed to provide to the subsidiary, has been disbursed, with repayment due in December 2020. Autostrade per l'Italia also has access to facilities that, together with the loan from Atlantia and cash flow from continuing operations, will enable it to fund its operations and capital expenditure through to December 2021.

In May 2020, Autostrade per l'Italia began the process of applying for a credit facility that would benefit from a guarantee provided by SACE under art. 1, paragraph 7 of law Decree 23 of 8 April 2020 (the so-called Liquidità Decree). Autostrade per l'Italia believes it can access this guarantee in view of its role in managing "critical and strategic infrastructure" and its "impact on employment and the labour market". At the date of preparation of this Interim Report, the arrangement process is still ongoing.

Again with regard to the financial position, and in particular the downgrade, it should be noted that at the date of preparation of this Interim Report, neither the EIB nor CDP has made any request for early repayment.

Finally, in view of the changed environment and the Government's express willingness to reach a settlement, on 17 July 2020, Fitch upgraded the Company's rating to Rating Watch Evolving. On 23 July 2020, Moody's also upgraded the Company's outlook from "negative" to "developing".

The above elements and, in particular, the likelihood of reaching agreement with the Italian Government and the actions taken to meet the Company's funding needs, have led Autostrade per l'Italia's board of directors to believe that the above risks and uncertainties are reasonably surmountable.

In the light of recent developments, Atlantia's Board of Directors thus updated its assessment of the various risks and uncertainties, concluding that:

- a) the risk of termination of the concession arrangement is not reasonably likely and that there is a reasonable likelihood that an agreement will be reached with the Italian Government;
- b) provided that no further problems arise (i.e. a resurgence of Covid-19), the occurrence of liquidity and financial risk (resulting in the early repayment of existing debt by Autostrade per l'Italia and, partly as a result of existing guarantees, by Atlantia) is not reasonably likely in the twelve months following approval of the Interim Report for the six months ended 30 June 2020, in view of the steps taken and the level of risk that remains following the statement issued by the Cabinet Office on 15 July 2020.

In particular, the Board believes that:

- 1) the occurrence of liquidity risk is not likely given Atlantia's cash reserves at the date of preparation of this Interim Report and the maturity dates for existing borrowings (2022, excluding revolving credit facilities already covered by existing liquidity);
- 2) the occurrence of financial risk (the early repayment of debt guaranteed by Atlantia) is not deemed likely for Atlantia, as the proposed settlement between the Government, Autostrade per l'Italia and Atlantia and its likely implementation would result in the Government's waiver of its right to revoke the concession. In this regard, recent announcements from the rating agencies on 17 and 23 July 2020 are notable, as Fitch Ratings has upgraded Atlantia (holding, with a "BB" rating) to Rating Watch Evolving (from Rating Watch Negative), whilst Moody's has maintained its "Ba2" rating of the Atlantia Group and "Ba3" rating of Atlantia (holding), with a Developing outlook (as opposed to the previous Negative)).

Further details of the assessments of the uncertainties and the risks relating to application by Autostrade per l'Italia and Atlantia of the going concern basis, including the steps taken and to be taken to mitigate such risks, are provided in note 2 to the condensed consolidated interim financial statements, "Going concern assumption and basis of preparation".

With regard to the collapse of a section of the Polcevera road bridge on the A10 Genoa-Ventimiglia motorway on 14 August 2018, as at 30 June 2020:

- a) a total of €379 million has been paid out at the request of the Special Commissioner for Genoa, including €95 million paid in the first half of 2020, to fund demolition and reconstruction of the road bridge;
- b) €59 million has been paid from provisions for risks and charges in the form of compensation for the families of the victims and the injured, as well as to cover legal expenses and to provide financial support to small businesses and firms, including €8 million paid in the first half of 2020.

The decision to exempt road users in the Genoa area from the payment of tolls in the first half of 2020 has resulted in an estimated reduction in toll revenue of €7 million (a total of €26 million in 2019 and 2018).

The latest settlement proposal submitted by Autostrade per l'Italia on 14 July 2020 has, among other things, increased the funds the company has committed to make available, at its own expense and without receiving any return, to €3,400 million, an increase of €500 million compared with the amount proposed on 5 March 2020. As a result, Autostrade per l'Italia has reflected this additional commitment in its "Provisions for the repair and replacement of motorway infrastructure", as well as making further provisions of €200 million to cover its commitments regarding demolition and reconstruction of the Polcevera road bridge.

The Group did not enter into non-recurring, atypical or unusual transactions, either with third or related parties, in either of the comparative periods.

In accordance with the recommendation issued by the European Securities and Markets Authority (ESMA) on 20 May 2020, and Warning Notice 8/2020 issued by the CONSOB on 16 July 2020, the following section provides the required disclosure on the impact of the Covid-19 pandemic.

Disclosure on the impact of the Covid-19 pandemic

Since the end of February 2020, the restrictions on movement, imposed by many governments in response to the global spread of the Covid-19 pandemic, have had an impact on the volumes of traffic using the motorways and airports operated under concession by the Group, compared with the first half of 2019. As the following information reveals, the effects have varied from country to country, primarily reflecting differences in the extent and timing of the travel restrictions introduced in the various countries.

	MOTORWAYS					AIRPORTS	
	Italy (Autostrade per l'Italia Group)	Spain (Abertis group)	France (Abertis group)	Brazil (Atlantia + Abertis group)	Chile (Atlantia + Abertis group)	Italy (Aeroporti di Roma)	France (Aéroports de la Cote d'Azur)
	km travelled	km travelled	km travelled	km travelled	km travelled	passengers	passengers
January	2.8%	2.8%	7.7%	1.7%	-7.6%	-0.2%	5.3%
February	1.7%	8.7%	5.0%	8.9%	-3.1%	-8.9%	5.2%
March	-60.5%	-42.5%	-41.2%	-18.5%	-29.9%	-81.2%	-62.0%
April	-80.4%	-78.9%	-79.5%	-38.2%	-53.0%	-98.3%	-99.4%
May	-55.1%	-65.6%	-55.9%	-23.5%	-54.5%	-97.5%	-98.5%
June	-23.0%	-40.4%	-22.8%	-16.4%	-53.8%	-93.4%	-92.1%
Progressive % change (from 1 January 2020 to 30 June 2020)	-37.7%	-39.1%	-33.3%	-14.1%	-32.5%	-69.0%	-67.9%
Restrictions on movement	9 March – 3 June	13 March – 22 June	16 March – 15 June	from 16 March	from 16 March		

* Like-for-like change in traffic versus 2019

In geographical terms, the most significant impacts on traffic in the first half of 2020 were seen in Europe (Italy, Spain and France) compared with South American countries (Brazil and Chile). This primarily reflects the different timing of the spread of the Covid-19 pandemic and of the restrictions on movement imposed by governments in the various countries in which the Group operates.

In terms of the operating segments to which the infrastructure operated under concession by the Group relates, airport operators were the most affected compared with motorway operators, reflecting the global crisis that has hit the airline industry throughout the world.

The reduction in operating revenue, amounting to €1,588 million on a like-for-like basis (down 30%) compared with the first half of 2019, is broadly linked to the reduction in traffic in the first half of 2020 caused by the above restrictions on movement. It reflects reductions in:

- toll revenue, above all at the European motorway operators;
- aviation revenue at the airport operators in Italy and France;
- revenue from airport and motorway sub-concessions, mainly in Italy.

The Group has responded to the fall in traffic by promptly taking a series of steps to cut costs and review its investment plans, whilst guaranteeing works relating to the safety infrastructure. We are also assessing

further initiatives designed to mitigate the impact of the measures implemented by governments in the various countries.

These include the launch of specific initiatives, by a number of Group companies, aimed at reducing staff costs, including redundancies and other schemes designed to soften the impact on employment, introduced by governments in the various countries in which the Group operates.

The resulting reduction in operating cash flow after capital expenditure during the period, amounting to €1,029 million on a like-for-like basis (down 62.7%) compared with the first half of 2019, is broadly linked to the impact of the Covid-19 pandemic on the Italian, French and Spanish motorway operators and on Fiumicino airport in Italy.

The above ESMA Recommendation of 20 May 2020 indicates how the impact of the Covid-19 pandemic could give rise to one or more indicators of impairment. Information on the impairment tests conducted by the Group with regard to the recoverability of goodwill, of other intangible assets with indefinite lives and the concession rights held by the Group's operators, as well as of investments in associates and joint ventures, is provided in notes 7.2, "Intangible assets", and 7.3, "Investments", to the condensed consolidated interim financial statements.

The Group's potential exposure to financial risk as a result of the spread of the Covid-19 pandemic is described in note 2 to the condensed consolidated interim financial statements, "Going concern assumption and basis of preparation".

Information on the outlook regarding the impact of the Covid-19 pandemic on the Group is provided below in the "Outlook" section of this Interim Report.

Consolidated results of operations

Reclassified consolidated income statement^(*)

CM	H1 2020	H1 2019	INCREASE/ (DECREASE)	
			ABSOLUTE	%
Toll revenue	2,971	4,493	-1,522	-34%
Aviation revenue	138	394	-256	-65%
Other operating income	605	717	-112	-16%
Total operating revenue	3,714	5,604	-1,890	-34%
Cost of materials and external services	-1,072	-1,121	49	-4%
Concession fees	-188	-293	105	-36%
Net staff costs	-619	-743	124	-17%
Operating change in provisions	-535	105	-640	n/s
Total net operating costs	-2,414	-2,052	-362	18%
Gross operating profit (EBITDA)	1,300	3,552	-2,252	-63%
Amortisation, depreciation, impairment losses and reversals of impairment losses	-1,992	-1,951	-41	2%
Provisions for renewal work and other adjustments	-43	-60	17	-28%
Operating profit (EBIT)	-735	1,541	-2,276	n/s
Financial income accounted for as an increase in financial assets deriving from concession rights and government grants	130	140	-10	-7%
Financial expenses from discounting of provisions for construction services required by contract and other provisions	-23	-45	22	-49%
Other financial expenses, net	-809	-619	-190	31%
Capitalised financial expenses on intangible assets deriving from concession rights	13	12	1	8%
Share of profit/(loss) of investees accounted for using the equity method	-28	2	-30	n/s
Profit/(Loss) before tax from continuing operations	-1,452	1,031	-2,483	n/s
Income tax (expense)/benefit	395	-278	673	n/s
Profit/(Loss) from continuing operations	-1,057	753	-1,810	n/s
Profit/(Loss) from discontinued operations	1	-1	2	n/s
Profit/(Loss) for the period	-1,056	752	-1,808	n/s
(Profit)/Loss attributable to non-controlling interests	-284	158	-442	n/s
Profit/(Loss) attributable to owners of the parent	-772	594	-1,366	n/s

(*) The reconciliation with the reported amounts in the consolidated income statement is provided in the section, "Reconciliation of the reclassified and statutory financial statements".

“**Operating revenue**” for the first half of 2020 totals €3,714 million, down €1,890 million (-34%) compared with compared with the first half of 2019 (€5,604 million). On a like-for-like basis, operating revenue is down €1,588 million (-30%), essentially due to the impact of the Covid-19 pandemic, partially offset by revenue growth at Pavimental and ETC.

“**Toll revenue**” of €2,971 million is down €1,522 million compared with the first half of 2019 (€4,493 million). After stripping out exchange rate movements, which had a negative impact of €150 million, and changes in the scope of consolidation of a number of the Abertis group’s operators, reducing toll revenue by a further €103 million, the decline with respect to the comparative period broadly reflects the impact of the restrictions on movement introduced in response to the Covid-19 pandemic. This resulted in reductions in traffic recorded by the Italian motorway network (down 37.7%), the Abertis group’s operators (down 30.4%) and the overseas motorways segment (down 23.4%).

“**Aviation revenue**” of €138 million is down €256 million compared with the first half of 2019 (€394 million), primarily reflecting the impact of the Covid-19 pandemic on traffic volumes at Aeroporti di Roma (passenger traffic down 69%) and at the Aéroports de la Côte d’Azur group (passenger traffic down 67.9%), resulting in reductions of €214 million and €42 million, respectively.

“**Other operating income**”, totalling €605 million is down €112 million compared with the first half of 2019 (€717 million). This is primarily due to the above reduction in traffic volumes resulting in a €111 million decline in revenue for the Autostrade per l’Italia Group, essentially following the complete suspension of royalty payments and other fees between March and May in order to support oil and food service providers at service areas on Autostrade per l’Italia’s network, and to lower non-aviation revenue generated by Aeroporti di Roma (€70 million) and the Aéroports de la Côte d’Azur group (€34 million). These reductions were only partially offset by increased revenue generated by Pavimental from work for external customers (€43 million) and increases in revenue at ETC (€26 million), the Abertis group (€14 million) and the Telepass group (€10 million).

“**Net operating costs**” of €2,414 million are up €362 million compared with the first half of 2019 (€2,052 million). This primarily reflects increased provisions made by Autostrade per l’Italia, partially offset by reduced concession fees and lower staff costs.

The “**Cost of materials and external services and other costs**” amounts to €1,072 million, a reduction of €49 million compared with the first half of 2019 (€1,121 million). After stripping out the reduction in costs relating to reconstruction of the Polcevera road bridge in Genoa, amounting to €63 million (€97 million in the first half of 2020 and €160 million in the first half of 2019) and the overall impact of exchange rate movements and inflation (€49 million), the figure is up €63 million essentially due to:

- a) the increased costs incurred by Autostrade per l’Italia (€93 million) as a result of continued implementation of its network surveillance, inspection, maintenance and safety programmes. These increased costs were partially offset by a reduction in the variable costs linked to winter operations, reflecting kinder weather conditions during the first half of 2020, compared with the same period of the previous year;
- b) increased costs incurred by Pavimental in relation to contract work for external customers (€34 million);
- c) cost savings resulting from the various initiatives implemented by Group companies to mitigate the effects of the Covid-19 pandemic, primarily attributable to the Abertis group (a total of €66 million).

“**Concession fees**”, totalling €188 million, are down €105 million compared with the first half of 2019 (€293 million). This primarily regards a reduction in concession fees payable by the Italian motorway operators (€85 million) and by the Aeroporti di Roma group (€12 million) as a result of the above decline in traffic, and the reduced amount payable under the profit-sharing arrangement applicable to the operator, Stalexport Autostrada Malopolska (€7 million).

“**Net staff costs**” of €619 million are down €124 million (€743 million in the first half of 2019), due primarily to the following:

- a) a reduction in costs linked primarily to redundancies and other less significant effects of action taken by the Group to mitigate the impact of the Covid-19 pandemic (€79 million);
- b) adjustment of the fair value of rights vesting under the Group’s staff incentive plans, reflecting the performance of Atlantia’s shares in the two comparative periods (€37 million);
- c) the reduced cost of short-term staff incentives (€13 million).

The “**Operating change in provisions**” in the first half of 2020 generated expense of €535 million (income of €105 million in the first half of 2019), marking a change of €640 million. This essentially reflects the following:

- a) the net change in provisions for repair and replacement work by Group companies, amounting to €448 million, primarily due to provisions of €500 million made by Autostrade per l'Italia to reflect an updated estimate of the cost of work on network infrastructure, as set out in the latest proposal submitted to the MIT. This was partially offset by the use of provisions to fund work on demolition and reconstruction of the Polcevera road bridge, totalling €95 million (in the first half of 2019 uses totalled €154 million);
- b) the change in provisions for risks and charges, amounting to €192 million, including €200 million to cover changes in the latest proposal submitted to the MIT in relation to the cost of reconstruction of the new road bridge across the Polcevera in Genoa.

“**Gross operating profit**” (EBITDA) of €1,300 million is down €2,252 million compared with the first half of 2019 (€3,552 million), marking a reduction of 63%. On a like-for-like basis, EBITDA is down €1,878 million (55%), after stripping out like-for-like adjustments relating to the change in scope and the provisions made by Autostrade per l'Italia as a result of talks with the Government and the MIT.

“**Amortisation and depreciation, impairment losses and reversals of impairment losses**”, totalling €1,992 million, is up €41 million compared with the first half of 2019 (€1,951 million). This primarily reflects impairment losses totalling €203 million, recognised following impairment testing of the goodwill allocated to Aéroports de la Côte d'Azur (€94 million) and the intangible assets deriving from concession rights attributable to A4 (€109 million). These items are partly offset by the impact of movements in exchange rates (€69 million) and in the scope of consolidation (€119 million).

“**Provisions for renewal work and other adjustments**”, amounting to €43 million, are down €17 million compared with June 2019 (€60 million). This primarily reflects updated estimates of the present value of renewal work to be carried out on the infrastructure operated under concession by Aeroporti di Roma and Aéroports de la Côte d'Azur recognised in the first half of 2020.

The “**Operating loss**” (negative EBIT) of €735 million marks a deterioration of €2,276 million compared with the first half of 2019 (a profit of €1,541 million).

“**Financial income accounted for as an increase in financial assets deriving from concession rights and government grants**” amounts to €130 million and is broadly in line with the same period of the previous year (€140 million). This income is primarily attributable to the financial assets deriving from concession rights held by certain Chilean and Spanish operators.

“**Financial expenses from discounting of provisions for construction services required by contract and other provisions**” amount to €23 million, a reduction of €22 million compared with the first half of 2019 (€45 million), essentially reflecting the performance of the discount rates used in the two comparative periods.

“**Net other financial expenses**” of €809 million are up €190 million compared with the first half of 2019 (€619 million). This essentially reflects a combination of the following:

- a) increased expenses incurred in the form of fair value losses on Forward Starting Interest Rate Swaps held by Atlantia and Autostrade per l'Italia that do not qualify for hedge accounting (€135 million), in addition to interest expense on the revolving credit facilities of €3,250 million that Atlantia drew down in full in January 2020 (€25 million);
- b) the impairment loss on financial assets deriving from the concession rights guaranteed by the Grantor to the Argentine operators, GCO and Ausol, amounting to €153 million (€34 million recognised in the first half of 2019);
- c) the impairment loss on the investment in Aeroporto di Bologna, amounting to €35 million;
- d) the overall positive impact, amounting to €150 million, of the movement in exchange rates and the application of IAS 29 - Financial Reporting in Hyperinflationary Economies (Argentina).

“**Capitalised financial expenses**” of €13 million are broadly in line with the comparative period (€12 million).

The “**Share of (profit)/loss of investees accounted for using the equity method**” amounts to a loss of €28 million, a deterioration of €30 million compared with the profit of the first half of 2019 (€2 million). This essentially reflects the Group’s share of the loss reported by Getlink, totalling €15 million (a profit of €7 million in the first half of 2019).

“**Tax benefits**” amount to €395 million, marking a change of €673 million compared with tax expense of €278 million for the same period of 2019. The change is essentially linked to the above “Loss before tax from continuing operations” for the first half of 2020. This item includes the recognition of deferred tax income, primarily on tax losses for the period, amounting to €440 million, partially offset by current tax expense of €45 million, marking a reduction of €393 million compared with the first half of 2019 (expense of €438 million).

The first half of 2020 closed with a “**Loss for the period**” of €1,056 million, compared with profit of €752 million for the first half of 2019. This marks a deterioration of €1,808 million, primarily due to the fall in traffic caused by the Covid-19 pandemic.

The “**Loss for the period attributable to owners of the parent**”, amounting to €772 million, compares with the profit of €594 million recorded in the first half of 2019, marking a deterioration of €1,366 million.

The “**Loss for the period attributable to non-controlling interests**”, amounting to €284 million, compares with a profit of €158 million for the first half of 2019, marking a deterioration of €442 million.

Consolidated statement of comprehensive income

€M		H1 2020	H1 2019 (restated)
Profit/(Loss) for the period	(A)	-1,056	752
Fair value gains/(losses) on cash flow hedges		-122	-617
Fair value gains/(losses) on net investment hedges		37	-53
Gains/(Losses) from translation of assets and liabilities of consolidated companies denominated in functional currencies other than the euro		-818	146
Other comprehensive income of investments accounted for using the equity method		-40	-41
Tax effect		26	180
Other comprehensive income/(loss) for the period reclassifiable to profit or loss	(B)	-917	-385
Gains/(Losses) from actuarial valuations of provisions for employee benefits		2	-1
Gains/(Losses) on fair value measurement of investments		-586	-179
Gains/(Losses) on fair value measurement of fair value hedges		193	141
Tax effect		4	1
Other comprehensive income/(loss) for the period not reclassifiable to profit or loss	(C)	-387	-38
Reclassifications of other comprehensive income to profit or loss for the period	(D)	-16	23
Tax effect of reclassifications of other comprehensive income to profit or loss for the period	(E)	10	-4
Total other comprehensive income/(loss) for the period	(F=B+C+D+E)	-1,310	-404
	<i>of which relating to discontinued operations</i>	-	2
Comprehensive income/(loss) for the period	(A+F)	-2,366	348

The “**Other comprehensive loss for the period**”, after the related taxation, amounts to €1,310 million for the first half of 2020 (a loss of €404 million for the first half of 2019). This primarily reflects a combination of the following:

- losses on the translation of the assets and liabilities of consolidated companies denominated in functional currencies other than the euro, totalling €818 million, primarily due to declines in the value of the Brazilian real (down from 4.516 real to the euro to 6.112) and the Chilean peso (down from 844.86 pesos to the euro to 918.72) as at 30 June 2020, compared with 31 December 2019; this was in contrast with the performance of these currencies against the euro as at 30 June 2019, compared with 31 December 2018;
- the loss of €586 million resulting from fair value measurement of the investment in Hochtief, partially offset by the recognition of fair value gains on fair value hedges entered into by Atlantia as part of the collar financing transaction involving a third of the shares it holds in Hochtief (€193 million);
- an increase in fair value losses on cash flow hedges, amounting to €122 million, primarily due to the decline in interest rates in the first half of 2020.

The resulting comprehensive loss for the first half of 2020 thus amounts to €2,366 million (income of €348 million in the first half of 2019).

Consolidated financial position

Reclassified consolidated statement of financial position^(*)

€M	30 June 2020	31 December 2019	INCREASE/ (DECREASE)
Non-current non-financial assets			
Property, plant and equipment	764	820	56
Intangible assets	62,403	59,472	2,931
Investments	2,858	3,662	-804
Deferred tax assets	2,467	2,113	354
Other non-current assets	38	77	-39
Total non-current non-financial assets (A)	68,530	66,144	2,386
Working capital			
Trading assets	2,098	2,575	-477
Current tax assets	508	1,006	-498
Other current assets	696	565	131
Non-financial assets held for sale or related to discontinued operations	63	4	59
Current portion of provisions for construction services required by contract	-726	-571	-155
Current provisions	-2,747	-2,650	-97
Trading liabilities	-1,670	-2,243	573
Current tax liabilities	-107	-283	176
Other current liabilities	942	-1,117	175
Non financial liabilities related to assets held for sale and discontinued operations	4	-	4
Total working capital (B)	-2,831	-2,714	-117
Gross invested capital (C=A+B)	65,699	63,430	2,269
Non-current non-financial liabilities			
Non-current portion of provisions for construction services required by contract	2,411	2,473	62
Non-current provisions	-3,106	-2,694	-412
Deferred tax liabilities	-6,975	-6,280	-695
Other non-current liabilities	-325	-358	33
Total non-current non-financial liabilities (D)	-12,817	-11,805	-1,012
NET INVESTED CAPITAL (E=C+D)	52,882	51,625	1,257

(*) The reconciliation with the reported amounts in the consolidated statement of financial position is provided in the section, "Reconciliation of the reclassified and statutory financial statements".

As at 30 June 2020, "Non-current non-financial assets", totalling €68,530 million, are up €2,386 million compared with 31 December 2019 (€66,144 million).

"Property, plant and equipment" of €764 million is down €56 million compared with 31 December 2019 (€820 million), primarily reflecting the impact of depreciation during the period, totalling €93 million, partially offset by investment of €59 million.

"Intangible assets" total €62,403 million (€59,472 million as at 31 December 2019) and essentially relate to the Atlantia Group's concession rights, amounting to €49,583 million. This amount includes goodwill of €12,341 million, essentially attributable to the amount recognised following the acquisition of the Abertis group (€7,869 million) and goodwill recognised as at 31 December 2003, following acquisition of the majority shareholding in the former Autostrade – Concessioni e Costruzioni Autostrade SpA (€4,383 million).

The increase in intangible assets of €2,931 million primarily reflects the following:

- the recognition of concession rights following consolidation of the RCO group, totalling €5,721 million;
- investment in construction services for which additional economic benefits are received (€290 million);
- amortisation for the period (€1,696 million);
- a reduction due to the effect of currency translation differences, totalling €1,243 million, essentially due to declines in the period-end value of the Brazilian real (down from 4.516 real to the euro to 6.112) and the Chilean peso (down from 844.86 peso to the euro to 918.72);

- e) recognition of impairment losses on goodwill allocated to the Aéroports de la Côte d'Azur CGU, amounting to €94 million, and on the concession rights acquired in relation to the Italian operator, Autostrada BS VR VI PD, amounting to €109 million.

“**Investments**” amount to €2,858 million, a decline of €804 million compared with 31 December 2019 (€3,662 million). This primarily reflects the following:

- a) the loss (€586 million) resulting from fair value measurement of the investment in Hochtief, recognised in other comprehensive income;
- b) the sale of the investment in the French operator, Alis, with a carrying amount of €117 million;
- c) a reduction of €65 million in the value of investments measured using the equity method, essentially reflecting recognition of the Group's share of the loss for the period reported by Getlink, which also includes recognition of the share of the other comprehensive loss recognised by this company;
- d) an impairment loss of €35 million on the carrying amount of the investment in Aeroporto di Bologna.

“**Deferred tax assets**” of €2,467 million are up €354 million compared with 31 December 2019 (€2,113 million). This primarily reflects the following:

- a) the recognition of deferred tax assets in relation to the RCO group following the group's consolidation, amounting to €254 million;
- b) deferred tax assets recognised by Group companies, essentially on tax losses and provisions, which, after releases during the period, amount to €169 million;
- c) the reduction resulting from translation differences as at 30 June 2020, totalling €79 million and essentially deriving from the fall in the period-end value of the Brazilian real and the Chilean peso against the euro.

“**Working capital**” reports a negative balance of €2,831 million, an increase of €117 million compared with the negative balance of €2,714 million as at 31 December 2019. This essentially reflects collection, in the first half, of tax credits totalling €622 million by Abertis Infraestructuras, in addition to reductions in trading assets (€477 million), trading liabilities (€573 million) and current tax liabilities (€176 million) linked to the decline in revenue caused by the Covid-19 pandemic.

“**Non-current non-financial liabilities**”, totalling €12,817 million are up €1,012 million compared with 31 December 2019 (€11,805 million). The change primarily reflects:

- a) an increase in deferred tax liabilities of €695 million, reflecting consolidation of the RCO group, which contributes a total of €1,182 million, offset by both net translation differences recognised during the period, totalling €199 million, essentially regarding the fall in the period-end value of the South American currencies against the euro, and releases during the period, amounting to €367 million, relating to gains allocated to the concession rights acquired through business combinations;
- b) an increase in non-current provisions (€412 million), primarily linked to an updated estimate of the present value on completion of works funded from provisions for the repair and replacement of Autostrade per l'Italia's motorway infrastructure, amounting to €403 million, as described above.

As a result, “**Net invested capital**” totals €52,882 million (€51,625 million as at 31 December 2019).

2. Interim report on operations

Statement of changes in consolidated equity

CM	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT										TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT AND TO NON-CONTROLLING INTERESTS	
	ISSUED CAPITAL	RESERVES AND RETAINED EARNINGS	CASH FLOW HEDGE RESERVE	NET INVESTMENT HEDGE RESERVE	RESERVE FOR TRANSLATION DIFFERENCES ON TRANSLATION OF ASSETS AND LIABILITIES OF CONSOLIDATED COMPANIES CURRENCIES OTHER THAN THE EURO	RESERVE FOR GAINS/(LOSSES) ON FAIR VALUE MEASUREMENT OF INVESTMENTS	OTHER RESERVES AND RETAINED EARNINGS	PROFIT/(LOSS) FOR PERIOD	TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT AND TO NON-CONTROLLING INTERESTS
Balance as at 31 December 2018 (restated)	826	6,957	-185	-26	-460	-422	8,050	-167	775	8,391	8,477	16,868
Comprehensive income/(loss) for the period	-	-384	-348	-20	60	-177	101	-	594	210	138	348
Owner transactions and other changes												
Atlantia SpA's final dividend (€0.90 per share)	-	-49	-	-	-	-	-49	-	-687	-736	-	-736
Transfer of profit/(loss) for previous period to retained earnings shareholders	-	88	-	-	-	-	88	-	-88	-	-	-
Dividends, distributions and returns of capital paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-702	-702
Monetary revaluation (IAS 29)	-	13	-	-	-	-	13	-	-	13	51	64
Changes in scope of consolidation	-	-	-	-	-	-	-	-	-	-	63	63
Reclassifications and other changes	-	8	-	7	-	-	1	-	-	8	-19	-11
Balance as at 30 June 2019 (restated)	826	6,633	-533	-39	-400	-599	8,204	-167	594	7,886	8,008	15,894
Balance as at 31 December 2019	826	6,612	-436	-28	-572	-489	8,137	-166	136	7,408	7,495	14,903
Comprehensive income/(loss) for the period	-	-761	-54	14	-301	-579	159	-	-772	-1,533	-833	-2,366
Owner transactions and other changes												
Transfer of profit/(loss) for previous period to retained earnings shareholders	-	136	-	-	-	-	136	-	-136	-	-	-
Dividends, distributions and returns of capital paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-242	-242
Monetary revaluation (IAS 29)	-	4	-	-	-	-	4	-	-	4	17	21
Changes in scope of consolidation	-	-	-	-	-	-	-	-	-	-	1,400	1,400
Reclassifications and other changes	-	-19	-	-	-	-	-19	-	-	-19	19	-
Balance as at 30 June 2020	826	5,972	-490	-14	-873	-1,068	8,417	-166	-772	5,860	7,856	13,716



“Equity attributable to owners of the parent and non-controlling interests” totals €13,716 million (€14,903 million as at 31 December 2019).

“Equity attributable to owners of the parent”, totalling €5,860 million, is down €1,548 million compared with 31 December 2019 (€7,408 million). This essentially reflects the comprehensive loss of €1,533 million for the period referred to above.

“Equity attributable to non-controlling interests” of €7,856 million is up €361 million compared with 31 December 2019 (€7,495 million). This essentially reflects a combination of the following:

- a) the consolidation of RCO, contributing equity attributable to non-controlling interests of €1,403 million;
- b) the comprehensive loss for the period attributable to non-controlling interests, amounting to €833 million;
- c) the distribution of equity reserves amounting to €242 million to non-controlling shareholders, primarily by Abertis HoldCo.

2. Interim report on operations

€M	30 June 2020	31 December 2019	INCREASE/ (DECREASE)
Equity attributable to owners of the parent	5,860	7,408	-1,548
Equity attributable to non-controlling interests	7,856	7,495	361
Total equity (F)	13,716	14,903	-1,187
Net debt			
Non-current net debt			
Non-current financial liabilities	49,008	43,826	5,182
Bond issues	28,649	26,628	2,021
Medium/long-term borrowings	18,262	15,204	3,058
Non-current derivative liabilities	1,384	1,301	83
Other non-current financial liabilities	713	693	20
Non-current financial assets	-4,983	-4,784	-199
Non-current financial assets deriving from concession rights	2,961	3,009	48
Non-current financial assets deriving from government grants	205	214	9
Non-current term deposits	-370	-321	-49
Non-current derivative assets	-453	-245	-208
Other non-current financial assets	-994	-995	1
Non-current net debt (G)	44,025	39,042	4,983
Current net debt			
Current financial liabilities	4,954	4,220	734
Bank overdrafts repayable on demand	39	30	9
Short-term borrowings	433	391	42
Current derivative liabilities	59	42	17
Current portion of medium/long-term financial liabilities	4,263	3,620	643
Other current financial liabilities	151	137	14
Financial liabilities related to discontinued operations	9	-	9
Cash and cash equivalents	-8,651	-5,232	-3,419
Cash in hand	7,211	4,172	-3,039
Cash equivalents	-1,435	-1,060	-375
Cash and cash equivalents related to assets held for sale and discontinued operations	-5	-	-5
Current financial assets	-1,162	-1,308	146
Current financial assets deriving from concession rights	-542	-559	17
Current financial assets deriving from government grants	-30	-63	33
Current term deposits	-255	-433	178
Current portion of other medium/long-term financial assets	-118	-136	18
Other current financial assets	-217	-117	-100
Total current net debt/(funds) (H)	-4,859	-2,320	-2,539
Total net debt (I=G+H)	39,166	36,722	2,444
NET DEBT AND EQUITY (L=F+I)	52,882	51,625	1,257

The Atlantia Group's net debt as at 30 June 2020 amounts to €39,166 million (€36,722 million as at 31 December 2019).

"Non-current net debt", amounting to €44,025 million, is up €4,983 million compared with 31 December 2019 (€39,042 million) and consists of:

- a) "Non-current financial liabilities" of €49,008 million, an increase of €5,182 million compared with 31 December 2019 (€43,826 million), primarily due to:
 - 1) new medium/long-term borrowings of €5,643 million, primarily including Atlantia's use of revolving credit facilities amounting to €3,250 million, the agreement of a new credit facility and the use of existing facilities by Abertis Infraestructuras (€1,370 million), Telepass (€300 million), Autostrada A4 (€200 million) and Aeroporti di Roma (€180 million);
 - 2) an increase of €2,075 million in bond issues, essentially regarding new issues during the period by Abertis Infraestructuras as part of the company's EMTN programme, having a total nominal value of €1,500 million, and the issue of bonds by the French company, HIT, a subsidiary of Abertis Infraestructuras, having a nominal value of €600 million;

- 3) inclusion in the scope of consolidation of the RCO group, contributing a total of €1,903 million, essentially relating to bond issues with a value of €1,269 million and medium/long-term borrowings of €623 million;
 - 4) the reclassification to short-term of bond issues and borrowings falling due in 2020 and 2021, totalling €2,536 million and including bonds issued by Autostrade per l'Italia (€594 million) and Aeroporti di Roma (€376 million) and certain borrowings of the French, Brazilian and Chilean subsidiaries of Abertis Infraestructuras, totalling €772 million;
 - 5) the reduction due to the reclassification to the current portion of medium/long-term borrowings of a portion of Autostrade per l'Italia's borrowings from the EIB and CDP, totalling €1,528 million, solely for the purposes provided for in paragraph 69 of IAS 1. As noted previously, the downgrade of the Company's debt to below investment grade, which took place in January 2020, gives the EIB and, in relation to its share of the debt, CDP the right to request additional protections continues to apply. Were such protections not judged to be reasonably satisfactory, the banks would have the right to request early repayment of the existing debt. At the date of preparation of this document, neither the EIB nor CDP has made any request for early repayment.
- b) "Non-current financial assets" of €4,983 million, an increase of €199 million compared with 31 December 2019 (€4,784 million), essentially reflecting the change in the value of fair value hedges entered into by Atlantia as part of the collar financing transaction involving a third of the shares it holds in Hochtief.

"Current net funds" of €4,859 million are up €2,539 million compared with 31 December 2019 (€2,320 million) and consist of:

- a) "Current financial liabilities" of €4,954 million, an increase of €734 million compared with 31 December 2019 (€4,220 million), essentially due to:
 - 1) the above reclassifications to short-term of bond issues and borrowings, totalling €4,064 million;
 - 2) repayments of medium/long-term borrowings totalling €1,764 million, primarily attributable to Abertis Infraestructuras (€1,050 million), a number of its subsidiaries operating in Chile and Brazil (€215 million), Telepass (€200 million) and Autostrade per l'Italia (€70 million), represented by loans from the EIB and Cassa Depositi e Prestiti;
 - 3) the repayment of short-term loans by Telepass, representing a further €100 million;
 - 4) the redemption of bonds totalling €1,688 million, essentially reflecting amounts repaid by Abertis Infraestructuras (€641 million), Autostrada A4 (€400 million) and Autostrade per l'Italia, relating to bonds issued in 2012 (€502 million).
- b) "Cash and cash equivalents", totalling €8,651 million, which is up €3,419 million compared with 31 December 2019 (€5,232 million) due primarily to Atlantia's use of revolving credit facilities, totalling €3,250 million, as referred to above;
- c) "Current financial assets" of €1,162 million, marking a reduction of €146 million compared with 31 December 2019 (€1,308 million), primarily due to a reduction in term deposits held by Abertis Infraestructuras's Chilean and Brazilian subsidiaries.

The residual weighted average term to maturity of the Group's debt is five years as at 30 June 2020.

68.8% of the Group's debt is fixed rate. After taking into account the related hedges, fixed rate debt represents 77.9% of the total. As at 30 June 2020, the weighted average cost of the Atlantia Group's medium/long-term borrowings, including differentials on hedging instruments, is 3.3% (reflecting the combined effect of the 2.6% paid by the companies operating in the euro area, the 3.6% paid by the Chilean companies and the 7.2% paid by the Brazilian companies).

As at 30 June 2020, the Atlantia Group has cash reserves of €14,549 million, consisting of:

- a) €8,651 million in cash and cash equivalents, including €3,699 million attributable to Atlantia;
- b) €5,898 million in committed lines of credit not drawn on, having an average residual term of approximately five years and two months and a weighted average residual drawdown period of approximately four years and four months; these lines of credit include €1.3 billion consisting of two lines of credit obtained by Autostrade per l'Italia from Cassa Depositi e Prestiti, from which the latter has so far not made any disbursement.

The Group's net debt, as defined in the European Securities and Market Authority – ESMA (formerly CESR) Recommendation of 20 March 2013 (which does not permit the deduction of non-current financial assets from debt), amounts to €44,149 million as at 30 June 2020 (€41,506 million as at 31 December 2019).

A detailed assessment of the financial risk linked to the uncertainties surrounding the Group's ability to continue as a going concern, referred to in the "Introduction", is provided in note 9.2 to the condensed consolidated interim financial statements.

Consolidated cash flow

Consolidated statement of changes in net debt^(*)

€M	H1 2020	H1 2019
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Profit/(Loss) for the period	-1,056	752
Adjusted by:		
Amortisation and depreciation	1,789	1,951
Operating change in provisions (**)	558	-105
Financial expenses from discounting of provisions for construction services required by contract and other provisions	23	45
Impairment losses/(Reversals of impairment losses) on financial assets and investments accounted for at fair value	195	31
Dividends received and share of (profit)/loss of investees accounted for using the equity method	28	38
Impairment losses/(Reversals of impairment losses) and adjustments of current and non-current assets	200	10
(Gains)/Losses on sale of investments and other non-current assets	-35	-1
Net change in deferred tax (assets)/liabilities through profit or loss	-440	-160
Other non-cash costs (income)	-150	-44
Operating cash flow (***)	1,112	2,517
Change in operating capital	-97	-414
Other changes in non-financial assets and liabilities	-44	137
Net cash generated from/(used in) operating activities (A)	971	2,240
NET CASH FROM/(USED IN) INVESTMENT IN NON-FINANCIAL ASSETS		
Capital expenditure	-633	-815
Government grants related to assets held under concession	2	4
Increase in financial assets deriving from concession rights (related to capital expenditure)	54	58
Purchases of investments	-	-4
Investment in consolidated companies, including net debt assumed	-3,135	-16
Proceeds from sales of property, plant and equipment, intangible assets and unconsolidated investments	157	6
Proceeds from sales of consolidated companies, including net debt transferred	11	-
Net change in other non-current assets	30	50
Net cash from/(used in) investment in non-financial assets (B)	-3,514	-717
NET EQUITY CASH INFLOWS/(OUTFLOWS)		
Dividends declared by Atlantia	-	-736
Dividends declared by Group companies and payable to non-controlling shareholders	-22	-247
Distribution of reserves and returns of capital to non-controlling shareholders	-220	-455
Net equity cash inflows/(outflows) (C)	-242	-1,438
Increase/(Decrease) in cash and cash equivalents during period (A+B+C)	-2,785	85
Change in fair value of hedging derivatives	108	-529
Non-cash financial income/(expenses)	24	171
Effect of foreign exchange rate movements on net debt and other changes	209	-79
Impact of first-time adoption of IFRS 16 as at 1 January 2019	-	-137
Other changes in net debt (D)	341	-574
Decrease in net debt for period (A+B+C+D)	-2,444	-489
Net debt at beginning of period	36,722	38,791
Net debt at end of period	39,166	39,280

(*) The reconciliation with the consolidated statement of cash flows is provided in the section, "Reconciliation of the reclassified and statutory financial statements".

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

(***) To improve the presentation of cash flows for the first half of 2019, certain items in non-cash financial income have been excluded from operating cash flow, with the matching amounts reclassified to "Non-cash financial income/(expenses)".

“**Net cash from operating activities**” amounts to €971 million for the first half of 2020 (€2,240 million in the first half of 2019). This reflects operating cash flow for the period of €1,112 million and other changes in operating capital and in other non-financial assets and liabilities, resulting in an outflow of €141 million. This essentially reflects reduced motorway toll revenue, linked to the impact on the operating results of the Covid-19 pandemic, only partially offset by the Abertis group’s collection of tax credits of €622 million.

The reduction compared with the first half of 2019, amounting to €1,269 million, is broadly due to the reduction of €1,405 million in operating cash flow, reflecting the performance of the Group’s businesses as a result of the Covid-19 pandemic. This was partially offset by the net reduction of €136 million in cash outflows, primarily relating to the performances of trading and tax assets and liabilities in the two comparative periods.

“**Net cash used for investment in non-financial assets**” amounts to €3,514 million (€717 million in the first half of 2019). The increase of €2,797 million in this outflow compared with the same period of the previous year primarily reflects:

- a) an increase of €3,119 million in investments in consolidated companies compared with the first half of 2019, and including €3,126 million relating to Abertis Infraestructuras’s acquisition of control of the Mexican operator, RCO, including net debt assumed;
- b) a reduction in capital expenditure in the first half of 2020 after the related government grants of €633 million, amounting to €182 million (€815 million in 2019);
- c) a €151 million increase in proceeds from the sale of unconsolidated investments compared with the same period of the previous year, primarily reflecting the amount collected on the sale, in the first half of 2020, of the French operator, Alis, for €152 million.

“**Net equity cash outflows**” amount to €242 million and primarily reflect the distribution of equity reserves to non-controlling shareholders (€220 million).

The reduction of €1,196 million in outflows compared with the same period of 2019 (€1,438 million) is essentially due to the distribution of dividends and reserves in the first half of 2019. In particular:

- a) dividends declared by Atlantia (€736 million);
- b) the distribution of equity reserves by Abertis HoldCo (€432 million);
- c) dividends paid to non-controlling shareholders by Group companies (totalling €247 million).

“**Other changes in net debt**” have reduced net debt by a further €341 million, primarily due to the fall in value of the South American currencies and an increase in the fair value of fair value hedges entered into by Atlantia as part of the collar financing transaction involving a third of the shares it holds in Hochtief, only partially offset by recognition of fair value losses on cash flow hedges linked to the decline in interest rates.

“Other changes in net debt” in the first half of 2019 increased net debt by €574 million. This essentially reflected a reduction in the fair value of hedging derivatives, totalling €529 million, as a result of the significant fall in interest rates.

Alternative performance indicators

In application of the CONSOB Ruling of 3 December 2015, governing implementation in Italy of the guidelines for alternative performance indicators (“APIs”) issued by the European Securities and Markets Authority (ESMA), the basis used in preparing the APIs published by the Atlantia Group is described below.

The APIs shown in this Interim Report are deemed relevant to an assessment of the performance based on the overall results of the Atlantia Group as a whole and the results of its operating segments and of individual consolidated companies. In addition, the APIs provide an improved basis for comparison of the results over time, even if they are not a replacement for or an alternative to the results determined applying the IFRS adopted by the Atlantia Group and described in section 3 of the “Consolidated financial statements as at and for the year ended 31 December 2019: financial statements and notes” (the “statutory financial statements”). No new accounting standards or interpretations, nor amendments to existing standards or interpretations, with an impact on the consolidated financial statements have come into effect during the first half of 2020.

With regard to the APIs, Atlantia presents reclassified consolidated financial statements in the “Financial review for the Atlantia Group”, which differ from the statutory consolidated financial statements. In addition to amounts from the income statement and statement of financial position measured and presented under IFRS, these reclassified financial statements present a number of indicators and items derived from them, even when they are not required by the above standards and are, therefore, identifiable as APIs. In this regard, the following “Reconciliation of the reclassified and statutory financial statements” presents the reconciliation of the reclassified financial statements with the corresponding statutory financial statements included in section 3 of the “Consolidated financial statements as at and for the semester ended 30 June 2020: financial statements and notes”.

The APIs shown in this Interim Report are unchanged with respect to those used in the Annual Report for 2019, to which reference should be made for detailed information on their composition and the methods of calculation used by the Atlantia Group.

The following analysis of the indicator, “Net financial debt”, provides a reconciliation of the composition of this indicator with matching items in the “Consolidated statement of financial position” for the two comparative periods.

Finally, a number of APIs referred to in the section, “Financial review for the Atlantia Group”, are also presented after applying certain adjustments in order to provide a consistent basis for comparison over time. This is deemed to be more effective in describing the Group’s operating and financial performance. The reconciliation of like-for-like amounts for operating revenue, gross operating profit/(loss) (EBITDA) and operating cash flow with the corresponding amounts extracted from the “Key performance

indicators by operating segment” included in the section, “Operating review by segment”, is provided below.

Like-for-like performance indicators by operating segment

As referred to above in the section, “Alternative performance indicators”, the following tables present reconciliations for each operating segment of like-for-like amounts for operating revenue, gross operating profit/(loss) (EBITDA) and operating cash flow with the corresponding amounts extracted from the reclassified consolidated income statement and the statement of changes in net debt.

Operating revenues

H1 2020									
€M	Note	Italian motorways	Aberlis group	Overseas motorways	Italian airports	Overseas airports	Atlantia and other activities	Consolidation adjustments	Total
Reported amounts (A)		1,263	1,789	229	166	65	428	-226	3,714
Adjustments for non like-for-like items									
Change in scope of consolidation and other minor changes	(1)		-135				-		-135
Exchange rate movements and impact of hyperinflation	(2)		114	42			-1		155
Impact connected with collapse of a section of the Polcevera road bridge	(3)	7							7
Sub-total (B)		7	-21	42	-	-	-1	-	27
Like-for-like amounts (C) = (A)-(B)		1,270	1,768	271	166	65	427	-226	3,741
H1 2019									
Reported amounts (A)		1,968	2,592	341	451	141	354	-243	5,604
Adjustments for non like-for-like items									
Change in scope of consolidation and other minor changes	(1)		-241						-241
Impact of hyperinflation	(2)		6						6
Impact connected with collapse of a section of the Polcevera road bridge	(3)	-28							-28
Change in discount rate applied to provisions	(4)	-28	-247	-	-	-	-	-	-275
Sub-total (B)		-28	-247	-	-	-	-	-	-275
Like-for-like amounts (C) = (A)-(B)		1,940	2,345	341	451	141	354	-243	5,329
Like-for-like change		-670	-577	-70	-285	-76	73	17	-1,588
% like-for-like change		-35%	-25%	-21%	-63%	-54%	21%	-7%	-30%

EBITDA

H1 2020									
€M	Note	Italian motorways	Aberlis group	Overseas motorways	Italian airports	Overseas airports	Atlantia and other activities	Consolidation adjustments	Total
Reported amounts (A)		-77	1,108	157	43	6	64	-1	1,300
Adjustments for non like-for-like items									
Change in scope of consolidation and other minor changes	(1)		-85				-		-85
Exchange rate movements and impact of hyperinflation	(2)		61	29			-		90
Impact connected with collapse of a section of the Polcevera road bridge	(3)	207					2		209
Change in discount rate applied to provisions	(4)	8							8
Sub-total (B)		215	24	29	-	-	2	-	222
Like-for-like amounts (C) = (A)-(B)		138	1,084	186	43	6	66	-1	1,522
H1 2019									
Reported amounts (A)		1,162	1,785	256	269	58	23	-1	3,552
Adjustments for non like-for-like items									
Change in scope of consolidation and other minor changes	(1)		-189						-189
Impact of hyperinflation	(2)		6						6
Impact connected with collapse of a section of the Polcevera road bridge	(3)	23					7		16
Change in discount rate applied to provisions	(4)	47							47
Sub-total (B)		24	-183	-	-	-	7	-	-152
Like-for-like amounts (C) = (A)-(B)		1,186	1,602	256	269	58	30	-1	3,400
Like-for-like change		-1,048	-518	-70	-226	-52	36	-	-1,878
% like-for-like change		-88%	-32%	-27%	-84%	-90%	n.s	-	-55%

Operating cash flow

H1 2020									
CM	Note	Italian motorways	Abertis group	Overseas motorways	Italian airports	Overseas airports	Atlantia and other activities	Consolidation adjustments	Total
Reported amounts (A)		205	754	131	47	-15	-9	-1	1,112
Adjustments for non like-for-like items									
Change in scope of consolidation and other minor changes	(1)		55						55
Exchange rate movements and impact of hyperinflation	(2)		51	24					75
Impact connected with collapse of a section of the Polcevera road bridge	(3)	110					2		112
Change in discount rate applied to provisions	(4)	1							1
IREs surtax payable by public concession holders	(5)								-
Sub-total (B)		111	-4	24	-	-	2	-	133
Like-for-like amounts (C) = (A)-(B)		316	750	155	47	-15	-7	-1	1,245
H1 2019									
Reported amounts (A)		686	1,302	208	198	42	82	-1	2,517
Adjustments for non like-for-like items									
Change in scope of consolidation and other minor changes	(1)		-210						-210
Exchange rate movements and impact of hyperinflation	(2)								-
Impact connected with collapse of a section of the Polcevera road bridge	(3)	145					4		149
Change in discount rate applied to provisions	(4)								-
IREs surtax payable by public concession holders	(5)								-
Sub-total (B)		145	-210	-	-	-	4	-	-61
Like-for-like amounts (C) = (A)-(B)		831	1,092	208	198	42	86	-1	2,456
<i>Like-for-like change</i>		-515	-342	-53	-151	-57	-93	-	-1,211
<i>% like-for-like change</i>		62%	-31%	-25%	-76%	n.s.	n.s.	-	49%

Notes:

The term "like-for-like basis", used in the description of consolidated operating revenue, EBITDA and operating cash flow, indicates that amounts for comparative periods have been determined by eliminating:

- for the first half of 2020, the contribution of the Mexican operator, RCO, which began operating in the first half of 2020; for the first half of 2019, the contribution of the Brazilian operator, Autovias, whose concession arrangement expired in July 2019;
- for both comparative periods, the contributions of the Brazilian operator, Paulista and Centrovias, whose concession arrangements expired in January 2019 and May 2020, respectively;
- the difference between foreign currency amounts for the first half of 2020 for companies with functional currencies other than the euro, converted at average exchange rates for the period, and the matching amounts converted using average exchange rates for the same period of 2019; for both comparative periods, the impact of application of accounting standard IAS 29 – Financial Reporting in Hyperinflationary Economies in response to inflation in Argentina;
- for both comparative periods, the reduction in toll revenue and increase in operating costs resulting from the collapse of a section of the Polcevera road bridge. Insurance proceeds have also been eliminated from the first half of 2019;

Reconciliation of net financial debt with net debt

Net financial debt is presented below as a synthetic indicator of the financial structure and is based on the nominal redemption value of bond issues, medium/long-term and short-term borrowings, including bank overdrafts repayable on demand, and after deducting cash.

The statement has been prepared to enable readers to assess the Group's financial structure, distinguishing between financial liabilities in the form of bank borrowings, and thus in the form of borrowing in the financial market in general, from other types of financial asset and liability.

Reconciliation of net financial debt with net debt

€M	30 June 2020	31 December 2019	INCREASE/ (DECREASE)
Bond issues (nominal value)	28,649	26,586	2,063
Bank borrowings (nominal value)	17,794	14,694	3,100
Non-current debt, gross (A)	46,443	41,280	5,163
Bond issues (nominal value)	1,316	1,875	-559
Bank borrowings (nominal value)	2,512	1,192	1,320
Short-term borrowings and bank overdrafts repayable on demand	472	421	51
Current debt, gross (B)	4,300	3,488	812
Cash (C)	-8,646	-5,232	-3,414
Net financial debt (D=A+B+C)	42,097	39,536	2,561
Amortised cost and fair value of financial liabilities included in gross debt (E)	124	208	-84
Other current and non-current financial liabilities (F)	1,276	1,331	-55
Other borrowings (G)	367	396	-29
Derivative liabilities (H)	1,443	1,343	100
Derivative assets (I)	-453	-245	-208
Financial assets deriving from concession rights and other current and non-current financial assets (J) ⁽¹⁾	-5,692	-5,847	155
Net debt related to assets held for sale (K) ⁽²⁾	4	-	4
Net debt (L=D+E+F+G+H+I+J+K)	39,166	36,722	2,444

(1) Includes the financial statement items, "Non-current financial assets" and "Current financial assets" net of the items, "Non-current derivative assets" and "Current derivative assets". This item essentially includes financial assets deriving from concession rights (€3,503 million as at 30 June 2020) attributable to the concessions held by the Group in Spain, Chile and Argentina and Autostrade Meridionali's takeover rights (€410 million as at 30 June 2020). The other financial assets included in this item primarily regard term deposits and government grants to fund construction work.

(2) Includes cash and current financial liabilities related to assets held for sale, as reported in note 7.11 in section 3, "Condensed consolidated interim financial statements".

Changes in net financial debt with respect to 31 December 2019 primarily reflect the following:

- the issue of bonds by Abertis Infraestructuras (with a nominal value of €1,500 million) and by its French subsidiary, HIT (with a nominal value of €600 million);
- inclusion in the scope of consolidation of the bonds and bank borrowings of the Mexican company, Red de Carreteras de Occidente, acquired, together with its subsidiaries, amounting to €1,939 million;
- redemptions of bonds by Abertis Infraestructuras (€641 million), Autostrada A4 (€400 million) and Autostrade per l'Italia (€502 million);
- Atlantia's drawdown of the full amount of €3,250 million available under its revolving credit facilities in January 2020 (with repayment due in October 2021 and June 2023 and already included in cash reserves as at 31 December 2019);

- e) new credit facilities and the use of existing facilities by Abertis Infraestructuras (€1,370 million), Telepass (€300 million), Autostrada A4 (€200 million) and Aeroporti di Roma (€180 million);
- f) repayments of medium/long-term borrowings totalling €1,746 million, primarily by Abertis Infraestructuras (€1,050 million), certain operators in Chile and Brazil (€215 million), Telepass (€200 million) and Autostrade per l'Italia (€70 million), represented by loans from the EIB and Cassa Depositi e Prestiti;
- g) an increase in cash of €3,414 million, reflecting the above use of revolving credit facilities by Atlantia.

Reconciliation of the reclassified and statutory financial statements

Reconciliations of the reclassified financial statements presented above with the statutory income statement, statement of financial position and statement of cash flows prepared under international financial reporting standards (IFRS), and presented in the condensed consolidated interim financial statements as at and for the six months ended 30 June 2020, are included below.

Reconciliation of the consolidated income statement with the reclassified consolidated income statement

CM	11/2 2020						11/2 2019 (restated)					
	Reported basis			Reclassified basis			Reported basis			Reclassified basis		
	Net	Sub items	Main entries	Net	Sub items	Main entries	Net	Sub items	Main entries	Net	Sub items	Main entries
Reconciliation of items												
Toll revenue			2,971			2,971			4,493			4,493
Aviation revenue			138			138			394			394
Revenue from construction services			344			344			451			451
Revenue from construction services - government grants and cost of materials and external services	(a)	310					(b)	414				
Capitalised staff costs - construction services for which additional economic benefits are received	(b)	21					(b)	25				
Revenue from construction services: capitalised financial expenses	(c)	13					(c)	12				
Revenue from construction services provided by sub-operators	(d)						(d)					
Other revenue	(e)		805			805	(e)		717			717
Other operating income				(f+g)		805			(f+g)			717
Total revenue			4,058			4,058			6,055			6,055
TOTAL OPERATING REVENUE						3,114						5,604
Raw and consumable materials			162			162			320			320
Service costs			-1,209			-1,209			-1,225			-1,225
Gain/(Loss) on sale of elements of property, plant and equipment			1			1			1			1
Other operating costs			-349			-349			-184			-184
Concession fees	(f)		188			188	(f)		293			293
Lease expense			-15			-15			-15			-15
Other			-147			-147			-178			-178
Other capitalised operating costs			1			1			1			1
Use of provisions for construction services required by contract				(h)		133			(h)			133
Revenue from construction services: government grants and capitalised cost of materials and external services	(i)			(i)		310	(i)		414			414
Use of provisions for renewal of airport infrastructure	(j)			(j)		16	(j)		22			22
COST OF MATERIALS AND EXTERNAL SERVICES						1,072						1,121
CONCESSION FEES						-188						-293
Staff costs	(g)		672			672	(g)		804			804
NET STAFF COSTS				(h+g)		-619			(h+g)			-743
OPERATING CHANGE IN PROVISIONS						535						105
TOTAL NET OPERATING COSTS						-2,414						-2,057
GROSS OPERATING PROFIT/(LOSS) (EBITDA)						1,300						3,552
PROVISIONS FOR RENEWAL WORK AND OTHER ADJUSTMENTS						-13						-60
Operating change in provisions			-565			-565			77			77
(Provisions)/ Uses of provisions for repair and replacement of motorway infrastructure	(k)		-327			-327	(k)		126			126
(Provisions)/ Uses of provisions for renewal of assets held under concession			30			30			28			28
Provisions for renewal of assets held under concession			-76			-76			-50			-50
Use of provisions for renewal of assets held under concession	(l)		16			16	(l)		22			22
Provisions for risks and charges	(m)		213			213	(m)		21			21
(Impairment losses)/Reversals of impairment losses				(n)		3			(n)			-10
Use of provisions for construction services required by contract			165			165			214			214
Use of provisions for construction services required by contract	(p)		133			133	(p)		178			178
Capitalised staff costs - construction services for which an additional economic benefit is received	(q)		32			32	(q)		36			36
Amortisation and depreciation	(r)		-1,789			-1,789	(r)		-1,951			-1,951
Depreciation of property, plant and equipment			83			83			100			100
Amortisation of intangible assets deriving from concession rights			-1,634			-1,634			-1,793			-1,793
Amortisation of other intangible assets			-12			-12			-58			-58
(Impairment losses)/Reversals of impairment losses			200			200			10			10
(Impairment losses)/Reversals of impairment losses on property, plant and equipment and intangible assets	(s)		-203			-203	(s)		-			-
(Impairment losses)/Reversals of impairment losses	(t)		3			3	(t)		10			10
AMORTISATION, DEPRECIATION, IMPAIRMENT LOSSES AND REVERSALS OF IMPAIRMENT LOSSES				(u+v)		-1,997			(u+v)			-1,951
TOTAL COSTS			-4,780			-4,780			-4,502			-4,502
OPERATING PROFIT/(LOSS)			-722			-722			1,553			1,553
OPERATING PROFIT/(LOSS) (EBIT)						-735						1,541
Financial income			561			561			425			425
Financial income accounted for as an increase in financial assets deriving from concession rights and government grants			130			130			140			140
Dividends received from investees accounted for at fair value	(p)		70			70	(p)		70			70
Other financial income	(q)		361			361	(q)		215			215
Financial expenses			1,271			1,271			986			986
Financial expenses from discounting of provisions for construction services required by contract and other provisions			23			23			45			45
Other financial expenses	(r)		1,248			1,248	(r)		641			641
Foreign exchange gains/(losses)	(s)		8			8	(s)		37			37
Other financial expenses, after other financial income				(t+u+v)		-809			(t+u+v)			-619
Capitalised financial expenses on intangible assets deriving from concession rights				(w)		13			(w)			12
FINANCIAL INCOME/(EXPENSES)			-702			-702			-524			-524
Share of (profit)/loss of investees accounted for using the equity method			28			28			2			2
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS			-1,452			-1,452			1,031			1,031
Income tax (expense)/benefit			395			395			278			278
Current tax expense			-54			-54			-173			-173
Differences on tax expense for previous years			9			9			35			35
Deferred tax income and expense			446			446			180			180
PROFIT/(LOSS) FROM CONTINUING OPERATIONS			1,057			1,057			753			753
Profit/(Loss) from discontinued operations			1			1			1			1
PROFIT/(LOSS) FOR THE PERIOD			1,056			1,056			752			752
<i>of which</i>												
Profit/(Loss) attributable to owners of the parent			772			772			594			594
Profit/(Loss) attributable to non-controlling interests			-284			-284			-158			-158

Reconciliation of the consolidated statement of financial position with the reclassified consolidated statement of financial position

Reconciliation of the consolidated statement of financial position with the reclassified consolidated statement of financial position

€M	30 June 2020				31 December 2019			
	Reported basis		Reclassified basis		Reported basis		Reclassified basis	
	Ref.	Main entries	Ref.	Main entries	Ref.	Main entries	Ref.	Main entries
Reconciliation of items								
Non-current non-financial assets								
Property, plant and equipment	(a)	764		764	(a)	820		820
Intangible assets	(b)	62,403		62,403	(b)	59,472		59,472
Investments	(c)	2,858		2,858	(c)	3,662		3,662
Deferred tax assets	(d)	2,467		2,467	(d)	2,113		2,113
Other non-current assets	(e)	38		38	(e)	77		77
Total non-current non-financial assets (A)				68,530				66,144
Working capital								
Trading assets	(f)	2,098		2,098	(f)	2,575		2,575
Current tax assets	(g)	508		508	(g)	1,006		1,006
Other current assets	(h)	696		696	(h)	565		565
Non-financial assets held for sale or related to discontinued operations			(w)	63			(w)	4
Current portion of provisions for construction services required by contract	(i)	-726		-726	(i)	-571		-571
Current provisions	(j)	-2,747		-2,747	(j)	-2,650		-2,650
Trading liabilities	(k)	-1,670		-1,670	(k)	-2,243		-2,243
Current tax liabilities	(l)	-107		-107	(l)	-283		-283
Other current liabilities	(m)	-942		-942	(m)	-1,117		-1,117
Non-financial liabilities related to assets held for sale and discontinued operations			(x)	-4			(x)	-
Total working capital (B)				-2,831				-2,714
Gross invested capital (C=A+B)				65,699				63,430
Non-current non-financial liabilities								
Non-current portion of provisions for construction services required by contract	(n)	-2,411		-2,411	(n)	-2,473		-2,473
Non-current provisions	(o)	-3,106		-3,106	(o)	-2,694		-2,694
Deferred tax liabilities	(p)	-6,975		-6,975	(p)	-6,280		-6,280
Other non-current liabilities	(q)	-325		-325	(q)	-358		-358
Total non-current non-financial liabilities (D)				-12,817				-11,805
Net invested capital (E=C+D)				52,882				51,625
Total equity (F)		13,716		13,716		14,903		14,903
Net debt								
Non-current net debt								
Non-current financial liabilities	(r)	49,008		49,008	(r)	43,826		43,826
Non-current financial assets	(s)	-4,983		-4,983	(s)	-4,784		-4,784
Total non-current net debt (G)				44,025				39,042
Current net debt								
Current financial liabilities	(t)	4,945		4,954	(t)	4,220		4,220
Bank overdrafts repayable on demand		39		39		30		30
Short-term borrowings		433		433		391		391
Current derivative liabilities		59		59		42		42
Current portion of medium/long-term borrowings		4,263		4,263		3,620		3,620
Other current financial liabilities		151		151		137		137
Current financial liabilities related to assets held for sale and discontinued operations			(y)	9			(y)	-
Cash and cash equivalents	(u)	-8,646		-8,651	(u)	-5,232		-5,232
Cash in hand		-7,211		-7,211		-4,172		-4,172
Cash equivalents		-1,435		-1,435		-1,060		-1,060
Cash and cash equivalents related to assets held for sale and discontinued operations			(z)	-5			(z)	-
Current financial assets	(v)	-1,162		-1,162	(v)	-1,308		-1,308
Current financial assets deriving from concession rights		-542		-542		-559		-559
Current financial assets deriving from government grants		-30		-30		-63		-63
Current term deposits		-255		-255		-433		-433
Current portion of other medium/long-term financial assets		-118		-118		-136		-136
Other current financial assets		-217		-217		-117		-117
Total current net debt (H)				-4,859				-2,320
Total net debt (I=G+H)				39,166				36,722
Net debt and equity (L=F+I)				52,882				51,625
Assets held for sale or related to discontinued operations	(z+w)	68			(z+w)	4		
Liabilities related to assets held for sale and discontinued operations	(+y-x)	13			(+y-x)	-		
TOTAL NON-CURRENT ASSETS	(a+b+c+d+e+s)	73,513			(a+b+c+d+e+s)	70,928		
TOTAL CURRENT ASSETS	(f+g+h-u+v+w-z)	13,178			(f+g+h-u+v+w-z)	10,690		
TOTAL NON-CURRENT LIABILITIES	(-n-o-p-q+r)	61,825			(-n-o-p-q+r)	55,631		
TOTAL CURRENT LIABILITIES	(-i-j-k-l+m+t+y-x)	11,150			(-i-j-k-l+m+t+y-x)	11,084		

Reconciliation of the statement of changes in consolidated net debt and the consolidated statement of cash flows

CM	H1 2020		H1 2019 (restated)		
	Note	Consolidated statement of cash flows	Changes in consolidated net debt	Consolidated statement of cash flows	Changes in consolidated net debt
Reconciliation of items					
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES					
Profit/(Loss) for the period		-1,058	-1,058	752	752
Adjusted by:					
Amortisation and depreciation		1,789	1,789	1,951	1,951
Operating change in provisions ^(*)		558	558	-105	-105
Financial expenses from discounting of provisions for construction services required by contract and other provisions		23	23	15	15
Impairment losses/(Reversal of impairment losses) on financial assets and investments accounted for at cost or fair value		195	195	31	31
Dividends received and share of (profit)/loss of investees accounted for using the equity method		38	28	38	38
Impairment losses/(Reversal of impairment losses) and adjustments of current and non-current assets		200	200	10	10
(Gains)/losses on sale of investments and other non-current assets		35	35	1	1
Net change in deferred tax (assets)/liabilities through profit or loss		-440	-440	-180	-180
Other non-cash costs (income)		-150	-150	-44	-44
Operating cash flow			1,112		2,517
Change in operating assets	(a)		-97		-114
Other changes in non-financial assets and liabilities	(b)		-44		137
Change in trading assets and liabilities and other non-financial assets and liabilities	(c+d)		-141		-277
Net cash generated from/(used in) operating activities (A)			971		2,210
NET CASH FROM/(USED IN) INVESTMENT IN NON-FINANCIAL ASSETS					
Investment in assets held under concession		-525	-525	-587	-587
Purchases of property, plant and equipment		59	59	94	94
Purchases of other intangible assets		-49	-49	-34	-34
Capital expenditure			-633		-815
Government grants related to assets held under concession		2	2	4	4
Increase in financial assets deriving from concession rights (related to capital expenditure)		54	54	58	58
Purchase of investments		-	-	-4	-4
Cost of acquisition	(e)	-1,483	-1,483	-77	-111
Cash and cash equivalents acquired	(f)	281	281	59	59
Net financial liabilities assumed, excluding cash and cash equivalents acquired	(g)		-1,938		-64
Acquisitions of additional interests and/or investments in consolidated companies, net of cash acquired	(h+i)		-1,199		48
Purchases of interests in consolidated companies, including net debt assumed	(j+k+l)		-3,135		-16
Proceeds from sales of property, plant and equipment, intangible assets and unconsolidated investments		157	157	6	6
Sale price	(m)	-	-	-	-
Cash and cash equivalents transferred	(n)	-	-	-	-
Net financial liabilities transferred, excluding cash and cash equivalents transferred	(o)		11		-
Proceeds from disposals of consolidated companies, net of cash and cash equivalents transferred	(p+q)		-		-
Proceeds from disposals of consolidated companies, including net debt transferred	(r+g+h)		11		-
Proceeds from disposals of consolidated companies, net of cash and cash equivalents transferred			-		-
Net change in other non-current assets		30	30	50	50
Net change in current and non-current financial assets	(i)	-303	-303	-649	-649
Net cash from/(used in) investment in non-financial assets (B)	(j)		-3,514		-717
Net cash generated from/(used in) investing activities (C)	(k+l+m+n)		-1,892		-1,302
NET EQUITY CASH INFLOWS/(OUTFLOWS)					
Dividends declared by Atlantia	(h)				736
Dividends declared by the Group and payable to non-controlling shareholders	(i)		-22		-247
Dividends paid by Atlantia	(j+k)		-	-735	-
Dividends paid by Group companies to non-controlling shareholders	(l)		16	233	-
Distribution of reserves and returns of capital to non-controlling shareholders		-220	-220	-455	-455
Net equity cash inflows/(outflows) (D)			-242		-1,438
Net cash (used)/generated during the period (A+B+D)			-2,785		85
Issuance of bonds		2,138		3,922	
Increase in medium/long term borrowings (excluding lease liabilities)		5,710		3,029	
Increase in lease liabilities		14		29	
Bond redemptions		-1,888		-567	
Repayments of medium/long term borrowings (excluding lease liabilities)		-1,746		-7,290	
Repayments of lease liabilities		-17		-15	
Net change in other current and non-current financial liabilities		225		89	
Net cash generated from/(used in) financing activities (E)		4,400		2,330	
Change in fair value of hedging derivatives	(a)		108		-529
Non-cash financial income/(expenses)	(b)		24		171
Effect of foreign exchange rate movements on net debt and other changes	(c)		209		79
Impact of first-time adoption of IFRS 16 as at 1 January 2019			-		-137
Other changes in net debt (F)			341		-574
Net effect of foreign exchange rate movements on net cash and cash equivalents (G)		69		16	
Increase/(decrease) in net debt for period (A+B+D+F)			-2,444		-489
Net debt at beginning of period			36,722		38,791
Net debt at end of period			39,166		39,280
Increase/(decrease) in cash and cash equivalents during period (A+C+E+G)		3,410		-1,316	
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		5,202		5,073	
NET CASH AND CASH EQUIVALENTS AT END OF PERIOD		8,612		3,697	

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

2. Interim report on operations

Notes:

- a) the “Change in operating capital” shows the change in trade-related items directly linked to the Group’s ordinary activities (in particular: inventories, trading assets and trading liabilities);
- b) the “Other changes in non-financial assets and liabilities” shows changes in items of a non-trading nature (in particular: current tax assets and liabilities, other current assets and liabilities, current provisions for construction services required by contract and other provisions);
- c) “Cost of acquisitions” shows the cash outflow when purchasing investments in consolidated companies;
- d) “Cash and cash equivalents acquired” includes the cash acquired as a result of the acquisition of consolidated companies;
- e) the “Net financial liabilities assumed, excluding cash and cash equivalents acquired” include the net debt assumed as a result of the acquisition of consolidated companies;
- f) the “Sale price” refers to the proceeds received from the disposal of consolidated companies;
- g) “Cash and cash equivalents transferred” represents the cash of consolidated companies transferred;
- h) “Net financial liabilities transferred, excluding cash and cash equivalents transferred” represent the share of net debt of consolidated companies transferred;
- i) the “Net change in current and non-current financial assets” is not shown in the “Statement of changes in consolidated net debt”, as it does not have an impact on net debt;
- j) “Net cash used in investment in non-financial assets” does not include changes in the financial assets and liabilities that do not have an impact the statement of changes in consolidated net debt;
- k) “Dividends declared by Atlantia” regard the dividends declared by the Parent Company, regardless of the reporting period in which they are paid;
- l) “Dividends declared by Atlantia Group companies and payable to non-controlling shareholders” regard the dividends declared by Atlantia Group companies attributable to non-controlling interests, regardless of the reporting period in which they are paid;
- m) “Dividends paid by Atlantia” refer to amounts effectively paid by the Parent Company during the reporting period;
- n) “Dividends paid by Atlantia Group companies to non-controlling shareholders” refer to amounts effectively paid to non-controlling shareholders during the reporting period;
- o) the amount represents the change in the fair value of hedging instruments, before the related taxation, as shown in the respective items in the consolidated statement of comprehensive income;
- p) this item essentially includes financial income and expenses in the form of interest linked to loans requiring the repayment of principal and interest accrued at maturity; the financial assets are described in note 7.4 and the financial liabilities in note 7.15 to the condensed consolidated interim financial statements;
- q) this item essentially includes the impact of exchange rate movements on financial assets (including cash and cash equivalents) and financial liabilities denominated in currencies other than the euro held by Atlantia Group companies.

Operating review by segment

The Atlantia Group's operating segments are identified based on the information provided to and analysed by Atlantia's Board of Directors, which represents the Group's chief operating decision maker, when taking decisions regarding the allocation of resources and assessing performance. In particular, the Board of Directors assesses the performance of the business in terms of business, geographical area of operation and the organisational structure of the various areas of business.

There are no changes in the structure of operating segments as at 30 June 2020 with respect to the situation presented in the Annual Report for 2019.

A summary of key financial performance indicators for the identified segments is provided below, in line with the requirements of IFRS 8. Further details are provided in note 10.1 to the condensed consolidated interim financial statements as at and for the six months ended 30 June 2020.

Italian motorways segment				
€m	H1 2020	H1 2019	change	% change
Operating revenue	1,263	1968	-705	-36%
EBITDA	-77	1162	-1,239	n/s
Operating cash flow	205	686	-481	-70%
Capital expenditure	215	271	-56	-21%

Abertis group segment				
€m	H1 2020	H1 2019	change	% change
Operating revenue	1,789	2592	-803	-31%
EBITDA	1,108	1785	-677	-38%
Operating cash flow	754	1302	-548	-42%
Capital expenditure	191	282	-91	-32%

Overseas motorways segment				
€m	H1 2020	H1 2019	change	% change
Operating revenue	229	341	-112	-33%
EBITDA	157	256	-99	-39%
Operating cash flow	131	208	-77	-37%
Capital expenditure	76	74	2	3%

2. Interim report on operations

Italian airports segment

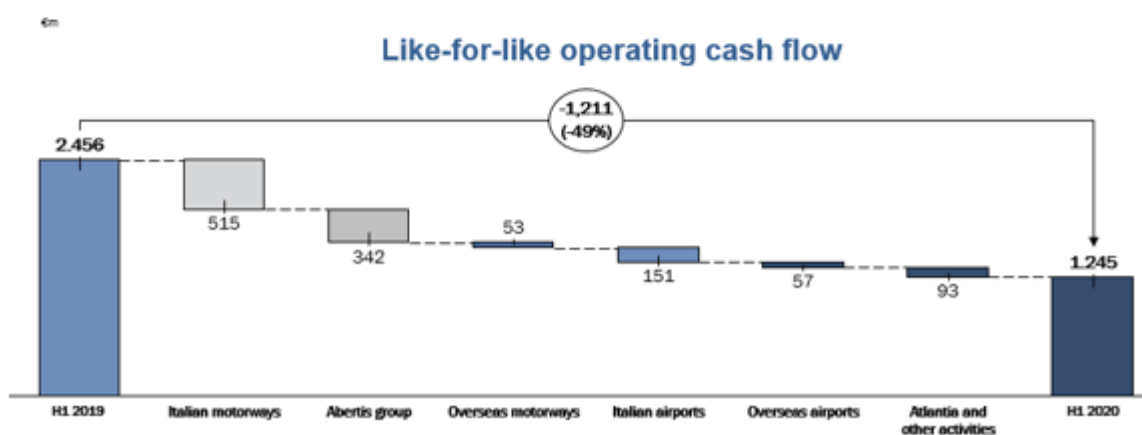
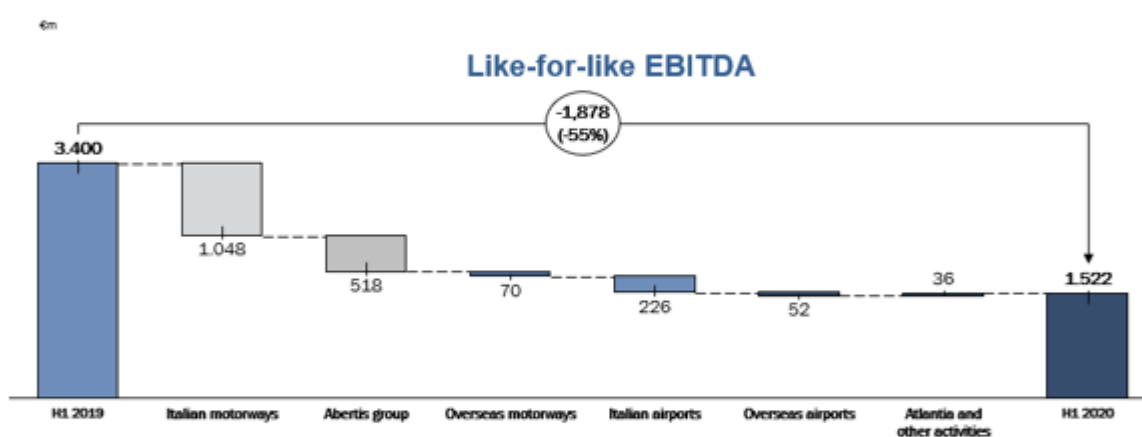
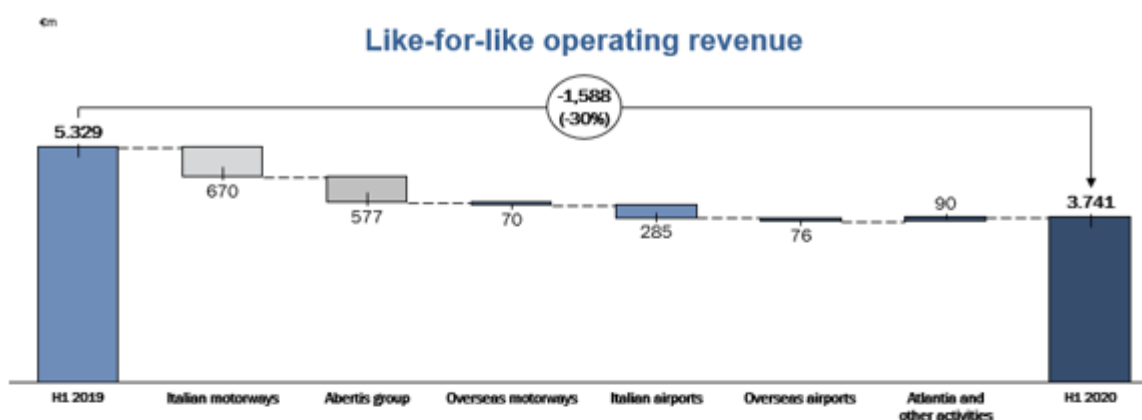
€m	H1 2020	H1 2019	change	% change
Operating revenue	166	451	-285	-63%
EBITDA	43	269	-226	-84%
Operating cash flow	47	198	-151	-76%
Capital expenditure	72	117	-45	-38%

Overseas airports segment

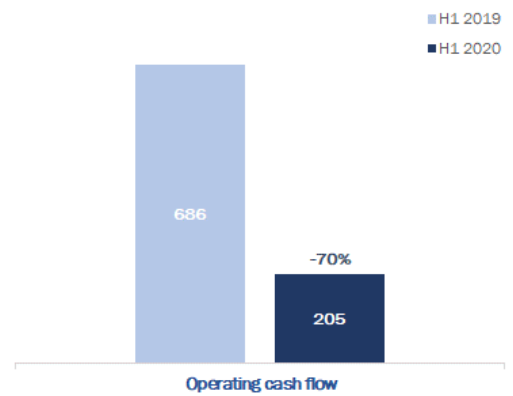
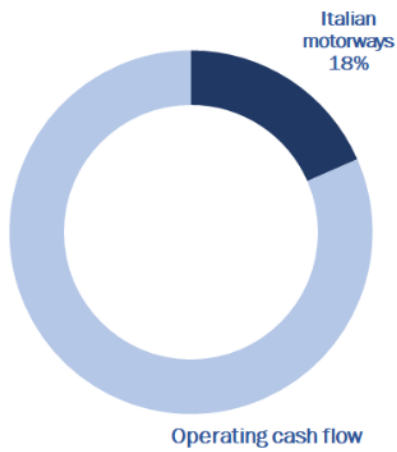
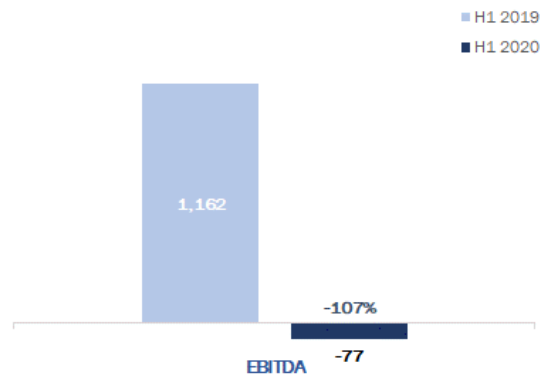
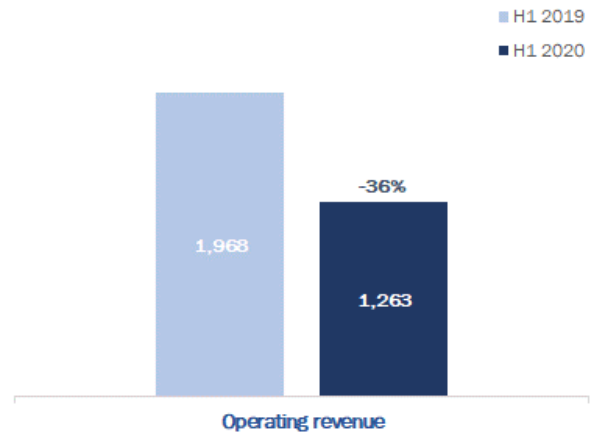
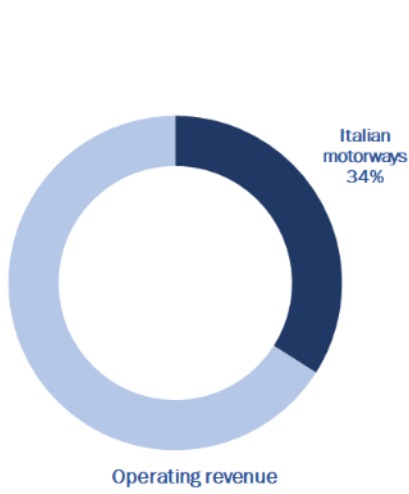
€m	H1 2020	H1 2019	change	% change
Operating revenue	65	141	-76	-54%
EBITDA	6	58	-52	-90%
Operating cash flow	-15	42	-57	n/s
Capital expenditure	18	27	-9	-33%

Other activities

€m	H1 2020	H1 2019	change	% change
Operating revenue	428	354	74	21%
EBITDA	64	23	41	n/s
Operating cash flow	-9	82	-91	n/s
Capital expenditure	40	30	10	33%



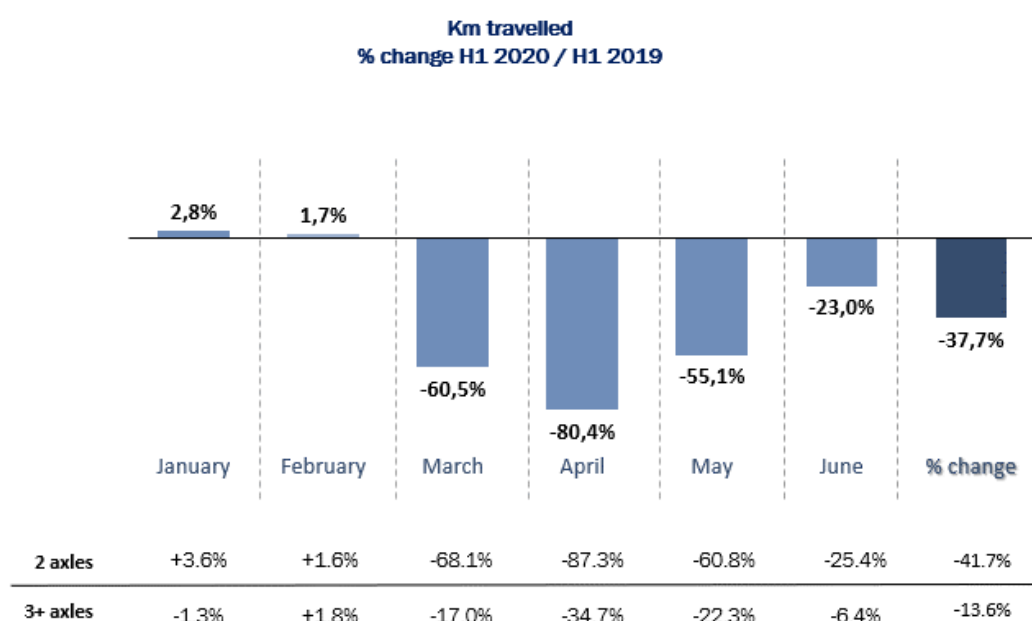
Italian motorways¹



⁽¹⁾ The results of the Abertis group's Italian motorway businesses, presented in the operating segment "Abertis group", are not included.

Traffic

Traffic on the motorway network operated by Autostrade per l'Italia and its motorway subsidiaries is down 37.7% in the first half of 2020 compared with the same period of the previous year. The reduction primarily regarded the number of kilometres travelled by vehicles with 2 axles, which is down 41.7%, whilst the figure for vehicles with 3 or more axles is down 13.6%. Traffic during the first half was significantly impacted by the impact of the spread of Covid-19 in Italy from the last week in February and the subsequent need to introduce progressive restrictions on movement. The traffic performance reached its lowest point in April, entirely due to the lockdown. With the progressive relaxation of restrictions on movements and the reopening of the economy, traffic began to gradually pick up again from May, with the decline of 80.4% registered in April easing to a reduction of 23% in June.



Operating and financial results

The Group's Italian motorway operations generated operating revenue of €1,263 million in the first half of 2020, a reduction of €705 million compared with the same period of the previous year (€1,968 million).

Toll revenue of €1,167 million is down €594 million compared with the same period of 2019 (€1,761 million). The reduction broadly reflects the downturn in traffic caused by the impact of the spread of the Covid-19 pandemic compared with the first half of 2019. The decision to exempt road users in the Genoa area from the payment of tolls has resulted in a reduction in toll revenue of approximately €7 million (€10 million in the first half of 2019).

Other operating income is down €111 million, primarily due to reduced royalties from service areas (down €62 million). This reflects the decline in traffic and the suspension of royalty payments and other fees, in order to support oil and food service providers at service areas on Autostrade per l'Italia's network during the Covid-19 emergency. It should be noted that Autostrade per l'Italia recognised insurance proceeds of €38 million in the first half of 2019, following agreement with the company's insurance company.

regarding quantification of the amount payable solely under existing third-party liability insurance policies for the Polcevera road bridge.

Concession fees, which include the addition to the concession fee payable to ANAS (also accounted for in toll revenue) and concession fees payable in relation to toll revenue and sub-concession arrangements, are down €76 million as a result of the performance of traffic and of royalties from service areas in the first half of 2020.

The cost of materials and external services reflects the additional costs incurred by Autostrade per l'Italia as a result of continued implementation of its network surveillance, inspection, maintenance and safety programmes. These increased costs were partially offset by a reduction in the variable costs linked to winter operations, reflecting kinder weather conditions during the first half of 2020, compared with the comparative period (a total increase of €93 million).

Staff costs are down €41 million, essentially reflecting a reduction in the fair value of management incentive plans, a decline in the average workforce (down 263 on average) and a reduction in the average cost (following activation of the ordinary wage guarantee fund or *CIGO* and other effects of the Covid-19 emergency), partially offset by an increase in costs following renewal of the national collective labour agreement.

Negative EBITDA for the first half of 2020 is €77 million, marking a deterioration of €1,239 million compared with the same period of 2019 (€1,162 million).

In addition to the above components, the reduction also reflects the significant impact of:

- a) the operating change in provisions for the repair and replacement of Autostrade per l'Italia's motorway infrastructure, which (excluding items attributable to reconstruction of the Polcevera road bridge) reflects further net provisions of €400 million following an updated estimate of the cost of repairs to network infrastructure;
- b) new provisions for risks and charges of €200 million made by Autostrade per l'Italia, reflecting an updated estimate of the additional costs to be incurred in connection with ongoing talks with the Government and the MIT aimed at settling the dispute between the parties.

Operating cash flow in the first half of 2020 amounts to €205 million, a reduction of €481 million compared with the first half of 2019 (€686 million). This primarily reflects the negative impact of the spread of Covid-19 and the increased costs incurred by Autostrade per l'Italia as a result of continued implementation of its network surveillance, inspection, maintenance and safety programmes (€93 million), partially offset by a reduction in current tax expense due to the deterioration in pre-tax profit for the period (€121 million). On a like-for-like basis, operating cash flow is €515 million.

Capital expenditure

Capital expenditure by companies operating in the Italian motorway segment amounted to €215 million in the first half of 2020.

The following table shows a breakdown.

€M	CAPITAL EXPENDITURE	
	H1 2020	H1 2019
Autostrade per l'Italia -projects in Agreement of 1997	66	101
Autostrade per l'Italia - projects in IV Addendum of 2002	52	57
Autostrade per l'Italia: other capital expenditure (including capitalised costs)	77	91
Other operators (including capitalised costs)	2	8
Total investment in infrastructure operated under concession	197	257
Investment in other intangible assets	12	8
Investment in property, plant and equipment	6	6
Total capital expenditure	215	271

Work on the following projects continued:

- works included in the Agreement of 1997*, primarily with regard to widening of the AI to three lanes between Barberino and Florence North (the boring of the Santa Lucia tunnel was completed) and between Florence South and Incisa;
- works included in the IV Addendum of 2002*, primarily with regard to complementary works connected with the widening of the AI4 motorway to three lanes, work on the second phase of the Tunnel Safety Plan and construction of the fifth lane of the A8 motorway between Milan and the Lainate Link Road;
- other capital expenditure*, primarily with regard to continued work on the development of new technologies and ongoing improvements to quality and safety standards on the network, as well as major works involved in construction of the fourth free-flow lane for the A4 in the Milan area.

Financial position

Liquidity

On 15 June 2020, Atlantia SpA disbursed €350 million to Autostrade per l'Italia as part of the intra-group loan of €400 million, maturing in January 2021, agreed on 10 June 2020. The loan is covered by the Letter of Support, worth up to €900 million, signed on 24 April and due to expire in December 2021.

In May 2020, Autostrade per l'Italia began the process of applying for a credit facility that would benefit from a guarantee provided by SACE under art. 1, paragraph 7 of law Decree 23 of 8 April 2020 (the so-called Liquidità Decree). Autostrade per l'Italia believes it can access this guarantee in view of its role in managing "critical and strategic infrastructure" and its "impact on employment and the labour market". At the date of preparation of this Interim Report, the arrangement process is still ongoing.

As regards Autostrade per l'Italia's debt, it should be noted that, following the subsidiary's downgrade to below investment by two out of three rating agencies on 8 January 2020, a number of loans obtained by Autostrade per l'Italia SpA from the European Investment Bank and Cassa Depositi e Prestiti may be subject to requests for early repayment, as announced to the market on 8 January 2020 and further commented on in the Annual Report for 2019.

At the date of preparation of this Interim Report, neither the European Investment Bank nor Cassa Depositi e Prestiti has made any request for early repayment. As regards two committed lines of credit amounting to €1.3bn obtained by Autostrade per l'Italia from Cassa Depositi e Prestiti, the latter has so far not made any disbursement.

Covenants

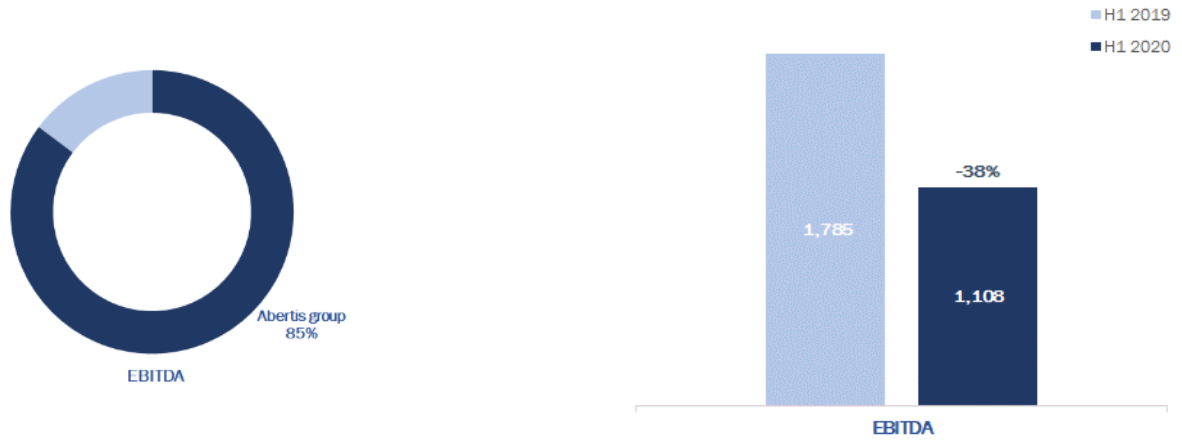
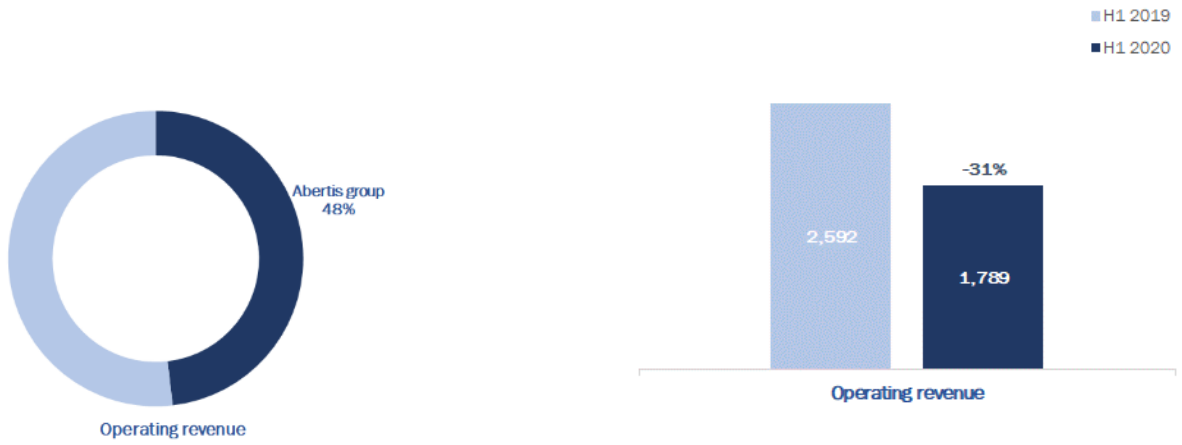
The financial tensions caused by the restrictions on movement imposed in response to the spread of the Covid-19 pandemic, and the consequent impact on traffic and the results of Autostrade per l'Italia and its subsidiaries, could affect the covenants attaching to the various loan agreements.

This issue is common to many companies operating in the manufacturing and infrastructure sectors who have taken out bank loans.

Autostrade per l'Italia will monitor the level of traffic and the implementation of cost-cutting initiatives and revision of its investment programmes. If needed, it will also enter into talks with its banks with a view to negotiating a potential covenant holiday.

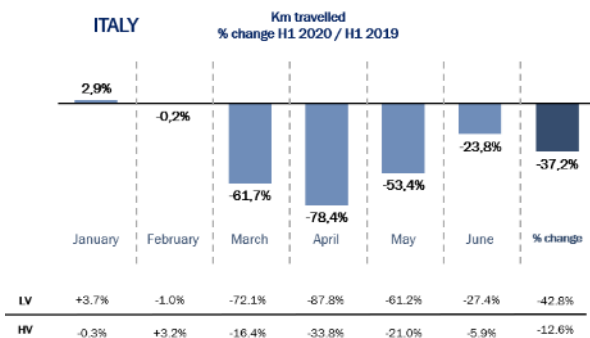
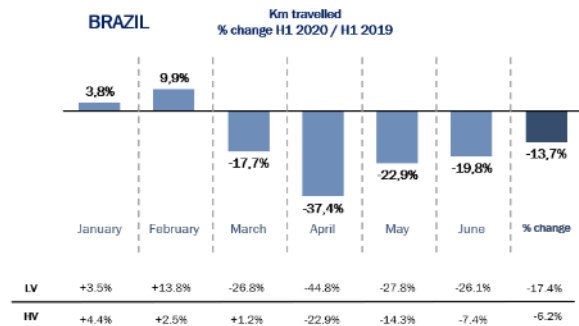
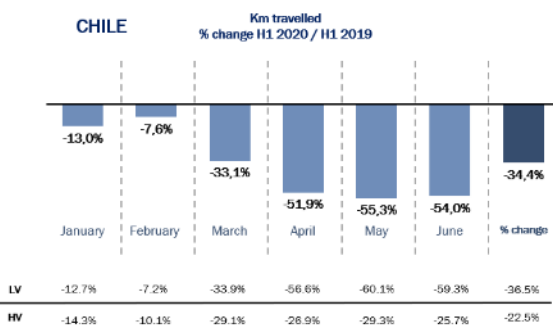
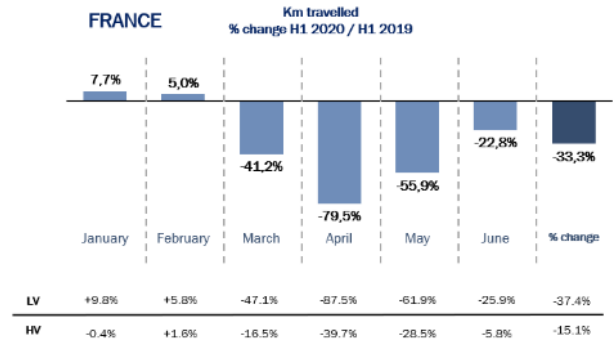
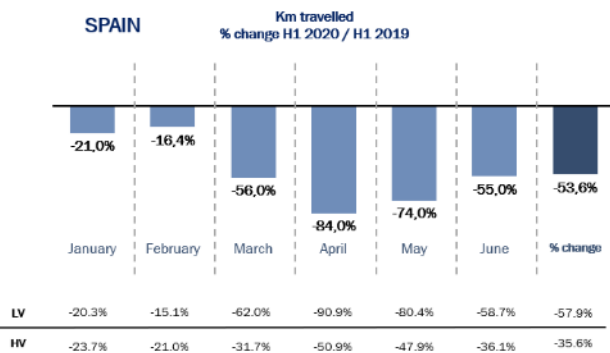


Abertis group



2. Interim report on operations

Traffic²



⁽²⁾ The changes in traffic shown do not take into account the changes in scope occurring between 2019 and 2020. In Spain, Aumar's concession for 467 km of motorway expired in December 2019, whilst in Brazil, Centrovias's concession for 218 km expired on 3 June 2020 and Autovias's concession for 317 km was expanded on 3 July 2019, with the addition of the Via Paulista concession.

Traffic fell by 30.4% overall in the first half of 2020 compared with the same period of the previous year. On a like-for-like basis, the decrease is 29.6%.

COUNTRY	TRAFFIC (MILLIONS OF KM TRAVELLED)		
	H1 2020	H1 2019	% change
Spain	2,829	6,101	-53.6%
France	5,191	7,787	-33.3%
Italy	1,706	2,719	-37.2%
Brazil	9,118	10,565	-13.7%
Chile	2,626	4,001	-34.4%
Mexico ³	581	-	-
Argentina	1,336	2,473	-46.0%
Puerto Rico	816	1,135	-28.1%
India	436	621	-29.8%
Total	24,641	35,402	-30.4%

Operating and financial results

Operating revenue for the first half 2020 amounts to €1,789 million, a reduction of €803 million (31%) compared with the same period of the previous year.

On a like-for-like basis and after stripping out exchange rate movements, revenue is down €577 million (25%), primarily due to the decline in traffic resulting from the Covid-19 pandemic.

COUNTRY	OPERATING REVENUE (€M)		
	H1 2020	H1 2019	% change
Spain	386	714	-45.9%
France	642	868	-26.0%
Italy	144	208	-30.8%
Brazil	232	301	-22.9%
Chile	183	291	-37.1%
Argentina	45	70	-35.7%
Puerto Rico	57	78	-26.9%
India	12	16	-25.0%
Mexico	47	-	-
Abertis Holding and other activities	41	46	-10.9%
Total	1,789	2,592	-31.0%

EBITDA for the first half of 2020 amounts to €1,108 million, a reduction of €677 million (38%) compared with the same period of the previous year.

⁽³⁾ Traffic attributable to the RCO group, consolidated for two months in the first half of 2020 and which registered a 15.2% change in traffic compared with the first half of 2019.

On a like-for-like basis, EBITDA is down €518 million (32%). Abertis group companies implemented extraordinary measures to contain costs in response to the pandemic, including the use of income support schemes for workers adopted by governments in the various countries.

COUNTRY	EBITDA (€M)		
	H1 2020	H1 2019	% change
Spain	275	575	-52.2%
France	437	623	-29.9%
Italy	56	108	-48.1%
Brazil	121	152	-20.4%
Chile	140	234	-40.2%
Argentina	7	14	-50.0%
Puerto Rico	40	56	-28.6%
India	7	11	-36.4%
Mexico ⁴	27	0	n/a
Abertis Holding and other activities	-1	10	n/a
Total	1,108	1,785	-38.0%

The Abertis group's operating cash flow amounts to €754 million for the first half of 2020, a decline of €548 million compared with the same period of 2019. This primarily reflects the negative impact of the spread of Covid-19 and of changes in the scope of operations between the two comparative periods, resulting in a negative impact of €172 million. This is linked primarily to the expiry of Aumar concession on 31 December 2019, only partially offset by continued implementation of the Abertis group's cost efficiency initiatives. On a like-for-like basis, the reduction in operating cash flow amounts to €342 million.

A number of concessions are close to expiring (by the end of 2021). These include:

- a) Spain – Acesa (478 km, EBITDA of €467 million in 2019) and Invicat (66 km, EBITDA of €112 million in 2019): the concessions are due to expire in August 2021 and will be handed back to the grantor, as happened with Aumar's concession, which expired in December 2019. These concessions accounted for 45% of EBITDA in Spain in 2019, in addition to the 23% contributed by Aumar's concession, which has already expired.
- b) Chile – Autopista del Sol (133 km, EBITDA of €60 million in 2019): the original concession expired in May 2019 and was extended by a minimum of 22 months under an agreement designed to compensate the operator for performing certain upgrade services. It is estimated that the cost of this work will have been covered by March 2021, although this depends on traffic projections. Subsequently, following a further agreement regarding the introduction of free-flow tolling, the grantor extended the concession by an additional 8 months. The concession is thus due to expire in November 2021. As a result of traffic

⁽⁴⁾ Traffic referred to the RCO group, consolidated for two months in the first half of 2020 and which presents a change of 15.2% compared to 2019.

trends, it is possible that this date will therefore be put back further beyond 2021. Autopista del Sol accounted for 13% of EBITDA in Chile in 2019.

Capital expenditure

The Abertis group's capital expenditure amounts to €191 million in the first half of 2020. This primarily regards the investment programmes being carried out by the Brazilian operators and work on the *Plan de Relance* investment programme in France.

COUNTRY	CAPITAL EXPENDITURE (€M)	
	H1 2020	H1 2019
Spain	4	2
France	43	79
Italy	7	14
Brazil	114	142
Chile	17	32
Abertis Holding and other activities	6	13
Total	191	282

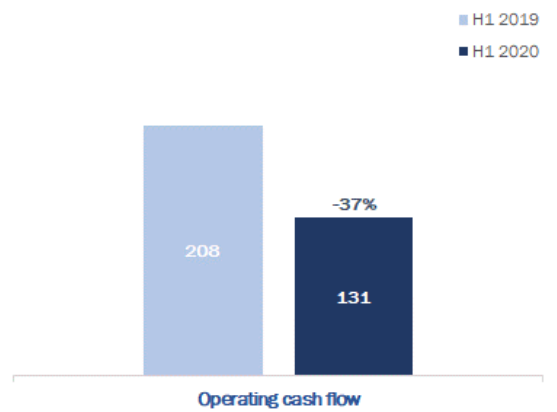
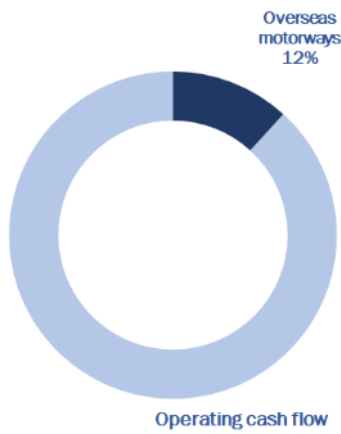
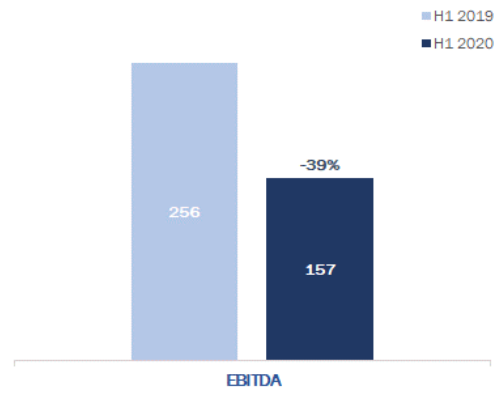
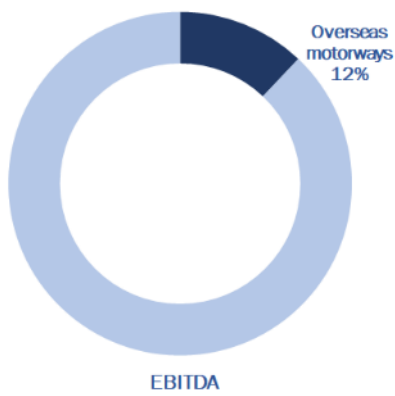
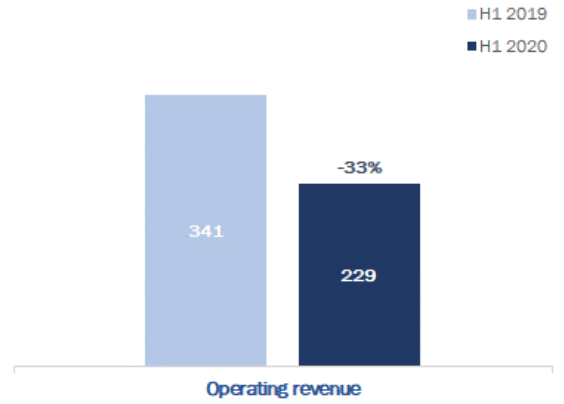
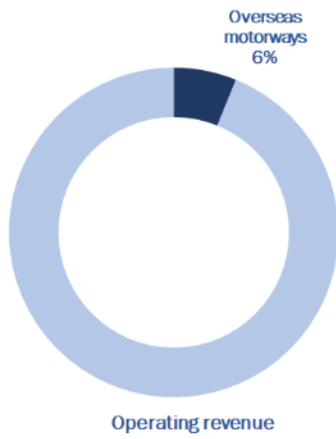
Financial position

Liquidity

The Abertis group has demonstrated that it has ready access to the capital markets, enabling it to complete three bond issues in 2020:

- a) on 30 January 2020, Abertis Infraestructuras issued a bond worth €600 million paying a coupon of 1.25% and having a term to maturity of 8 years;
- b) on 19 June 2020, Abertis Infraestructuras issued a bond worth €900 million paying a coupon of 2.25% and having a term to maturity of almost 9 years;
- c) on 24 April 2020, Holding d'Infrastructures de Transport (HIT) issued a bond worth €600 million paying a coupon of 2.50% and having a term to maturity of 7 years.

Overseas motorways⁵



⁽⁴⁾ The results of the Abertis group's overseas motorway businesses, presented in the operating segment "Abertis group", are not included.

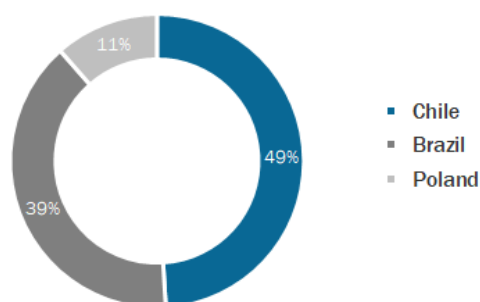
In the first half of 2020, traffic on the networks managed by the Group's overseas operators fell 23.4% overall compared with the same period of 2019.

The overseas motorways segment generated operating revenue of €229 million in the first half of 2020, a reduction of €112 million (33%) compared with the same period of the previous year. On a like-for-like basis, revenue is down €70 million (21%), reflecting the negative impact on traffic of measures adopted in response to the Covid-19 pandemic.

COUNTRY	EBITDA (€M)		
	H1 2020	H1 2019	% change
Brazil	62	96	-35.4%
Chile	77	141	-45.4%
Poland	18	19	-5.3%
Total	157	256	-38.7%

EBITDA of €157 million is down €99 million (39%) compared with the first half of 2019. On a like-for-like basis, EBITDA is down €70 million (27%).

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

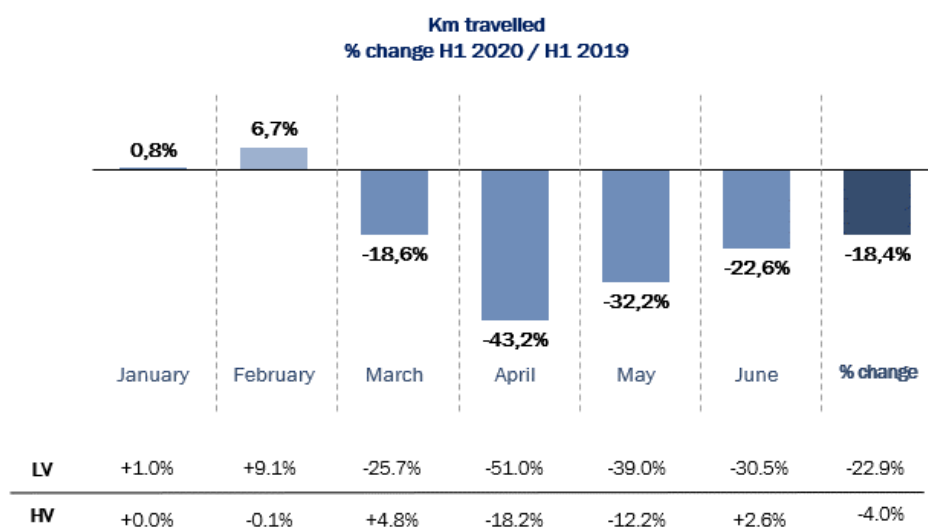


Operating cash flow amounts to €131 million for the first half of 2020, a reduction of €77 million compared with the same period of 2019. This primarily reflects the negative impact of Covid-19. On a like-for-like basis, the reduction in operating cash flow is €53 million.

Financial and operational data is provided below for each country.

Brazil

Traffic



Operating and financial results

Revenue for the first six months of 2020 amounts to €97 million, down €32 million (25%) compared with the first half of 2019. On a like-for-like basis, revenue is down €8 million (6%), reflecting the negative impact on traffic of measures adopted in response to the Covid-19 pandemic, only partially offset by toll increases and an improvement in the vehicle mix due to the lesser impact of the above measures on heavy vehicles.

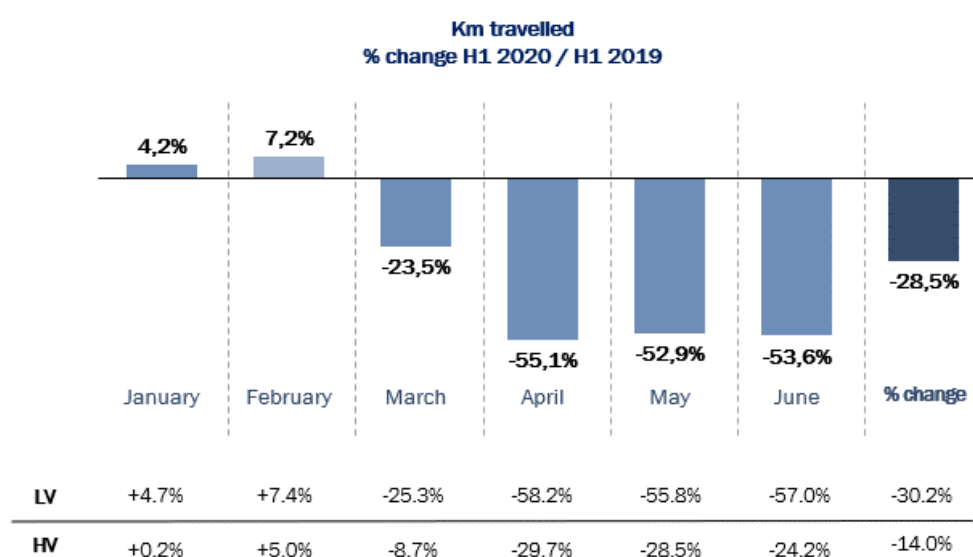
EBITDA of €62 million is down €34 million (35%). On a like-for-like basis, EBITDA is down €19 million (20%), reflecting, in the case of the operator, Nascentes das Gerais, increased provisions for pavement repairs and the one-off release of provisions for risks in the first half of 2019.

Triângulo do Sol's concession (442 km, EBITDA of €86 million in 2019) is currently due to expire in September 2021 in accordance with the addendum of 2006 (which remains the subject of a pending administrative case). The operator is owed numerous regulatory receivables and talks are underway with a view to have these amounts recognised and agree on a procedure for settling them, which may entail an extension of the concession term. Triângulo do Sol accounted for 44% of EBITDA in Brazil in 2019.

Capital expenditure

Capital expenditure in the first half of 2020 amounted to €13m and primarily regarded the investment programme being carried out by the operator, Nascentes das Gerais.

Chile Traffic



Operating and financial results

Total revenue for the first half of 2020 amounts to €101m, a reduction of €71m (41%) compared with the first half of 2019. On a like-for-like basis, revenue is down €53 million (31%), reflecting the negative impact on traffic of measures adopted in response to the Covid-19 pandemic, only partially offset by annual toll increases at the beginning of 2020 and a greater number of time bands when higher tolls are payable to Costanera Norte.

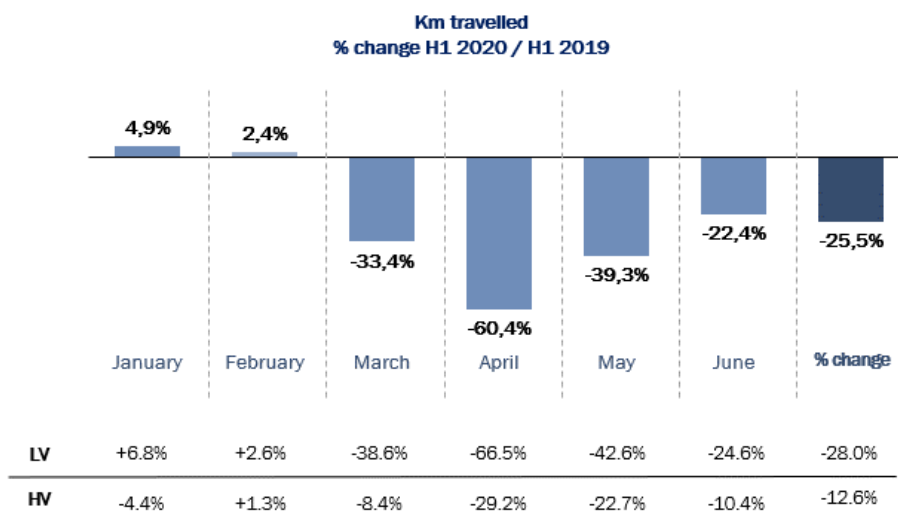
EBITDA of €77 million is down €64 million (45%). On a like-for-like basis, EBITDA is down €51 million (36%).

Capital expenditure

Capital expenditure in the first half of 2020 amounts to €58 million, including approximately €45m in payments to the Grantor by the new operators, Americo Vespucio Oriente II and Conexión Vial Ruta 78 Hasta Ruta 68, as their contributions to the cost of expropriations in accordance with the related concession arrangements. Work is also close to completion on the *Santiago Centro Oriente* upgrade programme, which is 99% completed.

Poland

Traffic



Operating and financial results

Revenue amounts to €31 million for the first half of 2020, a reduction of €8 million (21%) due to the negative impact on traffic of measures adopted in response to the Covid-19 pandemic, only partially offset by an improved vehicle mix due to the lesser impact of the above measures on heavy vehicles.

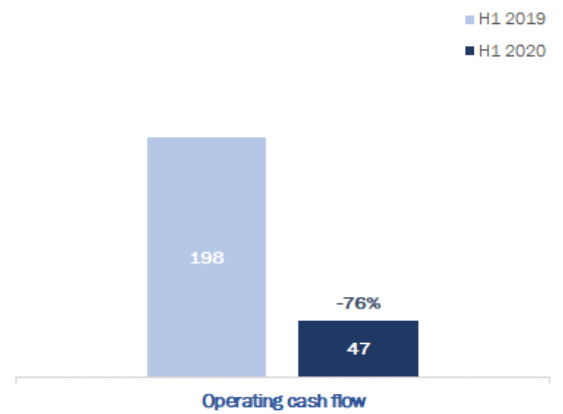
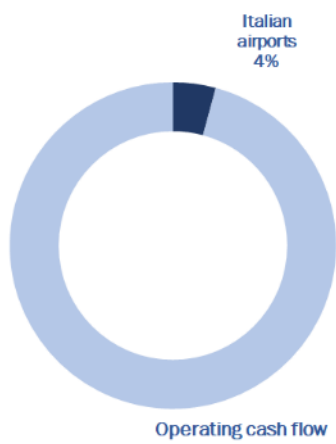
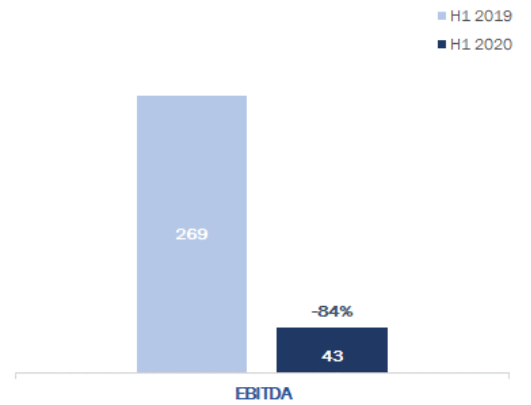
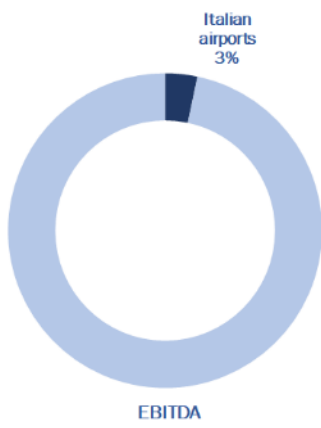
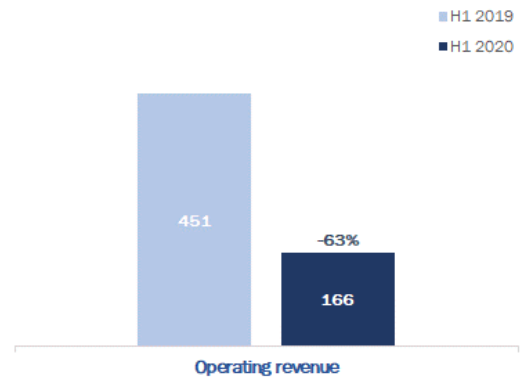
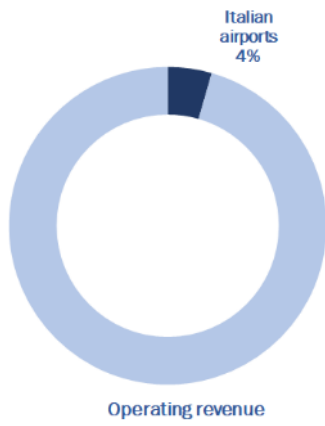
EBITDA of €18 million is down €3 million (14%), which was impacted by the reduced portion of concession fees linked to the profit-sharing mechanism agreed with the regulator and reflecting the reduced amount of cash generated during the period.

Capital expenditure

Capital expenditure amounted to €4m in the first half of 2020, primarily in relation to the investment programme included in the concession arrangement.



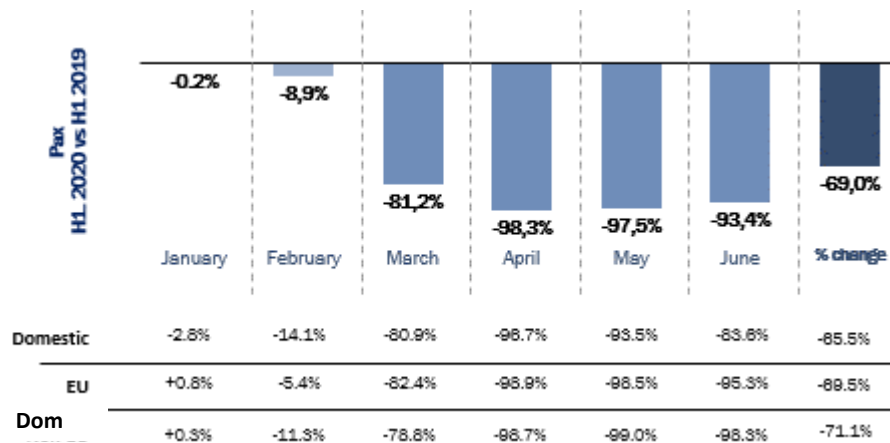
Italian airports



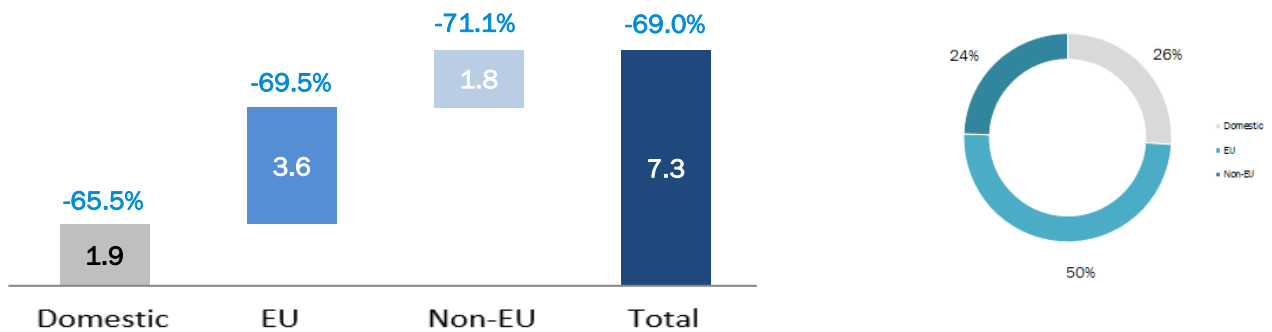
Traffic

The global spread of Covid-19 led to a sharp decline in passenger traffic, resulting from the restrictions on movement introduced at both national and international level by almost all countries.

The Roman airport system handled 69% fewer passengers in the first six months of 2020, compared with the same period of 2019, recording a similar fall in aircraft movements (down 60%.)



Breakdown of traffic using the Roman airport system in H1 2020 (millions of pax and change H1 2020 vs H1 2019)



The fall in traffic accelerated from March onwards, as many countries placed restrictions on flights to and from Italy. This reduced flights in April and May to almost zero.

There was a slight upturn in June, linked to the gradual easing of restrictions on domestic and European travel by governments. The daily average for passengers in the second half of the month was approximately 15,000, up from the daily average of approximately 3,500 passengers in the month of May.

Ciampino airport, where commercial flights were halted for 95 days during the lockdown, registered a similar reduction, with a 65.3% decline in passenger traffic in the first six months of 2020 compared with the first half of 2019.

Operating and financial results

Operating revenue for the first half of 2020 amounts to €166 million, a reduction of €285 million (63%) compared with the same period of the previous year. Aviation revenue of €105 million is down by a total of €214 million (67%), primarily reflecting the decline in traffic. Other operating income of €61 million is

down €71 million (54%) compared with the first half of the previous year, primarily reflecting the above decline in passenger traffic and the closure of terminals.

EBITDA of €43 million is down €226 million (84%) compared with the same period of the previous year. In addition to the decline in revenue, the figure reflects cuts to the cost of materials and external services (down €14 million or 19%), a reduction in staff costs (down €32 million or 34%) due partly to the use of government income support schemes (*CIGS*), and lower concession fees (down €12 million or 69%) linked to the performance of traffic.

Operating cash flow amounts to €47 million for the first half of 2020, a reduction of €151 million compared with the same period of 2019. This essentially reflects the impact of restrictions on travel to and from Italy linked to the spread of Covid-19. On a like-for-like basis, operating cash flow is down €151 million.

Capital expenditure

Capital expenditure in the first half of 2020, totalling €72 million (€117 million in the first half of 2019), reflected the slowdown in work caused by the lockdown. The work carried out primarily regarded the continuation of work on increasing capacity, in line with the planned expansion of the terminals in the eastern part of Fiumicino airport.

Financial position

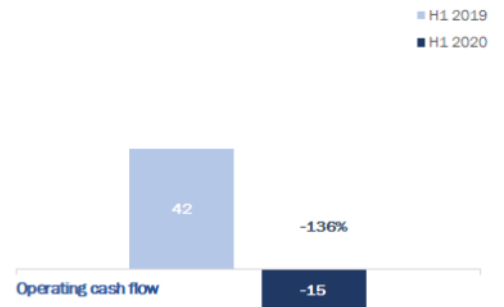
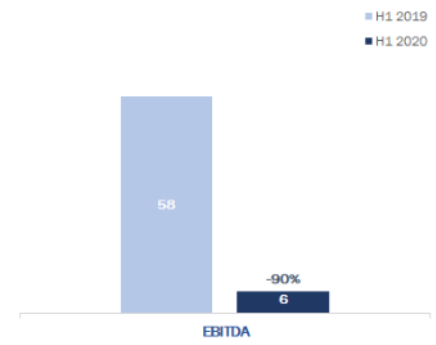
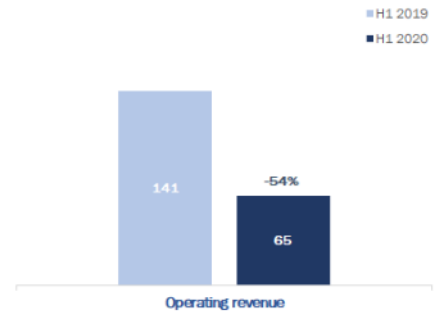
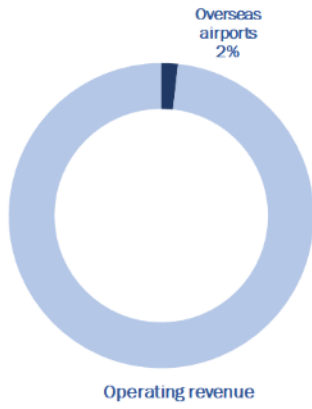
Liquidity

- a) On 30 March 2020, Aeroporti di Roma drew down €80 million on the facility granted by the EIB-CDP in 2016.
- b) In the second quarter of 2020, a new bank facility of €200 million was approved, with €100 million disbursed in June 2020.
- c) Aeroporti di Roma has also applied for guarantees to be provided by SACE for up to €200 million.

Covenants

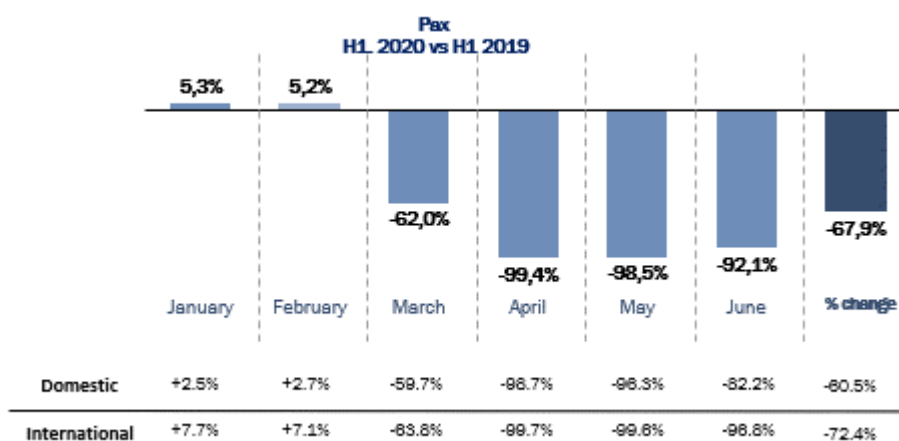
Aeroporti di Roma has also applied, on a precautionary and preventive basis, for covenant holidays relating to two committed lines of credit. One of Aeroporti di Roma's requests has already been agreed to by the lenders.

Overseas airports



Traffic

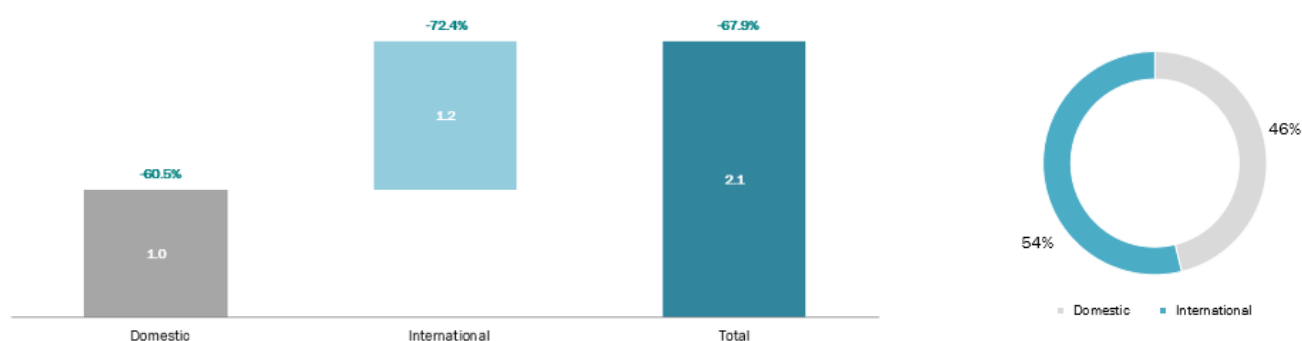
Nice airport handled 2.1 million passengers in the first half of 2020, a reduction of 67.9% compared with the same period of the previous year and reflecting the spread of the Covid-19 pandemic.



The domestic segment, accounting for 46% of total traffic, is down 60.5% compared with the same period of the previous year. The international segment, accounting for 54% of total traffic, is down 72.4%.

Breakdown of traffic using Nice airport in H1 2020

(millions of pax and change H1 2020 versus H1 2019)



Operating and financial results

The Group's overseas airports segment generated operating revenue of €65 million in the first half of 2020, down €76 million (54%) compared with the first six months of 2019.

Aviation revenue of €33 million is down €42 million compared with the first half of 2019. This reflects a combination of the negative impact of the French transport regulator's decision to reduce airport fees (33% lower from 15 May 2019) and the restrictions on air traffic introduced from March 2020 in order to combat the spread of the Covid-19 pandemic.

Other operating income of €32 million is down €34 million compared with the same period of the previous year, primarily due to the lower volume of passengers handled in the first half of 2020.

EBITDA of €6 million is down €52 million compared with the first half of 2019 (a fall of 90%). In addition to the decline in revenue, the figure reflects a decline in staff costs (down €5 million or 23%), due in part to the use of government income support schemes.

Negative operating cash flow for the first half of 2020 amounts to €15 million, a deterioration of €57 million compared with the same period of 2019, essentially due to the negative impact of the spread of Covid-19. On a like-for-like basis, operating cash flow is down €57 million.

Capital expenditure

The Aéroports de la Côte d'Azur group's capital expenditure amounts to €18 million for the first half of 2020 (€27 million in the first half of 2019). The investment programme was revised, resulting in a total reduction of 50%, in response to the health emergency caused by the global spread of Covid-19. Work on the extension of Terminal 2, initially scheduled for 2022/2023, has been postponed until 2024/2025.

Financial position

Liquidity

On 24 June 2020, the rating agency, Moody's, confirmed its Baa3 rating of Azzurra's existing bank borrowings falling due in November 2021 and its Baa2 rating of Aéroports de la Côte d'Azur (ACA). It assigned both companies a "negative" outlook, marking a change from the previous "review for downgrade" (the outlook assigned in January 2020 and then maintained for the following two months).

On 30 July 2020, Azzurra Aeroporti completed the refinancing of all its existing bank debt falling due in November 2021, with the multi-tranche issue of 4-year notes (€360 million) and 7-year notes (€300 million), to which the rating agency, Moody's, has assigned a Baa3 rating, with a "negative" outlook.

The terms and conditions for the notes do not provide for default testing until December 2022.

The issue enables the company to, on the one hand, fully refinance the original acquisition financing (€653 million) and, on the other, extend the average term of its debt (from 1.1 to 5.2 years).

A number of short- and long-term credit lines, totalling €105 million, were disbursed to Aéroports de la Côte d'Azur in the first half of 2020, including €67 million benefitting from a partial guarantee provided by the French state via "BPI France", as part of measures introduced by the French Government to support businesses' liquidity.

Covenants

The financial tensions caused by the restrictions on movement imposed in response to the spread of the Covid-19 pandemic, and the consequent impact on traffic and the results of Aéroports de la Côte d'Azur and its subsidiaries, could affect the covenants attaching to the various loan agreements.

This issue is common to many companies operating in the manufacturing and infrastructure sectors who have taken out bank loans.

Aéroports de la Côte d'Azur will monitor the level of traffic and the implementation of cost-cutting initiatives and revision of its investment programmes. If needed, it will also enter into talks with its banks with a view to negotiating a potential covenant holiday.

Other activities

Telepass

The Telepass group is responsible for operating electronic tolling systems in Italy and overseas, supplies other transport-related payment systems (car parks, restricted traffic zones, vehicle tracking systems, etc.) and provides insurance and breakdown services (breakdown cover in Italy and Europe, travel insurance, etc.). The group's consolidated operating revenue for the first half of 2020 amounts to €112 million⁶, an increase of €8 million compared with the same period of 2019. Telepass's contribution to this revenue is €104 million, up €4 million compared with the same period of 2019.

The group's EBITDA for the first half of 2020 amounts to €57 million, an increase of approximately €2 million compared with the same period of the previous year.

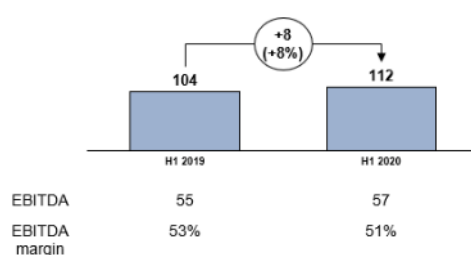
The group's operating cash flow for the first half of 2020 amounts to €45 million, an increase of €3 million compared with the same period of 2019.

As at 30 June 2020, there are a total of 9.1 million active Telepass devices in circulation, an increase of approximately 262,000 compared with 30 June 2019 (up 3.0%). The number of subscribers to the Premium Option totals 2.2 million, around 32,000 or 1.5% more than as at 30 June 2019.

Telepass Pay, established in November 2016 to expand the offering of payment services linked to both urban and inter-city transport, has 492,000 active customers as at 30 June 2020, up 126,000 compared with the same period of 2019 (366,000 active customers as at 30 June 2019, an increase of 34.5%).

The Telepass group's scope of consolidation also includes the following: Urban Next, a company incorporated under Swiss law that develops software and applications relating to urban transport; K-Master, which operates monitoring and management systems for truck fleets via a computer platform and various dedicated software applications; Telepass Broker, an insurance broker; a 75% interest in Infoblu, a company that provides traffic information and data processing services; and a 69.97% interest in Wash Out, a start-up that develops, produces and commercialises innovative products and services that, via a mobile app, enables customers to have their car or other vehicle washed and valeted at home. In addition, on 28 May 2020, a new company, Telepass Assicura Srl was established with all the shares subscribed for by Telepass Spa. This company operates as an insurance and reinsurance agent.

Revenue and EBITDA (€m)



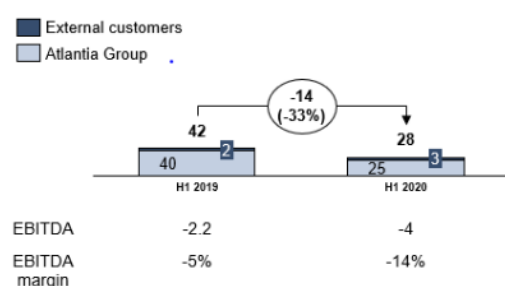
(6) The Telepass group's consolidated revenue.

Spea Engineering

Spea Engineering operates in Italy and overseas, supplying engineering services involved in the design, project management and controls connected to the upgrade and maintenance of motorway and airport infrastructure. Operating revenue for the first half of 2020 amounts to €28 million, a reduction of €14 million compared with the first half of 2019. This primarily reflects a reduction in work on motorway projects (down €7 million), above all due to a decrease in the provision of monitoring services following termination of the surveillance contract from 1 January 2020, only partially replaced by a contract to provide support for surveillance from 1 April 2020. The volume of airport work is also down (a decline of €5 million), primarily due to the sharp fall in airport work caused by the current health emergency. 93% of the company's total revenue during the period was earned on services provided to the Group. Negative EBITDA for the first half of 2020 amounts to €4.0 million, a deterioration of €1.8 million compared with the first half of 2019. This primarily reflects the reduction in the volume of work carried out in the motorway and airport sectors.

Negative operating cash flow for the first half of 2020 amounts to €3 million, a deterioration of €2 million compared with the same period of 2019.

Revenue and EBITDA (€m)



Pavimental

The company operates primarily in Italy, carrying out major infrastructure works for the Group (74% of revenue as at June 2020) and external customers (26% of revenue as at June 2020), as well as providing motorway and airfield surface maintenance services. Despite the slowdown in activity due to the Covid-19 emergency, operating revenue for the first half of 2020 is up approximately €49 million compared with the same period of 2019 to €227 million. The increase is primarily linked to the re-start of road surface maintenance work on Autostrade per l'Italia's network, as well as to the significant volume of work carried out in the Liguria region during the first half of the year (work on tunnels and other infrastructure, such as viaducts and flyovers). Revenue also benefitted from the start-up of new projects for external customers (e.g. Olbia airport, Naples Capodichino airport and COCIV-Interconnessione Voltri-Polcevera), which compensated for the decline in work for Aeroporti di Roma.

EBITDA amounts to €7 million (€9 million in the first half of 2019), reflecting the costs incurred in order to respond to the Covid-19 emergency and the negative impact of the temporary halt to activity.

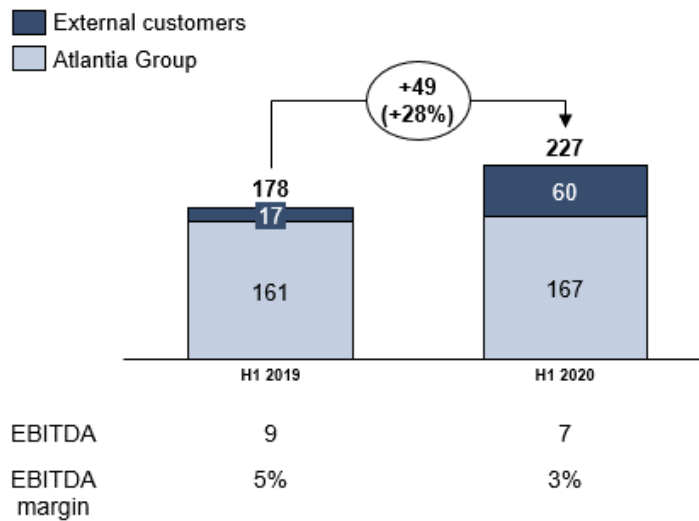
Operating cash flow for the first half of 2020 amounts to €5 million, a reduction of €3 million compared with the same period of 2019.

On 12 June 2020, the ceremony marking demolition of the last diaphragm wall in the Santa Lucia Tunnel, using a tunnel boring machine, was held at Barberino di Mugello. This work forms part of the

planned upgrade of the section of the AI motorway between Barberino del Mugello and Florence North, and represents a natural continuation of the *Variante di Valico* project. The tunnel is the longest three-lane tunnel in Europe and one of the five longest in the world. A dedicated team of approximately 450 people worked on boring the tunnel, which took around 3 years to complete.

The upgrade and extension of runway 23 at Olbia airport was also completed during the period for the customer, Geasar SpA. This project was completed ahead of schedule, thanks to the exceptional deployment of equipment, workers and technologies.

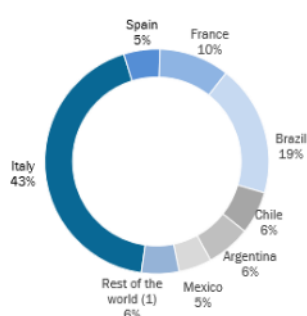
Revenue and EBITDA (€m)



Workforce

As at 30 June 2020, the Group employs 29,703 staff on permanent contracts and 1,042 temporary staff, making a total workforce of 30,745, including 13,226 in Italy and 17,519 at overseas companies.

Geographical breakdown of the Group's total workforce as at 30 June 2020



(1) Includes the workforces of the operators that manage networks in Poland, India and Puerto Rico, and those of the Group's electronic tolling system and smart mobility solutions providers (USA, Hungary, Croatia, Canada, Ireland and the UK).

Compared with the total workforce of 30,633 as at 31 December 2019, the figure is up by a total of 112, primarily reflecting:

- Abertis group:** the consolidation of RCO in Mexico (up 1,461), partially offset by a reduction in the workforce employed in Spain (down 394), primarily following the deconsolidation of the operator, Aumar, at the end of 2019 and cuts to personnel at the companies operating in Brazil (down 282), Argentina (down 96); France (down 74) and Italy (down 13);
- Italian motorways:** Italian motorway operators (down 197), primarily due to the absence of toll collectors employed on a seasonal basis, the decision not to offer extensions to people on fixed-term contracts or to convert them to permanent deals and the absence of seasonal toll collectors in June 2020 as a result of the Covid-19 emergency and activation of the ordinary wage guarantee fund or *CIGO*;
- Overseas motorways:** Grupo Costanera (down 50), primarily due to a reduction in fixed-term personnel as a result of the reduced volume of activity caused by the Covid-19 pandemic;
- Italian airports:** Aeroporti di Roma group (down 376), primarily due to the absence of transfers of personnel on temporary contracts to permanent deals as a result of the Covid-19 emergency;
- Other activities:** Pavimental (up 180), primarily reflecting the acquisition of new railway contracts and an increase in work on the Italian motorway network, above all in the Liguria region, and SPEA (down 39) due to slower turnover.

Information on the performance of staff costs is provided in the "Financial review for the Atlantia Group".

2. Interim report on operations

CATEGORY	30 JUNE 2020	31 DECEMBER 2019	INCREASE/(DECREASE)	
			ABSOLUTE	%
Senior managers	391	387	4	1%
Middle managers and administrative staff	11,385	11,637	(252)	-2%
Toll collectors	7,982	8,213	(231)	-3%
Other operating personnel	10,987	10,396	591	6%
Total	30,745	30,633	112	0%

Risk management

Risk management

In 2005 the Atlantia Group implemented an Enterprise Risk Management (ERM) model for the identification, assessment and management of business risk, with the aim of developing a risk culture within the organisation.

The ERM model has evolved over time with the introduction of a Risk Appetite (a framework aimed at defining the nature and level of risk compatible with strategic objectives) and the definition of Group Risk Management Guidelines, which are continuously revised to keep pace with industry best practices (last updated in June 2020).

From an organisational viewpoint, all Group companies have appointed a Risk Officer to oversee the Risk Management process. The Officer also supports the Risk Owners, who are responsible for managing specific risks, in applying risk management policies.

INTEGRATED RISK CONTROL SYSTEM

Enterprise Risk Management is an ongoing process of analysis and assessment of the risks – both generated or incurred – resulting from the Company's operations. The goal is to orient the Company's strategic decisions according to the Risk Appetite approved by the respective boards of directors, with a direct impact on development strategies, business decisions and the internal control system.

The integrated risk control system is a widespread process with the Group's individually significant companies. It involves:

- a) the revision and dissemination of the Methodological Guidelines for conducting enterprise risk management activities (last updated in June 2020);
- b) annual review of the Risk Appetite of individual companies, as approved by the respective boards of directors;
- c) revision of the risk catalogue (Risk Assessment) by the Group's individually significant companies; this activity involves Risk Owners and Risk Officers and consists of the identification and assessment of risks, and identification of any corrective actions needed to align the level of risk with the respective Risk Appetites;
- d) approval by the boards of directors of each company of the results of the Risk Assessment and the presentation to Atlantia's Board of Directors (following validation by Atlantia's Internal Control, Risk and Corporate Governance Committee) of risk management activities during the year and the results of Atlantia SpA's risk assessment.

With the support of a leading firm of consultants, in 2019, the Group began the process of revising the risk assessment and management policy applied by the Atlantia Group. The revised policy was approved by

Atlantia's Board of Directors in the first half of 2020 and will be adopted by all Group companies as part of the ERM process for 2020.

Atlantia Group's main risks

As noted above in the section, "Financial review for the Atlantia Group", whilst taking into account the new proposals for a settlement of the dispute with the MIT put forward by Autostrade per l'Italia and Atlantia in July 2020, and the Government's stated willingness to bring to an end the procedure for serious breaches of Autostrade per l'Italia's concession arrangement, certain material uncertainties remain. These primarily regard the content, procedures and timing of the process involved in concluding the related agreements.

With regard to Autostrade per l'Italia's liquidity and financial risk, the situation of uncertainty linked to the unilateral, retroactive changes (*in peius*) to the concession and regulatory framework, introduced by the so-called "*Milleproroghe* Decree", converted into Law 8 of 28 February 2020, has reduced Autostrade per l'Italia's ability to borrow in the financial market in order to meet its financial needs. In addition, the restrictions on movements introduced in response to the spread of Covid-19 has reduced Autostrade per l'Italia's ability to generate cash to finance its investment programme and service its debt.

In response, the subsidiary has taken a series of measures designed to continuously monitor its financial situation and assess the available options for meeting its financial needs, including the financial support provided for in Law Decree 23 of 8 April 2020, amounting to up to €1,250 million and backed by a guarantee from SACE, in addition to the support made available to Autostrade per l'Italia by Atlantia, amounting to up to €900 million, of which €350 has already been disbursed as at 30 June 2020.

With regard to assessment of the risk of early repayment of Autostrade per l'Italia's borrowings from the European Investment Bank (the "EIB") and, in relation to its share of the debt, Cassa Depositi e Prestiti ("CDP") (amounting to a nominal value of approximately €2.1 billion, with approximately €1.7 billion, including early repayment penalties, guaranteed by Atlantia) as a result of the downgrade of the two companies' ratings to below investment grade, following publication of the *Milleproroghe* legislation, at the date of preparation of this Interim Report, neither the EIB nor CDP has made any request for early repayment. The failure to satisfy a request for early repayment from the EIB or CDP could result in similar requests from Autostrade per l'Italia's other creditors, including bondholders, with a potential impact on Atlantia's secured debt and financial obligations.

The above facts and, above all, the likelihood of reaching an agreement with the Italian Government, and the actions taken to meet the subsidiary's financial needs, have led Autostrade per l'Italia's Board of Directors to consider the above risks and uncertainties to be reasonably surmountable.

With regard to the Group's liquidity risk, as at 30 June 2020, the Atlantia Group has cash reserves of €14,549 million, consisting of:

- a) €8,651 million in cash and cash equivalents;
- b) €5,898 million in committed lines of credit not drawn on by subsidiaries (including two committed lines of credit amounting to €1.3bn obtained by Autostrade per l'Italia from Cassa Depositi e Prestiti, from which the latter has so far not made any disbursement).



The financial tensions caused by the restrictions on movement imposed in response to the spread of the Covid-19 pandemic, and the consequent impact on traffic and the results of the Atlantia Group's operators, could affect the covenants attaching to the various loan agreements and have a negative impact on the certain operators' liquidity.

Other than the above situation regarding Autostrade per l'Italia, the other Group companies do not appear to have significant problems in terms of liquidity. The level of compliance with the financial covenants provided for in loan agreements is constantly monitored and, where deemed to constitute a risk, covenant holidays have been obtained or are in the course of being negotiated. Each Group company is continuing to monitor developments and to assess the option of accessing new lines of credit available on the market, or the option of taking advantage of the aid provided by the various governments in the countries in which they operate in order to meet their planned financial requirements.

With regard to Atlantia's liquidity risk, at the date of preparation of this Interim Report, the Company has cash reserves of approximately €3.7 billion and no debt falling due before 2022 (excluding revolving credit facilities already covered by existing liquidity).

As a result, liquidity risk, excluding the risk of early repayment of the Company's debt linked to the risk of default by the subsidiary, Autostrade per l'Italia, or of payment of the guaranteed amounts, is not deemed to be reasonably likely.

This judgement is also confirmed in the event of an absence of dividends received from investees in 2020, as a result of the situation caused by the restrictions on movement imposed in response to the Covid-19 pandemic, and considering Atlantia's willingness to provide Autostrade per l'Italia with up to €900 million in financial support, of which €350 million has already been disbursed.

With regard to Atlantia's financial risk, it should be remembered that the Company's loan agreements and bond issues contain early repayment provisions triggered by the occurrence of certain events.

In addition, the loan agreements and bond issues of the main subsidiaries, including Autostrade per l'Italia, contain early repayment provisions which, if triggered, could lead to enforcement of the guarantees provided by Atlantia, where present, or, via cross-default provisions, Atlantia's obligation to effect early repayment of its own borrowings.

With regard to the recent developments referred to above, other events that might trigger early repayments of debt for Autostrade per l'Italia and Atlantia (also bearing in mind that there are further guarantees issued by Atlantia in relation to bonds issued by the subsidiary, totalling €3.4 billion at the date of preparation of this Interim Report), under the various applicable terms and conditions, are considered reasonably unlikely to occur.

In the light of these considerations and bearing in mind the above, the Group believes it reasonably unlikely that liquidity or financial risk will occur.

The main areas of risk identified by the Group are described below.

	Risk factors	Impacts	Mitigation strategy
Financial risk	Liquidity, credit/counterparty, currency and interest rate, inflation and equity/market risks	Reference should be made to note 9.2 to the condensed consolidated interim financial statements.	

	Risk factors	Impacts	Mitigation strategy
Compliance risk	Compliance with the law, regulations and concession arrangements	Involvement in criminal, civil and administrative actions, and financial and/or reputational damage	<ul style="list-style-type: none"> - Guidelines, procedures and training (Legislative Decree 231/01, Law 262/05, etc.) - Continuous monitoring by the Company's legal department of ongoing disputes and litigation, - Accurate assessment of the operational and financial impact of new legislation and ongoing proceedings
	Compliance with the Group's ethical standards	Image and reputational risk	<ul style="list-style-type: none"> - Adequate dissemination and training in the ethical standards adopted by the Group and adoption of organisational solutions designed to monitor compliance
Strategic risk	<p>Changes to the Group's existing risk profile (country risk, geographical and sectoral concentration risk, additional debt risk)</p> <p>Integration of acquired businesses</p>	Impact on the Group's operational and financial targets (e.g. liquidity risk, dividend flows, value of assets) and on earnings due to lower post-acquisition synergies	<ul style="list-style-type: none"> - Monitoring of developments in the macroeconomic and regulatory environments in each country - Continuous monitoring of the financial performance of each business unit and assessment of investment - Post-acquisition integration plans
External risks	Changes to the related regulatory framework (renewals /reviews of concessions imposing less favourable conditions than existing ones, the loss of title to concessions)	Impact on earnings, the value of assets recognised in the accounts and to the Company's financial stability	<ul style="list-style-type: none"> - A transparent, collaborative and proactive approach to relations with government and regulatory bodies - Scenario analysis and stress tests during long-

	Risk factors	Impacts	Mitigation strategy
			term planning and/or specific events
	Adverse market movements (e.g. traffic risk, the economic cycle, pandemics, competition)	Major impacts on ability to meet operational and financial targets	<ul style="list-style-type: none"> - Geographical and sectoral diversification - Short- and long-term scenario analyses, monitoring demand trends - Scenario analysis and stress tests during long-term planning and/or specific events - Investment planning in close cooperation with stakeholders and in line with demand
	Climate change (impact of extreme weather events and natural disasters on infrastructure and potential disruption to services)	Impact on the value of assets and financial targets, based on loss or limited availability of infrastructure	<ul style="list-style-type: none"> - Adoption of technical and organisational solutions to monitor the risks resulting from atmospheric events - Periodic adjustments to long-term maintenance programmes - Implementation, on the occurrence of extreme weather events and based on emergency procedures, of all the actions put in place to ensure the safety of users - Periodic review of insurance cover
Operational / business continuity risk	Delays in or failure to implement planned investment	Additional investment costs and potential imposition of penalties by grantors, need for additional financial resources	<ul style="list-style-type: none"> - Definition of project requirements with the involvement of all the interested parties, in order to shorten consents process and assess financial impacts - Early launch of tender procedures - Adoption of technical and organisational

	Risk factors	Impacts	Mitigation strategy
			solutions designed to ensure that construction of the planned works takes place in accordance with approved designs and related legal and technical requirements
Operational / business continuity risk	Shortcomings in management of the infrastructure operated / maintenance (preventive and improvement) to ensure the best possible operating conditions and safety	Loss / closure of a part of the infrastructure Disruption to services Reputational damage Financial damage	<ul style="list-style-type: none"> - Adoption of technical and organisational solutions designed to ensure the safety of the infrastructure and users - Periodic reviews of the state of infrastructure (including the use of external, independent contractors) and resulting amendment of long-term maintenance programmes
	Risk to people and equipment	Reputational impacts Financial impacts	<ul style="list-style-type: none"> - Safety & security management system - Progressive investment in safety, security and staff training - Adoption of technical and organisational solutions to continuously monitor compliance with safety standards - Periodic review of insurance cover
	Systems failure/malfunction (interruption to services) and cyber security (cybercrime, data loss)	Loss of business continuity with a potential adverse impact on ability to meet financial targets Increased costs due to fines from data protection agencies, litigation, damage to image	<ul style="list-style-type: none"> - Adoption of IT security standards and policies designed to ensure correct functioning of systems and cyber security (security planning and disaster recovery and business continuity plans) - Periodic vulnerability assessments and penetration tests

	Risk factors	Impacts	Mitigation strategy
			<ul style="list-style-type: none">- Different levels of service based on critical nature of service- Insurance cover

Related party transactions

Information on related party transactions is provided in note 10.4, “Related party transactions”, in the condensed consolidated interim financial statements.

Significant legal and regulatory aspects

In addition to the information already provided in the Annual Report for 2019, this section provides details of pending litigation and significant regulatory events affecting the Group's operators. At this time, it is deemed unlikely that current litigation will give rise to significant charges for Group companies in excess of the provisions already accounted for in the consolidated statement of financial position as at 30 June 2020.

Italian motorways

Talks between Autostrade per l'Italia and the Cabinet Office, the Ministry of Infrastructure and Transport and the Ministry of the Economy and Finance

Autostrade per l'Italia is engaged in talks with the Ministry of Infrastructure and Transport (the "MIT"), aimed at resolving the dispute over the Ministry's allegations of serious breaches of the Concession Arrangement following the collapse of a section of the Polcevera road bridge. In both the Annual Report for 2019, approved on 29 May 2020 and the quarterly report approved on 10 June 2020, Autostrade per l'Italia has already noted that, whilst continuing to have confidence in a rapid and positive solution to the situation, based on the progress of talks with the MIT, the Ministry of the Economy and Finance (the "MEF") and the Cabinet Office, and the legislative and/or regulatory framework, including with regard to the eventual outcome of the challenges contesting the provisions contained in the *Milleproroghe* Decree, the company has, in any event, the option of exercising all the rights granted to it under the terms of the concession arrangement, as confirmed by the opinions provided by its legal advisors.

Following the memorandum sent on 13 May 2020, in which Autostrade per l'Italia, with reference to its proposal of 5 March 2020, reiterated the need to rapidly agree on a resolution of the dispute, Autostrade per l'Italia and Atlantia sent a new joint memorandum to the Ministry of Infrastructure and Transport on 10 June 2020. In this memorandum, the Company, after summarising the requests made by the Ministry during the meeting held on 5 June 2020 as a condition for reaching a positive resolution of the dispute, added to the previous proposal "in order to further emphasise and highlight the public interest in acceptance of the proposal".

In a memorandum sent to the MIT on 22 June 2020, Autostrade per l'Italia reiterated this conviction "*without prejudice to the rights acquired, or to be acquired, by this company, including those granted by art. 9-bis of the Single Concession Arrangement entered into in 2007*", and stated that "*were such conviction to be proved wrong by the outcomes of the legal challenges brought, this would mean that there were valid grounds for application of the above art. 9-bis and that such grounds cannot be considered to have been waived*".

However, on 29 June 2020, Aosta Regional Administrative Court dismissed the challenge brought by Raccordo Autostradale Valle d'Aosta against the MIT's decision to award a toll increase of 0% for 2020

and to impose an obligation on the operator, in common with the other operators affected by the amendments to legislation introduced by art. 13 of the *Milleproroghe* Law Decree, to submit by 30 March 2020 as revised Financial Plan in compliance with the new tariff regime introduced by the Transport Regulator. Among other things, the Court also ruled against the company's claim that art. 13 of the *Milleproroghe* Law Decree is in conflict with EU legislation and in breach of the constitution.

On 8 July 2020, the Constitutional Court, following a hearing held that day to examine issues regarding the lawfulness of the Genoa Decree raised by Autostrade per l'Italia and referred to the Court by Liguria Regional Administrative Court for a preliminary ruling, announced its judgement. The Court found that *"the issues raised with regarding the lawfulness of Autostrade per l'Italia's exclusion from the call for tenders held to choose contractors to carry out the work involved in demolition and reconstruction of the road bridge were without grounds. The legislator's decision not to award Autostrade per l'Italia the contract to rebuild the bridge was based on the exceptional gravity of the situation which led it, by way of precaution, not to award the contract to the undertaking responsible for maintaining the bridge itself"*.

On 8 July 2020, the MIT also called Autostrade per l'Italia to meeting to be held on the following day, given *"the need to complete a full and final assessment of the latest settlement proposal received on 10 June"*.

At the meeting of 9 July 2020, representatives from the Cabinet Office, the Ministry of Infrastructure and Transport and the Ministry for the Economy and Finance set out the terms of a potential agreement designed to reach a settlement of the dispute that would be in the public interest. In response, Autostrade per l'Italia, whilst continuing to reject the allegations made against the company regarding alleged breaches of its obligations in relation to management of the Polcevera road bridge, submitted a new settlement proposal in a memorandum dated 11 July 2020. This involves:

- a) a commitment to provide the full amount of the funding requested by Government representatives, amounting to €3,400 million, entirely at the company's own expense and without any return, with this sum to be used to finance reductions in tolls for the benefit of road users (€1,500 million), additional maintenance work on the infrastructure operated under concession during the regulatory period 2020 - 2024 (€1,200 million), and work on reconstruction of the Polcevera road bridge and all other related expenses (€700 million);
- b) a commitment to accept the tariff regime set out in the Transport Regulator's determinations 16 and 71, applying annual toll increases of 1.75% from 1 January 2021, as indicated by representatives of the Government, in addition to the recovery of the negative impact of Covid-19;
- c) a commitment to submit an updated Financial Plan within 7 days of acceptance of the new proposal in keeping with the terms thereof;
- d) a commitment, subject to prior assessment of the conditions for the bankability of the planned investment programme, to amend art. 9 of the Concession Arrangement in line with the compensation regime set out in art. 35 of Law Decree 163 of 2019, only in cases of extremely serious and irremediable compromise of the operation and safety of an essential part of the motorway network, where there is certain proof of the operator's sole responsibility;

- e) a commitment to work with the Grantor on an inspection programme, backed up by an appropriate system of penalties;
- f) a commitment to withdraw a series of pending legal actions relating to reconstruction of the road bridge, the tariff regime introduced by the Transport Regulator and the provisions of the *Milleproroghe* Law Decree.

At the same time, Autostrade per l'Italia, noting Atlantia's willingness to reduce its stake in the company and allow new investors to acquire shares, declared a willingness to ask shareholders to consider the sale of shares to public and private institutional investors by issuing new shares as part of a capital increase.

Following subsequent talks, on 13 July 2020, Autostrade per l'Italia sent a letter to the Cabinet Office, the MIT and the Ministry of the Economy and Finance, providing further details of the proposal dated 11 July 2020.

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

Finally, on 15 July 2020, Atlantia and Autostrade per l'Italia submitted a further proposal, based on the indications received in the meantime. This new proposal, subject to approval by the companies' board of directors, entails the inclusion of Covid-19 related costs in the average annual toll increase of 1.75%, in addition to acceptance of the amendment of art. 9 of the Concession Arrangement, stating that in the event of the identification of specific causes of forfeiture, the compensation due is to be determined on the basis of the unamortised cost of construction and upgrade services performed.

In response, on 15 July 2020, , through press release n.56, the Cabinet Office announced that, in view of the proposed settlement, the Government "*has decided to begin the settlement process as provided for by law, without prejudice to the fact that the right to revoke the concession will only be waived once the settlement agreement has been finalised*".

On 15 July 2020, the Grantor also requested Autostrade per l'Italia to submit the revised Financial Plan. Autostrade per l'Italia responded to the request by sending the revised plan with a letter dated 23 July 2020.

Subsequently, on 31 July 2020, the MIT called a meeting with Autostrade per l'Italia in order to agree on how to proceed (with regard to the settlement agreement and an addendum to the concession arrangement) and to convey its observations on previous documents. This meeting gave rise to a number of differences with respect to what had previously been agreed. On this basis, the operator will itself respond by drawing up a revised text in line with what has been agreed on during the talks, thus progressing negotiations with the grantor with a view to reaching a rapid conclusion of the dispute.

At the same time, on 3 August 2020, Autostrade per l'Italia received observations on the Financial Plan submitted by the operator on 23 July. These are being examined before preparing an appropriate response.

Following the willingness indicated in the above letter of 14 July 2020 to enable a publicly owned entity to acquire a stake in Autostrade per l'Italia, Atlantia has held a series of meetings with Cassa Depositi e Prestiti ("CDP"). There currently appear to be material difficulties in reaching a positive conclusion to the negotiations, not only in terms of agreeing on the methods to use in order to determine Autostrade per l'Italia's market value, but also in relation to requests from CDP for further commitments in addition to those set out in the letter of 14 July 2020.

Whilst the Company stands by its commitment to implement the proposals in the letter of 14 July 2020, Atlantia's Board of Directors believes it necessary – in a spirit of good faith – to seek alternative solutions for separating the Company and Autostrade per l'Italia. Such solutions must provide the market with certainty, in terms of both timing and transparency, whilst also meeting the indispensable need to protect the rights of all the investors and stakeholders involved. In particular, the Board of Directors has examined the following options:

1. the sale via a competitive international auction – managed by independent advisors – of the Company's entire 88% stake in Autostrade per l'Italia, in which CDP could participate alongside other institutional investors of its choosing, as mentioned as an option in the letter;
2. the partial, proportional spin-off of a stake of up to 88% in Autostrade per l'Italia through the creation of a special purpose vehicle to be listed on the stock market, thus creating a contestable public company.

Atlantia could proceed with the above two options in parallel up to a certain point. An extraordinary meeting of Atlantia's Board of Directors has already been scheduled for 3 September this year to examine and approve the spin-off plan.

Constitutional Court rulings on issues of constitutional legitimacy raised by Autostrade per l'Italia within the context of legal challenges brought against the measures introduced by the Special Commissioner for the Reconstruction

A public Constitutional Court hearing was held on 8 July 2020 in response to a request for a ruling on the constitutional legitimacy of the measures in the Genoa Decree and the related actions of the Commissioner, which are already the subject of four challenges before Liguria Regional Administrative Court (in addition to the challenge lodged by Pavimental) regarding (i) the procedure for awarding contracts for the demolition and reconstruction of the road bridge; (ii) the procedure for awarding contracts for project management and the related activities; (iii) the Special Commissioner's request for the handover of the connecting sections of motorway affected by work on the reconstruction; (iv) the Special Commissioner's request for the sums of money needed to fund reconstruction and demolition of the road bridge. These measures had already been contested by Autostrade per l'Italia as being in contrast with Constitutional law and with various EU legal principles. The related matters, having been by Liguria Regional Administrative Court to be relevant and not manifestly unfounded, were referred to the Constitutional Court for a preliminary ruling on 6 December 2019.

Following the above hearing, in its announcement dated 8 July 2020 and judgement 168/2020 (containing reasons) published on 27 July 2020, la Constitutional Court ruled that the issues regarding

the lawfulness of the Genoa Decree, as raised by Autostrade per l'Italia and as referred to the Court by Genoa Regional Administrative Court for a preliminary ruling, were in part without grounds and in part inadmissible.

The reasons that led the Constitutional Court to rule that the Genoa Decree does not breach Constitutional law, enabling, above all, Autostrade per l'Italia SpA to be excluded from work on the demolition and reconstruction of the road bridge, are based on "the urgent need to start work on restoring the section of motorway and doubts surrounding the advisability of awarding the contract to the operator given the gravity of the collapse of the motorway viaduct known as the Morandi Bridge, and in view of the initial results of the related administrative investigations". The Court affirmed that "Moreover, the decision to exclude Autostrade per l'Italia from the call for tenders for the contract, as well as being a natural consequence of the above, is consistent with EU law regarding public contracts and also served to open up the motorway construction sector to greater competition". In addition, "The judgement explains that the exclusion of Autostrade per l'Italia from work on demolition and reconstruction of the road bridge took place over two stages. Above all, the legislator decided that, with regard to these activities, it would not apply the arrangement to which the operator is a party and that the operator was not, therefore, obligated to provide the construction services involved in demolition and reconstruction, despite the fact that Autostrade per l'Italia had expressed a willingness to provide such services. Secondly, the Special Commissioner, charged with carrying out the work, was precluded from entering into negotiations with Autostrade per l'Italia regarding the related contract".

Among the matters ruled inadmissible, the Constitutional Court mentioned the question "relating to Autostrade per l'Italia's responsibility for meeting the costs of reconstruction and of expropriations, given that the Regional Administrative Court has not clarified the grounds on which such responsibility has been assigned: whether final, or merely provisional, whilst awaiting confirmation of the operator's responsibility for providing compensation".

Legal challenges against the actions taken by the Special Commissioner pursuant to Law Decree 109/2018

With regard to the appeals brought by the Cabinet Office, the Ministry of Infrastructure and Transport and the Special Commissioner on 5 January 2020, contesting Liguria Regional Administrative Court's ruling on the preliminary questions proposed by the authorities as part of the related judgements at first instance, the public hearing has been scheduled for 8 October 2020.

Five-yearly update of Autostrade per l'Italia's Financial Plan

With regard to the five-yearly update of the Financial Plan, and following the submission of the updated Financial Plan for the regulatory period 2020-2024 on 8 April 2020, and the technical committee set up with representatives from the Ministry of the Economy and Finance, on 19 June 2020, Autostrade per l'Italia sent the Grantor a technical document containing a summary of all the in-depth discussions had during the meetings held in May and June 2020, indicating the aspects still to be examined and what still needed to be discussed with the MIT. Subsequently, in a letter dated 15 July 2020, following on from the meeting held on 14 July 2020 (see the paragraph on talks with the Cabinet Office, the Ministry of Infrastructure and Transport and Ministry of the Economy and Finance aimed at resolving the dispute over the Ministry's allegations of serious breaches of the Concession Arrangement), which resulted in agreement on the measures deemed necessary in order to meet the public interest in settling the dispute over alleged serious breaches of the concession arrangement launched on 16 August 2018, the MIT

requested Autostrade per l'Italia to submit its revised Financial Plan by 23 July 2020. The Financial Plan was submitted within the deadline.

Toll increases for 2019 and 2020

With regard to the toll increase for 2019 of 0.81%, as authorised by the MIT and MEF and voluntarily deferred for the whole of 2019, Autostrade per l'Italia has repeatedly volunteered to extend the deferral, the latest extension postponing application of the increase through to 31 December 2020.

The toll increase for 2020 has also been deferred until the revised Financial Plan, drawn up in accordance with the Transport Regulator's model by 30 March 2020, has been approved, a process currently in progress.

Both the above increases will be taken into account in the revised Financial Plan.

Extraordinary tunnel inspections – Ministerial Circular no. 6736/6IAI of 19 July 1967 – Launch of a procedure for serious breach pursuant to art. 8 of the Single Concession Arrangement

On 22 July 2020, following a one-off inspection conducted by the Grantor, with the aim of verifying correct implementation of the planned checks being carried out by Autostrade per l'Italia on tunnels around the network it operates, with particular regard to those in the Liguria region, the Grantor announced the “launch of a procedure pursuant to art. 8 of the Concession Arrangement in force”, having identified “operational problems, delays and a failure to comply with the instructions given”. The above procedure is based on a report prepared by inspectors from the Local Inspection Department based in Rome. The report sets out details of the alleged problems identified during onsite inspections carried out on a number of sections of motorway located in the provinces of Genoa and Pescara. The alleged breaches of the Concession Arrangement regard (i) the failure, when carrying out the inspections, to employ the methods provided for in circular no. 6736 of 19 July 1967, which requires checks to be conducted on the tunnel's entire surface area, involving the disassembly of any ducts; (ii) the failure to observe the terms and conditions provided for in the above circular, resulting in “major delays in assessing the state of repair of the infrastructure and the need to repeat inspections previously carried out unilaterally, in order to identify any defects in the structure that constitute a danger to traffic”; (iii) the failure to meet the deadlines set out in the schedule of work to be carried out, with particular regard to 4 tunnels indicated in the report; (iv) delays to completion of the inspections indicated by Autostrade per l'Italia.

In the announcement of the launch of the procedure, dated 22 July 2020, the Grantor gave Autostrade per l'Italia 30 days to conduct the required checks and to provide its justifications individual findings. Art. 8 of the Single Concession Arrangement requires the operator to report on its inspection activity to the Grantor within the deadline set by the latter, indicating where it is in compliance or providing justifications. In order to report on the actual state of progress in implementing work on the tunnels and to clarify its position with regard to compliance with the law, Autostrade per l'Italia is preparing a detailed response, in which it will also specify that the operator has completed full inspections of all the tunnels.

Investigation by the Public Prosecutor's Office in Genoa of the collapse of a section of the Polcevera road bridge

The above-mentioned collapse of a section of the Polcevera road bridge has resulted in criminal action before the Court of Genoa against 39 personnel, including executives and other people employed at the company's Rome headquarters and the relevant area office in Genoa. The investigation relates to the offences provided for in the following articles: 449-434 of the criminal code ("accessory to culpable collapse"); 449-432 of the criminal code ("violation of transport safety regulations aggravated by culpable disaster"); 589-*bis*, paragraph 1 of the criminal code ("culpable vehicular homicide"); 590-*bis*, paragraph 1 of the criminal code ("grievous or very grievous bodily harm caused by road traffic violations"); 589, paragraphs 1, 2 and 3 of the criminal code ("culpable homicide resulting from breaches of occupational health and safety regulations"); 590, paragraphs 1, 3 and 4 of the criminal code ("negligent injury resulting from breaches of occupational health and safety regulations"). Three of Autostrade per l'Italia's executives were subsequently also placed under investigation for the offence provided for in Articles 110 and 479 of the criminal code ("false statements by a public officer in a public office"). As part of the same procedure, Autostrade per l'Italia is also under investigation pursuant to art. 25-*septies* of Legislative Decree 231/2001, relating to "Culpable homicide or grievous or very grievous bodily harm resulting from breaches of occupational health and safety regulations".

Two pre-trial hearings were arranged by the preliminary investigating magistrate. The first, aimed at ascertaining the conditions at the disaster scene, concluded with the filing of an initial report prepared by experts on 31 July 2019, followed by a hearing to examine it on 20 September 2019. With regard to the second pre-trial hearing, the purpose of which is to determine the causes of the collapse, at the hearing held on 14 July 2020, following the swearing in of a new court-appointed expert, the preliminary investigating magistrate further extended the deadline for completion of the expert investigation until 15 October 2020 and, as a result, the deadline for filing the expert technical report until 31 October 2020. The hearing at which the report is to be discussed is now scheduled to take place from 1 December 2020.

Investigation by the Public Prosecutor's Office in Genoa of other bridges and road bridges managed by Autostrade per l'Italia and the initiatives undertaken

As part of a second investigation initiated by the Genoa Public Prosecutor's Office of a series of allegations regarding false statements in relation to inspection reports relating to certain bridges and road bridges on Autostrade per l'Italia's network, four executives and a company employee, among others, were investigated.

According to the charge, some reports prepared by the technicians responsible for testing, monitoring and design were improperly drafted in order to make the maintenance conditions of the road bridges appear better than they actually were.

The imputed offences are the ones provided for in articles 81, 110 and 479 of the criminal code ("false statements by a public officer in a public office").

In September 2019, the preliminary investigating magistrate issued an injunction applying a personal precautionary measure (house arrest) and a prohibitive measure (suspension from work for a period of 12 months) against, among others, two of the above-mentioned Autostrade per l'Italia managers.

In opposition to these measures, the lawyers of the persons under investigation proposed a review, which led to the house arrest measure being replaced with suspension from practising a public service for one year and a ban on exercising any professional activity similar to the one carried out previously for one year,

while the prohibitive measure was confirmed, and following the subsequent rejection of the appeal before the Court of Cassation became enforceable.

Once the company became aware of the prohibitive injunctions, it promptly initiated disciplinary proceedings against the four executives under investigation, which then led to the dismissal of three of them, and the suspension from work of the other.

Investigation by the Public Prosecutor's Office in Vasto of the alleged inclusion of false data in the technical documentation relating to the Giustina Viaduct (AI4)

This criminal investigation is linked to the previous one and follows the provision of evidence gathered by the Public Prosecutor's Office in Genoa to the Public Prosecutor's Office in Vasto, which has jurisdiction. On 26 June 2020, the Public Prosecutor asked the preliminary investigating magistrate at the Court of Vasto for an extension of the deadline for completing the preliminary investigation to 3 February 2021. The people under investigation are the former Head of Operational Maintenance and Investment, the former Director of local office VIII and Autostrade per l'Italia's then Sole Project Manager, who are accused of breaching articles 110 and 479 of the criminal code ("false statements by a public officer in a public office").

Investigation by the Public Prosecutor's Office in Genoa regarding the installation of integrated safety and noise barriers on the AI2

On 10 December 2019, the *Guardia di Finanza* (Finance Police) of Genoa made several visits to the Genoa and Rome offices of Autostrade per l'Italia and a number of Group companies in order to seize technical documents (i.e., designs, calculation reports, test certificates) and organisational documents (i.e. service orders and organisational arrangements in place since 2013) regarding the installation and maintenance of "Integautos" model noise barriers.

The people under investigation, for their alleged responsibility at the time the offences were committed, are the Head of Operational Maintenance and Investment, the Central Operations Director, the Joint General Manager for New Works at Autostrade per l'Italia and the Chief Executive Officer of SPEA Engineering SpA, who are suspected of the offences in articles 110 ("aiding and abetting"), 81 ("continuing offence"), 356 ("public procurement fraud") and 432 ("violation of transport safety regulations") of the criminal code.

Investigation by the Public Prosecutor's Office in Genoa relating to the event that took place in the Bertè tunnel on the A26 motorway on 30 December 2019

Following the collapse of a section of ceiling in the Bertè tunnel on the A26 on 30 December 2019, the Public Prosecutor's Office in Genoa opened an investigation into the alleged failure to conduct the quarterly inspections provided for in Ministry of Public Works Circular no. 6736 of 9 July 1967. Documents relating to the roles and responsibilities of departments within Autostrade per l'Italia, in relation to tunnel maintenance and relations between the company and the Ministry of Infrastructure and Transport regarding such matters, were seized, on behalf of the Public Prosecutor's Office, by the *Guardia di Finanza* (Finance Police) at the Rome offices of Autostrade per l'Italia and at the relevant Local Area Office.

Finally, the Director of Genoa Local Office I was notified that they were under investigation for the offence provided for and punishable under art. 328 of the criminal code (“Dereliction of duty”).

Award of the concession for the A3 Naples – Pompei – Salerno motorway

With regard to Autostrade Meridionali’s appeal to the Campania Regional Administrative Court against the decision to award the SIS Consortium the new concession to operate the A3 Naples–Pompei–Salerno motorway, requesting its cancellation after suspension of the award, on 13 May 2020, the Court rejected Autostrade Meridionali’s request for a provisional injunction halting the award and, at the same time, scheduled a hearing on the merits of the case to be held on 7 October 2020.

Dispute regarding the failure to formally approve Autostrade Meridionali’s financial plan and CIPE Resolution 38/2019

With regard to the legal challenge lodged by Autostrade Meridionali, contesting the Grantor’s failure to respond to the proposed Financial Plan submitted for the period 2013–2022 and CIPE Resolution 38/2019 (governing the transition period between the date of expiry of the concession and the date the new operators takes over), following Campania Regional Administrative Court’s ruling that it did not have jurisdiction on 29 January 2020, Autostrade Meridionali transferred its action to Lazio Regional Administrative Court. A hearing on the merits of the case has been scheduled for 2 December 2020.

Legal challenge contesting the Transport Regulator’s determinations on the new tariff regime

A legal challenge contesting the ruling handed down by Piedmont Regional Administrative Court, which upheld the lawfulness of the Transport Regulator’s decision to partially deny Autostrade per l’Italia access to all the data, computations, estimates and criteria on which the Regulator based the contested determinations, was brought before the Council of State. On 22 June 2020, the Council of State upheld Autostrade per l’Italia’s challenge and ordered “release of the data used by the Regulator in order to determine the weighted average cost of capital (WACC) based on the method set out in paragraph 16 of Resolution 71/2019, and, more specifically, the elements that were used in defining the criteria referred to in paragraph 16.5 of the resolution and the data extracted from the database enabling the Regulator to estimate the efficiency gap and identify the annual efficiency improvement targets”.

Raccordo Autostradale Valle d’Aosta’s toll increase for 2020

Raccordo Autostradale Valle d’Aosta brought an action before Aosta Regional Administrative Court challenging the MIT’s decision to award a toll increase of 0% for 2020 and to impose an obligation on the operator, in common with the other operators affected by the amendments to legislation introduced by art. 13 of the *Milleproroghe* Law Decree, to submit by 30 March 2020 as revised Financial Plan in compliance with the new tariff regime introduced by the Transport Regulator.

On 29 June 2020, the above Court dismissed the challenge, ruling that the measures challenged were lawful, and that they did not represent a refusal to approve a toll increase for 2020, but rather a postponement of determination and application of the increase until the company’s submission of a revised financial plan that complies with the Transport Regulator’s determinations, as required by art. 13 of the *Milleproroghe* Law Decree.

The Court also ruled against the company’s claim that the new regulations are in conflict with EU legislation and in breach of the constitution.

The company is currently considering whether or not to appeal the ruling before the Council of State.

Autostrada Tirrenica - judgement of the Court of Justice of 18 September 2019 and art. 35 of the Milleproroghe Decree

Following conversion into law of the *Milleproroghe* Decree, on 14 May 2020, Autostrade Tirrenica filed a legal challenge with Lazio Regional Administrative Court. The operator has requested the Court to rule on whether the articles in the operator's Concession Arrangement are still valid and in force, subject to granting relief in the form of non-application of art. 35, paragraphs I and I-*ter* of Law Decree 162 of 30 December 2019, converted with amendments into Law 8 of 28 February 2020, or relief in relation to issues regarding the interpretation of EU law and connected issues relating to constitutional law.

The operator's challenge primarily requests the Court to confirm the validity and effectiveness of the provisions in the concession arrangement, having granted relief in the form of non-application of art. 35, paragraphs c(1) and c(I-*ter*) of the *Milleproroghe* Decree as it breaches numerous constitutional principles, in addition to certain basic EU principles, above all those regarding legal certainty and legitimate expectations forming the basis of the fundamental freedoms established by articles 49 *et seq.* and 63 *et seq.* of the Treaty on the Functioning of the European Union.

The challenge also requests the Court to rule on the validity and effectiveness of the provisions in the Single Concession Arrangement, following the referral of preliminary issues to the European Court, and of the issue of constitutional legitimacy to the Constitutional Court.

A date for the hearing has yet to be set.

Autostrada Tirrenica – Toll increases for 2014, 2016, 2017 and 2018 – Lazio Regional Administrative Court ruling

With regard to the absence or partial application of toll increases for the years 2014, 2016, 2017 and 2018, Autostrade Tirrenica ("SAT") has filed a series of challenges contesting the related MIT/MEF decrees before Lazio Regional Administrative Court, claiming that the decrees are unlawful. The overall toll increases not granted for the period 2014 – 2018, including compound interest, is approximately 35%.

All the above challenges were upheld by Lazio Regional Administrative Court in a ruling dated 7 February 2019, which set aside the related interministerial decrees, ordering the MIT and MEF to review their decision regarding the toll increases.

Later, at SAT's request in view of the ministries' failure to act, on 18 November 2019, the Regional Administrative Court ordered the MIT and the MEF to comply with the Court's request within 60 days. SAT subsequently returned to court in order to request action be taken in response to the ministries' failure to comply with the above Regional Administrative Court orders within the required deadline. In orders published on 30 June 2020, Lazio Regional Administrative Court upheld SAT's requests, appointing an acting commissioner to assume the role of the ministries in deciding on the toll increases for the years 2014, 2016, 2017 and 2018, complying with the principles set out in the above Regional Administrative Court rulings within 90 days.

Claim for damages from the Ministry of the Environment

A criminal case is pending before the Supreme Court, following the *per saltum* appeal filed by the Public Prosecutor's office in Florence against the judgement handed down by the Court of Florence, acquitting

Autostrade per l'Italia's Joint General Manager for Network Development and Project Manager as "there was no case to answer". The criminal case regards alleged violations of environmental laws relating to excavation work during construction of 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 no. 152/06; art. 256, paragraph 1(a) and (b) "unauthorised management of waste" and paragraph three, "fly tipping" of the Consolidated Law). The hearing originally scheduled for 9 June 2020 has been postponed until a later date that has yet to be announced.

Investigation by the Public Prosecutor's Office of Ancona regarding the collapse of the SPIO overpass above the A14 Bologna-Taranto

The collapse of the SPIO overpass over the A14 at km 235+794 on 9 March 2017 resulted in the death of the driver and one passenger of a vehicle, and injuries to three workers from a Pavimental subcontractor, to whom Autostrade per l'Italia had previously allocated the works for widening the third lane along the A14 Bologna-Bari-Taranto in the Rimini North-Porto Sant'Elpidio section. Criminal proceedings have been brought regarding the offences provided for and punished by articles 113, 434, paragraph 2, and 449 of the criminal code ("accessory to culpable collapse"), 113 and 589, last paragraph, of the Italian Criminal Code ("accessory to multiple negligent homicide"), 113 and 589-*bis*, paragraph 1, and the last paragraph of the criminal code, ("accessory to vehicular homicide"), against the Client, the three Sole Project Managers who succeeded one another during the works, the Director and the Operations Manager of the Pescara VII area office and the Head of Autostrade per l'Italia's "Tender Management Department", as well as the company 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").

At the first preliminary hearing held on 9 December 2019, the preliminary investigating magistrate scheduled the next hearing for 23 April 2020, partly in order to define the preliminary questions regarding the civil claims brought and to start to hear the respective evidence.

Following the entry into effect of Law Decree 11 of 8 March 2020, containing "Extraordinary and urgent measures to combat the Covid-19 epidemic and contain the negative impact on the judicial system", the above hearing has been postponed until 15 October 2020.

Overseas motorways

Chile

Addenda to the concession arrangements of Costanera Norte and Vespucio Sur

On 31 January 2020, Supreme Decrees of the President of the Chilean Republic were published implementing the agreements signed at the end of 2019 between the Ministry of Public Works and the main motorway operators in Santiago, including Costanera Norte and Vespucio Sur. These agreements provide for the elimination of the real-terms toll increase of 3.5% from 1 January 2020, to be compensated for by extension of the concession or, at the discretion of the Ministry, with a specific

payment. The agreements enable the Ministry to decide each year whether to grant operators a real-terms increase (up to a maximum of 3.5%) or to compensate them with specific quarterly payments. Any shortfall in revenue not covered by the quarterly payments is to be accounted for as a credit earning real interest at a rate of 4% per year.

Toll increases for 2020

From January 2020, all Grupo Costanera's operators (Costanera Norte, Vespucio Sur, Nororiente, AMB and Litoral Central) applied an annual toll increase of 2.8%, in order to keep pace with inflation in the period from 1 December 2018 to 30 November 2019 (+2.8%).

Following the above agreements reached with the Ministry of Public Works at the end of 2019, Costanera Norte and Vespucio Sur have not applied the real-terms increase of 3.5%, registering the revenue shortfall among amounts receivable from the Grantor.

From 1 January 2020, the tolls applied by Los Lagos have risen by 5.8%, reflecting a combination of the increase linked to inflation in the period from 1 December 2018 to 30 November 2019 (+2.8%) and the bonus for safety improvements in 2020 (+5.0%), less the bonus for safety improvements awarded in 2019 (+2.0%).

Brazil

Toll increases

In response to the outbreak of Covid-19, the Brazilian authorities have postponed toll increases provided for in operators' concession arrangements. In the case of Triangulo do Sol and Rodovias das Colinas, which operate in the state of Sao Paulo, the Grantor delayed the annual toll increase due, under the concession arrangement, to come into effect from 1 July 2020 by 120 days. Concession arrangements enable operators to make up for the revenue shortfall.

This postponement regards the toll increase of 1.9% which, in accordance with the concession arrangement, is based on the rate of general price inflation in the period between 1 June 2019 and 31 May 2020, as this figure was lower than the rate of consumer price inflation in the same period (6.5%). The difference will be adjusted for in accordance with the concession arrangements.

On 27 May 2020, Rodovia MG050 agreed with the Grantor in the state of Minas Gerais that it would delay application of the toll increase, initially due to come into effect from 13 June 2020, for 90 days. The shortfall in revenue will be made up for by the Grantor.

This postponement regards the toll increase of 2.4% which, in accordance with the concession arrangement, is based on the rate of general price inflation in the period between 1 May 2019 and 30 April 2020.

Italian airports

Tariff review for 2020

At the end of the consultation with airport users, the Civil Aviation Authority (ENAC) announced the new airport fees to be applied in the period from 1 March 2020 to 28 February 2021. The new fees for the two

airports operated by the Group entail, on average, a 0.8% reduction for Fiumicino airport and a 2.2% reduction for Ciampino with respect to the fees currently in force⁷.

Extension of airport concession

Art. 202 of Law Decree 34/20 [the *Rilancio* Decree], as converted into and amended by Law 77 of 17 July 2020, which includes the new paragraph 1-*bis*, provides that "in view of the decline in traffic at Italian airports as a result of the Covid-19 health emergency, and the measures taken to combat the outbreak by the Government and regional authorities, in order to curb the resulting economic impact, concessions for the management and development of airports, in effect at the date of entry into force of the law converting this decree, are hereby extended by two years".

As a result, ADR's concession term has been extended until 30 June 2046.

Transport Regulator – Tariff regimes

On 16 July 2020, the Transport Regulator ("ART") published the new models for regulating airport fees, approved by Determination 136/2020 dated 16 July 2020. The models also apply to operators with planning agreements "in derogation" and will come into effect on 1 July 2021.

ADR intends to challenge this determination within the context of the challenge previously lodged with Lazio Regional Administrative Court contesting ART Determination 118 of 1 August 2019. This latter determination regards "Proceedings initiated by Determination 84/2018 - Introduction of a public consultation relating to the review of the airport fee regulation models approved by Determination 92/2017", claiming that the Regulator does not have the power to introduce changes to the tariff regime provided for in the Planning Agreement signed between the Civil Aviation Authority and ADR in October 2012, pursuant to art. 17, paragraph 34-*bis*, of Law Decree 78/2009. Indeed, by express legal provision, the tariff regime provided for in the planning agreements "in derogation" is a "long-term" tariff regime, including review procedures that are "valid for the entire duration of the concession arrangement". A hearing on the merits of the case has not yet been scheduled.

Claim brought by Alitalia in Amministrazione Straordinaria

On 4 May 2020, ADR was notified of a claim filed before the Civil Court of Civitavecchia by Alitalia SAI in Extraordinary Administration, requesting the return of payments made to ADR in the six months prior to the date of the court order admitting the claimant to extraordinary administration on 2 May 2017.

The value of the claim for payments made to ADR between November 2016 and January 2017, which the claimant is seeking to have declared null and void and to have returned to Alitalia in AS, amounts to a total of approximately €34m plus legal interest and monetary revaluation.

The initial hearing has been scheduled for 11 February 2021.

Overseas airports

ACA: application for the endorsement of tariffs

⁷ Based on the ratio between the maximum permitted revenue and fee-paying passengers for the twelve months from 1 March.

On 25 June 2020, the consultation with airport users took place (the *Commission Consultative Économique*) as part of the procedure for the annual endorsement of the tariffs to be applied by the airports of Nice and Cannes from November 2020.

The documentation was then submitted to the Transport Regulator (Autorité de régulation des transports) on 30 June 2020.

On 30 July 2020, the Transport Regulator did not endorse the proposed tariffs, merely approving the component relating to PRM (Persons with Reduced Mobility) services. French regulations provide for the option of submitting a second tariff proposal within a month.

Other activities

Spa Engineering - Investigation by the Public Prosecutor's Office in Genoa

With regard to the criminal case brought before the Court of Genoa following the previously described collapse of the Polcevera road bridge, two pre-trial hearings were arranged by the preliminary investigating magistrate. The first, aimed at ascertaining the conditions at the time of the collapse, concluded with the filing of an initial report prepared by experts on 31 July of last year, followed by a hearing to examine the report on 20 September 2019.

On the other hand, with regard to the second pre-trial hearing, the purpose of which is to determine the causes of the collapse, following the entry into force of Law Decree 11 of 8 March 2020, containing "*Extraordinary and urgent measures to combat the Covid-19 epidemic and contain the negative impact on the judicial system*" and the later Law Decree 23 of 8 April, containing "*Urgent measures regarding access to credit and tax compliance for businesses, special powers in strategic sectors, measures relating to health and labour, and extensions to administrative and court proceedings*", in view of the complexity of the expert investigations in progress and the emergency linked to Covid-19, which has prevented the experts from holding their scheduled meetings, the deadline for completion of the investigation has been further extended. The deadline for filing the expert technical report, originally scheduled for 31 July 2020, has thus been further extended until 31 October 2020. The hearing at which the report is to be discussed is now scheduled to take place from 1 December 2020.

Electronic Transaction Consultants (ETC)

ETC filed a claim against the Miami-Dade Expressway Authority ("MDX") on 28 November 2012, following the withholding of payment for the on-site and electronic tolling system management and maintenance services provided by ETC. On 8 May 2020, the parties reached a final settlement, bringing to an end the dispute without either of the parties admitting liability.

Abertis group

Toll increases for 2020

Spain

From 1 January 2020, the Spanish operators applied the following annual toll increases, as per the applicable contracts:

- a) +0.8% for state concessions (Acesa, Aumar Castellana, Avasa and Aulesa) to adjust for the full rate of inflation, calculated as the annual average rate of change in the inflation index in the period between 1 November 2018 and 31 October 2019;

- b) +0.1% for concessions with the regional Government of Catalonia (Aucat, Invicat, Tunels), to adjust for 95% of the annual rate of change in the inflation index between 1 November 2018 and 31 October 2019.

France

From 1 February 2020, the French operators applied the following annual toll increases:

- a) +0.8% for Sanef, to reflect the combined effect of 70% of the 2019 inflation rate (+0.6%), the adjustments related to the recovery of the frozen 2015 toll increases, and the return on the additional investment plan known as “*Plan de Investissement Autoroutier*” (+0.34% in total);
- b) +0.7% for Sapn, to reflect the combined effect of 70% of the 2019 inflation rate (+0.6%), the adjustments related to the recovery of the frozen 2015 toll increases, and the return on the additional investment plan known as “*Plan de Investissement Autoroutier*” (+0.32% in total).

Italy

The annual toll increase due to be applied by the operator of the A4 Brescia-Padua motorway from 1 January 2020 was not approved by the MIT pending agreement on the operator’s financial plan. The inflation and quality components of the tariff, which were frozen in 2020, will be compensated for in setting the tariff in the updated financial plan.

Chile

Addendum to Autopista Central’s concession arrangement

As reported with regard to the “Overseas motorways” segment, Autopista Central is also one of the main motorway operators in Santiago, in relation to which, on 31 January 2020, Supreme Decrees of the President of the Chilean Republic were published implementing the agreements entered into at the end of 2019 with the Ministry of Public Works. These agreements provide for the elimination of the real-terms toll increase of 3.5% from 1 January 2020, to be compensated for by extension of the concession or, at the discretion of the Ministry, with a specific payment.

Toll increases for 2020

The Chilean operators implemented the following annual toll increases in 2020, as per the applicable concession arrangements:

- a) from 1 January 2020, the rates charged by Autopista Central have increased by 2.8%, reflecting the adjustment for inflation in the period from 1 December 2018 to 30 November 2019 (+2.8%); following the agreements with the Ministry of Public Works at the end of 2019 in relation to toll increases, the operator did not apply the real-terms increase of 3.5%, registering the revenue shortfall among amounts receivable from the Grantor;
- b) from 1 January 2020, the rates charged by Autopista de Los Andes have increased by 6.3%, reflecting the combined effect of the adjustment for inflation in the period from 1 December 2018 to 30 November 2019 (+2.8%) and the real-terms increase of 3.5%;

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- c) from 1 January 2020, the rates charged by Autopista del Sol have increased by 1.4%, reflecting the adjustment for inflation in the period from 1 June to 30 November 2019;
- d) from 1 January 2020, the rates charged by Rutas del Pacifico have increased by 2.8%, reflecting the combined effect of the adjustment for inflation in the period from 1 December 2018 to 30 November 2019 (+2.8%) and confirmation of the safety premium awarded in the previous year (+5.0%);
- e) from 1 January 2020, the rates charged by Elqui have increased by 2.8%, reflecting the combined effect of the adjustment for inflation in the period from 1 December 2018 to 30 November 2019 (+2.8%) and confirmation of the safety premium awarded in the previous year (+5.0%);
- f) from 1 January 2020, the rates charged by Autopista Los Libertadores have fallen by 1.9%, reflecting the combined effect of inflation for the period 1 January to 31 December 2019 (+3.0%) and the loss of the safety premium awarded in 2019 (+5.0%).

Brazil

Expiry of Centrovias's concession

Centrovias's concession expired on 3 June 2020 and the 218-km section of motorway was handed over to the operator awarded the new concession.

Toll increases for 2020

As reported with regard to the "Overseas motorways" segment, in the case of Intervias, which operates in the state of Sao Paulo, the Grantor delayed the annual toll increase due, under the concession arrangement, to come into effect from 1 July 2020 by 120 days. Concession arrangements enable operators to make up for the revenue shortfall.

This postponement regards the toll increase of 1.9% which, in accordance with the concession arrangement, is based on the rate of general price inflation in the period between 1 June 2019 and 31 May 2020, as this figure was lower than the rate of consumer price inflation in the same period (6.5%). The difference will be adjusted for in accordance with the concession arrangement.

With regard to the sections operated under concessions from the federal authority, ANTT – Agencia Nacional de Transportes:

- a) Fluminense's annual toll increase scheduled for 2 February 2020 has not yet been authorised by the Grantor (ANTT), which is awaiting the determination of other compensatory components. In January 2020, a legal document adjusting the toll increases applied from 16 August 2019 was made official, resulting in an increase of 3.3% from the beginning of 2020;
- b) on 4 August 2020, the Grantor (ANTT) announced that it had approved the annual toll increase, due to be applied in February 2020, determining the compensatory components and, above all, those relating to delivery of the "Contorno di Florianopolis" project, a 50-km bypass for the city of Florianopolis. From 8 August 2020, the tolls charged by Litoral Sul will thus increase by 44.4%.

Argentina

The annual toll increase for Grupo Concesionario del Oeste (GCO) and Ausol, due to come into effect on 5 January 2020, was not authorised by the Grantor.

Puerto Rico

Toll increases for 2020

The Puerto Rican operators have applied the following annual toll increases from 1 January 2020:

- a) Metropistas's tolls have risen 3.4%, reflecting the combined effect of the adjustment for inflation in the US in the period from 1 December 2018 to 30 November 2019 (+1.9%) and the real-terms increase of 1.5%;
- b) the tolls charged by Autopista de Puerto Rico (APR) are up 1.4%, slightly below the cap of 1.8%, equal to the inflation rate in Puerto Rico in the period from 1 December 2018 to 30 November 2019.

Other information

As at 30 June 2020, Atlantia SpA holds 7,772,693 treasury shares, representing 0.94% of its issued capital. Atlantia does not own, either directly or indirectly through trust companies or proxies, shares or units issued by parent companies. No transactions were carried out during the period involving shares or units issued by parent companies.

No share options or share grants were exercised in the first half of 2020 under share-based incentive plans for certain of the Group's managers.

Atlantia does not operate branch offices. Its administrative headquarters are at Via Bergamini 50, 00159 Rome.

With reference to CONSOB Ruling 2423 of 1993, regarding criminal proceedings or judicial investigations, the Group is not involved in proceedings, other than those described in note 10.7, "Significant legal and regulatory aspects", that may result in charges or potential liabilities with an impact on the condensed consolidated interim financial statements.

Since 2013, the Board of Directors has elected to apply the exemption provided for by article 70, paragraph 8 and article 71, paragraph 1-*bis* of the CONSOB Regulations for Issuers (Resolution 11971/99, as amended). The Company therefore exercises the exemption from disclosure requirements provided for by Annex 3B of the above Regulations in respect of significant mergers, spin-offs, capital increases involving contributions in kind, acquisitions and disposals.

REQUIREMENT TO PROVIDE ADDITIONAL DISCLOSURES PURSUANT TO ART. 114, PARAGRAPH 5 OF LEGISLATIVE DECREE 58/1998 (THE "CFA")

This section provides the additional disclosures required by the CONSOB pursuant to art. 114 of Legislative Decree 58/1998 (the "CFA").

a) The net debt or net funds of the Company and the Group it controls, with short-term components shown separately from medium/long-term components

The following tables show the Company's and the Group's net debt or net funds as at 30 June 2020 and 31 December 2019, as required by CONSOB Ruling DEM/6064293 of 28 July 2006 and in compliance with the European Securities and Markets Authority – ESMA Recommendation of 20 March 2013, which does not permit the deduction of non-current financial assets from debt.

Net debt of Atlantia S.p.A. ⁽¹⁾

€M	30 June 2020	31 December 2019	INCREASE/ (DECREASE)
Cash	2,994	551	2,443
Cash equivalents	705	-	705
Intercompany current account receivables due from related parties	34	46	-12
Cash and cash equivalents (A)	3,733	597	3,136
Current financial assets (B)	459	19	440
Intercompany current account payables due to related parties	4	6	-2
Current portion of medium/long-term financial liabilities	48	48	-
Current derivative liabilities	-	1	-1
Other current financial liabilities	106	80	26
Current financial liabilities (C)	158	135	23
Current net debt/(net funds) (D=A+B+C)	4,034	481	3,553
Medium/long-term borrowings	7,239	3,986	3,253
Bond issues	1,737	1,736	1
Non-current derivative liabilities	349	246	103
Non-current financial liabilities (E)	9,325	5,968	3,357
Net debt/(net funds) as defined by ESMA recommendation (F=D+E)	5,291	5,487	-196
Non-current financial assets (G)	782	686	96
Net debt/(net funds) (H=F+G)	4,509	4,801	-292

⁽¹⁾ Absolute amounts.

As at 30 June 2020, Atlantia SpA has net debt of €4,509 million, down €292 million compared with 31 December 2019 (€4,801 million).

Non-current financial liabilities of €9,325 million as at 30 June 2020 are up €3,357 million compared with 31 December 2019 (€5,968m), essentially due to use of the full amount available under revolving credit facilities (amounting to €3,250 million) in January 2020.

Correspondingly, current net funds of €4,034 million as at 30 June 2020 are up €3,553 million compared with 31 December 2019 (€481m), due to the above use of revolving credit facilities, and collection of the proceeds from the assignment, completed in January 2020 for a sum of €278m, of receivables due on sterling-denominated bonds issued by Aeroporti di Roma. As at 31 December 2019, these receivables were accounted for in non-current financial assets at a value of €277 million.

Atlantia Group's net debt⁽¹⁾

€M	30 June 2020	31 December 2019	INCREASE/ (DECREASE)
Cash	7,211	4,172	3,039
Cash equivalents	1,435	1,060	375
Cash and cash equivalents related to assets held for sale	5	-	5
Cash and cash equivalents (A)	8,651	5,232	3,419
Current financial assets (B)	1,162	1,308	-146
Current account overdrafts repayable on demand	39	30	9
Current portion of medium/long-term financial liabilities	4,263	3,620	643
Other financial liabilities	643	570	73
Financial liabilities related to assets held for sale	9	-	9
Current financial liabilities (C)	4,954	4,220	734
Current net debt (D=A+B+C)	4,859	2,320	2,539
Bond issues	28,649	26,628	2,021
Medium/long-term borrowings	18,262	15,204	3,058
Other non-current borrowings	2,097	1,994	103
Non-current financial liabilities (E)	49,008	43,826	5,182
(Net funds) / Net debt as defined by ESMA recommendation F= (D+E)	44,149	41,506	2,643
Non-current financial assets (G)	4,983	4,784	199
Net debt (H=F+G)	39,166	36,722	2,444

⁽¹⁾ Absolute amounts.

As at 30 June 2020, the Group has net debt of €39,166 million, up €2,444 million compared with 31 December 2019 (€36,722 million).

Non-current financial liabilities of €49,008 million are up €5,182 million compared with 31 December 2019 (€43,826 million). This is primarily due to the above use of revolving credit facilities by Atlantia SpA, totalling €3,250 million, the impact of the acquisition and subsequent consolidation of the Mexican RCO group (totalling €3,126 million) by the subsidiary, Abertis Infraestructuras, and the reclassification to the current portion of medium/long-term borrowings of a portion of Autostrade per l'Italia's borrowings from the EIB and CDP, amounting to €1,528 million, solely for the purposes of paragraph 69 of IAS 1. As noted previously, the downgrade of the Company's debt to below investment grade, which took place in January 2020, gives the EIB and, in relation to its share of the debt, CDP the right to request additional protections continues to apply. Were such protections not judged to be reasonably satisfactory, the banks would have the right to request early repayment of the existing debt. At the date of preparation of this document, neither the EIB nor CDP has made any request for early repayment. Current net funds of €4,859 million are up €2,539 million compared with 31 December 2019 (current net funds of €2,320 million), primarily reflecting the above reclassification to short-term of a portion of Autostrade per l'Italia's borrowings from the EIB and CDP, totalling €1,528 million, Atlantia SpA's use of the revolving credit facilities and, to a lesser extent, operating cash flow after capital expenditure during the period.

b) Past due payables of the Company and the Group it controls by category (financial, trade, tax, social security, due to employees) and the related actions taken by creditors (reminders, injunctions, suspensions of supply, etc.)

A summary of Atlantia SpA's payables as at 30 June 2020 is provided below by category, showing past due amounts.

Atlantia SpA

€M	30 June 2020	of which past due
Financial liabilities	9,483	-
Trading liabilities	8	-
Tax liabilities	28	-
Amounts payable to staff	14	-
Social security contributions payable	4	-
Other liabilities	24	3
Total liabilities	9,561	3

No action has been taken by Atlantia SpA's creditors.

A summary of the Group's payables as at 30 June 2020 is provided below by category, showing past due amounts.

Atlantia Group

€M	30 June 2020	of which past due
Financial liabilities	53,962	-
Trading liabilities	1,674	143
Tax liabilities	107	-
Amounts payable to staff	188	-
Social security contributions payable	79	-
Other liabilities	1,000	12
Total liabilities	57,010	155

The Group's past due payables as at 30 June 2020 primarily regard trade payables for the most part reflecting non-payment within the usual contractual or commercial terms of payment, disputes over the services received, suppliers involved in insolvency proceedings awaiting settlement, the seizure of amounts due to suppliers and amounts to be offset against receivables due from the same party. None of the items is past due as a result of insufficient financial resources on the part of the Group.

No action has been taken by the creditors of Group companies as at 30 June 2020 involving material amounts or items deemed critical with regard to the operations of such companies.

c) Main changes in related party transactions involving the Company and Group it controls, compared with the latest annual or half-year report approved pursuant to art. 154-ter of the CFA

The following information is provided on the main changes during the first half of 2020 in Atlantia SpA's related party transactions:

- a) the above reduction of €277m in receivables due on sterling-denominated bonds issued by Aeroporti di Roma (accounted for in other non-current financial assets as at 31 December 2019) following completion of their assignment to third parties in January 2020;
- b) the increase in financial assets due to the loan granted to Autostrade per l'Italia in June 2020, having a nominal value of €350 million (with repayment due in December 2020) and forming part of the €900 million in financial support that Atlantia committed to provide to the subsidiary in April 2020.

In the Atlantia Group's case, on the other hand, there has been a reduction in trading assets due from Autogrill (€9 million as at 30 June 2020) compared with 31 December 2019 (€35 million), reflecting partial collection of receivables due as at 31 December 2019, in addition to the impact of the decline in turnover resulting from the restrictions on movement introduced in response to the spread of the Covid-19 pandemic.

d) Any breaches of covenants, negative pledge provisions or any other provisions attaching to the Group's borrowings, resulting in restrictions on the use of cash, with an up-to-date indication of the degree to which the provisions have been complied with

With respect to compliance with covenants, negative pledge provisions and other provisions involving restrictions on the use of cash by Group companies, following the downgrade of its ratings to below investment grade by two out of three rating agencies on 8 January 2020, a number of loan agreements entered into by Autostrade per l'Italia SpA with the EIB and CDP may trigger requests for early repayment. At the date of preparation of this document, neither the EIB nor CDP has made any request for early repayment.

Furthermore, with regard to two lines of credit amounting to €1.3 billion obtained by Autostrade per l'Italia from Cassa Depositi e Prestiti, the latter has so far not made any disbursement, partly in view of the provisions introduced by art. 35 of the *Milleproroghe* Decree.

Finally, as a result of the negative impact of Covid-19 on the operating results and financial position of Group companies, a number of them have entered into negotiations with their lenders in order to obtain, on a precautionary and preventive basis, covenant holidays. At the date of preparation of this Interim Report, a number of such holidays have been agreed.

e) The state of progress in implementing the Financial Plan, highlighting any differences between actual and expected performance

Details of the impact of the spread of the Covid-19 pandemic on traffic figures are provided in the section, “Financial review for the Atlantia Group”. The “Outlook” reports on the sensitivity analysis conducted in order to assess the potential impact on revenue and operating cash flow after capital expenditure in 2020, compared with 2019, as previously presented in Atlantia’s Annual Report for 2019.

Events after 30 June 2020

Information on key developments affecting legal and regulatory aspects after 30 June 2020 and through to the date of preparation of this Interim Report is provided in the above section, “Significant legal and regulatory aspects”.

Amendments to Cellnex co-investment agreement: extension of term for exercising option

On 9 July 2020, Atlantia SpA’s Board of Directors approved the decision to proceed with preparation of a deed amending the agreement, dated 24 July 2018, entered into by the Company with Edizione Srl and its subsidiaries (Sintonia SpA and ConnecT SpA, the latter recently liquidated) following the previously announced acquisition of Abertis and the sale of the latter’s stake in Cellnex.

Among other things, the agreement grants Atlantia (i) a right to co-invest in Cellnex Telecom SA (“Cellnex”), repurchasing up to approximately 5.98% of the issued capital by 12 July 2020, and (ii) a right of first offer and a right to match should all or a part of the stake in Cellnex be sold by 12 July 2025.

The amendments to be made to the pre-existing agreements specifically regard:

- a) the replacement of ConnecT SpA, liquidated on 10 June 2020 and a party to the original agreement, by ConnecT Due Srl, the vehicle that directly holds the stake in Cellnex indirectly held by Edizione;
- b) extension of the term for exercising the co-investment right (extended for a further 12 months and, therefore, until 12 July 2021) on a stake of 5.98%, reduced to 4.7% following the rights issue launched by Cellnex on 22 July 2020, in which Atlantia did not take up its rights;
- c) the grant to Atlantia of a right to match on (unexercised) options resulting from any future rights issues approved by Cellnex through to 12 July 2025;
- d) the option of exercising the right of first offer and a right to match for no more than 10% of Cellnex’s issued capital until 12 July 2025, rather than the entire interest in Cellnex held indirectly by Edizione (equal to 16.45%).

In any event, the combined result of Atlantia’s exercise of its right of first offer and right to match, on the one hand, and of the co-investment option, on the other, may not lead to the Company acquiring a stake in Cellnex in excess of 10% of the latter’s issued capital (7.9% following the above rights issue).

Ratings of Atlantia, Autostrade per l’Italia and Aeroporti di Roma

On 17 July 2020, Fitch Ratings – in response to the developments announced after the Cabinet meeting of 15 July – upgraded the outlook for Autostrade per l’Italia’s “BB+”, Atlantia’s “BB” and Aeroporti di Roma’s “BBB-” ratings to Rating Watch Evolving (from Rating Watch Negative).

Similarly, on 23 July 2020, Moody’s maintained its “Ba2” rating of the Atlantia Group and “Ba3” rating of Atlantia (holding) and Autostrade per l’Italia, with a Developing outlook (as opposed to the previous Negative).

Issue of notes by Azzurra Aeroporti

On 30 July, Azzurra Aeroporti SpA completed the issue of notes with a total value of €660 million in two tranches:

- a) a 4-year tranche worth €360 million, maturing in 2024;
- b) a 7-year tranche worth €300 million, maturing in 2027.

The issue, rated 'Baa3' with a negative outlook by Moody's, will enable the company to fully refinance bank debt of €653 million falling due in 2021 and to extend the average term of its debt, diversifying Azzurra's repayment profile.

ETC

In connection with its asset rotation strategy, in July 2020, Atlantia sold its entire interest in ETC, held through Autostrade dell'Atlantico. The Atlantia Group collected approximately US\$34 million from the sale.

Outlook

As described in full in the section, “Significant legal and regulatory aspects”, with a view to resolving the dispute over the Ministry’s allegations of serious breaches of the Concession Arrangement, the subsidiary, Autostrade per l’Italia, and Atlantia submitted new proposals on 11, 13 and 15 July 2020, in keeping with the indications from the Government.

In response, through press release n.56, on 15 July 2020, the Cabinet Office announced that, in view of the proposed settlement, the Government “*has decided to begin the settlement process as provided for by law, without prejudice to the fact that the right to revoke the concession will only be waived once the settlement agreement has been finalised*”.

As described in the Annual Report for 2019, since the end of February 2020, the restrictions on movement, imposed by many governments in response to the global spread of the Covid-19 pandemic, have had an impact on the volumes of traffic using the motorways and airports operated under concession by the Group. The effects of the restrictions continue to be felt at the date of preparation of this document. The decline in traffic is having an impact on the ability of Group companies to generate sufficient cash to fund planned investment and to service their debt, and on their future ability to comply with certain covenants attached to their borrowings. The Group has responded rapidly to the impact of the decline in traffic, taking steps to implement cost-efficiencies and cost-savings and review its investment programmes, whilst at the same time guaranteeing works linked to the safety of infrastructure. We are also assessing all the various forms of aid being provided by governments and authorities in the various countries.

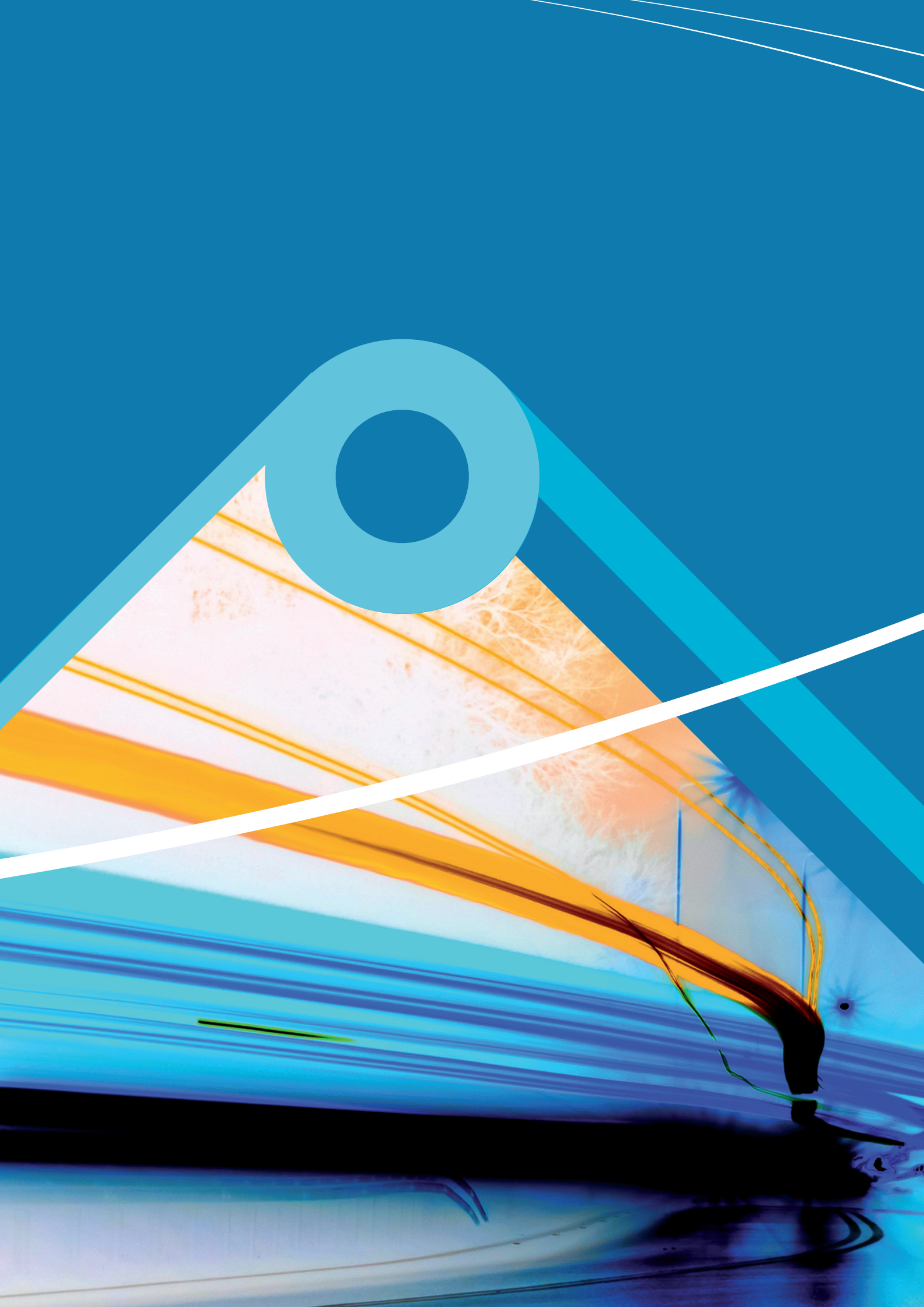
At the date of preparation of the Interim Report, it is not possible to predict how the situation will develop or how long it will take to return to the Group’s pre-existing levels of traffic and of activity.

The overall impact on traffic will depend on how the virus develops, on the extent and duration of the restrictions on movement introduced by the various governments, and on the impact the measures will have on the economy, specifically on consumer spending and demand for motorway and airport services.

Considering the traffic figures up to this point and assuming a gradual recovery in the various countries in which the Group operates from the second half of 2020 onwards, a preliminary sensitivity analysis results in an estimated average annual decline in the Group’s motorway traffic of approximately 25% and in airport traffic of approximately 65%. This would result in a potential reduction in the Group’s revenue of around €3bn compared with the figure for 2019. It would also lead to a potential reduction in operating cash flow after capital expenditure of €2bn, again when compared with the figures for 2019. The assumptions underlying such a sensitivity analysis are, however, subject to change depending on events and on a number of risk factors and uncertainties. As a result, the impacts may differ, perhaps significantly, from the above figures. The above impacts should be considered as forecasts of a purely indicative nature and based on the above assumptions. They are subject to revision based on future traffic projections as the situation evolves and, as such, do not constitute the outlook for the Group or future performance targets. Group companies are closely monitoring developments and continue to assess the need for further efficiencies and changes to investment programmes. They are also looking at the possibility of taking advantage of government initiatives introduced in the various countries in which the Group operates, with the aim of mitigating the impact on earnings and financial strength.



Finally, it should be noted that the results for the second half of 2020 will include the contribution of the Mexican group, Red de Carreteras de Occidente (“RCO”), consolidated through Abertis Infraestructuras at the end of the first half, further diversifying Atlantia’s portfolio of businesses.





03 7 CONDENSED CONSOLIDATED

INTERIM FINANCIAL STATEMENTS



CONSOLIDATED FINANCIAL STATEMENTS

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€M	NOTE	30 June 2020	OF WHICH RELATED PARTY TRANSACTIONS	31 December 2019	OF WHICH RELATED PARTY TRANSACTIONS
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	7.1	764		820	
Property, plant and equipment		762		819	
Investment property		2		1	
Intangible assets	7.2	62,403		59,472	
Intangible assets deriving from concession rights		49,583		46,500	
Goodwill and other intangible assets with indefinite lives		12,341		12,426	
Other intangible assets		479		546	
Investments	7.3	2,858		3,662	
Investments accounted for at fair value		1,458		2,044	
Investments accounted for using the equity method		1,400		1,618	
Other non-current financial assets	7.4	4,983		4,784	
Non-current financial assets deriving from concession rights		2,961		3,009	
Non-current financial assets deriving from government grants		205		214	
Non-current term deposits		370		321	
Non-current derivative assets		453		245	
Other non-current financial assets		994	19	995	19
Deferred tax assets	7.5	2,467		2,113	
Other non-current assets	7.6	38		77	
TOTAL NON-CURRENT ASSETS		73,513		70,928	
CURRENT ASSETS					
Trading assets	7.7	2,098		2,575	
Inventories		101		96	
Contract assets		49		32	
Trade receivables		1,948	15	2,447	47
Cash and cash equivalents	7.8	8,646		5,232	
Cash		7,211		4,172	
Cash equivalents		1,435		1,060	
Other current financial assets	7.4	1,162		1,308	
Current financial assets deriving from concession rights		542		559	
Current financial assets deriving from government grants		30		63	
Current term deposits		255		433	
Current portion of medium/long-term financial assets		118		136	
Other current financial assets		217		117	
Current tax assets	7.9	508	7	1,006	7
Other current assets	7.10	696		565	
Assets held for sale and related to discontinued operations	7.11	68		4	
TOTAL CURRENT ASSETS		13,178		10,690	
TOTAL ASSETS		86,691		81,618	

Consolidated statement of financial position

€M	NOTE	30 June 2020	OF WHICH RELATED PARTY TRANSACTIONS	31 December 2019	OF WHICH RELATED PARTY TRANSACTIONS
EQUITY AND LIABILITIES					
EQUITY					
Equity attributable to owners of the parent		5,860		7,408	
Issued capital		826		826	
Reserves and retained earnings		5,972		6,612	
Treasury shares		-166		-166	
Profit/(Loss) for the period		-772		136	
Equity attributable to non-controlling interests		7,856		7,495	
Issued capital and reserves		8,140		7,284	
Profit/(Loss) for the period net of interim dividends		-284		211	
	TOTAL EQUITY	13,716		14,903	
NON-CURRENT LIABILITIES					
Non-current portion of provisions for construction services required by contract	7.13	2,411		2,473	
Non-current provisions	7.14	3,106		2,694	
Non-current provisions for employee benefits		272		291	
Non-current provisions for repair and replacement of motorway infrastructure		2,025		1,599	
Non-current provisions for renewal of assets held under concession		328		303	
Other non-current provisions		481		501	
Non-current financial liabilities	7.15	49,008		43,826	
Bond issues		28,649		26,628	
Medium/long-term borrowings		18,262	8	15,204	9
Non-current derivative liabilities		1,384		1,301	
Other non-current financial liabilities		713		693	
Deferred tax liabilities	7.5	6,975		6,280	
Other non-current liabilities	7.16	325	2	358	19
	TOTAL NON-CURRENT LIABILITIES	61,825		55,631	
CURRENT LIABILITIES					
Trading liabilities	7.17	1,670		2,243	
Contract liabilities		1		1	
Trade payables		1,669	9	2,242	5
Current portion of provisions for construction services required by contract	7.13	726		571	
Current provisions	7.14	2,747		2,650	
Current provisions for employee benefits		45		47	
Current provisions for repair and replacement of motorway infrastructure		826		915	
Current provisions for renewal of assets held under concession		86		79	
Other current provisions		1,790		1,609	
Current financial liabilities	7.15	4,945		4,220	
Bank overdrafts repayable on demand		39		30	
Short-term borrowings		433		391	
Current derivative liabilities		59		42	
Current portion of medium/long-term financial liabilities		4,263		3,620	
Other current financial liabilities		151		137	
Current tax liabilities	7.9	107		283	
Other current liabilities	7.18	942	14	1,117	23
Liabilities related to assets held for sale and discontinued operations	7.11	13		-	
	TOTAL CURRENT LIABILITIES	11,150		11,084	
	TOTAL LIABILITIES	72,975		66,715	
	TOTAL EQUITY AND LIABILITIES	86,691		81,618	

3. Condensed consolidated interim financial statements

Consolidated income statement

€M	NOTE	H1 2020	OF WHICH RELATED PARTY TRANSACTIONS	H1 2019 (restated)	OF WHICH RELATED PARTY TRANSACTIONS
REVENUE					
Toll revenue	8.1	2,971		4,493	
Aviation revenue	8.2	138		394	
Revenue from construction services	8.3	344		451	
Other revenue	8.4	605	34	717	55
TOTAL REVENUE		4,058		6,055	
COSTS					
Raw and consumable materials	8.5	-162		-320	
Service costs	8.6	-1,209		-1,225	
Gain/(Loss) on sale of elements of property, plant and equipment		1		1	
Staff costs	8.7	-672	-18	-804	-23
Other operating costs	8.8	-349		-484	
Concession fees		-188		-293	
Lease expense		-15		-16	
Other		-147		-176	
Other capitalised costs		1		1	
Operating change in provisions	8.9	-565		77	
Provisions/(Uses of provisions) for repair and replacement of motorway infrastructure		-322		126	
(Provisions)/ Uses of provisions for renewal of assets held under concession		-30		-28	
Provisions for risks and charges		-213		-21	
Use of provisions for construction services required by contract	8.10	165		214	
Amortisation and depreciation		-1,789		-1,951	
Depreciation of property, plant and equipment	7.1	-93		-100	
Amortisation of intangible assets deriving from concession rights	7.2	-1,634		-1,793	
Amortisation of other intangible assets	7.2	-62		-58	
(Impairment losses)/Reversals of impairment losses	8.11	-200		-10	
TOTAL COSTS		-4,780		-4,502	
OPERATING PROFIT/(LOSS)		-722		1,553	
Financial income					
Financial income accounted for as an increase in financial assets deriving from concession rights and government grants		130		140	
Dividends received from investees measured at fair value		70		70	
Other financial income		361		215	
Financial expenses		-1,271		-986	
Financial expenses from discounting of provisions for construction services contract and other provisions		-23	required by	-45	
Other financial expenses		-1,248		-941	
Foreign exchange gains/(losses)		8		37	
FINANCIAL INCOME/(EXPENSES)	8.12	-702		-524	
Share of (profit)/loss of investees accounted for using the equity method	8.13	-28		2	
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		-1,452		1,031	
Income tax (expense)/benefit					
Current tax expense	8.14	395		-278	
Differences on tax expense for previous years		-54		-473	
Differences on tax expense for previous years		9		35	
Deferred tax income and expense		440		160	
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		-1,057		753	
Profit/(Loss) from discontinued operations	8.15	1		-1	
PROFIT/(LOSS) FOR THE PERIOD		-1,056		752	
<i>of which:</i>					
Profit/(Loss) attributable to owners of the parent		-772		594	
Profit/(Loss) attributable to non-controlling interests		-284		158	

€M		H1 2020	H1 2019 (restated)
Basic earnings/(loss) per share attributable to owners of the parent			
	8.16	-0.95	0.73
<i>of which:</i>			
- continuing operations		-0.95	0.73
- discontinued operations		-	-
Diluted earnings/(loss) per share attributable to owners of the parent			
	8.16	-0.95	0.73
<i>of which:</i>			
- continuing operations		-0.95	0.73
- discontinued operations		-	-

Consolidated statement of comprehensive income

€M		H1 2020	H1 2019 (restated)
Profit/(Loss) for the period	(A)	-1,056	752
Fair value gains/(losses) on cash flow hedges		-122	-617
Fair value gains/(losses) on net investment hedges		37	-53
Gains/(Losses) from translation of assets and liabilities of consolidated companies denominated in functional currencies other than the euro		-818	146
Other comprehensive income of investments accounted for using the equity method		-40	-41
Tax effect		26	180
Other comprehensive income/(loss) for the period reclassifiable to profit or loss	(B)	-917	-385
Gains/(Losses) from actuarial valuations of provisions for employee benefits		2	-1
Gains/(Losses) on fair value measurement of investments		-586	-179
Gains/(Losses) on fair value measurement of fair value hedges		193	141
Tax effect		4	1
Other comprehensive income/(loss) for the period not reclassifiable to profit or loss	(C)	-387	-38
Reclassifications of other comprehensive income to profit or loss for the period	(D)	-16	23
Tax effect of reclassifications of other comprehensive income to profit or loss for the period	(E)	10	-4
Total other comprehensive income/(loss) for the period	(F=B+C+D+E)	-1,310	-404
<i>of which relating to discontinued operations</i>		-	2
Comprehensive income/(loss) for the period	(A+F)	-2,366	348
<i>Of which attributable to owners of the parent</i>		-1,533	210
<i>Of which attributable to non-controlling interests</i>		-833	138

3. Condensed consolidated interim financial statements

Statement of changes in consolidated equity

CM	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
	ISSUED CAPITAL	RESERVES AND RETAINED EARNINGS	CASH FLOW HEDGE RESERVE	NET INVESTMENT HEDGE RESERVE	CONSIDERED COMPANIES DENOMINATED IN CURRENCY OTHER THAN THE EURO	RESERVE FOR GAINS/(LOSSES) ON FAIR VALUE MEASUREMENT OF INVESTMENTS	OTHER RESERVES AND RETAINED EARNINGS	RESERVE FOR TREASURY SHARES	PROFIT/(LOSS) FOR PERIOD	TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		
Balance as at 31 December 2018 (restated)	826	6,957	-185	-26	-460	-422	8,050	-167	775	8,391	8,477	16,868
Comprehensive income/(loss) for the period	-	-384	-348	-20	60	-177	101	-	594	210	138	348
Owner transactions and other changes	-	-	-	-	-	-	-	-	-	-	-	-
Atlantia SpA's final dividend (€0.90 per share)	-	-49	-	-	-	-	-49	-	-687	-736	-	-736
Transfer of profit/(loss) for previous period to retained earnings	-	88	-	-	-	-	88	-	-88	-	-	-
Dividends, distributions and returns of capital paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-702	-702
Monetary revaluation (IAS 29)	-	13	-	-	-	-	13	-	-	13	51	64
Changes in scope of consolidation	-	-	-	-	-	-	-	-	-	-	63	63
Reclassifications and other changes	-	8	-	7	-	-	1	-	-	8	-19	-11
Balance as at 30 June 2019 (restated)	826	6,633	-533	-39	-400	-599	8,204	-167	594	7,886	8,008	15,894
Balance as at 31 December 2019	826	6,612	-436	-28	-572	-489	8,137	-166	136	7,408	7,495	14,903
Comprehensive income/(loss) for the period	-	-761	-54	14	-301	-579	159	-	-772	-1,533	833	-2,366
Owner transactions and other changes	-	-	-	-	-	-	-	-	-	-	-	-
Transfer of profit/(loss) for previous period to retained earnings	-	136	-	-	-	-	136	-	-136	-	-	-
Dividends, distributions and returns of capital paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-242	-242
Monetary revaluation (IAS 29)	-	4	-	-	-	-	4	-	-	4	17	21
Changes in scope of consolidation	-	-	-	-	-	-	-	-	-	-	1,400	1,400
Reclassifications and other changes	-	-19	-	-	-	-	-19	-	-	-19	19	-
Balance as at 30 June 2020	826	5,972	-490	-14	-873	-1,068	8,417	-166	-772	5,860	7,856	13,716

Consolidated statement of cash flows

€M	NOTE	H1 2020	OF WHICH RELATED PARTY TRANSACTIONS	H1 2019 (restated)	OF WHICH RELATED PARTY TRANSACTIONS
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES					
Profit/(Loss) for the period		-1,056		752	
Adjusted by:					
Amortisation and depreciation		1,789		1,951	
Operating change in provisions (*)		558		-105	
Financial expenses from discounting of provisions for construction services required by contract and other provisions		23		45	
Impairment losses/(Reversals of impairment losses) on financial assets and investments accounted for at fair value	8.12	195		31	
Dividends received and share of (profit)/loss of investees accounted for using the equity method		28		38	
Impairment losses/(Reversals of impairment losses) and adjustments of current and non-current assets		200		10	
(Gains)/Losses on sale of investments and other non-current assets		-35		-1	
Net change in deferred tax (assets)/liabilities through profit or loss		-440		-160	
Other non-cash costs (income)		-150		-44	
Change in trading assets and liabilities and other non-financial assets and liabilities		-141	10	-277	43
Net cash generated from operating activities [a]	9.1	971		2,240	
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES					
Investment in assets held under concession	7.2	-525		-687	
Purchases of property, plant and equipment	7.1	-59		-94	
Purchases of other intangible assets	7.2	-49		-34	
Government grants related to assets held under concession		2		4	
Increase in financial assets deriving from concession rights (related to capital expenditure)		54		58	
Purchases of investments		-		-4	
Acquisitions of additional interests and/or investment in consolidated companies, net of cash acquired		-1,199		48	
Proceeds from sales of property, plant and equipment, intangible assets and unconsolidated investments		157		6	
Net change in other non-current assets		30		50	
Net change in current and non-current financial assets		-303		-649	
Net cash generated used in investing activities [b]	9.1	-1,892		-1,302	
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES					
Dividends paid by Atlantia		-		-735	
Dividends paid by Group companies to non-controlling shareholders		-16		-233	
Distribution of reserves and returns of capital to non-controlling shareholders	7.12	-220		-455	
Issuance of bonds	7.15	2,138		3,922	
Increase in medium/long term borrowings (excluding lease liabilities)	7.15	5,710		3,028	
Increase in lease liabilities	7.15	14		26	
Redemption of bonds	7.15	-1,688		-667	
Repayments of medium/long term borrowings (excluding lease liabilities)	7.15	-1,746		-7,290	
Repayments of finance lease liabilities	7.15	-17		-15	
Net change in other current and non-current financial liabilities		225		89	
Net cash generated used in financing activities [c]	9.1	4,400		-2,330	
Net effect of foreign exchange rate movements on net cash and cash equivalents equivalent [d]		-69		16	
Increase/(Decrease) in cash and cash equivalents for period [a+b+c+d]		3,410		-1,376	
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		5,202		5,073	
NET CASH AND CASH EQUIVALENTS AT END OF PERIOD		8,612		3,697	

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

Additional information on the statement of cash flows

€M	H1 2020	H1 2019 (restated)
Income taxes paid	-410	213
Interest and other financial income collected	87	78
Interest and other financial expenses paid	904	843
Dividends received	70	110
Foreign exchange gains collected	12	10
Foreign exchange losses incurred	8	5

Reconciliation of net cash and cash equivalents

€M	H1 2020	H1 2019 (restated)
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	5,202	5,073
Cash and cash equivalents	5,232	5,032
Bank overdrafts repayable on demand	-30	-
Cash and cash equivalents related to assets held for sale and discontinued operations	-	41
NET CASH AND CASH EQUIVALENTS AT END OF PERIOD	8,612	3,697
Cash and cash equivalents	8,646	3,673
Bank overdrafts repayable on demand	-39	-10
Cash and cash equivalents related to assets held for sale and discontinued operations	5	34

Notes

I. INTRODUCTION

The core business of the Atlantia Group (the "Group") is the management of concessions granted by the relevant authorities. Under the related concession arrangements, the Group's operators are responsible for the construction, management, improvement and upkeep of motorway and airport assets in Italy and overseas. Further information on the Group's concession arrangements is provided in note 4, "Concessions".

The Parent Company is Atlantia SpA ("Atlantia" or the "Company" or the "Parent Company"), a holding company listed on the screen-based trading system (*Mercato Telematico Azionario*) operated by Borsa Italiana SpA and is, therefore, subject to supervision by the CONSOB (the *Commissione Nazionale per le Società e la Borsa*, Italy's Securities and Exchange Commission).

The Company's registered office is in Rome, at Via Nibby, 20 and the Company does not have branch offices. The duration of the Company is until 31 December 2050.

At the date of preparation of these condensed consolidated interim financial statements, Sintonia SpA (hereinafter also the "significant shareholder") is the shareholder that holds a relative majority of the issued capital of Atlantia SpA. Neither Sintonia SpA nor its direct parent, Edizione Srl, is responsible for management and coordination of Atlantia SpA.

The condensed consolidated interim financial statements as at and for the six months ended 30 June 2020 were approved by the Company's Board of Directors at its meeting of 4 August 2019.

2. GOING CONCERN ASSUMPTION AND BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

Going concern assumption

At the date of preparation of the Interim Report for the six months ended 30 June 2020, whilst taking into account the new proposals for a settlement of the dispute with the MIT put forward by Autostrade per l'Italia and Atlantia in July 2020, and the Government's stated willingness to bring to an end the procedure for serious breaches of Autostrade per l'Italia's concession arrangement, as described in greater detail in note 10.6, "Significant legal and regulatory aspects", a number of material uncertainties continue to cast significant doubt on application of the going concern assumption. These primarily regard the content, procedures and timing of the process involved in concluding the related agreements.

In view of the fact that, on 15 July 2020, the Cabinet Office announced that it "has decided to begin the settlement process as provided for by law, without prejudice to the fact that the right to revoke the concession will only be waived once the settlement agreement has been finalised", in preparing the Interim Report for the six months ended 30 June 2020, Atlantia assessed whether the going concern basis is appropriate, as required by law and by the applicable accounting standards.

In addition to the above, Autostrade per l'Italia and Atlantia continue to be exposed to liquidity and financial risk, linked to the major impact on traffic and revenue at the Group's principal subsidiaries caused by the spread of the Covid-19 pandemic.

As part of the above assessment, the Company has considered the uncertainties and risks relating to the subsidiary, Autostrade per l'Italia, and Atlantia's exposure to liquidity and financial risk, within a time-frame of twelve months from the date of approval of the Interim Report for the six months ended 30 June 2020.

In brief, with regard to Autostrade per l'Italia, the assessment, conducted also by the subsidiary's Board of Directors, took into account the following aspects:

- a) relations and outstanding litigation between Autostrade per l'Italia and the Grantor, as described in greater detail in the section, "Significant legal and regulatory aspects";
- b) the Italian Government's approval of the so-called Milleproroghe Decree, above all art. 35 of the Decree (as referred to in the section, "Significant regulatory aspects"), which, among other things, amends the legislation governing the "revocation, forfeiture or termination of road or motorway concessions, including those for toll roads and motorways";
- c) the downgrade, following the entry into effect of art. 35 of the *Milleproroghe* Decree, of Autostrade per l'Italia's credit ratings to below investment grade and of its outlook by the international agencies, Moody's, Fitch and Standard & Poor's, affecting the Company's ability to borrow in the financial markets. As already noted in the Annual Report for 2019, the downgrade to below investment grade could expose the subsidiary to the risk that the European Investment Bank (the "EIB") and, in relation to its share of the debt, Cassa Depositi e Prestiti ("CDP") might request additional protections, and, were such protections not judged to be reasonably satisfactory, they could request early repayment of the existing debt (amounting to a nominal value of approximately €2.1 billion, with approximately €1.7 billion, including early repayment penalties, guaranteed by Atlantia). The failure to satisfy a request for early repayment from the EIB or CDP could result in similar requests from Autostrade per l'Italia's other creditors, including bondholders;
- d) the restrictions on movement, introduced in response to the emergency caused by the spread of the Covid-19 virus, which have led to a sharp fall in traffic volumes, and have had a significant impact on the results for the first half of 2020 and are also expected to be reflected in the results for 2020 and 2021. This situation has also had significant repercussions on the temporary ability of Autostrade per l'Italia and the other operators it controls to generate sufficient cash to fund planned investment and to service debt. Together with the regulatory framework in the first half of 2020, it has also had a wider impact on Autostrade per l'Italia's ability to borrow in the financial markets in order to meet its financial needs.

With regard to points a) and b) above, Autostrade per l'Italia submitted a new settlement proposal on 11 July 2020 with a view to bringing to an end the procedure for serious breach of the Concession Arrangement. The proposal, based on the results of numerous exchanges with the Government, the MIT and the Ministry of the Economy and Finance, sets out key aspects of the settlement, described in more detail in the section, "Significant legal and regulatory aspects".

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

In response, on 15 July 2020, the Cabinet Office announced that, in view of the proposed settlement, the Government "has decided to begin the settlement process as provided for by law, without prejudice to the fact that the right to revoke the concession will only be waived once the settlement agreement has been finalised".

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

With regard to points c) and d) above, and, more generally, the uncertainty regarding Autostrade per l'Italia's ability to generate sufficient cash to fund planned investment and to service debt, and its wider ability to borrow in the financial markets in order to meet its financial needs, it should be noted that the agreement for the first €400 million tranche of the financial support to be provided by Atlantia was signed on 10 June 2020. €350 million of this amount, forming part of the €900 million in financial support that Atlantia has committed to provide to the subsidiary, has been disbursed, with repayment due in December 2020. Autostrade per l'Italia also has access to facilities that, together with the loan from Atlantia and cash flow from continuing operations, will enable it to fund its operations and capital expenditure through to December 2021.

In May 2020, Autostrade per l'Italia began the process of applying for a credit facility that would benefit from a guarantee provided by SACE under art. 1, paragraph 7 of law Decree 23 of 8 April 2020 (the so-called Liquidità Decree). Autostrade per l'Italia believes it can access this guarantee in view of its role in managing "critical and strategic infrastructure" and its "impact on employment and the labour market". At the date of preparation of this Interim Report, the arrangement process is still ongoing.

Again with regard to the financial position, and in particular the downgrade, it should be noted that at the date of preparation of this Interim Report, neither the EIB nor CDP has made any request for early repayment.

Finally, in view of the changed environment and the Government's express willingness to reach a settlement, on 17 July 2020, Fitch upgraded the Company's rating to Rating Watch Evolving. On 23 July 2020, Moody's also upgraded the Company's outlook from "negative" to "developing".

The above elements and, in particular, the likelihood of reaching agreement with the Italian Government and the actions taken to meet the Company's funding needs, have led Autostrade per l'Italia's board of directors to believe that the above risks and uncertainties are reasonably surmountable.

In the light of recent developments, Atlantia's Board of Directors thus updated its assessment of the various risks and uncertainties, concluding that:

- a) the risk of termination of the concession arrangement is not reasonably likely and that there is a reasonable likelihood that an agreement will be reached with the Italian Government;
- b) provided that no further problems arise (i.e. a resurgence of Covid-19), the occurrence of liquidity and financial risk (resulting in the early repayment of existing debt by Autostrade per l'Italia and, partly as a result of existing guarantees, by Atlantia) is not reasonably likely in the twelve months following approval of the Interim Report for the six months ended 30 June 2020, in view of the steps taken and the level of risk that remains following the statement issued by the Cabinet Office on 15 July 2020.

In particular, the Board believes that:

- 1) the occurrence of liquidity risk is not likely given Atlantia's cash reserves at the date of preparation of this Interim Report and the maturity dates for existing borrowings (2022, excluding revolving credit facilities already covered by existing liquidity);
- 2) the occurrence of financial risk (the early repayment of debt guaranteed by Atlantia) is not deemed likely for Atlantia, as the proposed settlement between the Government, Autostrade per l'Italia and Atlantia and its likely implementation would result in the Government's waiver of its right to revoke the concession. In this regard, recent announcements from the rating agencies on 17 and 23 July 2020 are notable, as Fitch Ratings has upgraded Atlantia (holding, with a "BB" rating) and Aeroporti di Roma ("BBB-") to Rating Watch Evolving (from Rating Watch Negative), whilst Moody's has maintained its "Ba2" rating of the Atlantia Group and "Ba3" rating of Atlantia (holding), with a Developing outlook (as opposed to the previous Negative).

Despite these significant uncertainties, which raise material doubts about use of the going concern assumption, the Directors believe that it is appropriate for Atlantia to prepare its consolidated financial statements as at and for the six months ended 30 June 2020 on a going concern basis. This is based on the information currently available, primarily relating to the progress made towards settling the above dispute with the Government, examination and assessment of potential alternative scenarios, and the steps taken to improve the financial and operating performances of the Company and its Group companies.

Assessment of whether the going concern assumption is appropriate requires a judgement, at a certain time, of the future outcome of events or circumstances that are by nature uncertain. Whilst taking due account of all the available information at that time, this judgement is, therefore, susceptible to change as developments occur, should events that were reasonably foreseeable at the time of the assessment not occur, or should facts or circumstances arise that are incompatible with such events, and that are currently not known or, in any event, not reasonably estimable at the date of preparation of these condensed consolidated interim financial statements as at and for the six months ended 30 June 2020.

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

Basis of preparation of the consolidated financial statements

The condensed consolidated interim financial statements as at and for the six months ended 30 June 2020 have been prepared pursuant to articles 2 and 3 of Legislative Decree 38/2005 and article 154-ter "Financial Reports" of the Consolidated Finance Act, as amended. They have been prepared in compliance with the International Financial Reporting Standards (IFRS), above all with regard to IAS 34 "Interim Financial Reporting" (relating to the content of interim reports), issued by the International Accounting Standards Board, and reflect the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), in addition to previous International Accounting Standards (IAS) and interpretations issued by the Standard Interpretations Committee (SIC) and in force at the end of the period, following their endorsement by the European Commission. For the sake of simplicity, all the above standards and interpretations are hereinafter referred to as "IFRS".

Moreover, the measures introduced by the CONSOB (*Commissione Nazionale per le Società e la Borsa*) in application of paragraph 3 of article 9 of Legislative Decree 38/2005, relating to the preparation of financial statements, have also been taken into account.

The condensed consolidated interim financial statements consist of the consolidated accounts (the statement of financial position, income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows) and these notes. The Group has applied IAS 1 "Presentation of financial statements" and, in general, the historic cost convention, 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 in note 3, "Accounting standards and policies applied" in the consolidated financial statements as at and for the year ended 31 December 2019, to which reference should be made. Compared with the consolidated annual financial statements, the consolidated interim financial statements have been prepared in condensed form, as permitted by IAS 34. For a more complete description, these condensed consolidated interim financial statements should, therefore, be read in conjunction with the consolidated financial statements as at and for the year ended 31 December 2019. No new accounting standards or interpretations, nor amendments to existing standards or interpretations, with an impact on the consolidated financial statements have come into effect during the first half of 2020.

The statement of financial position is based on the format that separately discloses current and non-current assets and liabilities. The income statement is classified by nature of expense. The statement of cash flows has been prepared in application of the indirect method.

IFRS have been applied in accordance with the indications provided in the "Conceptual Framework for Financial Reporting", and no events have occurred that would require exemptions pursuant to paragraph 19 of IAS 1.

CONSOB Resolution 15519 of 27 July 2006 requires that, in addition to the specific requirements of IAS 1 and other IFRS, financial statements must, where material, include separate sub-items providing (i) disclosure of amounts deriving from related party transactions; and, with regard to the income statement, (ii) separate disclosure of income and expenses deriving from events and transactions that are non-

recurring in nature, or transactions or events that do not occur on a frequent basis in the normal course of business.

In this regard, it should be noted that:

- a) no non-recurring, atypical or unusual transactions, having a material impact on the Group's income statement and statement of financial position, were entered into during the first half of 2020, either with third or related parties. As a result, the consolidated financial statements therefore only show material amounts relating to related party transactions;
- b) the condensed consolidated interim financial statements as at and for the six months ended 30 June 2020 include the impact on profit or loss and on the financial position of the non-recurring event that took place in August 2018, relating to the collapse of a section of the Polcevera road bridge on the A10 Genoa-Ventimiglia motorway operated by Autostrade per l'Italia, as described in greater detail in note 8.17.

With regard to the Covid-19 pandemic, in accordance with the recommendation issued by the European Securities and Markets Authority (ESMA) on 20 May 2020, and Warning Notice 8/2020 issued by the CONSOB on 16 July 2020, the following notes provide additional information considered appropriate in order to provide the market with relevant, reliable and transparent disclosures of the current and expected impact on the issuer's financial position, operating performance and cash flow. In addition, note 8.18 describes the impact on the Group's operating results of the restrictions on movement imposed by many governments in response to the global spread of the Covid-19 pandemic.

With effect from the consolidated financial statements as at and for the year ended 31 December 2019, 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 condensed consolidated interim financial statements.

Each component of the consolidated financial statements is compared with the corresponding amount for the comparative reporting period. In this regard, the following should be noted:

- a) the consolidated income statement, statement of comprehensive income, statement of cash flows and statement of changes in equity include certain changes to the amounts for the first half of 2019 and as at 30 June 2019 with respect to the information published in the Interim Report for the six months ended 30 June 2019. These changes reflect completion of the process of identifying and measuring the fair value of the assets acquired and liabilities assumed as a result of the acquisition of the Abertis group, as described in greater detail in note 6 to the consolidated financial statements as at and for the year ended 31 December 2019;
- b) to improve the presentation of cash flows for the first half of 2019, certain items in non-cash financial income have been excluded from operating cash flow, with the matching amounts reclassified to the "Net change in current and non-current financial assets".

3. ACCOUNTING STANDARDS AND POLICIES APPLIED

As mentioned previously in note 2, the accounting standards and policies applied in preparation of the condensed consolidated interim financial statements as at and for the six months ended 30 June 2020 are consistent with those applied in preparation of the consolidated financial statements as at and for the year

ended 31 December 2019. Note 3 to the consolidated financial statements as at and for the year ended 31 December 2018, to which reference should be made, provides both a detailed description of the accounting standards and policies applied.

The amendments to IFRS 9, IAS 39 and IFRS 7 on "Interest Rate Benchmark Reform" came into effect from 1 January 2020. The amendments have modified certain of the requirements for the application of hedge accounting, introducing temporary exemptions to such requirements. This is to mitigate the impact of uncertainty over the reform of Interbank Offered Rates (IBOR), whilst awaiting its completion, on assessments of the effectiveness of hedging derivatives. In particular, the amendment requires (phase I of the implementation project designed by the IASB) entities to supply information on hedging relationships potentially impacted by the reform of IBOR, providing for a temporary suspension of certain specific hedging requirements set out in IFRS 9.

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 especially used in determining amortisation and depreciation, impairment testing of assets (including the measurement of receivables), provisions, employee benefits, the fair value of financial assets and liabilities, and current and deferred tax assets and liabilities.

The amounts subsequently recognised may, therefore, differ from these estimates. Moreover, these estimates and judgements are periodically reviewed and updated, and the resulting effects of each change immediately recognised in the consolidated financial statements.

As required by IAS 36, in preparing the condensed consolidated interim financial statements, property, plant and equipment, intangible assets and investments in associates and joint ventures are tested for impairment only where there are internal and external indications of a reduction in value. This process takes into account any evidence previously resulting from the impairment tests conducted during preparation of the annual financial statements for the previous year.

For this purpose, reference has been made to the above ESMA Recommendation of 20 May 2020, which sets out how the impact of the Covid-19 pandemic could give rise to one or more indications of impairment.

4. CONCESSIONS

As previously noted, the Group's core business is the operation of motorways and airports under concessions held by Group companies. The purpose of the concessions is the construction and operation of motorway and airport infrastructure in Italy and overseas.

The main developments during the first half of 2020, in relation to the concessions held by Group companies, are described below. Note 4 to the consolidated financial statements as at and for the year ended 31 December 2019 provides a description of key aspects of the concessions. Further details of events of a regulatory nature during the first half of 2020 are provided in note 10.6 to these condensed consolidated interim financial statements.

Abertis group

Brazil

Centrovias's concession expired on 3 June 2020 and the 218-km section of motorway was handed over to the operator awarded the new concession.

Mexico

Following the company's acquisition by the subsidiary, Abertis Infraestructuras, described below in note 6, the five concessions held by Red de Carreteras de Occidente SAB de CV in Mexico were consolidated by the Group for the first time in the first half of 2020. The new sections of motorway extend for 876 km serving the industrial corridor between Mexico City and Guadalajara.

In detail:

- a) the concession held by Red de Carreteras de Occidente SAB de CV, expiring in 2048 (FARAC I), consists of 5 sections extending for a total of 664 km, and is the main route connecting Mexico City with Guadalajara, passing through the states of Jalisco, Michoacán, Guanajuato and Aguascalientes;
- b) the concession held by Concesionaria de Vías Irapuato Querétaro SA de CV (COVIQSA), expiring in 2026, consists of a 93-km section that uses a shadow tolling system¹ and links the cities of Querétaro and Irapuato;
- c) the concession held by Concesionaria Irapuato La Piedad SA de CV (CONIPSA), expiring in 2025, consists of a 73-km section that uses a shadow tolling system¹ and links the cities of Irapuato and La Piedad;
- d) the concession held by Concesionaria Tepic San Blas S de R.L. de CV (COTESA), expiring in 2046, consists of a 31-km section linking the state of Nayarit with the Pacific coast;
- e) the concession held by Autovías de Michoacan SA de CV (AUTOVIM), expiring in 2039, provides for construction of a 15-km section connecting the city of Zamora, in the state of Michoacán, with a section of motorway operated under concession by FARAC I.

Italian airports

With regard to the operator, Aeroporti di Roma, art. 202 of Law Decree 34/20 (the *Rilancio* Decree), as converted into and amended by Law 77 of 17 July 2020, which includes the new paragraph 1-*bis*, provides that "in view of the decline in traffic at Italian airports as a result of the Covid-19 health emergency, and the measures taken to combat the outbreak by the Government and regional authorities, in order to curb the resulting economic impact, concessions for the management and development of airports, in effect at the date of entry into force of the law converting this decree, are hereby extended by two years". As a result, the operator's concession term has been extended until June 2046.

¹ The operator receives its toll revenue from the grantor based on the volume of traffic using the infrastructure.

COUNTRY	OPERATOR	KILOMETRES IN SERVICE	EXPIRY DATE
ITALIAN MOTORWAYS			
Italy	Autostrade per l'Italia	2,854.6	Dec 2038
	Autostrade Meridionali	51.6	Dec 2012 ⁽¹⁾
	Raccordo Autostradale Valle d'Aosta	32.3	Dec 2032
	Tangenziale di Napoli	20.2	Dec 2037
	Società Autostrada Tirrenica	54.8	Dec 2046
	Società Italiana per azioni Traforo del Monte Bianco	5.8	Dec 2050
OVERSEAS MOTORWAYS			
Brazil	Triangulo do Sol Auto-Estradas	442.2	Sept 2021
	Rodovias das Colinas	307.0	Jul 2028
	Concessionaria da Rodovia MG050	371.6	Jun 2032
Chile	Sociedad Concesionaria de Los Lagos	134.2	Sept 2023
	Sociedad Concesionaria Litoral Central	80.6	Nov 2031
	Sociedad Concesionaria Vespucio Sur	23.5	Dec 2032
	Sociedad Concesionaria Costanera Norte	43.1	Jun 2033
	Sociedad Concesionaria Autopista Nororient	21.5	2042 ⁽²⁾
	Sociedad Concesionaria AMB	10.0	2024 ⁽³⁾
	Sociedad Concesionaria Conexion Vial Ruta 78 - 68	9.0	2049 ⁽⁴⁾
	Sociedad Concesionaria Americo Vespucio Oriente II	5.2	2052 ⁽⁵⁾
Poland	Stalexport Autostrada Malopolska	61.0	Mar 2027
ABERTIS GROUP			
Spain	Autopistas Concesionaria Española (Acesa)	478.5	Aug 2021
	Infraestructuras Viàries de Catalunya (Inviat)	66.4	Aug 2021
	Autopistes de Catalunya (Aucat)	47.3	Jan 2039
	Iberbistas (Iberpistas-Castellana)	120.4	Nov 2029
	Autopistas de León (Aulesa)	37.7	Mar 2055
	Autopistas Vasco-Aragonesa (Avasa)	294.4	Nov 2026
	Túnel de Barcelona I Cadí concesionaria de la generalitat de Catalunya (Túnel)	46.4	Dec 2037
	Trados 45	14.4	Aug 2029
France	Société des Autoroutes du Nord-Est de la France, S.A. (Sanef)	1,396.0	Dec 2031
	Sociétés des Autoroutes Paris Normandie, S.A. (Sapn)	372.4	Aug 2033
Italy	Autostrade BS VR VI PD SpA	235.6	Dec 2026
Brazil	ViaPaulista S.A.	720.6	Nov 2047 ⁽⁶⁾
	Centrovias sistemas rodoviários	218.2	Jun 2020
	Concesionaria de Rodovias do Interior Paulista (Intervias)	380.3	Jan 2028
	Autopista Fluminense	320.1	Feb 2033
	Autopista Fernão Dias	570.4	Feb 2033
	Autopista Régis Bittencourt	389.8	Feb 2033
	Autoépista Litoral Sul	405.9	Feb 2033
	Autopista Planalto Sul	412.7	Feb 2033
Chile	Sociedad Concesionaria Autopista Central	62.3	Jul 2032
	Sociedad Concesionaria Rutas del Pacifico	141.4	Mar 2024 ⁽⁷⁾
	Sociedad Concesionaria del Elqui	228.7	Dec 2022
	Sociedad Concesionaria Autopista los Libertadores	115.7	Mar 2026
	Sociedad Concesionaria Autopista del Sol	132.6	Nov 2021
	Sociedad Concesionaria Autopista de los Andes	92.3	Jul 2036
Mexico	Red de Carreteras de Occidente SAB de CV (RCO - FARAC I)	663.9	Apr 2048
	Concesionaria de Vias Irapuato Querétaro SA de CV (COVIQSA)	93.0	Jun 2026
	Concesionaria Irapuato La Piedad SA de CV (CONIPSA)	73.5	Sept 2025
	Concesionaria Tepic San Blas S de R.L. de CV (COTESA)	30.9	May 2046
	Autovías de Michoacan SA de CV (AUTOVIM)	14.8	Dec 2039
Puerto Rico	Autopistas Metropolitanas de Puerto Rico (Metropistas)	87.7	Sept 2061
	Autopistas de Puerto Rico y Compania (APR)	2.3	Feb 2044
Argentina	Grupo Concesionario del Oeste (Gco)	56.0	Dec 2030
	Autopistas del Sol (Ausol)	119.0	Dec 2030
India	Jadcherla Espressways Private Limited (JepI)	58.0	Aug 2026
	Trichy Tollway Private Limited (Ttpl)	94.0	Dec 2026
COUNTRY OPERATOR AIRPORT EXPIRY DATE			
ITALIAN AIRPORTS			
Italy	Aeroporti di Roma	Leonardo da Vinci di Fiumicino "G.B. Pastine" di Ciampino	Jun 2044
OVERSEAS AIRPORTS			
France	Aéroport de la Côte d'Azur	Aéroport Nice Côte d'Azur Aéroport Cannes Mandelieu Aéroport Golfe Saint-Tropez	Dec 2044 Dec 2044 n/a

(1) In compliance with the concession arrangement, in December 2012 the Grantor asked Autostrade Meridionali to continue operating the motorway after 1 January 2013, in accordance with the terms and conditions of the Concession Arrangement in force at that time. Information on the process of awarding the new concession by the Ministry of Infrastructure and Transport is provided in note 10.6, "Significant legal and regulatory aspects".

(2) Estimated date: the concession will expire when the net present value of the revenues received, discounted to the start date of the concession at the real rate of 9.5%, reaches the agreed threshold and, in any event, no later than 2044.

(3) Estimated date: the concession will expire when the net present value of the revenues received, discounted to the start date of the concession at the real rate of 9.0%, reaches the agreed threshold and, in any event, no later than 2048.

(4) Estimated date: the concession will expire when the net present value of the revenues received, discounted to the start date of the concession at the real rate of 5.0%, reaches the agreed threshold and, in any event, no later than 2063.

(5) Estimated date: the concession will expire when the net present value of the revenues received, discounted to the start date of the concession at the real rate of 5.0%, reaches the agreed threshold and, in any event, no later than 2063.

(6) Includes 317 km operated by Autovias, which expired in July 2019.

(7) Estimated date: the concession will expire when the net present value of the revenues received, discounted to the start date of the concession at the real rate of 6.5%, reaches the agreed threshold.

5. SCOPE OF CONSOLIDATION

The consolidation policies and methods used for the condensed consolidated interim financial statements as at and for the six months ended 30 June 2020 are consistent with those used in preparation of the consolidated financial statements as at and for the year ended 31 December 2019 and described in note 5 therein.

In addition to the Parent Company, entities are consolidated when Atlantia exercises control as a result of its direct or indirect ownership of a majority of the voting power of the relevant entities or because, as a result of other events or circumstances that mean it has power over the investee, exposure, or rights, 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 I, "The Atlantia Group's scope of consolidation and investments as at 30 June 2020". A number of companies listed in Annex I have not been consolidated due to their quantitative and qualitative immateriality to a true and fair view of the Group's financial position, results of operations and cash flows, as a result of their operational insignificance (dormant companies or companies whose liquidation is nearing completion). Entities over which control is exercised are consolidated from the date on which the Group acquires control, whilst they are deconsolidated from the date on which the Group ceases to exercise control, as defined above.

For the purposes of preparing the condensed consolidated interim financial statements, all consolidated companies have, as in previous years, prepared a specific reporting package as of the end of the reporting period, with accounting information consistent with the IFRS adopted by the Group.

The Group's scope of consolidation as at 30 June 2020 differs from the scope used as at 31 December 2019, following the transactions described below:

- a) completion, on 5 June 2020, of the acquisition by the subsidiary, Abertis Infraestructuras, in partnership with the Government of Singapore Investment Corporation ("GIC"), of a 72.3% interest in Red de Carreteras de Occidente ("RCO2) in Mexico. As a result of this transaction, described in detail in note 6 below, Abertis Infraestructuras holds a 51.3% interest in RCO, acquired for a consideration amounting to €1.5 billion, whilst GIC holds 21%. The remaining 27.7% of RCO is held by local investors and pension funds. RCO's 5 subsidiaries manage 876 km of motorway network in the industrial corridor between Mexico City and Guadalajara;
- b) Telepass's acquisition, on 28 May 2020, of a further 59.93% interest in Wash Out (in which Telepass already held a 10.04% stake), at a cost of approximately €7 million. The remaining shares are held by the founding shareholders and other non-controlling shareholders. The transaction, recognised in the accounts in accordance with IFRS 3, has resulted in the recognition of goodwill of €11 million, including the share attributable to non-controlling interests. Considering the immaterial nature of this transaction within the context of the Atlantia Group's consolidated financial statements, the full disclosure provided for in IFRS 3 has not been presented;
- c) the establishment, on 28 May 2020, of Telepass Assicura, a wholly owned subsidiary of Telepass SpA, primarily to operate as an insurance and reinsurance agent;

- d) the sale, on 29 May 2020, of the 100% interest in Sky Valet France, previously held by Aéroports de la Côte d'Azur.

The exchange rates used for the translation of reporting packages denominated in functional currencies other than the euro were obtained from the Bank of Italy and the European Central Bank and are shown below, together with those applied to the comparative period:

CURRENCY	2020			2019	
	Spot exchange rate as at 30 June	Average exchange rate in H1	Average exchange rate used for consolidation ⁽¹⁾	Spot exchange rate as at 31 December	Average exchange rate in H1
Euro/US dollar	1.120	1.102	-	1.123	1.130
Euro/Polish zloty	4.456	4.412	-	4.257	4.292
Euro/Chilean peso	918.720	895.570	-	844.860	763.390
Euro/Brazilian real	6.112	5.410	-	4.516	4.342
Euro/Swiss franc	1.065	1.064	-	1.085	1.130
Euro/Indian rupee	84.624	81.705	-	80.187	79.124
Euro/Argentine peso ⁽²⁾	78.786	78.786	-	67.275	48.568
Euro/Canadian dollar	1.532	1.503	-	1.460	1.507
Euro/Colombian peso	4,203.450	4,065.310	-	3,688.660	3,602.820
Euro/Hungarian forint	356.580	345.261	-	330.530	320.420
Euro/Pound sterling	0.912	0.875	-	0.851	0.874
Euro/Croatian kuna	7.571	7.534	-	7.440	7.420
Euro/Mexican peso	25.947	23.843	25.313	21.220	21.654

⁽¹⁾ Average exchange rate from the date of first-time consolidation of Red de Carreteras de Occidente (RCO).

⁽²⁾ As required by IAS 21 and IAS 29 in relation to hyperinflationary economies, the spot and average exchange rates used to translate the Argentine peso are the same.

Movements in the index used to rebase the Argentine peso are also shown below:

Index	Change in H1 2020	Change in H1 2019
Consumer price index: "Índice de precios al consumidor con cobertura nacional"	42.8%	22.4%

6. ACQUISITIONS AND CORPORATE ACTIONS

6.1 Acquisition of control of Red de Carreteras de Occidente

On 5 June 2020, the subsidiary, Abertis Infraestructuras, in partnership with GIC, completed the acquisition of a 72.3% stake in RCO. Completion of the transaction following fulfilment, on 4 May 2020, of the suspensive conditions included in the agreement signed on 11 October 2019. RCO is a Mexican-based company that, through its five subsidiaries, manages 876 km of motorway network serving the industrial corridor between Mexico City and Guadalajara.

Abertis Infraestructuras has acquired a 51.3% interest in RCO for a consideration of €1,475 million (equal to 32,824 million Mexican pesos, converted at an exchange rate of 22.203 Mexican pesos to the euro, fixed by Abertis Infraestructuras through forward contracts in this currency, hedging the risk associated with payment in local currency, at the date of signing the purchase agreement), whilst GIC has acquired a 21% interest in RCO. The remaining 27.7% interest in RCO is held by Mexican investors and pension funds.

For the purposes of these consolidated financial statements, the transaction has been accounted for using the acquisition method, as required by IFRS 3. This involved the provisional allocation of the transaction in the accounts, as permitted by the standard.

The table below shows the carrying amounts of the assets acquired and liabilities assumed, as provisionally measured on the basis described below.

€M	Carrying amount	Elimination of pre-existing goodwill and fair value adjustments	Fair value
Net assets acquired:			
Property, plant and equipment	6		6
Goodwill	5	(5)	-
Other intangible assets	1,799	3,922	5,721
Financial assets	55		55
Current tax assets	6		6
Trading and other assets	24		24
Cash and cash equivalents	282		282
Net deferred tax assets / (Net deferred tax liabilities)	249	(1,177)	(928)
Provisions	(277)		(277)
Financial liabilities	(1,988)		(1,988)
Current tax liabilities	(3)		(3)
Trading and other liabilities	(20)		(20)
Total net assets acquired	138	2,740	2,878
Equity attributable to non-controlling interests			1,403
Share of net assets acquired by the Group			1,475
Total consideration			1,475
Cash and cash equivalents acquired			(282)
Net cash outflow for the acquisition			1,193

Whilst awaiting final identification and measurement of the fair value of the assets acquired and liabilities assumed, and definition of the acquired group's long-term plan, it was decided, on a temporary basis, to continue to use the IFRS carrying amounts of the assets and liabilities previously recognised in the RCO group's consolidated financial statements (equal to €138 million). In addition, the value of goodwill previously recognised in RCO's consolidated financial statements (equal to €5 million) was also eliminated and the entire difference compared with the purchase price was allocated to intangible assets deriving from concession rights, after deferred taxation (equal to €2,740 million). This provisional allocation of the gain was deemed to provide a clearer, more prudent and accurate view for users of the financial statements, bearing in mind that, based on the available information, it is presumable that most of the acquired group's value lies with the motorway concessions held by RCO and its subsidiaries, above all the main concession named "FARAC I". This approach allows for a more accurate provisional presentation of the impact of the acquisition.

As permitted by IFRS 3, final recognition of the fair value of the assets and liabilities of the acquired companies will be completed within 12 months of the acquisition date, in connection with the measurement activities under way that will involve determination of the fair values of the following:

- a) intangible assets deriving from concession rights;
- b) financial assets and liabilities;
- c) the related impact of deferred taxation;

and, to the extent that the cost of acquisition exceeds net assets, goodwill.

Had the acquired companies been consolidated on a line-by-line basis from 1 January 2020, the Atlantia Group's consolidated revenue and consolidated net loss for the first half of 2020 would have amounted to €4,196 million and €1,027 million, respectively. This takes into account the provisional allocation of the above intangible assets deriving from concession rights, with the resulting estimate of the related amortisation over the term of FARAC I's concession.

As at 30 June 2020, property, plant and equipment is subject to encumbrances in the form of mortgages, liens and other collateral guarantees, amounting to €57 million, and essentially attributable to the Abertis group, above all Autopistas Metropolitanas De Puerto Rico (€50 million) and A4 Trading (€6 million).

7.2 Intangible assets

€62,403 million (€59,472 million)

The item consists of:

- a) intangible assets deriving from concession rights, totalling €49,583 million (€46,500 million as at 31 December 2019), and regarding the following categories:
 - 1) rights acquired from third parties (€34,809 million), essentially reflecting the fair value of the concession rights resulting from the acquisitions completed by the Group over time;
 - 2) rights recognised as a result of the commitment to perform construction services for which no additional economic benefits are received (€7,605 million);
 - 3) rights deriving from construction services for which additional economic benefits are received (€7,065 million);
 - 4) rights deriving from construction services carried out by service area operators, represented by assets that were handed over free of charge to the Group's operators on expiry of the related sub-concessions (€104 million);
- b) goodwill and other intangible assets with indefinite lives, totalling €12,341 million;
- c) other intangible assets of €479 million, essentially consisting of contractual rights attributable to Aeroporti di Roma, recognised at the time of acquiring control.

€M	30 June 2020				31 December 2019			
	COST	ACCUMULATED AMORTISATION	ACCUMULATED IMPAIRMENTS	CARRYING AMOUNT	COST	ACCUMULATED AMORTISATION	ACCUMULATED IMPAIRMENTS	CARRYING AMOUNT
Intangible assets deriving from concession rights	82,655	-32,799	-273	49,583	78,177	-31,498	-179	46,500
Goodwill and other intangible assets with indefinite lives	12,485	-	-144	12,341	12,481	-	-55	12,426
Other intangible assets	1,420	-941	-	479	1,483	-929	-8	546
Intangible assets	96,560	-33,740	-417	62,403	92,141	-32,427	-242	59,472

There was a net increase of €2,931 million in intangible assets during the first half of 2020, primarily due to the change in the scope of consolidation following consolidation of the RCO group, amounting to €5,721 million, as described in note 6 above.

After stripping out this item, the item is down €2,790 million, primarily due to a combination of the following:

- a) amortisation for the period of €1,696 million, primarily attributable to rights acquired from third parties;
- b) the negative impact of currency translation differences, amounting to €1,243 million, mainly due to the sharp falls in value of the Brazilian real and Chilean peso against the euro;
- c) the impairment loss on goodwill allocated to the Aéroports de la Côte d'Azur CGU, amounting to €94 million, and on the intangible assets deriving from concession rights attributable to A4, amounting to €109 million;
- d) increases as a result of construction work, totalling €339 million, primarily relating to construction services for which additional economic benefits are received (€290 million);
- a) an increase in intangible assets deriving from concession rights due to construction services for which no additional benefits are received (€44 million), with a matching increase in provisions for

3. Condensed consolidated interim financial statements

construction services required by contract as a result of an updated estimate of the present value of construction services to be provided in the future.

The following table shows intangible assets at the beginning and end of the period and changes in the different categories of intangible asset during the first half of 2020.

€M	CARRYING AMOUNT AS AT 31 DECEMBER 2019	ADDITIONS DUE TO COMPLETION OF CONSTRUCTION SERVICES, ACQUISITIONS AND CAPITALISATIONS	AMORTISATION	IMPAIRMENTS	CHANGES DURING THE PERIOD				CARRYING AMOUNT AS AT 30 JUNE 2020
					CHANGES DUE TO REVISED PRESENT VALUE OF CONTRACTUAL OBLIGATIONS	NET CURRENCY TRANSLATION DIFFERENCES	RECLASSIFICATIONS AND OTHER ADJUSTMENTS	CHANGE IN SCOPE OF CONSOLIDATION	
Intangible assets deriving from concession rights									
Acquired concession rights	31,690	-	-1,210	-109	-	-1,045	-	5,483	34,809
Concession rights accruing from construction services for which no additional economic benefits are received	7,550	-	-221	-	44	-3	1	234	7,605
Concession rights accruing from construction services for which additional economic benefits are received	7,153	290	-200	-	-	-186	4	4	7,065
Concession rights accruing from construction services provided by sub-operators	107	-	-3	-	-	-	-	-	104
Total	46,500	290	-1,634	-109	44	-1,234	5	5,721	49,583
Goodwill and other intangible assets with indefinite lives									
Goodwill and intangible assets with indefinite lives	12,426	-	-	-94	-	-	-	9	12,341
Total	12,426	-	-	-94	-	-	-	9	12,341
Other intangible assets									
Commercial contractual relations	198	-	-16	-	-	-	-	-	182
Development costs	46	27	-20	-	-	-	1	-	54
Industrial patents and intellectual property rights	15	10	-7	-	-	-	-2	-	16
Concessions and licenses	63	3	-10	-	-	-1	1	-	56
Other leased intangible assets	1	-	-	-	-	-	-	-	1
Other	159	4	-9	-	-	-8	-2	-	144
Intangible assets under development and advance payments	64	5	-	-	-	-	-43	-	26
Total	546	49	-62	-	-	-9	-45	-	479
Intangible assets	59,472	339	-1,696	-203	44	-1,243	-40	5,730	62,403

There were no significant changes in the expected useful lives of intangible assets during the period.

The following analysis shows the various components of investment in motorway and airport infrastructure effected through construction services, as reported in the consolidated statement of cash flows.

€M	NOTE	H1 2020	H1 2019	INCREASE/ (DECREASE)
Use of provisions for construction services required by contract for which no additional economic benefits are received	7.13 / 8.10	165	214	-49
Use of provisions for renewal of assets held under concession	7.14	16	22	-6
Increase in intangible concession rights accruing from completed construction services for which additional economic benefits are received	8.3	290	393	-103
Increase in financial assets deriving from motorway construction services	7.4 / 8.3	54	58	-4
Investment in assets held under concession		525	687	-162

Research and development expenditure of approximately €0.2 million has been recognised in the consolidated income statement for the period. These activities are carried out in order to improve infrastructure, the services offered, safety levels and environmental protection and in relation to the internal development of software and IT systems.

"Goodwill and other intangible assets with indefinite lives", totalling €12,341 million, essentially consists of:

- €7,869 million in goodwill recognised following the acquisition of control of the Abertis group in 2018. This goodwill has not been allocated to the single CGUs controlled by the Abertis group, as it represents the group's collective ability to generate or acquire additional business in the operation of infrastructure under concession and in the related services (including business beyond its activities or geographical footprint at the acquisition date);
- the goodwill allocated to the CGU represented by Autostrade per l'Italia, amounting to €4,383 million following the acquisition of a majority interest in the former Autostrade – Concessioni e

Costruzioni Autostrade SpA in 2003. This goodwill coincides with the carrying amount as at 1 January 2004 (the IFRS transition date) and was determined in accordance with prior accounting standards under the exemption permitted by IFRS 1;

- c) €58 million in goodwill resulting from the acquisition of control of Autopistas Trados-45 in 2019;
- d) €20 million in goodwill recognised following the acquisition of control of ACA and its subsidiaries in 2016 and on which impairment loss has been recognized, as described in greater detail below;
- e) €11 million in goodwill recognised following the acquisition of control of Wash Out in the first six months of 2020, as described in note 5 above.

As required by IAS 36, the CGUs that during the first half of 2020 showed one or more indications of a potential impairment loss were identified.

In accordance with the recommendation issued by the European Securities and Markets Authority (ESMA) on 20 May 2020, and Warning Notice 8/2020 issued by the CONSOB on 16 July 2020, the impact of the Covid-19 pandemic was also included among the factors potentially giving rise to a loss.

In line with the approach adopted in previous years, each operator is a separate CGU since the cash flows generated by the sections of motorways or the airports operated under specific concession arrangements are not closely linked. Subsidiaries that do not hold concessions are also treated as a separate CGU.

In relation to the impact of the Covid-19 pandemic, the above process found indications of impairment for all the CGUs represented by the Group's motorway and airport operators (including those to which the above goodwill has been allocated), in addition to for Pavimental and Spea Engineering.

There was, in contrast, no evidence of potential reversals of impairment losses on CGUs recognised in previous years.

The carrying amounts of the net invested capital of the following CGUs as at 30 June 2020 were thus tested for impairment in order to assess the recoverability of both the goodwill recognised in the financial statements (as described above) and the other intangible and tangible assets allocated to the CGUs.

The results of the impairment tests, examined by the Board of Directors, were obtained using the method required by IAS 36 (by estimating the value in use of each CGU, using the Unlevered Discounted Cash Flow method). The assumptions used as the basis for the quantification of cash flows and discount rates were primarily based on publicly available information from external sources, integrated, where appropriate, by estimates based also on historical data.

In particular:

- a) the estimation of cash flows was, where available, based on the long-term plans drawn up by the individual CGUs, containing traffic, investment, revenue and cost projections for the full term of the related concessions.

In the case of Autostrade per l'Italia, reference was made to the Financial Plan submitted on 23 July 2020, as described in note 10.6, "Significant legal and regulatory aspects", which is in the process of being approved. The same plan was supplemented with an updated estimate of the impact of the potential settlement agreement being negotiated with the Government, as well as of the impact of Covid-19. The financial plans of Raccordo Autostradale Valle d'Aosta and Autostrada Tirrenica, on which the cash flow estimates for the related impairment tests were based, correspond with those submitted to the Grantor last June, prepared on the basis of the relevant determinations issued by the Transport Regulator and as yet still awaiting approval.

In the case of CGUs for which updated plans were not available, as permitted by paragraph 23 of IAS 36, reference was made to the latest available plans supplemented and adjusted to take account of the estimated impact of the recent performances of the CGU's businesses, above all bearing in mind the effects of the Covid-19 pandemic. In detail, with regard to estimation of the recoverable value:

- 1) for all the motorway and airport CGUs, with the exception of Aéroport Golfe de Saint-Tropez, value in use was estimated on the basis of cash flows throughout the remaining terms of the related concessions (in the case of Autostrade per l'Italia and Aéroports de la Côte d'Azur, through to 2038 and 2044, respectively). The use of long-term plans covering the entirety of the respective concession terms is deemed more appropriate than the approach provisionally suggested by IAS 36 (namely, a limited explicit projection period and the estimated terminal value), given the intrinsic nature of the related concession arrangements, above all with regard to the regulations governing each sector and the predetermined duration of the arrangements;
 - 2) in the case of goodwill attributable to the Abertis group and of Aéroport Golfe de Saint-Tropez (a CGU including other intangible assets with indefinite useful lives), in line with the impairment tests conducted at the time of preparation of the consolidated financial statements as at and for the year ended 31 December 2019, and with regard to the nature of the intangible assets being tested for impairment, value in use was estimated on the basis of the long-term plan prepared by the companies and covering an explicit projection period of five years. The terminal value was estimated on the basis of normalised operating cash flow for the last year of the five-year explicit projection period, applying a long-term growth rate (the so-called "g rate") in line with the average expected long-term rate of inflation;
 - 3) in the case of Pavimental and Spea Engineering, given that they essentially provide support services to the Atlantia Group's operators (in connection with their construction and maintenance activities), it was deemed appropriate to estimate value in use on the basis of the same time-frame used in the long-term plans of the companies to which they provide their services, without estimating terminal value;
- b) pre-tax discount rates were determined in accordance with IAS 36, taking into account market conditions as at 30 June 2020. With regard to Autostrade per l'Italia and its subsidiaries, in accordance with the provisions of paragraph 92 of IAS 37, no discount rate was indicated, given that talks regarding Autostrade per l'Italia are still ongoing (as described in note 10.6, "Significant legal and regulatory aspects").

The discount rates used for each CGU or type of CGU (or for the Abertis group in impairment testing the related goodwill), are shown below.

CGU	Discount rate as at 30 June 2020
Overseas motorways	
Chile	7.28%
Brazil	9.60%
Poland	6.72%
India	8.15%
Abertis group	
Italy	5.99%
Spain	6.07%
France	5.49%
Chile	7.28%
Brazil	9.60%
Puerto Rico	10.45%
India	8.15%
Italian airports	
Aeroporti di Roma	6.92%
Overseas airports	
Aéroports de la Côte d'Azur (France)	4.16%
Other activities	
Pavimental / Spea Engineering	7.47%

The following should be noted in relation to the discount rate used in testing the goodwill allocated to the Abertis group:

- cash flows in the five-year explicit projection period were discounted at a rate of 6.43%, determined on the basis of weighted discount rates for the individual countries in which the group operates, based on estimated EBITDA for each country in the fifth year of the forecast;
- the terminal value was discounted using the average discount rate (to which the "g rate" was applied) of 8.31%. This discount rate prudently takes into account potential uncertainties linked to the group's ability to maintain, over the long term, the level of normalised operating cash flow estimated for the final year of the five-year explicit projection period.

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

- A4 (one of the Abertis group's Italian motorway operators), where the impairment test indicated that the carrying amount of the operator's intangible assets deriving from concession rights was partially recoverable, resulting in an impairment loss of €109 million, recognised in "(Impairment losses)/ Reversals of impairment losses" in the consolidated income statement, before the related deferred taxation, amounting to €34 million;
- Aéroports de la Côte d'Azur, where the impairment test indicated that the carrying amount of goodwill, resulting in an impairment loss of €94 million, recognised in "(Impairment losses)/ Reversals of impairment losses" in the consolidated income statement.

In addition to the above impairment tests, sensitivity analyses were also conducted on the recoverable values of the CGUs to which the above goodwill has been allocated. In particular:

- a) in Autostrade per l'Italia's case, increasing the indicated discount rate by 0.5% or 1% does not indicate a potential impairment loss;
- b) in Aéroports de la Côte d'Azur's case:
 - 1) increasing the discount rate by 0.5% results in a potential further impairment loss of €120 million;
 - 2) reducing the average annual growth rate for operating cash flow by 1% results in a potential further impairment loss of €168 million;
- c) in the case of the Abertis group:
 - 1) increasing the discount rate by 0.5% results in a potential further impairment loss of €1,227 million;
 - 2) reducing the long-term growth rate by 0.5% results in a potential further impairment loss of €729 million.

7.3 Investments €2,858 million (€3,662 million)

As at 30 June 2020, this item is down €804 million, primarily due to a combination of the following:

- a) the loss of €586 million resulting from fair value measurement of the investment in Hochtief, recognised in other comprehensive income;
- b) the sale of the indirectly held investment in the French operator, Alis, for a total amount of €152 million. This transaction generated a gain of €35 million (the carrying amount at the sale date was €117 million);
- c) a reduction of €65 million in the value of investments measured using the equity method, essentially reflecting recognition of the Group's share of the losses for the period reported by Getlink (€15 million) and Aeroporto di Bologna (€5 million), in addition to its share of the other comprehensive loss of €37 million, primarily relating to an increase in fair value losses on Getlink's hedging instruments;
- d) an impairment loss of €35 million on the carrying amount of the investment in Aeroporto di Bologna, as described in greater detail below.

The table below shows the carrying amounts of the Group's investments at the beginning and end of the period, grouped by category, and changes in the first half of 2020.

€M	31 DECEMBER 2019 OPENING BALANCE	CHANGES DURING THE PERIOD					30 June 2020 CLOSING BALANCE
		REVERSALS OF IMPAIRMENTS (IMPAIRMENTS)	SALES AND RETURNS OF CAPITAL	MEASUREMENT USING EQUITY METHOD		MEASUREMENT USING EQUITY METHOD	
				PROFIT OR LOSS	OTHER COMPREHENSIVE INCOME		
Investments accounted for using the equity method in:							
- associates and unconsolidated subsidiaries	1,612	-35	-117	-27	-	-1	1,395
- joint ventures	6	-	-	-1	-	-	5
Investments accounted for at fair value	2,044	-	-	-	-	-586	1,458
Investments	3,662	-35	-117	-28	-37	-587	2,858
Investments	3,662	-35	-117	-28	-37	-587	2,858

The equity method was used to measure interests in associates and joint ventures based on the most recent approved financial statements available. In the event that interim financial statements as at 30 June 2020 were not available, the above data was supplemented by specific estimates based on the latest available information and, where necessary, restated to bring them into line with Group accounting policies. The process of accounting for acquired investments using the equity method also takes into account the gains allocated in application of IFRS 3.

The fair value measurement of the investment in Hochtief (amounting to €1,331 million as at 30 June 2020) was based on the closing price of the shares on the Frankfurt Stock Exchange on 30 June 2020.

With regard to the recoverability of the carrying amount of investments, on the basis described above in note 7.2, the investment in Aeroporto G. Marconi di Bologna was tested for impairment, given that the impact of the Covid-19 pandemic has also given rise to one or more indications of impairment for this company.

The impairment test was conducted using the Dividend Discount Model, applying a discount rate of 6.34% (5.38% as at 31 December 2019) to the estimated dividends expected to be received from this investee.

The impairment test showed that the carrying amount of the investment is partially recoverable, resulting in an impairment loss on this investment of €35 million, recognised in "Other financial expenses" in the income statement for the period.

There was no evidence of potential reversals of impairment losses on investments recognised in previous years.

Annex I provides a list of the Group's investments as at 30 June 2020, as required by CONSOB Ruling DEM/6064293 of 28 July 2006.

7.4 Financial assets (non-current) / €4,983 million (€4,784 million) (current) / €1,162 million (€1,308 million)

The following analysis shows the composition of other financial assets at the beginning and end of the period, together with the current and non-current portions.

€m	30 June 2020			31 December 2019		
	CARRYING AMOUNT	CURRENT PORTION	NON-CURRENT PORTION	CARRYING AMOUNT	CURRENT PORTION	NON-CURRENT PORTION
Takeover rights	409	410	-	409	409	-
Guaranteed minimum tolls	617	93	524	649	93	556
Other concession rights	2,477	40	2,437	2,510	56	2,453
Financial assets deriving from concession rights ⁽¹⁾	3,503	542	2,961	3,568	559	3,009
Financial assets deriving from government grants related to construction services ⁽¹⁾	235	30	205	277	63	214
Term deposits ⁽¹⁾	625	255	370	754	433	321
Derivative assets ⁽²⁾	566	113	453	375	130	245
Other medium/long-term financial assets ⁽¹⁾	999	5	994	1,001	6	995
Other medium/long-term financial assets	1,565	118	1,447	1,376	136	1,240
Other current financial assets ⁽¹⁾	217	217	-	117	117	-
Financial assets	6,145	1,162	4,983	6,092	1,308	4,784

(1) These assets include financial instruments primarily classified as "financial assets measured at amortised cost" in accordance with IFRS 9.

(2) These assets primarily include derivative financial instruments classified as hedges under level 2 of the fair value hierarchy.

The following table shows changes during the period in financial assets deriving from concession rights.

€M	31 December 2019								30 June 2010
	CARRYING AMOUNT	ADDITIONS DUE TO DISCOUNTING TO PRESENT VALUE	ADDITIONS DUE TO COMPLETION OF CONSTRUCTION SERVICES	REDUCTIONS DUE TO AMOUNTS COLLECTED	CURRENCY TRANSLATION DIFFERENCES	CHANGE IN SCOPE OF CONSOLIDATION	IMPAIRMENTS AND REVERSALS OF IMPAIRMENTS	OTHER CHANGES	CARRYING AMOUNT
Takeover rights	409	-	-	-	-	-	-	-	409
Guaranteed minimum tolls	649	23	45	-58	-42	-	-	-	617
Other concession rights	2,510	105	9	-31	-42	48	-156	34	2,477
Financial assets deriving from concession rights	3,568	128	54	-89	-84	48	-156	34	3,503

Financial assets deriving from concession rights, amounting to €3,503 million, include:

- the contribution of the Abertis group (€2,107 million) as a result of accrued receivables due from the various grantors as a return on capital expenditure, above all regarding the Spanish operator, Acesa, on the basis of Royal Decree 457/2006, amounting to €896 million (this amount does not include disputed receivables relating to compensation due to Acesa, as described in greater detail in note 10.6), and the Spanish operators, Invicat, Aucat and Castellana, amounting to €428 million, €306 million and €183 million, respectively;

- b) the present value of the financial asset deriving from concession rights represented by the minimum tolls guaranteed by the Grantor of the concessions held by certain of the Group's Chilean operators (€516 million);
- c) other financial assets deriving from concession rights (€468 million), attributable to the Chilean operator, Costanera Norte, in relation to the financial assets due to this company as a result of carrying out the motorway investment programme named *Santiago Centro Oriente* ("CC7");
- d) takeover rights attributable to Autostrade Meridionali (€409 million), being the amount payable by a replacement operator on termination of the concession for the company's unamortised capital expenditure during the final years of the outgoing operator's concession.

Other medium/long-term financial assets also include the amount due to the subsidiary, AB Concessões from Infra Bertin Empreendimentos (a subsidiary of the Bertin group and the holder of a 50% stake minus 1 share in AB Concessões), which controls SPMAR, totalling €436 million (earning interest at the CDI rate plus a spread of 2.64%), in addition to amounts deposited in the bank accounts of AB Concessões and its subsidiaries, which have seized under injunctions ordered by Brazilian courts in relation to labour disputes between the Bertin group and its employees.

The recoverability of financial assets was tested in accordance with the procedures contained in IFRS 9 in the event of a significant increase in credit risk (also taking into account the impact of the Covid-19 pandemic, previously described in note 7.2) following initial recognition. This related to the following assets:

- a) the financial assets deriving from concession rights of the Argentine companies, GCO and Ausol (in which Atlantia holds interests of 24.02% and 15.61%, respectively);
- b) the amount due to AB Concessões from Infra Bertin Empreendimentos, guaranteed by a pledge issued by Huaolimau (another Bertin group subsidiary) on the right to receive dividends due to it.

The impairment tests confirmed that the carrying amounts of the above financial assets are fully recoverable, with the exception of the financial assets of the Argentine operators, GCO and Ausol, guaranteed by the Grantor. In this case, the test resulted in an estimated impairment loss of €153 million, recognised in "Other financial expenses" in the income statement for the period.

Financial assets deriving from concession rights are thus down €65 million compared with 31 December 2019. This primarily reflects:

- a) the above impairment loss on the concession rights of the Argentine operators, GCO and Ausol (€153 million);
- b) the collection of financial assets deriving from concession rights by the Chilean operators and the fall in the value of the Chilean peso against the euro at the end of the period;
- c) investment in the motorway network by Chilean motorway operators;
- d) the financial assets deriving from concession rights contributed by RCO (€48 million).

Other medium/long-term financial assets are up €189 million compared with 31 December 2019, essentially following the recognition of fair value gains on fair value hedges entered into by Atlantia as part of the collar financing transaction involving a third of the shares it holds in Hochtief (€193 million).

7.5 Deferred tax assets and liabilities

Deferred tax assets €2,467 million (€2,113 million)
Deferred tax liabilities €6,975 million (€6,280 million)

The amount of deferred tax assets and liabilities both eligible and ineligible for offset is shown below, with respect to temporary timing differences between consolidated carrying amounts and the corresponding tax bases at the end of the period.

€M	30 June 2020	31 December 2019
Deferred tax assets	3,657	3,294
Deferred tax liabilities eligible for offset	-1,190	-1,181
Deferred tax assets less deferred tax liabilities eligible for offset	2,467	2,113
Deferred tax liabilities	-6,975	-6,280
Difference between deferred tax assets and liabilities (eligible and ineligible for offset)	-4,508	-4,167

Changes in the Group's deferred tax assets and liabilities during the period, based on the nature of the temporary differences giving rise to them, are summarised in the following table.

€M	31 December 2019	CHANGES DURING THE PERIOD					30 June 2020
		DEFERRED TAX ASSETS/LIABILITIES ON GAINS AND LOSSES RECOGNISED IN COMPREHENSIVE INCOME	INCREASES/ (DECREASES) IN ITEMS IN OTHER COMPREHENSIVE INCOME	CHANGE IN ESTIMATES FOR PREVIOUS YEARS	CURRENCY TRANSLATION DIFFERENCES	CHANGE IN SCOPE OF CONSOLIDATION AND OTHER CHANGES	
Deferred tax assets on:							
Provisions	1,453	173	-	-1	-16	6	1,615
Tax loss carryforwards	410	72	-	-	-39	114	557
Restatement of global balance on application of IFRIC 12 by Autostrade per l'Italia	372	-11	-	-	-	-	361
Derivative liabilities	273	7	25	-	-	7	312
Differences between carrying amounts and fair values of assets and liabilities acquired through business combinations	230	-39	-	-	-	-	191
Deductible infra-group goodwill	117	-42	-	-	-	-	75
Impairment of receivables and inventories	107	17	-	-	-8	-	116
Impairments and depreciation of non-current assets	75	-5	-	-	-	127	197
Other temporary differences	257	-3	-3	-2	-16	-	233
Total	3,294	169	22	-3	-79	254	3,657
Deferred tax liabilities on:							
Differences between carrying amounts and fair values of assets and liabilities acquired through business combinations	-6,204	304	-	4	131	-1,178	-6,943
Financial assets deriving from concession rights and government	-328	39	-	-	21	-	-268
Derivative assets	-37	-12	5	-	-	-	-44
Other temporary differences	-892	-51	-1	-	47	-13	-910
Total	-7,461	280	4	4	199	-1,191	-8,165
Difference between deferred tax assets and liabilities (eligible and ineligible for offset)	-4,167	449	26	1	120	-937	-4,508

As shown in the table, the balance of deferred tax assets as at 30 June 2020 primarily includes:

- deferred tax assets on the portion of provisions, primarily for the repair and replacement of motorway infrastructure, deductible in future years (totalling €1,615 million);

- b) deferred tax assets recognised on tax losses eligible to be carried forward to future years (€557 million), essentially attributable to the impairment of amounts due to Acesa from the grantor, following a dispute over the failure to pay the compensation payable under Royal Decree 457/2006, which approved the agreement between the Spanish government and the company regarding changes to the terms and conditions of the related concession arrangement. The increase during the period primarily reflects the contribution from RCO and the recognition of deferred tax assets on the losses recorded by certain Group companies during the period;
- c) deferred tax assets recognised as a result of the impact on taxation of adoption of IFRIC 12 by Autostrade per l'Italia (€361 million);
- d) deferred tax assets on fair value losses on derivative financial instruments (€312 million).

Deferred tax liabilities essentially regard:

- a) fair value gains recognised on the net assets acquired as a result of past business combinations carried out by the Atlantia Group (€6,943 million), which reflect the increase linked to the contribution from RCO relating to deferred tax liabilities resulting from the provisional allocation of the acquisition in the accounts as at 30 June 2020;
- b) amounts accounted for following the recognition of financial assets deriving from concession rights and from government grants (€268 million).

As shown in the following table, deferred tax assets recognised following business combinations are essentially linked to the remeasurement at fair value of financial liabilities (bond issues and medium/long-term borrowings), primarily attributable to the French motorway operators and to Abertis Infraestructuras.

€M	Deferred tax assets from business combinations	Financial liabilities	Provisions
30 June 2020	191	175	16
31 December 2019	230	210	20

With regard to deferred tax liabilities recognised following business combinations, the following table shows that they primarily relate to the remeasurement at fair value of the intangible assets deriving from concession rights attributable to the French and Italian motorway and airport operators and to the Chilean, Spanish and Mexican motorway operators. The change during the period is primarily due to the recognition of deferred tax liabilities following the provisional allocation of the gain on the acquisition of RCO in the accounts, resulting in an increase in intangible assets deriving from concession rights.

€M	Deferred tax liabilities from business combinations	Intangible assets deriving from concession rights	Other intangible assets	Financial assets	Other assets
30 June 2020	6,943	6,599	192	45	107
31 December 2019	6,204	5,847	195	44	118

7.6 Other non-current assets €38 million (€77 million)

This item essentially includes recognition of non-current assets linked to the concession arrangements entered into by the Chilean operators, Ruta 78-68 (€20 million) and Avo II (€9 million).

€M	30 June 2020	31 December 2019	INCREASE/ (DECREASE)
Other medium/long-term non-financial receivables - non-current portion	4	6	-2
Non-current non-trading prepaid expenses and other tax credits	34	71	-37
Other non-current assets	38	77	-39

7.7 Trading assets €2,098 million (€2,575 million)

As at 30 June 2020, trading assets consist of:

- inventories of €101 million (€96 million as at 31 December 2019), consisting of stocks and spare parts used in the maintenance or assembly of plant;
- contract assets, totalling €49 million (32 million as at 31 December 2019);
- trade receivables of €1,948 million (€2,447 million as at 31 December 2019), the detailed composition of which is shown in the following table.

€M	30 June 2020	31 December 2019	INCREASE/ (DECREASE)
Trade receivables due from:			
Motorway users	1,722	2,002	(280)
Airport users	294	368	(74)
Sub-operators at motorway service areas	39	93	(54)
Sundry customers	426	453	(27)
Gross trade receivables	2,481	2,916	(435)
Allowance for bad debts	(653)	(614)	(39)
Other trading assets	120	145	(25)
Net trade receivables	1,948	2,447	-499

Trade receivables, after the allowance for bad debts, amount to €2,481 million, a reduction of €435 million with respect to 31 December 2019 (€2,916 million). This is essentially due to a reduction in receivables due from motorway customers, reflecting the negative performance of traffic using the motorway network operated under concession as a result of the restrictions on movement imposed by many governments following the global spread of the Covid-19 pandemic.

The following table shows an ageing schedule for trade receivables.

€M	TOTAL RECEIVABLES AS AT 30 JUNE 2020	TOTAL NOT YET DUE	MORE THAN 90 DAYS OVERDUE	BETWEEN 90 AND 365 DAYS OVERDUE	MORE THAN ONE YEAR OVERDUE
Trade receivables	2,481	1,203	160	274	844

Receivables more than one year overdue, totalling €844 million, regard unpaid motorway tolls and uncollected payments for airport services, royalties due from service area operators and sales of other goods and services, primarily attributable to the Chilean motorway operators (€407 million), Aeroporti di Roma (€215 million) and the Abertis group (€127 million).

The following table shows movements in the allowance for bad debts for trade receivables in the first half of 2020. The allowance has been determined with reference to past experience and data on expected credit losses, also taking into account guarantee deposits and other collateral given by customers.

€M	31 December 2019	ADDITIONS	TRANSLATION DIFFERENCES	RECLASSIFICATIONS AND OTHER CHANGES	30 June 2020
Allowance for bad debts	614	84	-40	-5	653

7.8 Cash and cash equivalents €8,646 million (€5,232 million)

Cash and cash equivalents consists of cash on hand and short-term investments and is up €3,414 million compared with 31 December 2019, primarily due to the revolving credit facilities of €3,250 million obtained in 2018, which Atlantia drew down in full in January 2020.

The balance primarily consists of the following as at 30 June 2020:

- bank deposits and cash on hand, totalling €7,211 million;
- terms deposits of €1,410 million, primarily attributable to Atlantia (€705 million) and the Abertis group (€454 million).

7.9 Current tax assets and liabilities Current tax assets €508 million (€1,006 million) Current tax liabilities €107 million (€283 million)

Current tax assets and liabilities at the beginning and end of the period are detailed below.

€M	CURRENT TAX ASSETS		CURRENT TAX LIABILITIES	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
IRES	139	60	14	49
IRAP	21	19	3	2
Taxes attributable to foreign operations	348	927	90	232
Total	508	1,006	107	283

As at 30 June 2020, the Group reports net current tax assets of €401 million (€723 million as at 31 December 2019), marking a reduction of €322 million compared with 31 December 2019.

Net current tax assets essentially include the balance for the Group's overseas companies, totalling €455 million (€695 million as at 31 December 2019). The change primarily reflects the collection of assets in the form of payments on account made in 2018 on dividends received and on the gain resulting from the sale of the investment in Cellnex by Abertis Infraestructuras, partially offset by payments on account during the period. Under Spanish tax law, these amounts, whilst exempt from taxation, were included in

the computation of payments on account for 2018 and were refunded following a claim filed by Abertis Infraestructuras in February 2020.

7.10 Other current assets €696 million (€565 million)

This item consists of receivables and other current assets that are not eligible for classification as trading or financial. The composition of this item is shown below.

€M	30 June 2020	31 December 2019	INCREASE/ (DECREASE)
Amounts due from public entities	151	185	-34
Tax credits other than for income tax	323	234	89
Amounts due from users and insurance companies as compensation	18	18	-
Non-trading prepaid expenses	7	4	3
Amounts due from staff	4	3	1
Social security receivables	5	3	2
Advances paid to suppliers and other current assets	217	148	69
Other current assets (gross)	725	595	130
Allowance for bad debts	-29	-30	1
Other current assets	696	565	131

This item primarily consists of:

- amounts receivable from public entities, primarily including amounts due from grantors to certain operators in Spain (€37 million), Chile (€20 million) and Brazil (€12 million) for construction services outside the scope of IFRIC 12. This item also includes residual amounts receivable by Autostrade per l'Italia in the form of advances paid to the Special Commissioner in relation to demolition and reconstruction of the Polcevera road bridge (€16 million);
- tax credits other than for income tax, primarily attributable to the Abertis group (€85 million) in the form of refundable VAT (€50 million) and the tax relief granted under the "Contribution Economique Territoriale" scheme in France (€25 million), to Costanera Norte in the form of tax credits on dividends paid in 2019 (€64 million), and to Autostrade per l'Italia in the form of refundable VAT (€62 million).

7.11 Non-current assets held for sale or related to discontinued operations €68 million (€4 million) Liabilities related to discontinued operations €13 million (-)

Net non-current assets held for sale or related to discontinued operations, totalling €68 million and €13 million, respectively, as at 30 June 2020, essentially include the contribution from Electronic Transaction Consultants (ETC), classified in assets held for sale from June 2020. In connection with its asset rotation strategy, in July 2020, Atlantia sold its entire interest in ETC, held through Autostrade dell'Atlantico.

The following table shows the composition of these assets and liabilities according to their nature (trading, financial or other).

€M	30 June 2020	31 December 2019	INCREASE/ (DECREASE)
Property, plant and equipment and intangible assets	45	-	45
Investments	4	4	-
Financial assets	5	-	5
<i>of which cash and cash equivalents</i>	5	-	5
Trading and other assets	14	-	14
Assets held for sale or related to discontinued operations	68	4	64
Financial liabilities	9	-	9
Trading and other liabilities	4	-	4
Liabilities related to discontinued operations	13	-	13

7.12 Equity €13,716 million (€14,903 million)

Equity attributable to the owners of the Atlantia Group's parent as at 30 June 2020 consists of the following:

- Atlantia SpA's issued capital, fully subscribed and paid-in and consists of 825,783,990 ordinary shares with a par value of €1 each, amounting to €826 million;
- the cash flow hedge reserve (a negative balance of €490 million);
- the net investment hedge reserve (a negative balance of €14 million);
- the reserve for translation differences on translation of assets and liabilities of consolidated companies denominated in functional currencies other than the euro (a negative balance of €873 million);
- the reserve for gains/(losses) on fair value measurement of investments (a negative balance of €1,068 million), primarily reflecting the changes in the fair value of the investment in Hochtief;
- other reserves and retained earnings (a positive balance of €8,417 million);
- Atlantia's treasury shares (€166 million).

Equity attributable to owners of the parent, totalling €5,860 million, is down €1,548 million compared with 31 December 2019. The most important changes during the period are shown in detail in the statement of changes in consolidated equity. These regard:

- the other comprehensive loss of €761 million, primarily due to the fair value loss (after the related taxation) on the investment in Hochtief (€579 million), as described above in note 7.3, losses on the translation of the assets and liabilities of consolidated companies denominated in functional currencies other than the euro (€301 million), essentially due to sharp declines in the value of the Brazilian real and the Chilean peso, and an increase in fair value losses on cash flow hedges (€54 million);

b) the loss for the period attributable to owners of the parent, totalling €772 million.

Equity attributable to non-controlling interests of €7,856 million is up €361 million compared with 31 December 2019 (€7,495 million di euro), essentially reflecting:

- dividends and the distribution of equity reserves and returns of capital to non-controlling shareholders, totalling €242 million, mainly regarding the distribution of reserves by Abertis HoldCo (€216 million);
- the change in the scope of consolidation, amounting to €1,400 million, essentially due to the contribution from RCO at the acquisition date (€1,403 million);
- the other comprehensive loss of €549 million, primarily linked to losses on the translation of the assets and liabilities of consolidated companies denominated in functional currencies other than the euro, mainly due to sharp declines in the value of the Brazilian real and the Chilean peso;
- the loss for the period attributable to non-controlling interests, totalling €284 million.

Atlantia manages its capital with a view to creating value for shareholders, ensuring the Group can function as a going concern, safeguarding the interests of stakeholders, and providing efficient access to external sources of financing to adequately support the growth of the Group's businesses and fulfil the commitments given in concession arrangements.

7.13 Provisions for construction services required by contract (non-current) €2,411 million (€2,473 million) (current) €726 million (€571 million)

Provisions for construction services required by contract represent the residual present value of motorway infrastructure construction and/or upgrade services that certain of the Group's operators, particularly Autostrade per l'Italia, are required to provide and for which no additional economic benefits are received in terms of specific toll increases and/or significant increases in traffic.

The following table shows provisions for construction services required by contract at the beginning and end of the period and changes during the first half of 2020, showing the non-current and current portions.

€M	31 December 2019			CHANGES DURING THE PERIOD				30 June 2020		
	CARRYING AMOUNT	NON-CURRENT PORTION	CURRENT PORTION	CHANGES DUE TO REVISED PRESENT VALUE OF OBLIGATIONS	USES TO FINANCE WORKS	CURRENCY TRANSLATION DIFFERENCES AND OTHER RECLASSIFICATIONS	CHANGE IN SCOPE OF CONSOLIDATION	CARRYING AMOUNT	NON-CURRENT PORTION	CURRENT PORTION
Provisions for construction services required by contract	3,044	2,473	571	44	-165	-20	234	3,137	2,411	726

7.14 Provisions (non-current) €3,106 million (€2,694 million) (current) €2,747 million (€2,650 million)

As at 30 June 2020, provisions amount to €5,853 million (€5,344 million as at 31 December 2019). The following table shows details of provisions by type, showing the non-current and current portions.

€M	30 June 2020			31 December 2019		
	CARRYING AMOUNT	NON-CURRENT PORTION	CURRENT PORTION	CARRYING AMOUNT	NON-CURRENT PORTION	CURRENT PORTION
Provisions for employee benefits	317	272	45	338	291	47
Provisions for repair and replacement of motorway infrastructure	2,851	2,025	826	2,514	1,599	915
Provisions for renewal of assets held under concession	414	328	86	382	303	79
Other provisions for risks and charges	2,271	481	1,790	2,110	501	1,609
Total provisions	5,853	3,106	2,747	5,344	2,694	2,650

The following table shows provisions at the beginning and end of the period and changes in the first half of 2020.

€M	31 December 2019		CHANGES DURING THE PERIOD					30 June 2020	
	CARRYING AMOUNT	OPERATING PROVISIONS	FINANCE-RELATED PROVISIONS	REDUCTIONS DUE TO USES	ACTUARIAL GAINS/ (LOSSES)	CURRENCY TRANSLATION DIFFERENCES, RECLASSIFICATIONS AND OTHER CHANGES	CHANGE IN SCOPE OF CONSOLIDATION	CARRYING AMOUNT	
Provisions for employee benefits									
Post-employment benefits	157	1	-	-10	-	-	-	148	
Other employee benefits	181	11	-	-39	-2	1	17	169	
Total	338	12	-	-49	-2	1	17	317	
Provisions for repair and replacement of motorway infrastructure									
	2,514	757	21	-435	-	-33	27	2,851	
Provisions for renewal of assets held under concession	382	46	2	-16	-	-	-	414	
Other provisions for risks and charges									
Provisions for impairments exceeding carrying amounts of investments	4	-	-	-	-	-	-	4	
Provisions for disputes, liabilities and sundry charges	2,106	216	-	-27	-	-28	-	2,267	
Total	2,110	216	-	-27	-	-28	-	2,271	
Provisions	5,344	1,031	23	-527	-2	-60	44	5,853	

The overall balance for provisions is up €509 million, essentially reflecting a combination of the following:

- operating and finance-related provisions for repair and replacement, totalling €757 million, primarily regarding Autostrade per l'Italia (€639 million) and the Abertis group's Brazilian, French and Italian motorway operators (€98 million);
- other provisions for risks and charges, totalling €216 million, essentially relating to an updated estimate of the further costs to be incurred by Autostrade per l'Italia (€200 million) in connection with ongoing talks with the Government and the MIT aimed at settling the dispute between the parties;
- uses of provisions for the repair and replacement, totalling €435 million, reflecting the related work carried out during the period and primarily attributable to Autostrade per l'Italia (€334 million), including €95 million relating to the activities involved in demolition and reconstruction of the Polcevera road bridge, and to the Abertis group's motorway operators (€75 million), mainly in Brazil, Italy and France;
- the use of €39 million in provisions for other employee benefits, mainly referring to early retirement incentives paid by certain companies in Spain and Mexico (the RCO group);
- uses of provisions for disputes, liabilities and sundry charges, amounting to €27 million, including €8 million regarding compensation paid in connection with the collapse of a section of the Polcevera road bridge, and to cover the cost of consultants' fees and legal expenses linked to actions undertaken to protect the rights of the operator, Autostrade per l'Italia, and those of its employees who are under investigation.

The other provisions for risks and charges essentially regard those made by Autostrade per l'Italia, totalling €1,700 million. The initial provisions of €1,500 million made in 2019 were increased by a further €200 million in the first half of 2020, reflecting an updated estimate of the additional costs to be incurred in connection with ongoing talks with the Government and the MIT, as described in note 8.17 to

the condensed consolidated interim financial statements as at and for the six months ended 30 June 2020.

7.15 Financial liabilities
(non-current) €49,008 million (€43,826 million)
(current) €4,945 million (€4,220 million)

MEDIUM/LONG-TERM BORROWINGS
(non-current) €49,008 million (€43,826 million)
(current) €4,263 million (€3,620 million)

The following tables provide an analysis of medium/long-term financial liabilities, showing:
a) an analysis of the balance by face value and maturity (current and non-current portions);

€M	30 June 2020						31 December 2019			
	Nominal value	Carrying amount	Current portion	Non-current portion	Term		Nominal value	Carrying amount	Current portion	Non-current portion
					between 13 and 60 months	after 60 months				
Bond issues ^{(1) (2) (3)}	29,965	29,958	1,309	28,649	11,698	16,951	28,461	28,499	1,871	26,628
- listed fixed rate	28,594	28,597	1,184	27,413	11,077	16,336	-	26,677	1,652	25,025
- listed floating rate	1,371	1,362	125	1,237	622	615	-	1,822	219	1,603
- unlisted floating rate	-	-	-	-	-	-	-	-	-	-
Bank borrowings	20,306	20,438	2,505	17,933	13,761	4,172	15,886	16,056	1,187	14,869
- fixed rate	2,771	5,697	1,865	3,832	847	2,985	-	6,052	873	5,179
- floating rate	17,535	14,741	640	14,101	12,914	1,187	-	10,004	314	9,690
Other borrowings	378	367	37	329	298	31	410	396	61	335
- fixed rate	-	-	-	-	-	-	-	-	-	-
- floating rate	-	-	-	-	-	-	-	2	-	2
- non-interest bearing	378	367	37	329	298	31	-	394	61	333
Medium/long-term borrowings ^{(2) (3)}	20,684	20,805	2,542	18,262	14,059	4,203	16,296	16,452	1,248	15,204
Derivative liabilities ⁽⁴⁾	-	1,384	-	1,384	1,384	-	-	1,301	-	1,301
Accrued expenses on medium/long-term financial liabilities ⁽²⁾	-	410	410	-	-	-	-	498	498	-
Other financial liabilities	-	715	2	713	713	-	-	696	3	693
Other medium/long-term financial liabilities	-	1,125	412	713	713	-	-	1,194	501	693
Total		53,271	4,263	49,008	27,854	21,154		47,446	3,620	43,826

(1) The par value of the bond issues hedged by Cross Currency Swaps and IPCA x CDI Swaps is shown at the hedged notional value.

(2) Financial instruments classified as financial liabilities measured at amortised cost in accordance with IFRS 9.

(3) Further details of hedged financial liabilities are provided in note 9.2.

(4) Financial instruments classified as hedging derivatives in accordance with IFRS 9 and in level 2 of the fair value hierarchy.

b) type of interest rate, maturity and fair value at the end of the period;

€M	30 June 2020			31 December 2019	
	Maturity	Carrying amount (1)	Fair value (2)	Carrying amount (1)	Fair value (2)
Bond issues					
- listed fixed rate	from 2020 to 2040	28,597	28,029	26,677	26,502
- listed floating rate	from 2020 to 2031	1,361	1,323	1,822	1,863
- unlisted floating rate	2022	-	-	-	-
Total bond issues (a)		29,958	29,352	28,499	28,365
Bank borrowings					
- fixed rate	from 2020 to 2037	5,697	5,327	6,052	5,881
- floating rate	from 2020 to 2045	14,741	13,546	10,004	11,831
Total bank borrowings (b)		20,438	18,873	16,056	17,712
Other borrowings					
- floating rate	from 2020 to 2034	-	-	2	2
- non-interest bearing	from 2020 to 2020	367	367	394	394
Total other borrowings (c)		367	367	396	396
Medium/long-term borrowings (d)=(b+c)		20,805	19,240	16,452	18,108
Derivative liabilities (e)		1,384	1,301	1,301	1,301
Accrued expenses on medium/long-term financial liabilities		410	498	498	498
Other financial liabilities		715	696	696	696
Other medium/long-term financial liabilities (f)		1,125	1,194	1,194	1,194
Total (a+d+e+f)		53,272	51,087	47,446	48,968

(1) The amounts shown in the table for medium/long-term financial liabilities include both the non-current and current portions.

(2) The fair value shown is classified in level 2 of the fair value hierarchy.

c) a comparison of the face value of bond issues and medium/long-term borrowings and the related carrying amount, by issue currency, showing the respective average and effective interest rates;

€M	30 June 2020			31 December 2019		
	NOMINAL VALUE	CARRYING AMOUNT	AVERAGE INTEREST RATE APPLIED TO 30 JUNE 2020	EFFECTIVE INTEREST RATE AS AT 30 JUNE 2020	NOMINAL VALUE	CARRYING AMOUNT
Euro (EUR)	42,533	42,523	2.00%	2.51%	38,036	38,264
Chilean peso (CLP) / Unidad de fomento (UF)	1,916	2,022	4.92%	4.25%	2,177	2,236
Sterling (GBP)	1,227	1,130	4.98%	8.40%	1,058	1,007
Brazilian real (BRL)	1,634	1,726	5.87%	6.22%	2,169	2,145
Yen (JPY)	332	331	3.07%	5.57%	328	382
Polish zloty (PLN)	7	5	2.74%	4.85%	-	4
Indian Rupee (INR)	55	55	9.47%	9.61%	63	63
US dollar (USD)	952	927	6.38%	7.44%	926	850
Mexican peso (MXN) /Unidad de Inversiones (UDI)	1,989	2,040	9.33%	9.86%	-	-
Argentine peso (ARS)	4	4	33.16%	33.16%	-	-
Total	50,649	50,763	2.71%	3.29%	44,757	44,951

As at 30 June 2020, the weighted average cost of the Atlantia Group's medium/long-term borrowings, including differentials on hedging instruments, was 3.3% (reflecting the combined effect of the 2.6% paid by the companies operating in the euro area, the 4.3% paid by the Chilean companies and the 6.2% paid by the Brazilian companies).

- d) movements during the period in the carrying amounts of outstanding bond issues and medium/long-term borrowings.

€M	Bond issues	Bank borrowings	Other borrowings
Carrying amount as at 31 December 2019	28,499	16,056	396
Monetary changes			
Issuance of bonds	2,138		
Redemption of bonds	-1,688		
Increase in medium/long-term borrowings		5,701	
Repayments of medium/long-term borrowings		-1,746	
Increase in lease liabilities			14
Repayment of lease liabilities			-17
Total monetary changes	450	3,955	-3
Non-monetary changes			
Currency translation differences and other movements	-289	-211	-18
Changes in fair value	-	-	-
Changes in scope of consolidation	1,298	638	-8
Other changes	-	-	-
Total non-monetary changes	1,009	427	-26
Carrying amount as at 30 June 2020	29,958	20,438	367

The Group uses derivative financial instruments to hedge certain current and highly likely future financial liabilities, including interest rate swaps (IRSs), cross currency swaps (CCSs), which are classified as cash flow hedges or fair value hedges pursuant to IFRS 9. It should be noted that, following changes in market conditions in early 2020, the bond issues planned by Autostrade per l'Italia for 2020 are no longer considered possible. As a result, the subsidiary has reclassified a part of its Forward-Starting Interest Rate Swaps, with a fair value of €89 million, as no longer qualifying for hedge accounting in compliance with IFRS 9. In addition, planned issues by Atlantia in 2020 and 2021 and by Autostrade per l'Italia in 2021 are considered possible and no longer highly probable. As a result, the two companies' remaining Forward-Starting Interest Rate Swaps (and Autostrade per l'Italia's IRSs) were classified, after 30 June 2019, as no longer qualifying for the application of hedge accounting. More detailed information on financial risks and the manner in which they are managed, in addition to details of outstanding financial instruments held by the group, is contained in note 9.2.

Atlantia's and Autostrade per l'Italia's loan agreements and bond issues include provisions requiring early repayment in the following cases:

- a) *cross acceleration* when the debt of Atlantia or a significant subsidiary becomes immediately repayable, unless this follows the loss of a concession;

- b) *cross-default* if Atlantia or one of its significant subsidiaries fail to repay debt at maturity or within the applicable grace period;
- c) *change in the nature of the business*, where there is a change in the nature or substantially the sale of the business by Atlantia or one of its significant subsidiaries. The bond issues exclude cases in which the change is linked to revocation/termination of the concession under the terms of the related concession arrangement.

The borrowings of the Group's other subsidiaries do not contain cross default and/or cross acceleration provisions attributable to Atlantia.

The loan agreements include further provisions requiring early repayment in the following cases:

- d) *legal, regulatory or administrative proceedings* involving Atlantia or Autostrade per l'Italia that might reasonably have a material adverse effect on Atlantia;
- e) *insolvency*, if Atlantia or a significant subsidiary were to become insolvent, and not be able to meet its repayment obligations or suspend such repayments. All the loan agreements contain an explicit exception covering cases in which insolvency is the result of the loss of a concession;
- f) *further restrictions*: in the event of revocation, forfeiture, cancellation or termination of the concession held by a significant subsidiary, further restrictions may be applicable, such as sales, new debt, guarantees and new acquisitions, the breach of which may trigger early repayment.

The principal provisions applicable to Autostrade per l'Italia's loans and bonds are described below. The loans from the EIB and Cassa Depositi e Prestiti ("CDP") are subject to early repayment provisions, including:

- a) *minimum rating requirement*; as previously announced, in 2020, following the issue of the *Milleproroghe* Decree, the rating agencies downgraded Autostrade per l'Italia's ratings to below investment grade and this could, if adequate credit guarantees cannot be provided, trigger early repayment of Autostrade per l'Italia's borrowings from the EIB and CDP (€2.1 billion and €1.7 billion, including early repayment penalties, guaranteed by Atlantia), enforcement of the guarantees provided by Atlantia and, in the event of non-payment, the potential cross-default of Autostrade per l'Italia and Atlantia. At the date of preparation of this Interim Report, neither the EIB nor CDP has made any request for early repayment;
- b) *concession events*, where the concession lapses or where action is taken with a view to declaring the concession resolved or in the event of changes to it that have a material adverse effect;
- c) *regulatory events*, regarding a change in the concession's regulatory framework, where this, in the bank's reasonable judgement, has a negative impact on the financial position of Autostrade per l'Italia or of the guarantor, Atlantia;
- d) *material adverse event*;
- e) *cross-default and/or cross-acceleration events*.

Bond issues

(non-current) €28,649 million (€26,628 million)

(current) €1,309 million (€1,871 million)

The item principally refers to: i) bonds issued by Abertis Infraestructuras, totalling €10,981 million, ii) bonds issued by Autostrade per l'Italia, totalling €6,892 million, iii) bonds issued by HIT (the French holding company that controls the motorway operators, Sanef and Sapn) totalling €3,662 million, iv) bonds issued by Atlantia, totalling €1,737, by Sanef, totalling €908 million and by Aeroporti di Roma, totalling €727 million.

The overall increase of €1,459 million essentially reflects:

- a) new issues (€2,138 million), primarily by Abertis Infraestructuras (having a total nominal value of €1,500 million) and by the French company, HIT, a subsidiary of Abertis Infraestructuras (having a nominal value of €600 million);
- b) inclusion in the scope of consolidation of the bond issues of the Mexican company, RCO, amounting to €1,298 million;
- c) redemptions of bonds totalling €1,688 million, essentially reflecting redemptions by Abertis Infraestructuras (€641 million), Autostrada A4 (€400 million) and Autostrade per l'Italia (bonds issued in 2012, amounting to €502 million).

The bonds attributable to Autostrade per l'Italia that were transferred to the subsidiary from Atlantia in 2016 as part of an Issuer Substitution transaction are backed, through to 2025, by a guarantee of €4,126 million provided by Atlantia through to maturity.

It should be noted that, with regard to the future ownership of Autostrade per l'Italia, and above all were control of this company to be transferred to a new entity different from Atlantia, this would constitute a trigger event that could result in a request for early repayment, under the terms of certain bonds held by institutional investors. In this case, it would be necessary to obtain the prior consent of the above institutional investors in order to complete the transaction.

Guarantees have also been provided for bonds issued by the Chilean companies, Autopista Central and Vias Chile, totalling €484 million, and by the Puerto Rican motorway operator, Metropistas, totalling €63 million, providing security for the related bondholders.

Medium/long-term borrowings (non-current) €18,262 million (€15,204 million) (current) €2,542 million (€1,248 million)

The balance of this item, amounting to €20,805 million, including the current and non-current portions, is up €4,353 million compared with 31 December 2019 (€16,452 million), essentially reflecting:

- a) Atlantia's drawdown of the full amount of €3,250 million available under its revolving credit facilities in January 2020 (with repayment due in October 2021 and June 2023 and already included in cash reserves as at 31 December 2019);
- b) new credit facilities and the use of existing facilities by Abertis Infraestructuras (€1,370 million), Telepass (€300 million), Autostrada A4 (€200 million) and Aeroporti di Roma (€180 million);
- c) inclusion in the scope of consolidation of the bank borrowings, totalling €638 million, of the Mexican company, Red de Carreteras de Occidente, and its subsidiaries, acquired by Abertis Infraestructuras in the first half of 2020;
- d) repayments of medium/long-term borrowings totalling €1,746 million, primarily by Abertis Infraestructuras (€1,050 million), certain operators in Chile and Brazil (€215 million), Telepass (€200 million) and Autostrade per l'Italia (€70 million), the latter represented by loans from the EIB and Cassa Depositi e Prestiti.

A number of the Group's long-term borrowings include negative pledge provisions, in line with international practice. Under these provisions, it is not possible to create or maintain (unless required to do so by law) collateral guarantees on all or a part of any proprietary assets, with the exception of project debt. The above agreements also require compliance with certain financial covenants.

The method of selecting the variables to compute the ratios is specified in detail in the relevant loan agreements. Breach of these covenants, at the relevant measurement dates, could constitute a default event and result in the lenders calling in the loans, requiring the early repayment of principal, interest and of further sums provided for in the agreements.

The most important covenants are described below:

- a) in Atlantia's case, the loan agreements entered into in 2018 to finance the investment in Abertis Infraestructuras Abertis Infraestructuras and the acquisition of a 23.9% interest in Hochtief, together with revolving facilities for general corporate purposes, require compliance with a minimum threshold for the Interest Coverage Ratio, FFO/Total Net Debt and Consolidated Net Worth;
- b) in Autostrade per l'Italia's case, the loan agreements with Cassa Depositi e Prestiti (totalling €725 million as at 30 June 2020) require compliance with a minimum threshold for "Operating Cash Flow available for Debt Service/Debt Service" (DSCR);
- c) in Aeroporti di Roma's case, the company's revolving line of credit requires compliance with a maximum leverage ratio. In addition to a maximum leverage ratio (linked to the long-term ratings assigned to Aeroporti di Roma by the relevant rating agencies), 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 the company to ensure that its interest coverage ratio remains within certain limits linked to the company's long-term ratings.

A portion of Autostrade per l'Italia's borrowings from the EIB and CDP, amounting to €1,528 million, have been reclassified to short-term, solely for the purposes of paragraph 69 of IAS 1. As noted previously, the downgrade of the Company's debt to below investment grade, which took place in January 2020, gives the EIB and, in relation to its share of the debt, CDP the right to request additional protections continues to apply. Were such protections not judged to be reasonably satisfactory, the banks would have the right to request early repayment of the existing debt. At the date of preparation of this document, neither the EIB nor CDP has made any request for early repayment.

The EIB loans also benefit from a decreasing guarantee of repayment provided by Atlantia based on term to maturity, totalling €1,590 million.

It should be noted that, with regard to the future ownership of Autostrade per l'Italia, and above all were control of this company to be transferred to a new entity different from Atlantia, this would constitute a trigger event that could result in a request for early repayment, under the terms of existing loan agreements. In this case, it would be necessary to obtain the prior consent of the above institutional investors in order to complete the transaction.

Non-current derivative liabilities (non-current) €1,384 million (€1,301 million) (current) €59 million (€42 million)

This item represents fair value losses on outstanding derivatives as at 30 June 2020 and primarily includes:

- a) fair value losses (€644 million) on Atlantia's and Autostrade per l'Italia's Interest Rate Swap (IRSs), which do not qualify for the application of hedge accounting as the required economic relationship resulting from a highly probable forecast transaction (bond issues planned for 2020 and 2021) no longer exists;

- b) fair value losses (€42 million) on a part of the Interest Rate Swaps (IRSs) entered into by Azzurra Aeroporti and no longer qualifying for hedge accounting, as the previous hedging relationship no longer exists following the refinancing of the related debt via the issue of fixed-rate bonds;
- c) fair value losses (€215 million) on Interest Rate Swaps (IRSs), classified as cash flow hedges in accordance with IFRS 9, entered into by Abertis, Aeroporti di Roma, Azzurra Aeroporti, Aéroports de la Côte d'Azur and Pavimental to hedge interest rate risk on their existing non-current financial liabilities and those that are highly likely to be assumed in the future, in keeping with the Group's financial plan;
- d) fair value losses (€230 million) on Cross Currency Swaps (CCSs) entered into by Autostrade per l'Italia to hedge bond issues denominated in pounds sterling;
- e) fair value losses (€115 million) on Aeroporti di Roma's Cross Currency Swaps hedging bond issues denominated in pounds sterling;
- f) fair value losses (€14 million) on IPCA vs CDI Swap offsets entered into by the Brazilian companies, Triangulo do Sol and Rodovia das Colinas, to crystallise the mark-to-market value of IPCA vs CDI Swaps at the date of agreeing the Offset.

Further details of derivative financial instruments entered into by Group companies for hedging purposes are contained in note 9.2.

Other medium/long-term financial liabilities
(non-current) €713 million (€693 million)
(current) €412 million (€501 million)

This item is broadly in line with the balance for 31 December 2019.

SHORT-TERM FINANCIAL LIABILITIES

€682 million (€600 million)

The composition of short-term financial liabilities is shown below.

€M	30 June 2020	31 December 2019	INCREASE/ (DECREASE)
Bank overdrafts repayable on demand	39	30	9
Short-term borrowings	433	391	42
Derivative liabilities ⁽¹⁾	59	42	17
Other current financial liabilities	151	137	14
Short-term financial liabilities	682	600	82

(1) These liabilities primarily include derivative instruments that classify as non-hedge accounting and in level 2 of the fair value hierarchy.

The balance is up €82 million compared with 31 December 2019, due primarily to:

- a) new borrowings falling due by the first half 2021 obtained by Autostrade per l'Italia (€95 million) and Aéroports de la Côte d'Azur (€60 million), the latter guaranteed by the French state;
- b) repayments of loans in the first half of 2020 by Telepass (€100 million) and Autostrade Concessões e Participações Brasil (€13 million);

- c) an increase in the fair value of derivative liabilities following a decline in the interest rates applied to hedging instruments as at 30 June 2020 compared with those used as at 31 December 2019.

NET DEBT IN COMPLIANCE WITH ESMA RECOMMENDATION OF 20 MARCH 2013

An analysis of the various components of consolidated net debt is shown below with amounts payable to and receivable from related parties, as required by CONSOB Ruling DEM/6064293 of 28 July 2006, in accordance with European Securities and Markets Authority ("ESMA") Recommendation of 20 March 2013 (which does not entail the deduction of non-current financial assets from debt).

€M	Note	30 June 2020	of which related party transactions	31 December 2019	of which related party transactions
Cash	7.8	7,211		4,172	
Cash equivalents	7.8	1,435		1,060	
Cash and cash equivalents related to assets held for sale	7.11	5		-	
Cash and cash equivalents (A)		8,651		5,232	
Current financial assets (B)		1,162		1,308	
Current account overdrafts repayable on demand		39		30	
Current portion of medium/long-term financial liabilities		4,263		3,620	
Other financial liabilities		643		570	
Financial liabilities related to assets held for sale	7.11	9		-	
Current financial liabilities (C)		4,954		4,220	
Current net debt (D=A+B+C)		4,859		2,320	
Bond issues		28,649		26,628	
Medium/long-term borrowings		18,262	8	15,204	9
Other non-current borrowings		2,097		1,994	
Non-current financial liabilities (E)	7.15	49,008		43,826	
(Net funds) / Net debt as defined by ESMA recommendation (F=D+E)		44,149		41,506	
Non-current financial assets (G)	7.4	4,983	19	4,784	19
Net debt (H=F+G)		39,166		36,722	

⁽¹⁾ Absolute amounts.

7.16 Other non-current liabilities €325 million (€358 million)

An analysis of other non-current liabilities is shown below.

€M	30 June 2020	31 December 2019	INCREASE/ (DECREASE)
Contract liabilities	1	1	-
Amounts payable to suppliers	1,244	1,476	-232
Payable to operators of interconnecting motorways	363	596	-233
Tolls in the process of settlement	3	83	-80
Accrued expenses, deferred income and other trading liabilities	59	87	-28
Trade payables	1,669	2,242	-573
Trading liabilities	1,670	2,243	-573

The balance primarily includes amounts payable to the French Government by the French operators, Sanef and Sapn, under agreements entered into in relation to the *Plan Relance* project, amounting to a total of €109 million.

7.17 Trading liabilities €1,670 million (€2,243 million)

An analysis of trading liabilities is shown below.

€M	30 June 2020	31 December 2019	INCREASE/ (DECREASE)
Amounts payable to grantors	114	121	-7
Accrued expenses of a non-trading nature	76	83	-7
Liabilities deriving from contractual obligations	40	43	-3
Amounts payable to staff	14	32	-18
Tax liabilities other than for income tax	-	1	-1
Social security payables	1	2	-1
Other payables	80	76	4
Other non-current liabilities	325	358	-33

This item is down €573 million, essentially due to a reduction in amounts payable to suppliers (€232 million), attributable primarily to the Abertis group (122 million), and in amounts payable to the operators of interconnecting motorways (€233 million), linked to the reduced amount payable by Autostrade per l'Italia as a result of the decline in traffic during the first half of 2020 (€235 million). The reduction in these items reflects the restrictions on movement imposed by governments in response to the spread of the Covid-19 pandemic.

7.18 Other current liabilities

€942 million (€1,117 million)

An analysis of other current liabilities is shown below.

€M	30 June 2020	31 December 2019	INCREASE/ (DECREASE)
Sundry taxes other than current income tax	309	334	-25
Concession fees payable	24	105	-81
Amounts payable to staff	174	225	-51
Social security contributions payable	78	71	7
Guarantee deposits from users who pay by direct debit	45	45	-
Amounts payable to public entities	46	52	-6
Amounts payable for expropriations	-	2	-2
Other payables	266	283	-17
Other current liabilities	942	1,117	-175

This item, totalling €942 million as at 30 June 2020, is down €175 million, essentially due to:

- a reduction of €81 million in concession fees payable, reflecting payments made in the first half of 2020, primarily by Autostrade per l'Italia (€63 million) and Aeroporti di Roma (€13 million);
- a reduction in amounts payable to staff, totalling €51 million, primarily relating to the French operators (€20 million), Autostrade per l'Italia (€7 million) and Aeroporti di Roma (€7 million), and essentially relating to the use of welfare payments and income support schemes made available by the governments of the countries in which the Group operates in response to the spread of the Covid-19 pandemic.

8. NOTES TO THE CONSOLIDATION INCOME STATEMENT

This section contains analyses of the most important consolidated income statement items. Negative components of the income statement are indicated with a minus sign in the headings and tables in the notes, whilst amounts for the first half of 2019. Details of amounts in the consolidated income statement deriving from related party transactions are provided in note IO.4.

8.1 Toll revenue

€2,971 million (€4,493 million)

Toll revenue is down €1,522 million compared with the first half of 2019 (€4,493 million). After stripping out exchange rate movements, which had a negative impact of €150 million, and changes in the scope of consolidation of a number of the Abertis group's operators, reducing toll revenue by a further €103 million, the decline with respect to the comparative period broadly reflects the impact of the restrictions on movement introduced in response to the Covid-19 pandemic. This resulted in reductions in traffic recorded by the Italian motorway network (down 37.7%), the Abertis group's operators (down 30.4%) and the overseas motorways segment (down 23.4%).

8.2 Aviation revenue

€138 million (€394 million)

Aviation revenue is down €256 million (65%) on the first half of 2019, primarily reflecting the impact of the Covid-19 pandemic on traffic volumes at Aeroporti di Roma (passenger traffic down 69%) and at the Aéroports de la Côte d'Azur group (passenger traffic down 67.9%), resulting in reductions of €214 million and €42 million, respectively.

€M	H1 2020	H1 2019	INCREASE/ (DECREASE)
Airport fees	90	279	-189
Centralised infrastructure	4	11	-7
Security services	35	79	-44
Other	9	25	-16
Aviation revenue	138	394	-256

8.3 Revenue from construction services

€344 million (€451 million)

An analysis of revenue from construction services is shown below.

€M	H1 2020	H1 2019	INCREASE/ (DECREASE)
Revenue from construction services for which additional economic benefits are received	290	394	-104
Revenue from investment in financial concession rights	54	57	-3
Revenue from construction services	344	451	-107

Revenue from construction services essentially consists of construction services for which additional benefits are received and financial assets deriving from concession rights, represented by the fair value of the consideration due in return for the construction and upgrade services rendered in relation to assets held under concession during the period, determined on the basis of the operating costs and financial expenses incurred (the latter solely in relation to intangible assets deriving from concession rights) and the eventual margin on services provided by entities within the Atlantia Group.

Revenue from construction services is down €107 million compared with the first half of 2019, primarily due to a reduced investment in construction services for which additional benefits are received at the Abertis group – mainly relating to its operators in Brazil (€34 million) and France (€25 million) – and at Aeroporti di Roma (€25 million).

In the first half of 2020, the Group carried out additional construction services for which no additional benefits are received, amounting to €165 million, net of related government grants, for which the Group made use of a portion of the specifically allocated "Provisions for construction services required by contract". Uses of these provisions are classified as a reduction in operating costs for the period, as explained in note 8.10.

8.4 Other operating revenue €605 million (€717 million)

An analysis of other operating revenue is provided below.

€M	H1 2020	H1 2019	INCREASE/ (DECREASE)
Revenue from sub-concessions	130	267	-137
Revenue from Telepass and Viacard fees	83	82	1
Maintenance revenue	19	21	-2
Other revenue from motorway operation	19	20	-1
Damages and compensation	25	57	-32
Revenue from products related to the airport business	13	29	-16
Refunds	18	17	1
Revenue from the sale of technology devices and services	70	91	-21
Advertising revenue	2	5	-3
Other income	226	128	98
Other revenue	605	717	-112

Other operating income, totalling €605 million is down €112 million compared with the first half of 2019 (€717 million). This is primarily due to a reduction in revenue from sub-concessions (€137 million), reflecting the decline in traffic and Autostrade per l'Italia's suspension of motorway service area royalties in order to support oil and food service providers, and the closure of airport terminals during the lockdown linked to the Covid-19 health emergency. The most significant declines are attributable to Aeroporti di Roma (€58 million), Autostrade per l'Italia (€53 million) and Aéroports de la Côte d'Azur (€21 million).

8.5 Raw and consumable materials -€162 million (-€320 million)

Details of the cost of raw and consumable materials are shown in the following table.

€M	H1 2020	H1 2019	INCREASE/ (DECREASE)
Construction materials	-88	-70	-18
Electrical and electronic materials	-10	-28	18
Lubricants and fuel	-27	-30	3
Other raw and consumable materials	-43	-192	149
Cost of materials	-168	-320	152
Change in inventories of raw, ancillary and consumable materials and goods for resale	6	-	6
Raw and consumable materials	-162	-320	158

This item, which consists of purchases of materials and the change in inventories of raw and consumable materials, is down €158 million. This essentially reflects the costs incurred by Autostrade per l'Italia in the first half of 2019 in order to purchase civil properties and industrial buildings following the collapse of a section of the Polcevera road bridge (€115 million).

8.6 Service costs

-€1,209 million (-€1,225 million)

An analysis of service costs is provided below.

€M	H1 2020	H1 2019	INCREASE/ (DECREASE)
Construction and similar	-764	-784	20
Professional services	-122	-106	-16
Transport and similar	-40	-35	-5
Utilities	-47	-52	5
Insurance	-34	-34	-
Statutory Auditors' fees	-1	-1	-
Other services	-201	-214	13
Gross service costs	-1,209	-1,226	17
Capitalised service costs for assets other than concession assets	-	1	-1

Service costs of €1,209 million are down €16 million, reflecting a combination of the following:

- an increase in construction and similar costs due to the increase in services linked to the greater volume of motorway maintenance carried out by Autostrade per l'Italia (€105 million);
- a reduction in construction and similar costs recorded by Abertis group companies (€132 million), above all by the operators in Brazil, France, Italy and Chile, as a result of the cost efficiency initiatives implemented by management following the spread of the Covid-19 pandemic.

8.7 Staff costs

-€672 million (-€804 million)

An analysis of staff costs is shown below.

€M	H1 2020	H1 2019	INCREASE/ (DECREASE)
Wages and salaries	-465	-534	69
Social security contributions	-145	-159	14
Payments to supplementary pension funds, INPS and post-employment benefits	-21	-21	-
Directors' remuneration	-4	-4	-
Other staff costs	-38	-87	49
Gross staff costs	-673	-805	132
Capitalised staff costs for assets other than concession assets	1	1	-
Staff costs	-672	-804	132

Staff costs of €672 million are down €132 million (€804 million in the first half of 2019), primarily due to the following:

- a reduction in wages and salaries, essentially relating to the use of welfare payments and income support schemes made available by the governments of the countries in which the Group operates in response to the spread of the Covid-19 pandemic;
- the reduced cost of staff incentive plans due to the adjustment of the fair value of rights vesting under the Group's staff incentive plans, reflecting the performance of Atlantia's shares in the two comparative periods (€37 million);

c) the reduced cost of short-term staff incentives (€13 million).

The following table shows the average number of employees (by category and including agency staff), as commented on in the section on the "Workforce" in the report on operations.

AVERAGE WORKFORCE	H1 2020	H1 2019	INCREASE/ (DECREASE)
Senior managers	291	287	4
Middle managers and administrative staff	8,247	8,257	-10
Toll collectors	2,687	2,900	-213
Manual workers	4,463	4,298	165
Total	15,688	15,742	-54
Abertis group	13,814	13,161	653
Total Group	29,502	28,903	599

8.8 Other operating costs -€349 million (-€484 million)

Other operating costs are analysed in the following table.

€M	H1 2020	H1 2019	INCREASE/ (DECREASE)
Concession fees	-188	-293	105
Lease expense	-15	-16	1
Grants and donations	-17	-15	-2
Direct and indirect taxes	-114	-151	37
Other	-16	-10	-6
Other operating costs	-147	-176	29
Other capitalised costs	1	1	-
Other costs	-349	-484	135

Other operating costs of €349 million are down €135 million compared with the previous half year. This primarily regards a reduction in concession fees payable by the Italian motorway operators (€85 million) and by the Aeroporti di Roma group (€12 million) as a result of the above decline in traffic, and the reduced amount payable under the profit-sharing arrangement applicable to the operator, Stalexport Autostrada Malopolska (€7 million).

8.9 Operating change in provisions -€565 million (€77 million)

This item consists of operating changes (new provisions and uses) in provisions, excluding those for employee benefits (classified in staff costs), made by Group companies during the period in order to meet their legal and contractual obligations requiring the use of financial resources in future years. The negative balance of €565 million reflects a combination of the following:

- a) the operating change in the provisions for the repair and replacement of motorway infrastructure, represented by an expense of €322 million. After excluding uses (€95 million) linked to the costs incurred in relation to demolition and reconstruction of the Polcevera road bridge, new provisions net of uses amount to €417 million, resulting mainly from (i) an updated estimate of the cost of repairs to network infrastructure (€400 million) and (ii) an increase in the net expenses recognised by the Abertis group's French, Brazilian and Italian operators, amounting to €24 million;
- b) the net increase in provisions for risks and charges, totalling €213 million and primarily attributable to Autostrade per l'Italia. This reflects an updated estimate of the further costs to be incurred by Autostrade per l'Italia (€200 million) in connection with ongoing talks with the Government and the MIT aimed at settling the dispute between the parties;
- c) net provisions for the renewal of assets held under concession, amounting to €30 million.

8.10 Use of provisions for construction services required by contract €165 million (€214 million)

This item regards the use of provisions for construction services required by contract, relating to services for which no additional economic benefits are received rendered during the period, net of accrued government grants (recognised in revenue from construction services, as explained in note 8.3). The item represents the indirect adjustment to construction costs classified by nature and incurred by the Group's operators, above all Autostrade per l'Italia and the Abertis group's operators whose concession arrangements provide for such obligations. The reduction of €49 million compared with the comparative period is linked to reduced investment by Autostrade per l'Italia (€55 million) in the upgrade of the AI Milan-Naples between Bologna and Florence and in other projects included in art. 2 of the Single Concession Arrangement of 2007. Further information on construction services and capital expenditure during the period is provided in notes 7.2 and 8.3.

8.11 (Impairment losses) and reversals of impairment losses -€200 million (-€10 million)

The amount for the first half of 2020 reflects the outcome of impairment testing of the goodwill allocated to Aéroports de la Côte d'Azur, which showed that the value initially recognised was only partially recoverable, resulting in an impairment loss of €94 million. Impairment testing of A4's intangible assets deriving from concession rights also showed that the carrying amount of the assets was only partially recoverable, resulting in an impairment loss of €109 million. Further information is provided in note 7.2.

8.12 Financial income/(expenses)**-€702 million (-€524 million)****Financial income €561 million (€425 million)****Financial expenses -€1,271 million (-€986)****Foreign exchange gains/(losses) €8 million (€37 million)**

An analysis of financial income and expenses is shown below.

€M	H1 2020	H1 2019	INCREASE/ (DECREASE)
Financial income accounted for as an increase in financial assets deriving from concession rights and government grants	130	140	-10
Dividends received from investees measured at fair value	70	70	-
Income from derivative financial instruments	140	71	69
Financial income accounted for as an increase in financial assets	24	34	-10
Interest and fees receivable on bank and post office deposits	16	30	-14
Other	181	80	101
Other financial income	361	215	146
Total financial income (a)	561	425	136
Financial expenses from discounting of provisions for construction services required by contract and other provisions	-23	-45	22
Interest on bonds	-326	-299	-27
Losses on derivative financial instruments	-328	-170	-158
Interest on medium/long-term borrowings	-213	-234	21
Interest expense on lease liabilities	-2	-3	1
Interest expense accounted for as an increase in financial liabilities	-12	-9	-3
Interest and fees payable on bank and post office deposits	-1	-	-1
Other	-366	-147	-219
Net financial expenses resulting from hyperinflation (IAS 29)	-28	-79	51
Other financial expenses	-1,248	-941	-307
Total financial expenses (b)	-1,271	-986	-285
Foreign exchange gains/(losses) (c)	8	37	-29
Financial income/(expenses) (a+b+c)	-702	-524	-178

Net other financial expenses, totalling €887 million, are up €161 million compared with the first half of 2019 (€726 million), essentially reflecting a combination of the following:

- increased expenses incurred in the form of fair value losses on Interest Rate Swaps held by Atlantia and Autostrade per l'Italia that do not qualify for hedge accounting, as described in greater detail in note 7.15 (totalling €135 million), in addition to interest expense on the revolving credit facilities of €3,250 million that Atlantia drew down in full in January 2020 (€25 million);
- the impairment loss on financial assets deriving from the concession rights guaranteed by the Grantor to the Argentine operators, GCO and Ausol, amounting to €153 million (€34 million recognised in the first half of 2019);
- net financial expenses of €28 million, recognised in application of IAS 29 and relating to financial reporting in hyperinflationary economies in connection with the Argentine operators (amounting to €79 million in the first half of 2019);
- the impairment loss on the investment in Aeroporto di Bologna, amounting to €35 million, as described in note 7.3.

The item, "Foreign exchange gains/(losses)" includes the impact of the rise in the value of the US dollar against the Argentine peso on the financial assets deriving from concession rights attributable to the motorway operators, GCO and Ausol, amounting to €26 million (€42 million in the first half of 2019), subject to the above impairment losses. These concession rights are described in note 7.4.

8.13 Share of profit/(loss) of investees for using the equity method **-€28 million (€2 million)**

The "Share of (profit)/loss of investees accounted for using the equity method" for the period amounts to a loss of €28 million, reflecting the Group's share of the profit or loss of its associates and joint ventures. The result reflects the contributions from the associates, Getlink (€15 million) and Aeroporto di Bologna (€6 million), due to the impact of the Covid-19 pandemic.

8.14 Income tax expense/(benefit) €395 million (-€278 million)

Comparison of the tax charges for the two comparative periods is shown below.

Tax benefits amount to €395 million, marking a change of €673 million compared with tax expense of €278 million for the same period of 2019. This broadly reflects the lower pre-tax profit recorded by Group companies as a result of the Covid-19 pandemic.

€M	H1 2020	H1 2019	INCREASE/ (DECREASE)
IRES	55	-147	202
IRAP	-3	-37	34
Income taxes attributable to foreign operations	-110	-292	182
Current tax benefit of tax loss carry-forwards	4	3	1
Current tax expense	-54	-473	419
Recovery of previous years' income taxes	11	6	5
Previous years' income taxes	-2	29	-31
Differences on current tax expense for previous years	9	35	-26
(Increases)/Decreases recognised in profit or loss	150	-57	207
Changes in prior year estimates	-3	21	-24
Deferred tax income	147	-36	183
(Increases)/Decreases recognised in profit or loss	289	196	93
Changes in prior year estimates	4	-	4
Deferred tax expense	293	196	97
Deferred tax income/(expense)	440	160	280
Income tax benefit/(expense)	395	-278	673

8.15 Net Profit/(Loss) from discontinued operations €1 million (-€1 million)

An analysis of the net profit/(loss) from discontinued operations for the two comparative periods is shown below.

€M	H1 2020	H1 2019	INCREASE/ (DECREASE)
Operating income	-	89	-89
Operating costs	-	-65	65
Financial expenses	-	-20	20
Financial income	-	14	-14
Tax benefit/(expense)	1	-19	20
Profit/(Loss) from discontinued operations	1	-1	2

The net loss for the first half of 2019 regards the contribution from the discontinued operations represented by the Hispasat group, whose sale was agreed on 12 February 2019 and completed on 3 October 2019, following clearance from the relevant authorities.

8.16 Earnings per share

The following table shows the calculation of basic and diluted earnings per share for the two comparative periods.

	H1 2020	H1 2019
Weighted average number of shares outstanding	825,783,990	825,783,990
Weighted average number of treasury shares in portfolio	-7,772,693	-7,819,488
Weighted average of shares outstanding for calculation of basic earnings per share	818,011,297	817,964,502
Weighted average number of diluted shares held held under share-based incentive plans	0	12,711
Weighted average of all shares outstanding for calculation of diluted earnings per share	818,011,297	817,977,213
Profit/(Loss) for the period attributable to owners of the parent (€m)	-772	594
Basic earnings/(loss) per share (€)	-0.95	0.73
Diluted earnings/(loss) per share (€)	-0.95	0.73
Profit/(Loss) from continuing operations attributable to owners of the parent (€m)	-773	595
Basic earnings/(loss) per share from continuing operations (€)	-0.95	0.73
Diluted earnings/(loss) per share from continuing operations (€)	-0.95	0.73
Profit/(Loss) from discontinued operations attributable to owners of the parent (€m)	1	-1
Basic earnings/(losses) per share from discontinued operations (€)	-	-
Diluted earnings/(losses) per share from discontinued operations (€)	-	-

8.17 Events of 14 August 2018 relating to the collapse of a section of the Polcevera road bridge in Genoa

With regard to the tragic collapse of a section of the Polcevera road bridge (the “road bridge”) on the A10 Genoa-Ventimiglia motorway operated by da Autostrade per l’Italia (the “operator”) on 14 August 2018, reference should be made to the information already provided in note 8.17 to the consolidated financial statements as at and for the year ended 31 December 2019.

Developments relating to legal and regulatory aspects in the first half of 2020 are described in note 10.6, “Significant legal and regulatory aspects” in this document.

Convinced that it has fully complied with its concession obligations and whilst awaiting the outcome of the ongoing investigation into the causes of the collapse, Autostrade per l’Italia has, in any event, an obligation to reconstruct the Polcevera road bridge in compliance with the terms of the Single Concession

Arrangement. This obligation falls within the scope of provisions to be made to the "Provisions for the repair and replacement of motorway infrastructure", in application of the accounting standards and policies applied. In particular, the provisions already made in the financial statements for 2018 meet the requirements of IAS 37 in relation to provisions, being that:

- a) there is a present obligation as a result of a past event;
- b) it is probable that an outflow of resources will be required to settle the obligation; and
- c) the related amount can be reliably estimated.

Moreover, fulfilment of the obligation will not qualify for recognition of an intangible asset, either as a right deriving from construction services for which no additional economic benefits are received or as a right deriving from construction services for which additional benefits are received.

Autostrade per l'Italia has an obligation to reconstruct the infrastructure previously operated under concession and this reconstruction of the road bridge:

- a) does not form part of specific obligations to perform certain construction services (services that do not give rise to any form of toll increase or other benefit) assumed at the time of signing the Concession Arrangement;
- b) does not generate any additional economic benefit, in that it relates to the mere reconstruction /replacement of pre-existing infrastructure. Any indirect benefits, such as, for example, the fact that the new road bridge will result in lower maintenance costs in future years cannot result in recognition of an intangible asset, as this would not meet the requirements of IAS 38.

With regard to the above, in accordance with the accounting treatment applicable had the operator proceeded directly to carry out reconstruction based on the terms of the Single Concession Arrangement (rather than responsibility for these activities being assigned by law to a Special Commissioner appointed by the Government), a series of expenses resulting from the events in question were already recognised in the consolidated income statement for 2018, as described in detail in note 8.17 to the consolidated financial statements as at and for the year ended 31 December 2018 and 31 December 2019.

As described in the above note, with regard to the method of accounting for the risks and charges connected with the "direct" and "indirect" damages, it should be noted that:

- a) so-called "direct damages", meaning damages directly linked to the events as a direct and immediate consequence of the collapse of the road bridge and regardless of any theoretical hypothesis on the cause of the collapse, may be divided into two types:
 - i) the costs connected with demolition and reconstruction, including the payment of compensation to the businesses located beneath the road bridge, for which the operator has made provision in the "Provisions for the repair and replacement of motorway infrastructure"; and
 - (ii) the charges related to the compensation paid to the victims' families and to the injured, which have been accounted for in "Other provisions for risks and charges";
- b) with regard to so-called "indirect damages" hypothetically identified in relation to the collapse, it should be noted that, as regards determination of the probability of an adverse outcome and, as a result, identification of the accounting category provided for in IAS 37 (provisions or a contingent liability) with which it is reasonable to associate the legal risks in question, the operator's considerations are based on, and are in consistent with, a series of technical and legal opinions from professionals specialising in the related areas, in which the circumstances surrounding the collapse of the road bridge and the related disputes have been analysed in detail in order to estimate the

probability of an adverse outcome for Autostrade per l'Italia and the expected value of any liabilities in the event of such an outcome.

With regard to the "indirect damages", the opinions received provide useful, if not decisive, elements on which Autostrade per l'Italia has based its classification of the provision (as a contingent liability). This means assessing the degree to which it is likely that an adverse outcome will occur as a result of the disputes and the possibility of arriving with reasonable certainty at an estimate of the size of the loss connected with the occurrence of this event.

The above technical and legal opinions have demonstrated that it is currently impossible to construct an *ex ante* hypothesis, and that it will be necessary to assess the concrete evidence that may emerge from time to time, and that, as to any identification of the entity responsible for the event, Autostrade per l'Italia has not been identified as being responsible for the occurrence of the event in any final court or out-of-court ruling.

Thus, based on the fact that:

- a) it is not possible to construct an *ex ante* hypothesis regarding Autostrade per l'Italia's responsibility for the occurrence of the event, nor, as a result, regarding whether or not any damages are due or the size of any damages;
- b) at the present time, there are further causes of uncertainty regarding whether or not any damages are due, or the size of any damages payable by Autostrade per l'Italia, in view of the disputes resulting from assessment process relating to insurance connected to the collapse of the road bridge, and from an accounting viewpoint, the necessary conditions referred to in paragraph 14 of IAS 37 for recognition of a provision to "Other current provisions for risks and charges" have so far not been met.

The decision to exempt road users in the Genoa area from the payment of tolls in the first half of 2020 has resulted in an estimated reduction in toll revenue of €7 million (a total of €26 million in 2019 and 2018).

In keeping with the above accounting treatment, in the first half of 2020 Autostrade per l'Italia has:

- a) recognised costs of €95 million as a result of requests from the Special Commissioner, set out in a letter dated 21 December 2018, in implementation of the provisions of art. 1, paragraphs 5 and 6, art. 1-*bis*, art. 4-*bis* of Law Decree 109, converted with amendments into Law 130 of 16 November 2018; this amount is entirely covered by the "Provisions for the repair and replacement of motorway infrastructure" previously set aside as at 31 December 2019 and its impact on the income statement has been offset by indirect use of the above provisions in the "Operating change in provisions";
- b) paid a total of €8 million directly from "Other provisions for risks and charges", previously made as at 31 December 2019, in the form of compensation for a number of the families of victims impacted by the collapse of the road bridge, in grants for small businesses and firms hit by the collapse and to cover the cost of consultants' fees and legal expenses linked to actions undertaken to protect the Autostrade per l'Italia's rights and those of its employees who are under investigation;
- c) recognised costs of €1 million in "Other costs".

A final agreement was reached with the insurance company in the first half of 2019 regarding quantification of the amount payable to Autostrade per l'Italia under existing third-party liability

insurance policies for the Polcevera road bridge, amounting to €38 million. This amount has been recognised in "Other operating income" in the consolidated income statement for the first half of 2019.

The following provisions have been made in the financial statements as at 30 June 2020 in relation to the above items:

- a) "Provisions for the repair and replacement of motorway infrastructure", totalling €77 million;
- b) "Other provisions for risks and charges", totalling €11 million.

Following the collapse of the road bridge, the Ministry of Infrastructure and Transport formally accused Autostrade per l'Italia of certain breaches of its contractual obligations under the Single Concession Arrangement, as described in note 10.7, "Significant legal and regulatory aspects", in the consolidated financial statements as at and for the year ended 31 December 2019.

As described in note 10.6, "Significant legal and regulatory aspects", in this document, in 2020, Autostrade per l'Italia complied with the indications received from the Government by drawing up numerous proposals aimed at settling the dispute with the MIT. This resulted in the preparation of a new proposal submitted on 11 July 2020 with a view to bringing to an end the procedure for serious breach of the Concession Arrangement. The proposal, based on the results of numerous exchanges with the Government, the MIT and the Ministry of the Economy and Finance, sets out key aspects of the settlement. On 14 July 2020, Atlantia and Autostrade per l'Italia sent a further letter to the above representatives of the Government. This expressed a willingness, subject to approval by their respective boards of directors, to enter into an agreement to carry out a market transaction designed to result in Atlantia giving up control of Autostrade per l'Italia to one or more third parties.

In preparing the condensed consolidated interim financial statements as at and for the six months ended 30 June 2020, account was therefore taken of the impact of the content of the above proposal dated 11 July 2020. In making the related accounting entries, it was not possible to take into account the potential impact (currently not identifiable or quantifiable) of the key points in the settlement agreement and the addendum to the Concession Arrangement – indicated by the MIT on 31 July 2020 – given that talks and meetings designed to clarify such points are still ongoing, as described in note 10.6, "Significant legal and regulatory aspects". In line with the accounting treatment previously adopted in preparation of the consolidated financial statements as at and for the year ended 31 December 2019 (described in note 8.17, "Events of 14 August 2018 relating to the collapse of a section of the Polcevera road bridge in Genoa"), in the above proposal of 11 July 2020, Autostrade per l'Italia has committed, among other things, to provide total funding of €3,400 million at its own expense, marking an increase of €500 million compared with the amount proposed on 5 March 2020. This sum breaks down as follows:

- b) a sum of €1,500 million to be used to finance reductions in tolls, to be agreed with the Grantor and to be applied in such a way as to obtain the maximum benefit for road users, with specific regard to sections where, in the next five years, traffic flow will be most affected by roadworks and commuters. The reductions may also cut tolls to zero in the event of particularly bad disruption;
- c) a sum of €1,200 million – that includes the above increase of €500 million – (totally at the company's expense) to cover the cost of maintenance of network infrastructure carried out in the regulatory period 2020-2024;
- d) a sum of €700 million to cover the cost of demolition and reconstruction of the Polcevera road bridge and all the associated additional expenses.

With regard to the commitments in point a), the sum of €1,500 million was previously recognised in “Other current provisions for risks and charges” in the consolidated financial statements as at and for the year ended 31 December 2019, as it corresponds with the current best estimate of the amount of Autostrade per l’Italia’s undertaking, despite the previously noted fact that the manner in which these funds are to be used has yet to be decided on. This approach is based on the requirements of IAS 37, above all based on the fact that the company has assumed a specific current constructive obligation that has been indicated to the counterparty, resulting from the event represented by the collapse of the road bridge. The provisions made are therefore confirmed in relation to the content of the latest proposal.

With regard to the commitments in point b), these are maintenance works that Autostrade per l’Italia had already provided for in its current programme of works, included in its business plan, to be carried out in relation to the commitments assumed in the Single Concession Agreement and in the Financial Plan submitted to the MIT. These maintenance works are, therefore, accounted for in the financial statements in accordance with the criteria previously adopted in quantifying the “Provisions for the repair and replacement of motorway infrastructure”, which take into account the commitments assumed by the company, including the above further sum of €500 million, including those with regard to the impact on the estimate of the duration of the upcoming cycle of repair or replacement work on the various components of motorway infrastructure.

With regard to the expenses incurred in relation to demolition and/or reconstruction of the road bridge and all the associated additional expenses, as referred to in point c) above, as previously indicated in this note, amounts representing a probable outflow and that can be reliably estimated have already been included in determining the related “Provisions for the repair and replacement of motorway infrastructure” or “Other provisions for risks and charges”. As a result, provisions of €200 million were recognised in “Other provisions for risks and charges” in the first half of 2020, thereby adding to the amount previously set aside as at 31 December 2019 and increasing the provisions to €1,700 million. This addition is to cover additional expenses connected with demolition and reconstruction of the Polcevera road bridge, in line with the information provided above.

8.18 Impact of the Covid-19 pandemic on the operating performance

Since the end of February 2020, the restrictions on movement, imposed by many governments in response to the global spread of the Covid-19 pandemic, have had a major impact on the volumes of traffic using the motorways and airports operated under concession by the Group, compared with the first half of 2019. As the following information reveals, the effects have varied from country to country, primarily reflecting differences in the extent and timing of the travel restrictions introduced in the various countries.

	MOTORWAYS					AIRPORTS	
	Italy (Autostrade per l'Italia Group)	Spain (Abertis group)	France (Abertis group)	Brazil (Atlantia + Abertis group)	Chile (Atlantia + Abertis group)	Italy (Aeroporti di Roma)	France (Aéroports de la Cote d'Azur)
	km travelled	km travelled	km travelled	km travelled	km travelled	passengers	passengers
January	2.8%	2.8%	7.7%	1.7%	-7.6%	-0.2%	5.3%
February	1.7%	8.7%	5.0%	8.9%	-3.1%	-8.9%	5.2%
March	-60.5%	-42.5%	-41.2%	-18.5%	-29.9%	-81.2%	-62.0%
April	-80.4%	-78.9%	-79.5%	-38.2%	-53.0%	-98.3%	-99.4%
May	-55.1%	-65.6%	-55.9%	-23.5%	-54.5%	-97.5%	-98.5%
June	-23.0%	-40.4%	-22.8%	-16.4%	-53.8%	-93.4%	-92.1%
Progressive % change (from 1 January 2020 to 30 June 2020)	-37.7%	-39.1%	-33.3%	-14.1%	-32.5%	-69.0%	-67.9%
Restrictions on movement	9 March – 3 June	13 March – 22 June	16 March – 15 June	from 16 March	from 16 March		

* Like-for-like change in traffic versus 2019

In geographical terms, the most significant impacts on traffic in the first half of 2020 were seen in Europe (Italy, Spain and France) compared with South American countries (Brazil and Chile). This primarily reflects the different timing of the spread of the Covid-19 pandemic and of the restrictions on movement imposed by governments in the various countries in which the Group operates.

In terms of the operating segments to which the infrastructure operated under concession by the Group relates, airport operators were the most affected compared with motorway operators, reflecting the global crisis that has hit the airline industry throughout the world.

The reduction in operating revenue, amounting to €1,588 million on a like-for-like basis (down 30%) compared with the first half of 2019, is broadly linked to the reduction in traffic in the first half of 2020 caused by the above restrictions on movement. It reflects reductions in:

- toll revenue, above all at the European motorway operators;
- aviation revenue at the airport operators in Italy and France;
- revenue from airport and motorway sub-concessions, mainly in Italy.

The Group has responded to the fall in traffic by promptly taking a series of steps to cut costs and review its investment plans, whilst guaranteeing works relating to the safety infrastructure. We are also assessing further initiatives designed to mitigate the impact of the measures implemented by governments in the various countries.

These include the launch of specific initiatives, by a number of Group companies, aimed at reducing staff costs, including redundancies and other schemes designed to soften the impact on employment, introduced by governments in the various countries in which the Group operates.

The resulting reduction in operating cash flow after capital expenditure during the period, amounting to €1,029 million on a like-for-like basis (down 62.7%) compared with the first half of 2019, is broadly

linked to the impact of the Covid-19 pandemic on the Italian, French and Spanish motorway operators and on Fiumicino airport in Italy.

The section, "Alternative performance indicators" in the Interim Report includes the reconciliation of like-for-like and published amounts.

The above ESMA Recommendation of 20 May 2020 indicates how the impact of the Covid-19 pandemic could give rise to one or more indicators of impairment. Information on the impairment tests conducted by the Group with regard to the recoverability of goodwill, of other intangible assets with indefinite lives and the concession rights held by the Group's operators, as well as of investments in associates and joint ventures, is provided in notes 7.2, "Intangible assets", and 7.3, "Investments", to the condensed consolidated interim financial statements.

The Group's potential exposure to financial risk as a result of the spread of the Covid-19 pandemic is described in note 9.2, "Financial risk management" in this Interim Report.

Information on the outlook regarding the impact of the Covid-19 pandemic on the Group is provided in the "Outlook" section of this Interim Report.

9. OTHER FINANCIAL INFORMATION

9.1 Notes to the consolidated statement of cash flows

Consolidated cash flow in the first half of 2020, compared with the first half of 2019, is analysed below. The consolidated statement of cash flows is included in the "Consolidated financial statements". Cash flows during the first half of 2020 resulted in an increase of €3,410 million in cash and cash equivalents (versus a decrease of €1,376 million in the first half of 2019).

Operating activities generated cash flows of €971 million in the first half of 2020, a reduction of €1,269 million compared with the first half of 2019 (€2,240 million). The reduction is attributable to a combination of two factors:

- a) the reduction in operating cash flow of €1,405 million compared with the first half of 2019, reflecting the impact of the Covid-19 pandemic on the Group's motorway and airport operators;
- b) the reduced outflow in the first half of 2020 due to the "change in trading assets and liabilities and other non-financial assets and liabilities" (€141 million), compared with the outflow in the first half of 2019 (€277 million).

Cash used in investing activities, totalling €1,892 million, reflects the following:

- a) capital expenditure during the period, amounting to €634 million;
- b) the acquisition of control of the RCO group for a net amount of €1,193 million, involving an outflow of €1,475 million and the acquisition of cash totalling €282 million, as described in note 6;
- c) the sale of the indirect interest in the French operator, Alis, for a total amount of €152 million;

- d) the cash outflow relating to investment in current and non-current financial assets, totalling €303 million, essentially reflecting an increase in term deposits (€125 million) and the present value of financial assets deriving from concession rights held by the Spanish, Chilean and Argentine operators (€130 million).

Net cash used in investing activities in the first half of 2019 was primarily linked to capital expenditure of €683 million, in addition to the cash outflow relating to investment in current and non-current financial assets, totalling €692 million, essentially reflecting an increase in term deposits (€206 million) and in concession rights and loans and receivables at the Chilean and Argentine operators (amounting to €326 million).

In the first half of 2020, cash used in financing activities amounted to €4,400 million, essentially reflecting a combination of the following:

- a) the distribution of equity reserves and returns of capital to non-controlling shareholders, totalling €236 million;
- b) new bond issues amounting to €2,138 million, essentially attributable to Abertis Infraestructuras (having a nominal value of €1,500 million) and HIT (a nominal value of €600 million);
- c) new borrowings totalling €5,710 million, primarily including Atlantia's use of revolving credit facilities already available as at 31 December 2019 and agreed in July 2018 and October 2018, amounting to €3,250 million, the agreement of new credit facilities and the use of existing facilities by Abertis Infraestructuras (€1,370 million), Telepass (€300 million), Autostrada A4 (€200 million) and Aeroporti di Roma (€180 million);
- d) the redemption of bonds amounting to €1,688 million, essentially referring to Abertis Infraestructuras (€641 million), Autostrada A4 (€400 million) and Autostrade per l'Italia (€502 million);
- e) repayments of borrowings totalling €1,746 million, essentially linked to (i) Abertis Infraestructuras (€1,250 million), including €1,000 million in relation to early repayment of a part of the financing obtained by Abertis Infraestructuras, in relation to its assumption of the financial liabilities used by Abertis HoldCo to fund its acquisition of the former; (ii) the Abertis group's Brazilian and Chilean operators (€215 million); (iii) Telepass (€200 million) and (iv) Autostrade per l'Italia (€69 million), relating to loans from the EIB and Cassa Depositi e Prestiti.

Net cash used in financing activities in the first half of 2019, totalling €2,330 million, reflected a combination of the following:

- a) repayments of borrowings totalling €7,290 million, essentially linked to early repayment of a part of the financing obtained by Abertis Infraestructuras (€5,128 million), Abertis HoldCo (€965 million) and Atlantia (€675 million);
- b) dividends paid to the Group's shareholders and to non-controlling shareholders, totalling €968 million;
- c) the distribution of equity reserves and returns of capital to non-controlling shareholders, totalling €455 million, essentially relating to the distribution of reserves declared by Abertis HoldCo;
- d) new bond issues amounting to €3,922 million, essentially attributable to Abertis Infraestructuras (€3,067 million) and new issues by a number of the Group's Chilean companies;

- e) new borrowings of €3,028 million, primarily attributable to the Collar Financing transaction entered into by Atlantia (€752 million), to Abertis Infraestructuras and to the Abertis group's Brazilian companies (totalling €1,336 million).

Further details of movements in financial liabilities are provided in note 7.15.

The following table shows net cash flows generated from discontinued operations, including the contributions of Electronic Transaction Consultants and Tech Solutions Integrators for the first half of 2020. In the comparative period, cash flows generated from discontinued operations included the contributions from Hispasat, Ecomouv and Tech Solutions Integrators. These cash flows are included in the consolidated statement of cash flows under operating, investing and financing activities.

Cash flows related to discontinued operations

€M	H1 2020	H1 2019 (restated)
Net cash generated from/(used in) operating activities	62	52
Net cash generated from/(used in) investing activities	-1	-21
Net cash generated from/(used in) financing activities	-56	-39

9.2 Financial risk management

The Atlantia Group's financial risk management objectives and policies

In the normal course of business, the Atlantia Group is exposed to:

- market risk, principally linked to the effect of movements in interest and foreign exchange rates on financial assets acquired and financial liabilities assumed, and to the impact of movements in the market prices of shares held by the Group;
- liquidity risk, with regard to ensuring the availability of sufficient financial resources to fund the Group's operating activities and repayment of the liabilities assumed;
- credit risk, linked to both ordinary trading relations and the likelihood of defaults by financial counterparties;
- inflation risk, connected with the impact on profit or loss and on the real value of assets and liabilities resulting from movements in market inflation rates.

The Atlantia Group's financial risk management strategy is derived from and consistent with the business goals set by the Atlantia Board of Directors.

Market risk

The adopted strategy for each type of risk aims, wherever possible, to eliminate interest rate and currency risks and minimise borrowing costs, whilst taking account of stakeholders' interests, as defined in the Financial Policy approved by Atlantia's Board of Directors.

Management of these risks is based on prudence and best market practice.

The main objectives set out in this policy are as follows:

- a) to protect the scenario forming the basis of the long-term business plan from the effect of exposure to currency and interest rate risks, identifying the best combination of fixed and floating rates;
- b) to pursue a potential reduction of the Group's borrowing costs within the risk limits determined by the Board of Directors;
- c) to manage derivative financial instruments, taking account of their potential impact on profit or loss and the financial position, partly in relation to their classification and presentation.

The Group's hedges outstanding are classified, in accordance with IFRS 9, either as cash flow or fair value hedges, depending on the type of risk hedged.

As at 30 June 2020, the notional amount of the Company's derivatives portfolio has decreased by €3,615 million (a total of €13,137 million) and fair value losses amount to €909 million, compared with €1,032 million as at 31 December 2019. Despite the decline in interest rates during the first half 2020, the positive movement is primarily linked to the unwinding of a number of derivatives, including those hedging the risk of fluctuations in the value of the Mexican peso in relation to the acquisition of Red de Carreteras de Occidente and its subsidiaries, which Abertis Infraestructuras completed in 2020 (a notional amount of €1,450 million) and the pre-hedge Interest Rate Swaps hedging future bond issues (a notional amount of €1,500 million).

The change in the fair value of derivative instruments as at 30 June 2020 and 31 December 2019 is reflected in equity and amounts to a positive €130 million. This reflects €193 million in fair value gains on fair value hedges (linked to the collar financing), €37 million in fair value losses on net investment hedges (represented by Cross Currency Swaps) and €26 million in fair value losses on cash flow hedges (primarily Interest Rate Swaps).

The Group's portfolio also includes non-hedge accounting transactions, including the derivatives embedded in certain short-term borrowings obtained by Autostrade Meridionali, Pavimental and Telepass, with a total notional value of €367 million and fair value losses of €2 million.

Further details are provided in note 7.15.

Information on the fair value measurement of derivative financial instruments is provided in note 3.

Foreign currency amounts are converted into euros using the closing exchange rates as at 30 June 2020 published by the Bank of Italy.

The residual average term to maturity of the Group's debt as at 30 June 2020 is approximately five years.

As at 30 June 2020, the weighted average cost of the Group's medium/long-term borrowings, including differentials on hedging instruments, was 3.3% (reflecting the combined effect of the 2.6% paid by the companies operating in the euro area, the 4.3% paid by the Chilean companies and the 6.2% paid by the Brazilian companies). Monitoring is, moreover, intended to assess, on a continuing basis, counterparty creditworthiness and the degree of risk concentration.

Interest rate risk

This risk is linked to uncertainty regarding the performance of interest rates and can result in:

- a) cash flow risk: linked to financial assets and liabilities with cash flows indexed to a market interest rate. In order to reduce the amount of floating rate debt, the Group has entered into interest rate swaps (IRSs), classified as cash flow hedges. The hedging instruments and the underlying financial liabilities have matching terms to maturity and notional amounts. Following changes in market conditions in early 2020, bond issues by Autostrade per l'Italia planned to take place in 2020 are no longer

considered possible and this has, therefore, resulted in reclassification of a part of the Forward-Starting Interest Rate Swaps, with a fair value of €89 million as at 30 June 2020, as no longer qualifying for hedge accounting in compliance with IFRS 9. In addition, planned issues by Atlantia in 2020 and 2021 and by Autostrade per l'Italia in 2021 are considered possible and no longer highly probable. As a result, the two companies' remaining Forward-Starting Interest Rate Swaps have been classified, after 30 June 2019, as no longer qualifying for the application of hedge accounting. In Atlantia's case, these swaps have a fair value of €333 million as at 30 June 2020, whilst the swaps attributable to Autostrade per l'Italia have a value of €222 million. Following the issue of notes carried out to refinance pre-existing debt, Azzurra Aeroporti's Interest Rate Swaps were partially reclassified as no longer qualifying for the application of hedge accounting, with the change in fair value in the first six months, totalling €14 million, recognised in profit or loss, given that the previous hedging relationship required by IFRS 9 no longer exists. Fair value losses on these swaps total €42 million;

- b) fair value risk: the risk of losses deriving from an unexpected change in the value fixed rate financial assets and liabilities following an unfavourable shift in the market yield curve. As at 30 June 2020, the Group reports transactions classifiable as fair value hedges in accordance with IFRS 9, regarding IPCA x CDI Swaps entered into by the Brazilian companies, Triangulo do Sol and Rodovia das Colinas, with the aim of converting the real IPCA rate bonds issued to a floating CDI rate. Changes in the fair value of such instruments are recognised in profit or loss and are offset by the change in the fair value of the underlying hedged liability. In addition, an Offset Swap was entered into in 2018 to crystallise the positive mark-to-market value of the IPCA x CDI Swaps at the date of execution of the Offset. The value of the IPCA x CDI Swaps as at 30 June 2020, net of the value if the Offset Swaps, is a negative €8 million.

In terms of type of interest rate, 68.8% of the Group's interest-bearing debt is fixed rate. After taking into account the related hedges, fixed rate debt represents 77.9% of the total.

In addition, as required by the amendment to IFRS 9, the following table shows details of derivatives qualifying for the application of hedge accounting potentially affected by the IBOR reform.

Category	Company	Type	Maturity	Notional	Rate
Cash flow hedges	Autostrade per l'Italia	Cross Currency Swap	2022	750	Euribor; GBP Libor
		Interest Rate Swap	2026	9	Euribor
	Aéroports de la Côte d'Azur	Interest Rate Swap	2027	8	Euribor
		Interest Rate Swap	2029	6	Euribor
		Interest Rate Swap	2030	10	Euribor
	Azzurra Aeroporti	Interest Rate Swap	2041	653	Euribor
	Aeroporti di Roma	Interest Rate Swap	2031	400	Euribor
		Interest Rate Swap	2032	300	Euribor
	Abertis group	Cross Currency Swap	2020	31	USD Libor
		Cross Currency Swap	2021	43	USD Libor
		Cross Currency Swap	2026	467	Euribor; GBP Libor
		Cross Currency Swap	2026	152	USD Libor
		Cross Currency Swap	2039	154	Euribor; JPY Libor
		Interest Rate Swap	2023	79	Euribor
		Interest Rate Swap	2024	101	Euribor
Interest Rate Swap		2025	76	Euribor	
Pavimental	Interest Rate Swap	2034	51	Euribor	
		Interest Rate Swap	2025	25	Euribor
Fair value hedges	Atlantia	Collar	2024-26	444	Euribor
Net investment hedges	Abertis group	Cross Currency Swap	2020	95	Euribor
		Cross Currency Swap	2021	40	Euribor
		Cross Currency Swap	2022	80	Euribor

With regard to application of the above amendment, the following should be noted:

- a) Group companies have borrowings linked to the IBOR and the related derivative instruments, which in application of this amendment have been confirmed as hedges, without therefore taking into account the uncertainty resulting from the current reform, which could have an impact on the timing and amount of the hedged cash flows and, therefore, affect the effectiveness of the hedges pursuant to IFRS 9;
- 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 9, if the conditions allowing continuation of the hedging relationship should cease to exist, for accounting purposes, other than for those connected with the reform, the Group will reclassify accumulated gains and losses on the derivative financial instruments previously account for as hedges to profit or loss.

Currency risk

Currency risk can result in the following types of exposure:

- a) economic exposure incurred through purchases and sales denominated in currencies other than the company's functional currency;
- b) translation exposure through equity investments in subsidiaries and associates whose financial statements are denominated in a currency other than the Group's functional currency;
- c) transaction exposure incurred by making deposits or obtaining loans in currencies other than the individual companies' functional currency.

The prime objective of the Group's currency risk management strategy is to minimise transaction exposure through the assumption of liabilities in currencies other than the Group's functional currency. With the aim of eliminating the currency risk associated with the sterling and yen denominated bonds transferred to Autostrade per l'Italia as a result of an issuer substitution, the Group has entered into Cross Currency Swaps (CCSs) with notional values and maturities equal to those of the underlying financial liabilities. These swaps qualify as cash flow hedges.

In January 2020, the receivables due on the sterling-denominated notes, amounting to a nominal amount of £215 million, originally issued by Romulus Finance (a vehicle company controlled by Aeroporti di Roma and wound up in 2017 with the transfer of the liabilities assumed by the parent), and held by Atlantia were assigned, resulting in the reissue of the liabilities in the consolidated accounts. As part of this transaction, the Company entered into Cross Currency Offset Swaps with the same notional value in sterling as the original CCSs used to hedge interest and currency risk associated with the underlying in foreign currency. This was done in order to crystallise the mark-to-market value of the original CCSs at the date of execution of the offset.

16% of the Group's debt is denominated in currencies other than the euro.

Share price risk

Share price risk reflects the potential for the market prices of the shares held by an entity move in response to changes in market conditions.

In this regard, in March 2019, Atlantia entered into a derivative financial instrument called a "funded collar", involving 5.6 million shares in Hochtief (representing approximately 33% of the total shares held). The aim is to mitigate the shares' exposure to the risk that movements in the market price would take the share price below a certain floor and to benefit from increases in the share price up to a certain

cap. The derivative instrument consists of a put option (with fair value gains amounting to €397 million) and a call option (with fair value losses amounting to €35 million). The derivative is being used to secure a loan of €752 million with an average term to maturity of 6.5 years and with scheduled repayments between September 2024 and March 2026, potentially via the sale of the Hochtief shares at prices within the above range. Fair value gains on these derivatives as at 30 June 2020 amount to €362 million and are recognised in other comprehensive income, in keeping with the accounting treatment applied to the underlying (the Hochtief shares), as required by IFRS 9 for fair value hedges.

The following table summarises outstanding derivative financial instruments as at 30 June 2020 (compared with 31 December 2019) and shows the corresponding market and notional values.

€M	Type	Hedged risk	30 June 2020		31 December 2019	
			Fair value asset/(liability)	Notional amount	Fair value asset/(liability)	Notional amount
Cash flow hedges (1)						
	Cross Currency Swap	Currency rate risk	-351	1,760	-339	1,726
	Interest Rate Swap	Interest rate risk	-214	1,798	-329	5,341
	FX Forward	Currency rate risk	-1	11	21	1,450
	Total cash flow hedges		-566	3,569	-647	8,517
Fair value hedges (1)						
	IPCA x CDI Swap	Interest rate risk	6	48	8	80
	Collar	Shares	362	444	170	639
	Total fair value hedges		368	491	178	719
Net investment in foreign operation (1)						
	Cross Currency Swap	Currency rate risk	98	215	60	215
	Total net investment in a foreign operation hedges		98	215	60	215
Non-hedge accounting derivatives (1)						
	Cross Currency Swap	Currency rate risk	-108	1,016	-93	761
	Interest Rate Swap	Interest rate risk	-685	7,405	-509	6,111
	Derivatives embedded in borrowings	Interest rate risk	-2	367	-1	269
	FX Forward	Currency rate risk	-	-	-1 (2)	41
	IPCA x CDI Swap	Interest rate risk	-14	74	-19	119
	Total non-hedge accounting derivatives		-809	8,862	-624	7,301
TOTAL			-909	13,137	-1,032	16,752
			Fair value (asset)	534	311	
			Fair value (liability)	-1,443	-1,343	

(1) The fair value of cash flow hedges excludes accruals at the measurement date.

(2) The fair value of these derivatives is classified in short-term financial assets and liabilities.

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 the first half of 2020 and on equity as at 30 June 2020. The interest rate sensitivity analysis is based on the exposure of derivative and non-derivative financial instruments at the end of the year, assuming, in terms of the impact on the income statement, a 1% (100 bps) shift in the market yield curve at the beginning of the year, whilst, with regard to the impact of changes in fair value on other comprehensive income, the 100 bps shift in the curve was assumed to have occurred at the measurement date. The results of the analyses were:

- a) in terms of interest rate risk, an unexpected and unfavourable 1% shift in market interest rates would result in a negative impact on the consolidated income statement for the first half of 2020, totalling €1,899 million, and on other comprehensive income for the same period, totalling €293 million, before the related taxation (including the expected change in the fair value of the Abertis group's assets and liabilities with an impact on profit or loss and on other comprehensive income, amounting to €1,340 million and €176 million, respectively);
- b) in terms of currency risk, an unexpected and unfavourable 10% shift in the exchange rate would have resulted in a negative impact on the consolidated income statement, totalling €675 million and on other comprehensive income, totalling €550 million, due respectively to the adverse effect on the overseas companies' after-tax results and changes in the foreign currency translation reserves (including the expected change in the fair value of the Abertis group's assets and liabilities, amounting to €644 million and €342 million, respectively).

Liquidity risk

Liquidity risk relates to the risk that cash resources may be insufficient to fund the payment of liabilities as they fall due. The Atlantia Group believes that its ability to generate cash, the ample diversification of its sources of funding and the availability of committed and uncommitted lines of credit provides access to sufficient sources of finance to meet its projected financial needs.

As at 30 June 2020, the Group has estimated cash reserves of €14,549 million, consisting of:

- a) €8,651 million in cash and cash equivalents, including €3,699 million attributable to Atlantia;
- b) €5,898 million in undrawn committed lines of credit, having an average residual term of approximately five years and two months and a weighted average residual drawdown period of approximately four years and four months.

With regard to assessment of the risk of early repayment of Autostrade per l'Italia's borrowings from the EIB and CDP (amounting to a nominal value of approximately €2.1 billion, with approximately €1.7 billion, including early repayment penalties, guaranteed by Atlantia) as a result of the downgrade of the two companies' ratings to below investment grade, following publication of the Milleproroghe legislation, at the date of preparation of this Interim Report, neither the EIB nor CDP has made any request for early repayment.

The financial tensions caused by the restrictions on movement imposed in response to the spread of the Covid-19 pandemic, and the consequent impact on traffic and the results of the Atlantia Group's operators, could affect the covenants attaching to the various loan agreements and have a negative impact on the certain operators' liquidity.

Other than the above situation regarding Autostrade per l'Italia, the other Group companies do not appear to have significant problems in terms of liquidity. The level of compliance with the financial covenants provided for in loan agreements is constantly monitored and, where deemed to constitute a risk, covenant holidays have been obtained or are in the course of being negotiated. Each Group company is continuing to monitor developments and to assess the option of accessing new lines of credit available on the market, or the option of taking advantage of the aid provided by the various governments in the countries in which they operate in order to meet their planned financial requirements.

Details of drawn and undrawn committed lines of credit are shown below.

3. Condensed consolidated interim financial statements

CM		30 JUNE 2020				
BORROWER	COUNTERPARTY	DRAWDOWN PERIOD EXPIRES	FINAL MATURITY	AVAILABLE	DRAWN	UNDRAWN
Abertis Infraestructuras	NatWest Markets Plc	7 Mar 2021	7 Mar 2021	100	-	100
Abertis Infraestructuras	Bankinter	11 Mar 2021	11 Mar 2021	100	-	100
Abertis Infraestructuras	Goldman Sachs	15 July 2021	15 July 2021	100	-	100
Abertis Infraestructuras	ING	21 Sept 2021	21 Sept 2021	100	-	100
Abertis Infraestructuras	Citi	30 Sept 2021	30 Sept 2021	100	-	100
Abertis Infraestructuras	Bankia	7 Oct 2021	7 Oct 2021	150	-	150
Abertis Infraestructuras	Société Générale	1 Feb 2023	1 Feb 2023	150	-	150
Abertis Infraestructuras	BBVA	20 Feb 2023	20 Feb 2023	200	-	200
Abertis Infraestructuras	Sabadell Atlantico	12 Mar 2023	12 Mar 2023	100	-	100
Abertis Infraestructuras	Abanca	28 Mar 2022	28 Mar 2022	100	-	100
Abertis Infraestructuras	BNP Paribas	17 Apr 2023	17 Apr 2023	100	-	100
Abertis Infraestructuras	Barclays Bank	17 Apr 2023	17 Apr 2023	150	-	150
Abertis Infraestructuras	Santander	20 Apr 2023	20 Apr 2023	450	-	450
Abertis Infraestructuras	CaixaBank	31 Oct 2023	31 Oct 2023	350	-	350
Abertis Infraestructuras	Unicredito Grupo	31 July 2024	31 July 2024	150	-	150
Abertis Infraestructuras	MUFG Bank	30 Sep 2024	30 Sep 2024	100	-	100
Abertis Infraestructuras	ICBC	9 Nov 2024	9 Nov 2024	50	-	50
Abertis Infraestructuras	Intesa San Paolo	11 Mar 2025	11 Mar 2025	200	-	200
A4 Holding	Sparkasse	5 Feb 2021	5 Feb 2021	15	-	15
Autopista del Sol	Santander	21 Mar 2021	21 Mar 2021	97	-	97
HIT	Société Générale	18 Dec 2022	18 Dec 2022	200	-	200
Sanef	Natixis	9 Oct 2022	9 Oct 2022	300	-	300
Arteris Via Paulista	BNDES	15 Sept 2045	15 Sept 2045	608	135	473
Fernão Dias	BNDES	15 Dec 2029	15 Dec 2029	32	19	13
Planalto Sul	BNDES	15 Mar 2027	15 Mar 2027	6	5	1
RCO	Santander	10 June 2034	10 June 2034	78	30	48
RCO	BANOBRA	10 Aug 2037	10 Aug 2037	433	387	46
Autostrada Bs Vr Vi Pd SpA	Intesa San Paolo	30 Sept 2024	30 Sept 2024	50	-	50
Autostrade per l'Italia	Committed medium/long-term CDP Term Loan 2017	31 Dec 2021	13 Dec 2027	1,100	400	700
Autostrade per l'Italia	Revolving CDP facility 017	2 Oct 2022	31 Dec 2022	600	-	600
Autostrade Meridionali	Short-term loan from Banco di Napoli	31 Dec 2020	31 Dec 2020	300	245	55
Aeroporti di Roma	EIB Loan 2018	23 Mar 2021	23 Mar 2021	200	-	200
Aeroporti di Roma	Committed Revolving Facility	11 Apr 2023	11 July 2023	250	-	250
Aeroporti di Roma	Bnp Paribas	18/11/2020	20 May 2024	100	-	100
Lines of credit				7,119	1,221	5,898

Credit risk

The Group manages credit risk essentially through recourse to counterparties with high credit ratings, with no significant credit risk concentrations as required by Financial Policy.

Credit risk deriving from outstanding derivative financial instruments can also be considered marginal in that the counterparties involved are major financial institutions.

In order to reduce the credit risk associated with a number of Forward-Starting Interest Rate Swaps entered into by Atlantia, a cash collateral was posted in June 2020 via the execution of a Credit Support Annex (CSA) guaranteeing mark-to-market movements in the value of these derivatives. There are no further margin agreements providing for the exchange of cash collateral if a certain fair value threshold is exceeded.

Provisions for impairment losses on individually material items, on the other hand, are established when there is objective evidence that the Group will not be able to collect all or any of the amount due. The amount of the provisions takes account of estimated future cash flows and the date of collection, any future recovery costs and expenses, and the value of any security and guarantee deposits received from customers. General provisions, based on the available historical and statistical data, are established for items for which specific provisions have not been made. Details of the allowance for bad debts for trade receivables are provided in note 7.7.

10. OTHER INFORMATION

10.1 Operating and geographical segments

Operating segments

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

There are no changes in the structure of operating segments as at 30 June 2020 with respect to the situation presented in the Annual Report for 2019. As a result, the composition of operating segments is as follows:

- a) **Italian motorways:** this includes the Italian motorway operators (Autostrade per l'Italia, Autostrade Meridionali, Tangenziale di Napoli, Società Italiana per Azioni per il Traforo del Monte Bianco, Raccordo Autostradale Valle d'Aosta and Autostrada Tirrenica), whose core business consists of the management, maintenance, construction and widening of the related motorways operated under concession. This operating segment includes Autostrade per l'Italia's subsidiaries (AD Moving, Giove Clear, Essediessa and Autostrade Tech) that provide support for the Italian motorway operators and that are subsidiaries of Autostrade per l'Italia;
- b) **Abertis group:** this includes the Spanish, French, Chilean, Brazilian, Argentine, Puerto Rican, Mexican and Indian motorway operators and the companies that produce and operate tolling systems controlled by Abertis Infraestructuras, and the holding established in relation to its acquisition, Abertis HoldCo;
- c) **Ovreseas motorways:** this includes the activities of the holders of motorway concessions in Brazil, Chile and Poland not controlled by the Abertis group, and the companies that provide operational support for these operators and the related foreign-registered holding companies. In addition, this segment includes the Italian holding company, Autostrade dell'Atlantico, which holds investments in South America;
- d) **Italian airports:** this includes the airports business of Aeroporti di Roma, which holds the concession to operate and expand the airports of Rome Fiumicino and Rome Ciampino, and its subsidiaries;
- e) **Overseas airports:** this includes the airport operations of the companies controlled by Aéroports de la Côte d'Azur (ACA), the company that (directly and indirectly) operates the airports of Nice, Cannes-Mandelieu and Saint-Tropez in addition to Azzurra Aeroporti (a holding company and ACA's direct parent);
- f) **Atlantia and other activities:** this segment includes:
 - 1) the Parent company, Atlantia, which operates as a holding company for its subsidiaries and associates whose business is the construction and operation of motorways, airports and transport infrastructure, parking areas and intermodal systems, or who engage in activities related to the management of motorway or airport traffic;
 - 2) Telepass and Electronic Transaction Consultants, the companies that produce and operate free-flow tolling systems, traffic and transport management systems and electronic payment systems;
 - 3) the companies whose business is the design, construction and maintenance of infrastructure, essentially carried out by Spea Engineering and Pavimental;
 - 4) Aereo I Global & International Sarl, the Luxembourg-registered investment vehicle that holds the 15.49% interest in Getlink.

3. Condensed consolidated interim financial statements

A summary of the key performance indicators for each segment, identified in accordance with the requirements of IFRS 8, is shown below.

1H 2020									
	ITALIAN MOTORWAYS	OVERSEAS MOTORWAYS	ABERTIS GROUP	ITALIAN AIRPORTS	OVERSEAS AIRPORTS	ATLANTIA AND OTHER ACTIVITIES	CONSOLIDATION ADJUSTMENTS	UNALLOCATED ITEMS	TOTAL CONSOLIDATED AMOUNTS
External revenue	1,239	229	1,789	166	65	226	-		3,714
Intersegment revenue	24	-	-	-	-	202	-226		-
Total operating revenue	1,263	229	1,789	166	65	428	-226		3,714
EBITDA	-77	157	1,108	43	6	64	-1		1,300
Amortisation, depreciation, impairment losses and reversals of impairment losses								-1,992	-1,992
Provisions and other adjustments								-43	-43
EBIT									-735
Financial income/(expenses)								-717	-717
Profit/(Loss) before tax from continuing operations									-1,452
Income tax (expense)/benefit								395	395
Profit/(Loss) from continuing operations									-1,057
Profit/(Loss) from discontinued operations								1	1
Profit for the period									-1,056
Operating cash flow	205	131	754	47	-15	-9	-1		1,112
Capital expenditure	215	76	191	72	18	40	21		633
1H 2019									
	ITALIAN MOTORWAYS	OVERSEAS MOTORWAYS	ABERTIS GROUP	ITALIAN AIRPORTS	OVERSEAS AIRPORTS	ATLANTIA AND OTHER ACTIVITIES	CONSOLIDATION ADJUSTMENTS	UNALLOCATED ITEMS	TOTAL CONSOLIDATED AMOUNTS
External revenue	1,936	340	2,592	450	141	145	-		5,604
Intersegment revenue	32	1	-	1	-	209	-243		-
Total operating revenue	1,968	341	2,592	451	141	354	-243		5,604
EBITDA	1,162	256	1,785	269	58	23	-1		3,552
Amortisation, depreciation, impairment losses and reversals of impairment losses								-1,951	-1,951
Provisions and other adjustments								-60	-60
EBIT									1,541
Financial income/(expenses)								-510	-510
Profit/(Loss) before tax from continuing operations									1,031
Income tax (expense)/benefit								-278	-278
Profit/(Loss) from continuing operations									753
Profit/(Loss) from discontinued operations								-1	-1
Profit for the period									752
Operating cash flow	686	208	1,302	198	42	82	-1		2,517
Capital expenditure	271	74	282	117	27	30	14		815

The following should be noted with regard to the operating segment information presented in the above tables:

- a) intersegment revenue regards intragroup transactions between companies in different operating segments. They relate primarily to the design and construction of infrastructure carried out by Pavimental and Spea Engineering for the Group's Italian motorway (€157 million) and airport operators (€33 million);
- b) total operating revenue does not include the balance of revenue from construction services, totalling €344 million for the first half of 2020 and €451 million for the first half of 2019;
- c) EBITDA is calculated by deducting all operating costs, with the exception of amortisation, depreciation, impairment losses on assets and reversals of impairment losses, provisions and other adjustments, from operating revenue;
- d) EBIT is calculated by deducting amortisation, depreciation, impairment losses on assets and reversals of impairment losses, provisions and other adjustments from EBITDA. EBIT differs from the item "Operating profit" in the consolidated income statement due to the fact that the capitalised component of financial expenses relating to construction services is not shown in this table, as indicated in note b) above. The relevant amounts total €13 million for the first half of 2020 and €12 million for the first half of 2019;
- e) operating cash flow is calculated as profit + amortisation/depreciation +/- impairments/reversals of impairments of assets +/- provisions/releases of provisions + other adjustments + financial expenses from discounting of provisions +/- share of profit/(loss) of investees accounted for using equity method +/- (losses)/gains on sale of assets +/- other non-cash items +/- deferred tax assets/liabilities recognised in the income statement;
- f) the figure for capital expenditure includes investment in assets held under concession, in property, plant and equipment and in other intangible assets, as shown in the consolidated statement of cash flows.

EBITDA, EBIT and operating cash flow are not measures of performance defined by the IFRS adopted by the European Union.

Finally, it should be noted that in the first half of 2020, the Group did not earn revenue from any specific customer in excess of 10% of the Group's total revenue for the year.

The disaggregation of revenue, depending on whether it is recognised at a point in time or over time, is shown below, as required by IFRS 15.

3. Condensed consolidated interim financial statements

H1 2020							
CM	ITALIAN MOTORWAYS	ABERTIS GROUP	OVERSEAS MOTORWAYS	ITALIAN AIRPORTS	OVERSEAS AIRPORTS	ATLANTIA AND OTHER ACTIVITIES	TOTAL CONSOLIDATED AMOUNTS
Net toll revenue	1,166	1,597	208	-	-	-	2,971
At a point in time	1,166	1,597	208	-	-	-	2,971
Over time	-	-	-	-	-	-	-
Out of scope	-	-	-	-	-	-	-
Aviation revenue	-	-	-	105	33	-	138
At a point in time	-	-	-	103	33	-	136
Over time	-	-	-	2	-	-	2
Out of scope	-	-	-	-	-	-	-
Other revenue	73	192	21	61	32	226	605
At a point in time	21	160	19	1	10	5	216
Over time	4	28	-	14	-	93	139
Out of scope	48	4	2	46	22	128	250
Total external revenue	1,239	1,789	229	166	65	226	3,714

H1 2019							
CM	ITALIAN MOTORWAYS	ABERTIS GROUP	OVERSEAS MOTORWAYS	ITALIAN AIRPORTS	OVERSEAS AIRPORTS	ATLANTIA AND OTHER ACTIVITIES	TOTAL CONSOLIDATED AMOUNTS
Net toll revenue	1,761	2,414	318	-	-	-	4,493
At a point in time	1,761	2,414	318	-	-	-	4,493
Over time	-	-	-	-	-	-	-
Out of scope	-	-	-	-	-	-	-
Aviation revenue	-	-	-	319	75	-	394
At a point in time	-	-	-	314	75	-	389
Over time	-	-	-	5	-	-	5
Out of scope	-	-	-	-	-	-	-
Other revenue	175	178	22	131	66	145	717
At a point in time	28	129	21	2	18	3	201
Over time	4	40	-	30	-	51	125
Out of scope	143	9	1	99	48	91	391
Total external revenue	1,936	2,592	340	450	141	145	5,604

It should be noted that, given the specific nature of the Atlantia Group's business and the fact it is prevalently regulated, revenue is almost entirely classifiable as recognised "at a point in time", as shown in the table. There is no potential for a significant judgement regarding the time at which the customer obtains control of the services provided. For the same reasons, the disclosure containing a description of the nature of the individual obligations assumed (e.g. the nature of the goods/services to be transferred, payment terms, obligations for returns, etc.) is not significant.

Analysis by geographical segment

The following table shows the contribution of each geographical segment to the Atlantia Group's revenue and non-current assets.

€M	REVENUE		NON-CURRENT ASSETS ⁽¹⁾	
	H1 2020	H1 2019	30 June 2020	31 December 2019
Italy	1,841	2,867	21,988	22,444
France	752	1,087	15,095	15,824
Brazil	441	569	2,970	3,970
Chile	343	532	5,245	5,859
Spain	390	721	11,782	12,143
Poland	31	40	158	164
USA	59	34	-	46
Argentina	45	70	14	16
Puerto Rico	58	78	1,374	1,388
Mexico	51	-	5,870	-
UK	19	21	20	22
India	12	16	167	188
Portugal	1	1	40	40
Germany (2)	-	-	1,331	1,916
Colombia	-	-	4	5
Other countries	15	19	5	6
Total	4,058	6,055	66,063	64,031

⁽¹⁾ In accordance with IFRS 8, non-current assets do not include non-current financial assets or deferred tax assets.

⁽²⁾ This item consists of the value of the investment in Hochtief.

10.2 Guarantees

The Group has certain personal guarantees in issue to third parties as at 30 June 2020, amounting to a total of €1,053 million and including €625 million guaranteeing performance of the contractual obligations of Group companies and €428 million guaranteeing future payments. These include, in order to importance:

- the guarantees issued by Pavimental to guarantee execution of the works it has been contracted to perform, amounting to €265 million;
- the guarantees issued by Group companies to public entities with the aim of guaranteeing the performance of construction services and claims, totalling €133 million;
- guarantees issued by Atlantia's Brazilian and Chilean operators to grantors, guaranteeing the performance of construction services and the proper upkeep of the sections of motorway they operate, totalling €127 million;
- the guarantees issued by the Abertis group's Spanish and Chilean operators to their respective grantors with whom they have entered into concession arrangements, guaranteeing both the performance of construction services and fulfilment of the related contractual obligations, above all the guarantees given to the Spanish Ministry for Development, totalling €121 million;
- bank guarantees provided to the Ministry of Infrastructure and Transport, under the obligations assumed in the relevant concession arrangement, by the Italian operators, Autostrade Brescia Verona Padova (€28 million), Tangenziale di Napoli (€26 million), Società Autostrade Meridionali (€16 million) and Società Autostrada Tirrenica p.A. (€14 million), Raccordo Autostradale Valle d'Aosta (€6 million) and Autostrada A3I Valdastico Sud (€2 million);

- f) guarantees issued by the subsidiary, Electronic Transaction Consultants (Performance Bonds and Maintenance Bonds), totalling approximately €70 million, to guarantee projects in progress;
- g) the guarantee of €33 million given to the Italian Civil Aviation Authority in order to guarantee compliance with the obligations assumed in Aeroporti di Roma's concession arrangement.

As at 30 June 2020, the shares of certain of the Group's overseas operators (Rodovias das Colinas, Concessionária da Rodovia MG050, Triangulo do Sol, Intervias, Arteris Via Paulista in Brazil; Sociedad Concesionaria Costanera Norte, Sociedad Concesionaria de Los Lagos, Sociedad Concesionaria Autopista Nororiental, Sociedad Concesionaria Litoral Central, Sociedad Concesionaria Vespucio Sur, Elqui and Libertadores in Chile; Autostrada A4 in Italia e Tunels de Barcelona, Aulesa, Trados in Spagna), have also been pledged to the respective providers of project financing to the same companies, as have shares in Pune-Solapur Expressways, Lusoponte, Tangenziale Esterna and Bologna & Fiera Parking. Finally, i) all of Azzurra Aeroporti's shares and ii) this company's shareholding in Aéroports de la Côte d'Azur (ACA) have been pledged as collateral to the providers of Azzurra Aeroporti's project financing. These encumbrances were confirmed in the security bond issued by Azzurra Aeroporti on 30 July 2020. The loan agreements to which certain Group companies (Rodovias das Colinas, Concessionária da Rodovia MG050, Triangulo do Sol, Intervias, Arteris Via Paulista in Brazil; Sociedad Concesionaria Costanera Norte, Sociedad Concesionaria de Los Lagos, Sociedad Concesionaria Autopista Nororiental, Sociedad Concesionaria Litoral Central, Sociedad Concesionaria Vespucio Sur, Rutas Pacifico, Los Andes, Autopista Central, Elqui and Libertadores in Chile; Autostrada A4 in Italy, Metropistas nel Puerto Rico, Avasa, Tunels and Aulesa in Spain, as well as the Indian subsidiaries) are party require the pledge of shares to secure the loans provided, in addition to encumbrances on certain of the companies' assets, including fixed assets, deposits and receivables.

10.3 Reserves

As at 30 June 2020, Group companies have recognised contract reserves quantified by contractors in relation to:

- a) investing activities, totalling approximately €864 million (€958 million as at 31 December 2019). Based on past experience, only a small percentage of the reserves will actually have to be paid to contractors and, in this case, will be accounted for as an increase in the cost of intangible assets deriving from concession rights;
- b) non-investing activities, amounting to approximately €41 million, the estimated future cost of which is covered by existing provisions in the consolidated financial statements.

10.4 Related party transactions

In implementation of the provisions of art. 2391-*bis* of the Italian Civil Code, the Regulations adopted by the *Commissione Nazionale per le Società e la Borsa* (the CONSOB) in Resolution 17221 of 12 March 2010, as amended, and Resolution 17389 of 23 June 2010, on 11 November 2010 Atlantia's Board of Directors - with the prior approval of the Independent Directors on the Related Party Transactions Committee – approved the new Procedure for Related Party Transactions entered into directly by the Company and/or through subsidiaries. The Procedure, which is available for inspection at the Company's website www.atlantia.it, establishes the criteria to be used in identifying related parties, in distinguishing between transactions of greater and lesser significance and in applying the rules governing the above transactions of greater and lesser significance, and in fulfilling the related reporting requirements. The following table shows amounts in the income statement and statement of financial position generated by the Atlantia Group's related party transactions, including those with Directors, Statutory Auditors and key management personnel at Atlantia SpA.

3. Condensed consolidated interim financial statements

EM	Trading and other assets			Trading and other liabilities				Trading and other income		Trading and other expenses		
	Trade receivables	Current tax assets	Total	Trade payables	Other current liabilities	Other non-current liabilities	Total	Revenue from construction services and other operating income	Total	Service costs	Staff costs	Total
	30 June 2020							H1 2020				
Sintonia	-	7	7	-	-	-	-	-	-	-	-	-
Significant shareholder	-	7	7	-	-	-	-	-	-	-	-	-
Bip & Drive	-	-	-	4	-	-	4	-	-	-	-	-
Leonord	-	-	-	-	-	-	-	6	6	-	-	-
Routalis	-	-	-	-	-	-	-	2	2	-	-	-
C.I.S.	2	-	2	-	-	-	-	-	-	-	-	-
A'lienor	2	-	2	1	-	-	1	4	4	-	-	-
Total associates	4	-	4	5	-	-	5	12	12	-	-	-
Areamed 2000	2	-	2	-	-	-	-	3	3	-	-	-
Totale joint ventures	2	-	2	-	-	-	-	3	3	-	-	-
Autogrill	9	-	9	4	-	-	4	19	19	2	-	2
Total companies under common control	9	-	9	4	-	-	4	19	19	2	-	2
ASTRI pension fund	-	-	-	-	6	-	6	-	-	-	8	8
CAPIDI pension fund	-	-	-	-	3	-	3	-	-	-	3	3
Total pension funds	-	-	-	-	9	-	9	-	-	-	11	11
Key management personnel	-	-	-	-	5	2	7	-	-	-	7	7
Total key management personnel⁽¹⁾	-	-	-	-	5	2	7	-	-	-	7	7
TOTAL	15	7	22	9	14	2	25	34	34	2	18	20
	30 June 2019							H1 2019				
Sintonia	-	7	7	-	-	-	-	-	-	-	-	-
Significant shareholder	-	7	7	-	-	-	-	-	-	-	-	-
Bip & Drive	2	-	2	-	-	-	-	-	-	-	-	-
Routalis	-	-	-	-	-	-	-	2	2	-	-	-
C.I.S.	2	-	2	-	-	-	-	-	-	-	-	-
Concesionaria Vial De Los Andes (COVIANDES)	-	-	-	-	-	-	-	1	1	-	-	-
A'lienor	2	-	2	1	-	-	1	-	-	-	-	-
Autoroute De Liaison Seine-Sarthe (ALIS)	-	-	-	1	-	-	1	-	-	-	-	-
Total associates	6	-	6	2	-	-	2	3	3	-	-	-
Areamed 2000	5	-	5	-	-	-	-	4	4	-	-	-
Totale joint ventures	5	-	5	-	-	-	-	4	4	-	-	-
Autogrill	35	-	35	3	-	-	3	47	47	1	-	1
Autogrill Cote France	1	-	1	-	-	-	-	1	1	-	-	-
Total companies under common control	36	-	36	3	-	-	3	48	48	1	-	1
ASTRI pension fund	-	-	-	-	6	-	6	-	-	-	9	9
CAPIDI pension fund	-	-	-	-	2	-	2	-	-	-	1	1
Total pension funds	-	-	-	-	8	-	8	-	-	-	10	10
Key management personnel	-	-	-	-	15	19	34	-	-	-	13	13
Total key management personnel⁽¹⁾	-	-	-	-	15	19	34	-	-	-	13	13
TOTAL	47	7	54	5	23	19	47	55	55	1	23	24

(1) Atlantia's "key management personnel" means the Company's Directors, Statutory Auditors and other key management personnel as a whole. Expenses for each period include emoluments, salaries, benefits in kind, bonuses and other incentives (including the fair value of share-based incentive plans) for Atlantia staff and staff of the relevant subsidiaries. In addition to the information shown in the table, the consolidated financial statements include contributions of €4 million paid on behalf of Directors, Statutory Auditors and other key management personnel in the first six months of 2020 and liabilities of €3 million payable to such persons as at 30 June 2020.

EM	Financial assets				Financial liabilities		Financial income		Financial expenses		
	Other non-current financial assets	Current financial assets deriving from government grants	Other current financial assets	Total	Medium/long-term borrowings	Total	Other financial income	Total	Other financial expenses	Total	
	30 June 2020						H1 2020				
Leonord	1	-	-	1	-	-	-	-	-	-	
Road Management Group LTD (RMG)	18	-	-	18	8	8	1	1	-	-	
Total associates	19	-	-	19	8	8	1	1	-	-	
Rodovias do Tietê	-	-	-	-	-	-	1	1	-	-	
Total joint ventures	-	-	-	-	-	-	1	1	-	-	
Autogrill	-	1	-	1	-	-	-	-	-	-	
Total companies under common control	-	1	-	1	-	-	-	-	-	-	
Pavimental Est	-	-	1	1	-	-	-	-	-	-	
Total other companies	-	-	1	1	-	-	-	-	-	-	
TOTAL	19	1	1	21	8	8	2	2	-	-	
	31 December 2019						H1 2019				
Sintonia	-	-	-	-	-	-	-	-	-	4	4
Largest shareholder	-	-	-	-	-	-	-	-	-	4	4
Leonord	1	-	-	1	-	-	-	-	-	-	-
Road Management Group LTD (RMG)	18	-	-	18	9	9	1	1	-	-	
Total associates	19	-	-	19	9	9	1	1	-	-	
Rodovias do Tietê	-	-	-	-	-	-	1	1	-	-	
Total joint ventures	-	-	-	-	-	-	1	1	-	-	
Autogrill	-	1	-	1	-	-	-	-	-	-	
Total companies under common control	-	1	-	1	-	-	-	-	-	-	
Pavimental Est	-	-	1	1	-	-	-	-	-	-	
Total other companies	-	-	1	1	-	-	-	-	-	-	
TOTAL	19	1	1	21	9	9	2	2	4	4	



Related party transactions do not include transactions of an atypical or unusual nature, and are conducted on an arm's length basis.

The principal transactions entered into by the Group with related parties are described below.

The Atlantia Group's transactions with its parents

As at 30 June 2020, the Group is owed €7 million by the parent, Sintonia. This amount regards tax rebates claimed by Schemaventotto in prior years in respect of income taxes paid during the period in which this company headed the Group's tax consolidation arrangement.

During the first half of 2020, the Atlantia Group did not engage in material trading or financial transactions with its direct or indirect parents.

The Atlantia Group's transactions with other related parties

For the purposes of the above CONSOB Resolution, which applies the requirements of IAS 24, the Autogrill group ("Autogrill"), which is under the common control of Edizione Srl, is treated as a related party. With regard to relations between the Atlantia Group's motorway operators and the Autogrill group, it should be noted that, as at 30 June 2020, there are 122 food service concessions at service areas along the Group's motorway network and 12 food service concessions at the airports managed by the Group. During the first half of 2020, the Atlantia Group earned revenue of approximately €19 million, including €13 million in royalties deriving from the management of service areas and airport sub-concessions. Recurring income is generated by contracts entered into over various years, of which a large part was awarded as a result of transparent and non-discriminatory competitive tenders. As at 30 June 2020, trading assets due from Autogrill amount to €9 million.

10.5 Disclosures regarding share-based payments

There were no changes, during the first half of 2020, in the share-based incentive plans already adopted for Group companies as at 31 December 2019. The characteristics of the incentive plans are described in note 10.6 to the consolidated financial statements as at and for the year ended 31 December 2019.

On 29 May 2020, the Annual General Meeting of Atlantia's shareholders approved a free share scheme for the employees of certain Atlantia Group companies. Under the scheme, each employee will have the right to receive 75 shares in Atlantia free of charge, within an acceptance period scheduled for 2020, by signing an allotment letter. The shares will be allocated in a one-off allotment on a date to be decided on by the Board of Directors during the year. The allocated shares, which are not linked to performance, will be subject to a lock-up period of three years from the allotment date.

As a result, no entries were made in the accounts in relation to this new scheme during the first half of 2020, as the process of selecting beneficiaries and obtaining their acceptance of the scheme terms and conditions has yet to be completed.

Details of all the share-based incentive plans are contained in specific information circulars prepared pursuant to art. 84-bis of CONSOB Regulation 11971/1999, as amended. Further details of the plans are provided in the Remuneration Report for 2017 prepared pursuant to art. 123 *ter* of Legislative Decree 58 of 24 February 1998 (the Consolidated Finance Act), published in the “Remuneration” section of the website at www.atlantia.it.

The following table shows the main aspects of existing incentive plans as at 30 June 2020, including the options and units awarded to directors and employees of the Group at that date and the related changes (in terms of new awards and the exercise, conversion or lapse of rights) in the first half of 2020. The table also shows the fair value (at the grant date) of each option or unit awarded, as determined by a specially appointed expert, using the Monte Carlo model.

In accordance with the requirements of IFRS 2, as a result of existing plans, the Group registered a €16 million reduction in costs in the first half of 2020, linked to a reduction in the fair value of the rights granted.

liabilities relating to the fair value of outstanding phantom options as at 30 June 2020 have been recognised in other current and non-current liabilities, based on the assumed exercise date, and total €14 million.

Further details of cost items are provided in note 8.7, “Staff costs” in these condensed consolidated interim financial statements.

	Number of options/units awarded	Vesting date	Exercise/grant date	Exercise price (€)	Fair value of each option or unit at grant date (€)	Expected expiration at grant date (years)	Risk free interest rate used at grant date	Expected volatility (based on historic mean) at grant date	Expected dividends at grant date
CASH-SETTLED PLANS									
2014 PHANTOM SHARE OPTION PLAN									
Options outstanding as at 1 January 2020									
- 9 May 2014 grant	2,718,203	9 May 2017	9 May 2020	N/A (*)	2.88	3.0 - 6.0	1.10%	28.9%	5.47%
- 8 May 2015 grant	2,971,817	8 May 2018	8 May 2021	N/A (*)	2.59	3.0 - 6.0	1.01%	25.8%	5.32%
- 10 June 2016 grant	3,067,666	10 June 2019	10 June 2022	N/A (*)	1.89	3.0 - 6.0	0.61%	25.3%	4.94%
- options lapsed	-2,458,474								
- options exercised	-3,564,080								
Total	2,735,132								
Changes in options in the first half of 2020									
- options exercised	-47,578								
Options outstanding as at 30 June 2020	2,687,554								
2017 PHANTOM SHARE OPTION PLAN									
Options outstanding as at 1 January 2020									
- 12 May 2017 grant	2,111,351	15 June 2020	1 July 2023	N/A (*)	2.37	3.13 - 6.13	1.31%	25.6%	4.40%
- 3 August 2018 grant	1,761,076	15 June 2021	1 July 2024	N/A (*)	2.91	5.9	2.35%	21.9%	4.12%
- 7 June 2019 grant	2,422,319	15 June 2022	1 July 2025	N/A (*)	2.98	6.06	1.72%	24.3%	4.10%
- options lapsed	-1,269,003								
Total	5,025,743								
Changes in options in the first half of 2020									
- options lapsed	-2,255,249								
Options outstanding as at 30 June 2020	2,770,494								
SUPPLEMENTARY INCENTIVE PLAN 2017 - PHANTOM SHARE OPTIONS									
Options outstanding as at 1 January 2020									
- 29 October 2018 grant	4,134,833	29 Oct 2021	29 Oct 2024	N/A (*)	1.79	3.0 - 6.0	2.59%	24.6%	4.12%
Total	4,134,833								
Changes in options in the first half of 2020									
-	-								
Options outstanding as at 30 June 2020	4,134,833								
2017 PHANTOM SHARE GRANT PLAN									
Options outstanding as at 1 January 2020									
- 12 May 2017 grant	196,340	15 June 2020	1 July 2023	N/A	23.18	3.13 - 6.13	1.31%	25.6%	4.40%
- 3 August 2018 grant	181,798	15 June 2021	1 July 2024	N/A	24.5	5.9	2.35%	21.9%	4.12%
- 7 June 2019 grant	231,293	15 June 2022	1 July 2025	N/A	22.57	6.06	1.72%	24.3%	4.10%
- options lapsed	-103,342								
Total	506,089								
Changes in options in the first half of 2020									
- options lapsed	-212,454								
Options outstanding as at 30 June 2020	293,635								
Total cash-settled plans	9,886,516								

(*) Given that these are cash bonus plans, involving payment of a gross amount in cash, the 2014 Phantom Share Option Plan, the 2017 Phantom Share Option Plan and the Supplementary Incentive Plan 2017 - Phantom Share Options do not require an exercise price. However, the Terms and Conditions of the plans indicate an "Exercise price" (equal to the arithmetic mean of Atlantia's share price in a determinate period) as the basis on which to calculate the gross amount to be paid to beneficiaries.

2014 Phantom Share Option Plan

Description

On 16 April 2014, the Annual General Meeting of Atlantia's shareholders approved the new incentive plan named the "2014 Phantom Share Option Plan", subsequently also approved, within the scope of their responsibilities, by the boards of directors of the subsidiaries employing the beneficiaries. The plan entails the award of phantom share options free of charge in three annual award cycles (2014, 2015 and 2016), being options that give beneficiaries the right to payment of a gross amount in cash, computed on the basis of the increase in the value of Atlantia's ordinary shares in the relevant three-year period.

In accordance with the Terms and Conditions of the plan, the options granted will only vest if, at the end of the vesting period (equal to three years from the date on which the options were awarded to the beneficiaries by the Board of Directors), a minimum operating/financial performance target for (alternatively) the Group, the Company or for one or more of Autostrade per l'Italia's subsidiaries, as indicated for each Plan beneficiary (the "hurdle"), has been met or exceeded. The vested options may be exercised from, in part, the first day immediately following the vesting period, with the remaining part exercisable from the end of the first year after the end of the vesting period and, in any event, in the three

years after the end of the vesting period (without prejudice to the Terms and Conditions of the plan as regards minimum holding requirements for executive directors and key management personnel). The number of exercisable options is to be computed in application of a mathematical algorithm, taking into account, among other things, the current value, the target value and the exercise price, in order to cap the realisable gain.

Changes in options in the first half of 2020

47,578 options were exercised during the period. The unit fair values of the options awarded under the second and third award cycles (both as at 30 June 2020 in the exercise period), were remeasured as at 30 June 2020 as €1.14 and €1.16 respectively, in place of the unit fair value at the grant date.

2017 Phantom Share Option Plan

Description

On 21 April 2017, the Annual General Meeting of Atlantia's shareholders approved the new incentive plan named the "2017 Phantom Share Option Plan", subsequently also approved, within the scope of their responsibilities, by the boards of directors of the subsidiaries employing the beneficiaries. The Plan entails the award of phantom share options free of charge in three annual award cycles (2017, 2018 and 2019), to be awarded to directors and employees with key roles within the Group. The options grant beneficiaries the right to payment of a gross amount in cash, computed on the basis of the increase in the value of Atlantia's ordinary shares in the relevant period.

In accordance with the Terms and Conditions of the Plan, the options granted will only vest if, at the end of the vesting period (15 June 2020 for options awarded in 2017, 15 June 2021 for options awarded in 2018 and 15 June 2022 for options awarded in 2019), one or more minimum operating/financial performance targets for (alternatively) the Group, the Company or one or more of Atlantia's subsidiaries, as indicated for each Plan beneficiary (the "hurdle"), have been met or exceeded. A portion of the vested options may be exercised from the 1 July immediately following the end of the vesting period, with the remaining options exercisable from the end of the first year after the end of the vesting period and, in any event, in the three years from 1 July of the year in which the vesting period ends (without prejudice to the Terms and Conditions of the Plan as regards minimum holding requirements for executive directors and key management personnel). The number of exercisable options is to be computed in application of a mathematical algorithm, taking into account, among other things, the current value, the target value and the exercise price, in order to cap the realisable gain.

Changes in options in the first half of 2020

On 11 June 2020, Atlantia's Board of Directors noted that the hurdles provided for in the terms and conditions with regard to the first cycle of the plan. As a result, the related options (a total of 1,870,279) have lapsed.

The unit fair values of the remaining options awarded under the second and third award cycles (both as at 30 June 2020 in the exercise period) were remeasured as at 30 June 2020 as €1.43 and €1.41 respectively, in place of the unit fair value at the grant date.

Supplementary Incentive Plan 2017 - Phantom Share Options

Description

On 20 April 2018, the General Meeting of Atlantia's shareholders approved certain changes to the incentive plan known as the "Supplementary Incentive Plan 2017 – Phantom Share Option", previously approved by the General Meeting of Atlantia's shareholders on 2 August 2017. The plan entails the award of up to 5 million phantom share options free of charge, in a single cycle and within 3 months of the date of the acquisition of control of Abertis (completed in October 2018) (being options that give beneficiaries the right to payment of a gross amount in cash). The options are to be awarded to the Chairman, Chief Executive Officer and employees of the Company and its subsidiaries, for a limited number of core people particularly involved in the process of building and creating value at the new Atlantia Group.

The options awarded will vest in accordance with the specified Terms and Conditions and may in part be exercised from the first day immediately after the vesting period, with the remaining options exercisable at the end of the first year following the end of the vesting period, and in any event in the three years following the expiry of this period (without prejudice to the provisions of the Plan Terms and Conditions as regards minimum holding requirements for executive directors and key management personnel). The number of exercisable options is to be computed in application of a mathematical algorithm, taking into account, among other things, the current value, the target value and the exercise price, in order to cap the realisable gain.

Changes in options in the first half of 2020

As at 30 June 2020, the remaining options outstanding are unchanged with respect to 31 December 2019. The unit fair value of the options awarded (as at 30 June 2020 still in the vesting period) was remeasured as at 30 June 2020 as €1.44, in place of the unit fair value at the grant date.

2017 Phantom Share Grant Plan

Description

On 21 April 2017, the Annual General Meeting of Atlantia's shareholders approved the new incentive plan named the "2017 Phantom Share Grant Plan", subsequently also approved, within the scope of their responsibilities, by the boards of directors of the subsidiaries employing the beneficiaries. The Plan entails the award of phantom shares free of charge in three annual award cycles (2017, 2018 and 2019), to be awarded to directors and employees with key roles within the Group. The units grant beneficiaries the right to payment of a gross amount in cash, computed on the basis of the value of Atlantia's ordinary shares in the period prior to the period in which the units are awarded.

In accordance with the Terms and Conditions of the Plan, the units granted will only vest if, at the end of the vesting period (15 June 2020 for units granted in 2017, 15 June 2021 for units granted in 2018 and 15 June 2022 for units granted in 2019), one or more minimum operating/financial performance targets for (alternatively) the Group, the Company or one or more of Atlantia's subsidiaries, as indicated for each Plan beneficiary (the "hurdle"), have been met or exceeded. A portion of the vested units will be convertible from the 1 July immediately following the end of the vesting period, with the remaining options exercisable from the end of the first year of the exercise period and, in any event, in the three years from 1 July of the year in which the vesting period ends (without prejudice to the Terms and Conditions of the Plan as regards minimum holding requirements for executive directors and key management personnel). The number of exercisable options is to be computed in application of a mathematical algorithm, taking into account, among other things, the current value and initial value of the shares, in order to cap the realisable gain.

Changes in options in the first half of 2020

On 11 June 2020, Atlantia's Board of Directors noted that the hurdles provided for in the terms and conditions with regard to the first cycle of the plan. As a result, the related options (a total of 172,338) have lapsed.

The unit fair values of the remaining options awarded under the second and third cycles (as at 30 June 2020 still in the vesting period) were remeasured as at 30 June 2019 as €15.26 and €14.59 respectively, in place of the unit fair values at the grant date.

The prices of Atlantia's ordinary shares in the various periods covered by the above plans are shown below:

- a) price as at 30 June 2020: €14.36;
- b) the weighted average price for the first half of 2020: €15.84.

10.6 Significant legal and regulatory aspects

In addition to the information already provided in the Annual Report for 2019, this section provides details of pending litigation and significant regulatory events affecting the Group's operators. At this time, it is deemed unlikely that current litigation will give rise to significant charges for Group companies in excess of the provisions already accounted for in the consolidated statement of financial position as at 30 June 2020.

Italian motorways

Talks between Autostrade per l'Italia and the Cabinet Office, the Ministry of Infrastructure and Transport and the Ministry of the Economy and Finance

Autostrade per l'Italia is engaged in talks with the Ministry of Infrastructure and Transport (the "MIT"), aimed at resolving the dispute over the Ministry's allegations of serious breaches of the Concession Arrangement following the collapse of a section of the Polcevera road bridge. In both the Annual Report for 2019, approved on 29 May 2020 and the quarterly report approved on 10 June 2020, Autostrade per l'Italia has already noted that, whilst continuing to have confidence in a rapid and positive solution to the situation, based on the progress of talks with the MIT, the Ministry of the Economy and Finance (the "MEF") and the Cabinet Office, and the legislative and/or regulatory framework, including with regard to the eventual outcome of the challenges contesting the provisions contained in the *Milleproroghe* Decree, the company has, in any event, the option of exercising all the rights granted to it under the terms of the concession arrangement, as confirmed by the opinions provided by its legal advisors.

Following the memorandum sent on 13 May 2020, in which Autostrade per l'Italia, with reference to its proposal of 5 March 2020, reiterated the need to rapidly agree on a resolution of the dispute, Autostrade per l'Italia and Atlantia sent a new joint memorandum to the Ministry of Infrastructure and Transport on 10 June 2020. In this memorandum, the Company, after summarising the requests made by the Ministry during the meeting held on 5 June 2020 as a condition for reaching a positive resolution of the dispute, added to the previous proposal "in order to further emphasise and highlight the public interest in acceptance of the proposal".

In a memorandum sent to the MIT on 22 June 2020, Autostrade per l'Italia reiterated this conviction *"without prejudice to the rights acquired, or to be acquired, by this company, including those granted by art. 9-bis of the Single Concession Arrangement entered into in 2007"*, and stated that *"were such conviction to be proved wrong by the outcomes of the legal challenges brought, this would mean that there were valid grounds for application of the above art. 9-bis and that such grounds cannot be considered to have been waived"*.

However, on 29 June 2020, Aosta Regional Administrative Court dismissed the challenge brought by Raccordo Autostradale Valle d'Aosta against the MIT's decision to award a toll increase of 0% for 2020 and to impose an obligation on the operator, in common with the other operators affected by the amendments to legislation introduced by art. 13 of the *Milleproroghe* Law Decree, to submit by 30 March 2020 as revised Financial Plan in compliance with the new tariff regime introduced by the Transport Regulator. Among other things, the Court also ruled against the company's claim that art. 13 of the *Milleproroghe* Law Decree is in conflict with EU legislation and in breach of the constitution.

On 8 July 2020, the Constitutional Court, following a hearing held that day to examine issues regarding the lawfulness of the Genoa Decree raised by Autostrade per l'Italia and referred to the Court by Liguria Regional Administrative Court for a preliminary ruling, announced its judgement. The Court found that *"the issues raised with regarding the lawfulness of Autostrade per l'Italia's exclusion from the call for tenders held to choose contractors to carry out the work involved in demolition and reconstruction of the road bridge were without grounds. The legislator's decision not to award Autostrade per l'Italia the contract to rebuild the bridge was based on the exceptional gravity of the situation which led it, by way of precaution, not to award the contract to the undertaking responsible for maintaining the bridge itself"*.

On 8 July 2020, the MIT also called Autostrade per l'Italia to meeting to be held on the following day, given *"the need to complete a full and final assessment of the latest settlement proposal received on 10 June"*.

At the meeting of 9 July 2020, representatives from the Cabinet Office, the Ministry of Infrastructure and Transport and the Ministry for the Economy and Finance set out the terms of a potential agreement designed to reach a settlement of the dispute that would be in the public interest. In response, Autostrade per l'Italia, whilst continuing to reject the allegations made against the company regarding alleged breaches of its obligations in relation to management of the Polcevera road bridge, submitted a new settlement proposal in a memorandum dated 11 July 2020. This involves:

- a) a commitment to provide the full amount of the funding requested by Government representatives, amounting to €3,400 million, entirely at the company's own expense and without any return, with this sum to be used to finance reductions in tolls for the benefit of road users (€1,500 million), additional maintenance work on the infrastructure operated under concession during the regulatory period 2020 - 2024 (€1,200 million), and work on reconstruction of the Polcevera road bridge and all other related expenses (€700 million);
- b) a commitment to accept the tariff regime set out in the Transport Regulator's determinations 16 and 71, applying annual toll increases of 1.75% from 1 January 2021, as indicated by representatives of the Government, in addition to the recovery of the negative impact of Covid-19;
- c) a commitment to submit an updated Financial Plan within 7 days of acceptance of the new proposal in keeping with the terms thereof;

- d) a commitment, subject to prior assessment of the conditions for the bankability of the planned investment programme, to amend art. 9 of the Concession Arrangement in line with the compensation regime set out in art. 35 of Law Decree 163 of 2019, only in cases of extremely serious and irremediable compromise of the operation and safety of an essential part of the motorway network, where there is certain proof of the operator's sole responsibility;
- e) a commitment to work with the Grantor on an inspection programme, backed up by an appropriate system of penalties;
- f) a commitment to withdraw a series of pending legal actions relating to reconstruction of the road bridge, the tariff regime introduced by the Transport Regulator and the provisions of the *Milleproroghe* Law Decree.

At the same time, Autostrade per l'Italia, noting Atlantia's willingness to reduce its stake in the company and allow new investors to acquire shares, declared a willingness to ask shareholders to consider the sale of shares to public and private institutional investors by issuing new shares as part of a capital increase.

Following subsequent talks, on 13 July 2020, Autostrade per l'Italia sent a letter to the Cabinet Office, the MIT and the Ministry of the Economy and Finance, providing further details of the proposal dated 11 July 2020.

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

Finally, on 15 July 2020, Atlantia and Autostrade per l'Italia submitted a further proposal, based on the indications received in the meantime. This new proposal, subject to approval by the companies' board of directors, entails the inclusion of Covid-19 related costs in the average annual toll increase of 1.75%, in addition to acceptance of the amendment of art. 9 of the Concession Arrangement, stating that in the event of the identification of specific causes of forfeiture, the compensation due is to be determined on the basis of the unamortised cost of construction and upgrade services performed.

In response, on 15 July 2020, the Cabinet Office announced that, in view of the proposed settlement, the Government "*has decided to begin the settlement process as provided for by law, without prejudice to the fact that the right to revoke the concession will only be waived once the settlement agreement has been finalised*".

On 15 July 2020, the Grantor also requested Autostrade per l'Italia to submit the revised Financial Plan. Autostrade per l'Italia responded to the request by sending the revised plan with a letter dated 23 July 2020.

Subsequently, on 31 July 2020, the MIT called a meeting with Autostrade per l'Italia in order to agree on how to proceed (with regard to the settlement agreement and an addendum to the concession arrangement) and to convey its observations on previous documents. This meeting gave rise to a number of differences with respect to what had previously been agreed. On this basis, the operator will itself

respond by drawing up a revised text in line with what has been agreed on during the talks, thus progressing negotiations with the grantor with a view to reaching a rapid conclusion of the dispute.

At the same time, on 3 August 2020, Autostrade per l'Italia received observations on the Financial Plan submitted by the operator on 23 July. These are being examined before preparing an appropriate response.

Following the willingness indicated in the above letter of 14 July 2020 to enable a publicly owned entity to acquire a stake in Autostrade per l'Italia, Atlantia has held a series of meetings with Cassa Depositi e Prestiti ("CDP"). There currently appear to be material difficulties in reaching a positive conclusion to the negotiations, not only in terms of agreeing on the methods to use in order to determine Autostrade per l'Italia's market value, but also in relation to requests from CDP for further commitments in addition to those set out in the letter of 14 July 2020.

Whilst the Company stands by its commitment to implement the proposals in the letter of 14 July 2020, Atlantia's Board of Directors believes it necessary – in a spirit of good faith – to seek alternative solutions for separating the Company and Autostrade per l'Italia. Such solutions must provide the market with certainty, in terms of both timing and transparency, whilst also meeting the indispensable need to protect the rights of all the investors and stakeholders involved. In particular, the Board of Directors has examined the following options:

- a) the sale via a competitive international auction – managed by independent advisors – of the Company's entire 88% stake in Autostrade per l'Italia, in which CDP could participate alongside other institutional investors of its choosing, as mentioned as an option in the letter;
- b) the partial, proportional spin-off of a stake of up to 88% in Autostrade per l'Italia through the creation of a special purpose vehicle to be listed on the stock market, thus creating a contestable public company.

Atlantia could proceed with the above two options in parallel up to a certain point. An extraordinary meeting of Atlantia's Board of Directors has already been scheduled for 3 September this year to examine and approve the spin-off plan.

Constitutional Court rulings on issues of constitutional legitimacy raised by Autostrade per l'Italia within the context of legal challenges brought against the measures introduced by the Special Commissioner for the Reconstruction

A public Constitutional Court hearing was held on 8 July 2020 in response to a request for a ruling on the constitutional legitimacy of the measures in the Genoa Decree and the related actions of the Commissioner, which are already the subject of four challenges before Liguria Regional Administrative Court (in addition to the challenge lodged by Pavimental) regarding (i) the procedure for awarding contracts for the demolition and reconstruction of the road bridge; (ii) the procedure for awarding contracts for project management and the related activities; (iii) the Special Commissioner's request for the handover of the connecting sections of motorway affected by work on the reconstruction; (iv) the Special Commissioner's request for the sums of money needed to fund reconstruction and demolition of the road bridge. These measures had already been contested by Autostrade per l'Italia as being in contrast with Constitutional law and with various EU legal principles. The related matters, having been by Liguria Regional Administrative Court to be relevant and not manifestly unfounded, were referred to the Constitutional Court for a preliminary ruling on 6 December 2019.

Following the above hearing, in its announcement dated 8 July 2020 and judgement 168/2020 (containing reasons) published on 27 July 2020, the Constitutional Court ruled that the issues regarding the lawfulness of the Genoa Decree, as raised by Autostrade per l'Italia and as referred to the Court by Genoa Regional Administrative Court for a preliminary ruling, were in part without grounds and in part inadmissible.

The reasons that led the Constitutional Court to rule that the Genoa Decree does not breach Constitutional law, enabling, above all, Autostrade per l'Italia SpA to be excluded from work on the demolition and reconstruction of the road bridge, are based on "the urgent need to start work on restoring the section of motorway and doubts surrounding the advisability of awarding the contract to the operator given the gravity of the collapse of the motorway viaduct known as the Morandi Bridge, and in view of the initial results of the related administrative investigations". The Court affirmed that "Moreover, the decision to exclude Autostrade per l'Italia from the call for tenders for the contract, as well as being a natural consequence of the above, is consistent with EU law regarding public contracts and also served to open up the motorway construction sector to greater competition". In addition, "The judgement explains that the exclusion of Autostrade per l'Italia from work on demolition and reconstruction of the road bridge took place over two stages. Above all, the legislator decided that, with regard to these activities, it would not apply the arrangement to which the operator is a party and that the operator was not, therefore, obligated to provide the construction services involved in demolition and reconstruction, despite the fact that Autostrade per l'Italia had expressed a willingness to provide such services. Secondly, the Special Commissioner, charged with carrying out the work, was precluded from entering into negotiations with Autostrade per l'Italia regarding the related contract".

Among the matters ruled inadmissible, the Constitutional Court mentioned the question "relating to Autostrade per l'Italia's responsibility for meeting the costs of reconstruction and of expropriations, given that the Regional Administrative Court has not clarified the grounds on which such responsibility has been assigned: whether final, or merely provisional, whilst awaiting confirmation of the operator's responsibility for providing compensation".

Legal challenges against the actions taken by the Special Commissioner pursuant to Law Decree 109/2018

With regard to the appeals brought by the Cabinet Office, the Ministry of Infrastructure and Transport and the Special Commissioner on 5 January 2020, contesting Liguria Regional Administrative Court's ruling on the preliminary questions proposed by the authorities as part of the related judgements at first instance, the public hearing has been scheduled for 8 October 2020.

Five-yearly update of Autostrade per l'Italia's Financial Plan

With regard to the five-yearly update of the Financial Plan, and following the submission of the updated Financial Plan for the regulatory period 2020-2024 on 8 April 2020, and the technical committee set up with representatives from the Ministry of the Economy and Finance, on 19 June 2020, Autostrade per l'Italia sent the Grantor a technical document containing a summary of all the in-depth discussions had during the meetings held in May and June 2020, indicating the aspects still to be examined and what still needed to be discussed with the MIT. Subsequently, in a letter dated 15 July 2020, following on from the meeting held on 14 July 2020 (see the paragraph on talks with the Cabinet Office, the Ministry of Infrastructure and Transport and Ministry of the Economy and Finance aimed at resolving the dispute over the Ministry's allegations of serious breaches of the Concession Arrangement), which resulted in

agreement on the measures deemed necessary in order to meet the public interest in settling the dispute over alleged serious breaches of the concession arrangement launched on 16 August 2018, the MIT requested Autostrade per l'Italia to submit its revised Financial Plan by 23 July 2020. The Financial Plan was submitted within the deadline.

Toll increases for 2019 and 2020

With regard to the toll increase for 2019 of 0.81%, as authorised by the MIT and MEF and voluntarily deferred for the whole of 2019, Autostrade per l'Italia has repeatedly volunteered to extend the deferral, the latest extension postponing application of the increase through to 31 December 2020.

The toll increase for 2020 has also been deferred until the revised Financial Plan, drawn up in accordance with the Transport Regulator's model by 30 March 2020, has been approved, a process currently in progress.

Both the above increases will be taken into account in the revised Financial Plan.

Extraordinary tunnel inspections – Ministerial Circular no. 6736/6IAI of 19 July 1967 – Launch of a procedure for serious breach pursuant to art. 8 of the Single Concession Arrangement

On 22 July 2020, following a one-off inspection conducted by the Grantor, with the aim of verifying correct implementation of the planned checks being carried out by Autostrade per l'Italia on tunnels around the network it operates, with particular regard to those in the Liguria region, the Grantor announced the "launch of a procedure pursuant to art. 8 of the Concession Arrangement in force", having identified "operational problems, delays and a failure to comply with the instructions given". The above procedure is based on a report prepared by inspectors from the Local Inspection Department based in Rome. The report sets out details of the alleged problems identified during onsite inspections carried out on a number of sections of motorway located in the provinces of Genoa and Pescara. The alleged breaches of the Concession Arrangement regard (i) the failure, when carrying out the inspections, to employ the methods provided for in circular no. 6736 of 19 July 1967, which requires checks to be conducted on the tunnel's entire surface area, involving the disassembly of any ducts; (ii) the failure to observe the terms and conditions provided for in the above circular, resulting in "major delays in assessing the state of repair of the infrastructure and the need to repeat inspections previously carried out unilaterally, in order to identify any defects in the structure that constitute a danger to traffic"; (iii) the failure to meet the deadlines set out in the schedule of work to be carried out, with particular regard to 4 tunnels indicated in the report; (iv) delays to completion of the inspections indicated by Autostrade per l'Italia.

In the announcement of the launch of the procedure, dated 22 July 2020, the Grantor gave Autostrade per l'Italia 30 days to conduct the required checks and to provide its justifications individual findings. Art. 8 of the Single Concession Arrangement requires the operator to report on its inspection activity to the Grantor within the deadline set by the latter, indicating where it is in compliance or providing justifications. In order to report on the actual state of progress in implementing work on the tunnels and to clarify its position with regard to compliance with the law, Autostrade per l'Italia is preparing a detailed response, in which it will also specify that the operator has completed full inspections of all the tunnels.

Investigation by the Public Prosecutor's Office in Genoa of the collapse of a section of the Polcevera road bridge

The above-mentioned collapse of a section of the Polcevera road bridge has resulted in criminal action before the Court of Genoa against 39 personnel, including executives and other people employed at the company's Rome headquarters and the relevant area office in Genoa. The investigation relates to the offences provided for in the following articles: 449-434 of the criminal code ("accessory to culpable collapse"); 449-432 of the criminal code ("violation of transport safety regulations aggravated by culpable disaster"); 589-*bis*, paragraph I of the criminal code ("culpable vehicular homicide"); 590-*bis*, paragraph I of the criminal code ("grievous or very grievous bodily harm caused by road traffic violations"); 589, paragraphs 1, 2 and 3 of the criminal code ("culpable homicide resulting from breaches of occupational health and safety regulations"); 590, paragraphs 1, 3 and 4 of the criminal code ("negligent injury resulting from breaches of occupational health and safety regulations"). Three of Autostrade per l'Italia's executives were subsequently also placed under investigation for the offence provided for in Articles 110 and 479 of the criminal code ("false statements by a public officer in a public office"). As part of the same procedure, Autostrade per l'Italia is also under investigation pursuant to art. 25-*septies* of Legislative Decree 231/2001, relating to "Culpable homicide or grievous or very grievous bodily harm resulting from breaches of occupational health and safety regulations".

Two pre-trial hearings were arranged by the preliminary investigating magistrate. The first, aimed at ascertaining the conditions at the disaster scene, concluded with the filing of an initial report prepared by experts on 31 July 2019, followed by a hearing to examine it on 20 September 2019. With regard to the second pre-trial hearing, the purpose of which is to determine the causes of the collapse, at the hearing held on 14 July 2020, following the swearing in of a new court-appointed expert, the preliminary investigating magistrate further extended the deadline for completion of the expert investigation until 15 October 2020 and, as a result, the deadline for filing the expert technical report until 31 October 2020. The hearing at which the report is to be discussed is now scheduled to take place from 1 December 2020.

Investigation by the Public Prosecutor's Office in Genoa of other bridges and road bridges managed by Autostrade per l'Italia and the initiatives undertaken

As part of a second investigation initiated by the Genoa Public Prosecutor's Office of a series of allegations regarding false statements in relation to inspection reports relating to certain bridges and road bridges on Autostrade per l'Italia's network, four executives and a company employee, among others, were investigated.

According to the charge, some reports prepared by the technicians responsible for testing, monitoring and design were improperly drafted in order to make the maintenance conditions of the road bridges appear better than they actually were.

The imputed offences are the ones provided for in articles 81, 110 and 479 of the criminal code ("false statements by a public officer in a public office").

In September 2019, the preliminary investigating magistrate issued an injunction applying a personal precautionary measure (house arrest) and a prohibitive measure (suspension from work for a period of 12 months) against, among others, two of the above-mentioned Autostrade per l'Italia managers.

In opposition to these measures, the lawyers of the persons under investigation proposed a review, which led to the house arrest measure being replaced with suspension from practising a public service for one year and a ban on exercising any professional activity similar to the one carried out previously for one year,

while the prohibitive measure was confirmed, and following the subsequent rejection of the appeal before the Court of Cassation became enforceable.

Once the company became aware of the prohibitive injunctions, it promptly initiated disciplinary proceedings against the four executives under investigation, which then led to the dismissal of three of them, and the suspension from work of the other.

Investigation by the Public Prosecutor's Office in Vasto of the alleged inclusion of false data in the technical documentation relating to the Giustina Viaduct (AI4)

This criminal investigation is linked to the previous one and follows the provision of evidence gathered by the Public Prosecutor's Office in Genoa to the Public Prosecutor's Office in Vasto, which has jurisdiction. On 26 June 2020, the Public Prosecutor asked the preliminary investigating magistrate at the Court of Vasto for an extension of the deadline for completing the preliminary investigation to 3 February 2021. The people under investigation are the former Head of Operational Maintenance and Investment, the former Director of local office VIII and Autostrade per l'Italia's then Sole Project Manager, who are accused of breaching articles 110 and 479 of the criminal code ("false statements by a public officer in a public office").

Investigation by the Public Prosecutor's Office in Genoa regarding the installation of integrated safety and noise barriers on the AI2

On 10 December 2019, the *Guardia di Finanza* (Finance Police) of Genoa made several visits to the Genoa and Rome offices of Autostrade per l'Italia and a number of Group companies in order to seize technical documents (i.e., designs, calculation reports, test certificates) and organisational documents (i.e. service orders and organisational arrangements in place since 2013) regarding the installation and maintenance of "Integautos" model noise barriers.

The people under investigation, for their alleged responsibility at the time the offences were committed, are the Head of Operational Maintenance and Investment, the Central Operations Director, the Joint General Manager for New Works at Autostrade per l'Italia and the Chief Executive Officer of SPEA Engineering SpA, who are suspected of the offences in articles 110 ("aiding and abetting"), 81 ("continuing offence"), 356 ("public procurement fraud") and 432 ("violation of transport safety regulations") of the criminal code.

Investigation by the Public Prosecutor's Office in Genoa relating to the event that took place in the Bertè tunnel on the A26 motorway on 30 December 2019

Following the collapse of a section of ceiling in the Bertè tunnel on the A26 on 30 December 2019, the Public Prosecutor's Office in Genoa opened an investigation into the alleged failure to conduct the quarterly inspections provided for in Ministry of Public Works Circular no. 6736 of 9 July 1967. Documents relating to the roles and responsibilities of departments within Autostrade per l'Italia, in relation to tunnel maintenance and relations between the company and the Ministry of Infrastructure and Transport regarding such matters, were seized, on behalf of the Public Prosecutor's Office, by the *Guardia di Finanza* (Finance Police) at the Rome offices of Autostrade per l'Italia and at the relevant Local Area Office.

Finally, the Director of Genoa Local Office I was notified that they were under investigation for the offence provided for and punishable under art. 328 of the criminal code (“Dereliction of duty”).

Award of the concession for the A3 Naples – Pompei – Salerno motorway

With regard to Autostrade Meridionali’s appeal to the Campania Regional Administrative Court against the decision to award the SIS Consortium the new concession to operate the A3 Naples-Pompei-Salerno motorway, requesting its cancellation after suspension of the award, on 13 May 2020, the Court rejected Autostrade Meridionali’s request for a provisional injunction halting the award and, at the same time, scheduled a hearing on the merits of the case to be held on 7 October 2020.

Dispute regarding the failure to formally approve Autostrade Meridionali’s financial plan and CIPE Resolution 38/2019

With regard to the legal challenge lodged by Autostrade Meridionali, contesting the Grantor’s failure to respond to the proposed Financial Plan submitted for the period 2013–2022 and CIPE Resolution 38/2019 (governing the transition period between the date of expiry of the concession and the date the new operators takes over), following Campania Regional Administrative Court’s ruling that it did not have jurisdiction on 29 January 2020, Autostrade Meridionali transferred its action to Lazio Regional Administrative Court. A hearing on the merits of the case has been scheduled for 2 December 2020.

Legal challenge contesting the Transport Regulator’s determinations on the new tariff regime

A legal challenge contesting the ruling handed down by Piedmont Regional Administrative Court, which upheld the lawfulness of the Transport Regulator’s decision to partially deny Autostrade per l’Italia access to all the data, computations, estimates and criteria on which the Regulator based the contested determinations, was brought before the Council of State. On 22 June 2020, the Council of State upheld Autostrade per l’Italia’s challenge and ordered “release of the data used by the Regulator in order to determine the weighted average cost of capital (WACC) based on the method set out in paragraph 16 of Resolution 71/2019, and, more specifically, the elements that were used in defining the criteria referred to in paragraph 16.5 of the resolution and the data extracted from the database enabling the Regulator to estimate the efficiency gap and identify the annual efficiency improvement targets”.

Raccordo Autostradale Valle d’Aosta’s toll increase for 2020

Raccordo Autostradale Valle d’Aosta brought an action before Aosta Regional Administrative Court challenging the MIT’s decision to award a toll increase of 0% for 2020 and to impose an obligation on the operator, in common with the other operators affected by the amendments to legislation introduced by art. 13 of the *Milleproroghe* Law Decree, to submit by 30 March 2020 as revised Financial Plan in compliance with the new tariff regime introduced by the Transport Regulator.

On 29 June 2020, the above Court dismissed the challenge, ruling that the measures challenged were lawful, and that they did not represent a refusal to approve a toll increase for 2020, but rather a postponement of determination and application of the increase until the company’s submission of a revised financial plan that complies with the Transport Regulator’s determinations, as required by art. 13 of the *Milleproroghe* Law Decree.

The Court also ruled against the company's claim that the new regulations are in conflict with EU legislation and in breach of the constitution.

The company is currently considering whether or not to appeal the ruling before the Council of State.

Autostrada Tirrenica – judgement of the Court of Justice of 18 September 2019 and art. 35 of the Milleproroghe Decree

Following conversion into law of the *Milleproroghe* Decree, on 14 May 2020, Autostrade Tirrenica filed a legal challenge with Lazio Regional Administrative Court. The operator has requested the Court to rule on whether the articles in the operator's Concession Arrangement are still valid and in force, subject to granting relief in the form of non-application of art. 35, paragraphs I and I-*ter* of Law Decree 162 of 30 December 2019, converted with amendments into Law 8 of 28 February 2020, or relief in relation to issues regarding the interpretation of EU law and connected issues relating to constitutional law.

The operator's challenge primarily requests the Court to confirm the validity and effectiveness of the provisions in the concession arrangement, having granted relief in the form of non-application of art. 35, paragraphs c(1) and c(I-*ter*) of the Milleproroghe Decree as it breaches numerous constitutional principles, in addition to certain basic EU principles, above all those regarding legal certainty and legitimate expectations forming the basis of the fundamental freedoms established by articles 49 *et seq.* and 63 *et seq.* of the Treaty on the Functioning of the European Union.

The challenge also requests the Court to rule on the validity and effectiveness of the provisions in the Single Concession Arrangement, following the referral of preliminary issues to the European Court, and of the issue of constitutional legitimacy to the Constitutional Court.

A date for the hearing has yet to be set.

Autostrada Tirrenica – Toll increases for 2014, 2016, 2017 and 2018 – Lazio Regional Administrative Court ruling

With regard to the absence or partial application of toll increases for the years 2014, 2016, 2017 and 2018, Autostrade Tirrenica ("SAT") has filed a series of challenges contesting the related MIT/MEF decrees before Lazio Regional Administrative Court, claiming that the decrees are unlawful. The overall toll increases not granted for the period 2014 – 2018, including compound interest, is approximately 35%.

All the above challenges were upheld by Lazio Regional Administrative Court in a ruling dated 7 February 2019, which set aside the related interministerial decrees, ordering the MIT and MEF to review their decision regarding the toll increases.

Later, at SAT's request in view of the ministries' failure to act, on 18 November 2019, the Regional Administrative Court ordered the MIT and the MEF to comply with the Court's request within 60 days. SAT subsequently returned to court in order to request action be taken in response to the ministries' failure to comply with the above Regional Administrative Court orders within the required deadline. In orders published on 30 June 2020, Lazio Regional Administrative Court upheld SAT's requests, appointing an acting commissioner to assume the role of the ministries in deciding on the toll increases for the years 2014, 2016, 2017 and 2018, complying with the principles set out in the above Regional Administrative Court rulings within 90 days.

Claim for damages from the Ministry of the Environment

A criminal case is pending before the Supreme Court, following the *per saltum* appeal filed by the Public Prosecutor's office in Florence against the judgement handed down by the Court of Florence, acquitting Autostrade per l'Italia's Joint General Manager for Network Development and Project Manager as "there was no case to answer". The criminal case regards alleged violations of environmental laws relating to excavation work during construction of 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 no. 152/06; art. 256, paragraph 1(a) and (b) "unauthorised management of waste" and paragraph three, "fly tipping" of the Consolidated Law). The hearing originally scheduled for 9 June 2020 has been postponed until a later date that has yet to be announced.

Investigation by the Public Prosecutor's Office of Ancona regarding the collapse of the SP10 overpass above the AI4 Bologna-Taranto

The collapse of the SP10 overpass over the AI4 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 AI4 Bologna-Bari-Taranto in the Rimini North-Porto Sant'Elpidio section. Criminal proceedings have been brought regarding the offences provided for and punished by articles 113, 434, paragraph 2, and 449 of the criminal code ("accessory to culpable collapse"), 113 and 589, last paragraph, of the Italian Criminal Code ("accessory to multiple negligent homicide"), 113 and 589-*bis*, paragraph 1, and the last paragraph of the criminal code, ("accessory to vehicular homicide"), against the Client, the three Sole Project Managers who succeeded one another during the works, the Director and the Operations Manager of the Pescara VII area office and the Head of Autostrade per l'Italia's "Tender Management Department", as well as the company 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").

At the first preliminary hearing held on 9 December 2019, the preliminary investigating magistrate scheduled the next hearing for 23 April 2020, partly in order to define the preliminary questions regarding the civil claims brought and to start to hear the respective evidence.

Following the entry into effect of Law Decree 11 of 8 March 2020, containing "Extraordinary and urgent measures to combat the Covid-19 epidemic and contain the negative impact on the judicial system", the above hearing has been postponed until 15 October 2020.

Overseas motorways

Chile

Addenda to the concession arrangements of Costanera Norte and Vespucio Sur

On 31 January 2020, Supreme Decrees of the President of the Chilean Republic were published implementing the agreements signed at the end of 2019 between the Ministry of Public Works and the

main motorway operators in Santiago, including Costanera Norte and Vespucio Sur. These agreements provide for the elimination of the real-terms toll increase of 3.5% from 1 January 2020, to be compensated for by extension of the concession or, at the discretion of the Ministry, with a specific payment. The agreements enable the Ministry to decide each year whether to grant operators a real-terms increase (up to a maximum of 3.5%) or to compensate them with specific quarterly payments. Any shortfall in revenue not covered by the quarterly payments is to be accounted for as a credit earning real interest at a rate of 4% per year.

Toll increases for 2020

From January 2020, all Grupo Costanera's operators (Costanera Norte, Vespucio Sur, Nororient, AMB and Litoral Central) applied an annual toll increase of 2.8%, in order to keep pace with inflation in the period from 1 December 2018 to 30 November 2019 (+2.8%).

Following the above agreements reached with the Ministry of Public Works at the end of 2019, Costanera Norte and Vespucio Sur have not applied the real-terms increase of 3.5%, registering the revenue shortfall among amounts receivable from the Grantor.

From 1 January 2020, the tolls applied by Los Lagos have risen by 5.8%, reflecting a combination of the increase linked to inflation in the period from 1 December 2018 to 30 November 2019 (+2.8%) and the bonus for safety improvements in 2020 (+5.0%), less the bonus for safety improvements awarded in 2019 (+2.0%).

Brazil

Toll increases

In response to the outbreak of Covid-19, the Brazilian authorities have postponed toll increases provided for in operators' concession arrangements. In the case of Triangulo do Sol and Rodovias das Colinas, which operate in the state of Sao Paulo, the Grantor delayed the annual toll increase due, under the concession arrangement, to come into effect from 1 July 2020 by 120 days. Concession arrangements enable operators to make up for the revenue shortfall.

This postponement regards the toll increase of 1.9% which, in accordance with the concession arrangement, is based on the rate of general price inflation in the period between 1 June 2019 and 31 May 2020, as this figure was lower than the rate of consumer price inflation in the same period (6.5%). The difference will be adjusted for in accordance with the concession arrangements.

On 27 May 2020, Rodovia MG050 agreed with the Grantor in the state of Minas Gerais that it would delay application of the toll increase, initially due to come into effect from 13 June 2020, for 90 days. The shortfall in revenue will be made up for by the Grantor.

This postponement regards the toll increase of 2.4% which, in accordance with the concession arrangement, is based on the rate of general price inflation in the period between 1 May 2019 and 30 April 2020.

Italian airports

Tariff review for 2020

At the end of the consultation with airport users, the Civil Aviation Authority (ENAC) announced the new airport fees to be applied in the period from 1 March 2020 to 28 February 2021. The new fees for the two airports operated by the Group entail, on average, a 0.8% reduction for Fiumicino airport and a 2.2% reduction for Ciampino with respect to the fees currently in force².

Extension of airport concession

Art. 202 of Law Decree 34/20 (the *Rilancio* Decree), as converted into and amended by Law 77 of 17 July 2020, which includes the new paragraph 1-*bis*, provides that "in view of the decline in traffic at Italian airports as a result of the Covid-19 health emergency, and the measures taken to combat the outbreak by the Government and regional authorities, in order to curb the resulting economic impact, concessions for the management and development of airports, in effect at the date of entry into force of the law converting this decree, are hereby extended by two years".

As a result, ADR's concession term has been extended until 30 June 2046.

Transport Regulator – Tariff regimes

On 16 July 2020, the Transport Regulator ("ART") published the new models for regulating airport fees, approved by Determination 136/2020 dated 16 July 2020. The models also apply to operators with planning agreements "in derogation" and will come into effect on 1 July 2021.

ADR intends to challenge this determination within the context of the challenge previously lodged with Lazio Regional Administrative Court contesting ART Determination 118 of 1 August 2019. This latter determination regards "Proceedings initiated by Determination 84/2018 - Introduction of a public consultation relating to the review of the airport fee regulation models approved by Determination 92/2017", claiming that the Regulator does not have the power to introduce changes to the tariff regime provided for in the Planning Agreement signed between the Civil Aviation Authority and ADR in October 2012, pursuant to art. 17, paragraph 34-*bis*, of Law Decree 78/2009. Indeed, by express legal provision, the tariff regime provided for in the planning agreements "in derogation" is a "long-term" tariff regime, including review procedures that are "valid for the entire duration of the concession arrangement". A hearing on the merits of the case has not yet been scheduled.

Claim brought by Alitalia in Amministrazione Straordinaria

On 4 May 2020, ADR was notified of a claim filed before the Civil Court of Civitavecchia by Alitalia SAI in Extraordinary Administration, requesting the return of payments made to ADR in the six months prior to the date of the court order admitting the claimant to extraordinary administration on 2 May 2017.

The value of the claim for payments made to ADR between November 2016 and January 2017, which the claimant is seeking to have declared null and void and to have returned to Alitalia in AS, amounts to a total of approximately €34m plus legal interest and monetary revaluation.

The initial hearing has been scheduled for 11 February 2021.

² Based on the ratio between the maximum permitted revenue and fee-paying passengers for the twelve months from 1 March.

Overseas airports

ACA: application for the endorsement of tariffs

On 25 June 2020, the consultation with airport users took place (the *Commission Consultative Économique*) as part of the procedure for the annual endorsement of the tariffs to be applied by the airports of Nice and Cannes from November 2020.

The documentation was then submitted to the Transport Regulator (Autorité de régulation des transports) on 30 June 2020.

On 30 July 2020, the Transport Regulator did not endorse the proposed tariffs, merely approving the component relating to PRM (Persons with Reduced Mobility) services. French regulations provide for the option of submitting a second tariff proposal within a month.

Other activities

Spea Engineering - Investigation by the Public Prosecutor's Office in Genoa

With regard to the criminal case brought before the Court of Genoa following the previously described collapse of the Polcevera road bridge, two pre-trial hearings were arranged by the preliminary investigating magistrate. The first, aimed at ascertaining the conditions at the time of the collapse, concluded with the filing of an initial report prepared by experts on 31 July of last year, followed by a hearing to examine the report on 20 September 2019.

On the other hand, with regard to the second pre-trial hearing, the purpose of which is to determine the causes of the collapse, following the entry into force of Law Decree 11 of 8 March 2020, containing "*Extraordinary and urgent measures to combat the Covid-19 epidemic and contain the negative impact on the judicial system*" and the later Law Decree 23 of 8 April, containing "*Urgent measures regarding access to credit and tax compliance for businesses, special powers in strategic sectors, measures relating to health and labour, and extensions to administrative and court proceedings*", in view of the complexity of the expert investigations in progress and the emergency linked to Covid-19, which has prevented the experts from holding their scheduled meetings, the deadline for completion of the investigation has been further extended. The deadline for filing the expert technical report, originally scheduled for 31 July 2020, has thus been further extended until 31 October 2020. The hearing at which the report is to be discussed is now scheduled to take place from 1 December 2020.

Electronic Transaction Consultants (ETC)

ETC filed a claim against the Miami-Dade Expressway Authority ("MDX") on 28 November 2012, following the withholding of payment for the on-site and electronic tolling system management and maintenance services provided by ETC. On 8 May 2020, the parties reached a final settlement, bringing to an end the dispute without either of the parties admitting liability.

Abertis group

Toll increases for 2020

Spain

From 1 January 2020, the Spanish operators applied the following annual toll increases, as per the applicable contracts:

- a) +0.8% for state concessions (Acesa, Aumar Castellana, Avasa and Aulesa) to adjust for the full rate of inflation, calculated as the annual average rate of change in the inflation index in the period between 1 November 2018 and 31 October 2019;
- b) +0.1% for concessions with the regional Government of Catalonia (Aucat, Invicat, Tunels), to adjust for 95% of the annual rate of change in the inflation index between 1 November 2018 and 31 October 2019.

France

From 1 February 2020, the French operators applied the following annual toll increases:

- a) +0.8% for Sanef, to reflect the combined effect of 70% of the 2019 inflation rate (+0.6%), the adjustments related to the recovery of the frozen 2015 toll increases, and the return on the additional investment plan known as "*Plan de Investissement Autoroutier*" (+0.34% in total);
- b) +0.7% for Sapn, to reflect the combined effect of 70% of the 2019 inflation rate (+0.6%), the adjustments related to the recovery of the frozen 2015 toll increases, and the return on the additional investment plan known as "*Plan de Investissement Autoroutier*" (+0.32% in total).

Italy

The annual toll increase due to be applied by the operator of the A4 Brescia-Padua motorway from 1 January 2020 was not approved by the MIT pending agreement on the operator's financial plan. The inflation and quality components of the tariff, which were frozen in 2020, will be compensated for in setting the tariff in the updated financial plan.

Chile

Addendum to Autopista Central's concession arrangement

As reported with regard to the "Overseas motorways" segment, Autopista Central is also one of the main motorway operators in Santiago, in relation to which, on 31 January 2020, Supreme Decrees of the President of the Chilean Republic were published implementing the agreements entered into at the end of 2019 with the Ministry of Public Works. These agreements provide for the elimination of the real-terms toll increase of 3.5% from 1 January 2020, to be compensated for by extension of the concession or, at the discretion of the Ministry, with a specific payment.

Toll increases for 2020

The Chilean operators implemented the following annual toll increases in 2020, as per the applicable concession arrangements:

- a) from 1 January 2020, the rates charged by Autopista Central have increased by 2.8%, reflecting the adjustment for inflation in the period from 1 December 2018 to 30 November 2019 (+2.8%); following the agreements with the Ministry of Public Works at the end of 2019 in relation to toll increases, the operator did not apply the real-terms increase of 3.5%, registering the revenue shortfall among amounts receivable from the Grantor;

- b) from 1 January 2020, the rates charged by Autopista de Los Andes have increased by 6.3%, reflecting the combined effect of the adjustment for inflation in the period from 1 December 2018 to 30 November 2019 (+2.8%) and the real-terms increase of 3.5%;
- c) from 1 January 2020, the rates charged by Autopista del Sol have increased by 1.4%, reflecting the adjustment for inflation in the period from 1 June to 30 November 2019;
- d) from 1 January 2020, the rates charged by Rutas del Pacifico have increased by 2.8%, reflecting the combined effect of the adjustment for inflation in the period from 1 December 2018 to 30 November 2019 (+2.8%) and confirmation of the safety premium awarded in the previous year (+5.0%);
- e) from 1 January 2020, the rates charged by Elqui have increased by 2.8%, reflecting the combined effect of the adjustment for inflation in the period from 1 December 2018 to 30 November 2019 (+2.8%) and confirmation of the safety premium awarded in the previous year (+5.0%);
- f) from 1 January 2020, the rates charged by Autopista Los Libertadores have fallen by 1.9%, reflecting the combined effect of inflation for the period 1 January to 31 December 2019 (+3.0%) and the loss of the safety premium awarded in 2019 (+5.0%).

Brazil

Expiry of Centrovias's concession

Centrovias's concession expired on 3 June 2020 and the 218-km section of motorway was handed over to the operator awarded the new concession.

Toll increases for 2020

As reported with regard to the "Overseas motorways" segment, in the case of Intervias, which operates in the state of Sao Paulo, the Grantor delayed the annual toll increase due, under the concession arrangement, to come into effect from 1 July 2020 by 120 days. Concession arrangements enable operators to make up for the revenue shortfall.

This postponement regards the toll increase of 1.9% which, in accordance with the concession arrangement, is based on the rate of general price inflation in the period between 1 June 2019 and 31 May 2020, as this figure was lower than the rate of consumer price inflation in the same period (6.5%). The difference will be adjusted for in accordance with the concession arrangement.

With regard to the sections operated under concessions from the federal authority, ANTT – Agencia Nacional de Transportes:

- a) Fluminense's annual toll increase scheduled for 2 February 2020 has not yet been authorised by the Grantor (ANTT), which is awaiting the determination of other compensatory components. In January 2020, a legal document adjusting the toll increases applied from 16 August 2019 was made official, resulting in an increase of 3.3% from the beginning of 2020;
- b) on 4 August 2020, the Grantor (ANTT) announced that it had approved the annual toll increase, due to be applied in February 2020, determining the compensatory components and, above all, those relating to delivery of the "Contorno di Florianopolis" project, a 50-km bypass for the city of Florianopolis. From 8 August 2020, the tolls charged by Litoral Sul will thus increase by 44.4%.

Argentina

The annual toll increase for Grupo Concesionario del Oeste (GCO) and Ausol, due to come into effect on 5 January 2020, was not authorised by the Grantor.

Puerto Rico

Toll increases for 2020

The Puerto Rican operators have applied the following annual toll increases from 1 January 2020:

- a) Metropistas's tolls have risen 3.4%, reflecting the combined effect of the adjustment for inflation in the US in the period from 1 December 2018 to 30 November 2019 (+1.9%) and the real-terms increase of 1.5%;
- b) the tolls charged by Autopista de Puerto Rico (APR) are up 1.4%, slightly below the cap of 1.8%, equal to the inflation rate in Puerto Rico in the period from 1 December 2018 to 30 November 2019.

10.7 Events after 30 June 2020

Information on key developments affecting legal and regulatory aspects after 30 June 2020 and through to the date of preparation of this Interim Report is provided the above section, "Significant legal and regulatory aspects".

Amendments to Cellnex co-investment agreement: extension of term for exercising option

On 9 July 2020, Atlantia SpA's Board of Directors approved the decision to proceed with preparation of a deed amending the agreement, dated 24 July 2018, entered into by the Company with Edizione Srl and its subsidiaries (Sintonia SpA and ConneCT SpA, the latter recently liquidated) following the previously announced acquisition of Abertis and the sale of the latter's stake in Cellnex.

Among other things, the agreement grants Atlantia (i) a right to co-invest in Cellnex Telecom SA ("Cellnex"), repurchasing up to approximately 5.98% of the issued capital by 12 July 2020, and (ii) a right of first offer and a right to match should all or a part of the stake in Cellnex be sold by 12 July 2025.

The amendments to be made to the pre-existing agreements specifically regard:

- a) the replacement of ConneCT SpA, liquidated on 10 June 2020 and a party to the original agreement, by ConneCT Due Srl, the vehicle that directly holds the stake in Cellnex indirectly held by Edizione;
- b) extension of the term for exercising the co-investment right (extended for a further 12 months and, therefore, until 12 July 2021) on a stake of 5.98%, reduced to 4.7% following the rights issue launched by Cellnex on 22 July 2020, in which Atlantia did not take up its rights;
- c) the grant to Atlantia of a right to match on (unexercised) options resulting from any future rights issues approved by Cellnex through to 12 July 2025;
- d) the option of exercising the right of first offer and a right to match for no more than 10% of Cellnex's issued capital until 12 July 2025, rather than the entire interest in Cellnex held indirectly by Edizione (equal to 16.45%).

In any event, the combined result of Atlantia's exercise of its right of first offer and right to match, on the one hand, and of the co-investment option, on the other, may not lead to the Company acquiring a stake in Cellnex in excess of 10% of the latter's issued capital (7.9% following the above rights issue).

Ratings of Atlantia, Autostrade per l'Italia and Aeroporti di Roma

On 17 July 2020, Fitch Ratings - in response to the developments announced after the Cabinet meeting of 15 July - upgraded the outlook for Autostrade per l'Italia's "BB+", Atlantia's "BB" and Aeroporti di Roma's "BBB-" ratings to Rating Watch Evolving (from Rating Watch Negative).

Similarly, on 23 July 2020, Moody's maintained its "Ba2" rating of the Atlantia Group and "Ba3" rating of Atlantia (holding) and Autostrade per l'Italia, with a Developing outlook (as opposed to the previous Negative).

Issue of notes by Azzurra Aeroporti

On 30 July, Azzurra Aeroporti SpA completed the issue of notes with a total value of €660 million in two tranches:

- a) a 4-year tranche worth €360 million, maturing in 2024;
- b) a 7-year tranche worth €300 million, maturing in 2027.

The issue, rated 'Baa3' with a negative outlook by Moody's, will enable the company to fully refinance bank debt of €653 million falling due in 2021 and to extend the average term of its debt, diversifying Azzurra's repayment profile.

ETC

In connection with its asset rotation strategy, in July 2020, Atlantia sold its entire interest in ETC, held through Autostrade dell'Atlantico. The Atlantia Group collected approximately US\$34 million from the sale.

ANNEXES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Annex I

THE ATLANTIA GROUP'S SCOPE OF CONSOLIDATION AND INVESTMENTS AS AT 30 JUNE 2020

ANNEX I

THE ATLANTIA GROUP'S SCOPE OF CONSOLIDATION AND INVESTMENTS AS AT 30 JUNE 2020

Name	Registered office	Business	Currency	Issued capital / Consortium fund	Held by	% Interest	Total Interest	
							Group	Non-controlling
PARENT COMPANY								
ATLANTIA SpA	Rome	Holding company	Euro	825,783,990				
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-BASIS								
A4 HOLDING SpA	Verona	Holding company	Euro	134,110,065	Abertis Italia Srl	90.03%	44.50%	55.50%
A4 MOBILITY Srl	Verona	Design, construction and maintenance	Euro	100,000	A4 Holding SpA	100.00%	44.50%	55.50%
A4 TRADING Srl	Verona	Other activities	Euro	3,700,000	A4 Holding SpA	100.00%	44.50%	55.50%
AB CONCESSÕES SA	Sao Paulo (Brazil)	Holding company	Brazilian real	738,652,989	Autostrade Concessões e Participações Brasil limitada	50.00%	50.00%	50.00% (3)
ABERTIS AUTOPISTAS ESPAÑA SA	Madrid (Spain)	Design, construction and maintenance	Euro	551,000,000	Abertis Infraestructuras SA	100.00%	49.43%	50.57%
ABERTIS HOLDCO SA	Madrid (Spain)	Holding company	Euro	100,059,990	Atlantia Spa	50.00%	50.00%	50.00% (4)
						100.00%	49.43%	50.57%
ABERTIS INDIA TOLL ROAD SERVICES LLP	Mumbai (India)	Holding company	Indian rupee	185,053,700	Abertis India SL	99.00%		
					Abertis Internacional SA	1.00%		
ABERTIS INDIA S.L.	Madrid (Spain)	Holding company	Euro	17,113,500	Abertis Internacional SA	100.00%	49.43%	50.57%
ABERTIS INFRAESTRUCTURAS FINANCE B.V.	AMSTERDAM (OLANDA)	Financial services	Euro	18,000	Abertis Infraestructuras SA	100.00%	49.43%	50.57%
ABERTIS INFRAESTRUCTURAS SA	Madrid (Spain)	Holding company	Euro	2,734,696,113	Abertis HoldCo SA	98.85%	49.43%	50.57% (5)
ABERTIS INTERNACIONAL SA	Madrid (Spain)	Holding company	Euro	33,687,000	Abertis Infraestructuras SA	100.00%	49.43%	50.57%
ABERTIS ITALIA Srl	Verona	Holding company	Euro	341,000,000	Abertis Internacional SA	100.00%	49.43%	50.57%
ABERTIS MOBILITY SERVICES S.L.	Barcelona (Spain)	Holding company	Euro	1,003,000	Abertis Infraestructuras SA	100.00%	49.43%	50.57%
ABERTIS MOTORWAYS UK LTD.	London (UK)	Holding company	Pound sterling	10,000,000	Abertis Infraestructuras SA	100.00%	49.43%	50.57%
ABERTIS TELECOM SATELITES SA	Madrid (Spain)	Holding company	Euro	242,082,290	Abertis Infraestructuras SA	100.00%	49.43%	50.57%

(3)The Atlantia Group holds 50% plus one share in the company and exercises control on the base of partnership and governance agreements.

(4)The Atlantia Group holds 50% plus one share in the company and exercises control on the base of partnership and governance agreements.

(5) As at 30 June 2020, Abertis Infraestructuras holds 1,330,791 of its own shares. Abertis HoldCo's interest is thus 98.85%, whilst the percentage interest based on the number of shares held by Abertis HoldCo as a percentage of the subsidiary's total shares in issue is 98.70%. The Atlantia Group's interest is, instead, 49.43%.

Name	Registered office	Business	Currency	Issued capital / Consortium fund	Held by	% interest	Total Interest	
							Group	Non-controlling
ACA HOLDING SAS.	Nice (France)	Holding company	Euro	17,000,000	Aéroports de la Côte d'Azur	100.00%	38.66%	61.34%
AD MOVING SpA	Rome	Other activities	Euro	1,000,000	Autostrade per l'Italia SpA	100.00%	88.06%	11.94%
ADR ASSISTANCE Srl	Fiumicino	Airport services	Euro	4,000,000	Aeroporti di Roma SpA	100.00%	99.38%	0.62%
AERO 1 GLOBAL & INTERNATIONAL S.à.r.l.	Luxembourg	Holding company	Euro	6,670,862	Atlantia SpA	100.00%	100.00%	-
Aeroporti di Roma SpA	Fiumicino	Airport concessions	Euro	62,224,743	Atlantia SpA	99.38%	99.38%	0.62%
AÉROPORTS DE LA CÔTE D'AZUR SA	Nice (France)	Airport concessions	Euro	148,000	Azzurra Aeroporti SpA	64,00%	38.66%	61.34%
AÉROPORTS DU GOLFE DE SAINT TROPEZ SA	Saint Tropez (France)	Airport concessions	Euro	3,500,000	Aéroports de la Côte d'Azur	99.94%	38,63%	61.37%
AIRPORT CLEANING Srl	Fiumicino	Airport services	Euro	1,500,000	Aeroporti di Roma SpA	100.00%	99.38%	0.62%
ADR MOBILITY Srl	Fiumicino	Airport services	Euro	1,500,000	Aeroporti di Roma SpA	100.00%	99.38%	0.62%
ADR SECURITY Srl	Fiumicino	Airport services	Euro	400,000	Aeroporti di Roma SpA	100.00%	99.38%	0.62%
ADR INGEGNERIA SpA	Fiumicino	Design, construction and maintenance	Euro	100,000	Aeroporti di Roma SpA	100.00%	99.38%	0.62%
ADR TEL SpA	Fiumicino	Other activities	Euro	600,000	Aeroporti di Roma SpA	99.00%	99.38%	0.62%
					ADR Ingegneria SpA.	1.00%		
ARTERIS PARTICIPAÇÕES SA	Sao Paulo (Brazil)	Holding company	Brazilian real	73,842,009	Arteris SA	100.00%	20.74%	79.26%
						82.29%	20.74%	79.26%
ARTERIS SA	Sao Paulo (Brazil)	Holding company	Brazilian real	5,103,847,555	Participes en Brasil SA	33.16%		
					Participes en Brasil II S.L.	40.87%		
					PDC Participações SA	8.26%		
AUTOPISTA FERNÃO DIAS SA	Puso Alegre (Brazil)	Motorway concessions	Brazilian real	1,452,884,583	Arteris SA	100.00%	20.74%	79.26%
AUTOPISTA FLUMINENSE SA	Rio de Janeiro (Brazil)	Motorway concessions	Brazilian real	991,789,100	Arteris SA	100.00%	20.74%	79.26%
AUTOPISTA LITORAL SUL SA	Joinville (Brazil)	Motorway concessions	Brazilian real	1,287,995,511	Arteris SA	100.00%	20.74%	79.26%
AUTOPISTA PLANALTO SUL SA	Rio Negro (Brazil)	Motorway concessions	Brazilian real	1,034,034,052	Arteris SA	100.00%	20.74%	79.26%
AUTOPISTA RÉGIS BITTENCOURT SA	Sao Paulo (Brazil)	Motorway concessions	US dollar	1,175,785,422	Arteris SA	100.00%	20.74%	79.26%

3. Condensed consolidated interim financial statements

Name	Registered office	Business	Currency	Issued capital / Consortium fund	Held by	% interest	Total Interest	
							Group	Non-controlling
AUTOPISTAS AUMAR SA (AUMAR)	Valencia (Spain)	Motorway concessions	Euro	213,595,500	Abertis Autopistas España SA	100.00%	49.43%	50.57%
AUTOPISTAS DE LEÓN SAC.E. (AULESA)	Leon (Spain)	Motorway concessions	Euro	34,642,000	Iberpistas SA	100.00%	49.43%	50.57%
AUTOPISTAS DE PUERTO RICO Y COMPAÑIA S.E. (APR)	San Juan (Puerto Rico)	Motorway concessions	US dollar	3,503,002	Abertis Infraestructuras SA	100.00%	49.43%	50.57%
AUTOPISTAS DEL SOL SA (AUSOL)	BUENOS AIRES (Argentina)	Motorway concessions	Argentine peso	88,384,092	Abertis Infraestructuras SA	31.59%	15.61%	84.39% (6)
AUTOPISTAS METROPOLITANAS DE PUERTO RICO LLC	San Juan (Puerto Rico)	Motorway concessions	US dollar	500,323,664	Abertis Infraestructuras SA	51.00%	25.21%	74.79%
AUTOPISTAS VASCO-ARAGONESA C.E.SA (AVASA)	Orozco (Spain)	Motorway concessions	Euro	237,094,716	Iberpistas SA	100.00%	49.43%	50.57%
AUTOPISTAS CONCESIONARIA ESPAÑOLA SA (ACESA)	Barcelona (Spain)	Motorway concessions	Euro	319,488,531	Abertis Autopistas España SA	100.00%	49.43%	50.57%
AUTOPISTA TRADOS-45 SA (TRADOS-45)	Madrid (Spain)	Motorway concessions	Euro	21,039,015	Iberpistas SA	51.00%	25.21%	74.79%
AUTOPISTES DE CATALUNYA SA (AUCAT)	Barcelona (Spain)	Motorway concessions	Euro	96,160,000	Societat d'Autopistes Catalanes SA	100.00%	49.43%	50.57%
AUTOSTRADA BS VR VI PD SPA	Verona	Motorway concessions	Euro	125,000,000	A4 Holding SpA	100.00%	44.50%	55.50%
						100.00%	100.00%	-
AUTOSTRADA CONCESSÕES E PARTICIPAÇÕES BRASIL LIMITADA	Sao Paulo (Brazil)	Holding company	Brazilian real	729,590,863	Autostrade Portugal Srl	25.00%		
					Autostrade dell'Atlantico Srl	41.14%		
					Autostrade Holding do Sur SA	33.86%		
AUTOSTRADA DELL'ATLANTICO Srl	Rome	Holding company	Euro	1,000,000	Atlantia SpA	100.00%	100.00%	-
						100.00%	100.00%	- (7)
AUTOSTRADA HOLDING DO SUR SA	Santiago (Chile)	Holding company	Argentine peso	51,496,805,692	Autostrade dell'Atlantico Srl	100%		
					Autostrade per l'Italia SpA	0.00%		
						100.00%	100.00%	-
AUTOSTRADA INDIAN INFRASTRUCTURE DEVELOPMENT PRIVATE LIMITED	Mumbai - MAHARASHTRA (India)	Holding company	Indian rupee	500,000	Atlantia SpA	99.99%		
					Spea Engineering SpA	0.01%		
AUTOSTRADA MERIDIONALI SpA	Naples	Motorway concessions	Euro	9,056,250	Autostrade per l'Italia SpA	58.98%	51.94%	48.06% (8)
AUTOSTRADA PER L'ITALIA SpA	Rome	Motorway concessions	Euro	622,027,000	Atlantia SpA	88.06%	88.06%	11.94%

(6) The company is listed on the Buenos Aires Stock Exchange.

(7) The company's shares are held by: Autostrade dell'Atlantico Srl, with a holding of 1.000.000 shares, and Autostrade per l'Italia SpA, with 1 share.

(8) The company is listed on Borsa Italiana SpA's Expandi market.

Name	Registered office	Business	Currency	Issued capital / Consortium fund	Held by	% interest	Total Interest	
							Group	Non-controlling
AUTOSTRADE Portugal Srl	Rome	Holding company	Euro	30,000,000	Autostrade dell'Atlantico Srl	100.00%	100.00%	
AUTOSTRADE TECH SpA	Rome	Motorway services	Euro	1,120,000	Autostrade per l'Italia SpA	100.00%	88.06%	11.94%
AUTOVIÁS SA	Ribeirao Preto (Brazil)	Motorway concessions	Brazilian real	128,514,447	Arteris SA	100.00%	20.74%	79.26%
AZZURRA AEROPORTI SpA	Rome	Holding company	Euro	3,221,234	Atlantia SpA	52.69%		
					Aeroporti di Roma SpA	7.77%	60.46%	39.60% (9)
BIP&GO SAS.	Issy-les-Moulineaux (France)	Tolling and electronic tolling services	Euro	1,000	Sanef SA	100.00%	49.43%	50.57%
CASTELLANA DE AUTOPISTAS SAC.E.	Segovia (Spain)	Motorway concessions	Euro	98,000,000	Iberpistas SA	100.00%	49.43%	50.57%
CAYENNE PURCHASE CO LLC	USA	Other activities	US dollar	-	Abertis Infraestructuras SA	71.58%	35.38%	64.62%
CENTROVIAS SISTEMAS RODOVIÁRIOS SA	Itirapina (Brazil)	Motorway concessions	Brazilian real	104,798,079	Arteris SA	100.00%	20.74%	79.26%
CONCESSIONÁRIA DA RODOVIA MG050 SA	Sao Paulo (Brazil)	Motorway concessions	Brazilian real	468,878,027	AB Concessões SA	100.00%	50.00%	50.00%
CONCESIONARIA DE RODOVIAS DO INTERIOR PAULISTA SA	ARARAS (Brazil)	Motorway concessions	Brazilian real	129,625,130	Arteris SA	51.00%	100.00%	20.74%
					Arteris Participações SA	49.00%		79.26%
ELECTRONIC TRANSACTION CONSULTANTS Co.	Richardson (Texas - USA)	Tolling and electronic tolling services	US dollar	16,264	Autostrade dell'Atlantico Srl	64.46%	64.46%	35.54%
EMOVIS OPERATIONS IRELAND LTD	Dublin (Ireland)	Tolling and electronic tolling services	Euro	10	Emovis SAS.	100.00%	49.43%	50.57%
EMOVIS OPERATIONS Leeds (UK)	Leeds (UK)	Tolling and electronic tolling services	Pound sterling	10	Emovis SAS.	100.00%	49.43%	50.57%
EMOVIS OPERATIONS MERSEY LTD	Harrogate (UK)	Tolling and electronic tolling services	Pound sterling	10	Emovis SAS.	100.00%	49.43%	50.57%
EMOVIS OPERATIONS PUERTO RICO INC.	Lutherville Timonium (Maryland - USA)	Tolling and electronic tolling services	US dollar	1,000	Emovis technologies US INC.	100.00%	49.43%	50.57%
EMOVIS SAS.	Issy-les-Moulineaux (France)	Tolling and electronic tolling services	Euro	11,781,984	Abertis Mobility Services S.L.	100.00%	49.43%	50.57%
EMOVIS TAG UK LTD	Leeds (UK)	Tolling and electronic tolling services	Pound sterling	10	Emovis SAS.	100.00%	49.43%	50.57%
EMOVIS TECHNOLOGIES BC INC.	Vancouver (Canada)	Tolling and electronic tolling services	Canadian dollar	450,100	Emovis SAS.	100.00%	49.43%	50.57%
EMOVIS TECHNOLOGIES Chile SA (IN LIQUIDATION)	Santiago (Chile)	Tolling and electronic tolling services	Argentine peso	460,948,000	Emovis SAS.	100.00%	49.43%	50.57%

(9) The issued capital is made up of €2,500,000 in ordinary shares and €721,234 in preference shares. The percentage interest in the issued capital refers to the total shares in issue, whilst the percentage of voting rights is 52.51% in Atlantia SpA's case and 10.00% in Aeroporti di Roma SpA's case.

3. Condensed consolidated interim financial statements

Name	Registered office	Business	Currency	Issued capital / Consortium fund	Held by	% interest	Total Interest	
							Group	Non-controlling
EMOVIS TECHNOLOGIES D.O.O.	Slit (Croatia)	Tolling and electronic tolling services	Croatian kuna	2,364,600	Emovis SAS.	100.00%	49.43%	50.57%
EMOVIS TECHNOLOGIES IRELAND LIMITED	Dublin (Ireland)	Tolling and electronic tolling services	Euro	10	Emovis SAS.	100.00%	49.43%	50.57%
EMOVIS TECHNOLOGIES QUÉBEC INC.	Montreal (Canada)	Tolling and electronic tolling services	Canadian dollar	100	Emovis SAS.	100.00%	49.43%	50.57%
EMOVIS TECHNOLOGIES UK LIMITED	London (UK)	Tolling and electronic tolling services	Pound sterling	130,000	Emovis SAS.	100.00%	49.43%	50.57%
EMOVIS TECHNOLOGIES US INC.	Lutherville Timonium (Maryland - USA)	Tolling and electronic tolling services	US dollar	1,000	Emovis SAS.	100.00%	49.43%	50.57%
EUROTOLL CENTRAL EUROPE ZRT	Budapest (Hungary)	Tolling and electronic tolling services	Euro	16,633	Eurotoll SAS	100.00%	49.43%	50.57%
EUROTOLL SAS.	Issy-les-Moulineaux (France)	Tolling and electronic tolling services	Euro	3,300,000	Abertis Mobility Services S.L.	100.00%	49.43%	50.57%
ESSEDIASSE SOCIETÀ DI SERVIZI SpA	Rome	Administrative services	Euro	500,000	Autostrade per l'Italia SpA	100.00%	88.06%	11.94%
Fiumicino ENERGIA Srl	Fiumicino	Other activities	Euro	741,795	Atlantia SpA	87.14%	87.14%	12.86%
GESTORA DE AUTOPISTAS SpA (GESA)	Santiago (Chile)	Motorway services	Argentine peso	837,978,217	Vías Chile SA	100.00%	39.54%	60.46%
GIOVE CLEAR Srl	Rome	Motorway services	Euro	10,000	Autostrade per l'Italia SpA	100.00%	88.06%	11.94%
GLOBALCAR SERVICES SPA	Verona	Other activities	Euro	2,000,000	A4 Holding SpA	100.00%	44.50%	55.50%
GRUPO CONCESIONARIO DEL OESTE SA (GCO)	Ituzaingó (Argentina)	Motorway concessions	Argentine peso	160,000,000	Acesa	42.87%	24.82%	75.98% (10)
GRUPO COSTANERA SpA	Santiago (Chile)	Holding company	Argentine peso	328,443,738,418	Autostrade dell'Atlantico Srl	50.01%	50.01%	49.99%
HOLDING D'INFRASTRUCTURES DE TRANSPORT 2 SAS.	Issy-les-Moulineaux (France)	Holding company	Euro	5,010,000	Abertis Infraestructuras SA	100.00%	49.43%	50.57%
HOLDING D'INFRASTRUCTURES DE TRANSPORT SAS.	Issy-les-Moulineaux (France)	Holding company	Euro	1,512,267,743	Abertis Infraestructuras SA	100.00%	49.43%	50.57%
IBERPISTAS SA	Segovia (Spain)	Motorway concessions	Euro	54,000,000	Abertis Autopistas España SA	100.00%	49.43%	50.57%
INFOBLU SpA	Rome	Motorway services	Euro	5,160,000	Telepass SpA	75.00%	75.00%	25.00%
INFRASTRUCTURES VIÀRIES DE CATALUNYA SA (INVICAT)	Barcelona (Spain)	Motorway concessions	Euro	92,037,215	Societat d'Autopistes Catalanes SA	100.00%	49.43%	50.57%
INFRAESTRUCTURAS VIARIAS MEXICANAS, SA DE C.V.	Mexico	Holding company	Mexican peso	1,000	Abertis Infraestructuras SA	100.00%	49.43%	50.57%
RED DE CARRETERAS DE OCCIDENTE, SAB DE C.V. (RCO)	Mexico	Motorway concessions	Mexican peso	2,337,967,405	Infraestructuras Viarias Mexicanas, SA de C.V.	51.26%	25.34%	74.66%
PRESTADORA DE SERVICIOS RCO, S. DE R. L. DE C.V. (PSRCO)	Mexico	Administrative services	Mexican peso	3,000		99.99%	25.34%	74.66%

(10) The percentage interest is calculated with reference to all shares in issue, whereas the 49.99% of voting rights is calculated with reference to ordinary voting shares.

Name	Registered office	Business	Currency	Issued capital / Consortium fund	Held by	% interest	Total Interest	
							Group	Non-controlling
					Red de Carreteras de Occidente, SA de C.V.	99.96%		
					Infraestructuras Viarias Mexicanas, SA de CV	0.03%		
						99.99%	25.34%	74.66%
RCO CARRETERAS, S. DE R.L. DE C.V. (RCA)	Mexico	Design, construction and maintenance	Mexican peso	5,003,000	Red de Carreteras de Occidente, SA de C.V.	99.96%		
					Infraestructuras Viarias Mexicanas, SA de CV	0.03%		
						100.00%	25.34%	74.66%
CONCESIONARIA DE VIAS IRAPUATO QUERÉTARO, SA DE C.V. (COVIQSA)	Mexico	Motorway concessions	Mexican peso	1,226,685,096	Red de Carreteras de Occidente, SA de C.V.	99.99%		
					RCO Carreteras, S. de R.L. de C.V.	0.01%		
						100.00%	25.34%	74.66%
CONCESIONARIA IRAPUATO LA PIEDAD, SA DE C.V. (CONIPSA)	Mexico	Motorway concessions	Mexican peso	264,422,673	Red de Carreteras de Occidente, SA de C.V.	99.99%		
					RCO Carreteras, S. de R.L. de C.V.	0.01%		
						100.00%	25.34%	74.66%
CONCESIONARIA TEPIC SAN BLAS, S. DE R.L. DE C.V. (COTESA)	Mexico	Motorway concessions	Mexican peso	270,369,940	Red de Carreteras de Occidente, SA de C.V.	99.99%		
					RCO Carreteras, S. de R.L. de C.V.	0.01%		
						100.00%	25.34%	74.66%
AUTOVIAS DE MICHOACÁN, SA DE C.V. (AUTOVIM)	Mexico	Motorway concessions	Mexican peso	423,982,000	Red de Carreteras de Occidente, SA de C.V.	99.99%		
					RCO Carreteras, S. de R.L. de C.V.	0.01%		
						100.00%	25.34%	74.66%
INVERSORA DE INFRAESTRUCTURAS S.L. (INVIN)	Madrid (Spain)	Holding company	Euro	116,047,578	Abertis Infraestructuras SA	80.00%	39.54%	60.46%
						100.00%	49.43%	50.57%
JADCHERLA EXPRESSWAYS PRIVATE LIMITED (JEPL)	HYDERABAD (India)	Motorway concessions	Indian rupee	2,100,402,530	Abertis India S.L.	100%		
					Abertis Infraestructuras SA	0.00%		
K-MASTER Srl	Rome	Motorway services	Euro	10,000	Telepass SpA	100.00%	100.00%	0.00%
LATINA MANUTENÇÃO DE RODOVIAS LTDA.	Sao Paulo (Brazil)	Design, construction and maintenance	Brazilian real	31,048,345		99.99%	20.74%	79.26%

(11) Abertis Infraestructuras SA holds 1 share in the company.

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Name	Registered office	Business	Currency	Issued capital / Consortium fund	Held by	% interest	Total Interest	
							Group	Non-controlling
					Arteris SA	99.99%		
					Participes en Brasil SA	0.00%		
						100.00%	88.36%	11.64%
LEONARDO ENERGIA – SOCIETA' CONSORTILE a r.l.	Fiumicino	Other activities	Euro	10,000	Fiumicino Energia Srl	90.00%		
					Aeroporti di Roma SpA	10.00%		
LEONORD EXPLOITATION SAS.	Issy-les-Moulineaux (France)	Other activities	Euro	40,000	Sanef SA	85.00%	42.01%	57.99%
MULHACEN Srl	Verona	Other activities	Euro	10,000	A4 Holding SpA	100.00%	44.50%	55.50%
PAVIMENTAL POLSKA SP.ZO.O.	TRZEBINIA (Poland)	Design, construction and maintenance	Polish zloty	3,000,000	Pavimental SpA	100.00%	96.89%	3.11%
						99.40%	96.89%	3.11%
PAVIMENTAL SpA	Rome	Design, construction and maintenance	Euro	10,116,452	Atlantia SpA	59.40%		
					Autostrade per l'Italia SpA	20.00%		
					Aeroporti di Roma SpA	20.00%		
OPERAVIAS SA	Santiago (Chile)	Holding company	Argentine peso	4,230,063,893	Vías Chile SA	100.00%	39.54%	60.46%
PARTÍCIPIES EN BRASIL II S.L.	Madrid (Spain)	Holding company	Euro	3,100	Participes en Brasil SA	100.00%	25.21%	74.79%
PARTÍCIPIES EN BRASIL SA	Madrid (Spain)	Holding company	Euro	41,093,222	Abertis Infraestructuras SA	51.00%	25.21%	74.79%
PDC PARTICIPAÇÕES SA	Sao Paulo (Brazil)	Holding company	Brazilian real	602,684,727	Participes en Brasil SA	100.00%	25.21%	74.79%
RACCORDO AUTOSTRADALE VALLE D'Aosta SpA	Aosta	Motorway concessions	Euro	343,805,000	Società Italiana per Azioni per il Traforo del Monte Bianco	47.97%	21.54%	78.46% (12)
RODOVIAS DAS COLINAS SA	Sao Paulo (Brazil)	Motorway concessions	Brazilian real	226,145,401	AB Concessões SA	100.00%	50.00%	50.00%
SANEF 107.7 SAS	Issy-les-Moulineaux (France)	Motorway services	Euro	15,245	Sanef SA	100.00%	49.43%	50.57%
SANEF AQUITAINE SAS.	Issy-les-Moulineaux (France)	Property management	Euro	500,000	Sanef SA	100.00%	49.43%	50.57%
SANEF SA	Issy-les-Moulineaux (France)	Motorway concessions	Euro	53,090,462	Holding d'Infrastructures de Transport (HIT)	100.00%	49.43%	50.57%
SAPN SA (SOCIÉTÉ DES AUTOROUTES PARIS-NORMANDIE)	Issy-les-Moulineaux (France)	Motorway concessions	Euro	14,000,000	Sanef SA	99.97%	49.41%	50.59%
SCI LA RATONNIÈRE SAS.	Nice (France)	Property management	Euro	243,918	Aéroports de la Côte d'Azur	100.00%	38.66%	61.34%

(12) The issued capital is made up of €284,350,000 in ordinary shares and €59,455,000 in preference shares. The percentage interest is calculated with reference to all shares in issue, whereas the 58.00% of voting rights is calculated with reference to ordinary voting shares.

Name	Registered office	Business	Currency	Issued capital / Consortium fund	Held by	% interest	Total Interest	
							Group	Non-controlling
SE BPNL SAS	Issy-les-Moulineaux (France)	Design, construction and maintenance	Euro	40,000	Sanef SA	100.00%	49.43%	50.57%
SERENISSIMA PARTECIPAZIONI SPA	Verona	Attività immobiliare	Euro	2,314,063	A4 Holding SPA	100.00%	44.50%	55.50%
SKY VALET Portugal LDA	Cascais (Portugal)	Airport services	Euro	50,000	ACA Holding SAS	100.00%	38.66%	61.34%
SKY VALET SPAIN S.L.	Madrid (Spain)	Airport services	Euro	231,956	ACA Holding SAS	100.00%	38.66%	61.34%
SOCIEDAD CONCESIONARIA AMB SA	Santiago (Chile)	Motorway concessions	Argentine peso	5,875,178,700	Grupo Costanera SpA	100.00%	50.01%	49.99%
						Sociedad Gestion Vial SA		
SOCIEDAD CONCESIONARIA AMERICO VESPUCCIO ORIENTE II SA	Santiago (Chile)	Motorway concessions	Argentine peso	100,000,000,000	Grupo Costanera SpA	100.00%	50.01%	49.99% (13)
						Sociedad Gestion Vial SA		
SOCIEDAD CONCESIONARIA AUTOPISTA CENTRAL SA	Santiago (Chile)	Motorway concessions	Argentine peso	76,694,956,663	Vías Chile SA	100.00%	39.54%	60.46%
SOCIEDAD CONCESIONARIA AUTOPISTA DE LOS ANDES SA	Santiago (Chile)	Motorway concessions	Argentine peso	35,466,685,791	Gestora de Autopistas SpA	100.00%	39.54%	60.46%
						Vías Chile SA		
SOCIEDAD CONCESIONARIA AUTOPISTA DEL SOL SA	Santiago (Chile)	Motorway concessions	Argentine peso	19,960,726,041	Vías Chile SA	100.00%	39.54%	60.46%
						Gestora de Autopistas SA		
SOCIEDAD CONCESIONARIA AUTOPISTA LOS LIBERTADORES SA	Santiago (Chile)	Motorway concessions	Argentine peso	16,327,525,305	Vías Chile SA	100.00%	39.54%	60.46%
						Gestora de Autopistas SpA		
SOCIEDAD CONCESIONARIA AUTOPISTA NORORIENTE SA	Santiago (Chile)	Motorway concessions	Argentine peso	22,738,904,654	Grupo Costanera SpA	100.00%	50.01%	49.99%
						Sociedad Gestion Vial SA		
SOCIEDAD CONCESIONARIA AUTOPISTA NUEVA VESPUCCIO SUR SA	Santiago (Chile)	Motorway concessions	Argentine peso	166,967,672,229	Grupo Costanera SpA	100.00%	50.01%	49.99%

(13) The issued capital amounts to 50,000,000,000 Chilean pesos.

3. Condensed consolidated interim financial statements

Name	Registered office	Business	Currency	Issued capital / Consortium fund	Held by	% interest	Total Interest	
							Group	Non-controlling
					Sociedad Gestion Vial SA	0.00%		
SOCIEDAD CONCESIONARIA CONEXION VIAL RUTA 78 - 68 SA	Santiago (Chile)	Motorway concessions	Argentine peso	32,000,000,000	Grupo Costanera SpA	100.00%	50.01%	49.99%
					Sociedad Gestion Vial SA	0.00%		
SOCIEDAD CONCESIONARIA COSTANERA NORTE SA	Santiago (Chile)	Motorway concessions	Argentine peso	58,859,765,519	Grupo Costanera SpA	100.00%	50.01%	49.99%
					Sociedad Gestion Vial SA	0.00%		
SOCIEDAD CONCESIONARIA DEL ELQUI SA (ELQUI)	Santiago (Chile)	Motorway concessions	Argentine peso	44,000,000,000	Gestora de Autopistas SpA	100.00%	39.54%	60.46%
					Vías Chile SA	0.06%		
						99.94%		
SOCIEDAD CONCESIONARIA DE LOS LAGOS SA	Llanquihue (Chile)	Motorway concessions	Argentine peso	53,602,284,061	Autostrade Holding Do Sur SA	100.00%	100.00%	-
					Autostrade dell'Atlantico Srl	99.95%		
						0.05%		
SOCIEDAD CONCESIONARIA LITORAL CENTRAL SA	Santiago (Chile)	Motorway concessions	Argentine peso	18,368,224,675	Grupo Costanera SpA	100.00%	50.01%	49.99%
					Sociedad Gestion Vial SA	99.99%		
						0.01%		
SOCIEDAD CONCESIONARIA RUTAS DEL PACÍFICO SA	Santiago (Chile)	Motorway concessions	Argentine peso	51,000,000,000	Gestora de Autopistas SpA	100.00%	39.54%	60.46%
					Vías Chile SA	0.01%		
						99.99%		
SOCIEDADE PARA PARTICIPAÇÃO EM INFRAESTRUTURA SA	Sao Paulo (Brazil)	Holding company	Brazilian real	22,506,527	Abertis Infraestructuras SA	51.00%	25.21%	74.79%
SOCIETAT D'AUTOPISTES CATALANES SAU.	Barcelona (Spain)	Design, construction and maintenance	Euro	1,060,000	Abertis Infraestructuras SA	100.00%	49.43%	50.57%
SOCIEDAD GESTION VIAL SA	Santiago (Chile)	Design, construction and maintenance	Argentine peso	11,397,237,788	Grupo Costanera SpA	100.00%	50.01%	49.99%
					Sociedad Operacion y Logística de Infraestructuras SA	99.99%		
						0.01%		
SOCIEDAD OPERACION Y LOGISTICA DE INFRAESTRUCTURAS SA	Santiago (Chile)	Motorway services	Argentine peso	11,736,819	Grupo Costanera SpA	100.00%	50.01%	49.99%
					Sociedad Gestion Vial SA	99.99%		
						0.01%		

Name	Registered office	Business	Currency	Issued capital / Consortium fund	Held by	% interest	Total Interest		
							Group	Non-controlling	
SOCIETÀ AUTOSTRADA TIRRENICA SpA	Rome	Motorway concessions	Euro	24,460,800	Autostrade per l'Italia SpA	99.93%	88.06%	11.94%	(14)
SOCIETÀ ITALIANA PER AZIONI PER IL TRAFORO DEL MONTE BIANCO	Pre' Saint Didier (Aosta)	Motorway concessions	Euro	198,749,200	Autostrade per l'Italia SpA	51.00%	44.91%	55.09%	
SOLUCIONA CONSERVACAO RODOVIARIA LTDA	MATAO (Brazil)	Attività immobiliare	Brazilian real	500,000	AB Concessões SA	100.00%	50.00%	50.00%	
SPEA DO BRASIL PROJETOS E INFRA ESTRUTURA LIMITADA	Sao Paulo (Brazil)	Design, construction and maintenance	Brazilian real	4,504,000	Spea Engineering SpA	100.00%	97.49%	2.51%	
					Autostrade Concessoes e Participacoes Brasil Limitada	0.00%			
						100.00%	97.49%	2.51%	-
SPEA ENGINEERING SpA	Rome	Design, construction and maintenance	Euro	6,966,000	Atlantia SpA	60.00%			
					Autostrade per l'Italia SpA	20.00%			
					Aeroporti di Roma SpA	20.00%			-
STALEXPORT AUTOSTRADA MAŁOPOLSKA SA	Myslowice (Poland)	Motorway concessions	Polish zloty	66,753,000	Stalexport Autoroute S.a.r.l.	100.00%	61.20%	38.80%	
STALEXPORT AUTOSTRADY SA	MYSLOWICE (Poland)	Holding company	Polish zloty	185,446,517	Atlantia SpA	61.20%	61.20%	38.80%	(15)
TANGENZIALE DI Naples SpA	Naples	Motorway concessions	Euro	108,077,490	Autostrade per l'Italia SpA	100.00%	88.06%	11.94%	
TECH SOLUTIONS INTEGRATORS SAS.	Paris (France)	Tolling and electronic tolling services	Euro	2,000,000	Autostrade per l'Italia SpA	100.00%	88.06%	11.94%	(16)
TELEPASS SpA	Rome	Tolling and electronic tolling services	Euro	26,000,000	Atlantia SpA	100.00%	100.00%	-	
TELEPASS ASSICURA Srl	Rome	Financial services	Euro	3,000,000	Telepass SpA	100.00%	100.00%	-	
TELEPASS BROKER Srl	Rome	Financial services	Euro	500,000	Telepass SpA	100.00%	100.00%	-	
TELEPASS PAY SpA	Rome	Financial services	Euro	702,983	Telepass SpA	100.00%	100.00%	-	
TOLLING OPERATIONS PUERTO RICO INC.	San Juan (Puerto Rico)	Tolling and electronic tolling services	US dollar	1,000,000	Emovis SAS.	100.00%	49.43%	50.57%	
TRIANGULO DO SOL AUTO-ESTRADAS SA	Matao (Brazil)	Motorway concessions	Brazilian real	71,000,000	AB Concessões SA	100.00%	50.00%	50.00%	
TRICHY TOLLWAY PRIVATE LIMITED (TTPL)	Hyderabad (India)	Motorway concessions	Indian rupee	1,946,215,010	Abertis India S.L.	100.00%	49.43%	50.57%	(17)

(14) On 29 December 2015, Autostrada Tirrenica, following authorisation by the general meeting of shareholders held on the same date, purchased 109,600 own shares from non-controlling shareholders. Autostrade per l'Italia's interest is thus 99.99%, whilst the percentage interest based on the number of shares held by Autostrade per l'Italia as a percentage of the subsidiary's total shares in issue is 99.93%. The Atlantia Group's interest is, instead, 88.06%.

(15) This company is listed on the Warsaw Stock Exchange.

(16) This company was struck off the Companies' Register in France on 8 July 2020.

(17) Abertis Infraestructuras SA holds 1 share in the company.

3. Condensed consolidated interim financial statements

Name	Registered office	Business	Currency	Issued capital / Consortium fund	Held by	% interest	Total Interest	
							Group	Non-controlling
					Abertis Infraestructuras SA	0.00%		
TÚNELS DE BARCELONA I CADÍ CONCESIONARIA DE LA GENERALITAT DE CATALUNYA SA	Barcelona (Spain)	Motorway concessions	Euro	60,000	Infraestructures Viàries de Catalunya SA (INVICAT)	50.01%	24.72%	75.28%
URBANnext SA	Chiasso (Switzerland)	Other activities	Swiss franc	100,000	Telepass SpA	70.00%	70.00%	30.00%
URBI DE GmbH	Berlin (Germany)	Other activities	Euro	25,000	URBANnext SA	100.00%	70.00%	30.00%
VIA4 SA	Myslowice (Poland)	Motorway services	Polish zloty	500,000	Stalexport Autoroute S.a.r.l.	55.00%	33.66%	66.34%
VIANORTE SA	Sertaozinho (Brazil)	Motorway concessions	Brazilian real	113,651,571	Arteris SA	100.00%	20.74%	79.26%
VIAPAULISTA SA	Ribertao Preto (Brazil)	Design, construction and maintenance	Brazilian real	1,348,385,843	Arteris SA	100.00%	20.74%	79.26%
VÍAS Chile SA	Santiago (Chile)	Holding company	Argentine peso	93,257,077,900	Inversora de Infraestructuras S.L. (INVIN)	100.00%	39.54%	60.46%
WASH OUT Srl	MILAN	Other activities	Euro	17,129	Telepass SpA	69.97%	69.97%	30.03%

Name	Registered office	Business	Currency	Issued capital / Consortium fund	Held by	% interest
INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD						
Associates						
AEROPORTO GUGLIELMO MARCONI DI Bologna SpA	Bologna	Airport concessions	Euro	90,314,162	Atlantia SpA	29.38%
A'LIENOR SAS.	Pau (France)	Motorway concessions	Euro	275,632,000	Sanef SA	35.00%
ALAZOR INVERSIONES SA	Madrid (Spain)	Holding company	Euro	223,600,000	Iberpistas SA	31.22%
AUTOPISTA TERRASSA-MANRESA CONCESSIONÀRIA DE LA GENERALITAT DE CATALUNYA SA (AUTEMA)	Barcelona (Spain)	Motorway concessions	Euro	83,410,572	Autopistas Concesionaria Española SA (ACESA)	23.72%
BIP & DRIVE SA	Madrid (Spain)	Tolling and electronic tolling services	Euro	4,612,969	Abertis Autopistas España SA	35.00%
C.I.S. SpA (IN LIQUIDATION)	Vicenza	Design construction and maintenance	Euro	5,236,530	A4 HOLDING SpA	25.23%
CIRALSA SAC.E.	Alicante (Spain)	Design construction and maintenance	Euro	50,167,000	Autopistas Aumar SA Concesionaria del Estado	25.00%
CONCESIONARIA VIAL DE LOS ANDES SA (COVIANDES)	Bogotá (Colombia)	Motorway concessions	Colombian peso	27,400,000,000	Abertis Infraestructuras SA	40.00%
CONFEDERAZIONE AUTOSTRADE SpA	Verona	Design construction and maintenance	Euro	50,000	A4 Holding SpA	25.00%
CONSTRUCTORA DE INFRAESTRUCTURA VIAL SAS.	Bogotá (Colombia)	Design construction and maintenance	Colombian peso	50,000,000	Abertis Infraestructuras SA	40.00%
Bologna & FIERA PARKING SpA	Bologna	Other concessions	Euro	2,715,200	Autostrade per l'Italia SpA	36.81%
BIURO CENTRUM SP. Z O.O.	Katowice (Poland)	Administrative services	Polish zloty	80,000	Stalexport Autostrady SA	40.63%
GETLINK SE	Paris (France)	Other concessions	Euro	220,000,000	Aero 1 Global & International S.à.r.l.	15.49% (18)
G.R.A. DI Padua SpA	Venezia	Design construction and maintenance	Euro	2,950,000	Autostrada BS VR VI PD SpA	33.90%
INFRAESTRUCTURAS Y RADIALES SA (IRASA)	Madrid (Spain)	Design construction and maintenance	Euro	11,610,200	Iberpistas SA	15.00%
					Autopistas Vasco-Aragonesa C.E.SA (AVASA)	15.00%
LEONORD SAS.	Lione (France)	Motorway services	Euro	697,377	Sanef SA	35.00%
M-45 CONSERVACION SA	Madrid (Spain)	Design construction and maintenance	Euro	553,000	Autopista Trados-45 SA	50.00%
ROAD MANAGEMENT GROUP LTD (RMG)	London (UK)	Motorway concessions	Pound sterling	25,335,000	Abertis Motorways UK Ltd	33.33%

(18) Aero 1 Global & International Sàrl holds 24.87% of Getlink SE's voting rights. Interests are calculated on the basis of the total number of shares in issue, amounting to 550,000,000, and of the total number of voting rights, equal to 701,703,399, according to the information published by Getlink on 02 July 2020.

3. Condensed consolidated interim financial statements

Name	Registered office	Business	Currency	Issued capital / Consortium fund	Held by	% Interest
ROUTALIS SAS.	Guyancourt (France)	Design construction and maintenance	Euro	40,000	SAPN SA	30.00%
TANGENZIALI ESTERNE DI MILANO SpA	Milan	Design construction and maintenance	Euro	220,344,608	Autostrade per l'Italia SpA	27.45% (19)
Joint ventures						
A&T ROAD CONSTRUCTION MANAGEMENT AND OPERATION PRIVATE LIMITED	Pune - Maharashtra (India)	Motorway services	Indian rupee	100,000	Autostrade Indian Infrastructure Development Private Limited	50.00%
AIRPORT ONE SAS	Nice (France)	Property management	Euro	1,000	Aéroports de la Côte d'Azur	49.00%
AIRPORT HOTEL SAS	Nice (France)	Property management	Euro	1,000	Aéroports de la Côte d'Azur	49.00%
AREAMED 2000 SA	Barcelona (Spain)	Other concessions	Euro	2,070,012	Abertis Autopistas España SA	50.00%
CONCESSIONÁRIA RODOVIAS DO TIETÉ SA	Sao Paulo (Brazil)	Motorway concessions	Brazilian real	303,578,476	AB Concessões SA	50.00%
GEIE DEL TRAFORO DEL MONTE BIANCO	Courmayeur (Aosta)	Motorway services	Euro	2,000,000	Società Italiana per Azioni per il Traforo del Monte Bianco	50.00%
PUNE SOLAPUR EXPRESSWAYS PRIVATE LIMITED	Patas District Pune - Maharashtra (India)	Motorway concessions	Indian rupee	100,000,000	Atlantia SpA	50.00%
TRANS- Canada FLOW TOLLING INC.	Vancouver (Canada)	Tolling and electronic tolling services	Canadian dollar	2	Emovis SAS.	50.00%

(19) On 22 January 2019, as a result of Autostrade per l'Italia's exercise of its pre-emption rights, Autostrade Lombarde SpA sold 3,518,908 shares in Tangeziale Esterna di Milano SpA, equal to an interest of approximately 1.20%, to Autostrade per l'Italia.

Name	Registered office	Business	Currency	Issued capital / Consortium fund	Held by	% Interest
INVESTMENTS ACCOUNTED FOR AT FAIR VALUE						
Unconsolidated subsidiaries						
DOMINO Srl (IN LIQUIDATION)	Rome	Other activities	Euro	10,000	Atlantia SpA	100%
PAVIMENTAL EST AO (IN LIQUIDATION)	Moscow (Russia)	Design construction and maintenance	Russian rouble	4,200,000	Pavimental SpA	100%
PEDEMONTANA VENETA SpA (IN LIQUIDATION)	Verona	Motorway concessions	Euro	6,000,000	Autostrade per l'Italia SpA Autostrada BS VR VI PD SpA	61.70% 29.77% 31.93%
PETROSTAL SA (IN LIQUIDATION)	Warsaw (Poland)	Property management	Polish zloty	2,050,500	Stalexport Autostrady SA	100%
Other investments						
AEROPORTO DI GENOVA SpA	Genoa	Airport concessions	Euro	7,746,900	Aeroporti di Roma SpA	15.00%
ARGENTEA GESTIONE	Brescia	Design construction and maintenance	Euro	120,000	Autostrada BS VR VI PD SpA	5.84%
AUTOROUTES TRAFIC SAS.	Paris (France)	Motorway services	Euro	349,000	Sanef SA	15.00%
AUTOSTRADA DEL BRENNERO SPA	Trento	Design construction and maintenance	Euro	55,472,175	Serenissima Partecipazioni SpA	4.23%
AUTOSTRADE LOMBARDE SPA	Brescia	Design construction and maintenance	Euro	501,726,626	Autostrada BS VR VI PD SpA	4.90%
AUTOVIE VENETE SPA	Trieste	Design construction and maintenance	Euro	157,965,738	A4 Holding SpA	0.42%
CENTAURE PARIS-NORMANDIE SAS.	Bosgouet (France)	Motorway services	Euro	700,000	SAPN SA	49.90%
CENTAURE NORD PAS-DE-CALAIS	Henin Beaumont (France)	Motorway services	Euro	320,000	Sanef SA	34.00%
CENTAURE GRAND EST SAS.	GEVREY CHAMBERTIN (France)	Motorway services	Euro	450,000	Sanef SA	14.44%
CENTRO INTERMODALE TOSCANO AMERIGO VESPUCCI SpA	Livorno	Other activities	Euro	11,756,695	Società Autostrada Tirrenica p.A.	0.43%
COMPAGNIA AEREA ITALIANA SpA	Fiumicino	Airport services	Euro	3,526,846	Atlantia SpA	6.52%
CONVENTION BUREAU Rome E LAZIO SCRL	Rome	Promotion and development of MICE and business travel	Euro	132,000	Aeroporti di Roma SpA	0.76%
DIRECTIONAL CAPITAL HOLDINGS (IN LIQUIDATION)	Channel Islands (USA)	Holding company	Euro	150,000	Atlantia SpA	5.00%
HOCHTIEF AKTIENGESELLSCHAFT	Essen (Germany)	Holding company	Euro	180,855,570	Atlantia SpA	23.86%

(20) The company is accounted for using the equity method.

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Name	Registered office	Business	Currency	Issued capital / Consortium fund	Held by	% Interest
HOLDING PARTECIPAZIONI IMMOB.	Verona	Holding company	Euro	1	Serenissima Partecipazioni SpA	13.00%
HUTA JEDNOŚĆ SA	Semianowice (Poland)	Other activities	Polish zloty	27,200,000	Stalexport Autostrady SA	2.40%
INTERPORTO Padua SpA	Padua	Other activities	Euro	36,000,000	A4 Holding SpA	3.27%
INWEST STAR SA (IN LIQUIDATION)	Starachowice (Poland)	Other activities	Polish zloty	11,700,000	Stalexport Autostrady SA	0.26%
LUSOPONTE - CONCESSIONARIA PARA A TRAVESSIA DO TEJO	Sa Montijo (Portugal)	Motorway concessions	Euro	25,000,000	Autostrade Portugal - Concessoes de Infraestructuras SA	17.21%
LIGABUE GATE GOURMET Rome SpA (INSOLVENT)	Tessera	Airport services	Euro	103,200	Aeroporti di Roma SpA	20.00%
						2.50%
NOGARA MARE ADRIATICO	Verona	Design construction and maintenance	Euro	120,000	Autostrada BS VR VI PD SpA	2.00%
					A4 Mobility Srl	0.50%
SACAL. SpA	Lamezia Terme	Airport concessions	Euro	13,920,225	Aeroporti di Roma SpA	9.23%
						0.60%
SOCIETA' DI PROGETTO BREBEMI SpA	Brescia	Motorway concessions	Euro	51,141,227	Spea Engineering SpA	0.05%
					Autostrada BS VR VI PD SpA	0.54%
STRADIVARIA SpA	Cremona	Design construction and maintenance	Euro	20,000,000	A4 Mobility Srl	1.00%
						1.25%
TANGENZIALE ESTERNA SpA	Milan	Motorway concessions	Euro	464,945,000	Autostrade per l'Italia SpA	0.25%
					Pavimental SpA	1.00%
TERRA MITICA, PARQUE TEMATICO DE BENIDORM SA	Alicante (Spain)	Other concessions	Euro	247,487,181	Abertis Infraestructuras SA	1.29%
UIRNET SpA	Rome	Other activities	Euro	1,142,000	Autostrade per l'Italia SpA	1.40%
WALCOWNIA RUR JEDNOŚĆ SP. Z O. O.	Semianowice (Poland)	Other activities	Polish zloty	220,590,000	Stalexport Autostrady SA	0.01%
ZAKŁADY METALOWE DEZAMET SA	Nowa Deba (Poland)	Other activities	Polish zloty	19,241,750	Stalexport Autostrady SA	0.26%

(21) Tangenziali esterne di Milano Spa (in which Autostrade per l'Italia SpA has a 27.45% interest and which is accounted for using the equity method) holds a 48.4% interest in Tangenziale Esterna SpA.

Name	Registered office	Business	Currency	Issued capital / Consortium fund	Held by	% interest
CONSORTIA						
BMM SCARL	Tortona	Design construction and maintenance	Euro	10,000	A4 Mobility Srl	12.00%
CONSORCIO ANHANGUERA NORTE	Riberao Preto (Brazil)	Design construction and maintenance	Brazilian real	-	Autostrade Concessoos e Participacoes Brasil	13.13%
						38.41%
					Autostrade per l'Italia SpA	27.05%
					Tangenziale di Napoli SpA	1.93%
					Società Italiana per Azioni per il Traforo del Monte Bianco	1.81%
CONSORZIO AUTOSTRADALE ITALIANE ENERGIA	Rome	Other activities	Euro	114,853	Raccordo Autostradale Valle d'Aosta SpA	1.08%
					Società Autostrada Tirrenica p.A.	0.48%
					Autostrade Meridionali SpA	0.97%
					Aeroporti di Roma SpA	0.99%
					Autostrada BS VR VI PD SpA	3.10%
					Pavimental SpA	1.00%
CONSORZIO COSTRUTTORI TEEM	Tortona	Design construction and maintenance	Euro	10,000	Pavimental SpA	1.00%
CONSORZIO E.T.L. – EUROPEAN TRANSPORT LAW (IN LIQUIDATION)	Rome	Other activities	Euro	-	Aeroporti di Roma SpA	25.00%
CONSORZIO MIDRA	Florence	Other activities	Euro	73,989	Autostrade Tech SpA	33.33%
CONSORZIO NUOVA ROMEA ENGINEERING	Monselice	Design construction and maintenance	Euro	60,000	Spea Engineering SpA	16.67%
CONSORZIO PEDEMONTANA ENGINEERING (IN LIQUIDATION)	Verona	Design construction and maintenance	Euro	19,800	Spea Engineering SpA	23.54%
CONSORZIO RAMONTI S.C.A.R.L. (IN LIQUIDATION)	Tortona	Design construction and maintenance	Euro	10,000	Pavimental SpA	49.00%
CONSORZIO R.F.C.C. (IN LIQUIDATION)	Tortona	Design construction and maintenance	Euro	510,000	Pavimental SpA	30.00%
CONSORZIO SPEA-GARIBELLO	Sao Paulo (Brazil)	Design construction and maintenance	Brazilian real	-	SPEA do Brasil Projetos e Infra Estrutura Limitada	50.00%
CONSORZIO TANGENZIALE ENGINEERING	Milan	Design construction and maintenance	Euro	20,000	Spea Engineering SpA	30.00%
CONSORZIO 2050	Rome	Design construction and maintenance	Euro	50,000	Spea Engineering SpA	0.50%
						100%
COSTRUZIONI IMPIANTI AUTOSTRADALI S.C.A.R.L. (IN LIQUIDATION)	Rome	Design construction and maintenance	Euro	10,000	Pavimental SpA	75.00%
					Autostrade Tech SpA	20.00%
					Pavimental Polska Sp. z o.o.	5.00%
ELMAS S.C.A.R.L. (IN LIQUIDATION)	Rome	Design construction and maintenance	Euro	10,000	Pavimental SpA	60.00%

3. Condensed consolidated interim financial statements

Name	Registered office	Business	Currency	Issued capital / Consortium fund	Held by	% interest
LAMBRO S.C.A.R.L.	Tortona	Design construction and maintenance	Euro	200,000	Pavimental SpA	2.78%
SAFE ROADS S.C.A.R.L.	Tortona	Design construction and maintenance	Euro	10,000	Autostrade Tech SpA	17.22%
SAT LAVORI S.C.A.R.L. (IN LIQUIDATION)	Rome	Design construction and maintenance	Euro	100,000	Società Autostrada Tirrenica p.A.	1.00%
SMART MOBILITY SYSTEMS S.C. A R.L.	Tortona	Design construction and maintenance	Euro	10,000	Autostrade Tech SpA	24.50%
INVESTMENTS ACCOUNTED FOR IN CURRENT ASSETS						
DOM MAKLESKI BDM SA	Bielsko-Biala (Poland)	Holding company	Polish zloty	19,796,924	Stalexport Autostrady SA	2.71%
STRADA DEI PARCHI SpA	Rome	Motorway concessions	Euro	48,114,240	Autostrade per l'Italia SpA	2.00%



The background is a solid blue color. It features several abstract white lines: a large, sweeping curve that starts from the top left and ends on the right side; a straight diagonal line starting from the bottom left and extending towards the center; and a smaller, tighter curve nested within the larger one. The text '04 REPORTS' is positioned in the center-right area, overlapping the larger white curve.

04 REPORTS

Attestation of the condensed consolidated interim financial statements pursuant to art. 81-ter of CONSOB Regulation 11971 of 14 May 1999, as amended

4. We, the undersigned, Carlo Bertazzo and Tiziano Ceccarani, as Chief Executive Officer and as the manager responsible for Atlantia SpA's financial reporting, having taken account of the provisions of art. art. 154-bis, paragraphs 3 and 4 of Legislative Decree 58 of 24 February 1998, attest to:
- the adequacy with regard to the nature of the Company and
 - effective application of the administrative and accounting procedures adopted in preparation of the condensed consolidated interim financial statements during the first half of 2020.
5. In this regard, we declare that:
- the administrative and accounting procedures adopted in preparation of the condensed consolidated interim financial statements as at and for the six months ended 30 June 2020 were drawn up, and their adequacy assessed, on the basis of the regulations and methods drawn up by Atlantia SpA in accordance with the Internal Control–Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission. This Commission has established a body of general principles providing a standard for internal control systems that is generally accepted at international level.
 - the review of the system of internal control over financial reporting has not identified any critical issues.
6. We also attest that:
- 6.1 the condensed consolidated interim 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 and the consolidated companies;
- 6.2 the interim report on operations contains a reliable analysis of material events during the first six months of the year and their impact on the condensed consolidated interim financial statements, together with a description of the principal risks and uncertainties for the remaining six months of the year. The interim report on operations also includes a reliable analysis of related party transactions.

4 August 2020

Carlo Bertazzo
Chief Executive Officer

Tiziano Ceccarani
Manager responsible for
financial reporting

Deloitte.

The Directors describe therein events and circumstances they believe suggest the existence of material uncertainties that may cast significant doubt on Atlantia SpA's ability to continue as a going concern. In particular, the Directors state that such uncertainties are linked to the conclusion of the agreements with the Italian Government, in terms of content, procedures and timing of execution. They also note that, on 15 July 2020, the Cabinet Office, with regard to settling the dispute against the subsidiary Autostrade per l'Italia SpA, regarding serious breaches of the concession arrangement, announced that the Government "has decided to begin the settlement process as provided for by law, without prejudice to the fact that the right to revoke the concession will only be waived once the settlement agreement has been finalised". Atlantia SpA's Directors also report on their assessment of the above events and circumstances and on the actions thereon, on the basis of which they believe it appropriate to prepare the condensed consolidated interim financial statements as at and for the six months ended 30 June 2020 on a going concern basis.

Our conclusion is not modified in respect to the above-mentioned matters.

DELOITTE & TOUCHE S.p.A.

Signed by
Francesco Legrottaglie
Partner

Rome, Italy
August 7, 2020

This report has been translated into the English language solely for the convenience of international readers.

Legal information and contacts

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Legal information

Issued capital: €825,783,990.00, fully paid-up.
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REA no. 1023691

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