

**2022**

**ANNUAL REPORT  
AS AT 31 DECEMBER 2022**

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*#movingtothefuture*

Share capital Euro 232,834,000,  
of which Euro 65.264.380,36 paid-in  
Registered offices in Tortona (AL) - Via M. Balustra n. 15  
Tax code, VAT no. and Business Registry  
of Alessandria no.: 01668980061  
Direction and coordination: ASTM S.p.A.

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## INTRODUCTION

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# CORPORATE GOVERNANCE

## ITINERA S.P.A.

Joint Stock Company  
 Share capital Euro 232,834,000.00  
 of which Euro 65,264,380.36 paid-in  
 Tax code, VAT no. and Business Registry  
 of Alessandria no.: 01668980061  
 Registered office in Tortona (AL)  
 Via M. Balustra n. 15  
 Website: <https://www.itinera-spa.it/>  
 Direction and coordination: ASTM S.p.A.

## BOARD OF DIRECTORS

### Chairman

Gianni Luciani

### Chief Executive Officer

Luciano Reguzzo

### Directors

Giorgio Desideri

Giuseppe Gatto

Luca Pecchio

## BOARD OF STATUTORY AUDITORS

### Chairman

Andrea Bo

### Standing Auditors

Roberto Coda

Massimo Trotter

### Alternate Auditors

Daniele Fossati

Pietro Ratti

## INDEPENDENT AUDITOR

PricewaterhouseCoopers S.p.A.

## DURATION

The Board of Directors was nominated by the Shareholders' Meeting held on 28 April 2020 for three financial years and thus will expire with the Shareholders' Meeting to approve the 2022 financial statements.

The Board of Statutory Auditors was nominated by the Shareholders' Meeting held on 28 April 2020 for three financial years and thus will expire with the Shareholders' Meeting to approve the 2022 financial statements.

The Auditing firm was appointed upon a resolution by the Shareholders' Meeting held on 28 April 2020 for 3 financial years and thus will expire with the Shareholders' Meeting to approve the 2022 financial statements.

## POWERS OF COMPANY OFFICERS

The **Chairman** and **Chief Executive Officer** exercise the duties and powers relating to the management of the Company based on Board of Directors' resolution dated 06 September 2022.

## INTRODUCTORY CONSIDERATIONS

During the year 2022, in an international scenario characterised by widespread tensions, the unpredictable effects caused by the continuation of the Russian-Ukrainian war accentuated the general criticality connected to the procurement and the increase in the price of raw materials; in this context, the Company had to face important challenges in the execution of some specific projects, recognizing negative results in the financial year that has just ended. Despite this, the Group continued its growth path, consolidating its presence in both the domestic and international markets, continued to strengthen and invest in its organisation, and, above all, received decisive support from its shareholders, always ready to maintain it both in financial and capital terms, in order to effectively pursue its strategic path within the ASTM Group development project.

In particular, the execution of the Storstroem bridge project in Denmark experienced problems both during the start-up phase of the project, as a result of the Italian partners' entry into the company crisis procedure (with consequent great difficulties in finding not only managerial resources with the necessary skills, but also the technical support and corporate know-how of the partners), as well as during the last few years, with widespread delays and higher costs due to the COVID-19 effect. In the course of the financial year 2022, also due to the Russian-Ukrainian war, the problems related to procurement and the increase in the price of raw materials, electricity and other commodities were exacerbated; furthermore, in the same period, certain issues related to the project design intensified, even if they have been finally managed and resolved. An accurate update of the project life estimates therefore generated the need for a global revision of its results, incorporating not only the limited achievement of efficiency targets previously assumed, but also the lengthening of execution times and the revision of raw material and service costs, only partially covered by the adjustments included in the contractual terms and, consequently, caused significant additional losses to be recorded in the results of the current period.

In general, the price increases for materials had a widespread impact on the Group's business and performance, both in Italy and abroad. These were partially mitigated in Italy by compensatory measures put in place by the government in the context of public contracts and concessions, and abroad, where applicable, by specific contractual provisions.

In addition, within the framework of the project for the construction of the Reem Mall in Abu Dhabi, numerous design modifications and additional works requested by the customer resulted in significant extra costs and additional time, which were the subject of various amicable negotiations with the customer, which lasted for several months but then suddenly resulted in an illegitimate unilateral termination of the contract by the latter, despite the fact that the works had been substantially completed by 98%, and in the enforcement of the bonds with the local banks, against alleged and unsubstantiated damages; the unjustified action was promptly legally countered by the Company. The difficult financial situation of Itinera's partner in the initiative should also be noted, which is causing, among other things, problems in the management of residual positions with local subcontractors.

In this context, following the aforementioned non-recurring events, at the request of the Board of Directors, as previously mentioned, the shareholders immediately decided to reinforce the Company's equity and financial position by means of a capital injection totalling Euro 245.7 million; following this operation, the Company's and the Group's Shareholders' Equity was strengthened and amounted to Euro 220.0 million and Euro 164.8 million, respectively; the Group's solidity is also well represented by the positive balance of Net Financial Indebtedness, amounting to Euro 101.8 million as of 31 December 2022.

Overall, the 2022 financial year shows a consolidated production value of Euro **1,406 million**, up by Euro 175 million (i.e. a 13% increase) compared to the 2021 value (Euro 1,231 million). This trend is at-

tributable to the increased production contributed by the parent company **Itinera S.p.A.** and some Group companies particularly the **Brazilian** subsidiaries and the Halmar Group.

As far as geographic areas are concerned, in **Italy**, production in the 2022 financial year amounted to Euro 511.4 million, an increase of about 25% compared to the previous year (Euro 409.6 million); the domestic market accounted for 36% of the business carried out, up from 33% in the previous year.

Among the most significant projects that the Group is carrying out, it should be highlighted, in Italy, the design and construction of the Naples-Bari railway line, (sections Cancellò-Frasso Telesino, Frasso Telesino-Telese and Telese-San Lorenzo-Vitulano), the construction of the connection of the Turin-Ceres line with the RFI network in Turin, the design and execution of the completion works of the Ospitaletto-Montichiari motorway connection, the design and execution of the completion works of the Asti-Cuneo motorway and the seismic upgrading and other works on the Turin-Savona motorway.

**In foreign markets** there was a total increase in production Euro 73.5 million in the course of the 2022 financial year compared to the previous year (with volumes of Euro 894.7 million compared to Euro 821.2 million as at 31 December 2021, +9%).

Among the most significant **international projects**, it should be highlighted the construction of the RA243 motorway in Kuwait, the Bucharest ring road in Romania, the construction of the Odense and Koge hospitals and the Storstroem Bridge in Denmark, the Arenastaden-SodraHagalund and Nacka-Soderoft metro lines and the construction of the new Skurunsund Bridge in Sweden, and the construction of the Mina Tunnel in the Arab Emirates, with the latter two projects nearing completion; in addition, the most significant projects developed by the subsidiary Halmar in the US market include the expansion of the Long Island Railway (LIRR) in New York, the modernisation of the Kew Garden road node in New York, the construction of the Potomac Yard railway station in Washington, and the Van Wyck Expressway project in New York as well as the expansion of the Metro-North line from the



Bronx to Manhattan in New York (the Penn Station Access Project).

Also abroad, in July and June 2022, the Satu Mare motorway bypass in Romania and the Okavango Bridge in Botswana, respectively, received final acceptance and both were subsequently inaugurated.

From a **commercial** perspective, in line with the strategic plan, Itinera continues to support the Parent Company ASTM for participation in PPP (Private Public Partnership) international tenders thanks to the references, technical-engineering know-how, knowledge and position in international markets that have been developed in recent years.

New orders acquired in the period totalled Euro 2.7 billion, of which Euro 1.5 billion were orders collected by the parent company Itinera S.p.A..

The portion of these new orders relating to **Italy** totalled Euro 1,278 million, mainly related to the parent company **Itinera S.p.A.**, and entirely related to works entrusted by concessionaires belonging to the ASTM Group.

In this context, mention must be made of the establishment of the Eteria Stable Consortium, of which Itinera is a member, in order to participate in some key business initiatives in the Italian territory currently being studied in the fields of railways, undergrounds, maritime and road works as part of the "National Recovery and Resilience Plan" implemented by the Italian government. In this regard, during the financial year that has just ended, the Consortium studied the main tenders published.

The portion of new orders attributable to **international markets**, on the other hand, amounts to Euro 1,373 million, of which approximately Euro 380 million was acquired by **Itinera Construções**, mainly for contracts awarded through tenders in which it participated as EPC contractor together with the concession holder Ecorodovias, Euro 202 million collected by the parent company **Itinera S.p.A.** thanks to the awarding of two projects for the construction of metro sections in Stockholm, Sweden

and, finally, Euro 598 million contributed by the Halmar Group.

With regard to the American market, after decades of limited investments, there has been a major trend reversal for US transport infrastructure and transit systems thanks to the introduction of the Biden Administration's ambitious infrastructure package.

The subsidiary **Halmar** is liaising with Itinera and the Parent Company ASTM to implement strategies both to achieve alliances with new commercial partners to create competitive and reliable joint ventures, as well as organisational improvements. The US subsidiary's geographic operating market has always been the states of New York and New Jersey, where its main operating sites are active and where the company is actively involved in interesting ventures. In this regard, it is worth mentioning the award to Halmar, during the fourth quarter of 2022, of the work related to the resurfacing and modernisation of the Park Avenue railway viaduct in Manhattan, on behalf of the MTA, and the EPC contract, which is currently being formalised, as part of the concession project awarded by the MTA to ASTM North America, for the improvement of accessibility in 13 stations of the New York underground; moreover, in early 2023, the company, in a JV with a leading international contractor, was selected as "preferred bidder" in a major tender for the renovation of connecting road infrastructures of JFK airport in New York.

In a situation of growing complexity, the Itinera Group, strengthened by its confirmed strategic value for shareholders, thus continues its growth and focus on strategic markets (Italy, Central and Northern Europe, the USA and Brazil) and consolidates its presence in the domestic and international reference market, and continues its project of organisational strengthening, in particular both in the technical area, responsible for studying ventures and projects both in Italy, through the Eteria Stable Consortium, and abroad, as well as in the operational field, focused on the management of construction sites in the subsequent execution phase.

# ITINERA GROUP KEY ECONOMIC AND FINANCIAL CONSOLIDATED FIGURES

Group **Revenues** amounted to Euro 1,406.1 million at the end of the 2022 financial year, an increase of about Euro 175.3 million (+14%) compared to 2021 (in which production amounted to Euro 1,230.8 million). 64% of the volumes were realised abroad (compared to 67% in 2022).

**EBITDA** was affected by the events already described in the Introductory considerations and, at the consolidated level, fell from Euro (25.1) million in the 2021 financial year to Euro (141.2) million in 2022, showing a negative change of Euro (116.2) million. This evolution was influenced in particular by the significant losses recorded on the Storstrom Bridge project (with an impact on EBITDA of Euro 182 million, out of a total loss recognised in the financial year of Euro 194 million) and the loss recorded by the parent company Itinera S.p.A. on the Reem Mall project (for approximately Euro 41 million). Also of minor impact was the negative op-

erating result contributed by the Halmar Group as a result of worse than expected results on a major ongoing project. Although only to a marginal extent, the operating losses resulting from the aforementioned events were partially offset by the better operating results achieved by the parent company Itinera S.p.A., especially with regard to Italian contracts, as well as by the subsidiary Tubosider S.p.A..

The **Operating margin (EBIT)** amounts to Euro (176.6) million, compared to Euro (59.8) million in the previous year, after amortisation and depreciation charges on intangible and tangible assets of Euro (30.4) million ((31.8) million as at 31 December 2021) and accrual of provisions for risks and charges of Euro (5.0) million ((2.9) million as at 31 December 2021).

The **Result from financial management and equity investments** shows a negative balance of Euro



(9.1) million, compared to Euro (6.3) million in the same period in 2021, which was particularly affected by the results of equity-accounted investments, which generated a Euro (5.5) million loss. The residual contribution from financial management, amounting to Euro (3.6) million, is related to the net balance of financial income and expenses.

Lastly, the **Consolidated result** for 2022 amounts to Euro (194.2) million, compared to Euro (70.4) million in 2021. This value is the result of a loss attributable to the Group of Euro (197.5) million and positive results pertaining to minority shareholders of Euro 3.3 million.

As regards the Group's financial structure, **Net financial indebtedness** (NFI) at 31 December 2022 showed a positive balance of Euro 101.8 million, compared to Euro (104.7) million as at 31 December 2021, an improvement of Euro 206.6 million. This improvement is determined above all by the cash injection made by the shareholders totalling Euro 136.6 million to cover the losses of the parent company Itinera S.p.A., to which are added, in particular, the cash flows generated by operations of

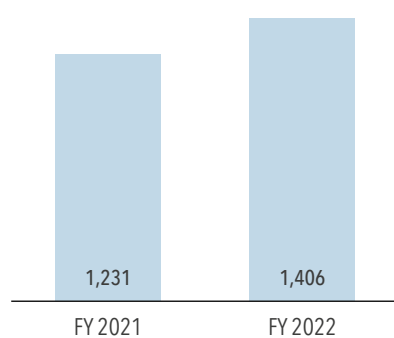
Euro 61.5 million.

A portion of the liquidity generated in the period was used, without recording any impact on Net financial indebtedness, for the partial repayment of loans granted by the Parent Company ASTM, amounting to approximately Euro 45 million.

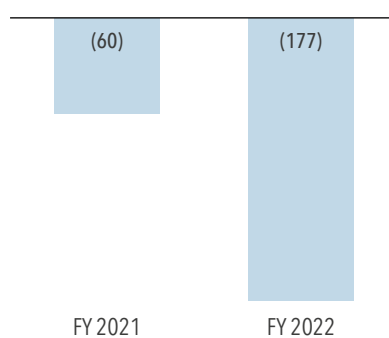
**Shareholders' equity** as of 31 December 2022, following the loss coverage and capital increase transaction approved by the shareholders on 28 September 2022, related to the emergence of significant losses already in the half-yearly Statement of Financial Position as of 30 June 2022 (please refer to the section below entitled "Extraordinary transactions" for further details), that amounted to Euro 164.8 million, of which Euro 139.7 million pertaining to the Group.

The **Backlog** amounts to approximately Euro 5.6 billion, compared to Euro 4.1 billion as at 31 December 2021, and includes **new orders**, including contractual increases on contracts already in place at the end of the previous year, amounting to Euro 2.7 billion.

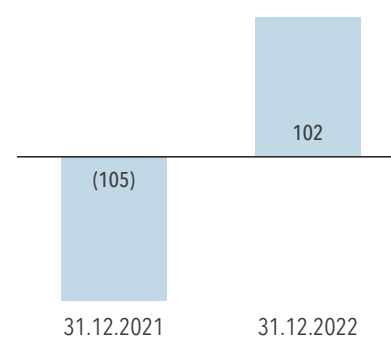
#### ITINERA GROUP - REVENUES



#### ITINERA GROUP - EBIT



#### ITINERA GROUP - NFI



## SUMMARY STATEMENTS - ITINERA GROUP CONSOLIDATED INCOME STATEMENT FIGURES

(values in millions of Euro)	2022	2021	Change
Revenues	1,406.1	1,230.8	175.3
Operating costs	(1,547.3)	(1,255.8)	(291.5)
<b>EBITDA</b>	<b>(141.2)</b>	<b>(25.1)</b>	<b>(116.2)</b>
<i>EBITDA Margin</i>	<i>(10.0%)</i>	<i>(2.0%)</i>	<i>(8.0%)</i>
Amortisation and depreciation	(35.4)	(34.7)	(0.6)
<b>EBIT</b>	<b>(176.6)</b>	<b>(59.8)</b>	<b>(116.8)</b>
<i>EBIT Margin</i>	<i>(12.6%)</i>	<i>(4.9%)</i>	<i>(7.7%)</i>
Result from financial management and equity investments	(9.1)	(6.3)	(2.8)
<b>Earnings before taxes</b>	<b>(185.6)</b>	<b>(66.1)</b>	<b>(119.5)</b>
Taxes	(8.5)	(4.3)	(4.3)
<b>Consolidated result for the year</b>	<b>(194.2)</b>	<b>(70.4)</b>	<b>(123.8)</b>
Results attributable to minority interests	3.3	11.6	(8.3)
<b>Result attributable to the Group</b>	<b>(197.5)</b>	<b>(82.0)</b>	<b>(115.5)</b>

## SUMMARY STATEMENTS - ITINERA GROUP CONSOLIDATED STATEMENT OF FINANCIAL POSITION FIGURES

(values in millions of Euro)	31/12/2022	31/12/2021	Change
<i>Intangible assets</i>	48.0	86.3	(38.3)
<i>Tangible assets</i>	132.0	115.1	17.0
<b>Net fixed assets</b>	<b>180.0</b>	<b>201.4</b>	<b>(21.4)</b>
Non-current assets (liabilities)	(82.9)	(17.7)	(65.2)
Tax assets and (liabilities)	29.9	17.7	12.2
Provisions for risks and charges and employee benefits	(74.1)	(21.2)	(52.9)
Working capital	10.0	37.9	(27.9)
<b>Net invested capital</b>	<b>63.0</b>	<b>218.1</b>	<b>(155.1)</b>
Shareholders' Equity	164.8	113.4	51.4
Net Financial Indebtedness	101.8	(104.7)	206.6
<b>Equity and minority interests</b>	<b>63.0</b>	<b>218.1</b>	<b>(155.1)</b>

## ITINERA S.P.A. KEY ECONOMIC AND FINANCIAL FIGURES

As of 31 December 2022, the parent company's **Production** amounted to Euro 827.9 million, showing an increase of Euro 111.2 million (+15%) compared to production in 2021 (Euro 716.7 million). 52% of the volumes were realised in Italy (44% in 2022).

**EBITDA** for the financial year 2022 showed a positive balance of Euro 5.9 million, compared to the negative result of Euro (5.4) million in the comparison period, mainly in connection with the improved operating results attributable largely to the company's Italian contracts, which offset the significant operating loss recognised on the **Reem Mall** contract of approximately Euro 41 million.

**EBIT** for the year 2022 amounts to Euro (12.1) million (Euro (24.9) million in 2021), after amortisation and depreciation charges on intangible and tangible assets of Euro (13.1) million (Euro (16.7) million as at 31 December 2021) and accrual of provisions for risks and charges of Euro (4.8) million (Euro (2.9) million as at 31 December 2021).

The **Result from financial management and equity investments** made a further negative contribution of Euro (169.0) million, linked to the net effect of the loss to be covered on the subsidiary Storstroem Bridge I/S (Euro (193.3) million) and on other subsidiaries for Euro (8.5) million, only partially offset by the positive effect deriving from dividends from subsidiaries received during the period (Euro 22.9 million in total, of which Euro 18.0 million paid by Tubosider S.p.A. and Euro 4.5 million paid

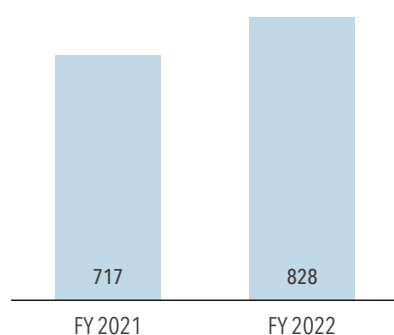
by SEA S.p.A.) and exchange rate gains accrued on loans granted in foreign currency to Group companies (for a net Euro 7.5 million).

As a consequence of the factors described above, this results in a **Net loss** for the period of Euro (180.7) million (Euro (102.9) million as of 31 December 2021), which takes into account taxes for the period equal to a marginal positive balance of Euro 0.4 million.

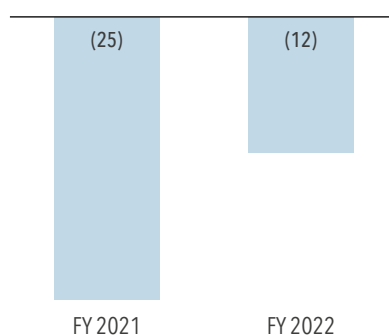
**Net financial indebtedness** at 31 December 2022 was negative equal to Euro (25.8) million, an improvement of Euro 97.0 million compared to the negative balance of Euro (122.8) million as at 31 December 2021. This positive change was mainly due to the cash injection made by shareholders on 28 September 2022 to cover losses, totalling Euro 136.6 million, in addition to the cash flows generated by operating activities, amounting to approximately Euro 110 million. These positive changes were, however, partially offset by disbursements related, for various reasons, to equity investments in subsidiaries (amounting to approximately Euro 128 million) as well as investments (including tangible assets and rights of use) amounting to a net amount of approximately Euro 23 million.

**Shareholders' equity** as of 31 December 2022, following the loss coverage and capital increase transaction resolved by the shareholders on 28 September 2022, related to the emergence of significant losses already in the Half-year Statement of Finan-

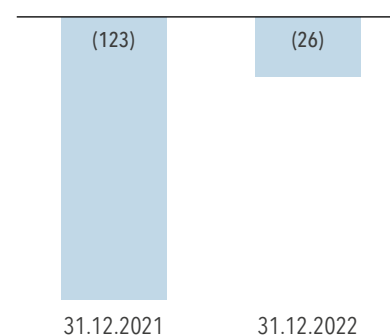
ITINERA S.p.A. - REVENUES



ITINERA S.p.A. - EBIT



ITINERA S.p.A. - NFI



cial Position as of 30 June 2022 (please refer to the section below entitled “Extraordinary transactions” for further details), amounted to Euro 220.0 million (Euro 155.6 million as of 31 December 2021). Of this amount, a portion of Euro 167.6 million of the total capital increase of Euro 223.4 million is still to be paid in.

Finally, the Company's total **backlog** reached approximately Euro 3.3 billion at year-end, up Euro 0.7 billion from Euro 2.5 billion at 31 December 2021.

## SUMMARY STATEMENTS - ITINERA S.P.A. INCOME STATEMENT DATA

(values in millions of Euro)	2022	2021	Change
Revenues	827.9	716.7	111.2
Operating costs	(822.1)	(722.0)	(100.0)
<b>EBITDA</b>	<b>5.9</b>	<b>(5.4)</b>	<b>11.2</b>
<i>EBITDA Margin</i>	<i>0.7%</i>	<i>(0.7)%</i>	<i>1.5%</i>
Amortisation and depreciation	(17.9)	(19.6)	1.6
<b>EBIT</b>	<b>(12.1)</b>	<b>(24.9)</b>	<b>12.8</b>
<i>EBIT Margin</i>	<i>(1.5%)</i>	<i>(3.4%)</i>	<i>2.0%</i>
Result from financial management and equity investments	(169.0)	(82.1)	(86.9)
<b>Earnings before taxes</b>	<b>(181.0)</b>	<b>(107.0)</b>	<b>(74.1)</b>
Taxes	0.4	4.1	(3.7)
<b>Net result for the year</b>	<b>(180.7)</b>	<b>(102.9)</b>	<b>(77.8)</b>

## SUMMARY STATEMENTS- ITINERA S.P.A. STATEMENT OF FINANCIAL POSITION DATA

(values in millions of Euro)	31/12/2022	31/12/2021	Change
<i>Intangible assets</i>	<i>0.1</i>	<i>0.1</i>	<i>(0.0)</i>
<i>Tangible assets</i>	<i>51.0</i>	<i>47.6</i>	<i>3.4</i>
<b>Net fixed assets</b>	<b>51.1</b>	<b>47.7</b>	<b>3.4</b>
Non-current assets (liabilities)	289.9	209.4	80.5
Tax assets and (liabilities)	26.8	21.6	5.2
Provisions for risks and charges and employee benefits	(25.2)	(19.8)	(5.4)
Working capital	(96.8)	19.6	(116.4)
<b>Total net invested capital</b>	<b>245.8</b>	<b>278.5</b>	<b>(32.7)</b>
Shareholders' equity	220.0	155.6	64.4
Net financial indebtedness	(25.8)	(122.8)	97.0
<b>Equity and minority interests</b>	<b>245.8</b>	<b>278.5</b>	<b>(32.7)</b>

# EXTRAORDINARY TRANSACTIONS

## LOSS COVERAGE AND SHARE CAPITAL INCREASE OF ITINERA S.p.A. RESOLVED ON 28 SEPTEMBER 2022

As reported in the previous Introductory considerations, during 2022, the uncertainty caused by the continuation of the Russian-Ukrainian war accentuated the generally critical state of affairs related to procurement and the increase in the price of raw materials, electricity and other commodities. This negatively impacted the margins of certain projects and, in particular, the already critical project related to the design and construction of the new double-track road and rail bridge on the islands of Falster and Masnedø (Sjælland Region) in Denmark (Storstroem Bridge), resulting in the recognition of significant future losses due to forecasts of higher costs to completion, which substantially contributed to the total loss of Itinera of Euro 179 million at 30 June 2022, in addition to the losses of Euro 105 million accrued through 31 December 2021. These losses resulted in a negative equity value of Euro 22.3 million in the balance sheet of Itinera S.p.A. as at 30 June 2022.

Accordingly, on 23 September 2022, the Board of Directors of Itinera S.p.A. requested that the shareholders promptly strengthen the Company's equity and financial situation through the following pro-rata payments:

- Euro 58.4 million, equal to the portion of the share capital increase approved on 15 December 2021 that remained to be paid in, so that the Company's share capital could be subscribed and paid-in for Euro 232.8 million;
- Euro 22.3 million for coverage of losses;
- Euro 55.8 million for a future capital increase this amount corresponds to 25% of a capital

increase (amounting to Euro 223.4 million) to be approved at an extraordinary shareholders' meeting, to be held in a plenary form, on 28 September 2022.

With regard to this last point, in particular, the Board of Directors of Itinera S.p.A. also requested that the shareholders immediately undertake a commitment to subscribe, on the basis of their respective shareholdings, this capital increase during the shareholders' meeting.

Subsequently, on 27 September 2022, the administrative bodies of the shareholders approved to enter into the aforementioned commitments, including making all the required and above-mentioned payments, on 28 September 2022.

On 28 September 2022, the same shareholders, during an extraordinary general shareholders' meeting, unanimously approved to cover Itinera S.p.A.'s total losses of Euro 282.3 million through the utilisation of existing reserves, including those formed as a result of specific payments made by shareholders, and the partial reduction of the share capital, with a simultaneous increase of the latter and its reconstitution in the current amount of Euro 232.8 million.

At the date of approval of the Consolidated Half-year Financial Report as at 30 June 2022 by the Board of Directors of Itinera S.p.A., the parent company's Shareholders' Equity had already been reconstituted and amounted to Euro 223.4 million.

As at 31 December 2022, based on the additional changes that occurred during the second half of the year, which saw the loss for the year increase from Euro 179 million to Euro 181 million, Itinera S.p.A.'s shareholders' equity amounted to Euro 220 million.



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## MANAGEMENT REPORT

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## GENERAL INFORMATION

The Consolidated Financial Statements prepared according to IAS/IFRS international accounting policies includes the parent company ITINERA S.p.A. and its subsidiaries' financial statements.

For further information on the technical methods and policies adopted to prepare the Consolidated Financial Statements, please see the Notes to the Group financial statements in the paragraphs "Basis of consolidation and accounting principles" and "Scope of consolidation".



# ITINERA GROUP BUSINESS AND COMPOSITION

The Group operates in the construction sector with road, highway and railway infrastructure construction and maintenance, building works, hospitals, shopping centres, maritime, bridge and underground works as their core business, as well as, albeit with a now marginal role, the sale of materials related to this business.

As at 31 December 2022, the main controlled entities of the parent company Itinera S.p.A., consolidated with the integral method, are Halmar International LLC (80% of share capital, with the option to acquire the remaining 20%) and its subsidiaries, Itinera Construções Ltda (90% of share capital) and its subsidiaries, Taranto Logistica S.p.A. (95% of share capital), Sea Segnaletica Stradale S.p.A (hereinafter also "SEA", 100% of share capital) and Tubosider S.p.A. (90% of share capital).

## CHANGE IN SCOPE OF CONSOLIDATION

During the year, changes in the scope of consolidation were determined by the following transactions:

- Incorporation of the companies ICCR-135 S.A. and ICCR-153 S.A., both subsidiaries of Itinera Construções Ltda, in the context of certain ongoing contracts with the concession holder Ecorodovias; both companies were incorporated on 1 July 2022;
- Establishment of the Halmar-Railworks Joint Venture, an unincorporated vehicle through which Halmar International participates in the Penn Station Access project, classified as a joint operation;
- Sale of interests in the Joint ventures ASCI Logistik GmbH and CIS Beton GmbH, agreed with Porr following the exit from ARGE H51 in the financial year 2021. These Joint Ventures were consolidated under the equity method in the Consolidated Financial Statements as of 31 December 2021;
- Completion of the liquidation process of the following subsidiaries, resulting in their removal from the scope of consolidation: Formazza S.c.a.r.l., Fondo Valle S.c.a.r.l., Cons. Costr. Veneti San Marco and Sistemi e Servizi S.c. a.r.l., all of which are consolidated using the equity method in the Consolidated Financial Statements as at 31 December 2021.

## SCOPE OF CONSOLIDATION

### SUBSIDIARIES CONSOLIDATED WITH AN "INTEGRAL METHOD"

Subsidiaries	Registered office	% of direct interest	% of interest
Agognate S.c.a.r.l. in liquidation	Tortona (AL), Strada Privata Ansaldi 8	96.90%	96.90%
Biandrate S.c.a.r.l. in liquidation	Tortona (AL), Strada Privata Ansaldi 8	96.90%	96.90%
Cornigliano 2009 S.ca. r.l.	Tortona (AL) - St. Statale Alessandria 6/a	99.80%	99.80%
Crispi S.c.a.r.l. with sole shareholder in liquidation	Tortona (AL) - St. Statale Alessandria 6/a	100.00%	100.00%

Subsidiaries	Registered office	% of direct interest	% of interest
Crz01 S.ca. r.l.	Tortona (AL) – St. Statale Alessandria 6/a	100.00%	100.00%
Diga Alto Cedrino S.c. a r.l.	Tortona (AL) - Via Balustra 15	80.00%	80.00%
I/S Storstroem Bridge	4760 Vordingborg - Brovejen 16 - Denmark	99.99%	99.99%
Itinera Construções Ltda	Vila Nova Conceicao Sao Paulo - Brazil	90.00%	90.00%
ICCR 135 S.A.	Rua Oscar Araujo, 1048 - Curiango - Estado de Minas Gerais - Brazil	50.01%	45.01%
ICCR 153 S.A.	Av Pedro Ludovico, 103 - Uruacu - Estado De Goias - Brazil	50.01%	45.01%
Lambro S.c.a r.l.	Tortona (AL) – St. Statale Alessandria 6/a	97.21%	97.21%
Lanzo S.c.a r.l.	Tortona (AL) – St. Statale Alessandria 6/a	75.00%	75.00%
Marcallo S.c.a r.l.	Tortona (AL) – St. Statale Alessandria 6/a	100.00%	100.00%
Mazzè S.c.a r.l.	Tortona (AL) – St. Statale Alessandria 6/a	80.00%	80.00%
Partecipazione Roma Sud	C.so Torino 236 Asti	55.00%	49.50%
Ramonti S.c.a r.l. in liquidation	Tortona (AL) – St. Statale Alessandria 6/a	51.00%	51.00%
SAM Società Attività Marittime S.p.A.	Tortona (AL) – St. Statale Alessandria 6/a	100.00%	100.00%
SEA Segnaletica Stradale S.p.A.	Tortona (AL) – St. Statale Alessandria 6/a	100.00%	100.00%
Sinergie S.c.a r.l. in liquidation	Tortona (AL) – St. Statale Alessandria 6/a	100.00%	100.00%
Soc. di Progetto Concessioni del Tirreno Spa	Tortona (AL) – St. Statale Alessandria 6/a	100.00%	100.00%
Taranto Logistica S.p.A.	Tortona (AL) – St. Statale Alessandria 6/a	95.00%	95.00%
Torre di Isola S.c.a r.l.	Tortona (AL) – St. Statale Alessandria 6/a	99.90%	99.90%
Tubosider S.p.A.	Corso Torino 236, 14100 Asti	90.00%	90.00%
Urbantech S.r.l.	Pontedera (PI) – Via Lombardia 34	100.00%	100.00%
Itinera USA CORP	2140 S Dupont Highway Street, Camden Delaware - United States	100.00%	100.00%
Ashlar Structural LLC	421 East Route 59 Nanuet, Ny 10954-2908 - United States	50.00%	40.00%
Atlantic Coast Foundations Llc	421 East Route 59 Nanuet, Ny 10954-2908 - United States	100.00%	80.00%
Halmar International LLC	421 East Route 59 Nanuet, Ny 10954-2908 - United States	80.00%	80.00%
HIC Insurance Company Inc.	421 East Route 59 Nanuet, Ny 10954-2908 - United States	100.00%	80.00%
Halmar International Trucking Inc.	421 East Route 59 Nanuet, Ny 10954-2908 - United States	100.00%	80.00%
Halmar Transportation System Llc	421 East Route 59 Nanuet, Ny 10954-2908 - United States	100.00%	80.00%
Halmar International - LB Electric Llc	421 East Route 59 Nanuet, Ny 10954-2908 - United States	60.00%	48.00%
HINNS JV	421 East Route 59 Nanuet, Ny 10954-2908 - United States	50.00%	40.00%
Halmar-A Servidone - B Anthony LLC	421 East Route 59 Nanuet, Ny 10954-2908 - United States	60.00%	48.00%
Potomac Yard Constructors JV	421 East Route 59 Nanuet, Ny 10954-2908 - United States	60.00%	48.00%

## JOINT OPERATIONS

Joint Operations	Registered office	% of direct interest	% of interest
I/S Koge Hospital	Ballerup, Industriparken 44 A CAP 2750 - Denmark	80.00%	80.00%
I/S Odense Hospital	5000 Odense C - Kochsgade, 31D - Denmark	49.00%	49.00%
ITINERA - GHANTOOT JV	Emirate of Abu Dhabi - UAE	50.00%	50.00%
Itinera Agility JV	Emirate of Abu Dhabi - UAE	75.00%	75.00%
Itinera/Cimolai JV	Gabarone - Republic of Botswana	72.23%	72.23%
3RD Track Constructors	810 Seventh Avenue 9th floor - United States	23.00%	18.40%
Halmar/RailWorks, a Joint Venture	421 East Route 59 Nanuet, Ny 10954-2908 - United States	51.00%	40.80%
Consortium Baixada Santista	Av Antonio Bernardo, 3951, Conj Residencial Hmaita, São Vicente/Sp, Cep 11349-380 - Brazil	50.00%	45.00%
Cons. Binario Porto de Santos	Rodovia Anchieta, S/N, KM 64 e 65, Bairro Alemoa, Município de Santos, Estado de São Paulo(SP) - Brazil	50.00%	45.00%
MG-135 Consortium	Avenida Dom Pedro II, número 801, Bairro Centro, Município de Curvelo, Estado de Minas Gerais (MG) - Brazil	50.00%	45.00%
Alcas da Ponte Consortium	Rua Carlos Seidl, número 576, Bairro Cajú, Município do Rio de Janeiro, Estado do Rio de Janeiro(RJ) - Brazil	50.00%	45.00%
CONSORCIO BR-050	Avenida José Severino, n. 3050, Lotamento Santa Terezinha Quadra 66 Cidade de Catalo, Estado De Gois - Brazil	50.00%	45.00%
Consortio SP-070	Rua Coronel Gomes Nogueira, 211 - Centro, Taubaté - San Paolo - Brazil	50.00%	45.00%
Consultoria - ECO135	Av Dom Pedro II, 801, Centro, Curvelo/Mg, 35790-000 - Brazil	50.00%	45.00%
Consultoria - Novos Negócios	Rodovia Dos Imigrantes - Sp 160, S/N, Km 28,5, Sala 01, Anexo Dtc, Jardim Represa, São Bernardo Do Campo/Sp, 09845-000 - Brazil	50.00%	45.00%
Consortio PSG	R Doutor Eduardo De Souza Aranha 387, Andar 1 Conj 12 Sala 5, 04.543-121 Vila Nova Conceicao, Sao Paulo - Brazil	50.00%	45.00%
CONSORCIO NN ENGENHARIA E CONSULTORIA	RODOVIA DOS IMIGRANTES - SP 160, S/N, KM 28,5, SALA 01, ANEXO DTC, JARDIM REPRESA, SÃO BERNARDO DO CAMPO/SP, CEP 09845-000 e ID TIN: 40.622.591/0001-53 - Brazil	50.00%	45.00%
TELT SEP JV	Laurade Parc D Activite Laurade 13103 Saint-Etienne-Du-Gres (France)	25.00%	25.00%

## JOINT SUBSIDIARIES CONSOLIDATED USING THE EQUITY METHOD

Company name	Registered office	% of interest
Atifon S.c.a.r.l.	Corso Torino 236, 14100 Asti	45%
Aurea S.c.a.r.l.	15057 Tortona (AL), Strada Statale per Alessandria 6/a	50%
Autostrada Nogare Mare Adriatico S.c.p.A. in liquidation	37135 Verona, Via Flavio Gioia 71	29%
Cervit S.c.a.r.l.	20151 Milan, Via Antonio Cechov 50	51%
CMC ITINERA JV S.c.p.A.	Ravenna, Via Trieste	49%
Colmeto S.c.a.r.l.	Tortona (AL), Strada Statale per Alessandria 6/A	51%
Con.Si.L.Fer.	Roma - Via Indonesia 100	50%
Consorzio Costruttori TEEM	15057 Tortona (AL), Strada Statale per Alessandria 6/a	35%
Consorzio Frasso Telesino	43121 Parma - Via Anna Maria Adorni 1	33%
Darsene Nord Civitavecchia S.c.a.r.l.	00139 Rome, Piazza Fernando De Lucia, 65	25%
ETERIA Consorzio Stabile Scarl	Via Bissolati n. 76, Roma	50%
FEDERICI STIRLING BATCO LLC	Muscat (Oman) - P.O. BOX 1179 ALATHAIBA, 130	49%
Frasso Scarl	43121 Parma, Via Madre Anna Maria Adorni 1	33%
Grugliasco S.c.a.r.l.	Tortona (AL), Strada Statale per Alessandria 6/a	50%
Interconnessione Scarl	15057 Tortona (AL), Strada Statale per Alessandria 6/a	50%
Letimbro S.c.a.r.l. in liquidation	15057 Tortona (AL), Strada Statale per Alessandria 6/a	49%
Lissone S.c.a.r.l. in liquidation	20147 Milan, Via Marcello Nizzoli 4	50%
Malco S.c.a.r.l.	36100 Vicenza - Viale dell'Industria 42	50%
Mill Basin Bridge Constructors	421 East Route 59 Nanuet, Ny 10954-2908	50%
MOSE BOCCA DI CHIOGGIA SCARL	35127 Padua, Via Belgio 26	43%
MOSE OPERAE S.c.a.r.l.	35127 Padua, Via Belgio 26	40%
Mose TREPORTI	35127 Padua, Via Belgio 26	23%
Ponte Nord S.p.A.	43121 Parma - Via Anna Maria Adorni 1	50%
S.A.C. S.r.l. Consortium in liquidation	Carini (PA) - S.S. 113 industrial area	35%
San Donato Scarl	15057 Tortona (AL), Strada Statale per Alessandria 6/a	49%
SP01 limited liability consortium company	Turin - Via Vincenzo Vela 42	40%
Telese Scarl	00195 Roma, Via Pietro Borsieri 2/A	45%
TESSERA S.C. A.R.L.	15057 Tortona (AL), Strada Statale per Alessandria 6/a	39%
Tuborus LLC	Ulitsa Zubkovoy 82 - Ryazan Oblast - 390037 RUSSIA	50%
Tunnel Frejus S.c.a.r.l.	15057 Tortona (AL), Strada Statale per Alessandria 6/a	50%

# GROUP AND COMPANY BUSINESS TRENDS IN 2022

## MACROECONOMIC SCENARIO

The global economic outlook deteriorated in the light of high geopolitical uncertainty, high and rising inflation, and difficult financial conditions. According to December 2022 projections, the global real GDP growth rate (not including the euro area) is expected to slow down to 2.6 % in 2023, below its long-term average, before gradually recovering to 3.1 % and 3.3 % in 2024 and 2025, respectively.

The outlook for global trade and foreign demand in the euro area is worsening, with global price pressures remaining broad and high against a backdrop of still relatively robust demand, tight labour markets and high food prices, but expected to diminish as commodity markets stabilise and growth weakens, albeit against a backdrop of high uncertainty.

### Situation in Italy

According to the latest available data, following the slowdown in economic growth experienced in the third quarter of 2022 and to the slight contraction in the fourth quarter, mainly due to the significant reduction in household consumption, consumption is also expected to decrease in the first quarter of 2023, and then remain stable during 2023. These dynamics are also reflected in the development of demand for foreign goods (imports), which is also expected to slow down in 2023. Italian export growth will be dampened by the global economic slowdown but will return to make a positive net contribution to growth. With regard to the consumer price index, an easing of supply chain pressure and a reduction in energy price pressure will lead to a reduction in the inflation rate, which will nevertheless remain significantly higher than the ECB's price stability target (2 per cent) and far from pre-pandemic levels.

Taking the above considerations into account, the forecasts indicate real GDP growth for Italy of 3.8% in 2022 and 0.6% in 2023, while the inflation rate is estimated to pass from 8.2% in 2022 to 7.1% in 2023. Economic growth will be accompanied by a

slightly expanding labour market, with the unemployment rate falling to just below 8% next year. The public deficit is expected to stand at 5% in 2022 and 4.1% in 2023, and public debt to continue its descent from the peaks of the pandemic crisis, dropping towards 145% of GDP, still very high values. Economic and price growth will play a key role in reducing the public debt/GDP ratio, also due to the activation of 'nominal' factors (e.g. an increase in the value of tax revenues). As far as investments are concerned, these will grow but are estimated to slow down due to a weaker and more uncertain economic environment and higher interest rates; the "Recovery and Resilience Plan" (RRP) will play a key role in keeping GDP growing. However, the outlook remains subject to a scenario of high uncertainty and therefore presents important risks, mainly related to the global macroeconomic environment, both downward and upward.

### The European situation

Economic growth in the euro area slowed to 0.3% in the third quarter of the year. High inflation and tighter financing conditions are curbing spending and production, increasing costs for businesses. The world economy is also slowing down, against a backdrop of continuing geopolitical uncertainty, mainly due to Russia's war against Ukraine, and tighter global financing conditions.

On the positive side, employment increased by 0.3% in the third quarter and unemployment hit a new record low of 6.5% in October.

According to December 2022 projections, the euro area budget balance is expected to worsen in 2023 and improve thereafter, while public debt is expected to decline over the entire projection horizon. After an forecast improvement in 2022 (from -5.1% of GDP in 2021 to -3.5% in 2022), the budget balance is expected to decrease to -3.7% in 2023.

Against a backdrop of exceptional uncertainty, inflation projections have been significantly revised;



inflation is expected to fall from an average of 8.4% in 2022 to 6.3% in 2023, down from the 10% recorded in the last quarter of 2022 to a projected 3.6% in the last quarter of 2023.

Inflation is expected to fall further to an average of 3.4% in 2024 and 2.3% in 2025. The decline in inflation over the projection horizon reflects the strong energy-related effects during 2023, the gradual impact of the ECB's normalisation of monetary policy that started in December 2021, the weaker growth outlook and the assumed decline in energy and food commodity prices, in line with futures prices, as well as the assumption that long-term inflation expectations will remain anchored.

In this scenario, on 21 July 2022 the European Central Bank raised interest rates by 50 basis points for the first time in 11 years, adding a further 75 basis point increase in September 2022. At its December meeting, the ECB also decided to raise its key interest rates by a further 50 basis points and, on the basis of still sustained inflation, plans to raise them further. As a result, the interest rate of the main refinancing operations and the interest rates of the marginal lending facility and the deposit facility were increased to 2.50%, 2.75% and 2.00%, respectively, as of 21 December 2022. The ECB believes that interest rates will still have to rise significantly

and sustainably to reach sufficiently restrictive levels to ensure a return of inflation to the 2% medium-term target.

In conclusion, the risks for economic growth prospects are on the downside, especially in the short term, particularly in relation to the consequences of the war against Ukraine. Energy and food costs may also remain consistently higher than expected. There might be a further drag on growth in the euro area if the world economy weakens more sharply than expected.

The risks to the inflation outlook are mainly on the upside. In the short term, energy and food prices might increase more than expected. In the medium term, risks stem mainly from domestic factors such as a persistent rise in inflation expectations above the ECB's 2% target, while conversely, a fall in energy costs or a further weakening of demand would reduce price pressure.

### United States

The US economy will expand at a moderate pace of 0.5-1% in 2023, as measured by real GDP, which incorporates the forecast of a mild recession starting in late 2023. This would be a further deceleration of growth from 1.5-2% in 2022, 6% in 2021 and the

longer-term average annual growth rate of 1.8%.

Looking at the main components of GDP, analysts expect real consumer spending to increase by about 2% in 2023, which assumes wage growth of 4-5%, moderation of inflation to 3-4%, and a further reduction in excess savings accumulated in the event of a pandemic. Government spending, which accounts for 17-18% of GDP, is expected to make a neutral contribution in 2023, with increased spending on infrastructure and the CHIPS and Science Act, offset by reduced pandemic-related spending. Business investment will increase by 3% in 2023, with significant spending on equipment and technology.

The Fed's rate hike cycle is coming to an end; the Fed is currently tightening monetary policy very quickly and analysts believe it will provide another 100 basis points of increases before waiting for economic results next spring. This includes a forecast for two increases of 25 basis points in February and March 2023.

The rate will be kept at this restrictive level until 2023, or until there is conclusive evidence that inflation is retreating to its 2% target level.

The reduction of the Federal Reserve's balance sheet, or quantitative tightening, is also underway and the current pace of outflows of USD 95 billion per month (USD 60 billion in Treasury securities, USD 35 billion in mortgage-backed securities) is expected to continue until 2023; this reduces liquidity in the economy.

### **Brazil**

In Brazil, a sharp slowdown in growth is underway. The economy is expected to expand by only 0.8% in

2023, unchanged from the June forecast, after 3% growth in 2022. Investment is expected to decrease sharply in 2023 as a result of a nearly 12 percentage point increase in the central bank's key interest rate, which has been observed since the beginning of 2021. Uncertainty over budgetary policy is a further obstacle for companies and exports are likely to grow more slowly than in recent years. Growth is expected to increase to 2% in 2024.

## **RUSSIAN-UKRAINIAN CRISIS**

The Itinera Group has no direct exposure in the geo-political areas affected by the Russian-Ukrainian crisis, with the exception of an equity interest in a Russian company, held indirectly through Tubosider S.p.A. and consolidated using the equity method. In this regard, considering the difficult recoverability as of today of this investment, it was deemed appropriate to proceed with the full write-down of its book value recorded at the close of 31 December 2021 (equal to Euro 1.2 million).

Generally speaking, the Russian-Ukrainian conflict has had serious repercussions on the prices of raw materials and derivatives (oil, energy, gas, ferrous materials, etc.) and indirectly on the prices of consumer goods, creating an inflationary spiral that has led to a rise in interest rates as a result of the changed monetary policy pursued by the Central Banks. During the course of the year these factors had an impact on the economy in general and - despite some offsetting elements - on the sector in which the Group operates, as amply evidenced by certain significant repercussions suffered by the Group in the context of some important ongoing projects.

# GROUP ECONOMIC, EQUITY AND FINANCIAL SITUATION ANALYSIS

This section provides the Reclassified Income Statement, Statement of Financial Situation and the Net Financial Indebtedness; the main changes to the economic and equity data compared to 31 December 2021 are also commented in brief.

## GROUP ECONOMIC SITUATION

(values in millions of Euro)	2022	2021	Change
Revenues	1,406.1	1,230.8	175.3
Operating costs	(1,547.3)	(1,255.8)	(291.5)
<b>EBITDA</b>	<b>(141.2)</b>	<b>(25.1)</b>	<b>(116.2)</b>
<i>EBITDA Margin</i>	<i>(10.0%)</i>	<i>(2.0%)</i>	<i>(8.0%)</i>
Amortisation and depreciation	(35.4)	(34.7)	(0.6)
<b>EBIT</b>	<b>(176.6)</b>	<b>(59.8)</b>	<b>(116.8)</b>
<i>EBIT Margin</i>	<i>(12.6%)</i>	<i>(4.9%)</i>	<i>(7.7%)</i>
Result from financial management and equity investments	(9.1)	(6.3)	(2.8)
<b>Earnings before taxes</b>	<b>(185.6)</b>	<b>(66.1)</b>	<b>(119.5)</b>
Taxes	(8.5)	(4.3)	(4.3)
<b>Consolidated result for the year</b>	<b>(194.2)</b>	<b>(70.4)</b>	<b>(123.8)</b>
Results attributable to minority interests	3.3	11.6	(8.3)
<b>Result attributable to the Group</b>	<b>(197.5)</b>	<b>(82.0)</b>	<b>(115.5)</b>

## Revenues

Group Revenues amounted to Euro 1,406.1 million at the end of the 2022 financial year, an increase of about Euro 175.3 million (+14%) compared to 2021 (in which production amounted to Euro 1,230.8 million).

This trend is attributable to the effect of increased production by the parent company **Itinera S.p.A.** (for approximately Euro 110 million) and by some Group companies, in particular the **Brazilian** subsidiaries (for Euro 72.4 million) and the Halmar Group (for Euro 38.4 million), in respect of major construction projects started during 2022. Moreover, this increase is to be considered net of non-recurring events, such as those related to the Storstroem Bridge and Reem Mall projects already mentioned at the beginning of this section, which also had an offsetting effect on the overall higher production for the period.

Foreign production amounted to Euro 894.7 million (an increase of Euro 73.5 million, or about 9%, compared to the comparison period), and accounted for 64% of the total (67% in the comparison period), of which Euro 396.4 million related to the Halmar Group, Euro 396.2 million related to the foreign construction projects of the parent company Itinera S.p.A., and Euro 91.9 million related to Itinera Construções and other Brazilian subsidiaries.

On the other hand, a portion of the turnover of Euro 511.4 million (36% of the total compared to 33% in 2021) was realised in Italy, which also increased compared to the comparison period by Euro 101.8 million, or about 25%.

### Operating costs

**Operating costs** amounted to Euro (1,547.3) million, up by Euro 291.5 million compared to the same period in the previous year, a change of about 23%.

Apart from the generalised significant increase in the cost of raw materials - which, combined with the macroeconomic situation, has had a direct impact on all the main cost items - this increase was mainly due to the recognition of the losses within the projects related to the construction of the **Storstroem Bridge** and the **Reem Mall**.

### Gross operating income (EBITDA)

As mentioned above, the Gross operating margin (**EBITDA**) amounted to Euro (141.2) million (Euro (25.1) million as of 31 December 2021), posting a deterioration of Euro 116.2 million. This change was affected, in particular, by the major losses recorded on the Storstroem Bridge project (with an impact on EBITDA of Euro 182 million, out of a total loss of Euro 194 million recognised for the year) and the loss recorded by the parent company Itinera S.p.A. on the Reem Mall project (for approximately Euro 41 million). In addition, although with a lesser impact, the deterioration of the operating result contributed by the Halmar Group (Euro (27.8) million compared to 2021) should be noted, mainly as a result of the worsening effect of the accrued expected results on a significant ongoing project, resulting from various unfavourable events related to site conditions, interference and delays in the supply chain. Although only to a marginal extent, the operating losses resulting from the aforementioned events were partially offset by the better operating results achieved by the parent company Itinera S.p.A., especially with regard to Italian contracts, as well as by the subsidiary Tubosider S.p.A..

### Depreciation, amortization, write-downs and provisions

**Depreciation, amortisation, write-downs and provisions** as at 31 December 2022 totalled Euro (35.4) million (Euro (34.7) million as at 31 December 2021), essentially in line with the previous period.

In particular, Depreciation, amortisation and write-downs amounted to a total of Euro 30.4 million compared to Euro 31.8 million as at 31 December 2021, represented almost entirely by the amortisation and depreciation of fixed assets. Specifically, of this balance, Euro 12.7 million related to tangible assets (Euro 12.7 million as of 31 December 2021), and Euro 17.3 million to rights of use of leased assets (Euro 17.8 million as of 31 December 2021). Lastly, a portion of Euro 0.2 million related to intangible assets (Euro 0.5 million as at 31 December 2021), while the balances as at 31 December 2021 included Euro 0.8 million in write-downs of receivables.

The balance of the item as at 31 December 2022 also includes provisions for other risks of Euro 5.0 million (Euro 2.9 million as at 31 December 2021). These provisions refer to contingent liabilities on completed projects and other risk positions.

### Operating margin

The **Operating margin (EBIT)** amounts to Euro (176.6) million (Euro (59.8) million as at 31 December 2021). This worsening is attributable to the aspects commented on with regard to EBITDA.

### Result from financial management and equity investments

The Result from financial management and equity investments shows a total net negative balance of Euro (9.1) million (Euro (6.3) million as at 31 December 2021) due to a negative result from financial management of Euro (3.6) million and losses of Euro (5.4) million from equity-accounted investments.

The aforementioned balance of financial management in the Income statement is the net result of financial income of Euro 5.9 million and charges of Euro (9.5) million.

Financial income, which decreased by Euro 6.6 million compared to the same period in 2021, mainly consisted of exchange rate gains on loans granted to non-consolidated group companies, interest income on loans granted to non-consolidated companies and other income. The negative change from the previous year is attributable to the presence, within the balance at 31 December 2021, of capital gains realised on the disposal of equity investments to third parties.

Financial charges, which amounted to Euro (9.5) million, included interest and charges accrued with respect to banks, discounts paid on factoring trans-

actions, negative exchange rate differences, and residual write-downs of other securities. Compared to the previous year, the balance of financial charges decreased by Euro 6.5 million, mainly due to the presence, as at 31 December 2021, of write-downs on financial receivables from Federici Stirling Batco.

The item "**Profit/losses for equity-accounted investments**", which is equal Euro (5.4) million (Euro (2.7) million as at 31 December 2021), refers in particular to the effects of the economic results of associated companies accounted for using the equity method.

Below is a breakdown of the results of the Group's equity-accounted investments:

(values in millions of Euro)	2022	2021	Change
Federici Stirling Batco	(4.1)	(2.6)	(1.5)
Tuborus	(1.2)	0.4	(1.6)
Mill Basin	-	(0.5)	0.5
Cis Beton	(0.1)	-	(0.1)
<b>Results of equity-accounted investments</b>	<b>(5.4)</b>	<b>(2.7)</b>	<b>(2.7)</b>

The most significant amount relates to Federici Stirling Batco (Euro (4.1) million), which, although its operating activities are now limited to the closure of the remaining outstanding projects, suffered a reduction in certain assets during the year due to the final outcome of an ongoing arbitration proceeding. The remainder of the balance, on the other hand, is mainly represented by the full write-down of Tuborus (with a negative impact of Euro 1.2 million) in view of the uncertain possibilities of recovering the investment given the serious macro-economic context in which the associated company operates. Lastly, it should be noted, albeit of a marginal amount, the recognition of a capital loss arising upon the exit from Ascii and Cis Beton based on the transaction concluded with the former partner Porr for the exit from the Austrian initiatives (with an impact of Euro (0.1) million accrued exclusively on CIS Beton).

### Income taxes

**Income taxes** as of 31 December 2022 amounted to Euro (8.5) million (Euro (4.3) million as of 31 December 2021), resulting from the sum of current taxes of Euro (19.2) million, partially offset by deferred taxes of Euro 10.7 million. The value of the tax liability recognised for the year 2022, which increased compared to the previous year despite significant losses is largely explained by the impossibility of utilising, both locally and in Italy, the tax portion of the same loss accrued by Storstroem Bridge JV, except for a minor portion that can be offset against other income earned in Denmark, particularly on other works.

## Net result

Finally, the **Consolidated result** for the year amounts to Euro (194.2) million (compared to Euro (70.4) million as at 31 December 2021).

The Result attributable to minority interests was positive, equal to Euro 3.3 million (Euro 11.6 million in 2021). Tubosider (Euro 2.3 million) and Itinera Construções and its subsidiaries (Euro 1.3 million) mainly contributed to the third-party result.

**Net result attributable to the Group** equalled therefore Euro (197.5) million (Euro (82.0) million in the comparison period).

## GROUP EQUITY AND FINANCIAL SITUATION

The Group's Statement of Financial Position as at 31 December 2022 presented the following values:

(values in millions of Euro)	31/12/2022	31/12/2021	Change
<i>Intangible assets</i>	48.0	86.3	(38.3)
<i>Tangible assets</i>	132.0	115.1	17.0
Net fixed assets	<b>180.0</b>	<b>201.4</b>	<b>(21.4)</b>
Non-current assets (liabilities)	(82.9)	(17.7)	(65.2)
Tax assets and (liabilities)	29.9	17.7	12.2
Provisions for risks and charges and employee benefits	(74.1)	(21.2)	(52.9)
Working capital	10.0	37.9	(27.9)
<b>Net invested capital</b>	<b>63.0</b>	<b>218.1</b>	<b>(155.1)</b>
Shareholders' equity	164.8	113.4	51.4
Net financial indebtedness	101.8	(104.7)	206.6
<b>Equity and minority interests</b>	<b>63.0</b>	<b>218.1</b>	<b>(155.1)</b>

**Net invested capital** as of 31 December 2022 amounted to Euro 63.0 million, down Euro 155.1 million from the end of the previous financial year. The main changes in balances during the year 2022 are analysed below.

## Net non-current assets

**Net fixed assets** amounted to Euro 180.0 million, a total decrease of Euro 21.4 million compared to 31 December 2021. Their composition was as follows:

(values in thousands of Euro)	31/12/2022	31/12/2021	Change
Goodwill	47,284	44,777	2,507
Intangible assets	704	898	(194)
Revertible assets	-	40,636	(40,636)
Intangible assets	47,988	86,311	(38,323)
Buildings, plant, machinery and other assets	87,407	78,806	8,601
Investment property	3,996	4,128	(132)
Tangible assets	91,403	82,934	8,469
Rights of use	40,636	32,148	8,488
<b>Net non-current assets</b>	<b>180,027</b>	<b>201,393</b>	<b>(21,366)</b>

Intangible assets amounted to Euro 48.0 million, a decrease of Euro 38.3 million compared to 31 December 2021, mainly due to the cancellation of assets related to the Taranto Logistica S.p.A. concession (Euro 40.6 million as of 31 December 2021) recognised following the settlement agreement signed with the Port Authority of Taranto for the termination of the concession contract and the related sale of assets. This settlement agreement, signed on 3 August 2022, also resulted in a capital loss of Euro (2.2) million arising from the difference between the book value of the net assets recognised at that date (Euro 43.3 million) and the amount awarded under said agreement (Euro 41.1 million). The latter amount, which would have been due from the counterparty on the basis of a two-year payment plan, was collected in full by the end of the financial year, net of a discount charge, as a result of the assignment of the receivable without recourse to a primary banking institution.

The above change was marginally offset by the increase in the Halmar Group's goodwill related to the exchange rate effect (for Euro 2.5 million out of a total value of USD 50 million).

Tangible assets amounted to Euro 91.4 million,

which increased by Euro 8.5 million compared to 31 December 2021. This change is due to the effect of investments for Euro 23.5 million (mainly attributable to the Storstroem Bridge I/S for Euro 12.6 million, to the parent company Itinera S.p.A. for Euro 4.9 million and to the Halmar Group for Euro 4.3 million), disinvestments of Euro 3.5 million net of the utilisation of depreciation provisions and depreciation for the period of Euro 12.7 million. Finally, the increase in this item includes a net exchange rate effect of Euro 1.3 million.

Rights to use tangible assets amounted to Euro 40.6 million (Euro 32.1 million as at 31 December 2021), which increased by Euro 8.5 million against investments for the period of Euro 26.5 million, mainly attributable to the parent company Itinera S.p.A. (Euro 14.2 million, of which a significant portion related to new projects in Sweden), to Halmar (Euro 5.0 million, related to the start-up of the Penn Station project) and to Storstroem Bridge I/S for Euro 4.6 million, net of ordinary depreciation for the period of Euro (17.3) million and minor disinvestments of Euro 0.7 million.

The item investment properties includes a building in Bologna, for net total value of Euro 3.9 million, owned by Itinera S.p.A. and leased to third parties.

## Non-current assets and liabilities

**Non-current assets and liabilities** show a net balance of Euro (82.9) million (Euro (17.7) million as at 31 December 2021), with a decrease of Euro (65.2) million. The breakdown and changes in the item are shown below:

(values in thousands of Euro)	31/12/2022	31/12/2021	Change
Investments	7,790	8,933	(1,143)
Other financial assets	80,396	96,889	(16,493)
Medium/long term contract liabilities and other non-current liabilities	(171,062)	(123,485)	(47,577)
<b>Non-current assets and liabilities</b>	<b>(82,876)</b>	<b>(17,663)</b>	<b>(65,213)</b>

With reference to **investments**, amounting to Euro 7.8 million as of 31 December 2022, there was a decrease in the balance of Euro 1.1 million, as a result of the full write-down of the shareholding in the associated company Tuborus, in consideration of the serious macroeconomic context in which the associated company operates. Although there was no significant impact on the item's balances, it should

also be noted that the JVs Asci Logistik GmbH and Cis Beton GmbH were derecognised following the agreement with the former partner Porr that led to the exit from these Austrian ventures.

**Other non-current financial assets** decreased by Euro 16.5 million, from Euro 96.9 million to Euro 80.4 million. This change is detailed below:

(values in thousands of Euro)	31/12/2022	31/12/2021	Change
Loan to Federici Sterling Batco	6,313	4,860	1,453
Receivables from shareholders for unpaid capital	63,941	58,399	5,542
Escrow accounts	-	22,073	(22,073)
Receivables from suppliers for deposits	4,776	4,990	(214)
Other	5,366	6,567	(1,201)
<b>Other financial assets</b>	<b>80,396</b>	<b>96,889</b>	<b>(16,493)</b>

The aforementioned decrease is attributable to the release of sums temporarily deposited in unavailable accounts of the Halmar Group for Euro 22.1 million at 31 December 2021, partially offset by the increase in the value of the receivable from shareholders for share capital still to be paid.

In the latter regard, it should be noted that the change in the balance is related to the deposit of the share capital still unpaid in relation to the cap-

ital increase approved in December 2021 (Euro 58.4 million) and the recognition of the residual share capital to be paid on the capital increase approved on 28 September 2022, in the portion that is expected to be paid in over a period of more than 12 months depending on the purposes to which these sums are dedicated (amounting to Euro 63.9 million out of a total of capital to be paid in of Euro 167.5 million).

**Medium/long term contract liabilities and other non-current liabilities**, amounting to Euro (171.1) million, recorded an increase of Euro (47.6) million as a result, mainly, of the increase in medium/long-term contractual advances of Euro (46.2) million, mostly attributable to the parent company Itinera S.p.A. The remaining part of the increase is related

to the valuation of the purchase option for the remaining 20% of Halmar International LLC (Euro (1.4) million), as a result of the exchange rate effect from the strengthening of the US dollar against the euro, net of a partially offsetting discount effect.

(values in thousands of Euro)	31/12/2022	31/12/2021	Change
Payables for purchase option	(63,941)	(62,555)	(1,386)
Advances	(107,121)	(60,930)	(46,191)
<b>Medium/long-term contract liabilities and other non-current liabilities</b>	<b>(171,062)</b>	<b>(123,485)</b>	<b>(47,577)</b>

### Tax assets and liabilities

**Tax assets and liabilities** increased from Euro 17.7 million as at 31 December 2021 to Euro 29.9 million as at 31 December 2022. The composition and changes in the various items making up the balance are as follows:

(values in thousands of Euro)	31/12/2022	31/12/2021	Change
Deferred tax assets	32,816	20,586	12,230
Current tax assets	18,273	17,319	954
Deferred tax liabilities	(5,793)	(2,923)	(2,870)
Current tax liabilities	(15,351)	(17,260)	1,909
<b>Tax assets and liabilities</b>	<b>29,945</b>	<b>17,722</b>	<b>12,223</b>

The increase in the net balance of the tax position (a total of Euro 12.2 million) is mostly related to:

- the recognition of deferred tax assets on certain provisions for risks of Itinera S.p.A. (Euro 7.8 million) and on tax losses accrued to date by other Group companies, primarily Itinera USA Corp (Euro 4.7 million), for tax losses taken over by the Halmar Group, based on local regulations, as a shareholder;
- the increase in the balance due for current taxes, of Euro 1.9 million;
- the increase in deferred tax liabilities of Euro 2.8 million, mainly attributable to the effect of the tax amortisation of goodwill recognised by Itinera USA Corp;
- current tax assets, which increased by Euro 0.9 million and consisted mainly of VAT credits, as well as direct taxes.

## Provisions for risks and charges and employee benefits

**Provisions for risks and charges** amounted to Euro 68.9 million, following an increase of Euro (53.3) million from 31 December 2021. The composition of and changes in the provisions for risks and charges is as follows:

(values in thousands of Euro)	31/12/2022	31/12/2021	Change
Provision for losses on contracts	(46,874)	-	(46,874)
Provision for legal disputes	(7,812)	(7,217)	(595)
Provision for losses on equity investments	(7,832)	(3,588)	(4,244)
Reserve for future liabilities	(5,363)	(1,265)	(4,098)
Provision for restructuring and staff incentive costs	(950)	(3,464)	2,514
Supplementary indemnity fund	(65)	(65)	-
<b>Sub-Total Provisions</b>	<b>(68,896)</b>	<b>(15,599)</b>	<b>(53,297)</b>
Severance reserves	(5,216)	(5,641)	425
<b>Sub-total Employee Benefits</b>	<b>(5,216)</b>	<b>(5,641)</b>	<b>425</b>
<b>Total provisions for risk and charges and employee benefits</b>	<b>(74,112)</b>	<b>(21,240)</b>	<b>(52,872)</b>

The majority of the increase (Euro (46.9) million) relates to the allocation - for the portion exceeding the reduction of the relevant contractual assets and within the limits of the portion that will be reversed in a period longer than 12 months - of the provision for risks to cover losses accrued on the Storstroem Bridge project. In this regard, the current portion of this provision (an additional Euro 20.7 million) is included in working capital.

To this change must also be added the increase in

"Reserve for future liabilities" of Euro (4.1) million, related to the provision for contingent liabilities in connection with certain completed projects and other risks that arose in the year 2022.

Also to be considered, in particular, is the increase in the "Provision for losses on equity investments", of Euro (4.2) million, resulting from the losses for the period recognised by the associated company Federici Stirling Batco, which is accounted for based on the equity method.

## Net working capital

**Net working capital** has a positive balance of Euro 10.0 million, compared to Euro 37.9 million as at 31 December 2021. The breakdown and changes in this item are shown below:

(values in thousands of Euro)	31/12/2022	31/12/2021	Change
Inventories and contractual assets	408,793	417,469	(8,676)
Trade receivables	286,856	249,604	37,252
Receivables from shareholders for unpaid capital	103,609	-	103,609
Other receivables	77,496	53,771	23,725
Trade payables	(440,119)	(381,034)	(59,085)
Contractual liabilities and other current liabilities	(426,654)	(301,913)	(124,741)
<b>Net working capital</b>	<b>9,981</b>	<b>37,897</b>	<b>(27,916)</b>

The negative change in the item during the period - amounting to Euro (27.9) million - is related to:

- The decrease in *inventories and contractual assets* for a total of Euro 8.7 million, mainly as a result of the reduction in the balance contributed by the parent company Itinera S.p.A. for Euro 27.8 million, partly related to the write-down of assets under the Reem Mall contract, in connection with what has already been described in this management report. Partially offsetting this decrease is the higher balance contributed by other Group companies, such as the Halmar Group, with an increase of Euro 4.7 million;
- As far as *trade receivables* are concerned, there was an increase of Euro 37.3 million due to the cumulative effect of the following changes: the higher receivables contributed by the Halmar Group equal to Euro 10.6 million, largely attributable to the invoicing on the Potomac Yard and Penn Station sites; the increase in receivables contributed by the parent company Itinera S.p.A. for Euro 21.2 million, mainly attributable to the Italian construction projects; the increase in receivables recognised by the subsidiaries of Itinera Construções, ICCR 135 and ICCR 153 for a total amount of Euro 17.2 million;
- The item *Receivables from shareholders for unpaid capital* (Euro 103.7 million) includes the portion of the capital increase subscribed in September 2022 that has yet to be paid in by shareholders, within the limits of the portion that is expected to be paid in over a maximum period of 12 months (out of a total of Euro 167.5 million);
- *Other receivables* amount to Euro 77.5 million and mainly comprise receivables from associated companies and other investees, advances to suppliers, and insurance cost prepayments. The increase of Euro 23.7 million for the period is partly attributable precisely to the higher balance contributed by the Halmar Group (Euro 11.4 million) in the light of the deferral of insurance costs pertaining to subsequent periods and the increase in payments on account to suppliers of Euro 4.3 million;
- The aforementioned increases in the production of certain group subsidiaries also led to an increase in *trade payables* by a total amount of Euro (59.1) million. Of these, the Halmar Group contributed Euro (17.4) million, Storstroem Bridge I/S Euro (17.3) million and ICCR 135 and ICCR 153 Euro (4.0) million. The remainder of this increase is attributable to higher debts of the parent company Itinera

S.p.A. (Euro (16.2) million).

- The increase (Euro (124.7) million) of the *Contractual liabilities and other current liabilities*, the total balance of which is Euro (426.7) million, reflects in particular the increase in advances and contractual liabilities by Euro 92.4 million. Of this increase, a portion of Euro 67.7 million is attributable to the Halmar Group (mainly for contractual liabilities related to the invoicing of Halmar International within the Penn Station project), and Euro 6.4 million to advances received and contractual liabilities recognised by Itinera Construções and its subsidiaries. Also contributing to the increase in *Contractual liabilities* and other current liabilities is the recognition of the short-term portion of the provision for risks set aside for losses on the Storstroem Bridge project (Euro 20.6 million, in addition to the Euro 46.9 million already commented on within the provision for risks and charges).

## Shareholders' Equity

(values in thousands of Euro)	31/12/2022	31/12/2021	Change
Share capital	232,834	232,834	-
Retained earnings reserve	(65,744)	(85,581)	19,837
Other reserves	170,133	23,708	146,425
Profit/(Loss) for the period	(197,506)	(81,962)	(115,544)
<b>Group Shareholders' Equity</b>	<b>139,717</b>	<b>88,999</b>	<b>50,718</b>
Third party shares and reserves	21,767	12,822	8,945
Profit/(Loss) for the period	3,328	11,580	(8,252)
<b>Capital and reserves attributed to third parties</b>	<b>25,095</b>	<b>24,402</b>	<b>693</b>
<b>Total Shareholders' Equity</b>	<b>164,812</b>	<b>113,401</b>	<b>51,411</b>

**Total Shareholders' Equity**, in the course of 2022, increased from Euro 113.4 million to Euro 164.8 million, up by Euro 51.4 million.

This increase is the result of the capital increase subscribed on 28 September 2022 by the shareholders of the parent company Itinera S.p.A. for Euro 223.4 million, plus an additional contribution of Euro 22.3 million to cover losses, net of the loss for the year of Euro 194.2 million.

In detail, as already illustrated in the "Extraordinary Transactions" section above, this transaction resulted in the following for the parent company Itinera S.p.A.:

- The losses accumulated by the parent company in the financial year 2021 (Euro 103 million) and in the first half of 2022 (Euro 179 million) were covered through the utilisation of available reserves (Euro 36.6 million), payments to cover losses (Euro 22.2 million) and, for the remainder, a reduction in share capital (Euro 223.4 million);
- The parent company's share capital was restored through the subscription of a capital increase for Euro 223.4 million, of which Euro 55.9 million (or 25% of the total) was paid in on the same date.

Finally, further effects on the Group's Shareholders' Equity concerned:

- The Euro 3.2 million increase in the foreign exchange reserve against exchange rate differences accrued on various balance sheet items as a result of the strengthening of certain foreign currencies against the euro, especially the US dollar;
- The decrease deriving from the distribution of dividends to minorities totalling Euro (7.0) million;
- The increase in fair value reserves of Euro 0.2 million, attributable to fair value changes that occurred on minority interests.

The aforementioned total of Euro 164.8 million is the result of the net balance between **Group Shareholders' Equity**, which had a value of Euro 139.7 million as of 31 December 2022, and the **Shareholders' Equity attributable to minority interests**, which, following a positive minority interest result of Euro 3.3 million in 2022, as well as the distribution of dividends, amounted to Euro 25.1 million as of 31 December 2022.

### Net Financial Indebtedness

The Group's **Net Financial Indebtedness** shows, as at 31 December 2022, a positive balance of Euro 101.9 million, an increase of Euro 206.6 million compared to 31 December 2021.

(values in thousands of Euro)	31/12/2022	31/12/2021	Change
Cash in bank accounts	316,912	238,077	78,835
Cash and valuables on hand	132	126	6
Short-term financial receivables	22,919	28,797	(5,878)
Short-term lease liabilities	(18,630)	(14,564)	(4,066)
Short-term payables due to other lenders	(31,171)	(71,604)	40,433
Short-term bank debt	(169,968)	(205,444)	35,476
<b>Short-term net financial indebtedness</b>	<b>120,194</b>	<b>(24,612)</b>	<b>144,806</b>
Medium/long term financial receivables (*)	35,240	30,254	4,986
Medium/long term lease liabilities	(19,245)	(14,121)	(5,124)
Medium/long term bank debt	(34,342)	(96,228)	61,886
<b>Comprehensive Net Financial Indebtedness</b>	<b>101,847</b>	<b>(104,707)</b>	<b>206,554</b>

(\*) The financial credit amounting to Euro 25.2 million (written down for a total of Euro 18.9 million during the year) that was granted to Federici Stirling Batco LLC was not included in Net Financial Indebtedness as it was entirely or partially used to bolster the subsidiary's equity.

This improvement was determined, first of all, by the payments made by shareholders totalling Euro 136.6 million to cover the losses of the parent company Itinera S.p.A. (Euro 22.3 million), as well as the payment of the unpaid amounts of the capital increase subscribed in December 2021 (Euro 58.4 million) and 25% of the capital increase subscribed on 28 September 2022 (Euro 55.9 million).

Contributing to this improvement, secondly, are the

cash flows generated by operations, which amounted to Euro 61.5 million in 2022, a figure already net of the negative effect of the payment of the counter-guarantees outstanding on the Performance Bond enforced by the customer under the Reem Mall project (with an outlay of approximately Euro 29 million).

In addition, management of investments shows reversible asset disposals related to the settlement

agreement with the Taranto Port Authority for a net Euro 37.5 million, which, at year-end, had already been fully paid for. The management of investments in tangible assets and rights of use, on the other hand, showed a negative balance of Euro 20.0 million and Euro 25.8 million, respectively.

In the area of financial management, in addition, we should note the positive effect of the release during the period of certain bank accounts (Euro 22.1 million) attributable to the Halmar Group, which were temporarily unavailable at the end of the previous year.

Lastly, further minor changes totalling Euro (5.3) million were made in the form of investments in non-current financial assets towards subsidiaries, among others.

The composition of the **Net Financial Indebtedness** is as follows:

- *Cash and cash equivalents* amounted to Euro 316.9 million (compared to Euro 238.3 million as at 31 December 2021), the increase of which is mainly related to the aforementioned shareholder payments;
- *Short-term financial receivables*, totalling Euro 22.9 million, refer to short-term investment fund shares held by the **Halmar Group** (Euro 15.6 million) and **Itinera Construções** (Euro 4.1 million) and its subsidiaries (Euro 3.2 million), decreasing by Euro (5.9) million compared to 31 December 2021 mainly due to the reduction in shares invested by Itinera Construções;
- *Short-term payables due to other lenders*, equal to Euro (31.2) million as at 31 December 2022 refer mainly to the loan granted by the Parent Company ASTM, that was originally worth Euro 71.4 million, which was required for the share capital increase in Concessioni del Tirreno on 3 January 2022, and to meet the operational needs of the subsidiary Halmar for the acquisition of new orders. The current balance (Euro 26.4 million) is related to the repayment of Euro 45.0 million during the period;
- *Short-term bank debts* of Euro 170.0 million include:
  - a. current account overdrafts and lines of credit totalling Euro 94.6 million (Euro 164.8 million as at 31 December 2021);
  - b. short-term loans for Euro 15.0 million;
  - c. short-term instalment of medium/long-term loans for a total of Euro 60.3 million (Euro 29.6 million as of 31 December 2021), the increase of which is almost entirely attributable to the parent company Itinera S.p.A., and the corresponding reduction in long-term debt (of Euro (34.3) million as of 31 December 2022 compared to Euro (96.2) million as of 31 December 2021);
  - d. self-liquidating debts, represented by sums advanced on the collection of invoices for a value of Euro 0.1 million (Euro 11.0 million as at 31 December 2021);
- *Medium/long-term financial receivables* amount to Euro 35.2 million, mainly attributable to the parent company Itinera S.p.A. and represented by loans to sister companies.
- *Medium/long-term bank debt* amount to Euro 34.3 million, of which Euro 30.0 million are attributable to the parent company Itinera S.p.A. and Euro 4.3 million to the Halmar Group, in both cases represented by long-term loans net of the relevant portions to be paid within the next 12 months.
- *Lease liabilities* total Euro (37.9) million, of which Euro (18.6) million of a current nature and Euro (19.2) million of a non-current nature.

## OPERATING ACTIVITIES

Itinera Group is an international player operating in various geographical areas around the world.

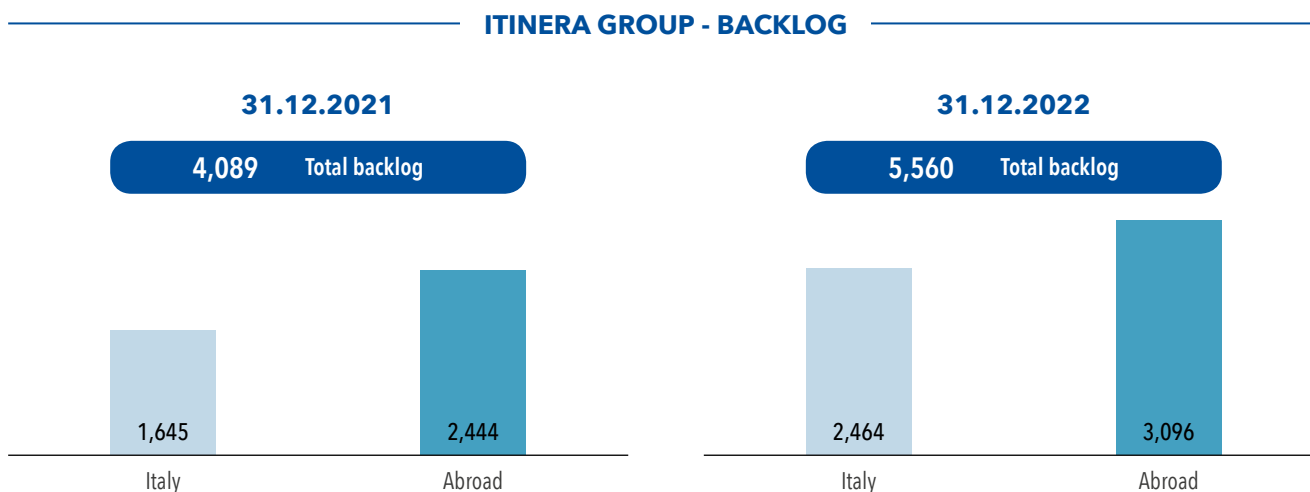
The foreign business development plan continued in 2022 (for more details, see the following paragraph "Commercial activities").

Aside from the Italian market - in particular the north-west of the country through the synergies linking it to the ASTM group, which operates in the sector of motorway concessions, the main operating areas for the Group leader are Central and Northern Europe (Denmark, Sweden, Romania, France), USA and Brazil.

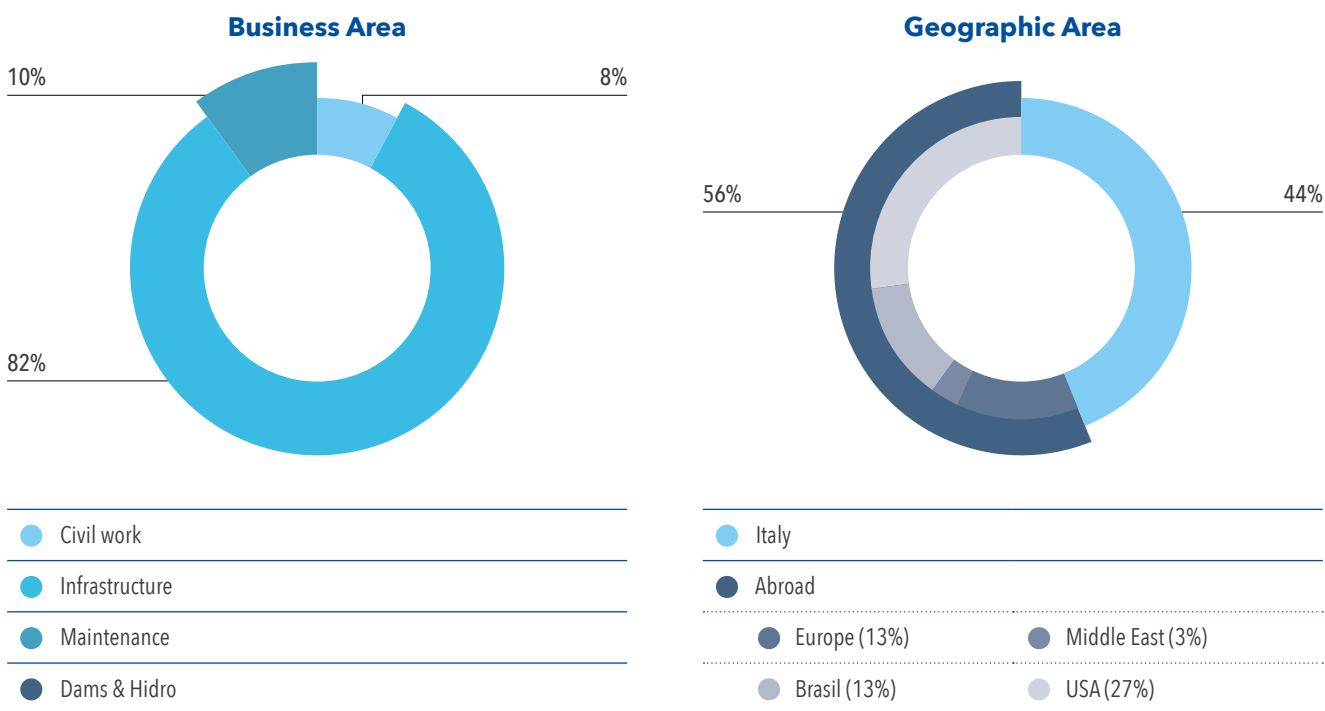
### BACKLOG AND ACQUISITIONS

The Group's order book as at 31 December 2022 amounts to Euro 5.6 billion (resulting from the application of the exchange rates at 31 December 2022 for contracts in currencies other than the euro) compared to a figure as at 31 December 2021 of Euro 4.1 billion. The change includes the increase attributable to new orders acquired of Euro 2.6 billion and the revaluation resulting from exchange rate changes of Euro 131 million, net of the work performed during the financial year 2022 (Euro 1.2 billion).

The graph below shows, at the Itinera Group level, the total value from the backlog at the close of the 2022 and 2021 financial years and the breakdown of the corresponding totals, in each of the years, between Italy and abroad.



The following graph also shows, again at the Itinera Group level, the distribution of the value of the backlog at the close of the 2022 financial year by business segment and geographical area.

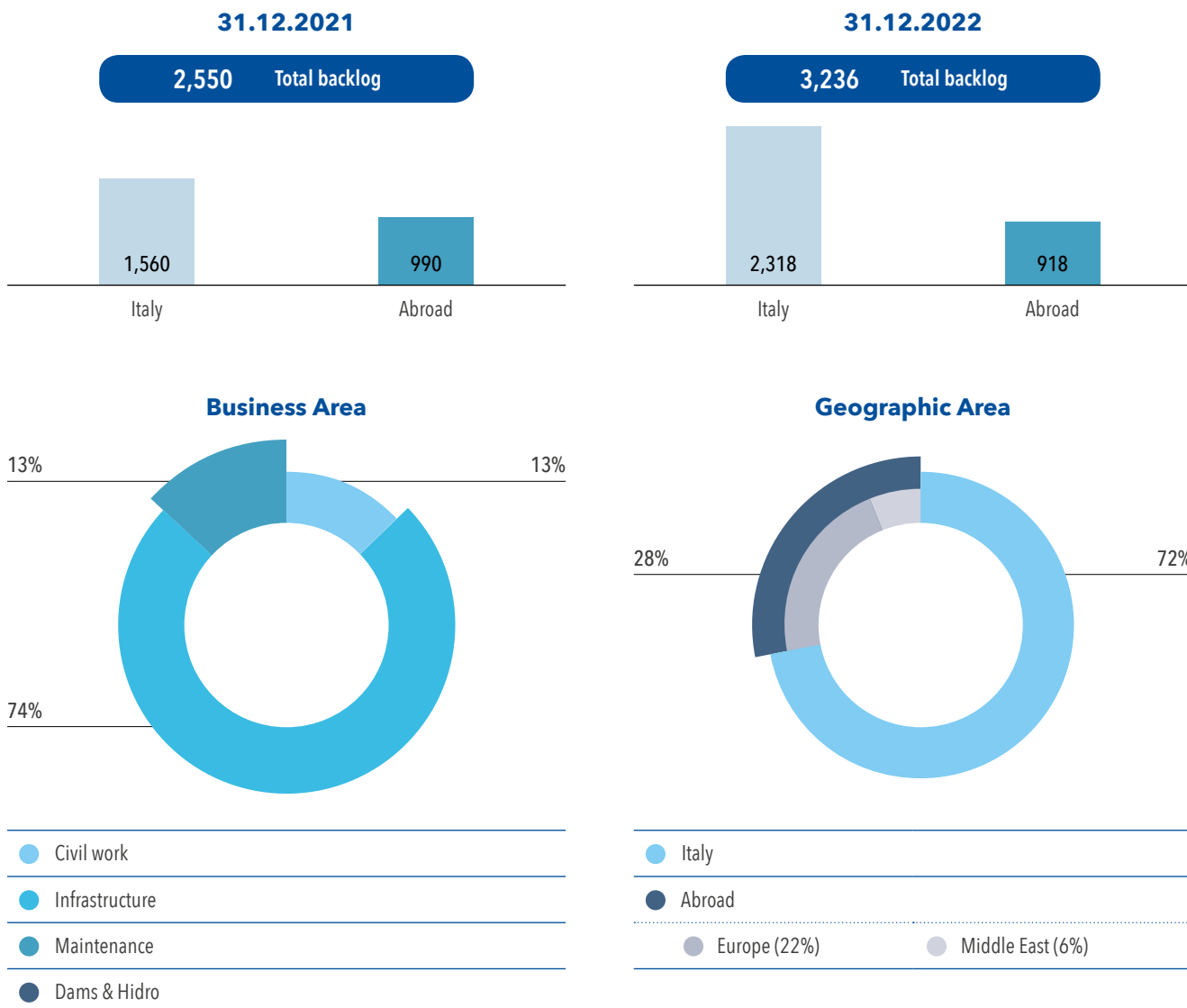


As regards the breakdown of the Group portfolio by **geographical area**, illustrated in the diagrams above, the Italian share is 44% of the total, for an equivalent value of Euro 2.5 billion (Euro 1.7 billion as at 31 December 2021), while the portion referring to international markets, which is 56% of the total, amounts to Euro 3.1 billion (Euro 2.5 billion as at 31 December 2021).

The breakdown of the total current amount of the portfolio among the Group’s **main companies** includes Euro 3.2 billion for the parent company Itinera S.p.A., Euro 1.5 billion for Halmar International LLC, Euro 0.7 billion for Itinera Construções, in addition to Euro 0.1 billion for Sea Segnaletica S.p.A. and Tubosider S.p.A..

The following is a breakdown of the order backlog for the parent company Itinera S.p.A.:

### ITINERA SPA - BACKLOG



The overall value of new order acquisitions during the course of the period amounts to approximately Euro 2.7 billion, including 1.3 billion in Italy and Euro 1.4 billion abroad.

The Italian share, in particular, refers to 'in-house' acquisitions within the scope of concessions attributable to the ASTM Group. The main ones include the awarding of contracts for seismic upgrades and/or works of art on the A6 Turin-Savona concession, as well as maintenance contracts on several concessions, such as the A15 - CISA.

Internationally, the parent company Itinera S.p.A. was awarded two contracts for the construction of sections of the underground in Stockholm, Sweden. It is also worth highlighting the share of works acquired through the subsidiary Itinera Construções, which won important contracts by participating as EPC contractor in tenders on the Brazilian market in support of the concession holder Ecorodovias, for a total amount of Euro 408 million, and the awarding of an important contract to the US subsidiary Halmar, namely the construction of the Park Avenue Viaduct in New York.

# KEY ONGOING PROJECTS

Below is a list of the main contracts and respective production values which the group operated on during the course of 2022:

## MAIN ITALIAN PROJECTS



### CFT project



- Customer: RFI – Rete Ferroviaria Italiana
- Design and construction works of the Naples

- Bari railway line, Canello - Frasso Telesino section.

- The work is carried out in collaboration with Impresa Pizzarotti S.p.a. and Ghella S.p.A. (Itinera S.p.A. share of 33%)
- Work progress: 57.4%
- Production in 2022 - Itinera share: Euro 26.5 million

The work, in place between the provinces of Caserta and Benevento, concerns the redevelopment works of the Naples-Bari railway line, for a development of approximately 16.5 km on double tracks. In particular, the work involves doubling and increasing the speed of traffic on the Canello-Benevento section, 1st functional lot Canello-Frasso Telesino, consisting of a 4 km natural tunnel section, 8 viaducts for

about 3.9 km and 4 artificial tunnels for about 300 m with the remainder in raised and trench sections.

During 2022, work continued on the Monte Aglio tunnel (excavation was completed in June 2022), for which the final lining, conduits and general finishing is being completed. In addition, the execution of embankments, trenches, railway platform, electric traction, noise barriers, viaduct slabs and the removal of subservices interfering with the works to be carried out continues. 100% of the excavation work of the artificial tunnel has thus been completed, while 80% of the raised/trench sections and 85% of the viaducts have been completed.

The main works that remain to be completed concern the finishing of the civil works, the rigging, signalling, noise barriers and installations in general.

The new "Variation to the Rome Naples- via Cassino Historical Line" double-track line is scheduled to be activated at the beginning of May 2023, extending approximately 3 km.

Compared to the contractual forecasts, the works were slowed down mainly due to significant archaeological findings, delayed resolution of interference with underground utilities, discovery of waste, unforeseen geological events occurring in the excavation of the natural tunnel, effects of the COVID pandemic, and abnormal price increases already since 2021, exacerbated by the war between Russia and Ukraine.

Negotiations are underway with the Customer RFI to define the extension of the Partial and Final Deadlines for the execution of the works, on the basis of a new works schedule that takes into account the effects of the aforementioned circumstances, which have generated delays in the execution of the works due to causes beyond the Contractor's control.

## FRASSO SCRL Project



- Customer: RFI - Rete Ferroviaria Italiana
- Executive design and works for the construction of the Naples- Bari railway line, Frasso Telesino - Telese section
- The work is carried out in collaboration with Impresa Pizzarotti S.p.a. and Ghella S.p.A. (Itinera S.p.A. share of 33%)
- Work progress: 20.0%
- Production in 2022 - Itinera share: Euro 15.3 million

The work, in place in the province of Benevento, consists in the redevelopment works of the Naples-Bari railway line, for a development of approximately 11.2 km on double tracks. In particular, the work consists in doubling and increasing the speed of traffic for the Cancellor-Benevento section, second functional lot Frasso Telesino-Telese, and includes for the construction of a stretch in an artificial tunnel of about 3 km, 7 viaducts for about 930 metres, a 312-metre railway overpass, the Telese station, the Amorosi stop with the remainder in raised and trench sections.

In the course of 2022, an advanced stage was reached in the execution of construction site activities (in particular, the demolition of expropriated houses interfering with the route) and war reclamation, depending on the availability of the areas progressively handed over by the Customer. The construction of the foundation piles and reinforced concrete works for the line viaducts and the interfering roads have also reached an advanced stage,

while the piling, surface excavation and pouring of the cover slabs for the artificial tunnel (GA02), with a total length of approximately 3 km, continue. In addition, construction of the reinforced concrete structure that will be placed under the currently operating railway line by March 2023 has begun. The drilling of micropiles, tie-rods and temporary bulkheads for new works in adherence to the operational railway network is also underway.

The production carried out in the year was lower than expected as a considerable part of the work areas, in particular those involving the artificial tunnel and the Telese and Amorosi Stations, have not yet been made available by the Customer RFI.

### Telese Scarl Project



- Customer: RFI – Rete Ferroviaria Italiana
- Executive design and execution of the works for the construction of the Naples – Bari railway line, Cancellor-Benevento section II-III functional lot Telese – San Lorenzo Vitulano
- The work is carried out in collaboration with the companies Ghella (47.15%), Salcef (6.30%), Coget Impianti (1.25%). The Itinera S.p.A. share is 45.30%
- Work progress: 1.4% It should be noted that with the approval of the executive project on 23.12.2021, on the same date Deed of Submission No. 1 was signed along with the Work Delivery Minutes (under reservation) for the preparatory activities
- The commencement of the starting date for the completion of the works and the perfor-

mance of the contract under Art. 36 of the Agreement was set at 15.09.2022. The time limit for the completion of the work covered by the Agreement is 1,945 consecutive natural days

- Production in 2022 - Itinera share: Euro 2.2 million

The work concerns the executive design and construction works of the Naples-Bari railway line, Telese - San Lorenzo section ("Lot 2"), including railway equipment, electrical traction systems, other railway technologies, stop and station systems and the San Lorenzo-Vitulano section ("Lot 3").

The activities carried out during 2022 concern the execution of site preparation activities (acquisition of areas and buildings, accesses, fencing, gates, site tracks, signage) and the preparation of the base camp area (preparation of the area, underground utilities, assembly and completion of structures), the execution of explosive ordnance clearance (completed for both lots), the provisional works for the entrance of some tunnels and the earthworks related to some embankments, trenches and new roads; furthermore, additional geognostic investigations and works (removal of waste found) were carried out in connection with variations that are currently being defined.

The detailed Executive Project is being prepared, with approximately 24% of the design documents delivered to date for both Lots 2 and 3.

### Port of Taranto infrastructure hub project

- Customer: Aci S.c.p.A. - Consorzio Stabile
- Design and execution of the port of Taranto logistic platform
- The work was fully carried out by Itinera S.p.A.
- Work progress: 100% (100% as of 31 December 2021).
- Production during the year 2022: Euro 3.2 million

The work relates to the design and execution of the Port of Taranto logistics platform infrastructure hub.

During the course of the year all of the activities for the preparation of the landscape and green areas

of the reclaimed reservoir were completed, thus finishing the work on the Port Platform.

The technical acceptance certificate was issued in July 2022.

### Cervit Project



- Customer: Società di Committenza Regione Piemonte (SCR)
- Works for the construction of the underground connection between the Turin-Ceres railway and the railway link of the Turin junction, along the Corso Grosseto route.
- The work is carried out in collaboration with CMB (Itinera S.p.A. Share 51%).
- Work progress: 84.8%
- Production in 2022 - Itinera share: Euro 8.8 million

The intervention concerns the construction of the underground connection between the Turin-Ceres railway and the railway link of the Turin Junction, along the Corso Grosseto route, guaranteeing the connection between the Turin railway link, recently put into operation and belonging to the Italian Railway Network (RFI) and the existing Turin-Ceres line, belonging to the network of the Turin Transport Group (GTT).

The new connection runs along the Corso Grosseto route, from the tracks of the slow RFI line, at the existing Rebaudengo station, and then joins the existing Turin-Ceres line again at Largo Grosseto, at the start of Via Confalonieri.

As of 31 December 2022, finishing work on the Grosseto Stop and the surface portion thereof was nearing completion. In addition, all the road and surface works on C.so Grosseto, L.go Grosseto, C.so Potenza and the road subway from C.so Grosseto and C.so Potenza were completed.

Functional testing of the railway systems still remains to be carried out, which is currently tied to interfacing with the existing systems by RFI at Rebaudengo Station.

The progress of work mentioned in connection with this contract takes into account the recently acquired variation for reverse-flow activities, which, at the closing date of the financial year, were at an early stage.

### University Centre Grugliasco project



- Customer: University of Turin
- Construction work for the New University Scientific Centre in the Municipality of Grugliasco
- The work is carried out in collaboration with Gilardi S.p.A and Euroimpianti S.p.A. (Itinera S.p.A. share of 49.9%)
- Work progress: 12.9%.
- Production in 2022 - Itinera share: Euro 8.2 million

The contract relates to the final and executive design, complete with coordination for safety, and the construction, including the supply of furniture, of the New University Scientific Centre in the Municipality of Grugliasco.

As of December 2022, all the foundations of the DR building and the floors of the basement and first floor, 70% of the floors of the second floor, and the roof slabs had been completed.

As for the DA building, the foundations are being completed and the construction of the perimeter walls has begun.

As for the Technological Centre, the foundations were completed and the construction of the perimeter walls has begun.

About 90% of the total number of boards were produced in the development of the Executive Project.

### Colmeto Project

- Customer: SMAT S.p.A.
- Construction of the median sewage collector in the South-West area of the metropolitan area of Turin and repair of the South manifold.
- The work is carried out in collaboration with partner Ghella S.p.A. (Itinera S.p.A. share of 51%)
- Work progress: 5.0%.
- Production in 2022 - Itinera share: Euro 1.3 million

The purpose of the work is the construction of works aimed at guaranteeing the future reliability of the sewer network that will comprise the construction of a very deep tunnel and smaller works for the creation of an alternative to the existing inter-municipal collector.

The order is in its initial design phase, and the areas have not yet been handed over.

The Final Project was approved by the Planning Committee and SMAT in June 2021.

Thereafter, SMAT began the ordnance clearance activities and the activities for the movement of the underground utilities, with the latter involving the collaboration of the other operators.

In July 2021, the Executive Project was delivered. In compliance with the instructions/observations of the Verifier appointed by SMAT and in response to the requests formulated by SMAT, revision 1 of the

Executive Project was prepared and submitted in February 2022, followed by revision 2 in July 2022 and by revision 3 in November 2022.

This latest revision is currently undergoing verification by the Verifier and validation/approval by the RUP/Contracting Authority.

### Asti Cuneo motorway completion project

- Customer: Asti Cuneo S.p.A.
- Construction work for the motorway section between the municipality of Roddi (CN) and the Alba ring road, lot 6B
- The work was fully carried out by Itinera S.p.A.
- Work progress (concerning lot 6B): 65.9%
- Production in the year 2022 (relating to lot 6B): Euro 89.7 million

For Lot II 6.b, the project includes the construction of the new motorway section between the Alba ring road and the municipality of Roddi. The road configuration of the section includes a dual carriageway, each with two lanes of travel plus emergency. The main works that make up the project are: construction of the Alba Ovest junction connecting to the local S.P. 7 and the Verduno Hospital; construction of the bridge over the Talloria Torrent, for a length of about 500 ml, construction of the Campestre road overpass for the connection of the interfered local road network, adaptation of the bridge over the Verduno Canal insisting on the connection with the Alba ring road.

The contractual deadline for work completion is 15 December 2023. However, the Customer requested an acceleration of the work, following which a programme was submitted with an expected completion date of 31 March 2023. Yet, due to the negative economic situation resulting from the beginning of the Russian-Ukrainian conflict, serious difficulties arose in the procurement of building materials on the market, especially steel plates for the construction of the Talloria Bridge. The resulting delays generated the need to revise this work programme, setting a new end date of 31/05/2023.

### **Project concerning Works for the Highway Link between the Ospitaletto exit (A4), the new Poncarale (A21) exit and Montichiari Airport**

- Customer: Autovia Padana S.p.A.
- Road widening works on the existing S.P. 19 from the A4 overpass in the municipality of Ospitaletto (lots I and II); completion of the compensatory road system consisting of the variation to the S.P. 22, already partly in operation, through the construction of a category C1 or similar road (lots III and IV)
- The work is fully carried out by Itinera S.p.A.
- Work progress: 56.7%
- Production during the year 2022: Euro 27.7 million

For Lots I and II, the work consists of completing the works left unfinished by the previous concession holder in 2012, through the construction of a road approximately 11.5 km long, which overlaps the existing route of the S.P. 19 in the Province of Brescia. Lots III and IV, on the other hand, concern the completion of the compensatory road system consisting of the variation to the S.P. 22, already partly in operation, about 1.8 km long, substantially upgrading an existing road in the municipality of Flero.

As of the end of December 2022, the activities for the completion of the works of art partially already executed under the previous contract, as well as new construction works, were in an advanced state of progress.

Work also continued on the construction of roadways, with a progress of 65%, and the laying of 14 sections of anti-phonetic barrier, the latter with a progress of 38%.

The contractual completion date is 25 February 2024.

### **A6 Turin-Savona Motorway Adaptation Project**

- Customer: Autostrada dei Fiori S.p.A.
- Section A6 Turin-Savona - Seismic improvement works - Lot 1.

- The work was fully carried out by Itinera S.p.A.
- Work progress: 89.7%
- Production during the year 2022: Euro 14.6 million (for Lot 1, Euro 23.3 million in total)

Lot 1, relating to seismic improvement works on the A6 Turin-Savona motorway, includes the works to be carried out on the Tine, Taranco, Tonifre, Geve-Tonifre platform, Geve, Funivia, Altare Railway and Borio viaducts. These are reinforcement works aimed at structural parts from both a seismic and static point of view. More specifically, these are restoration and reinforcement activities to be carried out on foundations, piers and decks, with different importance and modalities for each viaduct. Characteristic interventions include the encasing of pier shafts, replacement of bearings and joints, encasing of beams, restoration and reinforcement of slabs, refurbishment of waterproofing and replacement of safety barriers.

The contractual deadline for work completion is 11 December 2023. The Altare Railway viaduct, which is the subject of a major design change, has been suspended in part.

### **Extension and renovation of the Valerio Catullo di Verona Villafranca Airport departure terminal**

- Customer: Valerio Catullo Airport - Verona
- Extension and renovation of the Valerio Catullo di Verona Villafranca Airport departure terminal.
- The work is carried out in cooperation in ATI Euroimpianti - Leonardo.
- Work progress: 17.6%
- Production in 2022 - Itinera share: Euro 7.1 million

The contract relates to the construction design and execution of works for the extension and redevelopment of the 'departures' area of the Valerio Catullo airport in Verona.

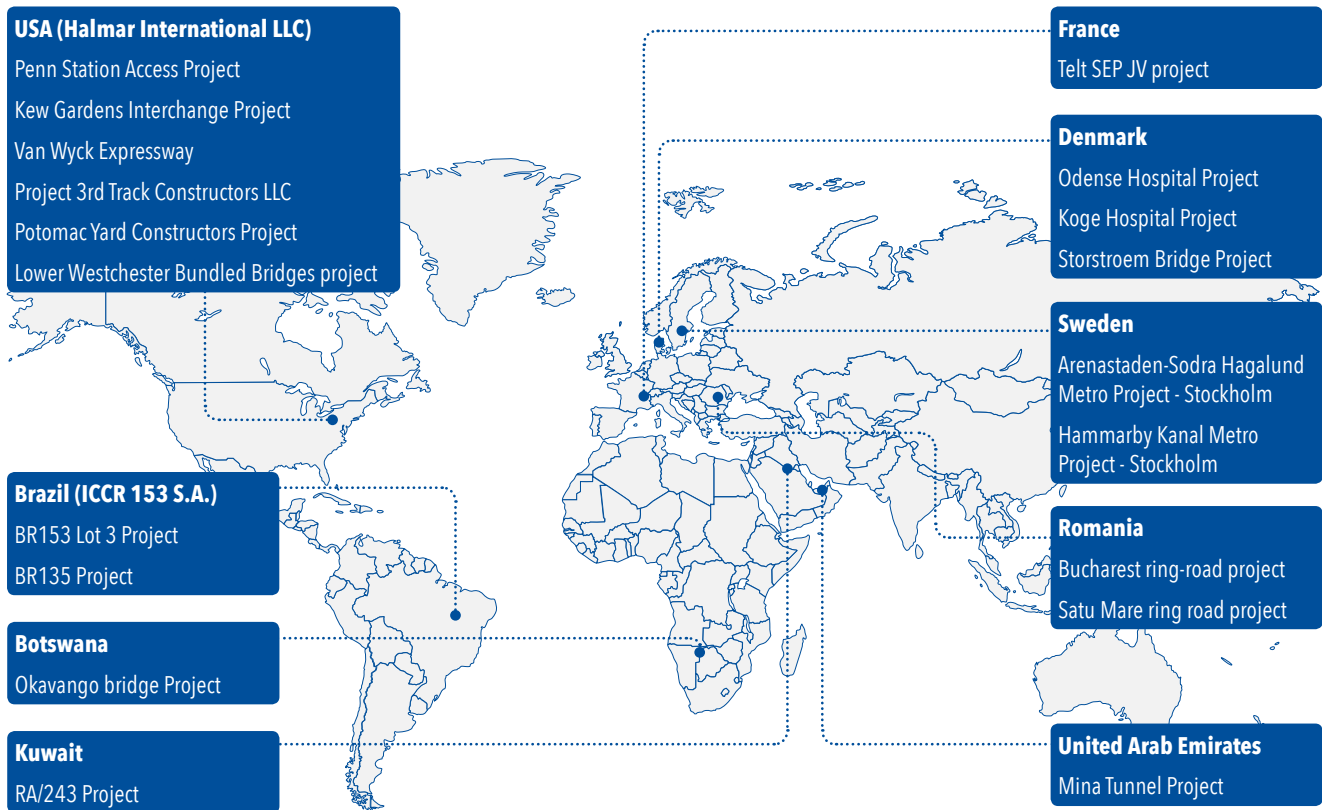
As of the end of December 2022 the following

works had been performed:

- land side building extension, structures, façades, lift systems, finishes (basement only);
- air side building extension, structures only.



## MAIN PROJECTS ABROAD



### Reem Mall Project - United Arab Emirates

- Customer: Al Farwaniya Property (EAU)
- Design and construction works of the Reem Mall shopping mall in Abu Dhabi (UAE).
- The work is carried out in collaboration with Emirate company Ghantoot (Itinera S.p.A. share 50%, Itinera is the leader of the Joint Venture).
- Work progress: contract terminated unilaterally by the customer at 99 % completion percentage
- Economic result for the year 2022 - Itinera share: Euro (41.5) million

The project concerns the construction of the Mall and Snowpark in Abu Dhabi, that obtained the *Building Completion Certificate* (BCC) on 11 October 2021 and 6 December 2021 respectively, with the approval from all delegated authorities and the *Abu Dhabi Municipality* (ADM).

The following is a summary of the status of the work that remained to complete the project at the date of unilateral termination of the contract by the customer:

- Testing and commissioning activities (T&C), with the final integration tests of the various systems, are 85% complete.
- Quality -related activities involving the resolution of nonconformities and the closing of the snagging list for the handover of the works to the customer.
- Completion of the as-built project documentation.
- Completion of minor works relating to signage, additional cameras, painting and certain finishes.

The customer had instructed the joint venture to carry out numerous additional works in the areas of the future retail units, comprising more than 60 units,

which required structural and electrical/mechanical amendments on various floors of the building.

The first areas were handed over by the JV on 10 February 2022 as per the agreed schedule, and the customer opened the Carrefour hypermarket within the Mall on 28 February 2022, including all adjacent areas necessary for customer access and for operating the hypermarket.

On 14 June 2022, when only minor completion activities were missing, the customer terminated the contract early (see section 'Operational Risks' for more details).

### Mina Tunnel Project - United Arab Emirates



- Customer: Musanada (EAU)
- Construction of Zayed Road Network in Mina Zayed Area, STAGE 01 - MAIN TUNNEL, Abu Dhabi (EAU).
- The work is carried out in collaboration with Emirate company Agility (Itinera S.p.A. share 75%, Itinera is the leader of the Joint Venture)
- Work progress: 80.4%
- Production in 2022 - Itinera share: Euro 110.3 million

Mina Tunnel is the main infrastructure projects of the customer Musanada and is part of the master plan for the development of the Mina Zayed area in Abu Dhabi. The project is strategic for the implementation of the traffic plan for the city of Abu Dhabi since it will eliminate the bottleneck upon entry to Abu Dhabi for traffic coming from the new highway in Saadiyat Island, directly connected to Dubai.

The project includes a tunnel on two levels. The lower level is provided in cut and cover, while the upper level is planned as an open section with the construction of only contrast elements on the top of the walls, an elevated roadway, various underground utility buildings and all the electro-mechanical systems necessary for safe traffic management.

The completion of the contract works is planned for August 2023. The construction activities are in line with the work schedule that was presented to the customer after the approval of the extension of the original contractual deadline of May 2023.

The main activities completed and/or in progress are the following:

- For Phases 1 and 2 of the project the civil works have been completed and the electro-mechanical parts and ancillary buildings are being constructed;
- two tunnel control buildings have been completed and awaiting energisation scheduled for early 2023.
- With regard to Phase 3, civil and electromechanical works are nearing completion;
- Phase 4 ended with the opening of traffic;
- Finishing of substations, ancillary buildings and tunnels is in progress;
- Road paving works are in progress the Phase 1 Tunnel.
- The road and underground utility works at ground level are substantially completed and some are about to be opened.

## RA/243 Project - Kuwait



- Customer: Ministry of Public Works (MPW) (Kuwait) - Public Authority of Road and Transportation (PART)
- RA/243 Upgrading of Abdaly Highway from the access to the proposed Mutla City to the proposed interchange at Northern Regional Road.
- The work is carried out by Itinera S.p.A. (Work share 100%).
- Work progress: 58.4%
- Production during the year 2022: Euro 47.6 million

The RA/243 highway project in the North of Kuwait consists in an upgrade of approximately 24.60 km of the existing 3-lane dual carriageway Abdaly Highway to 5 lanes in each direction. The project will also involve two raised intersections and various roads and ancillary works, in addition to the construction of two water networks, with coated cast iron pipes: one for the collection of motorway drainage and one for the conveyance of drinking water.

The completion of the works is planned for late July 2024.

The main activities in progress are the following:

- Relocation of the high voltage line (HV line): work has begun, with 6 towers out of a total of 32 towers currently installed.
- The installation of the cast iron pipes is almost complete. 51.5 km out of a total of 52.5 km have been installed; the control valves are still

to be received on site and installed;

- Concrete casting is proceeding on the three motorway interchanges (IC-02; IC-03, IC-04) and in particular:
  - » IC-02 and IC-03: pile foundations and central piers have already been cast and work is proceeding on the bridge decks;
  - » IC-04: all concrete work was completed.

The activity for the laying of asphalt is progressing at the pace of 1,800 cubic metres per day. To date, 448 thousand tonnes have been completed of the scheduled total of 1.44 million tonnes, corresponding to 32% of the total.

## Okavango bridge Project - Botswana



- Customer: Ministry of Transport and Telecommunications - Road Department (Botswana)
- Construction works for the bridge over the Okavango River in the city of Molembo (Botswana).
- The work is carried out in collaboration with Italian company Cimolai S.p.A. (Itinera S.p.A. share of 72.27%)
- Work progress: 98.4%
- Production in 2022 - Itinera share: Euro 8.1 million

The contract concerns the construction of a bridge over the Okavango River near the village of Molembo, in northern Botswana, near the border with Namibia.

The bridge has a total length of about 1,160 metres

built with two different static solutions. The most important structure, on the main road, consists of a 400-metre long cable-stayed bridge with a central span of 200 and about 50-metre high antennas. The work is completed by the two approaches, in a continuous structure, mixed steel/concrete, with spans of 45 metres.

The work was finished on 16 June 2022, with the Works Management issuing the 'Taking Over Certificate' on 17 June 2022. Arbitration proceedings are underway for the partial settlement of the submitted Claims including the granting of the extension of execution time, part of which had already been agreed. In the meantime, the contractually agreed warranty period of one year has begun. "Liability Period").

The remaining activities to be completed, such as the dismantling of camps and site installations, continue. The Works Management requested some additional work to be carried out during the warranty year. The final quantities were defined with the final issue of the State of Work Progress, which is however subject to review in June 2023 for these additional works, and with the issuance by the Works Management of the "Performance Certificate".

### Bucharest ring-road project - Romania



- Customer: CNAIR (Compania Națională de Administrare a Infrastructurii Rutiere din România)
- Construction works of the Bucharest ringroad (lot 1)
- The work was fully carried out by Itinera S.p.A.

- Work progress: 69.9%
- Production during the year 2022: Euro 18.8 million

The work consists in the design and execution of the 4-lane enlargement of the southern ring road of the Municipality of Bucharest and the junction between the national road DN4 and the Bucharest ring road (CB), between km 29 + 500 and km 33 + 190.

The project involves the elimination of the existing level crossing between the CB and the DN4 with the construction of an elevated roundabout.

Both the DN4 and the CB will be extended from 2 to 4 lanes (2 in each direction of travel): the intervention will include a section of about 1.6 km for the DN4 while for the CB it will develop for a section of just under 4 km (from km 29 + 500 to km 33 + 190).

The structures making up the roundabout will be built partly with a mixed structure (steel beams and reinforced concrete slab), and partly with prefabricated beams and concrete slab.

Work could only be started in August 2020 due to delays during the construction project approval phase by the customer. Consequently, the order to start works was issued by the customer only on 6 August 2020 with completion scheduled for 6 August 2022. As a result of the delays in project approval and the unfavourable weather conditions experienced during the execution of the works, an extension of the execution deadline until 16 January 2023 was agreed upon. Due to further delays accrued for reasons not attributable to the contractor, this deadline is currently the subject of a further extension currently being discussed with the customer.

In the course of 2022, the reinforced concrete elevations and pulvini (impost block), the reinforced concrete access ramps to the roundabout and the laying of all the precast reinforced concrete beams and the roundabout's pre-stations, the laying of the metal deck, the construction of the retention basin, the two reinforced soil ramps, the casting of the completion slab and the relocation of the electrical and gas networks were completed.

The new road package, the rainwater drainage channel, the lighting system and the installation of metal barriers and expansion joints are under construction.

### Satu Mare ring road project - Romania



- Customer: CNAIR (Compania Națională de Administrare a Infrastructurii Rutiere din România)
- Design and construction works of the Satu Mare ring road (Romania)
- The work is carried out in collaboration with VIA Design (Itinera S.p.A. share 97.24%).
- Work progress: 96.8%
- Production during the year 2022: Euro 14.3 million

The Contract consists of the construction design and execution of the ring road of the city of Satu Mare for a length of approximately 19.5 km.

The project involves the construction of the ring road, partly with 2 lanes (about 6 km) and partly with 4 lanes (about 13.5 km), making the connection with the existing road network through the construction of two roundabouts at the beginning and at the end of the route, with intermediate junctions for the connection with the existing state, provincial and local roads.

The construction of 10 bridges is planned along the route, of which the most important is the bridge over the Somes river of about 650 m. The superstructure of all bridges is made of a mixed structure (steel beams and reinforced concrete slab).

The construction works of the ring road also included the relocation of some services (low, medium and high voltage power lines, gas transport and distribution network, telecommunications networks).

The stretch between km 9+665 and km 13+590 was delivered to the customer and opened to traffic on 21 October 2021.

During the year, the detailed design activities relating to the movement of services and the construction of side roads and for the production of the documentation necessary to obtain the additional expropriations and obtain the relative construction permit continued.

Work was completed on the road body, the embankments, the road superstructure, the bridges and overpasses as well as the asphalt road pavements.

On 7 July, the entire project was finally tested and commissioned.

Only the laboratory tests required to verify the execution of the side roads, for which the building permit was long awaited (received only on 21 September 2022) remain to be completed.

### Odense Hospital Project - Denmark



- Customer: Syddanmark Region (DAN)
- Construction work for the New University Hospital of Odense (DAN)
- The work is carried out, as a grouping of companies, with Italian company CMB (Itinera S.p.A. share 49%).

- Work progress: 51.9%
- Production in 2022 - Itinera share: Euro 59.1 million

The work concerns the design and execution of the turnkey contract for the New University Hospital of Odense in Denmark. The entire New Hospital project was divided into several lots by the Syddanmark Region. The first two lots concern the areas DP03 - Scientific Departments and main axis and the areas DP04 - Therapy and wards. Lots DP05, DP06, DP07 and DP08, on the other hand, concern the specialist departments. In July 2021, a new contract called DP100 was also awarded for the arrangement of the so-called "raw rooms".

The activities carried out in the period concern civil works (earthworks, structures, insulation, waterproofing and façades), architectural works such as partitions and screeds, MEP works for all buildings, medical gases and fire-fighting installations. The earthworks, structural and façade works and all the DP are all complete.

The waterproofing and insulation work on the roof, the interior partition walls and screed work, and above all the work on the electro-mechanical and fire-fighting systems are continuing, albeit behind schedule, due to the difficulties that have arisen with the pandemic and the Russian-Ukrainian war, which is causing difficulties in both the procurement of materials and in the movement of personnel. In this context, it is worth noting the recognition by the customer of an extension (with the end of work rescheduled to November 2024) and additional fees.

## Koge Hospital Project - Denmark



- Customer: Sjaellands Region (DAN)
- Construction work for the New University Hospital of Koge (DAN)
- The work is carried out in collaboration with Italian company CMB (Itinera S.p.A. share 80%).
- Work progress: 39%
- Production in 2022 - Itinera share: Euro 50.1 million

The work consists of the design and execution of the turnkey contract for the new Køge University Hospital, built as an extension of the current University Hospital of the Zealand Region, and includes approximately 110,000 m<sup>2</sup> of new construction, including wards, surgical rooms, outpatient units, first aid department and common facilities, as well as the demolition of approximately 17,000 m<sup>2</sup> of existing buildings.

The construction also provides for the construction of a heliport, together with the work to refurbish the surrounding areas.

During the period, Building 1 was completed, with its handover to the customer on 8 December 2022, for which some minor repairs and final settings requested by the customer are underway.

The assembly of the facades and structures has been completed on Building 2, and work is about to begin on the interior.

### Storstroem Bridge Project - Denmark



- Customer: Vejdirektoratet (DAN)
- Construction work on the Storstroem Bridge (DAN)
- The work is carried out by a JV in which the Itinera share is 99.99% (and with the Italian company GLF at 0.01%).
- Work progress: 52.1%
- Production during the year 2022: Euro 53.5 million;

The work consists in the construction of a viaduct of 3,512 metres with 44 spans, of which the two main central spans are cable-stayed with a span of 160 metres each.

During the first part of 2022, work continued on the prefabrication of the foundations, lower pier, pile segments and beams, and work began on the installation of off-shore pile segments and their subsequent installation of reinforcing steel and formwork.

The main activities of laying reinforcing steel and concrete for the spans *in situ* have been completed, with subsequent dismantling of the underlying scaffolding.

Moreover, the first phase of the installation of the crane tower on the central pylon for reinforcing steel laying and formwork was completed.

In the second part of 2022, the laying, steeling and casting of the precast beams in Building 2 continued, of which 5 beams are in storage for future off-shore installation as per work programme.

Work also continued on the laying of reinforcing steel and the casting of the diamond walls of the central pylon, cast at an elevation of - 2.25 metres above sea level.

With regard to off-shore activities, it is also worth mentioning the start of the work platform installation activities, as well as the reinforcement, formwork and casting of the central pylon elevation from +3.80 metres above sea level.

### Telt SEP JV project



- Customer: TELT s.a.s. (France)
- Executive design and construction of the base tunnel of the Turin Lyon cross-border section Lot n 3 - Work site 8: Executive design and construction of the base tunnel from the Villard-Clément junctions
- The work is carried out in JV with Implenia (Leader) 34%, Itinera 25%, NGE 25%, Rizzani 16%
- Work progress: 12.7%
- Production in 2022 - Itinera share: Euro 8.7 million

The main mobilisation and site start-up operations were completed. The main investments in equipment were defined along with the concrete plant already in operation.

As scheduled in the work programme, the excavation of the tunnel began on 5 December 2022 and, as of 31 December 2022, the first 8 metres of the tunnel had been excavated.

## Arenastaden-Sodra Hagalund Metro Project - Stockholm (SWEDEN)



- Customer: SL Nya Tunnelbanan AB (Stockholm Region)
- Arenastaden-Sodra Hagalund yellow line metro construction work
- The work is 100% carried out by Itinera
- Work progress: 8.2%
- Production during the year 2022: Euro 10.8 million

The work consists of the excavation of the metro line extension tunnel consisting of the main line and the service tunnel, as well as the construction of two new stations, Arenastaden and Sodra Hagalund, with adjoining tunnels and four ventilation shafts, and the access ramps from the outside complete with the associated reinforced concrete structures. The contract also includes the construction of the reinforced concrete structures of the four ticket offices outside the access ramps.

Each station has two entrances from the outside. The length of the lot is approx. 2.4 km.

The works related to the construction of the pipelines and conduits to be laid in the road body, as well as the asphalt paving along the service tunnel, have been completed.

The commencement date coincides with the signing date of the contract with the customer, i.e. 2 March 2022, while the end date is scheduled for 2 August 2026.

According to tender forecasts, the first six months were related to the mobilisation phase of equipment and dedicated personnel. During this period, a contractual programme was drawn up and forwarded to the customer, in which an attempt was made to optimise the productivity of the teams operationally involved in excavation.

The same planning went into the definition of the equipment and tools needed for the excavation phases of the tunnel, as well as the manpower to be employed.

During the period, purchase orders and supply contracts were issued for the necessary materials to be used in the excavation of the tunnel, such as explosives, sprayed concrete, mechanical anchors, additives, temporary material to be used for the adduction and extraction of process water, and "production" electrical cables.

In addition, work was completed on the installation of the site equipment required for the start of tunnel excavation activities, which began mid-October 2022.

Specifically, during the period, approximately 200 linear metres of advancement were realised considering the entire access tunnels to Arenastaden and the main and service tunnels to Södra Hagalund, amounting to slightly more than 10,000 cubic metres of excavated rock, measured in banks.

Final consolidation works such as nailing and fibre-reinforced sprayed concrete were carried out in approximately 50% of the excavated section.

Design work is in progress on the temporary support works for the outer stations Hagalundsgatan, Solnavagen and Industrivagen.

### Hammarby Kanal Metro Project - Stockholm (SWEDEN)



- Customer: SL Nya Tunnelbanan AB (Stockholm Region)
- Construction work for the metro blue line lot Nacka-Soderoft
- The work is 100% carried out by Itinera
- Work progress: 10.4%
- Production during the year 2022: Euro 8.9 million

The work consists of the excavation of a main tunnel and service tunnels with a length of approximately 1.1 km and related civil works. A service platform in the main tunnel, the entrance system from outside and two ventilation shafts are also planned.

The start date is 9 May 2022, and the end date is 9 May 2025.

During the year, project start-up activities were initiated, including mainly the mobilisation of personnel and the issuing of purchase orders for machinery rental.

In addition, work was completed on the installation of the site equipment required for the start of tunnel excavation activities, which began mid-August 2022.

Specifically, during the period, 476.5 linear metres of advancement of the service tunnel and the two main tunnels were realised, amounting to approximately 25,851 cubic metres of excavated rock.

### Halmar International LLC- Penn Station Access Project



- Customer: Metropolitan Transportation Authority of New York
- Work on the construction of a new railway line that will connect New Rochelle (NY) to Penn Station in Manhattan.
- Joint venture with Railworks, Halmar share 52%
- Work progress as at date: 10.5%
- Production during the year 2022, Halmar share: USD 107.1 million (Euro 101.7 million at average exchange rate for the period)

The project consists of the design and construction of a new railway line of approximately 30 km, from New Rochelle to Penn Station. The new line will provide direct access to Penn Station for transit users on the MTA's New Haven line. The contract also includes the construction of four new stations, road and pedestrian subways and overpasses, as well as new modern technological infrastructure for communication and control, signalling, etc.

In the course of 2022, construction and part of the engineering were first carried out.

Currently, the design shows 80% progress, despite some delays due to the customer not sharing basic information within the contractually agreed time-frame. In addition, there are delays in the design of signalling, traction power and communications.

Soil investigation is complete.

Finally, surveying, tieback installations for the

Eastchester and Bronxdale Ave bridges, and micro-pile tests at railway stations began.

### Halmar International LLC- Kew Gardens Interchange Project



- Customer: Department of Transport of the State of New York
- Works related to the modernisation of the Kew Gardens road junction in New York
- Work progress: 100%
- Production during the year 2022: USD 33.7 million (Euro 32.0 million at average exchange rate for the period)

The work consists in the modernisation of the road junction through the construction of 11 bridges and the modification of the access ramps to make the road system safer and more fluid, the improvement of the rainwater disposal network, the improvement of pedestrian access and the restructuring, in both static and geometric terms, of six bridges dating back to the thirties and sixties.

During 2022, work continued with the completion of all viaducts and the almost complete opening of the new motorway junction to traffic. The project is substantially complete and the official handover to the Customer will take place in early 2023.

### Halmar International LLC - Van Wyck Expressway



- Customer: Department of Transport of the State of New York
- Works relating to the expansion of the main road to JFK airport.
- Work progress: 37.6%
- Production during the year 2022: USD 62.8 million (Euro 59.7 million at average exchange rate for the period)

The project includes the substitution of two bridges, one vehicular and the other railway, as well as the modernisation of a double decker railway bridge. These facilities are located on a busy, expressway that connects New York City to JFK International Airport.

The preliminary work of relocating the necessary underground utilities to start most of the bridge structures is well advanced (about 90%), and substructure works on all the three bridges, Double Deck Bridge, Mainline Bridge and Atlantic Avenue Bridge, has begun. In particular:

- Mainline Bridge: The installation of the micropiles of phase 1 of pylon 15 has been completed and the foundations have been poured. The SOE poles of the 14th stack have been laid and prepared;
- Double Deck Bridge: The basement of the 16th stack has been completed, to begin the steel pillars. The foundation excavation of the 14th stack has been completed, and the foundation concrete is about to start;

- Atlantic Ave Bridge: The east shoulder has been completed. Excavations have begun on the west shoulder. The installation of posts has begun in the west retaining wall.

### Halmar International LLC- Project 3rd Track Constructors LLC



- Works related to the expansion of the Long Island Railroad (LIRR) in New York
- Work in Joint Venture with Dragados, Picone and CCA, Halmar share 23%
- Work progress: 96.6%
- Production during the year 2022, Halmar share: USD 70.0 million (Euro 66.5 million at average exchange rate for the period)

The project consists of the planning and construction of a third railway line extending for approximately 17 km, from Floral Park to Hicksville. The new line will increase the capacity of the rail service along the corridor connecting Manhattan with the entire island and will develop mobility in the Long Island area. The service will also become more reliable and safer, removing level crossings and building road and pedestrian underpasses and overpasses. Existing stations will also be refurbished, and new car parks will be built near the stations.

The design phase is complete and as-built drawings are underway.

The work is almost complete, with the only work still to be completed being the Mineola Station, the G15 substation, the Westbury Station and the Punch List work.

All sections of the new track are now operational.

Facilities on Willis Ave. are complete. The construction of the storage facility is scheduled for mid-March 2023.

### Halmar International LLC - Potomac Yard Constructors Project



- Customer: Washington Metropolitan Area Authority (WMATA)
- Works carried out in partnership, Halmar share 60%
- Works related to construction of the new subway station in Alexandria (Virginia)
- Work progress: 93.8%
- Production during the year 2022: USD 90.7 million (Euro 86.4 million at average exchange rate for the period)

The project consists in the construction of the Potomac Yard Metrorail station in order to connect the railway lines of the Washington Metro with an area not served in the city of Alexandria. The station provides a usable area of about 9,000 square metres with two 800 m. platforms, for a maximum height of the building of about 15 metres, connected to the surrounding areas by a series of pedestrian and cycle paths.

To date, the Project has reached the completion of most of the "in House" works, in particular, in the station area, where the installation of the ducts in the north, south and cross-over areas was carried out. In addition, the fastening slabs and plinths for the tracks in the north, south and the relative exit

ramps have been completed.

### Halmar International LLC - Lower Westchester Bundled Bridges project



- Customer: Department of Transport of the State of New York
- Direct order, Halmar 100%
- Work related to the reconstruction of three existing bridges in Westchester County in the State of New York.
- Work progress: 88.4%
- Production during the year 2022: USD 38.4 million (Euro 36.4 million at average exchange rate for the period)

The project consists of the reconstruction and modernisation of three road bridges and related access ramps to the ordinary road network. The bridges are located in the cities of Mount Vernon, Marmaroneck and Mount Pleasant, in Westchester County which is located south of the State of New York and in an area adjacent to the Bronx borough in New York City. The contract is of the design & build type.

Works at Hutchinson River Parkway: The bridge has been handed over to the customer and opened to traffic. Work still in progress concerns punch list resolution and landscaping (75% progress).

Work at Saw Mill River Parkway: the bridge has been handed over to the customer and opened to traffic. Punch list resolution and landscaping is also being completed (80% progress).

Work at Route 1: the foundation and substructure of the Route 1 bridge have been completed. Work has begun on tunnel lining.

### ICCR 153 S.A. - BR153 Lot 3 Project - Brazil



- Customer: Eco153 - Concessionaire Ecovias do Araguaia S.A.
- Preservation, maintenance, improvements and expansions of the road system consisting of BR153 - BR414 - BR080 for a total extension of 850 km.
- Work progress: 77.2%
- Production during the year 2022: Euro 42.8 million (BRL 232.8 million at the average exchange rate for the period);

The work consists of paving the existing motorways with the construction of 19 service and rescue areas, 9 toll areas and 2 parking and rest areas.

In the course of 2022, the 9 toll areas and 2 parking areas were completed. Routine rehabilitation of existing paving also continued.

### ICCR 135 S.A. - BR135 Project - Brazil



- Customer: Eco135 - Concessionaire Ecovias S.A.
- Conservation, maintenance, improvements and expansions of the road system consisting of the BR135 - MG231 - LMG754 for a total

extension of 354 km.

- Work progress: 30.9%
- Production during the year 2022: Euro 41.7 million (BRL 226.8 million at the average exchange rate for the period);

The work consists of rehabilitation of the existing paving and expansion and reinforcement works. The upgrade works are mainly duplications, additional lanes, access improvements, bypasses to city centres, viaducts and other minor works.

In the course of 2022, work was carried out jointly on both the rehabilitation of the existing paving, with the application of approximately 150,000 tonnes of asphalt, and the construction of additional lanes. In particular, for the additional and duplication lanes, specific base and sub-base and paving activities began with the application of approximately 46,000 tonnes of asphalt.

# COMMERCIAL ACTIVITIES

## CONSTRUCTION MARKET

The construction market in Italy, in particular in the field of public infrastructure, is changing since on the occasion of the public finance manoeuvre, the government expressed its willingness to focus on reviving public investment.

Following the economic crisis generated by Covid 19, within the scope of its "Recovery and Resilience Plan" (RRP), the Italian government has approved a series of investments for new works financed by the EU recovery fund to help launch the economic recovery process in Italy.

During the year, however, the works planned under the RRP and the related public tenders were negatively affected by the price increases for raw materials, due to both supply shortages - that became evident at the end of 2021 and persisted for most of 2022 - and the consequences of the ongoing war between Ukraine and Russia. In addition, the approximately one-year delay in the publication of most of the calls for tenders resulted in a concentration of the tenders of interest in a limited period and with the prospect of a shortening of the time-frame for work execution.

In order to participate competitively in the ventures within the scope of the RRP and bring together their experience and technical expertise, in 2021, the Eteria Stable Consortium was incorporated by Itinera S.p.A., Vianini Lavori S.p.a., Porto Torre S.p.A. (both within the Caltagirone Group), and later joined by ICOP S.p.A.; the Consortium aims to be a new one-stop shop for construction and a possible leading player in the Italian infrastructure sector.

At the same time, Itinera initiated the implementation of a strategic plan with the primary objective of consolidating its presence in qualified international markets and realising a significant share of its turnover abroad. This process of internationalization continued in line with both the plan of the construction sector, and the strategic guidelines of ASTM Group, that involve a process of development and geographical diversification, in the construction sector

and in the complementary sector of concessions, modulating it according to market prospects and the acquisition portfolio.

The foreign markets Itinera currently focuses on by participating in tenders for public customers are exclusively the ones in northern Europe, Romania, the United States and Brazil.

In the United States, the Group relies on its subsidiary Halmar while in Brazil it uses the subsidiary Itinera Construções Ltda, which operates exclusively for Ecorodovias, belonging to the ASTM Group.

With regard to the Gulf Area and Southern Africa, where Itinera had consolidated its presence, as a result of the current political and economic uncertainties, no new initiatives will be developed until the situation in these markets improves.

### Italy

In Italy Itinera has participated and will participate in a series of infrastructure ventures such as road maintenance, airports, roads and railways as well as civil and commercial buildings.

In particular, Itinera, as the group leader of the temporary partnership being set up, together with Ghella and Spie Batignolles, following the submission in 2019 of the pre-qualification documentation for the tender procedure for the construction of the Turin-Lyon base tunnel, Italy side (Chiomonte), and having been pre-qualified on 15 October 2021, submitted the relevant bid for the first time in June 2022, and then made two further updates, at the request of the Customer, in October 2022 and January 2023.

It should also be noted that during the period under review, as the principal of a grouping of companies, Itinera submitted a bid relating to a framework agreement for the design and implementation of Smart Road systems and dynamic monitoring on the A24-A25 motorways and was awarded the contract.

In addition, Itinera, after passing the pre-quali-

fication phase, was invited by Amazon to submit a bid for the construction of a logistics centre in Alessandria, whose final proposal was delivered in February 2023; the Company was selected in the short-list of possible contractors.

Within the framework of the initiatives pursued, **Consorzio Stabile Eteria (Eteria Stable Consortium)** took part, among others, in the following calls for tenders:

- accessibility to the port - industrial area of Genoa Sestri Ponente;
- design and execution of the Bologna tram line (red line);
- construction of the new breakwater in the port of Genoa;

and was pre-qualified for the tenders for the:

- extension of Pier VII in the Port of Trieste;
- new cruise pier in La Spezia.

Consorzio Stabile Eteria also submitted bids for, among others:

- in the private sphere:
  - » Olympic Games Arena in Milan;
  - » New A2A headquarters in Milan.
- Within the railway sector:
  - » Fortezza - Verona railway line, Trento bypass;
  - » Railway connection between Venice and Marco Polo Airport;
  - » Various works on the Palermo - Catania railway line.
- Within ANAS S.p.A.:
  - » S.S. 431 Gallaratese;

and is currently preparing several bids for railway, road, maritime and hospital tenders.

Regarding the activities with the Group's **Concession holders**, the Company received the following awards:

- From the A15 Autocisa concession holder, in par-

ticular, the contracts for:

- From the A 15 Autocisa concession holder, in particular, the contracts for:
  - » Adaptation of the motorway route from km 32+560 to km 34+135 (Bocchetto Tunnel - Vizzana Bypass);
  - » Seismic upgrading by demolition and reconstruction of the Civasola (North and South) and Volpara (North and South) Viaducts;
  - » Adaptation of the Campedello, Binaghetto, Roccaprebalza and Rivi Freddi Viaducts to the 2018 NCT;
  - » Seismic upgrading by demolition and reconstruction of the Gravagna (North and South) Viaduct.

- From the A10 Autostrada dei Fiori concession holder, the following contracts for:

» Adaptation of motorway barriers.

- From the A6 Turin Savona concession holder, the following framework agreements for:

» Seismic upgrading of viaducts lot 3 (14 viaducts);

» A6 Section - Turin/Savona: Framework Agreement for seismic improvement works of art - Lots 1 and 2;

» A6 Section - Turin/Savona: Framework Agreement for seismic upgrading of works of art - Lots 3, 4 and 5;

» A6 Section - Turin/Savona: Framework Agreement for seismic upgrading of works of art - Lots 6 and 7.

- From the SITAF concession holder, the contract for the construction of the new Maddalena - Chiomonte junction and from the Autovia Padana concession holder, the contract for the renovation of the 173 underpass.

Lastly, bids are being prepared for:

- deck replacement and seismic upgrading of the viaduct over the Po river, A21 Autovia Padana;

- Seismic Improvement Viaducts - Lot 1, 8 viaducts North and South, A10 Autostrada dei Fiori;
- Carmagnola bypass - Ceva roundabout - Millesimo toll station renovation, A6 Turin - Savona;
- Various works to adapt noise and safety barriers, A12 SALT.

## Europe

The main areas of interest for the Group in Europe have been identified as the Nordic countries (Sweden and Norway) and Romania, given Itinera's long-standing presence in the area. With particular reference to Nordic countries, the Group has considerable infrastructure development plans, to be realised in a market suitable for European companies; their planning has been maintained despite the continuing Covid-19 emergency.

In **Norway**, following the issuance of a pre-qualification for the construction and maintenance through "Project Financing" of a new road section (E10-RV85 Halogaland), and after ASTM together with the Acciona Group passing this pre-qualification phase on 15 October 2021, the analysis of the tender documentation revealed the tender amount had been underestimated. Therefore, in agreement with the shareholders it was decided not to continue with the initiative.

In **Sweden**, following an appeal that was filed and won by Itinera against the first-ranked bidder in the tender for the construction of the Sodra Hagalund station, the customer cancelled the tender procedure with a subsequent request for the submission of a new bid for the beginning of February 2022, which saw Itinera win the tender, bringing the number of contracts won in Sweden to three.

Itinera submitted a bid for the construction of a new underground station in Stockholm (Soderot), which was awarded to third parties, and was pre-qualified for the construction of a section of an urban road in Stockholm, submitting a bid on 20 December 2022.

## USA

In relation to the US market, after decades of inadequate investment, the US transport infrastructure and transit systems have undergone a turnaround thanks to the introduction of an ambitious infrastructure package by the Biden administration worth some 2.5 billion dollars in investments of which more than 600 billion dedicated to transport infrastructure (roads, highways, railways, bridges, ports, etc.).

Despite the problems linked to the war between Ukraine and Russia the market is expected to be very significant in construction and concessions, with the possibility for Halmar to access a potential market of approximately 130 billion dollars through tender processes by the main public and private agencies, of which two thirds will be through Design and Build contracts and one third through Concessions.

Halmar International LLC continues to implement strategies that will involve alliances with new commercial partners to create competitive and reliable Joint Ventures and strengthen its structure so that it is ready for the challenges ahead by further increasing the technical expertise of the organisation and its specialisation in the technical, operational and control sectors.

In the USA, in particular, the development of significant operational synergies continues between the activities of the Group and those of Halmar International LLC with regard to EPC (Engineering, Procurement & Construction) activities.

In fact, Halmar is actively participating in some initiatives in the airport, road, hydraulic and rail sectors, as well as P3 initiatives developed by ASTM North America, in the capacity of General Contractor, the most significant projects of which are indicated below and for which tenders are being prepared or have been submitted:

- Rebuilding and modernisation of the RK-19th viaduct in New York City,
- underground hydraulic works near the Potomac River of vital importance to the city of Washington DC;

- road project including reconstruction of a bridge on I-10 at Calcasieu River Lake Charles, Louisiana, under a concession arrangement, in partnership with ASTM North America.

During Q4 2022, two major projects were awarded to Halmar International:

- rebuilding and modernising the Park Avenue railway viaduct in Manhattan, New York, for the MTA;
- design and construction EPC services as part of a concession project awarded by the MTA to ASTM North America, to improve accessibility for people with disabilities in 13 New York underground stations, the final awarding of which, linked to the “financial closing” of the Concession transaction, is expected in the first quarter of 2023.

Furthermore, in early 2023, a JV in which Halmar International has a 30% stake was selected as the preferred bidder for the award of the project to rebuild various infrastructure links to John Fitzgerald

Kennedy Airport, New York’s most important airport terminal and one of the largest in the world.

## Brazil

Operations in Brazil are developed through Itinera Construções LTDA, in which Itinera S.p.A. has a share of 90% of the share capital, while the remaining 10% is held by Sinelec S.p.A. and by its subsidiaries.

In Brazil, the Group has operated with the Ecorodovias Concessionaire Group, a company belonging to the ASTM Group, as its reference customer. In 2022, in addition to construction activities, Itinera Construções collaborated with the Concession holder in the study and preparation of several tenders. Among the most important are works on the Rio-Minas (720 km) and Noroeste Paulista (600 km) motorway sections. These bids included both construction activities and the concession of the motorway sections and were successfully awarded to Ecorodovias. Other projects are being studied in various Brazilian states, for example, in Paraná and Minas Gerais.



## MOTORWAY CONCESSIONS MARKET

With reference to the market of Italian concession holders, the following is an update on the procedure for the award of the motorway sections "A21 Turin-Piacenza, A5 Turin-Quincinetto, the connecting link A4/A5 Ivrea-Santhià, the Turin-Pinerolo Branch and the Turin Tangential Motorway System", and the motorway sections A12 Sestri Levante-Livorno, A11/A12 Viareggio-Lucca and A15 branch for La Spezia and A10 Savona-Ventimiglia (French border).

### **Section A21 Turin-Alessandria-Piacenza and sections A5 Turin-Ivrea-Quincinetto, A4/A5 Ivrea-Santhià connecting link, Turin-Pinerolo branch and Turin Tangenziale Motorway System**

As specified in previous reports, on 20 September 2019 the Ministry of Infrastructure and Transport ("Ministry") published the European tender for the identification of the new concession holder of the motorway sections "A21 Turin-Alessandria-Piacenza" - whose concession had expired on 30 June 2017 - and "A5 Turin-Ivrea-Quincinetto", the connecting link "A4/A5 Ivrea-Santhe", the branch "Turin-Pinerolo" and the "Turin Tangential Motorway System" - whose concession had expired on 31 August 2016 - currently managed under an extension regime respectively by the subsidiaries SATAP S.p.A. and ATIVA S.p.A..

The Temporary Business Partnership (TBP) composed almost entirely (97.6%) of ASTM Group companies, with the subsidiary SALT S.p.A. (agent) and the parent company Itinera S.p.A. (principal) (with 34% share), submitted the related bid. The SALT TBP was first excluded and then readmitted with reservation following the appeal against the exclusion before the Regional Administrative Court of Lazio.

On 26 November 2020, the Ministry decreed the award of the concession in favour of the aforementioned Temporary Partnership, pending the judgement against the exclusion provision issued during the pre-qualification phase by the Ministry on 19 December 2019.

Both the Administrative Court of Lazio and the State Council confirmed the legitimacy of the exclusion.

Against the latter judgement, the SALT TBP appealed for revocation to the State Council and lodged a recourse to the Court of Cassation on grounds of jurisdiction, asking both Courts to refer the matter to the EU Court of Justice for the blatant violation of European law.

On 10 June 2021, the Ministry revoked the previous decree of 26 November 2020 and awarded the concession to the only remaining competitor, Consorzio Stabile SIS S.c.p.a. Against this measure, the SALT TBP filed an appeal, with an application for suspension, before the Regional Administrative Court of Lazio. By order of 4 August 2021, the latter rejected the aforementioned precautionary application proposed by SALT.

On 9 November 2021, the Ministry declared the effectiveness of the final award of the concession to the Consorzio Stabile SIS S.c.p.a. Following the appeal against the precautionary order of the regional court proposed by SALT, the State Council, by order of 18 November 2021 ordered the suspension of the award order in favour of SIS, annulling the precautionary order of the Lazio regional court. The judgement on the merits before the Regional Court was postponed to an as yet unconfirmed date, pending the measures of the Council of State (revocation judgement).

At the same time, in the revocation judgement proposed by the SALT TBP against the appeal judgement, which had confirmed the exclusion, the State Council ordered the suspension of the effectiveness of the judgment (by order adopted on the same day, i.e. 18 November 2021) and the Ministry blocked the conclusion of the concession contract. In terms of substance, on 28 April 2022, the EU Court of Justice issued its judgment (Case C 642/20), which recognised the incompatibility with European law of Art. 83(8) of Legislative Decree No. 50/2016 (rule underlying the exclusion of the SALT TBP in the State Council's appeal ruling). By State Council order No. 8436/2022 of 3 October, the Council ordered the case to be referred to the Plenary Court. The public hearing for the discussion of the appeal for revision in the Plenary Court took

place on 14 December 2022: the ruling is currently pending.

### **Sections A12 Sestri Levante-Livorno, A11/A12 Viareggio-Lucca, A15 branch for La Spezia and Section A10 Ventimiglia-Savona**

On 27 December 2019, the Ministry of Infrastructure and Transport ("Ministry") published the European tender for the identification of the new concession holder of the motorway sections A12 Sestri Levante-Livorno, A11/A12 Viareggio-Lucca and A15 branch for La Spezia - whose concession expired on 31 July 2019 - and A10 Savona-Ventimiglia (French border) - whose concession expired on 30 November 2021 - currently managed by the subsidiaries SALT p.A. and Autostrada dei Fiori S.p.A..

The Itinera S.p.A. subsidiary has submitted the related bid. On 18 November 2020, the Ministry awarded the concession to Itinera S.p.A..

The second-placed tenderer, Consorzio Stabile SIS S.c.p.A. challenged the award decision before the regional court of Lazio, but the court rejected the appeal, confirming the legitimacy of the award to Itinera.

Consorzio Stabile SIS S.c.p.A. thus appealed against this ruling, with a request for an interim measure by presidential decree, without the need to hear the other party, to the State Council, which was rejected. By judgement No. 01042/2023, the State Council

definitively dismissed SIS's appeal.

Meanwhile, the concession contract was stipulated on 18 January 2022 by the Ministry with the special purpose company formed on 9 December 2021, Concessioni del Tirreno S.p.A..

The new concession will have a duration of 11 years and 6 months from the date of completion of the takeover (from the current concessionaire).

At the same time, the Consorzio Stabile SIS S.c.p.A. also challenged the Ministerial decision declaring the effectiveness of the award to Itinera, requesting its suspension by the regional court of Lazio, which rejected the request. The same precautionary request was also reiterated before the same Court with a request to the President to adopt, without contradiction (by the other concerned party), a monocratic decree granting the measure. Also in this case, the petition was rejected in a monocratic seat and subsequently renounced by SIS. The judicial hearing on the merits is scheduled for 10 May 2023.

In any case, following the effectiveness of the concession, the Ministry, the outgoing concessionaire and the incoming concessionaire began their respective discussions to quantify the takeover values and define the operating procedures and timing for the transfer to Concessioni del Tirreno S.p.A. of the A10 and A12 sections.

# RISKS AND UNCERTAINTIES

In its business, Itinera Group is exposed to risks and uncertainties that can be of general and financial nature or strictly associated to the nature and specific dynamics of its business.

The main types of risk that are monitored by the Itinera Group concern:

- **operating risk**, represented by the risks associated with the construction of the works and relations with individual clients;
- **financial risks**, represented by:
  - » **"market risks"** means the risk that the value of assets and liabilities or future cash flows may fluctuate as a result of changes in market prices;
  - » **"liquidity risks"**, risk due to the lack of adequate financial resources to meet business activities and the repayment of undertaken liabilities;
  - » **"credit risks"**, consisting primarily of the risk of non-performance of obligations undertaken by customers/clients as well as, to a more significant extent considering both the type of business and the relevant macroeconomic context, the risk associated with partnerships with other companies on certain tender contracts, with particular reference to potential situations of default by these partners.
- **"sustainability risks"**, represented by risks related to business activities, including those related to environmental, social, personnel-related, human rights, active and passive corruption and, in particular, based on the experience gained during the Covid-19 emergency, the business continuity risk related to limitations or temporary interruptions to business and/or company operations due to exogenous events and/or factors.

## OPERATING RISK

The main operating risk situations are linked to specific disputes with some customers, described below. In consideration of the complexity of the various disputes described, it cannot be ruled out that events may occur in the future, not foreseeable to date, such as to require changes to the assessments currently made, even with the assistance of attorneys who assist the company in the relevant disputes.

As for the **projects in Italy**:

### Customer CEPAV DUE - railway construction works of lots AV/AC Treviglio-Brescia section

The works in question concerned three different contracts acquired between 2012 and 2013 by the CEPAV Consortium concerning the construction of three lots of the High Speed/High Capacity railway line in the Treviglio-Brescia section.

Already from their inception all the three contracts (Contracts 3, 4 and 5) were delayed due to the late handing over of the area and design procurement by the Client, causing disruption and extra cost to the contractor; this resulted in significant amounts being entered as reserves in the work registers.

The Customer claimed penalties and damages, which the contractor disputed on the assumption that the delay was the responsibility of the contracting authority, and that there was no damage to the latter.

In 2016, Itinera brought a legal action, filing three separate petitions with the Court of Milan, in which, during 2018 and 2019, the Court-appointed expert sessions relating to the three tenders were carried out.

In order to settle further issues that arose after the three cases were begun, a second legal action was brought in 2020, initiated through three different petitions, for which an integration of the Court-appointed expert report already issued in the first litigation was carried out.

Pending the deadlines set for the final hearings on 22 November 2022 for Contract 3, on 29 November 2022 for Contract 4, and on 6 December 2022 for Contract 5, following Itinera's and the Customer's determination to settle all pending litigations out of court, the Court upheld the parties' joint motion for postponement of the final hearings, which were thus postponed to 11 July 2023.

In the meantime, on 23 December 2022, the parties formalised a settlement agreement that, with the payment of the third and final instalment on 28 February 2023, led to termination of the pending litigations and of all relations relating to the contracts in question, with no further pending litigation between the parties.

#### **Customer Consorzio di Bonifica della Sardegna Centrale (Central Sardinia Reclamation Consortium) - Cumbidanovu Dam construction works**

The contract was awarded by the Consorzio di Bonifica della Sardegna Centrale to the temporary partnership between Itinera (agent) and CONSCOOP (principal), which signed the related contract.

The contract was in principle in force until 21 November 2013, when it was ordered - with a special report - to completely stop activities, following the damage caused to the work by the Cleopatra typhoon on 18 November 2013.

During the suspension, Itinera - on 9 January 2019 - informed the Contracting Authority that, in the meantime, it no longer possessed, through no fault of its own, the SOA certification for the OG5 category, class VII, required for the performance of the works under the new Damage Assessment No. 3.

The Contracting Authority, on the assumption that this deficiency prejudiced the temporary joint partnership from the point of view of the requirement necessary to participate and perform public contracts, declared the contract with the temporary partnership terminated and acted to enforce the bond provided by the temporary partnership.

The temporary partnership, deeming the termination of the contract and the consequent enforcement of the bond to be unlawful, since - as mentioned above - the loss of the SOA certification,

which occurred during the long time taken by the Consortium for the approval of the expert's report, could not be attributed to its fault and negligence - appealed to the Civil Court of Cagliari:

- i. to request an injunction against the enforcement of the bond;
- ii. and, by a writ served on 3 May 2019, to have the Court declare the unlawfulness and/or invalidity and/or ineffectiveness and/or groundlessness of termination of the contract and thus award costs incurred and damages suffered.

As to point (i), by order of 26 March 2019, the Court dismissed the application for an injunction stopping enforcement of the bond and, by a subsequent order of 18 March 2021, also dismissed the complaint brought against the aforementioned order; as to point (ii), the trial commenced and the Judge appointed an expert to provide his opinion.

The filing of the Court-appointed final expert's opinion took place on 10 October 2022, with the hearing held on 21 November 2022 and the hearing for the specification of conclusions set for 28 November 2023.

#### **Customer Anas - construction works of variant to SS. n. 1. ("Letimbro" project)**

The works in question are covered by a contract awarded on 25 February 2010 by Anas to the temporary joint venture made up of CMC, the agent (51%) and Itinera, the principal (49%) for the construction of "S.S. no. 1 Nuova Aurelia - access infrastructure to the port hub of Savona - Interconnection between the motorway toll booths of the A10 in Savona and Albissola and the ports of Savona and Vado: bypass to SS1 Aurelia in the stretch Torrente Letimbro and Albissola Superiore".

For the execution of the aforementioned works, the companies in the joint venture set up the consortium company Letimbro Scarl.

Since start of the contract, there were detrimental events and circumstances for the joint venture, which was forced to sustain very severe charges and damages, for reasons not attributable to it; significant amounts as reserves were allocated to the

work registers as a result of these charges and damages.

In order to obtain compensation for the amounts claimed, in 2016 the joint venture sued Anas before the Court of Rome, for the amounts accrued in the period from 25 February 2010 to 22 August 2016.

Following the serving of the summons, Anas activated the settlement procedure pursuant to article 240 of Legislative Decree 163/2006, although this did not have a positive outcome.

On 26 January 2021, the Court referred the case for preliminary investigation, annulling an initial CTU filed on 15 April 2019 due to an alleged lack of sufficient documentation to support it. On the same date, the Court appointed two new experts, setting deadlines which, as a result of a series of extensions requested by and granted to the board of experts by the Judge, resulted in the 'draft' expert report being sent to the parties on 15 July 2022.

On 15 September 2022, the parties' counter-arguments to the draft court expert's opinion were filed, and on 17 October 2022, the final report, including the replies to the parties' comments, was filed. The hearing for closing arguments has been set for 17 April 2023.

Meanwhile, as part of CMC's insolvency procedure, the Court of Ravenna, on 27 June 2019, ordered the dissolution of the contract with Anas.

On 27 March 2020, following the handover of the construction site and the issuance of the Final Account signed with reservations by the joint venture, the latter commenced a second lawsuit to enforce additional reservations relating to the period between 23 August 2016 and 27 June 2019.

After an initial suspension of the expert's activities in order to assess the possible joinder of the two cases, the Court subsequently ordered the court expert's opinion to be issued, setting the schedule of the experts' activities, which, following several extensions and postponements, set 31 January 2023 for the filing of the "draft" expert's report and 28 February 2023 for the filing of the parties' counter-arguments to the draft report.

The filing of the final report including the replies to the parties' comments is scheduled for 31 March 2023, with a hearing for the examination of the expert report set for 30 May 2023.

### **Port of Taranto - Logistic Plate initiatives**

In the course of the previous year, as described in the report on operations for the year 2021, with regard to the overall state of the development of the Concession, the Grantor, having examined the documentation submitted by Taranto Logistica, evaluated the proposal for revision of the Economic and Financial Plan (PEF) observing that, in its opinion, the objective conditions and regulatory conditions did not exist to be able to adhere to the proposal formulated by the Concession holder.

Taranto Logistics has expressed its considerations regarding what is represented by the Grantor, underlining to the same a clear subversion of the conditions underlying the balance of the PEF specified unequivocally by the Concession contract of 25 August 2011.

Given the stalemate, on 12 November 2021 the Grantor decided to establish the Technical Advisory Board (CCT) according to art. 6, paragraph 1, of Decree Law no. 76/2020 and subsequent amendments.

In March 2022, the CCT completed its activities by issuing its decision on 21 March 2022. The CCT admitted the precariousness and unfeasibility of the business plan and determined that the compensation to the Concession holder, resulting from the supervening impossibility of completing the concession contract signed on 9 March 2006, corresponded to the costs incurred for the realisation of the work.

On 3 August 2022, the deed transposing the Technical Advisory Board's decision was signed, in which it was established that the payment by the Port Authority would be made in three annual instalments starting from the date of the signing of the aforementioned deed of transposition.

As of today, there is an ongoing legal action (brought against the Company), initiated by the subcontractors, currently at an early stage.

### **Customer Port Authority of Civitavecchia - First functional lot of strategic works for the Port of Civitavecchia (SAM S.p.A.)**

The works, entrusted to the temporary partnership formed by GLF, Cidonio, Itinera (now SAM S.p.A. - in liquidation, a subsidiary of Itinera) and Coopsette during 2012, concerned the construction of the first functional lot of strategic works for the Port of Civitavecchia. The evolution of the works saw the initiation of a double dispute against the customer, the Port Authority of Civitavecchia, for the recognition of amounts as reserves.

Despite the fact that GLF, Cidonio and DNC Scarl themselves have released SAM from any negative effects arising from their participation in DNC Scarl, the latter has claims against SAM by way of cost reversal. This resulted in SAM's challenge of DNC's financial statements for the financial years 2018 and 2019 (the last ones approved), which are scheduled to be decided by the Court in January 2024. On the liabilities side, on the other hand, DNC shows, among others, payables to concrete suppliers and other suppliers (both third parties and shareholders).

Assuming the non-recognition of the indemnity, however, if the temporary partnership were to collect from the dispute with the customer, SAM would be able to recover the amounts assumed by DNC from its own share of the claim, at least partially.

On 9 July 2021, however, DNC ordered SAM by injunction to pay the above sums, and the injunction was declared enforceable on 10 October 2022. This was followed by DNC's service of a writ of execution.

Discussions are ongoing with the liquidator of DNC with a view to agreeing on a different handling of the parties' mutual positions.

### **Customer Porto Antico S.p.A. - Cetacean Pavilion at the Genoa Aquarium**

The dispute originates from the tender contract dated 23 November 2010, by which the customer Porto Antico S.p.A. awarded to Itinera S.p.A. (at that time, Codelfa S.p.A., as agent of the partnership with the principal companies Gianni Benvenuto S.p.A. and

Diesse Electra S.p.A.) the executive design and execution of the works for the construction of the new dolphin tank for the Genoa Aquarium.

This litigation follows the preliminary technical proceedings (RG no. 4676/2018), previously brought before the Court of Genoa by Porto Antico and Costa Edutainment S.p.A. (operator of the Aquarium) against Itinera, for alleged defects found in the work.

The preliminary technical proceedings concluded with the report of the court-appointed expert, which ascertained the amount deemed necessary to restore the alleged defects.

More than a year after the filing of the expert's report, Porto Antico S.p.A. brought proceedings against Itinera before the Court of Genoa in order to obtain a declaration of Itinera's breach of its obligations under the contract concluded and tested on 31 July 2014, and in particular the existence of alleged defects, non-conformities and deficiencies in the Cetacean Pavilion of the Genoa Aquarium.

Itinera entered an appearance on 22 March 2022, submitting a third-party petition against Costa Edutainment S.p.A. and its own insurance company, requesting the renewal, at least in part, of the expert's consultancy provided in the previous preliminary technical proceedings, denying its liability for the alleged defects and/or non-conformities, and consequently requesting the rejection or at least the reduction of the claims.

Costa Edutainment entered an appearance on 29 July 2022, also containing a counterclaim against Porto Antico and Itinera, relating to the alleged damages suffered to date by the same and reserving the right to bring separate actions for the alleged damages resulting from the reduced use of the work. Costa's counterclaim was challenged by Itinera in both its *an* and *quantum*.

At the first hearing on 20 September 2022, after ample discussion, the new judge in charge granted the terms for the defence pleadings pursuant to Article 183.6 of the Code of Civil Procedure, adjourning the case to 21 February 2023 for the discussion on the preliminary motions.



Itinera also submitted a petition to the same judge for a non-final ruling on the claimed loss of effect of the guarantee, as well as for an integration of the questions to be submitted to the Court expert.

Putting aside his reservation, the Judge ordered an expert's report only on the *quantum* of Porto Antico's and Costa's claims, appointing the same consultant who had dealt with the expert's report in the preliminary technical proceedings and postponing the swearing in of the same to the following hearing on 14 March.

### **Anti-trust Authority (AGCM) proceedings**

The Anti-Trust Authority initiated an investigation pursuant to Article 14 of Law No. 287/90 against Itinera and other partners to ascertain the existence of violations of Article 101 TFEU. The proceedings concerned the possible existence of an agreement restrictive of competition between the parties, in the form of an agreement or concerted practice, aimed at the allocation of the tender lots and the elimination of reciprocal competitive confrontation in the "Services Tender No. 1/2019 - ordinary maintenance service of road pavements on the entire

network under concession of Milano Serravalle - Milano Tangenziali S.p.A.". On 18 May 2022, AGCM notified the conclusion of the infra-procedural phase.

Notwithstanding the Company's lawyers' defences, aimed at demonstrating a legitimate conduct during the tender, in full compliance with the provisions of the Tender, the Authority concluded the procedural phase by finding the existence of an appreciable restriction of competition in the form of an agreement or concerted practice between Itinera, Sintexcal and Bacchi, aimed at the division of the lots in the tender and the elimination of reciprocal competitive confrontation.

Following the proceedings that developed during the year, which saw the filing of defence briefs on 16 June 2022 and hearings of the parties on the following 21 June 2022, on 28 December 2022 the AGCM imposed a fine on Itinera, assigning a 90-day deadline for payment.

In the meantime, Itinera lodged an appeal against AGCM's measure before the Lazio Regional Administrative Court on 27 February 2023, in respect of which it was decided to request a ruling on the merits rather than a suspension.

It should be emphasised that the AGCM's measure has no impact on Itinera's ability to participate in tenders and continue its activity. However, Itinera, for the sake of total transparency and in line with the now consolidated approach of administrative courts, has made and will make, in the tenders in which it will participate, a special declaration concerning Article 80, para. 5 of Legislative Decree No. 50/2016 (general requirements), to acknowledge the measure adopted by the Authority.

The same statement was sent by Itinera to the customers with whom it is executing contracts.

Below are provided details of the operational risks associated with **foreign construction sites**:

### **Customer: BBT - construction of the tunnel connecting Austria and Italy at Brenner**

#### **Termination of the contract by the Customer BBT**

With a communication made on 27 October 2020, the company Brenner Basistunnel BBT SE ordered the termination of contract B0142 for the works of the construction lot H51 "Pfons-Brenner"; the mandated party was the joint venture "ARGE/ATI H51 Pfons -Brenner", in which Itinera was one of the principals, with a stake of 44.99% (Porr 40%, Hinteregger 15%, Condotte 0.01%).

This termination was a unilateral action by the customer.

Specifically, it should be recalled that, based on the JV agreements that were drawn up prior to the redistribution of the shares previously held by Condotte (following the latter going into a compulsory administration procedure), Itinera S.p.A. took on a role of mere principal of the joint venture that was led by the Austrian company PORR Bau GmbH (agent). Itinera was consequently precluded from any contact with the Customer in addition to any technical-contractual choice in relations with the same.

In addition, the contractual termination did not originate in any execution error or economic technical inability to carry out the work by the Contractor, rather in a divergence between the Contractor and the Customer regarding the possibility of carrying

out part of the work, specifically the dimensioning of the tunnel lining segments, according to the project drawn up by the Customer and tender base.

In this context, on 17 December 2021, Itinera formally notified Porr Hinteregger and the other minor partners of the JV of its withdrawal from the JV with immediate effect. Porr accepted Itinera's exit from the JV by letter dated 23 December 2021.

Itinera's exit from the JV followed Porr's requests for financing on the basis of the clearly exuberant financial requirements compared to the JV's actual needs, Itinera's unmet requests to initiate proceedings against BBT following the undue termination of the contract, and Porr's attempt to reach an agreement with BBT in its sole interest.

#### **Arbitration request against Porr/Hinteregger**

On 8 January 2021 Itinera S.p.A. presented an arbitration request against Porr Bau GmbH and G.Hinteregger & Sohne Baugesellschaft GmbH asking for damages for the termination of the contract by BBT - an event that was attributable exclusively to the incorrect managerial conduct of the summonsed parties. Arbitration is conducted within the International Chamber of Commerce (ICC).

Itinera filed a Statement of Claim (SoC) on 4 December 2021.

On 25 April 2022, the Court of Arbitration sent the parties an updated schedule of the next deadlines in the arbitration proceedings. Based on the new timetable, the parties exchanged requests for document production on 4 May 2022.

In the meantime, on 19 May 2022, Itinera received from Porr a settlement balance as of 31 December 2021 allegedly quantifying all the losses accrued by the JV up to that date and formulating a request to Itinera for payment to cover these losses accrued up to the time of Itinera's exit from the JV over and above payments already made. By letter of 6 June 2022, Itinera challenged the balance in its entirety and rejected the corresponding payment claims made on the basis of it.

On 16 September 2022, Itinera filed its Statement of Reply, accompanied by three expert reports

and three written testimonies. Between September and October 2022, the parties exchanged correspondence on: 1) Itinera's request to appoint a 'Tribunal-appointed expert' to verify the JV's Settlement Balance; and 2) the Respondents' request to declare Itinera's claims relating to the Settlement Balance inadmissible. Since the court rejected Itinera's request to appoint an expert to audit the JV's balance, Itinera proceeded to request directly from the defendants access to the JV's records, which was granted on 19 December 2022. Based on such access, notwithstanding Porr's continued reticence, the assessments applied in its preparation appeared arbitrary and unsubstantiated.

Finally, Porr filed the Statement of Rejoinder on 16 December 2022. The timetable for the proceedings does not provide for any further written submissions and the hearing, initially scheduled to take place in Vienna from 13 to 24 February 2023, was first postponed online and then adjourned to a later date following the unavailability of the president and a co-arbitrator.

Finally, it should be noted that on 19 January 2023, Porr filed a Request for Arbitration against Itinera in order to obtain: an order to pay the liquidation balance resulting from the Settlement Balance as at 31 December 2021; the finding that said Settlement Balance is valid and binding on the parties and a declaration that Itinera continues to be liable to the remaining shareholders of ARGE H51 Pfon-Brenner, pro rata to the amount of its previous shareholding in ARGE H51 Pfon-Brenner, for guarantee claims and other obligations in connection with Lot H51 of the Brenner Base Tunnel, which only became apparent after 3 May 2022 but whose causes had become apparent by 31 December 2021.

Lastly, it should be noted that, as a result of its exit from the JV ARGE H51, Itinera has also decided to exit the two special-purpose companies, CIS Beton GmbH and ASCI Logistik GmbH, in which it held 45% stakes. According to the agreements signed with Porr in July 2022, Itinera's shareholding in these companies is deemed to be terminated as of 1 January 2022.

### **Customer Vejdirektoratet - The Danish Road Directorate - Storstrom Bridge Construction Work (Denmark)**

As from 2021, in addition to the delays and higher costs related to the COVID-19 effect, there has been a progressive deterioration of results, due to the tensions on the demand side on the international market, deriving mainly from the Russian-Ukrainian war, the anomalous increase in the price of raw materials, only partially covered by the contractual provisions, and the explosion of problems related to the design process; in particular, there have been delays in the approval of the executive design due also to requests from the customer, which have generated significant increases in the expected quantities compared to what was expected during the bidding phase.

On 14 October 2022, a request for arbitration was submitted to the Danish Building and Construction Arbitration Board for claims concerning price escalation, extension of time and design delays. A detailed Statement of Claim will be prepared by May 2023.

In the meantime, on 5 January 2023, the Contractor and the Customer entered into a liquidity bridge agreement aimed, subject to the occurrence of certain conditions (mainly concerning the achievement of certain progress milestones), at guaranteeing partial financial support to the project pending the settlement of the mutual claims put forward in the aforementioned arbitration proceedings.

### **Customer Region Sjælland - Construction work for the new university hospital in Koge (Denmark)**

On 27 March 2019, the JV KHPT (Itinera 51% and CMB 49%) signed the turnkey contract for the construction of the university hospital in Køge (approx. 115,000 m<sup>2</sup> of new construction and 17,000 m<sup>2</sup> of demolition).

The project, as in other cases already discussed in this report, was seriously affected by the uncontrolled increase in costs caused by the outbreak of the Russian-Ukrainian conflict as well as, to a lesser extent, by the Covid-19 pandemic.

In this context, even though there was a contractual price updating mechanism benchmarked to the Danish Statistical Office's residential construction index (BYG42 index), this mechanism was inadequate to compensate the JV for the significant price increases since the beginning of the financial year 2022.

The JV therefore proposed to the customer to adopt an alternative price update index to the contractual one, prepared with the help of a technical consultant and based on parameters that were still observable but more capable of accurately capturing the cost increases that had occurred.

Negotiations with the customer, which are registering a preliminary opening on the part of the customer, are currently ongoing.

### **Customer Al Farwaniya Property Development LLC - Construction works of the "Reem Mall" shopping centre in Abu Dhabi and infrastructures (RM3000)**

The project involved the construction of a shopping mall and access infrastructure in Abu Dhabi, Reem Island, with a total built-up area of approximately 600,000 square metres, of which 260,000 square metres allocated to retail with 450 shops and 6,800 to parking spaces. The complex also hosts an entertainment area for families, including cinemas, restaurants and a snow-covered amusement park, the Snow Park, of approximately 10,000 square metres.

The execution of the works was entrusted to a joint venture between Itinera-Ghantoot, where Itinera is the leader of the consortium (with a 50% stake holding).

Numerous design changes, already at an early stage, caused delays in the work, for which the JV submitted requests for additional fees, in particular for extensions of time. On 10 September 2020, the JV and the customer Al Farwaniya signed a settlement agreement containing an extension of time of 293 days with the project completion date postponed from 24 August 2020 to 14 June 2021, with the relevant penalties for delays rescheduled from that later date.

As of August 2021, however, the customer instructed the joint venture to carry out additional works in the areas of the future retail units which required



substantial structural and electrical/mechanical amendments on the various floors of the Mall, in addition to giving several instructions concerning more than 60 shops.

The JV therefore submitted various claims to the customer for events that occurred after the conclusion of the aforementioned settlement agreement. These claims were submitted on various dates from October 2020 to December 2021 and included:

- the request for the recognition of additional direct costs due to design changes instructed by the Engineer and extra works requested by the various authorities to obtain the Building Completion Certificate (BCC), obtained on 11 October 2021;
- the request for extension of time and related indirect costs as a result of delays caused by the additional work referred to in the previous point and by the instructions for changes to various stores.

The parties, therefore, initially started negotiations at the highest level between the JV partners' owners and the customer Al Farwaniya in order to reach an amicable settlement of the disputes that arose during the project.

In spite of this, on 14 June 2022, during said negotiations and meetings held between the parties, even though the project was substantially complete with 98% of the commissioned works completed, 96% of which had already been certified by the customer, the customer proceeded, suddenly and without any prior notice, to terminate the contract for alleged breach of contract by the Contractor and ordered the Contractor to clear the building site by 28 June 2022.

On the same date, in breach of the same contractual terms for termination, which provided for 14 days for termination to become effective, the Customer fully enforced the performance guarantee provided by the Contractor through Al Ahli Bank of Kuwait K.S.C.P. - Abu Dhabi Branch.

On 14 June 2022, the JV formally warned ABK not to comply with this unlawful enforcement request. Moreover, on 15 June 2022, through its lawyers,

Itinera sent a further cease-and-desist letter to ABK, with a similar content to the first letter.

On 15 June 2022, the JV filed an interlocutory appeal with the Court of Appeal in Abu Dhabi, seeking an injunction against the enforcement action by the customer. The following day, the Abu Dhabi Court of Appeal dismissed the appeal on the grounds of alleged lack of territorial jurisdiction, indicating Dubai as the correct jurisdiction.

In the meantime, on 16 June 2022, despite the warnings received, ABK proceeded to pay to the customer the entire sum enforced, denying the JV's requests to inspect any documentation in support of the payment made following the enforcement.

On 17 June 2022, the JV firstly filed an appeal of the same content with the Dubai Court, given the lack of jurisdiction of the Abu Dhabi Court. This appeal was rejected on 24 June.

At the same time, on 17 June 2022, Itinera filed an appeal with the Court of Milan pursuant to Article 700 c.p.c. with a request for an injunction *inaudita altera parte*, in order to obtain an injunction and order the respondent Italian banks not to pay ABK the outstanding counter-guarantees and not demand the collection in recourse and/or as an advance from Itinera any sum of money as a result of the aforesaid payment, if applicable, and/or not to bind any sum on Itinera's accounts.

On the same date, 17 June 2022, the assigned judge upheld the appeal filed by Itinera arguing that the prerequisites of *fumus boni iuris* and *periculum in mora* were likely to be met. Subsequently, on 22 June 2022, the Court of Milan set the hearing for 3 August 2022, for the decision on the confirmation, modification or revocation of the order issued *inaudita altera parte* on 17 June 2022; the hearing was postponed to 15 September and then to 4 October and 15 November 2022. At the hearing held on 4 October, the Judge partially modified the decree *inaudita altera parte* issued on 17 June 2022 by providing that the counter-guarantor banks could have recourse against Itinera only in the event of being ordered to pay ABK as a result of the sentence passed by the Abu Dhabi Court. At the hearing of 15 November, the discussion took place,

after which the judge first reserved his position and then, on 16 November, issued an order to amend the measure *inaudita altera parte*, thus rejecting Itinera's appeal. Following this, on 21 November, the Italian banks paid the respective counter-guarantees to ABK and reclaimed from Itinera what had been paid.

In addition, on 2 September 2022, ABK brought an action on the merits before the Abu Dhabi Commercial Court - First Instance against Itinera, Ghantoot and Itinera's counter-guarantor banks, all jointly and severally for the repayment of the entire amount paid in June 2022, including Ghantoot's share, following the enforcement of the performance bond by the customer AlFarwaniya. On 22 November, the case was referred to an independent committee of banking and accounting experts who, on 16 January 2023, rendered an expert opinion stating that Itinera's liability was limited to its 50% share of the sum enforced. On 10 February 2023, the court sent the matter back to the experts to evaluate the parties' comments to their expert report, and set a new hearing on 27 February 2023, later moved to 20 March 2023.

It is also worth mentioning, in connection with the difficult financial situation of the Itinera's partner in the JV, that it is causing, among other things, problems in the management of residual positions with local subcontractors.

The retention bond was also enforced on 27 September 2022. Itinera also filed for precautionary measures to protect its bonds in Dubai, on 28 September 2022, and in Abu Dhabi, on 29 September 2022. Both appeals were dismissed on 3 October 2022. On 29 September 2022, Itinera also filed an appeal pursuant to Article 700 of the Italian Code of Criminal Procedure with the Court of Milan to request an injunction with respect to the payment of the retention guarantee, which was granted on the same day, with the setting of the hearing for confirmation, modification or revocation on 9 November 2022. The Bank entered an appearance on 10 October 2022, requesting that the order be revoked *inaudita altera parte* or that the hearing be brought forward. The request was rejected by decision of 14 October 2022. In the meantime, on 7 October

2022, notwithstanding the injunction issued by the Court of Milan, the bank paid the retention bond, of which it informed Itinera 5 days later, on 12 October 2022. Itinera acknowledged the situation in a note dated 17 October 2022 in which it argued that the bank could not enforce its right to indemnity under the retention guarantee agreements.

At the hearing of 9 November 2022, due to the failure of some of the counterparties to enter an appearance, the Judge postponed his decision to a subsequent hearing scheduled for 20 December 2022. At the hearing of 20 December the discussion took place, after which the judge first reserved his position and then, on 29 December 2022, issued an order to confirm the measure *inaudita altera parte*, thus upholding Itinera's appeal. On 12 January 2023, the bank filed a complaint against the order. Itinera entered an appearance on 6 February 2023 seeking confirmation of the order. At the hearing set for 8 February 2023, the court adjourned the discussion until 12 April 2023 to allow for service in the UAE.

Finally, on 27 September 2022, the advance payment bond issued by ABK bank was enforced, for a value significantly lower than that of the other guarantees previously enforced. As a result, ABK took steps to request payment of the relevant counter-guarantees issued by the Italian banks on behalf of Itinera. On 4 October 2022, the banks paid the respective counter-guarantees. Itinera provided immediate compensation under the terms of the indemnity agreements and in the absence of an application for injunctive relief.

In the meantime, on 14 October 2022, Itinera and its partner Ghantoot, through their lawyers, filed a Request for Arbitration with the Dubai International Financial Centre requesting: a) a determination that the customer had unlawfully terminated the contract, b) a determination that the bonds of the contractor had been unlawfully enforced, c) a determination that the customer had breached its contract, d) an extension of time, and e) a claim for compensation for additional damages. On 12 December, the customer filed its preliminary answer, which was followed by a non-detailed counterclaim filed on 29 December 2022. The parties are currently awaiting



confirmation of the appointment of their respective co-arbitrators by DIAC in order to appoint the president and thus establish the arbitration tribunal.

It should be noted that, on 28 February 2022, the Customer opened the hypermarket within the Mall, including all adjacent areas necessary for customer access and for the hypermarket to operate, while the completion of all instructed extra activities was scheduled for 15 August 2022.

### **Customer: Ministry of transport and communications - Construction works of the bridge over the Okavango river in Mohembo, Botswana**

The contract, entered into by the JV Itinera (72%) and Cimolai (28%), concerns the construction of a bridge over the Okavango River near the village of Mohembo, in northern Botswana, near the border with Namibia.

On the basis of some claims submitted by the JV against various delays caused by the Customer for the approval of the executive project and for significant design variations, the Dispute Board granted extensions of time and refunds of additional charges in measures deemed unsatisfactory by the JV itself.

The latter therefore began the mandatory Amicable Settlement procedure with the Customer, provided for in the Contract, which was originally supposed to end at the end of November 2020. Despite the fact that the period for the Amicable Settlement was extended by mutual agreement until February 2021, the parties were still unable to reach an amicable agreement, so an official communication was sent to the Ministry of Transport requesting its intervention. The Minister called a fact-finding meeting, following which he instructed his staff to proceed with amicable negotiations. Following the above-mentioned official communication, the Permanent Secretary of the Ministry of transport set up an independent committee which analysed and discussed the reserves with the JV without an agreement being reached.

Accordingly, the contractor submitted a request for ICC arbitration on 29 October 2021. The arbitration tribunal was constituted and convened the parties for the Case Management Conference on 21 April 2022. Following this conference and further agreements and provisions of the Arbitration Tribunal, a Statement of Claim was filed on 28 July 2022, which groups together and updates all of the JV's claims, both on the merits of the extension of the contractual timeframe and for all amounts for which a refund is sought. On 1 December 2022, the customer filed its Statement of Defence and Counterclaim, claiming penalties in an amount to be determined. On 2 March 2023, the contractor filed its Statement of Reply and Defence to Counterclaim.

On 11 May 2022, the customer instructed the Engineer to update the value of the Liquidated Damages. However, the Engineer, in complying with this instruction, has not yet taken into account the delays caused by the Customer/Engineer and determined by the Dispute Board.

From a technical point of view, it should be noted that the work was finally delivered to and accepted by the client with a "Taking Over Certificate" issued on 17 June 2022, with the subsequent inauguration and opening to the public on 14 July 2022.

### **Customer CNAIR - Construction works of the ring road of Satu Mare in Romania**

The works concern the contract signed on 16 November 2015 between the Contractor "JV Itinera - Collini - Via Design" and the "Compania Nationala de Administrare a Infrastructurii Rutiere" (National Company for the administration of road infrastructure - hereinafter CNAIR) relating to the construction of the ring road around the city of Satu Mare.

Some design changes requested by the Customer have caused delays already in the start-up phases of the project and in obtaining authorisations. As stipulated in the contract, Itinera has submitted requests for additional fees for the extension of the contractual time and for the calculation of the additional costs incurred.

Subsequently, Itinera encountered new difficulties caused by the request of some further works and delays in obtaining the necessary documentation and authorisations. Because of the above events, that have now largely been concluded, which generated an additional delay in the construction of the work and new additional charges for the contractor, at the end of June 2020 the notification to the customer was updated to include the respective financial requests and timeframes for events that occurred in March 2020. Subsequently, the Customer was submitted the update of the reserves for the events that occurred until 31 August 2020.

On 20 October 2021, a total request was submitted for the extension of 1081 days for the events that occurred until 28 February 2021. However, the Director of Works has not yet issued a determination.

The costs associated with the submitted time extension request are being quantified.

In order to shorten the timeframes and reduce costs, in 2020 the Parties agreed to eliminate the Dispute Adjudication Board (i.e. the body that contractually judges the reserves once they have been assessed by the Works Director). In order to reach a settlement of the mutual claims, Itinera sent the customer an invitation to negotiate in March 2022. The invitation was accepted and negotiations are currently underway.

In the meantime, during the first half of 2022, the bypass obtained final acceptance by the Customer, with inauguration and opening to the public taking place on 8 July 2022.

### **Customer CNAIR - works for the junction of the Bucharest Ring-road, in Romania**

The works relate to the design and execution of the works relating to Lot 1 of the "Bucharest Beltway" and the stretch between km 29+500 and km 33.190 CB- DN4 Oltenita. This is an important road junction that will be built by means of a suspended roundabout built through a steel viaduct that will allow for a reduction in traffic.

The design development activities included a contractual duration of 6 months followed by 24 months of construction.

The contractually agreed completion date for the design phase was the end of January 2020 with works due to begin in February 2020. Due to delays attributable to the customer, linked both to its failure to appoint its own "Legal Checker" (required by Romanian law), and to the definition of the procedures for expropriation (also charged to the customer) of the affected areas of the works, the approval of the project and the building permit were only issued at the beginning of August 2020, providing the 24 months for the construction of the works.

Itinera filed various summons before the Bucharest Court, which are currently pending, in order to obtain the right to Extension of Time until the end of August 2023 and compensation for charges suffered due to: lack of building permit, lack of authorised checkers, problems with the possession of the

Site, and claims concerning the customer's failure to demolish the existing buildings and utilities in the construction area.

On 5 January 2023, the customer filed a lawsuit with the Bucharest Court to request the annulment for procedural defects of the Engineer's Determination No. 8, which, albeit to a lesser extent than the claim asserted by Itinera in the Court, had partially recognised the claims for Extension of Time and compensation for the additional charges and costs incurred.

### **Customer Kerio Valley Development Authority of the Republic of Kenya CTA**

Itinera (49%) participates together with CMC Ravenna in the company CMC Itinera JV S.c.p.a., established for the construction of the Arror and Kimwarer dams in Kenya. The consortium company has, from the initial stages, operated by preventing the various problems that normally slow down the implementation of projects, demonstrating a collaborative attitude with the Contracting Authority and all the Government Authorities involved, with the aim of mitigating delays for the benefit of projects and its stakeholders.

In general, there was a growing negative attitude on the part of communities and local and national authorities, which resulted in a criminal proceeding opened before the Court of Nairobi, where the Public Prosecutor hypothesised a series of offences related to the Arror and Kimwarer contracts, also against managers and administrators of the consortium company. In the meantime, due to evident defaults which did not allow the progress of the activities, the consortium company was forced to send two parallel suspension letters to the Customer, both for the Arror and Kimwarer projects. In agreement with the consortium company, Itinera has prepared two simultaneous lines of defence, one at a legal level in reference to the accusations raised by the Judicial Authority, which are considered totally ungrounded, and one at a contractual level for the definition of the requests for compensation for damages from the Customer.

On 30 June 2020 the Customer was sent requests for additional fees.

The Customer did not respond to the claim notifications for which the consortium company prepared and submitted a request for arbitration. The request was filed with the International Court of Arbitration of the International Chamber of Commerce (ICC) on 15 December 2020. The ICC delivered the arbitration request to the customer through the Kenyan Embassy in France. The ICC received a reply from the office of the Attorney General & Department of Justice, who would follow the arbitration for and on behalf of the customer Kerio Valley Development Authority. The arbitration procedure started and the parties appointed their respective arbitrators who, in turn, nominated the President.

The Statement of Claim was submitted to the arbitration board on 22 October 2021 and the counter-party's response, that was originally scheduled for 1 April 2022, was postponed until 15 April 2022.

On 15 April 2022, KVDA filed its Statement of Defence and Counterclaim, accompanied by three expert reports (two in response to the Claimants'/ supporting quantum expert report and one technical report), 30 witness statements, and various supporting documents. On 9 May 2022, the document production phase began. On 5 July 2022, the Court rejected most of KVDA's requests for the exclusion of documents. On 18 July 2022, the Court issued its decision on the parties' documentary requests, ordering the production of part of the requested documents. On 14 October 2022, the Claimants filed the Reply and Defence to Counterclaim, a rebuttal memorandum to KVDA's Statement of Defence dated 15 April 2022, together with an expert's report on quantum (the second one filed by our expert) in response to the expert's reports filed by KVDA, four written testimonies, as well as various supporting documents. On 20 November 2022, the defendant announced that one of its quantum experts, due to health reasons, would not be able to continue assisting them in the arbitration, and would have to be replaced, anticipating possible repercussions on the timing of the proceedings. On 30 November 2022, the Respondent requested a stay of the hearing scheduled for March 2023, resulting in an indefinite extension of the proceedings, due to the health condition of its quantum expert, which was promptly rejected by the court.

On 3 January 2023, the Respondent filed its Rejoinder and Reply to Defence to Counterclaim, together with annexes comprising new expert reports, which the JV requested to be disregarded as filed late. On 21 February 2023, the Claimants filed their Rejoinder to Reply to Counterclaim. The joint report by the quantum experts was filed on 3 March 2023.

The hearing, originally scheduled to take place from 20 to 30 March 2023 in Paris, was provisionally cancelled as part of a 90-day stay of proceedings at the request of the parties, and granted by the court, in order to attempt a settlement of the ongoing dispute.

On December 24, 2021, KVDA requested Heritage to pay the amount of the Advance payment bond for the Arror Contract. On December 29, 2021, a request was submitted to the Arbitration Board to issue an urgent precautionary measure aimed at blocking arbitrary enforcement. The Court promptly (31 December) ordered KVDA to adjourn the hearing until the date on which the same Court had ruled on the request. The interlocutory proceedings granted a provisional suspension of the enforcement and there were several exchanges of plead-

ings between the parties, as well as a hearing for discussion on 25 March 2022. On 5 July 2022, the Court ordered that the demand for payment of the guarantee made by KVDA on 24 December 2021 should be withdrawn and/or not continued, pending the outcome of the arbitration proceedings.

Including as a result of the spread of the Covid-19 pandemic, the criminal proceedings were continuously postponed. During the preliminary hearing at the Constitutional Court on 1 March 2022, the Judge requested an exchange of pleadings between the parties before the next preliminary hearing, which was originally scheduled for 23 May 2022, then moved to 21 July 2022 and then further moved to 23 November 2022. The Magistrate Court adjourned accordingly until November 2022 and then until late January 2023. In this context, the charges in these proceedings were always rejected in their entirety by the suspects and, in March 2023, the investigation was dismissed at the request of the Office of the Director of Public Prosecutions, which was accepted by the Magistrate Court in a decision of 14 March 2023.



## FINANCIAL RISKS

Regarding financial risk management, the Group parent company Itinera S.p.A. has identified them and defined the relevant management policies and associated objectives. In its routine business operations, the Group, is potentially exposed to the following financial risks:

- **“market risk”** represented by the risk that the value of assets and liabilities or future cash flows can fluctuate following market price changes that, in this case, can essentially concern the interest rate and foreign exchange rates;
- **“liquidity risk”** due to the lack of adequate financial resources to meet business activities and the repayment of undertaken liabilities;
- **“credit risk”** represented by both the risk of default in obligations undertaken by purchasers/customers and the risk associated with normal trade relations.

These risks are analysed - in detail - below:

### Market risk

With reference to the risk that the value of assets and liabilities or future cash flows may fluctuate as a result of changes in market prices, it should be noted that, in relation to what has been described in the paragraphs above on Group and Company business trends in 2022 and the Russian-Ukrainian Crisis, the reference market is currently characterised by exceptional volatility in commodity prices.

In Italy, however, the Government has addressed the issue of price increases by introducing a series of legislative measures aimed at tackling the global economic situation, calming and/or compensating for the increase in costs suffered by economic operators and, therefore, avoiding, as far as possible, excessive imbalances and unbalances in the economic and production dynamics of the sectors concerned.

In particular, on 18 May 2022 the so-called Aid Decree (Decree Law 50/2022) was enacted which, also in order to cope with the increase in the prices of construction materials, introduced important

innovations in the field of public contracts, to be implemented “also in derogation from the specific contractual clauses”, concerning the modifications during the course of work to the price lists and the recognition of higher charges in the work progress report.

These provisions, subsequently extended and confirmed by Budget Law 2023, no. 197 of 29 December 2022, are currently applicable to all procedures concerning works contracts for which, with reference to the works accounted for between 1 January 2022 and 31 December 2023, the reference price lists updated from time to time apply.

In light of the above, and with particular reference to the cash flows related to the contracts that do not currently envisage the completion of the underlying works by 31 December 2023, it cannot be excluded that in the future, subsequent to this period, the lack of or insufficient confirmation of such legislative measures, which cannot be foreseen at present, may require changes to current valuations; this possible future uncertainty is in any case part of the usual well-established forecasting methodologies in terms of expected results on projects, which take into account, on the one hand, changes in prices to customers but also, on the other, fluctuations in costs.

With regard to the risk associated with interest rates, variations in the market levels of interest rates have an impact on the cost and yield of the various forms of funding and investment and thus have an impact on the total net financial charges.

The parent company’s strategy, also referring to subsidiaries, aims to limit the same by monitoring the respective market dynamics by duly appointed company departments which work closely with the parent company’s Central Financial Management to identify the optimal combination of fixed and variable rate loans and using - where this is deemed appropriate - specific hedging contracts.

The Group is exposed to exchange rate risk deriving from various factors including (i) receipt and payment cash flows in different currencies (financial exchange risk); (ii) net investment of capital in subsidiaries with balance sheet currencies different

from the Euro (translation exchange risk); (iii) deposits and/or loans in currencies that are different to the financial statement currency (transaction exchange risk).

The duly appointed Company departments work closely with ASTM Group's Central Finance Management and pursue a policy of hedging risk associated with exchange rate fluctuations, managing, on the one hand, both the balance between future flows of income and expenses and the equity assets and liabilities expressed in the same foreign currency, and on the other hand, the financial instruments with possible hedging available on the market, taking into account the degree of exposure to this risk that the individual contracts entail.

As at 31 December 2022 no hedging transactions are in place for exchange rate risk.

At the close of the 2022 financial year, albeit at lower levels than those noted at the close of the first half of the year, the weakening of the euro, compared to the close of the previous year, in relation to most of the currencies to which the Group is exposed, also related to the current macroeconomic scenario conditioned by the Russian-Ukrainian conflict, had a significant effect on the Itinera Group's financial statements. In particular, the exchange gains deriving from the valuation of items expressed in currencies other than the euro amounted to approximately Euro 2.5 million (Euro 8.4 million when considering the separate financial statements of the parent company Itinera S.p.A.), while the conversion effect on the translation reserve of foreign companies had a positive effect of Euro 3.2 million on the Group's Shareholders' Equity.

### Liquidity risk

"Liquidity risk" represents the risk that the available financial resources may not be sufficient to meet obligations. This risk may emerge, substantially, from potential delay in obtaining collections from customers - from both the public and private sector - and any difficulties in obtaining funding supporting business at the right time and at conditions that are not unfavourable.

The main factors that determine Itinera Group's li-

quidity situation are, on the one hand, resources generated or absorbed by business and investments and, on the other, the debt maturity and renewal characteristics or liquidity of financial commitments and market conditions.

The strategy adopted by Itinera Group consists in pursuing, as much as possible, financial autonomy in current contracts, combined with limiting indebtedness and maintaining financial equilibrium. On this topic, the Group believes that the generation of cash flows, combined with the diversification of funding resources and the current availability of lines of credit, satisfactorily guarantee the planned funding needs.

### Credit risk

The Group's clients essentially come from the public sector, and thus have a good level of solvency, or are public and private companies with high credit ratings, such as motorway concession companies. The risk is therefore low, although, as already mentioned, cases of extended collection periods beyond contract terms and requests of payments in instalments are more likely.

Additionally, for construction companies, credit risk exposure analysis based on overdue is not relevant since receivables are assessed along with other working capital items to identify the net exposure with customers regarding total works in progress (work in progress inventories, advances, etc.) and specifically payables to subcontractors and suppliers in general for which the company attempts, as much as possible in managing operating leverage, to align due dates with purchaser collection periods.

In any case, all the companies belonging to the Group constantly monitor trade receivables and write down positions for which a partial or total non-recoverability is identified. As outlined above, it should be noted that unfortunately in recent years there has been a significant increase in the number of financial default and associated insolvency procedures for companies in the construction sector and its supply chain, including even leading companies.

Unfortunately this situation has also affected the parent company's partners in certain contracts that were carried out on a partnership basis, with inevitable negative consequences in operational terms, but also financial terms considering the numerous commercial relationships and the associated credit and debit accounting entries that arise in particular within the normal operational instruments used for the joint execution of works, i.e. consortium companies in Italy and joint ventures abroad.

With regard to these cases, the following are examples of this type of risk faced by the parent company:

**i. Contract for the execution of the works related to the "Storstrom Bridge" (Denmark)**

Storstrom Bridge Joint Venture I/S (hereinafter also "JV"), established for the execution of the works covered by the contract, is owned by Itinera S.p.A. for a shareholding of 99.99%, given the reduction in the participations of Condotte S.p.A. and Grandi Lavori Fincosit S.p.A. (then Fincosit S.r.l.) - each at 0.01% - pursuant to art. 4.4 of the JV Agreement, since both companies incurred bankruptcy proceedings in the meantime (more specifically, the first in Compulsory Administration; the second in restructuring arrangements with creditors, subsequently in full bankruptcy proceedings).

The shareholder Grandi Lavori Fincosit S.p.A. did not contest the decision taken by the JV to reduce its shareholding to 0.01%, limiting itself to communicating the transfer of the company branch including the relationship with the Customer DRD, to the newco Fincosit s.r.l. and to highlight, also reminding it lastly, the commitment assumed by the parties to point 4.5 of the JV Agreement to evaluate the possibility to entrust the maritime works, in subcontract or in other allowed form, in the case in which the reduction of its participation quota had been ordered. However, given the difficult economic situation in which Grandi Lavori Fincosit finds itself, the maritime works have been assigned to another company; no legal action was necessary against the shareholder.

The shareholder Condotte S.p.A., on the other hand, contested the reduction to 0.01% of its shareholding in the JV, arguing that the decision adopted was illegitimate and complaining that it had suffered, as a result, financial and non-pecuniary damage. Nonetheless, the Extraordinary Commissioners of Condotte S.p.A. exercised the right to dissolve the contract, pursuant to art. 50 of Legislative Decree 270/1999. Itinera reaffirmed the validity of its decision, as a consequence of the non-fulfilment of the obligations by the shareholder, in accordance with the provisions of the aforementioned JV Agreement.

In the meantime, Itinera petitioned for acknowledgement of Condotte S.p.A. liabilities, initiating claims for greater charges and damages deriving from the submission of Condotte S.p.A.'s petition for insolvency and the consequent increased activities and delays in the stipulation of the contract.

Since Itinera's claims were excluded from the draft statement of liabilities, Itinera prepared an appeal in opposition, which was filed on 14 September 2022.

**ii. Contract for the execution of works relating to the "Pfons-Brenner Construction Lot" of the Brenner Base Tunnel**

Itinera S.p.A. took part in the Joint Operation ARGE H51 Pfons-Brenner with a stake of 44.99%, PORR Bau GmbH has a stake of 40%, G. Hinteregger & Soehne Baugesellschaft mbH have a stake of 15%.

Condotte S.p.A. has seen its shareholding reduced from 35% to 0.01% pursuant to the agreements signed, following the bankruptcy procedure in which it is - in the meantime - involved, of Compulsory Administration pursuant to Legislative Decree No. 270/1999.

Similar to what happened in relation to the contract for the execution of the works relating to the "Storstrom Bridge", also in this case the partner, Condotte S.p.A., contested the determination of a reduction in his shareholding in the JO, following the company's petition for insolvency.

However, unlike what happened for the

Danish contract mentioned, the Extraordinary Commissioners have not exercised the right to terminate the tender contract pursuant to art. 50 of Legislative Decree n. 270/1999 but gave notice to the members of the JO to withdraw from the determination of reduction of the shares of Condotte S.p.A., announcing - otherwise - actions for compensation.

Itinera, with the other partners, by petitioning for acknowledgement of Joint Operation ARGE H51 Pfons-Brenner liabilities, initiated claims for greater charges and damages deriving from the submission of Condotte S.p.A.'s petition for insolvency and the consequent increased activities and delays in the stipulation of the contract.

As for the petition of acknowledgement of Condotte S.p.A. liabilities, at the beginning of December 2021, the draft insolvency statement was filed before the Court of Rome by the Condotte extraordinary administration.

As expected, this project excludes the credits of Itinera, Arge and SBJV for the same reason: *"in order for a credit to be admitted to the liabilities of a Company in extraordinary administration, the characteristics of certainty, liquidity and collectability must exist. Well, none of the three characteristics mentioned above exist in this case: the claim is certainly not because it does not result in an enforceable title and, moreover, it is controversial in its existence; it is not liquid because its amount is not expressed to a certain extent but, on the contrary, in a general way; finally, it is not enforceable because it has not come to maturity and, therefore, it cannot be asserted in court to obtain a conviction"*.

In December 2021, observations were filed on the draft insolvency statement, aimed at challenging the exclusion of the aforementioned receivables.

Since Itinera is no longer a member of Arge, no appeal was filed in opposition to the state of liabilities, as was instead done for Itinera's claims. On 13 September 2022, Porr and Hinterregger were notified of their right to file such an opposition action. Arge respond-

ed by arguing that the acknowledgement of Condotte's liabilities was not a matter of their interest and offered to assign the relevant claims to Itinera.

**iii. Tender contract for the execution of works on State Road SS N°1 NUOVA AURELIA - "Access road construction work to the Savona port hub - interconnection between A/10 Savona and Albissola exits and the ports of Savona and Vado - Variant to SS 1 Aurelia in the segment between Savona Torrente Letimbro and Albissola superiore**

CMC and Itinera participated in the tender for the assignment of the works in question in temporary partnership with the percentages of holdings of 51% (CMC) and 49% (Itinera). Following the award in their favour, they signed the contract with ANAS on the 25th of February 2010 and, for the execution of the works, they set up the limited liability consortium company LETIMBRO S.c.a.r.l. participating in the same shares as the temporary partnership.

On 4 December 2018, CMC submitted an arrangement with creditors with reserves.

In an attempt to overcome the stalemate of the works, on 25 January 2019, CMC and Itinera reached a settlement agreement which provided, among other things, for the withdrawal of CMC from the tender contract subject to obtaining the approval from ANAS and the authorisation of the Court as delegated judge of the insolvency procedure of CMC.

ANAS expressed its approval with a communication dated 1 February 2019. Despite the expiration of the 15-day deadline pursuant to art. 12 of the Settlement Agreement, no communication was received from CMC concerning the authorisation of the Court. Subsequently, through official documents relating to the arrangement with creditors, Itinera discovered that the above settlement agreement had been rejected.

In the meantime, as part of the CMC insolvency procedure, the Court of Ravenna, on June 27, 2019, ordered the dissolution of the contract with ANAS, following which ANAS

requested and obtained the return of the works carried out and the immediate release of the site by the contractor. As a result of this the Board of Directors of the consortium company, and later its meeting of shareholders, resolved to liquidate the consortium company in virtue of it not being possible to pursue the corporate purpose, and appointed two liquidators accordingly.

## SUSTAINABILITY RISK

Key business risks are monitored through a series of economic and financial KPIs. Below is a description of the main risks inherent in the sustainability issues of Itinera and its subsidiaries:

- Supply chain and subcontracting: this concerns risks related to the conduct of suppliers and subcontractors and the lack of monitoring of supplier practices, with particular reference to occupational health and safety, respect for human rights, anti-corruption and compliance with environmental legislation including climate change;
- Risks associated with the non-implementation or non-timely implementation of innovative solutions (including solutions that reduce environmental impacts) that meet market expectations with possible repercussions on the Group's national and international competitiveness;
- Compliance with environmental and occupational safety regulations: Risks related to

non-compliance with environmental legislation (environmental damage, risks of interference with contaminated areas, risks related to construction and excavation activities, waste disposal and water management) and with current legislation on occupational health and safety, accidents and occupational diseases;

- Ethical behaviour: Risk linked to the lack of integrity of the management and employees of Group companies that might lead to unethical, unauthorised, illegal or fraudulent behaviour, with particular reference to active and passive corruption, bribery between private individuals and human rights;
- Human capital management: Risks related to the ability to attract, select, develop, motivate and retain qualified professionals within the Group's companies by ensuring diversity and equal opportunities;
- Human rights: Risks related to the potential non-respect of human rights, including with regard to the minimum age for employment, with particular attention to supply chain activities and subcontracting in certain non-European geographical areas;
- Business continuity: Risks connected to temporary limitations or interruptions of business and/or company operations due to external events and/or factors affecting one or more Group companies.

As part of its Risk Management system, the Group has put in place a series of safeguards to prevent and monitor these risks.

## HUMAN RESOURCES AND ORGANISATION

The Group's **average staff** for the year 2022 and comparison with data from the same period in 2021 is represented below:

(Average data)	2022	2021	Change
Executives	74	73	1
Managers	219	208	12
White-collar workers	1,305	989	316
Blue-collar workers	2,681	1,808	873
<b>Total</b>	<b>4,278</b>	<b>3,077</b>	<b>1,201</b>

The **staff under employment** as at 31 December 2022, compared with the figure as at 31 December 2021, is as follows:

(Year-end data)	2022	2021	Change
Executives	75	69	6
Managers	203	207	(4)
White-collar workers	1,172	1,113	59
Blue-collar workers	2,075	2,277	(202)
<b>Total</b>	<b>3,525</b>	<b>3,666</b>	<b>(141)</b>



The growth in the number of employees, in particular in average terms, is attributable to the development of work abroad and especially of the ventures in Brazil, with the subsidiary Itinera Construções, where there was a significant increase of employees.

# ENVIRONMENT, SAFETY AND QUALITY

## QUALITY, ENVIRONMENT AND SAFETY INTEGRATED MANAGEMENT SYSTEM (IMS)

The Company consolidated and implemented the Integrated Quality, Environment, Safety Management System (IMS) during the year 2022 both in national and foreign operating units.

In fact, the certified application of the systems pertaining to the ISO 9001 standards was maintained: 2015, ISO 14001: 2015, and ISO 45001: 2018 on the Company operational headquarters, including those for the production of prefabricated products and bituminous conglomerate.

All operating units were monitored in the course of 2022 through periodic auditing activities, carried out both by internal staff, suitably trained, and by the Certifying Bodies, as required by sector regulations.

This activity has made it possible to verify, with the necessary regularity, the organisational effectiveness of the company, to implement the corrective adjustment and updating actions necessary to improve the processes and sub-processes of which the system is composed, and to coordinate the activities of the personnel deployed on the operational orders in support of worksite functions, ensuring that the provisions of the Integrated System are respected both at a documental and operational and organisational level, both for the work carried out directly and for that which is sub-contracted.

In general, the forecast for 2023 is to consolidate and continue the expansion of the perimeter of certifications for the Company with the aim of improving the organisation on the general level with particular reference to the activities to be carried out abroad and all associated requirements.

## ADDITIONAL MANAGEMENT SYSTEMS, SUPPLIERS' LIST, TRAINING AND HEALTH SURVEILLANCE

During the year, the integrated system was implemented with the acquisition of two important certifications:

- **Certification according to the SA8000:2014 scheme**, a voluntary standard, verifiable through third-party audits, which defines the requirements to be met by the company in connection with corporate responsibility: respect for human rights, labour law, exploitation of child labour, and guarantees of safety and health in the workplace. The core elements of this standard are based on the Universal Declaration of Human Rights, ILO conventions, international human rights standards and national labour laws (such as Legislative Decree 81/08). It involves the whole company and sponsors the following topics:
  - » Promoting health and safety through integration with ISO 45001:2018;
  - » Granting freedom of association and collective bargaining;
  - » Combating child labour, forced labour and disciplinary practices not covered by Article 7 of the Workers' Statute;
  - » Enforcing working time, working hours and remuneration criteria.
- **Compliance of the application of ISO 30415:2021** to human resources management for issues related to diversity and inclusion, inequalities in business systems, policies, processes and practices, as well as in people's prejudices and behaviour. In certifying for this scheme, the company also took input from the National Recovery and Resilience Plan, which established gender equality and social responsibility as main priorities, defining a sustainable society as one in which equal

opportunities are promoted and the gender gap is reduced. Among the 17 goals of the 2030 Agenda for Sustainable Development, Goal No. 5 aims precisely to achieve gender equality.

The company therefore pursued the national strategy to promote Equal Opportunity and Gender Equality by introducing a system related to gender equality certification according to the guidelines of UNI 30415, (based on the reference practice given by UNI /PdR 125:2022) with the aim of ensuring the achievement and maintenance of a more inclusive and less discriminatory working environment.

In addition to this, a surveillance visit was carried out by the certification body Apave in November 2022 for the

- **certification of the ISO 39001 system - "Road Traffic Safety Management Systems"**, which identifies a management standard for road risk reduction. The application of the ISO 39001 standard is the result of the voluntary choice of the Company which has decided to implement its own management system to reduce road risk, wanting to document the possession of an management system capable of keeping under control the impacts on road risk deriving from its activities, systematically seeking improvement.

In the course of the surveillance carried out, the results were positive, resulting in receiving only comments to improve from the certification body.

The Halmar group also pursues a policy aimed to guarantee high levels of safety at production sites through the continuous updating of the workers. In this regard, periodic meetings are organised to update risk assessment at the workplace with the involvement of the personnel employed in the field.

## APPROVED SUPPLIERS LIST

In connection with the supplier qualification process, a programme was initiated in 2022 to change the relevant IT platform, which will be provided by a leading company in the sector.

The objective of the project is to define an application process solution that leads to:

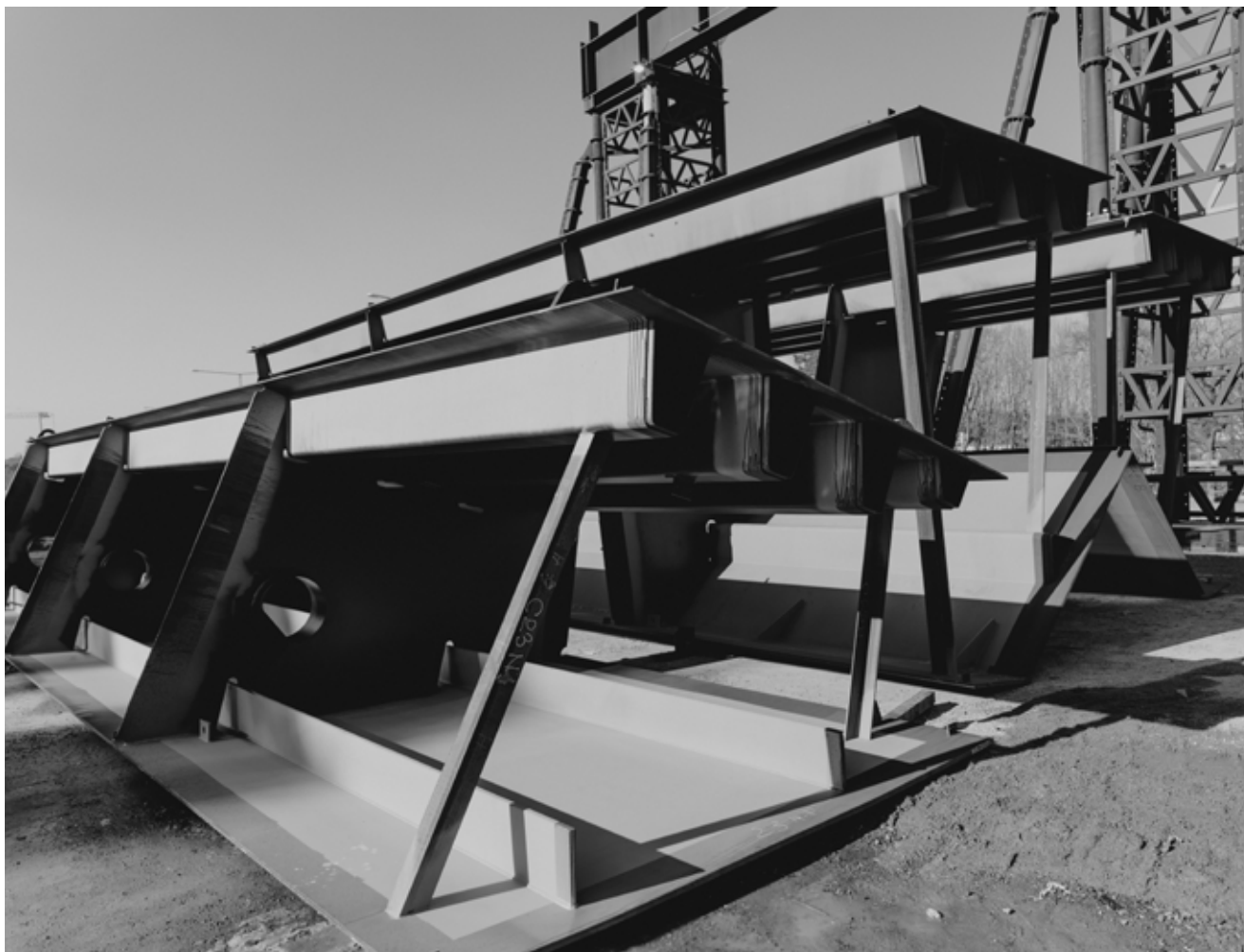
- Integrated, ISO 37001-compliant automated process;
- Adaptable to specific contract requirements (Italy and abroad);
- Possibility of using e-procurement tools (auctions-catalogue purchasing, document traceability);
- Quick consultation of key quality parameters (international lists, budgets, certifications) in both the scouting and qualification phases.

Furthermore, since Itinera is committed to the fight against climate change and has defined its own targets for reducing CO2 emissions, which it also intends to achieve through the commitment of its supply chain, it has requested about 40 of its main suppliers to adhere to a specific emissions tracking module called "carbon tracker": with this, suppliers will be able to provide specific data that will allow the Company to measure effectively its Scope 3 emissions, i.e., indirect emissions from resources not controlled or owned directly by the organisation, but which occur within its value chain.

The whole project to switch to the new platform, set in the last months of 2022, will start in full in Q1 2023.

In the meantime, in the course of 2022 the evaluation and monitoring of a supplier working on a construction order continued as in previous years and was managed by Construction Site Management through a "score card", a computerised evaluation form available in the same portal, filled in and automatically collected and classified in a specific section of the Suppliers List, available to the Suppliers List department for the evaluations foreseen in the specific procedure.

Even in the financial year just ended, the Suppliers



List department carried out second party audits on suppliers of operating units in Italy as contractually provided for by a specific Company procedure.

The annual program of external audits of suppliers and subcontractors aims to:

- verify the most significant or those at risk and those with which critical issues have arisen;
- monitor effectively and comprehensively (the Company's) own supply chain;
- intercept and manage risk situations promptly;
- map suppliers and compare their performance over time.

## EMPLOYEE TRAINING ACTIVITIES IN ENVIRONMENT, SAFETY AND QUALITY

The training entrusted to the SGI-Training and Health Surveillance Office takes on a fundamental strategic function, which is expressed in the understanding of training needs, their transposition into the corporate training plan and the implementation of training projects, aimed at improving management outcomes in line with corporate strategy.

Training, therefore, on the one hand is a strategic lever for the development of the organisation and on the other hand performs an action connected to the process of evaluating and developing distinctive skills, with particular reference to professional integration processes, which represent a strategic asset of particular relevance.

The 2022 Training Plan gave continuity to what was foreseen in the 2021 planning documents.

In fact, the aim was to ensure and increase the level of integration (interdisciplinary, interprofessional, intersectoral integration) for the achievement of mutually shared goals.

The training goals for the year 2022 were in line with the objectives set out in SGI All 01-Objectives 2022 and, quite obviously, with the current regulations/legislation/guidelines.

In order to achieve the aims described above, USGI - Training and Health Surveillance has strengthened participation and continuous collaboration among all personnel, thus facilitating access to knowledge of the training offer in compliance with the principles of equity and accessibility

In 2022, as was the case in 2021, in order to make this teaching methodology more effective, external lecturers with particular expertise in the topics were involved.

The Training Areas catalogued and monitored to date are as follows:

- safety and environment
- regulatory update
- other (technologies and working techniques)
- communications
- work procedures
- health and safety
- Management systems
- Quality
- Environment
- Sustainability
- Social Responsibility

## SUSTAINABILITY

During 2022, the Company provided training to the operators and owners of the processes involved and coordinated the collection and validation of data useful for the drafting of the next Itinera Sustainability Report according to the criteria established by the Parent Company ASTM in compliance with the:

- "GRI Sustainability Reporting Standards", defined as Global Reporting Initiative ("GRI Standards");
- "Ten Principles" of the United Nations Global Compact (UNGC);
- Sustainability Accounting Standards Board (SASB) standards;
- ISO 26000:2010 guidelines.

In consideration of the contribution of the Itinera Group's non-financial data and information to the ASTM reporting model, this report was also developed based on the best reporting practices deriving from the application of Directive 2014/95/EU on the subject of disclosure or non-financial information and on diversity - implemented in Italy by Legislative Decree 254/2016 - and the "Guidelines on the disclosure of non-financial information" of the European Commission.

In addition, a revision of the procedure for the drafting, approval and publication of Itinera's next Sustainability Reports has been initiated, introducing the Head of Function who is responsible for the data and information shared by the Company for her area of competence.

# BUSINESS TRENDS OF THE MAIN GROUP COMPANIES

The following are the economic and financial results of the main consolidated Group companies, namely the parent company Itinera S.p.A., the Halmar Group, the Itinera Construções Group, Tubosider S.p.A. and SEA Segnaletica Stradale S.p.A..

## ITINERA S.P.A.

The main economic items of the Company can be summarised as follows:

(values in millions of Euro)	2022	2021	Change
Revenues	827.9	716.7	111.2
Operating costs	(822.1)	(722.0)	(100.0)
<b>EBITDA</b>	<b>5.9</b>	<b>(5.4)</b>	<b>11.2</b>
<i>EBITDA Margin</i>	0.7%	(0.7%)	1.5%
Amortisation and depreciation	(17.9)	(19.6)	1.6
<b>EBIT</b>	<b>(12.1)</b>	<b>(24.9)</b>	<b>12.8</b>
<i>EBIT Margin</i>	(1.5%)	(3.4%)	2.0%
Result from financial management and equity investments	(169.0)	(82.1)	(86.9)
<b>Earnings before taxes</b>	<b>(181.0)</b>	<b>(107.0)</b>	<b>(74.1)</b>
Taxes	0.4	4.1	(3.7)
<b>Net result</b>	<b>(180.7)</b>	<b>(102.9)</b>	<b>(77.8)</b>

Itinera S.p.A.'s **Revenues** for the financial year 2022 amounted to Euro 827.9 million, showing an increase of Euro 111.2 million (+15.5%) compared to Revenues in the financial year 2021 (which amounted to Euro 716.7 million).

**EBITDA** for the financial year 2022 showed a positive balance of Euro 5.9 million, compared to the negative result of Euro (5.4) million in the comparison period, mainly in connection with the improved operating results attributable largely to the Company's Italian contracts, net of the significant operating loss recognised on the Reem Mall contract of approximately Euro 41 million.

**EBIT** for the year 2022 amounts to Euro (12.1) million (Euro (24.9) million in 2021), after Amortisation and depreciation charges on intangible and tangible assets of Euro (13.1) million (Euro (16.7) million as at 31 December 2021) and the accrual of provisions for risks and charges of Euro (4.8) million (Euro (2.9) million as at 31 December 2021).

The **Result from financial management and equity investments** made a further negative contribution of Euro (169.0) million, linked to the net effect of the loss to be covered on the subsidiary Storstroem Bridge I/S (Euro (193.3) million) and on other subsidiaries for a further Euro (8.5) million, only partially offset by the pos-

itive effect deriving from dividends from subsidiaries received during the period (Euro 22.9 million in total, of which Euro 18.0 million paid by Tubosider S.p.A. and Euro 4.5 million paid by SEA S.p.A.) and exchange rate gains accrued on loans granted in foreign currency to Group companies (for a net Euro 7.5 million).

As a consequence of the factors described above, this results in a **Net loss** for the period of Euro (180.7) million (Euro (102.9) million as of 31 December 2021), which takes into account taxes for the period with a balance of almost zero. This balance which is in any case slightly positive, despite significant losses, is largely explained by the impossibility of utilising, in Italy and locally, the tax portion of the same loss accrued on the shareholding in Storstroem Bridge JV, except for a minor portion that can be offset against other income earned in Denmark, particularly on other works.

The **Net financial indebtedness** as at 31 December 2022 shows a negative balance of Euro (25.8) million, up by Euro 97.0 million compared to the negative balance of Euro (122.8) million posted as at 31 December 2021. The composition of the Net financial indebtedness is as follows:

(values in millions of Euro)	31/12/2022	31/12/2021	Change
Cash in bank accounts	140.3	97.7	42.6
Cash and valuables on hand	0.1	0.1	0.0
Short-term financial receivables	--	44.1	(44.1)
Short-term lease liabilities	(9.9)	(7.3)	(2.6)
Short-term payables due to other lenders	(26.4)	(71.4)	45.0
Short-term bank debt	(135.2)	(131.7)	(3.5)
<b>Short-term net financial indebtedness</b>	<b>(31.0)</b>	<b>(68.4)</b>	<b>37.4</b>
Medium/long term financial receivables <sup>(*)</sup>	45.7	44.2	1.5
Medium/long term lease liabilities	(10.5)	(8.8)	(1.7)
Medium/long term bank debt	(30.0)	(89.9)	59.9
<b>Comprehensive Net financial indebtedness</b>	<b>(25.8)</b>	<b>(122.8)</b>	<b>97.0</b>

<sup>(\*)</sup>The financial receivables of Euro 25.2 million (written down by a total of Euro 18.9 million) granted to Federici Stirling Batco LLC and Euro 75.0 million granted to Itinera USA Corp were not included in Net financial indebtedness because, in whole or in part, they were intended to strengthen the equity of the subsidiaries.

The positive change in Net financial indebtedness is mainly determined by the cash injection made by shareholders on 28 September 2022 for a total of Euro 136.6 million to cover losses (Euro 22.3 million), as well as the payment of the formerly unpaid portion of the capital increase subscribed in December 2021 (Euro 58.4 million) and the 25% of the capital increase subscribed on 28 September 2022 (Euro 55.9 million). To these factors must be added the liquidity generated by ordinary operations, amounting to approximately Euro 110 million against, among other things, advances and payments on account received during the year. This value is to be considered net of the negative effect of the payment of the outstanding counter-guarantees on the Performance Bond enforced by the customer in connection with the Reem Mall project (with an outlay of approximately Euro 29 million). A further negative effect stems from the management of equity investments, due to the disbursements incurred in favour of the Storstroem Bridge JV (about Euro 98 million) for the partial coverage of the losses borne by the latter, as well as following the payment of 25% of the capital increase subscribed in the subsidiary Concessioni del Tirreno S.p.A. for an amount of Euro 29.9 million. Lastly, the management of investments in tangible assets and rights of use showed a negative balance of Euro 2.6 million and Euro 13.8 million, respectively, to which investments in non-current financial assets to subsidiaries and other minor items of about Euro 5 million should be added.

## HALMAR GROUP

Following are the key figures on Halmar Group's contribution to the Itinera Group consolidation:

### Income Statement

(values in millions of Euro)	2022	2021	Change
Revenues	396.4	358.1	38.4
Operating costs	(401.5)	(335.4)	(66.2)
<b>EBITDA</b>	<b>(5.1)</b>	<b>22.7</b>	<b>(27.8)</b>
EBITDA (%)	(1.3)%	6.3%	(7.63)%
Amortisation and depreciation	(5.0)	(4.3)	(0.7)
<b>EBIT</b>	<b>(10.1)</b>	<b>18.4</b>	<b>(28.5)</b>
EBIT (%)	(2.5)%	5.1%	(7.68)%
Result from financial management and equity investments	(1.0)	(1.4)	0.4
<b>Earnings before taxes</b>	<b>(11.1)</b>	<b>17.0</b>	<b>(28.1)</b>
Taxes	(2.3)	(0.1)	(2.2)
<b>Net result</b>	<b>(13.4)</b>	<b>16.8</b>	<b>(30.2)</b>
Results attributable to minority interests	(0.1)	5.4	(5.5)
<b>Group results</b>	<b>(13.3)</b>	<b>11.4</b>	<b>(24.7)</b>

Revenues for the period amounted to Euro 396.4 million and related to work performed directly by Halmar International LLC, accounting for 77% of the Halmar Group's total production, and its subsidiaries. Compared to the financial year 2021, production increased by Euro 38.4 million or 11%.

The above increase is mainly attributable to the start of work on the design and construction of the new railway line from New Rochelle to Penn Station, with a total length of about 30 km, as well as modernisation work on the latter. The significant production achieved under this contract was partly offset by the lower contribution of certain projects, such as the modernisation of the Kew Garden road junction in New York, which had already reached a high percentage of completion at the end of the previous year.

In terms of operating results, however, EBITDA and EBIT amounted to Euro (5.1) million and Euro (10.1) million, respectively. Their reduction compared to the comparison period, amounting to Euro 27.8 million and Euro 28.5 million, respectively, is congruently attributable to the effects of the worsening of the expected results on the Kew Gardens contract as a result of various unfavourable events related to site conditions, interference and delays in the supply chain.

The *result from financial and share management* of Euro (1.0) million is the net balance of financial expenses (for Euro (1.5) million) and financial income (Euro 0.5 million).

Taxes for the year amounted to Euro (2.3) million, represented entirely by state sales taxes. It should be noted that, given the legal form of LLC adopted by Halmar Group companies, income taxes are borne by the shareholders and therefore, for the Itinera Group's interest, they are recognised directly by Itinera USA Corp.

The main Statement of Financial Position items are summarized below:

## Balance Sheet

(values in millions of Euro)	31/12/2022	31/12/2021	Change
Net non-current assets	24.5	19.4	5.2
Non-current assets (liabilities)	1.6	22.9	(21.3)
Tax assets and (liabilities)	(0.1)	(1.8)	1.7
Provisions for risks and charges and employee benefits	(0.2)	(0.2)	0.0
Working capital	(54.3)	5.9	(60.2)
<b>Net invested capital</b>	<b>(28.4)</b>	<b>46.2</b>	<b>(74.6)</b>
Shareholders' equity	65.3	84.5	(19.2)
Net financial indebtedness	93.8	38.3	55.5
<b>Equity and minority interests</b>	<b>(28.4)</b>	<b>46.2</b>	<b>(74.6)</b>

*Net non-current assets*, which amounted to Euro 24.5 million as at 31 December 2022, increased by Euro 5.2 million compared to the previous year, mainly due to the increase in rights of use on tangible assets recognised by Halmar International for the leasing contracts entered into in connection with the Penn Station Access project.

Non-current assets and liabilities, as at 31 December 2021, mainly included a deposit on escrow accounts of Euro 22.1 million, which was released in the year 2022. The remaining balance of the item, Euro 1.6 million, consisted mainly of security deposits.

Net working capital, on the other hand, showed a decrease of Euro (60.2) million mainly due to significant amounts received from customers mainly in connection with the start-up of the Penn Station Access contract.

The net financial indebtedness is broken down below:

(values in millions of Euro)	31/12/2022	31/12/2021	Change
Cash in bank accounts	91.4	66.6	24.8
Short-term financial receivables	15.6	17.1	(1.5)
Short-term lease liabilities	(1.5)	(1.5)	(0.0)
Short-term payables due to other lenders	(1.2)	--	(1.2)
Short-term bank debt	(0.4)	(37.1)	36.7
<b>Short-term net financial indebtedness</b>	<b>103.9</b>	<b>45.2</b>	<b>58.7</b>
Medium/long term financial liabilities	(2.2)	--	(2.2)
Medium/long term lease liabilities	(3.5)	(0.5)	(3.0)
Medium/long term bank debt	(4.3)	(6.3)	2.0
<b>Comprehensive net financial indebtedness</b>	<b>93.8</b>	<b>38.3</b>	<b>55.5</b>

At Euro 93.8 million, net financial indebtedness as at 31 December 2022 showed a significant improvement of Euro 55.5 million compared to the comparison period.

This increase is congruently attributable to the aforementioned collections in connection with the start-up of the Penn Station Access contract, which allowed, on the one hand, the recovery of current liabilities to banks of Euro 36.7 million and, on the other hand, an increase in the balance of cash and cash equivalents of Euro 24.8 million.

Financial receivables, amounting to Euro 15.6 million, refer to liquidity invested in short-term financial instruments.

Financial liabilities related to leasing contracts increased by Euro 3.0 million in 2022, due to the aforementioned rights of use on tangible assets acquired from Halmar International as part of the Penn Station Access project.

## ITINERA CONSTRUÇÕES GROUP

The Group operates in Brazil as an EPC contractor at the service of the concession holders of the Ecorodovias Group (a subsidiary of the ASTM Group) and mainly performs maintenance work on motorway sections through the subsidiaries Itinera Construções Ltda, ICCR 135 S.A. and ICCR 153 S.A., the latter of which were incorporated and entered into the consolidation scope of the Itinera Group during the 2022 financial year.

In particular, Itinera S.p.A. holds a 90% stake in Itinera Construções, while the remaining 10% belongs to Sinelec S.p.A., a company belonging to the ASTM Group. In turn, Itinera Construções has a controlling interest in ICCR 135 and ICCR 153 (50.01%) while the remaining stake is held by Crasa Infraestrutura S.A., a third company.

The main economic items of the Itinera Construções Group can be summarised as follows:

(values in millions of Euro)	2022	2021	Change
Revenues	91.9	19.5	72.4
Operating costs	(90.7)	(19.7)	(71.0)
<b>EBITDA</b>	<b>1.2</b>	<b>(0.2)</b>	<b>1.4</b>
EBITDA (%)	1.3%	(1.1)%	2.40%
Amortisation and depreciation	(0.2)	(0.2)	(0.1)
<b>EBIT</b>	<b>1.0</b>	<b>(0.4)</b>	<b>1.3</b>
EBIT (%)	1.1%	(1.8)%	2.92%
Result from financial management and equity investments	0.9	0.5	0.3
<b>Earnings before taxes</b>	<b>1.9</b>	<b>0.2</b>	<b>1.7</b>
Taxes	(0.4)	(0.5)	0.1
<b>Net result</b>	<b>1.4</b>	<b>(0.3)</b>	<b>1.8</b>
Results attributable to minority interests	1.3	(0.0)	1.4
<b>Result attributable to the Group</b>	<b>0.1</b>	<b>(0.3)</b>	<b>0.4</b>

Revenues as at 31 December 2022 totalled Euro 91.9 million, an increase of Euro 72.4 million compared to the comparison period (revenues of Euro 19.5 million). This increase is mainly attributable to the acquisition and execution of works for the preservation, maintenance, improvement and expansion of the road system on the BR135 and BR153 sections, in the context of concessions awarded to the Ecorodovias Group. These contracts, carried out by ICCR 135 and ICCR 153, brought in total revenues of approximately Euro 85 million.

In terms of operating results, EBITDA and EBIT amounted to Euro 1.2 million and Euro 1.0 million, respectively, compared to the negative results of the previous year of Euro (0.2) million and Euro (0.4) million, respectively.

The main Statement of Financial Position items are summarized below:

(values in millions of Euro)	31/12/2022	31/12/2021	Change
Net non-current assets	1.6	0.7	0.9
Non-current assets (liabilities)	(0.5)	0.0	(0.5)
Tax assets and (liabilities)	(0.6)	(0.5)	(0.1)
Working capital	(1.6)	(7.1)	5.5
<b>Net invested capital</b>	<b>(1.1)</b>	<b>(6.9)</b>	<b>5.8</b>
Shareholders' equity	7.3	5.0	2.3
Net financial indebtedness	8.5	12.0	(3.5)
<b>Equity and minority interests</b>	<b>(1.1)</b>	<b>(6.9)</b>	<b>5.8</b>

**Net financial indebtedness**, which at 31 December 2022 showed a negative change of Euro (3.5) million, amounted to a positive value of Euro 8.5 million, composed as follows:

(values in millions of Euro)	31/12/2022	31/12/2021	Change
Cash in bank accounts	1.5	0.3	1.1
Short-term financial receivables	7.3	11.7	(4.3)
Short-term lease liabilities	(0.1)	(0.0)	(0.1)
<b>Short-term net financial indebtedness</b>	<b>8.6</b>	<b>12.0</b>	<b>(3.3)</b>
Medium/long term lease liabilities	(0.2)	(0.0)	(0.1)
<b>Comprehensive net financial indebtedness</b>	<b>8.5</b>	<b>12.0</b>	<b>(3.5)</b>

## TUBOSIDER S.P.A.

The company operates in the civil works market in particular through the construction and installation of noise barriers, road and pipeline barriers and in the lining of tunnels.

Below are the economic data of the subsidiary with reference to the 2022 financial year:

(values in millions of Euro)	2022	2021	Change
Revenues	86.3	73.7	12.6
Operating costs	(51.5)	(58.2)	6.7
<b>EBITDA</b>	<b>34.8</b>	<b>15.5</b>	<b>19.3</b>
EBITDA (%)	40.3%	21.1%	19.26%
Amortisation and depreciation	(1.5)	(1.3)	(0.2)
<b>EBIT</b>	<b>33.3</b>	<b>14.2</b>	<b>19.1</b>
EBIT (%)	38.6%	19.3%	19.30%
Result from financial management and equity investments	0.5	3.8	(3.3)
<b>Earnings before taxes</b>	<b>33.9</b>	<b>18.0</b>	<b>15.8</b>
Taxes	(9.7)	(3.3)	(6.4)
<b>Net result</b>	<b>24.1</b>	<b>14.7</b>	<b>9.4</b>

**Revenues** totaled Euro 86.3 million, up by 17% over 2021 (Euro 73.7 million), and refer to fees for public contracts (contracts, subcontracts) and supplies of own-produced products to construction companies committed in any case in the execution of works whose final customer is the Italian Government, entities attributable to the Italian Government or motorway concessionaires.

The aforementioned increase in total revenue also takes into account the effect of the recognition of compensation by public and private customers for the increase in the prices of building materials, against a net production, as also confirmed by the decrease in operating costs, which was slightly lower than the previous year.

This resulted in an increase in EBITDA and EBIT of Euro 19.3 million and Euro 19.1 million, respectively.

The Result from financial management and equity investments showed a positive balance of Euro 0.5 million at 31 December 2022, as a result of the net balance of financial income and expenses of Euro 0.8 million, net of the impairment loss recognised on the equity investment in Tuborus due to the difficult environment in which the subsidiary, a Russian company operating in the local market, operates.

Lastly, the Result for the year amounted to Euro 24.1 million net of taxes for the year of Euro 9.7 million, the latter increased by Euro 6.4 million due to the higher taxable income realised by the company during the year.

The main Statement of Financial Position items are summarized below:

(values in millions of Euro)	31/12/2022	31/12/2021	Change
Net non-current assets	6.4	7.5	(1.0)
Non-current assets (liabilities)	0.1	0.8	(0.7)
Tax assets and (liabilities)	(3.9)	1.2	(5.1)
Provisions for risks and charges and employee benefits	(1.2)	(1.2)	0.0
Working capital	2.6	6.5	(3.9)
<b>Net invested capital</b>	<b>4.0</b>	<b>14.6</b>	<b>(10.6)</b>
Shareholders' equity	35.7	32.0	3.7
Net financial indebtedness	31.7	17.3	14.4
<b>Equity and minority interests</b>	<b>4.0</b>	<b>14.6</b>	<b>(10.6)</b>

The main change that can be observed during the year 2022, besides the increase in direct tax liabilities resulting from the higher taxes accrued during the period, is the improvement in positive financial indebtedness, which rose from the already positive balance of Euro 17.3 million at 31 December 2021 to Euro 31.7 million at the close of the current year, despite the distribution of dividends to shareholders of Euro 20 million during the year.

Below is the composition of the positive net financial indebtedness of Tubosider S.p.A.:

(values in millions of Euro)	31/12/2022	31/12/2021	Change
Cash in bank accounts	32.1	19.0	13.1
Short-term financial receivables	0.1	--	0.1
Short-term lease liabilities	(0.2)	(0.2)	(0.0)
Short-term bank debt	(0.0)	(0.0)	0.0
<b>Short-term net financial indebtedness</b>	<b>31.9</b>	<b>18.8</b>	<b>13.2</b>
Medium/long term financial liabilities	--	(1.1)	1.1
Medium/long term lease liabilities	(0.2)	(0.3)	0.1
<b>Comprehensive net financial indebtedness</b>	<b>31.7</b>	<b>17.3</b>	<b>14.4</b>

## SEA SEGNALETICA STRADALE S.P.A.

The company's core business is to carry out horizontal and vertical road sign works with motorway concessionaires (Autostrade per l'Italia, Satap SpA, Salt, Autostrada dei Fiori, Autostrada SAV, Ativa, Rav Raccordo Autostradale Valle d'Aosta, Autostrada Asti Cuneo, Milano Serravalle Milano Tangenziale, Autovia Padana and Sitaf), using high-tech new generation products and procedures.

The main economic components of the company can be summarised as follows:

(values in millions of Euro)	2022	2021	Change
Revenues	25.3	23.8	1.4
Operating costs	(16.8)	(15.9)	(0.9)
<b>EBITDA</b>	<b>8.5</b>	<b>8.0</b>	<b>0.5</b>
EBITDA (%)	33.6%	33.5%	0.1%
Amortisation and depreciation	(1.0)	(0.9)	(0.1)
<b>EBIT</b>	<b>7.5</b>	<b>7.1</b>	<b>0.4</b>
EBIT (%)	29.8%	29.8%	-
Result from financial management and equity investments	0.0	(0.0)	0.0
<b>Earnings before taxes</b>	<b>7.5</b>	<b>7.1</b>	<b>0.4</b>
Taxes	(2.1)	(2.0)	(0.2)
<b>Net result for the year</b>	<b>5.4</b>	<b>5.1</b>	<b>0.3</b>

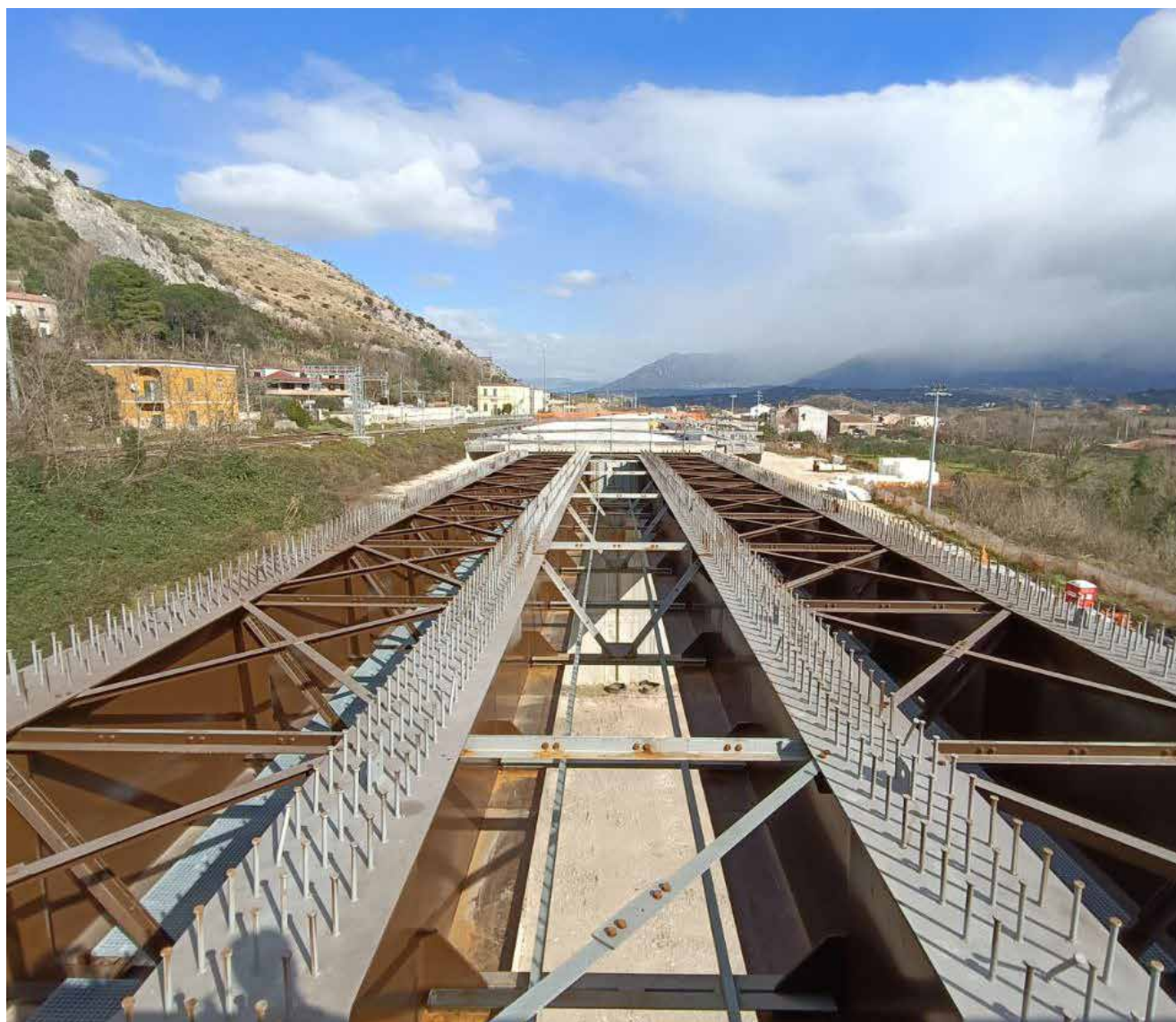
The company's production for the year and operating results appear to be substantially in line with the previous year.

The main Statement of Financial Position items are summarized below:

(values in millions of Euro)	31/12/2022	31/12/2021	Change
Net non-current assets	13.6	14.3	(0.8)
Non-current assets (liabilities)	0.0	0.0	--
Tax assets and (liabilities)	0.2	(0.6)	0.8
Provisions for risks and charges and employee benefits	(0.4)	(0.5)	0.1
Working capital	7.6	8.6	(1.0)
<b>Net invested capital</b>	<b>20.9</b>	<b>21.8</b>	<b>(0.9)</b>
Shareholders' equity	27.6	26.7	0.9
Net financial indebtedness	6.7	4.8	1.9
<b>Equity and minority interests</b>	<b>20.9</b>	<b>21.8</b>	<b>(0.9)</b>

**Net financial indebtedness** as of 31 December 2022 showed a positive balance of Euro 6.7 million, an increase of 38% compared to the comparison period (balance of Euro 4.9 million as of 31 December 2021), and included the distribution of dividends, during the year, of Euro 4,500 thousand.

(values in millions of Euro)	31/12/2022	31/12/2021	Change
Cash in bank accounts	6.7	5.3	1.4
Short-term lease liabilities	(0.0)	(0.0)	0.0
Short-term bank debt	--	(0.4)	0.4
<b>Short-term net financial indebtedness</b>	<b>6.7</b>	<b>4.9</b>	<b>1.9</b>
Medium/long term lease liabilities	(0.0)	(0.0)	0.0
<b>Comprehensive net financial indebtedness</b>	<b>6.7</b>	<b>4.9</b>	<b>1.8</b>



## MAIN GROUP SUBSIDIARIES

The economic and financial results of the Group's main and non-fully consolidated subsidiaries, namely Federici Stirling Batco LLC and Euroimpianti S.p.A., are illustrated below.

### FEDERICI STIRLING BATCO LLC, JOINT VENTURE - ASSOCIATED COMPANY

*Registered offices: Muscat (Sultanate of Oman);  
Share Capital: Oman Rial 1,000,000; Shares: 49%*

With regard to the results for 2022, considering the Company's difficult business prospects and the results of an arbitration proceeding concluded during the period that, with regard to a closed project, resulted in the recognition of sums due to the associate company in a partially lower amount than previously estimated, the provision for risks to cover the investee's losses, already amounting to Euro (2.6) million at 31 December 2021, was adjusted by Euro (4.2) million (for a total of Euro (6.8) million at 31 December 2022). At the same time, the carrying value of the investment, originally amounting to Euro 19.1 million, was fully written down.

In addition, the parent company Itinera S.p.A. recognised receivables for loans to the subsidiary in the gross amount of Euro 25.2 million, against which an impairment provision of Euro (18.9) million was recognized, as well as sundry receivables for a further Euro 2.3 million.

The recoverability of the net carrying amount of these assets is determined by the collection of the sums from Federici Stirling Bactco in the above-mentioned arbitration proceedings.

### EUROIMPIANTI S.P.A. CONTROLLED BY THE PARENT COMPANY

*Registered offices: Tortona; Share Capital: Euro 5,000,000; Participation: 5%*

The company operates in the design and construction of electrical, electronic systems, and electro-technical/electromechanical devices, the provision of energy efficiency services, as well as the study, design and construction of public and private works.

The company prepared, on a voluntary basis, the consolidated financial statements as at 31 December 2022.

During the course of 2022, the company continued its activity with a focus on the execution of works and services both for motorway concessionaires and construction companies belonging to the ASTM Group and its subsidiaries/participations (78% of total production) as well as for external customers.

Specifically, in the course of 2022, the most important projects in Italy included: the completion of the engineering and plant-engineering services for the new Galeazzi Hospital in Milan; contracts for the works to upgrade the tunnels of the A12 and A15 motorway sections managed by SALT; the works in the A32 Turin - Bardonecchia motorway section managed by SITAF and the start of the works to upgrade eighteen tunnels in the A10 Savona - Ventimiglia motorway section managed by ADF.

Abroad, on the other hand, the execution of works related to the electromechanical part of the Zeland University Hospital in Koge, Denmark, and the completion of the lighting system installation project for the "Satu Mare Ring Road" project, both with Itinera S.p.A.. As customer, are worth mentioning.

The main economic and financial data of the Euroimpianti Group during 2022 are summarised in brief:

The Euroimpianti Group's production in the 2022 financial year amounted to Euro 133.3 million (of which Euro 16.5 million related to the ACI consortium), showing a decrease of Euro 31.8 million compared to the 2021 financial year as a result of the completion of some significant projects in Italy in the previous year. 87% of the volumes were realised in Italy (89% in 2021).

From an operating point of view, however, EBIT increased by Euro 538 thousand from Euro 6,429 thousand in the financial year 2021 to Euro 6,967 thousand in the financial year 2022.

The **net result** of Euro 2.2 million, on the other hand, decreased by Euro 1.1 million compared to the previous year due to the higher taxes allocated (Euro 3.1 million in 2021 versus Euro 4.7 million in 2022).

**Net financial indebtedness** at 31 December 2022 shows a positive balance of Euro 16.4 million, up compared to the balance of the previous year of Euro 2.2 million.

# SPECIFIC INFORMATION REQUIRED BY REGULATIONS

## CORPORATE ADMINISTRATIVE RESPONSIBILITY

During the 2022 financial year, the Organisation, Management and Control Model pursuant to Legislative Decree 231/2001 was updated, taking into consideration the new predicate offences introduced by Parliament in the period since the last version of the Model and the amendments of certain offences already contemplated by the Decree that occurred in the same period, as well as the Guidelines updated by Confindustria, and additional elements suggested by the Supervisory Board for the adaptation of the Model to the Company's organisation.

In order to update the Model, a prior assessment was carried out in the context of Legislative Decree 231/2001 to ascertain the actual applicability and relevance of each newly introduced predicate offence or modification of existing offences, to the Company's sphere of operations and to the measures adopted in its Internal Control System.

At the board meeting of 19 December 2022, the Company approved the updated versions of the General Section and Special Sections of the Model.

The Supervisory Board continued its supervisory activities on the operation of and compliance with the Organisation, Management and Control Model pursuant to Legislative Decree No. 231/01, in particular by:

- continuously following the expansion and evolution of the catalogue of predicate offences with repercussions on the administrative liability of entities (Leg. Decree 231/01) and monitoring their possible impact on the Company's activities, also taking into account the evolution of the organisational structure and processes;
- carrying out verification activities according to the established annual plan and examining the periodic information flows transmitted by

the heads of functions;

- exchanging information with the Departments and Functions useful for the performance of its tasks, reporting periodically to the Board of Directors.

## QUALITY MANAGEMENT SYSTEM - UNI ISO 37001:2016 STANDARD

During the financial year 2022, activities continued for the maintenance of the Management System for the Prevention of Corruption, certified in accordance with UNI ISO 37001:2016 by an accredited body. In December 2022, the certificate was renewed for a further three-year period and the scope of the system was also extended to the Danish Branch. The activities also had a positive impact on the activities carried out by the Company for the crime prevention model pursuant to Legislative Decree no. 231/2001 and on the related control measures.

## RESEARCH AND DEVELOPMENT

The Group did not perform research and development activities.

## PARENT COMPANY SHARES OR STOCKS

The parent company does not own treasury shares.

During the year, no treasury shares or holdings or shares in parent companies were purchased or sold, even through trust companies or other persons.

## COMPENSATION DUE TO THE BOARD OF DIRECTORS AND STATUTORY AUDITORS

The compensations due to the Directors and Statu-

tory Auditors of Itinera S.p.A. are the following:

<b>Corporate bodies compensation</b>	<b>2022</b>
Board of Directors	848.4
Board of Statutory Auditors	63.4
<b>Total</b>	<b>911.8</b>

## **RELATIONS WITH SUBSIDIARIES, ASSOCIATED COMPANIES, PARENT COMPANIES AND WITH COMPANIES UNDER THEIR CONTROL**

Regarding to relations with non-consolidated subsidiaries, associated companies, parent companies and with companies which are subject to their control, please refer to what was illustrated in the Notes to the Group Financial Statements.

### **PROJECT LAW 262/2005**

Itinera S.p.A., in line with what is applied by the Group to which it belongs, continued to comply with the regulatory provisions set forth in Law 262 of 28 December 2005, which assigns the Manager in Charge of Preparing the Company's Financial Reports, together with the Chief Executive Officer, the task of certifying:

- adequacy in relation to the characteristics of the company and the effective application of the administrative and accounting procedures used for the preparation of the separate and

consolidated Financial Statements;

- the compliance of the separate and Consolidated Financial Statements with applicable recognised international accounting standards, the correspondence of these documents with the results in the books and accounting records, and their suitability to provide a true and fair view of the assets and liabilities, profit and loss, and financial position of the issuer and the group of companies included in the scope of consolidation;
- that the Management Report includes a reliable analysis of references to significant events that occurred during the period and their impact on the financial statements, together with a description of the main risks and uncertainties encountered during the period.

In this context and in consideration of the scope of activities defined, the Manager in Charge of Preparing the Financial Reports of Itinera drew up a test plan for the year 2022 for his own Company and for the companies controlled by it, which envisaged the verification of the correct application of the "key" controls relating to the accounting processes/flows underpinning each item of the financial statements/relevant financial information.

On the basis of the activities conducted for the purposes of Internal Control over Financial Reporting during the year, the Manager in Charge of Preparing the Financial Reports certified that the monitoring activities carried out made it possible to ascertain the effective application of administrative and accounting procedures for the preparation of the Financial Report.

## BUSINESS OUTLOOK

The estimates for the **year 2023**, based on the current composition and on the expected evolution of the order backlog, indicate a higher production volume for the Group compared to the year 2022; production, in fact, should increase, indicatively, by more than 10%, exclusively thanks to the works already acquired.

The Group's objectives for 2023 are, on the one hand, organisational consolidation and, on the other hand, strengthening its position in the domestic market and qualification on the international market, with specific reference to certain areas of interest. In particular, in **Italy**, both by exploiting the opportunities in the "in-house" market, characterised by the maintenance and investment activities for the concession companies of the ASTM Group and where the recent legislative changes would allow the increase of the direct execution of works, and through the strategic agreement signed with the Caltagirone Group through the Eteria Permanent Consortium, with the aim of pursuing the important volume of investments envisaged in the RRP; in addition, with reference to **international markets**, the Company aims, in particular, both at further growth on the US market, also thanks to the opportunities offered, at the continuous organisational reinforcements carried out in the subsidiary Halmar on the Brazilian territory, and at the maintenance of market shares in the areas of Northern Europe.

It is important to represent that the Company's objectives are framed within a market context still characterised by widespread complexity, especially in the Italian infrastructure market where the delay that some investment projects have suffered for years, also due to the continuous appeals by competing companies and the consequent delays in signing contracts, leaves room for a concentration of high value tenders linked to the RRP which, as a result, favour a few larger competitors.

The Group's financial situation can be defined as satisfactory; in fact, thanks also to the capital reinforcements made during 2022, which strengthen the shareholders' commitment and testify to the strategic nature of the infrastructure business, the

financial position is positive; the capital structure is therefore solid and able to face the future market challenges, in a competitive environment still characterised by the financial difficulties of many competitors, especially in the Italian market.

Generally speaking, although expectations take into account the persistent slowdowns in some projects following the measures reiterated by governments, mainly in European countries, the impacts and possible consequences arising from the international context, characterised by conflicts and tensions in the supply markets, with consequent uncertainties on purchase costs, delivery schedules, availability of skilled labour, and the risk of extending lead times, are not entirely foreseeable.

The strategic plan provides for the continuation of the strengthening of Itinera and its subsidiaries, with the aim of continuing the growth of the skills and technical-engineering know-how of the group, strengthening commercial references and the professionalism of resources, and continuing to support the Parent Company ASTM in participating in international PPP tenders ("Private Public Partnership").

In strategic terms, the development lines remain confirmed, which see as fundamental both the selected maintenance of activity on foreign markets (in particular, Central and Northern Europe, USA and Brazil), and the presence in the domestic market; in particular, therefore, the reference markets of the Itinera Group are the following:

- In Italy, "in-house" work to be carried out for ASTM Group concession holders and tenders to actively participate in the robust investment plan envisaged in the coming years in relation to the RRP;
- In the USA, work in the infrastructure market (EPC) and as part of the PPP projects pursued by the Parent Company ASTM;
- In the Brazilian market, "captive" investment and maintenance activities for the Ecorodovias Group;

- In Central and Northern Europe, tenders inside the areas where Itinera is already operating (Sweden, Denmark, Romania) with organisational structures that can follow the tenders that will be announced in these countries, including Norway.

Based on these lines of development, the distribution of turnover expected in the following years will see the increase in activity on the Italian market and, abroad, in the USA and Brazil, against a reduction on the Middle Eastern and African areas.

With regard to the corporate organisation and corporate management, the strengthening process will continue, aimed at ensuring that the Group is able to meet the new needs, both in the technical and operational area, in particular by strengthening the management structures of both foreign and Italian orders and in the economic-financial area, to gov-

ern the management and control of administrative and financial processes.

Finally, with reference to the subsidiary Halmar, the commercial activities will continue and its operational organisation will be strengthened, with the further objectives of strengthening EPC business and supporting the Parent Company ASTM in the development of PPP projects in the US market.

The objectives represented could be influenced by unpredictable exogenous factors that are not within the scope of *management*.

Tortona, 16 March 2023

For the Board of Directors  
The Chairman  
Gianni Luciani

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## CONSOLIDATED FINANCIAL STATEMENTS

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# STATEMENT OF FINANCIAL POSITION

(amounts in thousands of Euro)	Notes	31/12/2022	31/12/2021
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	1		
a. goodwill		47,284	44,777
b. other intangible assets		704	898
c. concessions – non-compensated revertible assets		--	40,636
<b>Total intangible assets</b>		<b>47,988</b>	<b>86,311</b>
Tangible assets	2		
a. Property, plant, equipment and other assets		87,407	78,805
b. investment property		3,996	4,129
c. rights of use assets		40,636	32,148
<b>Total tangible assets</b>		<b>132,039</b>	<b>115,082</b>
Non-current financial assets	3		
a. equity accounted investments		1,205	2,464
b. other equity investments		6,585	6,468
c. other non-current financial assets		115,636	127,142
<b>Total non-current financial assets</b>		<b>123,426</b>	<b>136,074</b>
Deferred tax assets	4	32,816	20,586
<b>Total non-current assets</b>		<b>336,269</b>	<b>358,053</b>
<b>Current assets</b>			
Inventories and contractual assets	5	408,793	417,469
Trade receivables	6	286,856	249,604
Current tax assets	7	18,273	17,319
Other receivables	8	181,105	53,771
Current financial assets	9	22,919	28,798
<b>Total</b>		<b>917,946</b>	<b>766,961</b>
Cash and cash equivalents	10	317,044	238,203
<b>Total current assets</b>		<b>1,234,990</b>	<b>1,005,164</b>
<b>Total Assets</b>		<b>1,571,259</b>	<b>1,363,217</b>

(amounts in thousands of Euro)	Notes	31/12/2022	31/12/2021
<b>Net equity and liabilities</b>			
<b>Shareholders' equity</b>	<b>11</b>		
Shareholders' equity attributable to the Group			
a. Share capital		232,834	232,834
b. Reserves and profits		(93,117)	(143,835)
<b>Total Group shareholders' equity</b>		<b>139,717</b>	<b>88,999</b>
Shareholders' equity attributable to minorities		25,095	24,402
<b>Total net equity</b>		<b>164,812</b>	<b>113,401</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Provisions for risks and charges and Employee benefits	12	74,112	21,240
Other payables and contractual liabilities	13	171,062	123,485
Bank debt	14	34,342	96,228
Other financial liabilities	15	19,245	14,121
Deferred tax liabilities	16	5,793	2,923
<b>Total non-current liabilities</b>		<b>304,554</b>	<b>257,997</b>
<b>Current liabilities</b>			
Trade payables	17	440,119	381,034
Other payables and contractual liabilities	18	426,654	301,913
Bank debt	19	169,968	205,444
Other financial liabilities	20	49,801	86,168
Current tax liabilities	21	15,351	17,260
<b>Total current liabilities</b>		<b>1,101,893</b>	<b>991,819</b>
<b>Total liabilities</b>		<b>1,406,447</b>	<b>1,249,816</b>
<b>Total liabilities and net equity</b>		<b>1,571,259</b>	<b>1,363,217</b>

# INCOME STATEMENT

(amounts in thousands of Euro)	Notes	2022	2021
<b>Revenues</b>	<b>22</b>		
Revenues from contracts with customers		1,359,119	1,199,746
Changes to work in progress, semi-finished and finished products		(311)	1,585
Other revenues		47,291	29,436
<b>Total Revenues</b>		<b>1,406,099</b>	<b>1,230,767</b>
Payroll expenses	23	(253,641)	(221,090)
Costs for services	24	(938,232)	(771,329)
Costs for raw materials	25	(251,044)	(226,732)
Other operating costs	26	(104,410)	(36,685)
<b>EBITDA</b>		<b>(141,228)</b>	<b>(25,069)</b>
Amortisation, depreciation and write-downs	27	(30,366)	(31,850)
Other provisions for risks and charges	28	(4,986)	(2,898)
<b>EBIT</b>		<b>(176,580)</b>	<b>(59,817)</b>
Financial income:	29.1		
a. from equity investments		353	5,258
b. others		5,529	7,240
Financial expenses:	29.2		
a. interest expense		(6,093)	(3,240)
b. others		(3,431)	(12,821)
Profit (loss) of companies accounted for by the equity method:	30	(5,413)	(2,733)
<b>Profits (Loss) before taxes</b>		<b>(185,635)</b>	<b>(66,113)</b>
Taxes	31		
a. Current taxes		(19,194)	(1,088)
b. Deferred taxes		10,651	(3,181)
<b>Profit (loss) for the year</b>		<b>(194,178)</b>	<b>(70,382)</b>
- amount attributable to minority interests		3,327	11,580
<b>- amount attributable to the Group</b>		<b>(197,505)</b>	<b>(81,962)</b>
<b>Earnings per share</b>			
<b>Basic and diluted earnings / (loss) (Euro per share)</b>	<b>32</b>	<b>(1.03)</b>	<b>(0.35)</b>

# STATEMENT OF COMPREHENSIVE INCOME

(amounts in thousands of Euro)	2022	2021
<b>Profit/(Loss) for the period (a)</b>	<b>(194,178)</b>	<b>(70,382)</b>
Actuarial profits (loss) on employee benefits (severance)	223	(146)
Fair value measurement of equity investments	289	(1,255)
Capital gains/(Losses) from the sale of equity investments pursuant to IFRS 9	--	9,800
Tax effect on profits (loss) not subsequently reclassified in the Income statement	(54)	35
<b>Profits (loss) not subsequently reclassified in the Income statement (b)</b>	<b>458</b>	<b>8,434</b>
Foreign exchange reserves	4,480	7,198
<b>Profits (loss) subsequently reclassified in the Income statement when certain conditions are met (c)</b>	<b>4,480</b>	<b>7,198</b>
<b>Comprehensive economic results (a) + (b) + (c)</b>	<b>(189,240)</b>	<b>(54,750)</b>
- amount attributable to minority interests	4,608	14,638
- amount attributable to the Group	(193,848)	(69,388)



## STATEMENT OF CASH FLOWS

(amounts in thousands of Euro)	2022	2021
Cash and cash equivalents opening balance (a)	238,203	141,429
Exchange effect on cash and cash equivalents	6,583	5,806
Change in scope of consolidation	--	(929)
<b>Adjusted opening liquidity (a)</b>	<b>244,786</b>	<b>146,306</b>
<b>Operating activities:</b>		
<b>Net Result for the period</b>	<b>(194,178)</b>	<b>(70,382)</b>
<b>Adjustments:</b>		
Amortisation	30,366	30,969
Adjustment to the provision for employee benefits	62	221
Provisions for risks	186,072	15,578
(Gains)/losses due to disposal of assets	2,460	56
(Profits) loss of investments accounted for by the equity method (net of collected dividends)	5,413	(94)
Financial asset (adjustments) write-downs	2,384	2,833
<b>Operating Cash Flow (I)</b>	<b>32,579</b>	<b>(20,819)</b>
Net variation in deferred tax assets and liabilities	(9,360)	2,470
Changes in net working capital	47,719	55,154
Other changes from operating activities	(9,421)	(4,380)
<b>Changes in net working capital and other changes (II)</b>	<b>28,937</b>	<b>53,244</b>
<b>Liquidity generated (absorbed) by operating activities (I+II) (b)</b>	<b>61,516</b>	<b>32,425</b>
<b>Investments:</b>		
Investments in revertible assets	(3,190)	(2,882)
Revertible asset disposals	40,673	--
Grants related to revertible assets	--	2,784
<b>Net investments in revertible assets (III)</b>	<b>37,483</b>	<b>(98)</b>
Investments in property, plant, equipment and other assets	(23,433)	(12,085)
Investments in intangible assets	(96)	(118)
Net divestiture of property, plant, equipment and other assets	3,510	2,206
Net intangible asset disposals	66	41
<b>Net investments in tangible and intangible assets (III)</b>	<b>(19,953)</b>	<b>(9,956)</b>

(amounts in thousands of Euro)	2022	2021
Investments in non-current financial assets	(12,951)	(53,136)
Non-current financial asset disposals	22,073	12,614
<b>Net investments in non-current financial assets (IV)</b>	<b>9,122</b>	<b>(40,522)</b>
<b>Liquidity generated (absorbed) by investments (III+IV+V) (c)</b>	<b>26,652</b>	<b>(50,576)</b>
<b>Financial assets:</b>		
New medium/Long-term loans	--	82,397
Medium/Long-term loans (reimbursements)	(31,188)	(12,691)
Change in current financial assets	5,879	(1,673)
Change in other financial liabilities	(123,257)	29,749
Changes in equity attributable to Shareholders	136,549	22,010
Dividends received / (distributed)	(3,893)	(9,744)
<b>Liquidity generated (absorbed) by financial activities (d)</b>	<b>(15,910)</b>	<b>110,048</b>
<b>Cash and cash equivalents closing balance (a+b+c+d)</b>	<b>317,044</b>	<b>238,203</b>
<b>Additional information</b>		
Financial charges paid in the year	5,290	3,240
Taxes paid in the year	9,800	11,580

# STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(amounts in thousands of Euro)	Share capital	Share premium reserve	Legal reserve	Merger surplus reserve	Cancellation surplus reserve	"Fair value" revaluation reserves	Extraordinary reserve	Foreign exchange reserves	Employee Benefits discounting reserve	Reserves to cover losses	Retained earnings/(Accumulated loss)	Profit (loss) for the year	Group Total	Equity attributable to minorities	Group Total + Minorities
<b>01 January 2021</b>	86,837	26,901	5,800	11,691	58	(4,783)	86,934	(11,519)	86	--	(3,453)	(70,503)	128,049	33,922	161,971
Allocation of 2020 results				(6,362)	(58)	(84,402)					20,319	70,503	-		-
Capital Increase	145,997												145,997		145,997
Extraordinary Transactions											(112,644)		(112,644)	(12,013)	(124,657)
Other changes				(3,949)				537	-		397		(3,015)	(12,145)	(15,160)
Result for the period						(1,255)		4,140	(111)		9,800	(81,962)	(69,388)	14,638	(54,750)
<b>31 dicembre 2021</b>	<b>232,834</b>	<b>26,901</b>	<b>5,800</b>	<b>1,380</b>	<b>--</b>	<b>(6,038)</b>	<b>2,532</b>	<b>(6,842)</b>	<b>(25)</b>	<b>--</b>	<b>(85,581)</b>	<b>(81,962)</b>	<b>88,999</b>	<b>24,402</b>	<b>113,401</b>
Allocation of 2021 results				(1,380)			(2,532)				(81,962)	81,962	-		-
Use of reserves to cover losses		(26,901)	(5,800)							36,613			-		-
Coverage of residual losses	(223,426)									245,719			22,293		22,293
Capital Increase	223,426												223,426		223,426
Extraordinary Transactions													-		-
Other changes						(53)					(1,101)		(1,154)	(3,915)	(5,069)
Result for the period						289		3,200	169			(197,505)	(193,848)	4,608	(189,240)
<b>31 December 2022</b>	<b>232,834</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>(5,802)</b>	<b>--</b>	<b>(3,642)</b>	<b>144</b>	<b>282,332</b>	<b>(168,644)</b>	<b>(197,505)</b>	<b>139,717</b>	<b>25,095</b>	<b>164,812</b>

# NOTES TO THE FINANCIAL STATEMENTS

## CONSOLIDATION PRINCIPLES

Itinera S.p.A. prepared the Consolidated Financial Statements for 2022 that are subjected to statutory audit by Pricewaterhouse Coopers S.p.A..

### BASIS OF PRESENTATION

The Consolidated Financial Statements were prepared - based on the provisions of Legislative Decree no. 38, art. 3, paragraph 2, dated 28/02/2005 - in accordance with the **International Financial Reporting Standards (IFRS)** issued by the International Accounting Standards Board (IASB) and endorsed by the European Commission. IFRS also means all the reviewed International Accounting Standards ("IAS"), all the International Financial Reporting Interpretations Committee interpretations ("IFRIC"), previously called Standing Interpretations Committee ("SIC").

The Consolidated Financial Statements are made up of the Statement of Financial Position, the Income Statement, the Statement of Comprehensive Income, the Statement of Cash Flows, the Statement of Changes in Shareholders' equity and the notes to the Group financial statements, applying what set forth by IAS 1 "Presentation of the Financial Statements" and general cost criteria. The Statement of Financial Position is presented based on the layout that divides current and non-current assets and liabilities, while costs are presented in the Income Statement using the classification based on their nature. The Statement of Cash Flows is presented using the "indirect method".

### GOING CONCERN

The Consolidated Financial Statements for the 2022 financial year have been prepared on a going concern basis as there is a reasonable expectation

that the Itinera Group will continue its operations in the foreseeable future and in any case over a time frame of more than 12 months.

### CONSOLIDATION WITH THE INTEGRAL METHOD

Consolidation with the "integral method" consists, in brief, in the recognition of the consolidated companies' assets and liabilities, costs and revenues, regardless of the amount of shares held and allocating minority shareholders, in a specific Net Equity item called "Minority shareholdings and reserves", the due amount of profits and reserves.

The main consolidation adjustments made are the following:

1. Elimination of the book value of the investments consolidated with the integral method and of the corresponding fractions of the shareholders' equity of these attributing, to the single asset and liability items, the current value on the date of acquisition of the control; any residual difference, if positive, is recorded, if the conditions exist, in the asset item "Goodwill"; if negative, it is posted in the income statement.  
The higher/lower price paid compared to the corresponding amount of net equity, due to the acquisition of additional subsidiary shares, reduces/increases Group "net equity".  
The acquisitions of majority interests within the same Group (i.e. "business combinations under common control") are accounted for in continuity of values;
2. Elimination of receivables and payables between companies in the consolidation, as

well as revenues and charges concerning operations between the same. Profits and losses consequent to operations between these companies and the relevant values in the Statement of Financial Position and Income Statement were also eliminated. Any infra-group losses are not eliminated should they represent an indicator of value loss of the underlying business;

3. Dividends collected by consolidated companies are reversed.

### **Valuation of investments in joint arrangements - Joint Ventures**

Investments in joint arrangements classified as Joint Ventures are accounted for using the equity method in accordance with IFRS 11. Therefore, they are initially posted at cost and the book value is increased or decreased to calculate the share, pertinent to the shareholder, of the subsidiary's profits and losses after the purchase date. Any goodwill included in the investment value is subject to "impairment test". The cost of acquisition is allocated to the pro-quota of the fair value of the identifiable assets and liabilities of the associated companies or joint ventures, and for difference, to goodwill. The portion of the investee company's financial year results is recognised in the income statement of the investor except for the effects of changes in the investee's Statement of Comprehensive Income, other than transactions with shareholders, which are reflected directly in the Group's Statement of Comprehensive Income. In the event of any losses exceeding the book value of the investments, the excess is recognised in a specific provision in the liabilities to the extent that the investor is committed to fulfilling legal or implicit obligations towards the investee or in any case to cover its losses.

Dividends received by a subsidiary reduce the book value of the shareholding.

### **Valuation of investments in joint arrangements - Joint Operations**

Investments in joint arrangements classified as Joint Operations, as defined by IFRS 11, are consolidated on a line-by-line basis for their share of rights and obligations, in most cases coinciding with the relevant share of interest.

## **BUSINESS COMBINATIONS**

Business combinations are accounted for using the acquisition method provided for by IFRS 3. According to this method, the consideration transferred to a business combination is measured at fair value, determined as the sum of the fair values of the assets transferred and of the liabilities assumed by the Group at the acquisition date and of the equity instruments issued in exchange for control of the acquired entity. The transaction costs are recognised in the income statement when they are incurred.

Considerations subject to conditions, considered part of the transfer price, are measured at fair value on the acquisition date. Any subsequent changes in fair value are recognised in the income statement.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at fair value.

Goodwill is determined as the surplus between the sum of the amounts transferred to the business combination, the value of the shareholders' equity pertaining to minority interests and the fair value of any equity investment previously held in the acquired company with respect to the fair value of the net assets acquired and liabilities assumed at the acquisition date. If the value of the net assets acquired and liabilities assumed at the acquisition date exceeds the sum of the amounts transferred, of the value of the shareholders' equity pertaining to minority shareholders and of the fair value of any shareholding previously held in the acquired company, this surplus is immediately recognised in the income statement as income deriving from the transaction concluded.

The shareholders' equity of minority interests, at the acquisition date, may be measured at fair value or in proportion to the minority investment in the identifiable assets of the acquired entity. The choice of the measurement method is made transaction by transaction.

## ACCOUNTING POLICIES

### Intangible assets

#### Goodwill

This intangible asset is not depreciated; the recoverability of the book value ("*impairment test*") is verified at least annually and in any case when events occur that lead to the presumption of a reduction in value. This verification is carried out at the level of the individual "*cash generating unit*" on which the goodwill has been allocated and on which the company management assesses the profitability of the investment. The impairments are not subject to reversal of value.

#### Concessions - premise

Based on contract agreements (Concessions) under the application of IFRIC 12, the concession holder operates as service provider for (i) the construction and/or improvement of the infrastructure used to provide the public service and (ii) its management and maintenance, for a certain period of time. Consequently, the construction and improvement of the infrastructure is similar to that of a construction company; therefore, during the period in which these services are rendered, the construction revenues and costs are posted in the Income Statement as per IFRS 15.

As set forth by IFRIC 12, for construction and/or improvement services rendered by the concession holder, the assignor will recognise a fee for the concession holder, to be posted at its fair value, that can consist in rights on:

- a. a financial asset (so-called financial asset model); or
- b. an intangible asset (so-called intangible asset model); or

The financial asset model is applied when the concession holder has an unconditional right to receive cash flows guaranteed by contract for construction services, regardless of actual infrastructure use.

In the intangible asset model, on the other hand, the concession holder, against rendered infrastructure construction and improvement services, ac-

quires the right to charge users for the use of the infrastructure. Therefore, the concession holder's cash flows are not guaranteed by the assignor, but they are associated with actual infrastructure use by users, thus leading to a demand risk borne by the concession holder. The latter is the risk that revenues due to the use of the right to charge user for infrastructure use are not sufficient to guarantee consistent profit margins for the investments made.

If the concession holder is partially paid for the infrastructure construction and improvement services with a financial asset and partially by an intangible asset, this is called the mixed accounting model.

In these circumstances, the agreement components must separate the financial asset components from the intangible asset components. In this case, IFRIC 12 requires the concession holder first to calculate the part referred to the financial asset and, residually (compared to the rendered construction and/or improvement service value) the amount of the intangible asset.

#### Concessions - revertible assets

"Revertible assets" represent the right of the Concession holder to use the asset in concession in consideration of the costs incurred to design and construct the asset. The book value corresponds to the "fair value" of the design and construction plus capitalised financial charges - in accordance with the requirements set by IAS 23 - during the construction phase; this value is posted net of "capital contributions".

These assets are depreciated each year based on the residual possibility of use in consideration of the single concession duration, method that reflects the means with which it is assumed the asset's future economic benefits will be used by the Concession holder.

As for revertible assets, accumulated depreciation and the recovery or replacement expense reserves, considered together, ensure the adequate coverage of the following expenses:

- free donation to the Assignors of the revertible assets with working life longer than concession duration at the end of the concession;

- recovery and replacement of revertible asset components subject to wear;
- investment recovery even regarding new works set in financial plans.

If events occur that lead to the presumption of a loss in tangible asset value, the difference between the book value and relevant "recovery value" is posted in the Income statement.

### Other intangible assets

"Other intangible assets", posted at cost, are systematically depreciated based on a period in which it is assumed the assets will be used by the company.

They are posted at purchase or production cost including accessory costs and are systematically depreciated for the period of their foreseen future working life.

In particular, software costs (posted under Statement of Financial Position asset item "Industrial patents and intellectual property rights") refer to costs for the purchase of basic software and licenses and are directly depreciated with an annual rate of 33.33% and 20%. This depreciation is deemed consistent with the intensity of use and program working life.

If events occur that lead to the presumption of a loss in intangible asset value, the difference between the book value and relevant "recovery value" is posted in the Income statement.

### Tangible assets

Assets are posted at purchase or production cost (including directly attributable accessory costs) and include the relevant directly attributable financial charges necessary to make the assets available for use.

Depreciation rates used to systematically divide the depreciable value of tangible assets based on the working lives are the following:

Category	Rate
Land	not depreciated
Civil and industrial buildings	3%
General plants	10%
Specific plants	15%
Temporary construction	13%
Various equipment	40%
Metallic formworks	25%
Mechanical excavators and shovels	20%
Transport vehicles	20%
Office furniture and machines	12%
Electric/electronic office machines	20%
Cars, vehicles, etc.	25%

With reference to non-civil buildings, the land item was separated from buildings; in the absence of a value for land in purchase contracts, this value was calculated as set by law no. 286 dated 24 November 2006. This consideration is consistent with the component analysis required by IAS 16.

Routine tangible asset maintenance costs are recognized in the Income Statement in the year in which they are incurred.

### Investment property

The real estate investment is a property (land or building - or part of a building - or both) owned (by the owner or the renter as an asset consisting of the right of use) in order to attain rental fees or to appreciate the invested capital or for both reasons, or even for: (a) use in the production or supply of goods or services or in company administration; or (b) sale, in normal business activities.

They are accounted for using the cost method and are amortised on a straight-line basis in each year in relation to the recoverable value and the estimated useful life (3%).

## Rights of use

Based on the provisions of IFRS 16, the accounting representation of passive lease contracts (which do not constitute the provision of services) takes place through the recognition in the Statement of Financial Position of a liability of a financial nature, represented by the present value of the future rents, against the inclusion in the asset of the right of use of the leased business.

IFRS 16 introduces the concept of "right of use" which determines - regardless of the contractual form - the obligation to post the right of use under assets and the debt corresponding to the present value of the future fees.

Assets and liabilities must be recognised at the present value of the contractually owed fees, taking into account both the possible renewal and the final option to purchase the asset.

In the lessee's income statement, the depreciation charge for the right of use entered in the asset will always be recognised, on which the right of use is based on the duration of the contract. Also in the income statement, interest expense corresponding to the debt entered in the liability must be recognised, using the amortised cost method.

For contracts falling due within 12 months (*short-term lease*) and contracts for which the underlying asset is configured as low-value assets (i.e. the assets underlying the lease contracts do not exceed Euro 5 thousand as new/USD 5 thousand) the introduction of IFRS 16 did not entail the recognition of the financial liability of the lease and the related right of use, but the lease payments are recognised in the income statement on a straight-line basis for the duration of the respective contracts.

## Financial assets

Consistent with the provisions of IFRS 9, financial assets are classified in the following three categories:

- Financial assets valued at amortised cost (AC) using the effective interest method: these assets are part of a hold to collect business

model and generate contractual cash flows that have Principal and Interest nature. This category includes financial assets other than derivatives such as loans and receivables with fixed or determinable payments that are not listed on an active market. Discounting is omitted when the effect is irrelevant. This category includes cash and cash equivalents, loans and interest-bearing loans granted;

- Financial assets measured at fair value with changes in fair value recognised in the Statement of Comprehensive Income (FVOCI): these assets fall within a hold to collect and sell business model and generate contractual cash flows that have Principal and Interest nature. This category also includes minority interests, as irrevocably designated pursuant to IFRS 9, other than equity instruments that are not held for trading and are not a contingent consideration arising in the context of a business combination. For the latter, contrary to what generally happens in the category of financial assets in FVOCI, the profits and losses recognised in the Statement of Comprehensive Income are not subsequently transferred to the income statement, although the accumulated profit or loss can be transferred within shareholders' equity; furthermore, these minority interests are not subject to impairment accounting. Dividends from these are in any case recorded in the income statement, unless they clearly represent a recovery of part of the cost of the investment;
- Financial assets measured at fair value with changes in fair value recognised in the income statement (FVPL): this category is residual and includes all financial assets other than those measured at amortised cost and at fair value with changes in fair value recognised in the Statement of Comprehensive Income. Financial assets without an interest component, including investments in investment funds, fall into this category.

### Non-current assets held for sale/discontinued operations

"Non-current assets held for sale or disposal groups" the book value of which will be recovered mainly through sale rather than through their continuous use are classified as held for sale and are shown separately from other assets and liabilities in the consolidated Statement of Financial Position.

A "Discontinued Operation" represents a part of the entity that has been disposed of or classified as held for sale, and:

- represents an important business unit or geographical business area;
- it is part of a coordinated plan for the disposal of an important business unit or geographical business area;
- is a subsidiary acquired exclusively for the purpose of being resold.

The results of discontinued operations, as well as the related cash flows - whether disposed of or classified as held for sale - are shown separately in the consolidated income statement, net of tax effects and in the consolidated statement of cash flows. The corresponding values for the previous year, if any, are reclassified and shown separately in the consolidated income statement, net of tax effects and in the consolidated statement of cash flows, for comparative purposes. Non-current assets held for sale or disposal groups classified as held for sale are first recognised in accordance with the specific reference IFRS applicable to each asset and liability and subsequently recognised at the lower of the book value and the related fair value, net of sales costs.

Any subsequent impairment losses are recognised directly as an adjustment to non-current assets or disposal groups classified as held for sale with a balancing entry in the consolidated income statement.

On the other hand, a reversal is recognised for each subsequent increase in the fair value of an asset net of sales costs, but only up to the amount of the impairment loss previously recognised.

### Inventories and contractual assets

#### Raw, ancillary and consumable materials and semi-finished, finished products and goods

Inventories are measured at the lower of purchase or production cost, determined according to the method of the average weighted cost of the period, and the net realizable value.

#### Work in progress on order/Contractual assets

These are measured, based on agreed fees, according to construction progress at the date of reference of the accounting situation, according to the "percentage of completion" method. For the determination of the percentage of completion, the Group, based on the provisions of IFRS 15 at the time of transition to the new standard, considered that the most appropriate method of measuring the progress of the orders, to comply with the principle of satisfaction of the "*Performance obligation*" to the customer over time, both the input method and, in particular, the so-called "*cost to cost*" method determined applying the percentage of progress, as the ratio between costs incurred and expected total costs, to the overall expected contractual revenues.

The contractual fees envisaged, in addition to the contractual revenues, include the variants, price revisions, as well as any requests for additional fees ("*claims*"). The requests for additional fees deriving from changes to the contractually foreseen works and the other claims deriving, for example, from higher charges incurred for causes attributable to the customer, are included in the overall amount of the contractual fees provided based on the *cost to cost* when and to the extent that it is highly probable that the counter party will accept them (i.e. the fact that the related revenues are not reversed in the future is considered "*highly probable*"). In making this assessment, the Company may resort to the support provided by authoritative external technicians and/or attorneys.

Advances paid by customers are deducted from the value of the accrued fees. If the difference is positive, they are entered among the contractual assets, while if the difference is negative, the same

are recorded among the contractual liabilities. The contractual advances are entered among the contractual liabilities.

In the event that a loss is expected during contract activities, this is immediately recognised in the income statement.

### Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, including cheques and bank deposits payable on sight. Equivalents are represented by financial investments maturing by or before a three-month period (from purchase date), readily convertible in liquid funds and with a negligible risk of change to their value.

Cash and cash equivalents are recorded, according to their nature, at face value or the amortised cost.

### Financial liabilities

The Group's financial liabilities include loans, bonds, trade payables, other payables and derivative financial instruments.

They are posted, when granted, at fair value net of any attributable costs. Subsequently, financial liabilities are measured at amortised cost using the effective interest method with the exception of derivative financial instruments (other than derivative financial instruments designated as effective hedging instruments) and financial liabilities designated to FVPL, which are accounted for at fair value with changes in fair value recognised in the income statement.

### Provisions for risks and charges

Provisions for risks and charges concern costs and charges of a given type and of certain or probable existence, which on the closing date of the reference period are undetermined in terms of amount or due date. Allocations are recognized when: (i) there is a current, legal or implicit obligation which originates from a past event; (ii) it is probable that fulfilment of the obligation will be onerous; (iii) the amount of the obligation can be estimated reliably.

Allocated provisions represent the best estimate of

the amount necessary to meet the obligation or to transfer it to third parties on the closing date of the reference period. Should the financial effect be significant in time and the obligation payment dates be reliably estimated, provisions are actualised.

The Notes to the financial statements also illustrate any potential liabilities represented by: (i) possible (but not probable) obligations, due to past events, the existence of which will only be confirmed if and when one or more uncertain future events are fully under the control of the Group's companies; (ii) current obligations due to past events, the amounts of which cannot be reliably estimated or whose occurrence is probably not burdensome.

### Employee benefits (defined benefit and defined contribution plans)

The Group has pension plans with employees that, according to their characteristics, are divided into defined benefit plans and defined contribution plans.

For defined contribution plans, the Group pays contributions to public and private pension funds on a mandatory, contractual or voluntary basis. Contributions are recognised as labour costs.

Some of the Group's US subsidiaries have so-called "Multi Employer Pension Plans" in place which are characterised as being established and populated by a multiplicity of participating companies. Each participating company makes contributions based on certain parameters and these contributions are used to generate the employee benefits. If a participating company decides to abandon the plan, it is still obliged to contribute in relation to the benefits already accrued. Therefore, if it is probable that the plan will be abandoned, it may be necessary to recognise a liability for the contributions to be paid in relation to the benefits already accrued.

The Group classifies its pension plans relating to more than one employer as defined benefit plans. Since there is not enough information available to adopt the accounting methods for defined benefit plans, the Group accounts these plans as if they were defined contribution plans and does not rec-

ognise the potential liability related to the immediate abandonment of the pension plans, considering this event remote at the reporting date.

### **Employee benefits (Severance indemnity)**

Severance Indemnity ("TFR") is defined as a defined benefit plan, valued using actuarial techniques using the "projected unit credit method". It should be noted that from 1 January 2007 this liability refers exclusively to the portion of TFR, accrued up to 31 December 2006, which following the supplementary pension reform (Legislative Decree 5 December 2005, no. 252) continues to constitute an obligation of the company. Following the entry into force of the aforementioned reform by Law of 27 December 2006, no. 296 (2007 Budget Law), the liability, since it refers to a service that has now fully matured, was recalculated without applying the pro-rata of the service provided and without considering, in the actuarial statement, the component relating to future salary increases. The recognition of changes in actuarial gains/losses is recognised among the other components of the Statement of Comprehensive Income. The cost of labour for Group companies with less than 50 employees, as well as interest expenses relating to the "time value" component in the actuarial calculations remain recorded in the income statement. The portion of severance indemnity paid to supplementary pension funds and to the INPS Treasury fund is considered a defined contribution fund since the company's obligation to the employee ceases with the payment of the maturing amounts to the pension funds.

### **Revenues**

Revenues represent the gross flows of economic benefits for the year deriving from the performance of ordinary activities.

Revenues are recognised either at a point in time or over time, when the Group meets the performance obligations by transferring the goods and services to its customers; the process underlying the recognition of revenues follows the five phases required by IFRS 15: (i) identification of the contract with the customer; (ii) identification of the performance ob-

ligations therein; (iii) determination of the transaction price; (iv) allocation of the price to the various contractual performance obligations and (v) recognition of the revenue when the relative performance obligation is satisfied. In particular:

#### **Sales revenue**

With reference to the sale of assets, the Group records the revenue when it transfers control of the asset to its customer; this moment generally coincides with the obtaining of the right to payment by the Group and with the transfer of the material possession of the property, which incorporates the transfer of the risks and significant benefits of the property.

#### **Service revenue**

Revenues for the provision of services are recognised on the basis of the amount accrued, determined with reference to the state of completion of the service.

#### **Contract revenue**

Work in progress on order is recognised with the "over time" method as the services performed create activities that have no alternative use for the company and there is the right to payment of the service for the activities carried out up to the reference date at any time. The recognition of revenues is carried out using the percentage of completion criteria. The percentage of completion is determined using the cost-to-cost method, calculated by applying the total revenue expected to the percentage of progress, which is taken as a ratio between costs incurred and total estimated costs.

#### **Financial income**

Interest income is calculated on the value of the related financial assets using the effective interest rate.

#### **Dividends**

Dividends paid by non-consolidated companies are posted when the right to receive payment is set, corresponding to the distribution resolution by the



subsidiary's Shareholders' Meeting.

Any dividend advances are posted when distribution is approved by the subsidiary's Board of Directors.

### Grants

Grants are posted when reasonable certainty exists that they will be received and all the related distribution conditions are satisfied. Capital grants are posted in the Statement of Financial Position as an offset to the asset posting to which they refer. Working grants are posted as income and systematically divided over the various years to compensate associated costs.

### Financial expenses

Financial expenses are posted as costs in the year in which they are sustained except for those that are directly attributable to the construction of revertible assets and other assets that are, therefore, capitalised as an integral part of production cost. Financial charge capitalisation begins when work is in progress to prepare the asset for its use and is interrupted when these assets are substantially completed.

### Income taxes

Current and deferred taxes are posted in the Income statement if not associated with operations directly posted in net equity.

Income taxes are posted based on an estimate of taxable income and in compliance with the provisions of tax laws.

"Deferred tax liabilities" and "Deferred tax assets" are calculated - according to IAS 12 - on the time differences between the value recognised for tax purposes on an asset or liability and its book value in the Statement of Financial Position, should it be probable - in the foreseeable future - that these differences cease to exist.

The amount of "deferred tax liabilities" or "deferred tax assets" is determined based on tax rates - set by current tax laws at the date of reference of the single account postings - expected to be applied in the period in which the tax asset is realised or the tax liability extinguished.

Deferred tax assets are posted when their recovery is probable.

Deferred tax assets and deferred tax liabilities are compensated in the Statement of Financial Position if legally admissible.

Furthermore, the tax effects due to adjustments to the consolidated companies' financial statements in application of homogeneous group accounting policies were also considered.

## Derivative financial instruments

Derivative financial instruments are assets and liabilities posted at fair value. The fair value of derivative financial instruments is determined by discounting expected cash flows, using the market interest rate curve at the reporting date and the curve of the listed credit default swaps of the counterparty and of group companies, to include the risk of non-performance explicitly envisaged by IFRS 13.

Derivatives are classified as hedge instruments when the relationship between the derivative and the subject being hedged is formally documented and the effectiveness of the hedge, which is periodically verified, is high. When the hedges cover the hedge fair value variation risk (*fair value hedge*; i.e.: hedge on fixed rate asset/liability fair value variability), hedges are posted at fair value with the effects posted in the Income statement; consistently, hedges are adjusted to reflect the fair value variations associated with the covered risk. When hedges cover cash flow variation risks (*cash flow hedge*; i.e.: hedge on floating rate asset/liability cash flow variability), hedge fair value variations are initially posted under net equity and later in the income statement consistent with the economic effects produced by the covered operation. Hedge fair value variations that do not meet the condition to be qualified as hedges are posted in the income statement.

## Impairment losses on assets

Group asset book values are measured at each year end to determine whether there are indications of value loss (or in the event of impairment indicators), in which case the recoverable value of the asset is estimated. Impairment is posted in the Income statement when the book value of an asset or generating unit of cash flows exceeds the recoverable value.

*Intangible assets with an indefinite useful life* (goodwill) are tested annually and whenever there is an indication of a possible impairment in value in order to determine whether such impairment exists.

The recoverable value of non-financial assets is re-

corded at the greater of its fair value, net of sales costs, and its use value. For the determination of use value, estimated future cash flows are actualised using a discount rate that reflects the current market value of money and risks associated with the type of asset. For assets that do not generate incoming cash flows that are widely independent, the recoverable value of the cash flow generating unit the asset belongs to is calculated.

When, subsequently, an impairment on an asset other than goodwill and other assets with indefinite working life, no longer exists or decreases, the asset accounting value or cash-generating unit is increased to the revised estimate of the recoverable value and cannot exceed the value that would have been determined, net of depreciation, if, in previous years, no impairment loss had been recognised. The reversal is recognised immediately in the income statement.

## Conversion of balances held in foreign currencies

The economic and financial situations of each consolidated company are drawn up using the functional currency relating to the economic context in which each company operates. Transactions in currencies other than the functional currency are posted at the exchange rate on the date of the transaction. Monetary assets and liabilities denominated in currencies other than the functional currency are subsequently adjusted to the exchange rate prevailing at the end of the reporting period and any emerging exchange differences are reflected in the income statement. Non-monetary assets and liabilities denominated in foreign currency and posted at historical cost are converted using the exchange rate in force on the date of initial recognition of the transaction. For the purposes of consolidation in the Group's accounts, the conversion of the economic and financial situations of consolidated companies with functional currencies other than the euro takes place by applying to assets and liabilities, including goodwill and adjustments made during consolidation, the exchange rate in effect at the year-end and to income statement items the average exchange rates for the year

or the consolidation period, if lower.

The business' account balances expressed in the local currency were converted into Euro at the exchange rate at the end of the year or at the average exchange rate for the period for income statement items as per IAS 21 principle. The positive and negative differences due to the conversion in Euro at the end of the year must be posted to a net equity

reserve named "Foreign exchange reserves" and are recognised in the Statement of Comprehensive Income.

The main exchange rates applied during the period for the conversion of economic/financial situations with functional currencies other than the euro are those published by the Bank of Italy and indicated in the following table:

Currencies	Spot exchange rate as at 31 December 2022	Average annual exchange rate in the Year 2022
Euro/Reais	5.6386	5.4399
Euro/Dollar	1.0666	1.0530
Euro/Kuwaiti Dinar	0.3266	0.3225
Euro/Omani Rial	0.4101	0.4049
Euro/Angola - Readjustado Kwanza	541.1980	486.7320
Euro/Botswana - Pula	13.6046	13.0003
Euro/South Africa - Rand	18.0986	17.2086
Euro/Romania - Ron	4.9495	4.9313
Euro/British pound	0.8869	0.8528
Euro/Saudi Arabia - Saudi Ryal	3.9998	3.9489
Euro/United Arab Emirates - United Arab Emirates Dirham	3.9171	3.8673
Euro/Algeria - Algerian Dinar	146.5049	149.6452
Euro/Denmark - Danish Kroner	7.4365	7.4396
Euro/Switzerland - Swiss Franc	0.9847	1.0047
Euro/Sweden - Swedish Kroner	11.1218	10.6296
Euro/Kenya - Kenyan Pound	131.6060	124.0607
Euro/Zambia - Zambia Kwacha	19.2610	17.8355

### Earnings per share

Basic earnings per share are calculated by dividing the group's share of profit or loss by the weighted average number of the parent company's shares outstanding during the year.

## Estimates and assumptions

Estimates and assumptions were made which influence the values of the assets and liabilities of the financial statements and the information regarding potential assets and liabilities at the date of the financial statements to draft these Consolidated Financial Statements and the relevant notes. The final results may differ from such estimates. The estimates are used, among other things, for the "fair value" measurement of financial assets and liabilities, for the impairment test, for the quantification of the costs through to the finish of the job orders for assessing the probability of the recognition by customers of requests for additional fees arising from changes to the contractually foreseen works and other claims deriving, for example, from higher charges incurred for causes attributable to customers, for actuarial valuations as well as to detect depreciation, asset impairment, deferred taxation, provisions for risks. The estimates and assumptions are periodically reviewed and the effects of each change are reflected in the income statement or statement of comprehensive income on the basis of the provisions of the reference IFRS for the estimate in question.

These accounting policies were homogeneously applied and consistent with the preparation of these Consolidated Financial Statements.

As per art. 5, paragraph 2 of Legislative Decree no. 38 dated 28 February 2005 and according to paragraph 46 of IAS 1, please note that these Consolidated Financial Statements are expressed in thousands of Euro. For the Itinera Group, the Euro represents the "functional currency" and coincides with the "presentation currency".

## Accounting policies, amendments and interpretations of IFRS applied from 1st January 2022

The following IFRS accounting standards, amendments and interpretations were applied for the first time by the Group as of 1 January 2022:

- On May 14, 2020, the IASB published the following amendments called:
  - » **Amendments to IFRS 3 Business Combi-**

**nations:** the amendments aim to update the reference in IFRS 3 to the Conceptual Framework in the revised version, without this entailing changes to the provisions;

- » **Amendments to IAS 16 Property, Plant and Equipment:** the amendments are intended not to allow the amount received from the sale of goods produced in the test phase of the activity to be deducted from the cost of tangible assets. These sales revenues and the related costs will therefore be recognised in the income statement;
- » **Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets:** the amendment clarifies that in the estimate of the possible cost of a contract, all costs directly attributable to the contract must be considered. As a consequence, the valuation of the possible cost of a contract includes not only incremental costs (such as, for example, the cost of the direct material used in the processing), but also all the costs that the company cannot avoid as it has entered into the contract (such as, for example, the share of the depreciation of the machinery used for the fulfilment of the contract);
- » **Annual Improvements 2018-2020:** the amendments were made to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples of IFRS 16 Leases.

The above did not have any effects on the Consolidated Financial Statements as at 31 December 2022.

## Accounting standards, amendments and interpretations IFRS or IFRIC approved by the EU, whose application is not yet mandatory and not adopted by the Company at 31 December 2022.

- On 18 May 2017, the IASB published **IFRS 17 - Insurance Contracts** which is intended to replace IFRS 4 - *Insurance Contracts*. The objective of the new standard is to ensure that an entity provides relevant information that accurately represents the rights and

obligations arising from insurance contracts it has issued. The IASB developed the standard to eliminate inconsistencies and weaknesses in existing accounting policies by providing a single principle-based framework to account for all types of insurance contracts, including reinsurance contracts, that an insurer holds. The new standard also includes presentation and disclosure requirements to improve comparability between entities belonging to this sector.

The new principle measures an insurance contract on the basis of a General Model or a simplified version called the Premium Allocation Approach ('PAA').

The main features of the General Model are:

- » estimates and assumptions of future cash flows are always the current ones;
  - » measurement reflects the time value of money;
  - » estimates involve extensive use of observable market information;
  - » there is a current and explicit measurement of risk;
  - » the expected profit is deferred and aggregated into groups of insurance contracts at initial recognition; and,
  - » the expected profit is recognised over the contractual hedging period, taking into account adjustments resulting from changes in the cash flow assumptions for each group of contracts.
- The PAA approach provides for the measurement of the liability for residual coverage of a group of insurance contracts on condition that, at the time of initial recognition, the entity reasonably expects that the liability is an approximation of the General Model. Contracts with a coverage period of one year or less are automatically eligible for the AAP approach. The simplifications resulting from the application of the AAP method do not apply to the valuation of liabilities for outstanding claims, which are measured with the General Model. However, it is not necessary to discount these cash flows if it is expected

that the balance to be paid or collected will occur within one year from the date the claim occurred.

An entity must apply the new standard to insurance contracts it has issued, including reinsurance contracts issued, reinsurance contracts held and also investment contracts with a discretionary participation feature (DPF). The standard will be applied from 1 January 2023 but early application is allowed only for companies that have applied in advance for IFRS 9 - *Financial Instruments* e IFRS 15 - *Revenue from Contracts with Customers*.

The directors do not expect a significant effect on the Group's Consolidated Financial Statements from the adoption of this standard.

- On December 9, 2021, the IASB published an amendment called "**Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information**". The amendment is a transition option relating to comparative information on financial assets presented at the date of initial application of IFRS 17. The amendment is intended to avoid temporary accounting mismatches between financial assets and liabilities of insurance contracts, and thus to improve the usefulness of comparative information for financial statement readers. The changes will apply from 1 January 2023, together with the application of IFRS 17.

The directors do not expect a significant effect on the Group's Consolidated Financial Statements from the adoption of this standard.

- On February 12, 2021, the IASB published two amendments called "**Disclosure of Accounting Policies—Amendments to IAS 1 and IFRS Practice Statement 2**" e "**Definition of Accounting Estimates—Amendments to IAS 8**". The changes are intended to improve disclosure on accounting policies so as to provide more useful information to investors and other primary users of the financial statements as well as to help companies distinguish changes in accounting estimates from changes in accounting policy. The

amendments will apply as of 1 January 2023 but early application is allowed.

The directors do not expect a significant effect on the Group's Consolidated Financial Statements from the adoption of these amendments.

- On May 7, 2021, the IASB published an amendment called "**Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction**". The document clarifies how deferred taxes on certain transactions that can generate assets and liabilities of the same amount, such as leasing and decommissioning obligations, are to be accounted for. The amendments will apply as of 1 January 2023 but early application is allowed.

The directors do not expect a significant effect on the Group's Consolidated Financial Statements from the adoption of these amendments.

#### **Accounting Policies, amendments and interpretations of IFRS or IFRIC not yet approved by the EU**

On the reporting date of this document, the European Union had not yet completed the approval process necessary for the adoption of the amendments and the principles described below.

- On January 23, 2020, the IASB published an amendment called "**Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current**" and on 31 October 2022 published an amendment entitled "**Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with**

**Covenants**". The documents aim to clarify how to classify debts and other short or long term liabilities. The amendments come into effect from January 1, 2024; early application is however permitted.

- On September 22, 2022, the IASB published an amendment called "**Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback**". The document requires the seller-lessee to measure the lease liability arising from a sale and leaseback transaction to avoid recognising an income or loss that relates to the retained right of use. The amendments will apply as of 1 January 2024 but early application is allowed.

The parent company is currently evaluating the possible effects deriving from the introduction of the aforementioned changes on its Consolidated Financial Statements.

## **SCOPE OF CONSOLIDATION**

The Consolidated Financial Statements include, in addition to the parent company's Financial Statements - Itinera SpA, financial statement data from companies over which it exercises control with effect from the date on which control commences until the date when such control ceases.

Control exists when the parent company has the power to direct the relevant activities of the Company and is exposed to variability in results.

Following is a list of subsidiaries included in the scope of consolidation.

#### **Group parent company**

<b>Registered Name</b>	<b>Registered Office</b>
ITINERA S.P.A.	Tortona - Via Balustra 15

**List of subsidiaries - consolidated with an "integral method"**

Subsidiaries	Registered office	% of direct interest	% of interest
Agognate S.c.a r.l. in liquidation	Tortona (AL), Strada Privata Ansaldo 8	96.90%	96.90%
Biandrate S.c.a r.l. in liquidation	Tortona (AL), Strada Privata Ansaldo 8	96.90%	96.90%
Cornigliano 2009 S.ca. r.l.	Tortona (AL) – St. Statale Alessandria 6/a	99.80%	99.80%
Crispi S.c.a r.l. with sole shareholder in liquidation	Tortona (AL) – St. Statale Alessandria 6/a	100.00%	100.00%
Crz01 S.ca. r.l.	Tortona (AL) – St. Statale Alessandria 6/a	100.00%	100.00%
Diga Alto Cedrino S.c. a r.l.	Tortona (AL) - Via Balustra 15	80.00%	80.00%
I/S Storstroem Bridge	4760 Vordingborg - Brovejen 16 - Denmark	99.99%	99.99%
Itinera Construções Ltda	Vila Nova Conceicao Sao Paulo - Brazil	90.00%	90.00%
ICCR 135 S.A.	Rua Oscar Araujo, 1048 - Curiango - Estado de Minas Gerais - Brazil	50.01%	45.01%
ICCR 153 S.A.	Av Pedro Ludovico, 103 - Uruacu - Estado De Goias - Brazil	50.01%	45.01%
Lambro S.c.a r.l.	Tortona (AL) – St. Statale Alessandria 6/a	97.21%	97.21%
Lanzo S.c.a r.l.	Tortona (AL) – St. Statale Alessandria 6/a	75.00%	75.00%
Marcallo S.c.a r.l.	Tortona (AL) – St. Statale Alessandria 6/a	100.00%	100.00%
Mazzè S.c.a r.l.	Tortona (AL) – St. Statale Alessandria 6/a	80.00%	80.00%
Partecipazione Roma Sud	c.so Torino 236 Asti	55.00%	49.50%
Ramonti S.c.a r.l. in liquidation	Tortona (AL) – St. Statale Alessandria 6/a	51.00%	51.00%
SAM Società Attività Marittime S.p.A.	Tortona (AL) – St. Statale Alessandria 6/a	100.00%	100.00%
SEA Segnaletica Stradale S.p.A.	Tortona (AL) – St. Statale Alessandria 6/a	100.00%	100.00%
Sinergie S.c.a r.l. in liquidation	Tortona (AL) – St. Statale Alessandria 6/a	100.00%	100.00%
Soc. di Progetto Concessioni del Tirreno Spa	Tortona (AL) – St. Statale Alessandria 6/a	100.00%	100.00%
Taranto Logistica S.p.A.	Tortona (AL) – St. Statale Alessandria 6/a	95.00%	95.00%
Torre di Isola S.c.a r.l.	Tortona (AL) – St. Statale Alessandria 6/a	99.90%	99.90%
Tubosider S.p.A.	Corso Torino 236, 14100 Asti	90.00%	90.00%
Urbantech S.r.l.	Pontedera (PI) – Via Lombardia 34	100.00%	100.00%
Itinera USA CORP	2140 S Dupont Highway Street, Camden Delaware - United States	100.00%	100.00%
Ashlar Structural LLC	421 East Route 59 Nanuet, Ny 10954-2908 - United States	50.00%	40.00%
Atlantic Coast Foundations Llc	421 East Route 59 Nanuet, Ny 10954-2908 - United States	100.00%	80.00%
Halmar International LLC	421 East Route 59 Nanuet, Ny 10954-2908 - United States	80.00%	80.00%
HIC Insurance Company Inc.	421 East Route 59 Nanuet, Ny 10954-2908 - United States	100.00%	80.00%
Halmar International Trucking Inc.	421 East Route 59 Nanuet, Ny 10954-2908 - United States	100.00%	80.00%
Halmar Transportation System Llc	421 East Route 59 Nanuet, Ny 10954-2908 - United States	100.00%	80.00%
Halmar International - LB Electric Llc	421 East Route 59 Nanuet, Ny 10954-2908 - United States	60.00%	48.00%
HINNS JV	421 East Route 59 Nanuet, Ny 10954-2908 - United States	50.00%	40.00%
Halmar-A Servidone - B Anthony LLC	421 East Route 59 Nanuet, Ny 10954-2908 - United States	60.00%	48.00%
Potomac Yard Constructors JV	421 East Route 59 Nanuet, Ny 10954-2908 - United States	60.00%	48.00%

## Joint Arrangements - Joint Operations

With reference to assessment of the existence of joint arrangements, the provisions of IFRS 11 were followed. Joint arrangements were considered only where the majorities required in the resolutions of the governing bodies of the Group entities considered envisage unanimous or qualified majority voting that can only be achieved with the consent of a specific group of shareholders.

With reference to the type of joint arrangement, also in consideration of the fact that all the joint arrangements in which the Group participates are structured through separate vehicles, reference was made to paragraph B15 et seq. of IFRS 11, analysing in particular the legal form of the separate vehicle and the terms of the contractual agreement. With reference to the financial statements as at 31 December 2022, only entities which, albeit structured in separate vehicles, are not incorporated in legal entities and that guarantee transparency of rights and obligations with respect to the participants are qualified as joint operations.

In accordance with IFRS 11, in respect of each Joint Operation, the Group recognises its assets, liabilities, revenues and expenses, including its share of these components held jointly, in most cases coinciding with its share of the relevant interest.

## Elenco Joint Operations

Joint operations	Registered office	% of direct interest	% of interest
I/S Koge Hospital	Ballerup, Industriparken 44 A CAP 2750 - Denmark	80.00%	80.00%
I/S Odense Hospital	5000 Odense C - Kochsgade, 31D - Denmark	49.00%	49.00%
ITINERA - GHANTOOT JV	Emirate of Abu Dhabi - UAE	50.00%	50.00%
Itinera Agility JV	Emirate of Abu Dhabi - UAE	75.00%	75.00%
Itinera/Cimolai JV	Gabarone - Republic of Botswana	72.23%	72.23%
3RD Track Constructors	810 Seventh Avenue 9th floor - United States	23.00%	18.40%
Halmar/RailWorks, a Joint Venture	421 East Route 59 Nanuet, Ny 10954-2908 - United States	51.00%	40.80%
Consortium Baixada Santista	Av Antonio Bernardo, 3951, Conj Residencial Hmaita, São Vicente/Sp, Cep 11349-380 - Brazil	50.00%	45.00%
Cons. Binario Porto de Santos	Rodovia Anchieta, S/N, KM 64 e 65, Bairro Alemoa, Município de Santos, Estado de São Paulo(SP) - Brazil	50.00%	45.00%
MG-135 Consortium	Avenida Dom Pedro II, número 801, Bairro Centro, Município de Curvelo, Estado de Minas Gerais (MG) - Brazil	50.00%	45.00%
Alcas da Ponte Consortium	Rua Carlos Seidl, número 576, Bairro Cajú, Município do Rio de Janeiro, Estado do Rio de Janeiro(RJ) - Brazil	50.00%	45.00%
CONSORCIO BR-050	Avenida José Severino, n. 3050, Lotamento Santa Terezinha Quadra 66 Cidade de Catalo, Estado De Gois - Brazil	50.00%	45.00%
Consortio SP-070	Rua Coronel Gomes Nogueira, 211 - Centro, Taubaté - San Paolo - Brazil	50.00%	45.00%
Consultoria - ECO135	Av Dom Pedro II, 801, Centro, Curvelo/Mg, 35790-000 - Brazil	50.00%	45.00%
Consultoria - Novos Negócios	Rodovia Dos Imigrantes - Sp 160, S/N, Km 28,5, Sala 01, Anexo Dtc, Jardim Represa, São Bernardo Do Campo/Sp, 09845-000 - Brazil	50.00%	45.00%
Consortio PSG	R Doutor Eduardo De Souza Aranha 387, Andar 1 Conj 12 Sala 5, 04.543-121 Vila Nova Conceicao, Sao Paulo - Brazil	50.00%	45.00%
CONSORCIO NN ENGENHARIA E CONSULTORIA	RODOVIA DOS IMIGRANTES - SP 160, S/N, KM 28,5, SALA 01, ANEXO DTC, JARDIM REPRESA, SÃO BERNARDO DO CAMPO/SP, CEP 09845-000 e ID TIN: 40.622.591/0001-53 - Brazil	50.00%	45.00%
TELT SEP JV	Laurade Parc D Activite Laurade 13103 Saint-Etienne-Du-Gres (France)	25.00%	25.00%

## Joint Arrangements - Joint Ventures

Where joint arrangements to which the Group is a party are implemented through vehicles that give each partner rights to the net assets of the arrangement, they are accounted for using the equity method. With this method, investments are initially posted at cost and their book value is increased or decreased to calculate the share, pertinent to the shareholder, of the subsidiary's profits and losses after the purchase date.

### List of shareholdings in subsidiaries, jointly controlled and associated companies accounted for by the "equity method"

Registered Name	Registered Office	% of interest
Atifon S.c.a.r.l.	Corso Torino 236, 14100 Asti	45%
Aurea S.c.a.r.l.	15057 Tortona (AL), Strada Statale per Alessandria 6/a	50%
Autostrada Nogare Mare Adriatico S.c.p.A. in liquidation	37135 Verona, Via Flavio Gioia 71	29%
Cervit S.c.a.r.l.	20151 Milano, Via Antonio Cechov 50	51%
CMC ITINERA JV S.c.p.A.	Ravenna, Via Trieste	49%
Colmeto S.c.a.r.l.	Tortona (AL), Strada Statale per Alessandria 6/a	51%
Con.Si.L.Fer.	Roma - Via Indonesia 100	50%
Consorzio Costruttori TEEM	15057 Tortona (AL), Strada Statale per Alessandria 6/a	35%
Consorzio Frasso Telesino	43121 Parma - Via Anna Maria Adorni 1	33%
Darsene Nord Civitavecchia S.c.a.r.l.	00139 Roma, Piazza Fernando De Lucia, 65	25%
ETERIA Consorzio Stabile Scarl	Via Bissolati n. 76, Roma	50%
FEDERICI STIRLING BATCO LLC	Muscat (Oman) - P.O. BOX 1179 ALATHAIBA, 130	49%
Frasso Scarl	43121 Parma, Via Madre Anna Maria Adorni 1	33%
Grugliasco S.c.a.r.l.	Tortona (AL), Strada Statale per Alessandria 6/a	50%
Interconnessione Scarl	15057 Tortona (AL), Strada Statale per Alessandria 6/a	50%
Letimbro S.c.a.r.l. in liquidation	15057 Tortona (AL), Strada Statale per Alessandria 6/a	49%
Lissone S.c.a.r.l. in liquidation	20147 Milano, Via Marcello Nizzoli 4	50%
Malco S.c.a.r.l.	36100 Vicenza - Viale dell'Industria 42	50%
Mill Basin Bridge Constructors	421 East Route 59 Nanuet, Ny 10954-2908	50%
MOSE BOCCA DI CHIOGGIA SCARL	35127 Padua, Via Belgio 26	43%
MOSE OPERAE S.c.a.r.l.	35127 Padua, Via Belgio 26	40%
Mose TREPORTI	35127 Padua, Via Belgio 26	23%
Ponte Nord S.p.A.	43121 Parma - Via Anna Maria Adorni 1	50%
S.A.C. S.r.l. Consortile in liquidation	Carini (PA) - S.S. 113 industrial area	35%
San Donato Scarl	15057 Tortona (AL), Strada Statale per Alessandria 6/a	49%
SP01 società consortile a responsabilità limitata	Torino - Via Vincenzo Vela 42	40%
Telese Scarl	00195 Roma, Via Pietro Borsieri 2/A	45%
TESSERA S.C. A.R.L.	15057 Tortona (AL), Strada Statale per Alessandria 6/a	39%
Tuborus LLC	Ulitsa Zubkovoy 8a - Ryazan Oblast - 390037 RUSSIA	50%
Tunnel Frejus S.c.a.r.l.	15057 Tortona (AL), Strada Statale per Alessandria 6/a	50%

### Changes in the scope of consolidation

The following is reported for changes to the scope of consolidation:

- Incorporation of the companies ICCR-135 S.A. and ICCR-153 S.A., both subsidiaries of Itinera Construções Ltda, in the context of certain ongoing contracts with the concession holder Ecorodovias; both companies were incorporated on 1 July 2022;
- Establishment of the Halmar-Railworks Joint Venture, an unincorporated vehicle in which Halmar International participates in the Penn Station Access project, classified as a joint operation;
- Sale of interests in the Joint ventures ASCI Logistik GmbH and CIS Beton GmbH, agreed with Porr following the exit from ARGE H51 in the financial year 2021. These Joint Ventures were consolidated under the equity method in the Consolidated Financial Statements as of 31 December 2021;
- Completion of the liquidation process of the following subsidiaries, resulting in their removal from the scope of consolidation: Formazza S.c.a.r.l., Fondo Valle S.c.a.r.l., Cons. Costr. Veneti San Marco and Sistemi e Servizi S.c. a r.l., all of which are consolidated using the equity method in the Consolidated Financial Statements as at 31 December 2021.

Finally, Halmar International's interest in Atlantic Coast Foundation increased to 100% as of 31 December 2022 (70% as of 31 December 2021).



## INFORMATION ON THE STATEMENT OF FINANCIAL POSITION

### NOTE 1 - INTANGIBLE ASSETS

An overview of the intangible assets is broken down below:

(amounts in thousands of Euro)	31/12/2022	31/12/2021	Change
Goodwill	47,284	44,777	2,507
Industrial patent rights	575	646	(71)
Other intangible assets	129	252	(123)
<b>Sub-total Goodwill and intangible assets</b>	<b>47,988</b>	<b>45,675</b>	<b>2,313</b>
Concessions – revertible assets	--	40,636	(40,636)
<b>Total intangible Assets</b>	<b>47,988</b>	<b>86,311</b>	<b>(38,323)</b>

## Goodwill and Other intangible assets

(amounts in thousands of Euro)	Goodwill	Industrial patent rights	Other intangible assets	Total
<b>Cost:</b>	<b>41,658</b>	<b>2,388</b>	<b>6,079</b>	<b>50,125</b>
<b>as at 1st January 2021</b>				
Investments	--	9	109	118
Disposals	--	(3)	(1,180)	(1,183)
Change in perimeter (IAS 1)	--	(2)	(1,006)	(1,008)
Exchange differences	3,119	11	1	3,131
<b>as at 31 December 2021</b>	<b>44,777</b>	<b>2,403</b>	<b>4,003</b>	<b>51,183</b>
<b>Accumulated amortisation:</b>	<b>--</b>	<b>(1,637)</b>	<b>(5,252)</b>	<b>(6,889)</b>
<b>as at 1st January 2021</b>				
Amortisation 2021	--	(111)	(356)	(467)
Other changes	--	--	14	14
Disposals	--	2	1,140	1,142
Change in perimeter (IAS 1)	--	2	705	707
Exchange differences	--	(13)	(2)	(15)
<b>as at 31 December 2021</b>		<b>(1,757)</b>	<b>(3,751)</b>	<b>(5,508)</b>
<b>Net book value:</b>				
<b>as at 1st January 2021</b>	<b>41,658</b>	<b>751</b>	<b>827</b>	<b>43,236</b>
<b>as at 31 December 2021</b>	<b>44,777</b>	<b>646</b>	<b>252</b>	<b>45,675</b>

(amounts in thousands of Euro)	Goodwill	Industrial patent rights	Other intangible assets	Total
<b>Cost:</b>	<b>44,777</b>	<b>2,403</b>	<b>4,003</b>	<b>51,183</b>
<b>as at 1st January 2022</b>				
Investments	--	46	52	98
Disposals	--	(10)	(725)	(735)
Exchange differences	2,507	8	2	2,517
<b>as at 31 December 2022</b>	<b>47,284</b>	<b>2,447</b>	<b>3,332</b>	<b>53,063</b>
<b>Accumulated amortisation:</b>				
<b>as at 1st January 2022</b>				
Amortisation 2022	--	(116)	(110)	(226)
Disposals	--	8	659	667
Exchange differences	--	(7)	(1)	(8)
<b>as at 31 December 2022</b>	<b>--</b>	<b>(1,872)</b>	<b>(3,203)</b>	<b>(5,075)</b>
<b>Net book value:</b>				
<b>as at 1st January 2022</b>	<b>44,777</b>	<b>646</b>	<b>252</b>	<b>45,675</b>
<b>as at 31 December 2022</b>	<b>47,284</b>	<b>575</b>	<b>129</b>	<b>47,988</b>

**Goodwill**, for 47,284 thousand as at 31 December 2022, is attributable to the goodwill generated by the acquisitions of the Halmar Group (for Euro 46,398 thousand as at 31 December 2022) which took place on July 5, 2017, of SEA Segnaletica Stradale S.p.A. (Euro 539 thousand) which took place on July 4, 2018 and of Tubosider and its subsidiaries (Euro 348 thousand) which took place on July 8, 2020, the latter recorded in continuity of values with what was carried out by Aurelia S.p.A. for the financial statements closed as at 31 December 2019, as the transaction was under common control. The item increased by Euro 2,507 thousand as a result of the exchange rate effect deriving from the adjustment of the value of the goodwill of the Halmar Group to the exchange rate of 31 December 2022.

In accordance with IAS 36, goodwill is not subject to amortisation, but – since it is an intangible asset with an indefinite useful life – it is subject to an “impair-

ment test” once a year or in the presence of specific events or circumstances that lead to presume an impairment loss.

Regarding the goodwill emerging from the consolidation of Halmar, amounting to USD 49.5 million, this was subject to an impairment test based on the 2022-2026 financial plan approved by the board of directors on 19 December 2022. The “value in use” was determined by discounting the future cash flows (“Discounted Cash Flows”) obtained from the above plan and the “Terminal Value”, determined based on the last year of the plan assuming a “g rate” equal to 1.0%, and a 8.59% WACC. With regard to the “value in use” estimation, a sensitivity analysis of the results was also carried out by varying both the components of the flows and the WACC used. The recoverable value thus determined was significantly higher than the carrying value not highlighting impairment;

### Concessions - revertible assets

This item, which decreased in full from the balance of Euro 40,636 thousand at 31 December 2021, referred entirely to the existing concession in Taranto Logistica S.p.A.:

(amounts in thousands of Euro)	Revertible assets	(amounts in thousands of Euro)	Revertible assets
<b>as at 1st January 2021</b>	<b>40,538</b>	<b>as at 1st January 2022</b>	<b>40,636</b>
Investments	2,882	Investments	3,190
Grants	(2,784)	Grants	--
Other changes	--	Other changes	(352)
Disposals	--	Disposals	(43,474)
<b>as at 31 December 2021</b>	<b>40,636</b>	<b>as at 31 December 2022</b>	<b>--</b>
<b>Accumulated depreciation:</b>		<b>Accumulated depreciation:</b>	<b>-</b>
<b>as at 1st January 2021</b>		<b>as at 1st January 2022</b>	
Depreciation 2021	--	Depreciation 2021	--
<b>as at 31 December 2021</b>	<b>--</b>	<b>as at 31 December 2022</b>	<b>--</b>
<b>Net book value:</b>		<b>Net book value:</b>	
<b>as at 1st January 2021</b>	<b>40,538</b>	<b>as at 1st January 2022</b>	<b>40,636</b>
<b>as at 31 December 2021</b>	<b>40,636</b>	<b>as at 31 December 2022</b>	<b>--</b>

During the 2022 financial year, there was the complete disposal of the assets related to the Taranto Logistica S.p.A. concession, which was recognised following the settlement agreement signed with the Port Authority of Taranto for termination of the concession contract and the related sale of assets. Specifically, this settlement agreement, signed on 3 August 2022, granted the subsidiary a consideration equal to the costs incurred and identified for Work execution, in the amount of Euro 41,185 thousand.

The granting of this amount, compared to the net assets recognised at that date (net Euro 43,474 thousand), resulted in a capital loss of Euro 2,289 thousand.

The settlement agreement also provided, from a financial point of view, for payment in three instalments, the first of which, amounting to Euro 14,185 thousand, was settled concurrently with the signing of the settlement agreement, with the remainder to be paid in two instalments of Euro 13,500 thousand each by 31 July 2023 and 31 July 2024, respectively.

In the meantime, the Company reached an agreement with a leading Italian bank for the assignment without recourse of its receivables from the Port System Authority. At the close of the financial year 2022, therefore, the relevant amount had been collected in full.

## NOTE 2 - TANGIBLE ASSETS

This item is broken down below:

(amounts in thousands of Euro)	31/12/2022	31/12/2021	Change
Property, plant, equipment and other assets	87,407	78,805	8,602
Investment property	3,996	4,129	(133)
Rights of use assets	40,636	32,148	8,488
<b>Total Tangible Assets</b>	<b>132,039</b>	<b>115,082</b>	<b>16,957</b>

### 2.a Property, plant and equipment and other assets

Property, plant, equipments and other assets						
(amounts in thousands of Euro)	Land and Buildings	Plants and machinery	Industrial and commercial equipment	Other assets	Assets in process of formation and advances	Total
<b>Cost:</b>	<b>63,468</b>	<b>54,724</b>	<b>51,807</b>	<b>11,928</b>	<b>4,997</b>	<b>186,924</b>
<b>as at 1st January 2021</b>						
Investments	215	5,418	2,764	1,630	2,058	12,085
Reclassifications	--	4,926	--	--	(4,926)	--
Other changes	--	(1)	(2)	--	--	(3)
Change in perimeter (IAS 1)	(3,282)	(2,006)	--	(901)	--	(6,189)
Disposals	(11)	(7,026)	(4,588)	(1,007)	--	(12,632)
Exchange differences	715	215	1,329	394	83	2,736
<b>as at 31 December 2021</b>	<b>61,105</b>	<b>56,250</b>	<b>51,310</b>	<b>12,044</b>	<b>2,212</b>	<b>182,921</b>
<b>Accumulated amortisation:</b>	<b>(24,061)</b>	<b>(31,963)</b>	<b>(40,148)</b>	<b>(8,009)</b>	<b>--</b>	<b>(104,181)</b>
<b>as at 1st January 2021</b>						
Depreciation 2021	(2,044)	(4,473)	(4,669)	(1,400)	--	(12,586)
Reclassifications	(437)	(1,327)	1,764	--	--	-
Other changes	(5)	57	1	16	--	69
Change in perimeter (IAS 1)	982	1,631	--	790	--	3,403
Utilisations	--	5,463	3,969	938	--	10,370
Exchange differences	(88)	(55)	(863)	(185)	--	(1,191)
<b>as at 31 December 2021</b>	<b>(25,653)</b>	<b>(30,667)</b>	<b>(39,946)</b>	<b>(7,850)</b>	<b>--</b>	<b>(104,116)</b>
<b>Net book value:</b>						
<b>as at 1st January 2021</b>	<b>39,407</b>	<b>22,761</b>	<b>11,659</b>	<b>3,919</b>	<b>4,997</b>	<b>82,743</b>
<b>as at 31 December 2021</b>	<b>35,452</b>	<b>25,583</b>	<b>11,364</b>	<b>4,194</b>	<b>2,212</b>	<b>78,805</b>

Property, plant, equipments and other assets						
(amounts in thousands of Euro)	Land and Buildings	Plants and machinery	Industrial and commercial equipment	Other assets	Assets in process of formation and advances	Totale
<b>Cost:</b>	<b>61,105</b>	<b>56,250</b>	<b>51,310</b>	<b>12,044</b>	<b>2,212</b>	<b>182,921</b>
<b>as at 1st January 2022</b>						
Investments	1,186	10,012	10,140	2,004	123	23,465
Reclassifications	2,079	98	43	--	(2,220)	-
Other changes	--	1	2	--	-	3
Disposals	(2,000)	(5,511)	(4,080)	(943)	-	(12,534)
Exchange differences	533	224	1,054	331	146	2,288
<b>as at 31 December 2022</b>	<b>62,903</b>	<b>61,074</b>	<b>58,469</b>	<b>13,436</b>	<b>261</b>	<b>196,143</b>
<b>Accumulated depreciation:</b>	<b>(25,653)</b>	<b>(30,667)</b>	<b>(39,946)</b>	<b>(7,850)</b>	<b>--</b>	<b>(104,116)</b>
<b>as at 1st January 2022</b>						
Depreciation 2022	(1,218)	(5,016)	(4,773)	(1,594)	--	(12,601)
Reclassifications	--	(98)	72	--	--	(26)
Other changes	--	(4)	--	(2)	--	(6)
Utilisations	1,499	3,502	3,223	810	--	9,034
Exchange differences	(72)	(43)	(750)	(156)	--	(1,021)
<b>as at 31 December 2022</b>	<b>(25,444)</b>	<b>(32,326)</b>	<b>(42,174)</b>	<b>(8,792)</b>	<b>--</b>	<b>(108,736)</b>
<b>Net book value:</b>						
<b>as at 1st January 2022</b>	<b>35,452</b>	<b>25,583</b>	<b>11,364</b>	<b>4,194</b>	<b>2,212</b>	<b>78,805</b>
<b>as at 31 December 2022</b>	<b>37,459</b>	<b>28,748</b>	<b>16,295</b>	<b>4,644</b>	<b>261</b>	<b>87,407</b>

During the year 2022, the balance of this item increased by Euro 8,602 thousand as a net effect of investments of Euro 23,465 thousand, net disposals of Euro 3,500 thousand, and depreciation for the period in the amount of Euro 12,601 thousand.

Investments for the period, amounting to Euro 23,465 thousand, mainly related to **Plant and Machinery** (Euro 10,012 thousand, of which Euro 6,782 thousand related to the Storstroem Bridge contract in Denmark and Euro 2,452 thousand related to the parent company Itinera S.p.A.) and **Industrial and Commercial Equipment** (Euro 10,140 thousand, once again mainly related to investments in the Storstroem Bridge contract and to the parent company Itinera S.p.A. for Euro 5,680 thousand and Euro 2,072 thousand, respectively). **Non-current assets in progress and payments on account** amounted to Euro 261 thousand, posting a Euro 1,951 thousand decrease compared to the previous year, mainly due to investments made by the subsidiary Halmar International.

Net disposals for the period amounted to Euro 3,500 thousand (Euro 12,534 thousand of historical cost and Euro 9,034 of accumulated depreciation) and mainly referred to the parent company Itinera S.p.A., concerning assets disposed of as part of closed projects or projects under completion in Botswana (net Euro 850 thousand) and the Arab Emirates (net Euro 898 thousand), respectively.

The **Reclassifications** item is attributable to the en-

try into operation of assets posted, at the end of the previous year, in non-current assets in progress.

The item **Land and Buildings**, totalling Euro 37,459 thousand, includes land for Euro 12,042 thousand and buildings for Euro 25,417 thousand.

The amount of Euro 11,466 thousand is attributable to land and buildings of Halmar International LLC. Mortgage guarantees are recorded on these properties in favour of M&T Bank, to guarantee the loan negotiated on 2 August 2019, whose residual debt as at 31 December 2022 amounts to Euro 4,610 thousand.

The item also includes land and properties owned by the subsidiary SEA Segnaletica Stradale S.p.A., amounting to a total of Euro 12,300 thousand. These include the land and building for office and production use located in Tortona, along the S.S. No. 10 in the direction of Alessandria, on which the Euro 12 million voluntary mortgage granted, as of 31 December 2021, in favour of BPER (formerly UBI Banca) against the loan paid off in 2022, has been eliminated.

The item also includes the properties of Tubosider S.p.A. for Euro 2,453 thousand. These items include the Group's judicial guarantee recorded on the Mongardino real estate complex, owned by Tubosider S.p.A., to guarantee a debt completely extinguished during the 2012 financial year for which cancellation is pending.

## 2.b - Investment property

The item investment properties includes a building in Bologna, for net total value of Euro 3,996 thousand, owned by Itinera S.p.A., leased to third parties.

(amounts in thousands of Euro)	Investment property
<b>Cost:</b>	<b>5,519</b>
<b>as at 1st January 2021</b>	
Investments	--
Disposals	--
<b>as at 31 December 2021</b>	<b>5,519</b>
<b>Accumulated depreciation:</b>	<b>(1,258)</b>
<b>as at 1st January 2021</b>	
Depreciation	(132)
Utilisations	--
<b>as at 31 December 2021</b>	<b>(1,390)</b>
<b>Net book value:</b>	
<b>as at 1st January 2021</b>	<b>4,261</b>
<b>as at 31 December 2021</b>	<b>4,129</b>

(amounts in thousands of Euro)	Investment property
<b>Cost:</b>	<b>5,519</b>
<b>as at 1st January 2022</b>	
Investments	--
Disposals	--
<b>as at 31 December 2022</b>	<b>5,519</b>
<b>Accumulated depreciation:</b>	<b>(1,390)</b>
<b>as at 1st January 2022</b>	
Depreciation	(133)
Utilisations	--
<b>as at 31 December 2022</b>	<b>(1,523)</b>
<b>Net book value:</b>	
<b>as at 1st January 2022</b>	<b>4,129</b>
<b>as at 31 December 2022</b>	<b>3,996</b>



## 2.c - Rights of use assets

This item is broken down below:

(amounts in thousands of Euro)	Right of use				Total
	Properties	Vehicles	Machinery	Other assets	
<b>Cost:</b>	<b>14,699</b>	<b>7,976</b>	<b>43,769</b>	<b>17,214</b>	<b>83,658</b>
<b>as at 1st January 2021</b>					
Investments	5,210	1,471	3,411	3,470	13,562
Reclassifications	(9)	53	(333)	(1)	(290)
Disposals	(2,388)	(1,310)	(19,820)	(1,235)	(24,753)
Exchange differences	328	295	315	78	1,016
<b>as at 31 December 2021</b>	<b>17,840</b>	<b>8,485</b>	<b>27,342</b>	<b>19,526</b>	<b>73,193</b>
<b>Accumulated depreciation:</b>	<b>(5,683)</b>	<b>(3,562)</b>	<b>(17,950)</b>	<b>(8,347)</b>	<b>(35,542)</b>
<b>as at 1st January 2021</b>					
Depreciation 2021	(5,628)	(2,446)	(6,870)	(2,840)	(17,784)
Reclassifications	(36)	(6)	16	(1)	(28)
Utilisations	1,912	1,145	8,593	1,230	12,880
Exchange differences	(187)	(179)	(189)	(17)	(572)
<b>as at 31 December 2021</b>	<b>(9,622)</b>	<b>(5,048)</b>	<b>(16,400)</b>	<b>(9,975)</b>	<b>(41,046)</b>
<b>Net book value:</b>					
<b>as at 1st January 2021</b>	<b>9,016</b>	<b>4,414</b>	<b>25,819</b>	<b>8,867</b>	<b>48,116</b>
<b>as at 31 December 2021</b>	<b>8,218</b>	<b>3,437</b>	<b>10,942</b>	<b>9,551</b>	<b>32,148</b>



(amounts in thousands of Euro)	Right of use				Total
	Properties	Vehicles	Machinery	Other assets	
<b>Cost:</b>	<b>17,840</b>	<b>8,485</b>	<b>27,342</b>	<b>19,526</b>	<b>73,193</b>
<b>as at 1st January 2022</b>					
Investments	6,538	3,771	12,847	3,332	26,488
Other changes	(4)	(3)	1	--	(6)
Disposals	(4,893)	(1,908)	(1,109)	(3)	(7,913)
Exchange differences	171	218	(57)	61	393
<b>as at 31 December 2022</b>	<b>19,652</b>	<b>10,563</b>	<b>39,024</b>	<b>22,916</b>	<b>92,155</b>
<b>Accumulated depreciation:</b>	<b>(9,622)</b>	<b>(5,048)</b>	<b>(16,400)</b>	<b>(9,975)</b>	<b>(41,045)</b>
<b>as at 1st January 2022</b>					
Depreciation 2022	(5,602)	(2,841)	(5,312)	(3,572)	(17,327)
Other changes	--	1	--	(3)	(2)
Utilisations	4,622	1,545	1,100	5	7,272
Exchange differences	(142)	(150)	(107)	(18)	(417)
<b>as at 31 December 2022</b>	<b>(10,744)</b>	<b>(6,493)</b>	<b>(20,719)</b>	<b>(13,563)</b>	<b>(51,519)</b>
<b>Net book value:</b>					
<b>as at 1st January 2022</b>	<b>8,218</b>	<b>3,437</b>	<b>10,942</b>	<b>9,551</b>	<b>32,148</b>
<b>as at 31 December 2022</b>	<b>8,908</b>	<b>4,070</b>	<b>18,305</b>	<b>9,353</b>	<b>40,636</b>

In accordance with IFRS 16, the "rights of use assets" item includes passive leasing contracts which do not constitute the provision of services.

Investments for the financial year 2022 amounted to Euro 26,488 thousand, before net disinvestments of Euro 641 thousand.

Investments are attributable to the parent company Itinera S.p.A. for Euro 14,235 thousand, of which Euro 8,461 thousand in connection with new construction projects started in Sweden in 2022 and Euro 1,849 thousand in Denmark in connection with the construction projects of the Koge and Odense hospitals. Further investments are also attributable to the Storstrom Bridge contract in Denmark (Euro 6,236 thousand) and to Halmar International (Euro 5,342 thousand), mainly in connection with the Penn Station Access contract.

## NOTE 3 - NON-CURRENT FINANCIAL ASSETS

(amounts in thousands of Euro)	31/12/2022	31/12/2021	Change
Equity accounted investments	1,205	2,464	(1,259)
Other equity investments	6,585	6,468	117
Other non-current financial assets	115,636	127,142	(11,506)
<b>Total Non-current financial assets</b>	<b>123,426</b>	<b>136,074</b>	<b>(12,648)</b>

### 3.a - Equity accounted investments

(amounts in thousands of Euro)	01/01/2022	Acquisition / (Disposals)	Equity adjustments	Exchange effect/Other changes	31/12/2022
Asci Logistik GMBH	-	(31)	31	-	-
Cis Beton GMBH	84	(15)	(69)	-	-
CMC Itinera JV S.c.p.A.	49	-	-	-	49
Eteria consorzio stabile S.c. ar.l.	250	-	-	-	250
Ponte Nord S.p.A.	754	-	-	-	754
San Donato S.C. A R.L. in liquidation	49	-	-	-	49
Tunnel Frejus S.c.a.r.l.	25	-	-	-	25
Tuborus LLC	1,153	-	(1,241)	88	-
Other minor	100	(22)	-	-	78
<b>Total Shares measured using the equity method</b>	<b>2,464</b>	<b>(68)</b>	<b>(1,279)</b>	<b>88</b>	<b>1,205</b>

Investments measured using the equity method amounted to Euro 1,205 thousand at 31 December 2022, posting a Euro 1,259 thousand decrease from the previous year. All changes in such shares are illustrated in Annex 1. The following operations, among others, are of note:

- **Tuborus LLC:** company 50% owned by Tubosider S.p.A., with registered office in Russia, recognised in the Consolidated Financial Statements of the Itinera Group at 31 December 2021 at a value of Euro 1,153 thousand. As a result of what is mentioned in the section "Russian-Ukrainian Crisis" of the Report on Operations, the investment was fully written down in the year 2022;
- **Asci Logistik Gbmh:** this share, as of 31 December 2021, had a carrying value of zero due to the incorporation of the losses accrued by the subsidiary at that date, which had also led to the recognition of a provision for risks of Euro 15 thousand for the portion exceeding the original carrying value of the share (equal to Euro 15 thousand). In this context, following the exit of Itinera from JO ARGE H51 as a result of the dispute that arose with the other partners, the exit from the remaining Austrian ventures (concerning, in addition to Asci, also CIS Beton GmbH) was formalised in the financial year 2022. The formalisation of this agreement, which provided for the repayment to Itinera of the amount paid in as initial

capital (Euro 15 thousand), thus resulted in a positive effect of Euro 31 thousand recognised as a result of the investment for the year 2022;

- **Cis Beton GmbH:** In the context already reported with regard to Asci GmbH, the agreement for the exit of Itinera from the Joint Venture provided for the same above-mentioned conditions. In this case, since this investment was recognised at a value of Euro 84 thousand at 31 December 2021, the repayment of the initial capital (Euro 15 thousand) resulted in a negative result of Euro 69 thousand.

With regard to other minor investments, we should mention the disposals deriving from the completed liquidation process for the subsidiaries Sistemi e Servizi Scarl (carrying value as of 31 December 2021 equal to Euro 16 thousand), Fondo Valle S.c.a r.l. (carrying value as of 31 December 2021 of Euro 4 thousand) and Formazza S.c.a r.l. (carrying value as of 31 December 2021 of Euro 2 thousand).

It should be noted that the differential between the equity adjustments presented herein (Euro 1,279 thousand) and the total losses from the valuation of subsidiaries using the equity method (Euro 5,413 thousand) is almost entirely related to the 2022 result recognised through Federici Stirling Batco, equal to Euro 4,150 thousand, whose equity exposure is within the liability provisions.

### 3.b - Other equity investments

(amounts in thousands of Euro)	01/01/2022	Purchases/ Increases	Fair Value adjustments	Exchange effect/Other changes	31/12/2022
Abesca Europa S.r.l.	158	-	-	-	158
AEDES SIIQ S.p.A.	288	(158)	363	-	493
Autostrade centro padane S.p.A.	1,398	-	(11)	-	1,387
Euroimpianti S.p.A.	298	-	-	-	298
Passante Dorico S.p.A.	2,612	-	(5)	-	2,607
Restart SIIQ (ex AEDES S.p.A.)	566	-	(42)	-	524
S.A.BRO.M - Autostrada Broni Mortara S.p.A.	794	-	(16)	-	778
Si.Co.Gen. S.r.l.	139	-	-	-	139
Project company Autovia Padana S.p.A.	164	-	-	-	164
Others	51	(14)	-	-	37
<b>Total Other Shareholdings</b>	<b>6,468</b>	<b>(172)</b>	<b>289</b>	<b>--</b>	<b>6,585</b>

The value of other shareholdings as at 31 December 2022, equal to Euro 6,585 thousand, was essentially in line with the previous year. The minor change in the total amount of Euro 117 thousand is mainly attributable to the following transactions:

- **Aedes SIIQ S.p.A.:** first of all, there was a decrease in the carrying value of the investment, of Euro 158 thousand, due to recognition of the non-exercise of the option right on the share capital increase approved by the subsidiary, with the consequent dilution of the equity investment. However, this decrease was more than offset by the Fair Value adjustment (Euro 363 thousand) recognised on the basis of the unit value of the stock as of 30 December 2022, the last day of listing for 2022, which rose to Euro 0.29 compared to the Euro 0.17 unit value as of 31 December 2021. This alignment to fair value was recognised in the statement of comprehensive income (OCI) in accordance with IFRS 9;
- **Restart SIIQ S.p.A.:** at 30 December 2021, the last day of listing relative to 2022, the value of the investments in the financial statements was adjusted to the listing value of the securities, equal to Euro 0.31 (Euro 0.34 per share as of 30 December 2021), with a negative effect of Euro 42 thousand allocated to the statement of comprehensive income (OCI) pursuant to IFRS 9.

Further reductions in fair value, also recognised in the manner described above, concerned the investment in S.A.BRO.M S.p.A. (Euro 16 thousand), Autostrade Centro Padane S.p.A. (Euro 11 thousand) and Passante Dorico S.p.A. (Euro 5 thousand).

The decrease in other shareholdings, of Euro 14 thousand, is attributable to the completion of the exit of SAM S.p.A. from Consorzio Costruttori Veneti San Marco.

### 3.c - Other non-current financial assets

These are represented by:

(amounts in thousands of Euro)	31/12/2022	31/12/2021	Change
<b>Loans to subsidiaries not fully consolidated:</b>			
· Receivables from associated and sister companies	46,616	38,802	7,814
· Loans to other companies	691	13,996	(13,305)
· Adjusting provisions	(19,056)	(17,683)	(1,373)
<b>Receivables:</b>			
· from suppliers for deposits	4,776	4,990	(214)
· from others	83,533	87,961	(4,428)
· Adjusting provisions	(924)	(924)	--
<b>Total Other non-current financial assets</b>	<b>115,636</b>	<b>127,142</b>	<b>(11,506)</b>

The **loans to subsidiaries not fully consolidated** include:

- The *receivables from associated and sister companies*: the balance of the item increased from Euro 38,802 thousand to Euro 46,616 thousand, mainly due to the financing granted during the year to Frasso S.c. a r.l. for Euro 8,610 thousand (for a total, as of 31 December 2022, of Euro 18,667 thousand), as well as the increase in the receivable from **Federici Stirling Batco LLC** for Euro 2,827 thousand and net of the repayment of the balance as of 31 December 2021 received from **Tunnel Frejus S.c.a r.l.** (Euro 3,250 thousand). This balance is to be considered as including a provision for bad debts of Euro (19,142) thousand, of which Euro 18,857 thousand related to the position with Federici Stirling Batco LLC (of which Euro 1,373 thousand was accrued during the year). This loan, in particular, is equal to Euro 25,170 thousand before the provision for bad debts. The remaining part is made up of non-interest bearing loans to **Frasso S.c.a.r.l.** (Euro 18,667 thousand, which takes into account the already men-

tioned increase), Interconnessione S.c.a r.l. (Euro 973 thousand; same as in the previous year), **Colmeto S.c.a.r.l.** (943 thousand, also unchanged), **Ponte Nord S.p.A.** (Euro 135 thousand, also unchanged during the year) and **A.C.I, S.c.p.A.** (Euro 367 thousand, compared to Euro 550 thousand as at 31 December 2021) of which Itinera Spa is no longer a shareholder, but remains held by the ASTM Group;

- *Loans to other subsidiaries*: the item, as at 31 December 2022, amounted to Euro 691 thousand, represented by loans to **Sa.Bro.M. S.p.A.** (Euro 619 thousand compared to Euro 612 thousand at the end of the previous year) and **Abesca Europe S.r.l.** (Euro 72 thousand, unchanged during the year). The balance of the item decreased compared to the end of the previous year, amounting to Euro 13,305 thousand, though this is due merely to the reclassification of receivables from ARGE H51, which, following the exit of Itinera from the company, were reclassified within receivables from third parties (see the following comment on *receivables from others*);

- The item "Adjusting provisions", amounting to Euro (19,056) thousand mainly relates, as said above, to the write-down of receivables from **Federici Stirling Batco LLC** for Euro 18,856 thousand (Euro 17,483 thousand at 31 December 2021). The remaining part of the balance of Euro 200 thousand relates to the write-down of certain receivables by the subsidiary SAM S.p.A.

Receivables "From suppliers for deposits" amounting to Euro 4,776 thousand (Euro 4,990 thousand at 31 December 2021), mainly refer to the Arab Emirates for Euro 1,059 thousand, Denmark for Euro 2,238 thousand and the Halmar Group for Euro

1,103 thousand.

The item "From Others", amounting to Euro 83,533 thousand, first of all includes receivables from shareholders for unpaid capital, based on the capital increase approved on 28 September 2022, that is expected to be paid over a period of more than 12 months (Euro 63,941 thousand) depending on the purposes for which the same amounts are intended (in this case, covering the financial requirements for the purchase of the residual 20% stake in Halmar). The breakdown of receivables from shareholders, totalling Euro 167,570 thousand, between non-current and current portion is shown below:

Partner	number of shares	% share capital	Breakdown of share capital increase	1st tranche paid	2nd tranche to be paid	of which within 12 months	of which beyond 12 months
ASTM S.p.A.	51,486	66.12%	147,723	36,931	110,792	68,516	42,276
Autostrada dei Fiori S.p.A.	1,540	1.98%	4,419	1,105	3,314	2,050	1,265
Finanziaria di Partecipazioni e Investimenti S.p.A.	0	0.00%	0	0	0	0	0
SATAP S.p.A.	21,685	27.85%	62,219	15,555	46,664	28,858	17,806
SALT p.A.	3,159	4.06%	9,065	2,266	6,799	4,204	2,594
<b>Totale</b>	<b>77,870</b>	<b>100.00%</b>	<b>223,426</b>	<b>55,857</b>	<b>167,570</b>	<b>103,629</b>	<b>63,941</b>

The total balance of this item also includes the receivable due from ARGE H51 of Euro 13,303 thousand following the exit of Itinera from the company. This receivable, at the end of the previous year, was classified within *loans to other subsidiaries*.

Lastly, we should mention sundry financial receivables of the parent company Itinera S.p.A. of Euro 2,660 thousand and receivables of SAM S.p.A. of Euro 924 thousand, the latter of which are subject to an "adjusting provision" of Euro 924 thousand due to the difficulty of recovering them.

## NOTE 4 - DEFERRED TAX ASSETS

This item totals Euro 32,816 thousand (Euro 20,586 thousand as at 31 December 2021); for the breakdown of this item, please see Note 31 - Income tax.

(amounts in thousands of Euro)	31/12/2022	31/12/2021	Change
Deferred tax assets	32,816	20,586	12,230
<b>Total Deferred Tax Assets</b>	<b>32,816</b>	<b>20,586</b>	<b>12,230</b>

The increase for the year, amounting to Euro 12,230 thousand, is mainly attributable to the parent company Itinera S.p.A., for an amount of Euro 7,794 thousand, to significant allocations of contingent charges and liabilities that were not deductible during this financial year, as well as, for Euro 4,672 thousand, to assets entered by Itinera USA Corp. in connection with the recognition, as a shareholder and on the basis of US LLCs regulations, of tax losses accrued by the Halmar Group in the year 2022, as well as the recognition of the tax amortisation of Goodwill recognised by Itinera USA Corp. in connection with the acquisition of the Halmar Group itself.

## NOTE 5 - INVENTORIES AND CONTRACTUAL ASSETS

These are represented by:

(amounts in thousands of Euro)	31/12/2022	31/12/2021	Change
Raw materials, subsidiary materials and consumables	43,563	38,637	4,926
Work in progress and semi-finished products	4,058	4,230	(172)
Work in progress on order/Contractual assets	330,750	334,922	(4,172)
Finished products and goods	4,399	4,602	(203)
Advances	26,023	35,078	(9,055)
<b>Total Inventories and contractual assets</b>	<b>408,793</b>	<b>417,469</b>	<b>(8,676)</b>

### Raw materials, subsidiary materials and consumables

This item amounted to Euro 43,563 thousand, of which a significant portion was related to the parent company Itinera S.p.A. (Euro 22,790 thousand) and Storstroem Bridge JV (Euro 16,841 thousand). The balance relating to the parent company mainly referred (Euro 19,798 thousand, from which a Euro 617 thousand write-down reserve is to be deduct-

ed) to Italy, with the remaining balance was represented by the branches in the United Arab Emirates (Euro 1,751 thousand, from which a Euro 172 thousand write-down reserve is to be deducted), Sweden (Euro 762 thousand), Romania (Euro 683 thousand) and Denmark (Euro 556 thousand).

The increase in the balance posted during the year, amounting to Euro 4,926 thousand, is largely associated with the Storstroem Bridge contract in Denmark.

## Work in progress and semi-finished products

This item totalling Euro 4,058 thousand (Euro 4,230 thousand as at 31 December 2021) essentially refers to the Italian projects of Itinera S.p.A. (Euro 1,947 thousand) and to Tubosider S.p.A. (Euro 2,111 thousand).

## Work in progress / Contractual assets

Work in progress and contractual assets, amounting to Euro 330,750 thousand, are broken down as follows:

(amounts in thousands of Euro)	31/12/2022	31/12/2021	Change
Gross work in progress balance	4,438,909	3,555,614	883,295
Advances on work progress	(3,953,435)	(3,108,853)	(844,582)
Provisions and impairment	(154,724)	(111,839)	(42,885)
<b>Work in progress / Contractual assets</b>	<b>330,750</b>	<b>334,922</b>	<b>(4,172)</b>

The total balance of Euro 330,750 thousand is mainly represented by works of the parent company Itinera S.p.A. (Euro 261,999 thousand), the Halmar Group (Euro 52,701 thousand), and Tubosider S.p.A. (Euro 7,974 thousand).

In particular, the balance contributed by the parent company relates to Italian contracts of Euro 144,198 thousand. The remainder, relating to foreign contracts, concerns contracts in the Middle East area (Euro 54,775 thousand), the Okawango Bridge contract in Botswana (Euro 23,372 thousand), and works of the branches in Romania (Euro 16,125 thousand), Sweden (Euro 11,225 thousand), Denmark (Euro 9,015 thousand) and France (Euro 3,287 thousand).

The above balances incorporate the allocation of *provisions and impairment*, which, at 31 December 2022, amounted to €154,724 thousand (€111,839 thousand at 31 December 2021), of which a portion of €84.887 thousand recognised in connection with the Storstroem Bridge contract in Denmark (with the residual, compared to the total loss recognised in 2022, recognised in provisions for liabilities) and a further balance of EUR 31,544 thousand related to the Reem Mall contract, which was closed in 2022 as a result of what was reported in the Management Report. The said adjusting provisions are

made against the risks of certain asset items due, inter alia, to disputes in progress with customers and losses that are expected to occur in the continuing work on a number of contracts in progress; their amount is considered adequate to risks and potential liabilities that could arise in relation to the value of inventories. Regarding the operational risks in place, please refer to what is extensively described in the Report on operations.

## Finished products and goods

*Finished product and goods inventories*, of Euro 4,399 thousand (Euro 4,602 thousand as of 31 December 2021) refer almost entirely to motorway barriers produced by Tubosider of Euro 4,145 thousand (net of the Euro 249 thousand write-down reserve).

## Advances

The item concerns advances paid to suppliers and subcontractors. In addition to a portion related to advance payments recognised in connection with the Storstroem Bridge contract in Denmark (for Euro 5,720 thousand), the remainder is attributable to the parent company Itinera S.p.A., mainly on construction projects still in progress in the Middle East area (Euro 13,620 thousand) and on Danish construction projects (Euro 6,199 thousand).

## NOTE 6 - TRADE RECEIVABLES

Trade receivables totalled Euro 286,856 thousand (Euro 249,604 thousand as at 31 December 2021), net of provisions for doubtful debt equal to Euro 3,662 thousand.

(amounts in thousands of Euro)	31/12/2022	31/12/2021	Change
Trade receivables	286,856	249,604	37,252
<b>Total Trade receivables</b>	<b>286,856</b>	<b>249,604</b>	<b>37,252</b>

These receivables refer, for Euro 186,750 thousand (net of the provision for doubtful debt of Euro 2,032 thousand), to the parent company Itinera S.p.A., of which Euro 136,527 thousand related to Italian contracts and Euro 50,223 thousand to works abroad (including, mainly, those in the Middle East for Euro 24,825 thousand and Danish construction projects for Euro 12,802 thousand). A further significant portion is also attributable to the Halmar Group of Euro 50,886 million. The Brazilian subsidiaries also contributed for Euro 19,654 thousand, while Tubosider S.p.A. contributed for Euro 11,924 thousand.

The increase in the balance during the year, amounting to Euro 37,252 thousand, is mainly attributable

to the Brazilian projects that started during the period (Euro 11,599 thousand), to Halmar International (Euro 13,355 thousand, largely in reference to the start-up of the Penn Station Access project), and to Itinera S.p.A. for Euro 21,184 thousand (mainly on Italian construction projects).

Trade receivables due to normal business operations essentially refer to work, material supplies, technical and administrative services and other services, etc.

The bad debt provision allocated in the financial statements are thus deemed consistent to the expected receivable collectability. The following changes occurred during the year:



(amounts in thousands of Euro)	Provision for bad debts Receivables
<b>Balance as at 1/1/2022</b>	<b>6,756</b>
Increase from change in scope of consolidation	--
Utilisation during the year	(3,094)
Provision for the year	--
<b>Balance as at 31/12/2022</b>	<b>3,662</b>

## NOTE 7 - CURRENT TAX ASSETS

This item, totalling Euro 18,273 thousand (Euro 17,319 thousand as at 31 December 2021) refers to VAT, IRAP and IRES receivables and other tax receivables.

(amounts in thousands of Euro)	31/12/2022	31/12/2021	Change
Current tax assets	18,273	17,319	954
<b>Total Current tax assets</b>	<b>18,273</b>	<b>17,319</b>	<b>954</b>

## NOTE 8 - OTHER RECEIVABLES

This item is broken down as follows:

(amounts in thousands of Euro)	31/12/2022	31/12/2021	Change
Receivables from others	153,025	40,144	112,881
Prepaid expenses	28,080	13,627	14,453
<b>Total Other receivables</b>	<b>181,105</b>	<b>53,771</b>	<b>127,334</b>

### Receivables from others

The item "receivables from others" includes, first of all, the current portion of receivables from shareholders on unpaid capital in accordance with the share capital increase approved on 28 September 2022 (for a value of Euro 103,629 thousand), the details of which, already presented in Note 3 above, are shown below:

Partner	number of shares	% share capital	Breakdown of share capital increase	1st tranche	2nd tranche	of which within 12 months	of which beyond 12 months
ASTM S.p.A.	51,486	66.12%	147,723	36,931	110,792	68,516	42,276
Autostrada dei Fiori S.p.A.	1,540	1.98%	4,419	1,105	3,314	2,050	1,265
Finanziaria di Partecipazioni e Investimenti S.p.A.	0	0.00%	0	0	0	0	0
SATAP S.p.A.	21,685	27.85%	62,219	15,555	46,664	28,858	17,806
SALT p.A.	3,159	4.06%	9,065	2,266	6,799	4,204	2,594
<b>Totale</b>	<b>77,870</b>	<b>100.00%</b>	<b>223,426</b>	<b>55,857</b>	<b>167,570</b>	<b>103,629</b>	<b>63,941</b>

A further portion of the balance of receivables from others as of 31 December 2022, amounting to Euro 18,433 thousand, is represented by receivables due for the associated company Letimbro S.c.ar.l. for the payment made, mainly during the 2019 financial year, to credit institutions and certain suppliers on behalf of the latter. This payment was necessary as a result of Letimbro's difficult financial situation. It should be noted that, also in terms of the recoverability of the receivable, the Group's current liabilities include a payable to the subsidiary of almost the same and offsettable amount, as discussed in Note 18 below.

Advances paid to suppliers of Euro 9,192 thousand and receivables from ASTM related to tax consolidation of Euro 1,166 thousand contributed to the remaining balance of the item.

Lastly, the remaining balance of Euro 20,605 thousand includes several operating receivables from various parties, including associated companies and third-party partners in certain contracts.

*Prepaid expenses* amounted to Euro 28,080 thousand, of which Euro 15,905 thousand related to the Halmar Group and mainly referred to insurance premiums pertaining to subsequent years. The balance at 31 December 2022 shows, compared to the end of the previous year, an increase of Euro 14,453 thousand related precisely to insurance premiums of Halmar International on Penn Station Access, a major contract that started in 2022.

## NOTE 9 - CURRENT FINANCIAL ASSETS

The balance of financial assets as of 31 December 2022 amounted to Euro 22,919 thousand (Euro 28,798 thousand as of 31 December 2021) and related to low-risk, easy-to-liquidate investment funds subscribed by Halmar International (Euro 15,595 thousand) through its Joint Operation 3rd Truck Constructors as well as by the Brazilian subsidiaries Itinera Construções (Euro 4,069 thousand) and ICCR 135 (Euro 3,255 thousand).

(amounts in thousands of Euro)	31/12/2022	31/12/2021	Change
Current financial assets	22.919	28.798	(5.879)
<b>Total Current financial assets</b>	<b>22.919</b>	<b>28.798</b>	<b>(5.879)</b>

## NOTE 10 - CASH AND CASH EQUIVALENTS

These are represented by:

(amounts in thousands of Euro)	31/12/2022	31/12/2021	Change
Bank and postal deposits	316,912	238,077	78,835
Cash and cash equivalents on hand	132	126	6
<b>Total Cash and cash equivalents</b>	<b>317,044</b>	<b>238,203</b>	<b>78,841</b>

The increase in cash and cash equivalents of Euro 78,841 thousand that occurred in the year 2022 is related to the net effect of the following changes:

- A positive operating cash flow of Euro 61,516 thousand as a result, mainly, of the significant down payments and advances received during the year on certain new projects started during the year (see Note 13 and Note 18 for further details);
- The positive effect arising from the management of revertible assets, amounting to Euro 37,483 thousand, deriving from the disinvestment recognised following the settlement agreement entered into by Taranto Logistica S.p.A. with the port authority (collected in full at the end of the 2022 financial year), partially offset by net investments in fixed assets of Euro 19,953 thousand;
- The positive effect arising from the management of financial assets of Euro 9,122 thousand, determined by the net effect of the release of certain bank accounts held by the Halmar Group that, at the end of the previous year, were restricted (Euro 22,073 thousand), net of disbursements in the amount of Euro 12,951 thousand, mainly related to the disbursement of loans to non-consolidated subsidiaries;
- Finally, financial management resulted in a cash outflow of Euro 15,910, thousand as a net effect of:
  - » the repayment of a significant portion of the

bank exposure opened at the end of the previous year, which resulted in net disbursements of Euro 97,362 thousand;

- » the repayment to the parent company ASTM of a portion of the loan payable amounting to Euro 45,000 thousand;
- » disbursements accrued under IFRS 16 leasing contracts of Euro 18,896 thousand;
- » dividends distributed to third parties of Euro 3,893 thousand;
- » cash contributed by shareholders totalling Euro 136,549 thousand, in connection with the payment of the missing tenths on the capital increase approved in December 2021, of 25% of the tenths related to the capital increase approved on 28 September 2022, as well as cash paid in on the same date to cover losses;
- » other positive financial changes amounted to Euro 12,692 thousand, of which Euro 5,879 thousand with respect to the collection of amounts related to easy-to-liquidate investment funds held, as of 31 December 2021, by the Halmar Group and Itinera Construções and partially liquidated during the year.

The change for the period also takes into account an incremental exchange rate effect of Euro 6,583 thousand.

Interest rates on bank and postal current accounts are market rates.

## NOTE 11 - NET EQUITY

As mentioned in the "Extraordinary Transactions" section of the Report on Operations, on 28 September 2022, the shareholders of the parent company Itinera S.p.A., during an extraordinary shareholders' meeting held on a plenary basis, unanimously approved to cover the total losses of Itinera S.p.A., accrued through 30 June 2022, of Euro 282,333 thousand (of which Euro 179,433 thousand accrued in the first half of 2022 and Euro 102,901 thousand accrued in the previous year). The structure of the operation is summarised in the table below:

(amounts in thousands of Euro)	31/12/2022	Change for the year	Loss coverage			Use of 2021 results	31/12/2021
			Reductions of share capital	Reductions of share capital	Shareholder contributions		
<b>11.a Share capital</b>	232.834	223.426	(223.426)	--	--	--	232.834
Share premium reserves	--	--	--	--	(26.901)	--	26.901
Legal reserve	--	--	--	--	(5.800)	--	5.800
<i>Extraordinary reserve</i>	--	--	--	--	(2.532)	--	2.532
<i>Foreign exchange reserves</i>	(3.642)	3.200	--	--	--	--	(6.842)
<i>Merger surplus reserve</i>	--	--	--	--	(1.380)	--	1.380
<i>"Fair value" valuation reserves</i>	(5.802)	236	--	--	--	--	(6.038)
<i>Cash flow hedge reserves</i>	--	--	--	--	--	--	-
<i>First Time Adoption reserve</i>	--	--	--	--	--	--	-
<i>Employee benefits discounting reserve</i>	144	169	--	--	--	--	(25)
<b>Other reserves</b>	(9.300)	3.605	--	--	(3.912)	--	(8.993)
Reserve to cover losses	282.333	--	223.426	22.293	36.614	--	-
Retained earning reserves	(168.644)	(1.101)	--	--	--	(81.962)	(85.581)
<b>11.b.1 Reserves and profits</b>	104.389	2.504	223.426	22.293	1	(81.962)	(61.873)
<b>11.B.2 Year's profit (Loss)</b>	(197.505)	(197.505)	--	--	--	81.962	(81.962)
<b>Total Group shareholders' equity</b>	139.717	28.425	--	22.293	1	--	88.999
<b>11.c Shareholders' equity attributable to minorities</b>	25.095	693	--	--	--	--	24.402
<b>Total shareholders' equity</b>	164.812	29.118	--	22.293	1	--	113.401

Specifically, the said accumulated losses of Euro 282,333 thousand were covered by:

- the utilisation of the reserves available for this purpose of Euro 36,614 thousand;
- cash injections to cover losses of Euro 22,293 thousand;
- the partial reduction of the share capital of Euro 223,426 thousand, with a simultaneous increase thereof in the same amount and consequent restoration to its original value of Euro 232,834 thousand.

Also on 28 September 2022, the company's shareholders paid 25% of the aforementioned capital increase (Euro 55,856 thousand) and deposited the amount related to the December 2021 capital increase that was still due on that date (Euro 58,399 thousand).

As a result of this transaction, the Company's and the Group's Shareholders' Equity were restored and, net of further changes during the period following the resolution, amounted to Euro 219,990 thousand and Euro 164,812 thousand, respectively. Of this latter balance, a portion of Euro 25,095 thousand is attributable to third parties, with a portion of Euro 139,717 thousand therefore referring to the Group.

Further detailed information on the composition of the individual equity items is provided below:

(amounts in thousands of Euro)	31/12/2022	31/12/2021	Change
11.a Share capital	232,834	232,834	--
11.b Reserves and profits	(93,117)	(143,835)	50,718
Group shareholders' equity	139,717	88,999	50,718
11.c Minorities net equity	25,095	24,402	693
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>164,812</b>	<b>113,401</b>	<b>51,411</b>

### 11.a - Share capital

The share capital as at 31 December 2022, fully subscribed, comprises 77,870,172 ordinary shares, for a total of Euro 232,834 thousand, paid-in for Euro 65,264 thousand.

The value of share capital is in line with the previous year, as a result of the net effect of the aforementioned share capital reduction, for the purpose of covering accumulated losses, and its simultaneous restoration.

The new breakdown of the share capital is as follows:

Partner	number of shares	% share capital	Breakdown of share capital	of which, paid up	of which to be paid
ASTM S.p.A.	51,485,563	66.12%	153,943,277	43,150,968	110,792,309
Autostrada dei Fiori S.p.A.	1,540,157	1.98%	4,605,114	1,290,833	3,314,280
Finanziaria di Partecipazioni e Investimenti S.p.A.	1	0.00%	3	1	2
SATAP S.p.A.	21,685,139	27.85%	64,839,173	18,174,702	46,664,472
SALT p.A.	3,159,312	4.06%	9,446,433	2,647,876	6,798,557
<b>Total</b>	<b>77,870,172</b>	<b>100.00%</b>	<b>232,834,000</b>	<b>65,264,380</b>	<b>167,569,620</b>

The share capital is under tax suspension for an amount of Euro 2,482 thousand mainly attributable to revaluation reserves pursuant to Law 342/2000 and Law 350/2003, which are present in the assets of Itinera S.p.A.. The remaining part is made up of shareholder contributions for Euro 55,856 thou-

sand, shareholder contributions to be paid for Euro 167,570, profit reserves for Euro 4,157 thousand, of capital reserves for Euro 2,769 thousand due to the incorporation of ABC Costruzioni S.p.A. (which took place in 2016).



## 11.b - Reserves

Reserves as at 31 December 2022, detailed in the introductory table to this Note 11, totalled Euro 104,388 thousand.

In particular, reserves include reserves to cover losses of Euro 282,333 thousand, resulting from the recapitalisation transaction approved upon by shareholders and previously described, losses carried forward of Euro (168,644) thousand, and other reserves of Euro (9,301) thousand.

Other reserves include the *Foreign exchange reserve*, which amounted to Euro (3,462) thousand and increased by Euro 3,200 thousand due to exchange effects arising from the consolidation of subsidiaries, particularly in the United States.

The *"Fair value" revaluation reserve*, instead, is set up and changes as a direct counterpart to the valuation, at fair value, of financial assets measured at "Fair value through OCI" ("Investments in other companies"). At 31 December 2022 this reserve was negative for Euro (5,803) thousand ((6,038) as at 31 December 2021). The change is attributable to the positive effect of the revaluation of the fair value of the investment in AEDS, of Euro 363 thousand, partially offset by some changes of the opposite sign.

The *severance actualisation* reserve amounts to Euro 145 thousand and includes unrealised gains and losses related to severance indemnities posted under other components of the "comprehensive income statement".

Finally, the item retained earnings and (losses) reserve amounted to Euro (168,644) thousand as of 31 December 2022, decreasing by Euro 83,063 thousand compared to year-end 2021. This change is mainly due to the allocation of the previous year's result (Euro (81,962) thousand) to this reserve.

## Result for the period

This item includes a Group negative result amounting to Euro 197,505 thousand, Euro (81,962) thousand in 2021.

## 11.c - Minority interests in capital and reserves

This item, at 31 December 2022, amounted to Euro 25,095 thousand (Euro 24,402 thousand at 31 December 2021) and includes a positive result for the period amounting to Euro 3,328 thousand (Euro 11,580 thousand as at 31 December 2021). However, the incremental effect of this profit was offset by dividends distributed to third parties.

(amounts in thousands of Euro)	31/12/2022	31/12/2021	Change
Retained earnings - third parties	20,616	12,502	8,114
Exchange rate reserves - third parties	1,143	316	827
Employee benefits discounting reserve - third parties	8	4	4
<b>Third party shares and reserves</b>	<b>21,767</b>	<b>12,822</b>	<b>8,945</b>
<b>Third party Profit/(Loss)</b>	<b>3,328</b>	<b>11,580</b>	<b>(8,252)</b>
<b>11.c Minorities net equity</b>	<b>25,095</b>	<b>24,402</b>	<b>693</b>

The above-mentioned positive net result for the year is mainly related to the minority shareholding of Tubosider S.p.A. (Euro 2,296 thousand) and to the Brazilian subsidiaries (Euro 1,321 thousand).

## NOTE 12 - PROVISIONS FOR RISKS AND CHARGES AND EMPLOYEE BENEFITS

The item includes provisions for risks and charges (Euro 68,896 thousand, compared to Euro 15,599 thousand at 31 December 2021) and provisions for employee benefits (Euro 5,216 thousand, compared to Euro 5,641 thousand at 31 December 2021).

The items are broken down as follows:

(amounts in thousands of Euro)	31/12/2022	31/12/2021
12.a Provisions for risks and charges	68,896	15,599
12.b Provision for severance indemnity	5,216	5,641
<b>Allocation to the bad debts provision and severance indemnity</b>	<b>74,112</b>	<b>21,240</b>

### 12.a - Provision for risks and charges

This item totalled Euro 68,896 thousand (Euro 15,599 thousand as of 31 December 2021).

(amounts in thousands of Euro)	31/12/2022	Increases	Decreases	31/12/2021
12.a.1 Supplementary indemnity fund	65	--	--	65
12.a.2 Provision for legal disputes	7,812	604	(9)	7,217
12.a.3 Provision for losses on contracts	46,874	46,874	--	--
12.a.4 Provision for losses on equity investments	7,832	4,244	--	3,588
12.a.5 Reserve for future liabilities	5,363	4,286	(188)	1,265
12.a.6 Provision for restructuring and staff incentive costs	950	423	(2,937)	3,464
<b>Total Provisions for risks and charges</b>	<b>68,896</b>	<b>56,431</b>	<b>(3,134)</b>	<b>15,599</b>

Following is a brief description of the nature of the commitments associated with provisions and any prudentially foreseen compensation.

The item includes the following accounts:

12.a.2 - **Provision for legal disputes:** the value of the item equal to Euro 7,812 thousand refers entirely to the charges that could derive from existing disputes. The main provision, for a balance of Euro 7,346 thousand (of which Euro 500 thousand was recognised in the year), is related to the Letimbro contract.

12.a.3- **Provision for losses on contracts:** the accrual of this provision in 2022, of Euro 46,874 thousand, refers to the portion of losses accrued on the Storstrom Bridge contract in excess of the reduction of the related contractual assets, within the limits of the portion that will be reversed in a period longer than 12 months. In this regard, the current portion of this provision (an additional Euro 20,622 thousand) is included within current liabilities (see Note 18 below for more details).

12.a.4- **Provision for losses on equity investments:** the provision, amounting to Euro 7,832

thousand, refers to the coverage of charges expected, for various reasons, by the subsidiaries FSB (Euro 6,780 thousand, of which Euro 4,150 thousand set aside during the year), Letimbro S.c.a r.l. (Euro 755 thousand, unchanged during the year) and Mill Basin (Euro 173 thousand, with a slight decrease during the year of Euro 15 thousand related to the recognition of the result for the period of this subsidiary, valued using the equity method).

12.a.5- **Reserve for future liabilities:** this item amounted to Euro 5,363 thousand and mainly related, for an amount of Euro 3,687 thousand (allocated during the year), to potential charges arising from completed contracts. Compared to the previous year, allocations remained virtually unchanged for the residual charges to be incurred for the disposal of unusable materials and the reclamation of the area where they are placed in the municipality of Salbertrand (Euro 300 thousand, which takes into account an increase in the year of Euro 111 thousand); for the valuation of charges arising from the possible purchase of the equity investment in TE for Euro 228 thousand; and for non-recoverable charges relating to the Trinità (CN) project of Euro 709 thousand.

12.a.6- **Provision for restructuring and staff incentive costs:** this provision amounted to Euro 950 thousand (Euro 3,464 thousand as of 31 December 2021), having decreased during the year by a net Euro 2,514 thousand against utilisations.

## 12.b - Provisions for Employee benefits

This item totalled Euro 5,216 thousand (Euro 5,641 thousand as of 31 December 2021). The following changes occurred during the year:

1st January 2022	5,641
Adjustment in the period - Actuarial (gains)/losses	(223)
Adjustment in the period - Interest cost	52
Adjustment in the period - Service cost	10
Indemnity paid/liiquidated in the period	(344)
Other changes	80
<b>31 December 2022</b>	<b>5,216</b>

The following tables illustrate the economic-financial and demographic hypotheses adopted for the actuarial measurement of the liabilities, respectively.

Economic-financial hypothesis	Rate
Annual discount rate	4.17%
Annual inflation rate	2.30%
Annual severance growth rate	3.23%

Demographic hypothesis	Hypothesis
Mortality	Tab RG48 from "Ragioneria Generale di Stato"
Disability	INPS tables by age and gender
Retirement age	Achievement of requirements
Advance frequency %	4.00%
Turnover	10.00%

## 12.c - Halmar Group's Multiemployer Plan

The Halmar Group supports several multi-employer pension plans, governed by collective bargaining, for its employees represented by the trade unions. The risks of participating in these plans, which involve more than one employer, are different from the plans promoted and supported by a single employer in the following aspects:

- the assets contributed by an employer to the multi-employer pension plan can be used to provide benefits to the employees of other employers involved in the plan;
- if an employer ceases to contribute to the multi-employer plan, the obligations not honoured by the latter must be covered by the other employers participating in the plan;
- if a company chooses to leave a multi-employer pension plan, it could be required to pay the plan an amount calculated based on any overall under-capitalisation of the plan at the time of leaving.

The table below shows the contribution to the plan by the Halmar Group (values in thousands of USD) for the period until the financial year closed at 31 December 2022:

Pension Trust Fund (Amount in USD/000)	Employer Identification Number	("PPA") Certified Zone Status <sup>1</sup>		Status Pending / Implemented	Contributions		Collection Bargaining Agreement <sup>2</sup>
		2022	2021		2022	2021	
Westchester Heavy Construction Laborers Local 60 Pension Fund	13-1962287	Green	Green	Yes	392	446	March 29, 2025
International Union of Operating Engineers Local 14 Pension Fund	11-2392157	Green	Green	N/A	125	167	June 30, 2027
New York District Council of Carpenters Pension Plan	51-0174276	Green	Green	N/A	626	739	May 31, 2027
Pension Plan of the IUOE Local 137, AFL-CIO	13-1825849	Green	Green	N/A	73	96	March 02, 2025
Central Pension Fund of the IUOE & Participating Employers Local 15 & 15D	36-6052390	Green	Green	N/A	337	374	June 30, 2027
Empire State Carpenters Pension Fund Local 253/279	11-1991772	Yellow	Yellow	N/A	43	122	April 30, 2022
Local 282 Pension Trust Fund	11-6245313	Green	Green	N/A	633	598	June 30, 2026
Iron Workers Locals 40, 361 & 417 Pension Fund	51-6102576	Green	Green	Yes	40	176	June 30, 2026
Staff DC Plan for Heavy and General Laborers Locals 472 & 172 Employee Benefit Funds	22-6032103	Green	Green	N/A	25	66	February 29, 2024
Excavators Union Local 731 Pension Fund	13-1809825	Green	Green	N/A	1.603	1.878	April 30, 2026
Cement Masons Local 780 Pension Plan	13-1626710	Green	Green	N/A	97	13	June 30, 2023
Operating Engineers Local No. 825 Pension Fund	22-6033380	Green	Green	N/A	29	43	March 31, 2023
Pavers & Road Builders DC Pension Fund Local 1010	13-1990171	Green	Green	N/A	-	348	June 30, 2024
Laborers Local No. 17 Pension Fund	14-6025196	Green	Green	Yes	33	33	May 31, 2025
Laborers' Local 235 Pension Fund	13-6186984	Green	Green	N/A	14	18	April 30, 2025
Laborer Local 1298 Pension Fund	11-1970385	Green	Green	Yes	-	0	May 31, 2022
Carpenters Local 326 Pension Fund	06-0738583	Yellow	Yellow	N/A	-	5	April 30, 2022
Laborers Local 146 Pension Fund	06-6044348	Green	Green	N/A	10	13	May 31, 2022
Electrical Workers Local 164 Pension Fund	22-6031199	Green	Green	N/A	99	189	April 30, 2022
Teamsters Local Union No. 456 Pension Fund	13-6123973	Green	Green	N/A	47	61	May 31, 2025

Pension Trust Fund (Amount in USD/000)	Employer Identification Number	("PPA") Certified Zone Status <sup>1</sup>		Status Pending / Implemented	Contributions		Collection Bargaining Agreement <sup>2</sup>
		2022	2021		2022	2021	
Architectural & ornamental Iron Workers Local 580	13-6178514	Green	Green	N/A	2	2	May 31, 2022
Virginia Laboers Local 11	52-0749130	Yellow	Yellow	N/A	25	131	May 31, 2022
IUOE Local 77	52-6038506	Green	Green	N/A	44	40	April 30, 2024
Carpenters Local 197 Pension Fund	52-6051388	Green	Green	N/A	-	86	April 30, 2023
					<b>4,297</b>	<b>5,643</b>	

Notes to the table included above;

<sup>(1)</sup> The "zone status" is based on the most recent information available in 2021 for the plan period in question. Among other factors, plans in the "red zone" are generally financed for less than 65%, plans in the "orange zone" are financed for less than 80% and have a fund deficit in the current year or in the future six years, those in the "yellow zone" are financed for less than 80% and finally those in the "green zone" are financed for at least 80%.

<sup>(2)</sup> Indicates the expiry of the collective bargaining agreements to which the plans are subject.

In accordance with IAS 19, these plans are accounted for as defined contribution plans.

## NOTE 13 - OTHER PAYABLES AND CONTRACTUAL LIABILITIES (NON-CURRENT)

The amount totalling Euro 171,062 thousand (Euro 123,485 thousand as at 31 December 2021) refers for Euro 107,121 thousand (Euro 60,930 thousand as at 31 December 2021) to the amount of advances on work paid by customers according to law and intended to be recovered through the issue of work progress proportionate to the completed job; based on budget forecasts for work, is considered collectable after 31 December 2023.

The increase in the balance of the item *Advances*, amounting to Euro 46,191 thousand, is mainly related to Itinera S.p.A. and mostly referred to Italian contracts (Euro 28,332 thousand) and to two contracts commenced in Sweden during 2022 (Euro 10,029 thousand).

On the other hand, the item *payables for purchase option* includes the value of the liability associated with the purchase option of the residual 20% of Halmar International LLC, whose change for the period (net Euro 1,386 thousand) is related to an exchange rate effect increasing the carrying value, as a result of the strengthening of the US dollar against the euro compared to the end of the financial year 2021, net of a partially offsetting discount effect.

(amounts in thousands of Euro)	31/12/2022	31/12/2021	Change
Payables for purchase option	63,941	62,555	1,386
Advances	107,121	60,930	46,191
<b>Other payables</b>	<b>171,062</b>	<b>123,485</b>	<b>47,577</b>

(amounts in thousands of Euro)	Between 1 and 5 years	Beyond 5 years	Total
Advances	107,121	--	107,121
Other payables	63,941	--	63,941
<b>Total Other payables and contractual liabilities (non-current)</b>	<b>171,062</b>	<b>--</b>	<b>171,062</b>

## NOTE 14 - BANK DEBT (NON-CURRENT)

Bank debt (non-current) total Euro 34,342 thousand (Euro 96,228 thousand as of 31 December 2021).

(amounts in thousands of Euro)	31/12/2022	31/12/2021	Change
Bank debt	34,342	96,228	(61,886)
<b>Total Bank debt</b>	<b>34,342</b>	<b>96,228</b>	<b>(61,886)</b>

Medium and long term bank debt is broken down as follows:

(amounts in thousands of Euro)	Within the year	Between 1 and 5 years	Beyond 5 years	Total
Intesa, formerly UBI (Itinera S.p.A)	7,500	--	--	7,500
MPS (Itinera S.p.A.) Loan	10,000	--	--	10,000
BPM1 (Itinera S.p.A.) Loan	20,000	--	--	20,000
BPM2 (Itinera S.p.A.) Loan	14,940	15,026	--	29,966
BPER (Itinera S.p.A.) Loan	7,500	14,983	--	22,483
Loan MT BANK Mortgage (Halmar International LLC)	277	1,383	2,950	4,610
Insurance loans (Halmar International LLC)	96	--	--	96
<b>Total bank debt (non-current)</b>	<b>60,312</b>	<b>31,392</b>	<b>2,950</b>	<b>94,655</b>

Total bank debt consists of:

- the loan granted by Banca Intesa on 23 December 2019 in the amount of Euro 30,000 thousand, with a remaining amount of Euro 7,500 thousand, net of the amortised cost impact, which will be repaid in six semi-annual deferred instalments the first of which due on 30 June 2020. The loan expired on December 23, 2022, with the contractual option for Itinera S.p.A., which was enforced, of extending the duration of the loan by a further 12 months. The amount is fully classified as current;
- the loan granted on 08 January 2021 for an original amount of Euro 30,000 thousand from MPS, repayable in six semi-annual deferred instalments, from 30 June 2021;

The amount in the financial statements, Euro 10,000 thousand, is to be considered current in its entirety;

- the loan granted on 31 October 2019 for an amount of Euro 20,000 thousand from BPM bank, repayable in a single instalment at maturity. The loan maturity, originally scheduled for January 31, 2021, was extended to February 2, 2023. It should be noted that the loan was fully repaid on 2 February 2023;
- the loan granted on 30 December 2021 for an original amount of Euro 30,000 thousand from BPM, repayable in four semi-annual deferred instalments, from 30 June 2023; The balance of Euro 30,000 thousand, net of the effect of amortised cost, is repayable within the next 12 months in the amount of Euro 14,940 thousand, with the remaining balance of Euro 15,060 thousand due after 12 months;
- the loan granted on 15 December 2021 for an original amount of Euro 30,000 thousand from the Banca Popolare dell'Emilia Romagna, repayable in eight semi-annual deferred instalments, from 30 June 2022; The balance of Euro 22,500 thousand, net of the effect of amortised cost, is repayable within the next 12 months in the amount of Euro 7,500 thousand, with the remaining balance of Euro 15,000 thousand due after 12 months;

- the loan with M&T BANK granted on 02 August 2019 to Halmar International for an original amount of USD 5,900 thousand, to be repaid in monthly instalments. The residual value as at 31 December 2022 was Euro 4,610 thousand, of which Euro 277 thousand was due within the following 12 months, Euro 1,383 thousand within the period between 1 and 5 years and the residual Euro 2,950 thousand beyond the following 5 years. The loan is due to mature on 02 August 2029.

Financing with M&T Bank requires compliance with financial parameters, which, based on financial information as at 31 December 2022, were met.

## NOTE 15 - OTHER FINANCIAL LIABILITIES (NON-CURRENT)

This item, totalling Euro 19,245 thousand (Euro 14,121 thousand as at 31 December 2021) is mainly represented by the medium-long term share of loans for leased assets as per IFRS 16. This item also includes, for Euro 2,246 thousand, Halmar International loans for the purchase of vehicles contracted directly with manufacturers.

(amounts in thousands of Euro)	31/12/2022	31/12/2021	Change
Other financial liabilities	19,245	14,121	5,124
<b>Total Other financial liabilities</b>	<b>19,245</b>	<b>14,121</b>	<b>5,124</b>

These liabilities, based on their maturity, are broken down as follows:

(amounts in thousands of Euro)	Between 1 and 5 years	Beyond 5 years	Beyond 5 years
Altri debiti finanziari	19,245		19,245
<b>Totale Altri debiti finanziari (non correnti)</b>	<b>19,245</b>		<b>19,245</b>

## NOTE 16 - DEFERRED TAX LIABILITIES

This item totalled Euro 5,793 thousand (2,923 thousand as of 31 December 2021).

(amounts in thousands of Euro)	31/12/2022	31/12/2021	Change
Deferred tax liabilities	5,793	2,923	2,870
<b>Total Deferred tax liabilities</b>	<b>5,793</b>	<b>2,923</b>	<b>2,870</b>

Il saldo della voce al 31 dicembre 2022 è riconducibile, per 4.031 migliaia di euro, alla rilevazione della fiscalità differita sull'ammortamento fiscale dell'avviamento rilevato da Itinera USA Corp. in Halmar International (di cui 2.225 migliaia di euro rilevate nel corso dell'esercizio 2022).

## NOTE 17 - TRADE PAYABLES (CURRENT)

Amounts due to suppliers totalled Euro 440,119 thousand (Euro 381,034 thousand as of 31 December 2021).

(amounts in thousands of Euro)	31/12/2022	31/12/2021	Change
Trade payables	440,119	381,034	59,085
<b>Total Trade payables</b>	<b>440,119</b>	<b>381,034</b>	<b>59,085</b>

These payables refer, for Euro 272,375 thousand, to the parent company Itinera S.p.A., including Euro 143,627 relating to works in Italy, Euro 91,919 to works in the Middle - East and Euro 16,309 thousand to works in Denmark, Euro 7,959 thousand to works in Sweden and Euro 6,591 thousand to works in Romania.

The remainder of the balance is mainly represented by the Halmar Group in the amount of Euro 84,481 thousand, the Storstroem Bridge contract in the amount of Euro 36,175 thousand, and Tubosider S.p.A. (the latter amounting to Euro 18,144 thousand).

These same companies contributed a total of Euro 59,085 thousand to the increase in the balance of this item.

## NOTE 18 - OTHER PAYABLES AND CONTRACTUAL LIABILITIES (CURRENT)

The balance of the account, totalling Euro 426,654 thousand, consists of the following items:

(amounts in thousands of Euro)	31/12/2022	31/12/2021	Change
Advances and contractual liabilities	261,095	168,702	92,393
Provision for losses on contracts (current portion)	20,622	--	20,622
Payables due to social security and welfare institutions	5,309	3,304	2,005
Payables due to consortium companies	79,075	83,385	(4,310)
Payables to employees	13,275	11,851	1,424
Deferred income	3,812	2,437	1,375
Other payables	43,466	32,234	11,232
<b>Total Other payables and contractual liabilities (current)</b>	<b>426,654</b>	<b>301,913</b>	<b>124,741</b>

### Advances and contractual liabilities

The item "Advances and contractual liabilities", amounting to Euro 261,095 thousand as at 31 December 2022 includes advances received from customers according to law and intended to be recovered based on the issue of the work progress report within 2023 as well as the excess of the advances invoiced compared to the assessment of the related work performed.

The item is broken down as follows:

(amounts in thousands of Euro)	31/12/2022	31/12/2021	Change
Advances	160,569	102,689	57,880
Contractual liabilities	100,526	66,013	34,513
<b>Total Advances and contractual liabilities</b>	<b>261,095</b>	<b>168,702</b>	<b>92,393</b>

The total balance of Euro 261,095 thousand consists of Euro 100,526 thousand in contractual liabilities and Euro 160,569 thousand in advances.

A portion of the total balance of this item, amounting to Euro 133,985 thousand, relates to the parent company Itinera S.p.A.. Of this balance, a portion of Euro 35,553 thousand is represented by contractual liabilities, while Euro 98,432 thousand is represented by advances.

Also with regard to the balance contributed by the parent company, contractual liabilities concern the

Odense contracts in Denmark for Euro 22,386 thousand, Italian projects for Euro 11,169 thousand and Swedish projects for Euro 1,997 thousand, while advances include the current portion of amounts received in connection with Italian projects for Euro 70,406 thousand, the Abdaly Highway project in Kuwait for Euro 14,722 thousand and Swedish projects for Euro 8,991 thousand.

A further significant balance is contributed by the Halmar Group of Euro 89,264 thousand, mainly referring to contractual liabilities of the Penn Station Access project, against significant collections dur-

ing the period.

The Brazilian subsidiaries ICCR 135 and ICCR 153, on the other hand, contributed a balance of advances of Euro 13,436 thousand and contractual liabilities of Euro 3,519 thousand.

The increase in the total balance of the item with respect to 31 December 2022, amounting to Euro 92,393 thousand, is related precisely to the collections that occurred within the framework of the aforementioned US and Brazil contracts, which in all cases commenced during the 2022 financial year.

#### **Provision for losses on contracts (current portion)**

The balance of this item, amounting to Euro 20,622 thousand and fully accrued in the course of the year, is entirely represented by the provision for losses recognised in connection with the Storstroem Bridge contract in Denmark, for the portion exceeding the amount deducted from the related contractual assets (Euro 84,887 thousand) and net of the portion that will accrue after 12 months, therefore classified as non-current, for Euro 46,874 thousand.

#### **Payables due to consortium companies**

*"Payables due to consortium companies"*, amounting to Euro 79,075 thousand, refer to cost reversals by consortium companies posted net of invoiced advances. The main amounts refer to CMC Itinera JV S.c.a r.l. (Euro 23,613 thousand), Letimbro S.c.a r.l. (Euro 18,345 thousand), Consorzio CFT (Euro 7,829 thousand) and a number of minor positions for the remainder. It should be noted that, by virtue of the operating mechanisms of these consortium companies, these debit balances find a nearly mirror-image position among the balance sheet items on the assets side in the light of the balances recognised in the contracts under which these consortium companies operate.

#### **Other payables**

*"Other payables"*, amounting to Euro 43,466 thousand, mostly include the residual debt to Argo Finanziaria for the acquisition of the equity investment in Tubosider S.p.A. (Euro 9,143 thousand), tax consolidation payables of Euro 5,224 thousand, payables to insurance companies of Euro 3,274 thousand, the carrying value of commitment to purchase the minority interest in Tubosider S.p.A. (Euro 3,615 thousand), and amounts that Itinera S.p.A. must repay to customers (Euro 1,323 thousand).

## NOTE 19 - BANK DEBT (CURRENT)

These are represented by:

(amounts in thousands of Euro)	31/12/2022	31/12/2021	Change
Current accounts payable and advances	94,656	175,757	(81,101)
Loans	75,312	29,687	45,625
<b>Total Current bank debt</b>	<b>169,968</b>	<b>205,444</b>	<b>(35,476)</b>

The item “*current account payables and advances*” amounted, as at 31 December 2022, to Euro 94,565 thousand, composed almost entirely of utilisations of credit facilities falling within the credit lines granted, and for a residual portion of Euro 54 thousand of advances on invoices.

Below are details of the short-term portion of long-term bank loans, amounting to Euro 60,312 thousand as of 31 December 2022, already illustrated in Note 14 above, to which we therefore refer for further details:

(amounts in thousands of Euro)	Within the year	Between 1 and 5 years	Beyond 5 year	Totale
Intesa ex UBI	7,500	--	--	7,500
MPS (Itinera Spa) Loan	10,000	--	--	10,000
BPM1 (Itinera Spa) Loan	20,000	--	--	20,000
BPM2 (Itinera Spa) Loan	14,940	15,026	--	29,966
BPER (Itinera Spa) Loan	7,500	14,983	--	22,483
Loan MT BANK Mortgage (Halmar International LLC)	277	1,383	2,950	4,610
Insurance loans	96	--	--	96
<b>Total bank debt (non-current)</b>	<b>60,312</b>	<b>31,392</b>	<b>2,950</b>	<b>94,655</b>

The remaining portion of loans includes Euro 15,000 thousand in loans payable attributable to the Storstroem Bridge JV.

## NOTE 20 - OTHER FINANCIAL PAYABLES (CURRENT)

The breakdown of the total balance of these payables, amounting to Euro 49,801 thousand, is as follows:

(amounts in thousands of Euro)	31/12/2022	31/12/2021	Change
Aurelia group company loan payables	26,383	71,383	(45,000)
Lease liabilities	18,630	14,564	4,066
Liabilities to other lenders	4,788	221	4,567
<b>Total Other current financial payables</b>	<b>49,801</b>	<b>86,168</b>	<b>(36,367)</b>

A portion of Euro 26,383 thousand refers to non-interest-bearing loans received from the parent company ASTM during the year 2021. These loans, originally amounting to Euro 71,383 thousand, were necessary, for a portion of Euro 26,830 thousand, to proceed with the payment of the tenths of the share capital increase in *Concessioni del Tirreno S.p.A.*, which then took place on 3 January 2022, as well as to meet short-term needs in the US market for the acquisition of new contracts, through the subsidiary Halmar, of Euro 45,000 thousand. The decrease that can be noted in the year 2022 is related precisely to the repayment of such Euro 45,000 thousand portion.

## NOTE 21 - CURRENT TAX LIABILITIES

Current tax liabilities (IRES, IRAP, IVA, IRPEF, other minor taxes) totalled Euro 15,351 thousand (Euro 17,260 thousand as at 31 December 2021).

(amounts in thousands of Euro)	31/12/2022	31/12/2021	Change
Current tax liabilities	15,351	17,260	(1,909)
<b>Total Current tax liabilities</b>	<b>15,351</b>	<b>17,260</b>	<b>(1,909)</b>



## INFORMATION ON THE INCOME STATEMENT

### NOTE 22 - REVENUES

Total revenue generated by the Group in the year 2022 amounted to Euro 1,406,099 thousand, compared to Euro 1,230,767 thousand in the year 2021, and was composed as follows:

(amounts in thousands of Euro)	2022	2021	Change
Revenue from works and services	1,332,174	1,142,059	190,115
Other revenue pertaining to the core business	26,423	57,113	(30,690)
Hire	522	574	(52)
<b>Revenues from contracts with customers</b>	<b>1,359,119</b>	<b>1,199,746</b>	<b>159,373</b>
<b>Changes in work in progress, semi-finished and finished products</b>	<b>(311)</b>	<b>1,585</b>	<b>(1,896)</b>
<b>Total Revenue pertaining to the core business</b>	<b>1,358,808</b>	<b>1,201,331</b>	<b>157,477</b>
Compensation of damages	2,053	2,689	(636)
Other revenue	44,644	26,393	18,251
Operating grants	594	354	240
<b>Total Other revenues</b>	<b>47,291</b>	<b>29,436</b>	<b>17,855</b>
<b>Total Revenue</b>	<b>1,406,099</b>	<b>1,230,767</b>	<b>175,332</b>

Revenues from the core business for the financial year 2022 totalled Euro 1,358,808 thousand. Revenues contributed by the parent company Itinera S.p.A. to the Group amounted to Euro 772,609 thousand. With regard to subsidiaries, the balance of the item mainly includes revenues realised by the Halmar Group for Euro 395,763 thousand, by the Brazilian subsidiaries for Euro 91,846 thousand, and by Tubosider S.p.A. for Euro 69,840.

The item "Other revenue pertaining to the core business" includes, among others, sales of materials and various products for Euro 12,790 thousand, revenues for technical and administrative assistance services to sister companies for Euro 6,094 thousand, and cost recharges relating to consortium companies outside the Group of Euro 3,000 thousand.

The balance of "other revenues" also includes the recovery of personnel costs from associated and/or sister companies and the recovery of other costs, as well as out-of-period income recognised during the year.

Finally, the breakdown of total revenues by geographical area is as follows:

(amounts in thousands of Euro)	2022		2021	
Italy	511,429	36%	409,616	33%
Europe	227,625	16%	243,581	20%
Middle East	164,904	12%	186,126	15%
Africa	13,770	1%	13,837	1%
North America	396,431	28%	358,077	29%
South America	91,940	7%	19,529	2%
<b>Total Revenues by area</b>	<b>1,406,099</b>	<b>100%</b>	<b>1,230,766</b>	<b>100%</b>

For further details on the performance and composition of revenues in the financial year 2022, please refer to the Report on Operations.

## NOTE 23 - PAYROLL EXPENSES

This item is broken down as follows:

(amounts in thousands of Euro)	2022	2021	Change
Wages and salaries	188,111	168,322	19,789
Social security contributions	32,282	26,078	6,204
Provision for severance indemnity	4,625	4,305	320
Other costs	28,623	22,385	6,238
<b>Total</b>	<b>253,641</b>	<b>221,090</b>	<b>32,551</b>

With regard to payroll expenses, it should be noted that these relate to the parent company Itinera S.p.A. for Euro 104,291 thousand, the Halmar Group for Euro 97,272 thousand, the Brazilian subsidiaries for Euro 22,778 thousand and the Storstroem Bridge JV for Euro 19,425 thousand.

The average breakdown for employees by category is the following:

Average data	2022	2021	Change
Executives	74	73	1
Managers	219	208	12
White-collar workers	1,305	989	316
Blue-collar workers	2,681	1,808	873
<b>Total</b>	<b>4,278</b>	<b>3,077</b>	<b>1,201</b>

Employee breakdown by category at year end:

Prompt data	31/12/2022	31/12/2021	Change
Executives	75	69	6
Managers	203	207	(4)
White-collar workers	1,172	1,113	59
Blue-collar workers	2,075	2,277	(202)
<b>Total</b>	<b>3,525</b>	<b>3,666</b>	<b>(141)</b>

## NOTE 24 - SERVICES COSTS

Services costs totalled Euro 938,232 thousand, and are broken down as follows:

(amounts in thousands of Euro)	2022	2021	Change
Tangible assets maintenance	8,646	7,159	1,487
Consulting	9,004	5,671	3,333
Technical design activities	15,360	17,837	(2,477)
Security services	2,125	1,137	988
IT services	3,028	2,985	43
Transportation	20,016	14,578	5,438
Insurance	26,530	16,970	9,560
Legal and notary consultancy expenses	7,378	7,463	(85)
Corporate body fees and reimbursements	4,389	4,355	34
Seconded services and contract workers	18,014	15,775	2,239
Other payroll and related costs	15,206	10,625	4,581
Utilities	6,370	4,230	2,140
Subcontracting	105,655	98,113	7,542
Subcontracts	575,165	444,127	131,038
Reversals from consortium companies	71,673	72,942	(1,269)
Others	49,673	47,362	2,311
<b>Total service costs</b>	<b>938,232</b>	<b>771,329</b>	<b>166,903</b>

The balance of the item includes, in addition to costs consolidated by the parent company Itinera S.p.A. for Euro 486,061 thousand, costs incurred by the Halmar Group for Euro 267,363 thousand, by the Brazilian subsidiaries for Euro 35,356 thousand, by Tubosider S.p.A. for Euro 18,907 thousand, and costs incurred in connection with the Storstroem

Bridge contract in Denmark for Euro 112,905 thousand.

It should be noted that the significant increase in this item, amounting to Euro 166,903 thousand and 22% in percentage terms, reflects the effect of the recognition of the loss recognized in the year on the Storstroem Bridge contract.

## NOTE 25 - RAW MATERIAL COSTS

This item is broken down as follows:

(amounts in thousands of Euro)	2022	2021	Change
Raw materials	180,528	163,634	16,894
Consumables and goods	74,664	65,303	9,361
Changes to raw material, consumable and goods inventories	(4,148)	(2,205)	(1,943)
<b>Total Costs for raw materials</b>	<b>251,044</b>	<b>226,732</b>	<b>24,312</b>

## NOTE 26 - OTHER OPERATING COSTS

This item is broken down as follows:

(amounts in thousands of Euro)	2022	2021	Change
Use of third party assets	50,284	23,428	26,856
Non-recurring costs	3,502	2,696	806
Other operating expense	50,624	10,561	40,063
<b>Total Other operating costs</b>	<b>104,410</b>	<b>36,685</b>	<b>67,725</b>

The balance of the item as at 31 December 2022 amounted to Euro 104,410 thousand, compared to Euro 36,685 thousand in 2021, thus increasing by Euro 67,725 thousand, almost double the amount of the previous year.

This significant increase is, in the first place, attributable to the increase (Euro 26,856 thousand) of costs for the use of third-party assets that do not fall into the case regulated by IFRS 16 because they are short-term or based on specific contractual clauses. Of this increase, a portion of Euro 16,071,000 was related to Itinera Construções alone.

Other operating expense also increased by Euro 40,063 thousand to Euro 50,624 thousand at year-end 2022. The significant value of this balance is to be related, for Euro 30,788 thousand, to the losses recognized on the Reem Mall contract (equal to a total of Euro 41,416 thousand), recognised as an operating expense for the amount exceeding the amount offset against the revenues recognised on this contract in the financial year 2022, due to the events occurred and fully described in the "Operating Risks" section of the report on operations.

## NOTE 27 - AMORTISATION, DEPRECIATION AND WRITE-DOWNS

These are broken down as follows:

(amounts in thousands of Euro)	2022	2021	Change
<b>Intangible assets:</b>			
· Other intangible assets	226	467	(241)
<b>Tangible assets:</b>			
· Buildings	1,350	2,176	(826)
Plant and machinery	5,016	4,472	544
· Industrial and commercial equipment	4,773	4,669	104
· Other assets	1,594	1,399	195
· Building rights of use	5,602	5,628	(26)
· Vehicle rights of use	2,841	2,446	395
· Machinery rights of use	5,312	6,870	(1,558)
· Other assets rights of use	3,572	2,840	732
<b>Total depreciation and amortisation</b>	<b>30,286</b>	<b>30,967</b>	<b>(681)</b>

Impairments relating to fixed assets are broken down below:

(amounts in thousands of Euro)	2022	2021	Change
<b>Write-downs:</b>			
· Other non-current assets	--	--	--
· Write-down of receivables	80	883	(803)
<b>Total write-downs</b>	<b>80</b>	<b>883</b>	<b>(803)</b>

## NOTE 28 - OTHER PROVISIONS FOR RISKS AND CHARGES

The item "Provisions for risks and charges", amounting to Euro 4,986 thousand (Euro 2,898 thousand in 2021), related, for Euro 3,687 thousand, to allocations to cover contingent liabilities in connection with litigation initiated by subcontractors and to other charges arising from completed contracts; for Euro 300 thousand to estimated charges for the disposal of materials that cannot be used in production activities and for the reclamation of the area where they are located in the municipality of Salbertrand.

(amounts in thousands of Euro)	2022	2021	Change
Other provisions for risks and charges	(4,986)	(2,898)	(2,088)
<b>Total Other provisions for risks and charges</b>	<b>(4,986)</b>	<b>(2,898)</b>	<b>(2,088)</b>

## NOTE 29 - FINANCIAL INCOME AND CHARGES

### 29.1 Financial income

Financial income totals Euro 5,882 thousand and is broken down as follows:

(amounts in thousands of Euro)	2022	2021	Change
<b>Income from equity investments:</b>			
· Dividends from other investments	353	125	228
· Gains on disposals	--	5,133	(5,133)
<b>Total income from equity investments</b>	<b>353</b>	<b>5,258</b>	<b>(4,905)</b>
<b>Other income</b>			-
· from credit institutes	752	155	597
· from loans	383	374	9
· Others	4,394	6,711	(2,317)
<b>Total other income</b>	<b>5,529</b>	<b>7,240</b>	<b>(1,711)</b>
<b>Total Financial income</b>	<b>5,882</b>	<b>12,498</b>	<b>(6,616)</b>

In general, the decrease in this item of Euro 6,616 thousand was largely due to Gains on Disposals related to the sale of Tubosider UK in 2021. The item "dividends from other companies" refers, as far as the financial year 2022 is concerned, to dividends declared by Si.Co.Gen. S.r.l. and Euroimpianti S.p.A. for Euro 202 thousand and Euro 150 thousand, respectively.

Financial income from *credit institutes*, which amounted to Euro 752 thousand compared to Euro 155 thousand in 2021, mainly included the results of liquidity investments in short-term financial instruments made by Halmar International (Euro 479 thousand), as well as interest income from banks

and on other financial assets recognised by the parent company Itinera S.p.A. (Euro 89 thousand) and Concessioni del Tirreno S.p.A. (Euro 71 thousand).

Financial income "from loans" fully refers to the interest accrued on the loan granted to Federici Stirling Batco LLC.

The item "others", amounting to Euro 4,394 thousand, mainly refers to unrealised exchange rate gains (for Euro 2,489 thousand) mainly on loans to associated companies, as well as the results of short-term cash investments of Itinera Construções for Euro 1,027 thousand.

## 29.2 - Financial expenses

These are broken down as follows:

(amounts in thousands of Euro)	2022	2021	Change
<b>Interest due to credit institutes:</b>			
· on loans	2,589	1,418	1,171
· on current accounts	3,025	1,325	1,700
<b>Other interest payable:</b>			-
· on lease contracts	479	497	(18)
<b>Total Interest payable</b>	<b>6,093</b>	<b>3,240</b>	<b>2,853</b>
<b>Others:</b>			-
· Losses on disposals of investments	67	--	67
· Other financial expenses	3,364	12,821	(9,457)
Total Others	3,431	12,821	(9,390)
<b>Total</b>	<b>9,524</b>	<b>16,061</b>	<b>(6,537)</b>

Other financial expenses include exchange rate losses of Euro 1,505 thousand and factoring charges for the non-recourse transfer of receivables owed to Taranto Logistica S.p.A. by the Port Authority as a result of the settlement agreement entered into in 2022 (Euro 864 thousand).

The decrease in the overall balance of the item, equal to Euro 6,537 thousand compared to the year 2021, is related to the presence in the previous year of significant write-downs of the financial receivable from Federici Stirling Batco LLC.

## NOTE 30 - PROFITS (LOSSES) OF COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD

The item is broken down as follows:

(amounts in thousands of Euro)	2022	2021	Change
<b>Profits (losses) of companies accounted for by the equity method:</b>			
· Autostrada Nogara Mare	--	(35)	35
· ASCI Logistik GmbH	31	(31)	62
· CIS Beton GmbH	(68)	68	(136)
· Federici Stirling Batco LLC	(4,150)	(2,631)	(1,519)
· Tuborus	(1,241)	441	(1,682)
· Mill Basin Bridge Constructors LLC	15	(545)	560
<b>Total</b>	<b>(5,413)</b>	<b>(2,733)</b>	<b>(2,680)</b>

The balance for the period, corresponding to the recognition of a loss of Euro 5,413 thousand, is attributable, for Euro 4,150 thousand, to the coverage of additional losses recognised on Federici Stirling Batco LLC, as well as, for Euro 1,241 thousand, to the full write-down of the investment held by Tubosider S.p.A. in Tuborus, a company incorporated under Russian law, due to the uncertain possibility of recovering the investment in view of the serious macroeconomic context in which the associated company operates.

## NOTE 31 - INCOME TAXES

This item is broken down as follows:

(amounts in thousands of Euro)	2022	2021
<b>Current taxation:</b>		
· IRES	(15,143)	(3,954)
· IRAP	(2,455)	(946)
· Foreign taxation	(2,408)	(1,661)
<b>Total</b>	<b>(20,006)</b>	<b>(6,561)</b>
<b>Taxation relating to previous years:</b>		
· IRES	(7)	(20)
· IRAP	(26)	39
· Foreign taxation	(429)	
<b>Total taxes of previous years</b>	<b>(462)</b>	<b>19</b>
<b>Income/Charges from tax consolidation</b>	<b>1,274</b>	<b>5,454</b>
<b>Total Current taxation</b>	<b>(19,194)</b>	<b>(1,088)</b>
<b>Deferred taxes</b>		
· IRES	6,042	(1,599)
· IRAP	1,128	(25)
· Foreign taxation	3,481	(1,557)
<b>Total deferred taxes</b>	<b>10,651</b>	<b>(3,181)</b>
<b>Total taxes</b>	<b>(8,543)</b>	<b>(4,269)</b>

In accordance with paragraph 81, letter c) of IAS 12, the reconciliation of income taxes posted in the financial statements as at 31 December 2022 and 2021 ("actual") and those "theoretic" at the same dates is provided below.

Reconciliation between the "theoretic" and "actual" tax rate (IRES):

(amounts in thousands of Euro)	2022		2021	
<b>Earnings before income taxes</b>		<b>(185,635)</b>		<b>(66,113)</b>
<b>Actual income tax (from financial statements)</b>	<b>7,827</b>	<b>-4,22%</b>	<b>99</b>	<b>-0,15%</b>
<b>Lesser taxes (compared to theoretic rate):</b>				
· lesser taxes on dividends and share sales	5,213	-2,81%	84	-0,13%
· Decreases	309	-0,17%	48	-0,07%
<b>Greater taxes (compared to theoretic rate):</b>				
· Non-deductible charges and other changes	(57,493)	-30,97%	(16,098)	-24,35%
<b>"Theoretic" income tax (24% on earnings before taxes in 2022)</b>	<b>(44,552)</b>	<b>24,00%</b>	<b>(15,867)</b>	<b>24,00%</b>

Reconciliation between the "theoretic" and "actual" tax rate (IRAP):

(amounts in thousands of Euro)	2022		2021	
<b>Added value (IRAP taxable income)</b>		<b>(176,580)</b>		<b>(59,817)</b>
<b>Actual income tax (from financial statements)</b>	<b>1,327</b>	<b>-0.75%</b>	<b>971</b>	<b>-1.62%</b>
<b>Lesser taxes (compared to theoretic rate):</b>				
· Sundry deductible charges, net				
· other decreases	3,097	-1.75%	1,634	-2.73%
<b>Greater taxes (compared to theoretic rate):</b>				
· Non-deductible charges	(11,311)	6.41%	(4,938)	8.26%
<b>"Theoretic" income tax (3.9% on earnings before taxes)</b>	<b>(6,887)</b>	<b>3.90%</b>	<b>(2,333)</b>	<b>3.90%</b>

The following tables illustrate, for the year in question and 2021, the deferred tax income and charges posted in the Income statement and deferred tax assets and liabilities posted in the Statement of Financial Position.

(amounts in thousands of Euro)	2022	2021
<b>Deferred tax income for: (*)</b>		
· deferred tax liabilities "reversal" on capital gains	-	
· works in progress		
· severance reserves actuarial recalculation		
· Provisions for suspended tax reserves	16,329	6,001
· others	4,790	17
<b>Total (A)</b>	<b>21,119</b>	<b>6,018</b>
<b>Deferred tax charges for: (*)</b>		
· provision "reversal" to suspended tax reserves	(1,297)	(7,083)
· leased assets	(9)	
· Effects from work in progress as per IAS	(196)	
· Reversal of maintenance expense over the deductible tax rate	-	
· Reversal of entertainment expenses over the deductible tax rate		
· Foreign changes		(1,557)
· Others	(8,966)	(559)
<b>Total (B)</b>	<b>(10,468)</b>	<b>(9,199)</b>
<b>Total (B) - (A)</b>	<b>10,651</b>	<b>(3,181)</b>

(\*) Deferred income and charges were calculated based on tax rates in effect at their expected "reversal".

(amounts in thousands of Euro)	2022	2021
<b>Deferred tax assets for: (*)</b>		
· Provisions to suspended tax reserves and tax losses	35,814	22,358
· Maintenance expenses over the deductible rate		
· Others	(2,998)	(1,772)
<b>Total</b>	<b>32,816</b>	<b>20,586</b>
<b>Deferred tax liabilities for: (*)</b>		
· Capital gains divided over several accounting periods		
· Others	(8,791)	(4,695)
· Leased assets		
· Works in progress	2,998	1,772
<b>Total</b>	<b>(5,793)</b>	<b>(2,923)</b>

(\*) Deferred tax assets and liabilities were calculated based on tax rates in effect at their expected "reversal".

## NOTE 32 - EARNINGS PER SHARE

Share profits are calculated, according to IAS 33, dividing the net Group results by the average number of shares in circulation during the year.

(amounts in thousands of Euro)	2022	2021
Net result pertaining to the Group	(197,505)	(81,962)
<b>Earnings/(loss) per share (Euro unit)</b>	<b>(1.026)</b>	<b>(0.352)</b>
Number of ordinary shares	192,500,949	232,834,000

Options, warrants or equivalent financial instruments on "potential" ordinary shares with diluting effects were not posted in 2022 and 2021.



## NOTE 33 - INFORMATION ON THE STATEMENT OF CASH FLOWS

### 33.1 - Changes to net working capital

(amounts in thousands of Euro)	31/12/2022	31/12/2021
Inventory	(107,755)	(61,101)
Trade receivables	(37,252)	(24,511)
Receivables from others	(18,163)	24,170
Trade payables	59,085	46,309
Other payables	151,696	69,982
Other changes	108	305
<b>Total</b>	<b>47,719</b>	<b>55,154</b>

### 33.2 - Other changes from operating activities

Other changes from operating activities amounted to Euro (9,421) thousand, compared to Euro (4,380) thousand as of 31 December 2021, and consisted mainly of changes in current tax assets and liabilities and exchange rate effects accrued on assets and liabilities.

## OTHER INFORMATION

Following is information on the determination of "fair value"; as for information on the company, on **foreseeable business outlook**, please refer to the "Report on Operations".

### Information on the determination of fair value

Fair value is used to measure financial assets and liabilities if their amount is not reliably determinable.

For financial assets and liabilities listed in an active market, the fair value is determined with reference to market prices at the date of posting and/or subsequent measurement. Should an official market price not be available, the fair value is determined with reference to prices applied in the most recent financial asset or liability purchase, sale or extinction operations.

The fair value of receivables and payables of trade nature is identified with their book value, even in consideration of the fact that their maturity is generally short term and does not require, among others, the use of actualisation techniques.

## Reconciliation statement of the Parent company net equity and net results and the Group's net equity and consolidated net results

(amounts in thousands of Euro)	Shareholders' equity 1/1/2022	Change to Net equity 2022	2022 results	Shareholders' equity 31/12/2022
<b>Separate financial statements Itinera S.p.A.</b>	<b>155,629</b>	<b>245,012</b>	<b>(180,653)</b>	<b>219,988</b>
1. - Difference between the net equity and subsidiary values	(84,296)	8,201	(206,616)	(282,711)
2. - Extraordinary transactions Halmar Group	(112,644)	(1,354)	-	(113,998)
3. - Extraordinary transactions Halmar Group	-	(3,219)	-	(3,219)
4. - Reversal of the CFH reserve	2,722	-	-	2,722
5. - Reversal of impairment on equity investments	129,354	-	196,302	325,656
6. - Reversal of Codelfa S.p.A. transfer effect	(2,239)	-	47	(2,192)
7. - Results from equity-accounted investments	(36)	-	(1,279)	(1,315)
8. - Intra-Group Foreign Exchange Gains	-	-	(5,020)	(5,020)
9. - Miscellaneous	509	(417)	(287)	(195)
<b>Itinera Group's Consolidated Financial Statements (Group share)</b>	<b>88,999</b>	<b>248,223</b>	<b>(197,506)</b>	<b>139,717</b>

## GUARANTEES GIVEN

### Performance bonds

The Itinera Group has issued, through credit and insurance institutions, trade guarantees (trade finance), for a residual value as of 31 December 2022 of Euro 1,111 million, in favour of customers and to secure the proper execution of works (performance bonds), contractual advances (advance bonds), the release of retention bonds (retention bonds), and participation in tenders (bid bonds) as part of its ordinary operating and commercial activities.

Please note that the above amount also includes the following items:

1. as part of the concession award procedure (for which the preparatory activities for the delivery of the infrastructures and the definition of the final takeover values to be paid to the outgoing concession holders are still being completed), surety policies were issued by *Società di Progetto Concessioni del Tirreno S.p.A.* for a total of Euro 558.8 million, broken down as follows: as a guarantee for the payment of the concession fee for Euro 74,5 million, as a guarantee for
2. the fulfilment of all the contractual obligations relating to the management under concession of the motorway sections A12 Sestri Levante Livorno, A11/A12 Viareggio - Lucca and A15 branch road to La Spezia and A10 Savona Ventimiglia (opex bond) for Euro 48.4 million and as a final guarantee for works, services and supplies (performance bond) for Euro 14.9 million in favour of the Ministry of Infrastructure and Sustainable Mobility pursuant to the relevant agreement. In addition, surety guarantees were issued in favour of the outgoing concession holders *Società Autostrada Ligure Toscana p.A.* and *Autostrada dei Fiori S.p.A.* (for Euro 241 million and Euro 180 million, respectively) as a guarantee for the payment of the take-over values to which they are entitled as preliminarily quantified in the call for tenders;

Within the framework of the tender procedure for the concession of the management of the A21 and A5 motorway sections and of the Turin by-pass motorway system, as well as, limited to the safety enhancement of the existing infrastructure, the design, construction and management of the same, a bid bond was issued, on behalf of the grouping composed of, inter alia, SALT p.A., Itinera S.p.A., Euroimpianti S.p.A. and Sinelec S.p.A., pur-

suant to Article 93, paragraph 1 of Legislative Decree no. 50/2016, in favour of the Ministry of Sustainable Infrastructure and Mobility. The share of Itinera Spa totalled Euro 4.2 million.

Itinera S.p.A. and ASTM S.p.A., the latter in its capacity as ultimate Parent Company, have both assumed an obligation to indemnify and have jointly provided guarantees, with respect to US insurance companies that support Halmar International LLC in the issuance of commercial bonds (bid bonds, performance bonds, etc.), in relation to the operational performance of the latter; in particular, Itinera S.p.A. has signed specific "Indemnity Agreements" for a total of USD 3,300 million (3,094 million Euro at the exchange rate of 1.0666 at 31 December 2022) as of 31 December 2022; the underlying bonds issued on works currently in the portfolio and still to be executed amounted as of 31 December 2022 to USD 1,526 million (Euro 1,431 million at the exchange rate of 1.0666 at 31 December 2022).

### Sureties and other guarantees for the granting of credit

Net of the liabilities already disclosed in the financial statements, as of 31 December 2022, the Itinera Group had issued pro-rata and non-joint and several corporate guarantees to financial institutions for credit granting and other commercial guarantees on behalf of subsidiaries in the amount of Euro 127.1 million (of which Euro 112.8 million for commercial credit facilities and Euro 14.3 million for financial credit facilities).

## FINANCIAL RISK MANAGEMENT

In compliance with IFRS 7, please note that the Itinera Group, in the ordinary performance of its operating activities, is potentially exposed to financial risks for which reference should be made to the contents of the Report on operations.

### Independent auditor's fees

As per legal decree no.39 dated 27 January 2010, fees recognised to PricewaterhouseCoopers S.p.A. and the network company are broken down below:

Service type	2022
<b>Itinera S.p.A. - Auditing services - PwC</b>	
Audit of the financial statements, consolidated and bookkeeping verification and tax declarations	212
Mid-year limited report audit	58
<b>Total</b>	<b>270</b>
<b>Italian subsidiaries - Auditing services - PwC</b>	
Yearly audit and routine accounting procedures	84
<b>Foreign Subsidiaries and Branches - PwC network</b>	
Auditing and other services	242
<b>Total</b>	<b>596</b>

### Intra-group transactions and with related parties

Data, of equity and economic nature, concerning transactions during the year with subsidiaries, associated companies, parent companies and companies controlled by the latter, are summarised in the illustrative tables enclosed with this report (see annexes 4 and 5). Please note that these transactions were completed at normal market conditions and based on rules that ensure accountability as well as substantial and procedural correctness.

These transactions have been concluded under normal market conditions.

It should be noted that, in addition to what is reported in annexes 3 and 4, the following amounts must be highlighted in relation to other related parties, including relations with subjects with positions with strategic responsibilities of the Aurelia Group:

- receivables for Euro 31 thousand; and other revenues of Euro 14 thousand relating to rentals;
- relations with the P.C.A S.r.l. insurance broker, through which premiums were paid during the year to insurance companies for a total of Euro 9,330 thousand.

These transactions have been concluded under normal market conditions.

## Significant events after the end of the year

As already mentioned in the "Operating Activities" section of the Report on Operations, during the year 2022, the subsidiary Storstroem Bridge JV filed a series of claims against the Customer for the higher costs incurred in the development of the contract for the construction of the Storstroem Bridge in Denmark, both due to design activities attributable to the Customer and to extraordinary events that occurred during project progress with a direct effect on the costs incurred (i.e., the Covid-19 pandemic and the Russian-Ukrainian conflict). The Storstroem Bridge JV's claims, which were mostly rejected by the Customer, led to arbitration proceedings before the Danish Building and Construction Arbitration Board, still in an early phase.

In this context, the Storstroem Bridge JV has repeatedly informed the Customer that Itinera S.p.A., its own Parent Company, has contributed and is contributing to the Company's liquidity on an ongoing basis to ensure the continuity of the project, despite the disagreement between the parties on the financial aspects and the demands made by the latter to the Customer.

In this regard, on 5 January 2023 the parties reached the Agreement in question, whereby the Customer makes available to the Storstroem Bridge JV a certain amount of liquidity, subject to a number of terms and conditions.

In particular, the entire amount of liquidity will be disbursed in a maximum of six instalments, each of which will be paid out upon verification, in advance, of the Contractor's compliance with certain production levels over a certain period of time.

In terms of the onerousness of the advance disbursement of the aforesaid sums, the agreement establishes, at the date on which the arbitration board will reach its award and, therefore, upon the quantification of the sums due to Storstroem Bridge JV, a mechanism for the recognition of interest depending on the final amount, if any, recognised with respect to the amount disbursed.

### Disclosure pursuant to art. 2447- septies, Italian Civil Code

Pursuant to art. 2447-septies of the Italian civil code, it should be noted that at 31 December 2022 there

are no assets intended for specific business.

### Disclosure pursuant to art. 2447- decies, Italian Civil Code

Pursuant to art. 2447-decies of the Italian civil code, it should be noted that at 31 December 2022 there are no loans intended for specific business.

## DISCLOSURE ON THE TRANSPARENCY OF PUBLIC PAYMENTS

Pursuant to article 1 paragraphs 125-129 of law no. 124/2017, subsequently supplemented by the "Security" Law Decree (No. 113/2018) and the "Simplification" Law Decree (No. 135/2018) it should be noted that in the 2022 financial year, the amount of Euro 41,644.85 was collected by the Group from the Customs Agency as a refund of excise duties on diesel fuel.

In addition, in relation to contributions to Law no. 160 of 27.12.2019 art.1("Industry 4.0 2020") and Law 178 of 30.12.2020 c.1051-1063 ("Industry 4.0 and Ordinary Assets"), it should be noted that during the year an amount equal to Euro 727,311.68 was used.

It should be noted that during the financial year, the Company benefited from contributions under the title of "Tax Credit" in the amount of Euro 21,461.73 related to the urgent support measures in the energy sector and public finance of Decree-Law No. 176 of 18 November 2022 - *Aiuti Quater*.

## ANNEXES

- Annex no. 1 on changes in associated and jointly controlled equity investments;
- Annex no. 2 on changes in other equity investments;
- Annex no. 3 relating to equity transactions with related parties;
- Annex no. 4 relating to economic transactions with related parties.

Tortona, 16 March 2023

For the Board of Directors  
The Chairman  
Gianni Luciani

## ANNEX NO. 1 - Investments recognized under the Equity method

Statement of change to "EQUITY MEASURED INVESTMENTS" accounts (amounts in thousands of Euro)

Description	% share-hold-ings	Open-ing balance	Changes in the period										Closing balance	
			Acqui-sitions/Increases	"Sales/Decreases"	Change in scope		Other changes		Change Consolidation scope		Equity adjustments			Ex-change effect
					Book value	"Impair-ment provi-sion"	Book value	"Value adjust-ments"	Book value	"Value adjust-ments"	Result	"Other chang-es"		
<b>ASSOCIATED COMPANIES</b>														
ASCI LOGISTIK GMBH	45.000%	-		(16)								16	-	
ASTAS.P.A.	30.000%	0											0	
ATIFON	45.000%	4											4	
AUREA SCARL	49.850%	5											5	
AUTOSTRADA NOGARA MARE ADRIATICO	29.000%												-	
CERVIT SCARL	51.000%	5											5	
CIS BETON GMBH	45.000%	84		(16)								(68)	-	
CMC ITINERA JV	49.000%	49											49	
COVA. S.C.A.R.L.	40.000%												-	
Colmeto S.c.a.r.l.	51.000%	5											5	
CONSORZIO CONSILFER	50.000%	3											3	
CONSORZIO COSTRUTTORI TEEM	34.999%	4											4	
CONSORZIO FRASSO TELESINO	33.000%	4											4	
D.N.C. CIVITAVECCHIA S.C.A.R.L.	25.000%	4											4	
ETERIA CONSORZIO STABILE S.C.A.R.L.	45.450%	250											250	
EUROPA S.C.A.R.L.	50.000%												-	
FEDERICI STIRLING BATCO LLC	34.300%	-											-	
FONDO VALLE S.C.A.R.L. in liq.	39.330%	4		(4)									-	
FORMAZAS.C.A.R.L. in liquidation	33.330%	2		(2)									-	
FRASSO SCARL	33.000%	5											5	

Description	% share-holdings	Open- ing balance	Changes in the period										Closing balance		
			Acqui- sitions/ Increases	"Sales/ Decreases"	Change in scope		Other changes		Change Consolidation scope		Equity adjustments			Ex- change effect	
					Book value	"Impair- ment provi- sion"	Book value	"Value adjust- ments"	Book value	"Value adjust- ments"	Result	"Other chang- es"			
Grugiasco S.c.a.r.l.	49.900%	5													5
GSG TUNNELING S.R.L. in liquidation	33.000%	-													-
INTERCONNESSIONE S.C.A.R.L.	49.900%	5													5
LETIMBRO SCARL	49.000%	-													-
LISSONE S.C.A.R.L.	50.000%	-													-
MALCO S.C.A.R.L.	50.000%	5													5
MARCHETTI S.C.A.R.L.	36.770%	-													-
MILL BASIN BRIDGE CONSTRUCTORS LLC	50.000%	-													-
MOSE BOCCA DI CHIOGGIA S.C.A.R.L.	42.500%	5													5
MOSE OPERAE S.C.A.R.L.	40.220%	4													4
MOSE-TREPORTI SCARL	22.540%	2													2
NICHELINO VILLAGE S.C.A.R.L.	50.000%	-													-
PONTE NORD S.R.L.	50.000%	754													754
S.A.C. s.r.l. consortium (in liquidation)	35.000%	-													-
SAN DONATO SCARL	49.000%	49													49
SERRAVALLE VILLAGE S.C.A.R.L.	50.000%	-													-
SISTEMI E SERVIZI SCARL	22.000%	16	(16)												-
SP01 limited liability consortium company	40.000%	4													4
TELESE SCARL	45.000%	5													5
TESSERA S.C.A.R.L.	39.24%	4													4
Tuborus LLC	50.00%	1,153											(1,153)		-
TUNNEL FREJUS SCARL	50.000%	25													25
<b>TOTAL ASSOCIATED COMPANIES</b>		<b>2,464</b>	<b>-</b>	<b>(54)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,205)</b>	<b>1,205</b>

**ANNEX NO. 2 - Other investments**

Statement of change changes in "other equity investments" (amounts in thousands of Euro)

Description	Percentage Shareholding	Opening balance	Changes in the period					Closing balance
			Acquisitions/Increases	Sales/Decreases	Other changes	Reclassifications	Fair Value adjustments	
<b>OTHER</b>								
ABESCA EUROPE S.R.L.	19.523%	158						158
AEDES S.P.A.	5.287%	288			(158)		363	493
ASTALDI		1						1
AUTOSTRADAASTI-CUNEO S.p.A.	5.000%							-
AUTOSTRADE CENTROPADANE S.p.A.	1.631%	1,398				(11)		1,387
BANCAALPI MARITTIME CREDITO COOP S.COOP PER AZIONI		10						10
CONS COSTR. VENETI SAN MARCO	10.000%	14	(14)					-
CONSORZIO TRA.DE.CIV.	0.000%	-						-
DAITA SCARL	80.000%	8						8
EUROIMPIANTI S.P.A.	5.000%	298						298
EUROLINK SCPA	2.000%							-
MILANO DEPUR SPA	0.100%							-
MN 6 SCARL	1.000%	1						1
MN METROPOLITANA NAPOLI SPA	0.000%	-						-
Part.SAVAQ Scarl	10.000%	1						1
PARTECIPAZIONE ALES TECH S.r.l.	1.000%	16						16
PASSANTE DORICO S.P.A.	11.000%	2,612				(5)		2,607

Description	Percentage Shareholding	Opening balance	Changes in the period						Closing balance
			Acquisitions/Increases	Sales/Decreases	Other changes	Reclassifications	Fair Value adjustments	Exchange effect	
PEDELOMBARDA SCPA	11.000%	-	-	-	-	-	-	-	-
RESTART SIIQ (ex AEDES S.p.A.)	5.300%	566	-	-	-	-	(42)	-	524
SEVESO SCARL	1.500%	-	-	-	-	-	-	-	-
Si.Co.Gen. S.r.l.	15.000%	139	-	-	-	-	-	-	139
SOC.AUT. BRONI-MORTARA S.p.A.	3.220%	794	-	-	-	-	(16)	-	778
SOCIETA' DI PROGETTO AUTOVIA PADANA S.p.A.	0.100%	164	-	-	-	-	-	-	164
TANGENZIALE ESTERNA S.P.A.	0.000%	-	-	-	-	-	-	-	-
VETTABIA SCARL	0.100%	-	-	-	-	-	-	-	-
<b>TOTAL OTHER SHAREHOLDINGS</b>		<b>6,468</b>	<b>-</b>	<b>(14)</b>	<b>(158)</b>	<b>-</b>	<b>289</b>	<b>-</b>	<b>6,585</b>

**ANNEX NO. 3 - ITINERA GROUP**

Summary statement of Group equity transactions with related parties as at 31.12.2022 (Values in thousands of Euro)

Company	RECEIVABLES						PAYABLES					Total Liabilities
	Loans to Aurelia group companies	Inventory works	Work advances	Advances	Trade receivables	Other receivables	Total assets	Current trade payables	Advances	Payables for cost reversals to consortium companies	Other payables	
ASTM S.p.A.	-	-	-	-	52	114,367	114,419	1,597	-	-	31,830	33,427
AURELIA S.r.l.	-	-	-	-	-	3	3	117	-	-	9,314	9,431
<b>Total Parent Companies</b>	-	-	-	-	<b>52</b>	<b>114,370</b>	<b>114,422</b>	<b>1,714</b>	-	-	<b>41,144</b>	<b>42,858</b>
Aurea S.c.a.r.l.	-	376	-	-	8,863	1	9,240	7	-	6,067	-	6,074
CMC ITINERA JV S.c.p.A.	-	-	-	-	23	-	23	-	-	23,613	-	23,613
Colmeto S.c.a.r.l.	944	3,902	(1,216)	-	1,237	7	4,874	-	-	2,341	28	2,369
Consorzio Siciliano Lavori Ferroviari - Con. S.I.L.Fer.	-	-	-	-	-	-	-	2	-	-	-	2
Consorzio Cancellò-Frasso Telesino - CONSORZIO CFT	-	89,023	(73,037)	-	1,685	-	17,671	9,072	-	7,829	-	16,901
Darsene Nord Civitavecchia S.c.a.r.l.	-	-	-	-	-	-	-	3,922	-	(45)	-	3,877
Eteria consorzio stabile S.c.ar.l.	-	-	-	-	450	-	450	-	-	948	-	948
FEDERICI STIRLING BATCO LLC	6,313	-	-	-	2,379	38	8,730	2	-	-	-	2
Frasso S.c.a.r.l.	18,667	-	-	-	-	-	18,667	6,858	-	2,804	-	9,662
Fondo Valle S.c.a.r.l. in liquidation	-	-	-	-	-	2	2	-	-	-	-	-
Formazza S.c.a.r.l. in liquidation	-	-	-	-	-	1	1	-	-	-	-	-
Grugliasco S.c.a.r.l.	-	10,860	(5,674)	-	90	-	5,276	466	-	3,940	36	4,442
Interconnessione S.c.a.r.l.	973	-	-	-	-	-	973	13	-	48	-	61
Letimbro S.c.a.r.l. in liquidation	-	-	-	-	7,584	18,434	26,018	169	-	18,345	-	18,514
Lissone S.c.a.r.l. in liquidation	-	-	-	-	14	-	14	-	-	5	-	5
Malco S.c.a.r.l.	-	-	-	-	936	-	936	(4)	-	2,510	-	2,506

Company	RECEIVABLES						PAYABLES					Total Liabilities
	Loans to Aurelia group companies	Inventory works	Work advances	Advances	Trade receivables	Other receivables	Total assets	Current trade payables	Advances	Payables for cost reversals to consortium companies	Other payables	
Mill Basin Bridge Constructors	-	-	-	-	-	357	357	-	-	-	-	-
Mose Bocca di Chioggia S.c. a r.l.	-	-	-	-	-	825	825	825	-	-	-	825
Mose TREPORI S.c. a r.l.	-	-	-	-	197	-	197	197	-	-	-	197
Ponte Nord S.p.A.	135	-	-	-	1,050	-	1,185	-	-	-	375	375
Sistemi e Servizi S.c. a r.l. in liquidation	-	-	-	-	-	10	10	-	-	-	-	-
SP01 limited liability consortium company	-	-	-	-	1,133	-	1,133	927	-	1,919	1	2,847
Tessera S.c. a r.l. in liquidation	160	-	-	-	341	4	505	68	-	260	-	328
Tunnel Frejus S.c.a.r.l.	-	-	-	-	1,564	1	1,565	71	-	7	-	78
<b>Total Associated and Joint Controlled Companies</b>	<b>27,192</b>	<b>104,161</b>	<b>(79,927)</b>	<b>-</b>	<b>27,903</b>	<b>19,323</b>	<b>98,652</b>	<b>22,595</b>	<b>-</b>	<b>70,591</b>	<b>440</b>	<b>93,626</b>
APP/IA S.r.l.	-	-	-	-	-	(3)	(3)	310	-	-	195	505
Abesca Europa S.r.l.	72	-	-	-	-	-	72	5	-	-	11	16
Argo Costruzioni Infrastrutture S.c.p.a.	368	20,225	(19,412)	-	1,344	42	2,567	20	3	112	2,248	2,383
Argentea Gestioni S.C.p.A.	-	490	(416)	-	1,208	-	1,282	215	-	35	-	250
ASTM North America Inc.	-	-	-	-	-	5,221	5,221	-	-	-	-	-
A.T.I.V.A. S.p.A. - Autostrada Torino-Ivrea-Valle d'Aosta	-	1,451	(1,451)	-	1,111	-	1,111	-	-	-	-	-
Augustas S.p.A.	-	-	-	-	-	-	-	2	-	-	-	2
AUTOSPED G S.p.A.	-	-	-	-	1	5	6	8,287	-	-	67	8,354
Autostrada Asti-Cuneo S.p.A.	-	100,479	(97,249)	-	11,272	-	14,502	111	22,737	-	3,880	26,728
Autostrada dei Fiori S.p.A.	-	92,241	(66,748)	-	13,964	3,314	42,771	617	17,590	-	13,859	32,066
S.A. BRO.M - Autostrada Broni Mortara S.p.A.	619	-	-	-	68	-	687	-	-	-	-	-
Azeta S.R.L. con socio Unico in liquidation	-	-	-	-	152	-	152	-	-	-	-	-
Baglietto S.p.A.	-	-	-	-	500	-	500	-	-	-	-	-

Company	RECEIVABLES						PAYABLES					Total Liabilities
	Loans to Aurelia group companies	Inventory works	Work advances	Advances	Trade receivables	Other receivables	Total assets	Current trade payables	Advances	Payables for cost reversals to consortium companies	Other payables	
CODELFA S.p.A.	-	-	-	-	190	10	200	67	-	-	147	214
Compagnia Porto di Civitavecchia S.p.A. in liquidation	-	-	-	-	4	-	4	-	-	-	-	-
Concessionaria das Rodovias Ayrton Senna e Carvalho Pinto S.A. - Ecopistas	-	9	(9)	-	-	-	-	-	9	-	-	9
Concessionaria Ecovias dos Imigrantes S.A.	-	-	-	-	758	-	758	-	1,366	-	-	1,366
Concessionária Ecovias do Araguaia S.A.	-	44,089	(44,089)	-	9,186	-	9,186	-	9,400	-	-	9,400
Ecorodovias Concessoes e Serviços S.A.	-	-	-	-	31	-	31	-	-	-	-	-
Consorzio Costruttori TEEM in liquidation	-	(136)	-	-	5,161	-	5,025	1,480	-	2,385	-	3,865
Consorzio R.F.C. in liquidation	-	-	-	-	14	-	14	-	-	-	-	-
CONSORZIO SINTEC	-	-	-	-	-	-	-	9	-	-	-	9
Consorzio Telese S.c.a.r.l.	-	4,793	(2,894)	-	509	-	2,408	632	-	1,538	-	2,170
DAITA S.c.a.r.l.	-	-	-	-	-	87	87	-	-	160	-	160
EcoRodovias Infraestrutura e Logística S.A.	-	-	-	-	3	-	3	1	-	-	-	1
Eco050 – Concessionária de Rodovias S.A.	-	-	-	-	1,716	-	1,716	-	663	-	-	663
Eco135 Concessionaria de Rodovias S.A.	-	44,775	(41,819)	-	7,964	-	10,920	-	7,555	-	748	8,303
ECS MEP Contractor I/S	-	-	-	1,694	271	-	1,965	1,328	-	-	818	2,146
Euroimpianti S.p.A.	-	508	(507)	-	1,335	-	1,336	3,791	-	-	-	3,791
FZA S.r.l.	-	-	-	-	-	-	-	82	-	-	-	82
G&A S.p.A.	-	-	-	-	-	-	-	98	-	-	-	98
Gale S.r.l.	-	-	-	-	-	-	-	2,421	-	-	-	2,421
IMPRESA GRASSETTO S.p.A. son Socio Unico in liquidation	-	-	-	-	16	3	19	-	-	-	-	-
M.N. Metropolitana Napoli S.p.A.	-	8,410	-	-	24	-	8,434	10	-	-	-	10

Company	RECEIVABLES						PAYABLES					Total Liabilities
	Loans to Aurelia group companies	Inventory works	Work advances	Advances	Trade receivables	Other receivables	Total assets	Current trade payables	Advances	Payables for cost reversals to consortium companies	Other payables	
P.C.A. S.p.A.	-	-	-	-	-	42	42	-	-	-	-	-
Rivalta Terminal Europa S.p.A.	-	-	-	-	-	57	57	-	-	-	-	-
RO.S.S. - Road Safety Services S.r.l.	-	-	-	-	-	-	-	340	-	-	-	340
SATAP S.p.A.	-	52,491	(39,324)	-	19,272	46,664	79,103	445	3,143	-	-	3,588
S.G.C. S.c.ar.l. in liquidation	-	-	-	-	(1)	-	(1)	5	-	-	-	5
Società Autostrade Valdostane S.A.V. - S.p.A.	-	-	-	-	1,862	-	1,862	3	1,849	-	-	1,852
Si.Co.Gen. S.r.l.	-	137	(129)	-	140	-	148	-	-	-	-	-
SINA S.p.A.	-	-	-	-	928	2	930	962	-	-	-	962
SINELEC S.p.A.	-	-	-	-	832	17	849	2,305	-	-	-	2,305
Sinelec USA Inc	-	-	-	-	-	255	255	-	-	-	-	-
Società Italiana Traforo Autostradale del Frejus S.p.A. - S.I.T.A.F. S.p.A.	-	18	-	-	148	-	166	1,338	-	-	-	1,338
Sitalfa S.p.A.	-	532	(298)	-	477	-	711	-	-	-	1	1
Smart Mobility Systems s.c.a.r.l.(SMS S.c.a.r.l.)	-	-	-	-	75	-	75	-	-	-	-	-
Società Autostrada Ligure Toscana p.A.	-	53,186	(44,629)	-	9,044	6,799	24,400	57	9,146	-	7,281	16,484
Project company Autovia Padana S.p.A.	-	86,837	(76,438)	-	6,071	23	16,493	22	3,010	-	29,901	32,933
Sviluppo Cotorossi S.p.A.	-	-	-	-	1,163	-	1,163	-	-	-	-	-
Tangenziale Esterna S.p.A.	-	-	-	-	-	-	-	-	-	-	2,525	2,525
Tecnositaf S.p.A. in liquidation	-	-	-	-	132	-	132	18	-	-	-	18
Tomato Farm S.p.A.	-	-	-	-	3	-	3	16	-	-	-	16
TRANSPE S.p.A.	-	-	-	-	-	-	-	7	-	-	-	7
VETIVARIA S.r.l.	-	-	-	-	-	-	-	463	-	-	-	463
<b>Total Other Associated Parties</b>	<b>1,059</b>	<b>510,535</b>	<b>(435,412)</b>	<b>1,694</b>	<b>97,047</b>	<b>62,439</b>	<b>237,362</b>	<b>25,467</b>	<b>76,471</b>	<b>4,230</b>	<b>61,681</b>	<b>167,849</b>
<b>Total</b>	<b>28,251</b>	<b>614,696</b>	<b>(515,339)</b>	<b>1,694</b>	<b>125,002</b>	<b>196,132</b>	<b>450,436</b>	<b>49,776</b>	<b>76,471</b>	<b>74,821</b>	<b>103,265</b>	<b>304,333</b>

**ANNEX NO. 4 - ITINERA GROUP**

Summary statement of economic transactions with related parties - Financial Year 2022 (Values in thousands of Euro)

Company	Operating costs	Reversals from consortium companies	Revenues for works	Other Revenue	Financial Expenses	Financial Income
ASTM S.p.A.	(459)	-	-	45	-	-
<b>Total Parent Companies</b>	<b>(459)</b>	<b>-</b>	<b>-</b>	<b>45</b>	<b>-</b>	<b>-</b>
Aurea S.c.a r.l.	(7)	(6,067)	14,421	52	-	-
CERVIT SCARL	(12)	(7,032)	-	1,742	-	-
CMC ITINERA JV S.c.p.A.	-	(3,627)	-	133	-	-
Colnieto S.c. a r.l.	-	(1,390)	1,319	322	-	-
Consorzio Cancellò-Frasso Telesino - CONSORZIO CFT	(15)	(26,234)	26,484	324	-	-
Eteria consorzio stabile S.c. ar.l.	-	(1,062)	-	482	-	-
FEDERICI STIRLING BATCO LLC	-	-	-	-	(1,373)	383
Frasso S.c. a r.l.	(14)	(15,047)	-	413	-	-
Grugliasco S.c. a r.l.	-	(7,614)	10,860	1,463	-	-
Interconnessione S.c. a r.l.	-	(28)	-	-	-	-
Letimbro S.c.a.r.l. in liquidation	-	(10)	-	-	-	-
Malco S.c.a.r.l.	-	(107)	-	-	-	-
SP01 limited liability consortium company	-	(1,146)	-	80	-	-
Consorzio Telese S.c. a. r.l.	-	(2,287)	2,294	1,289	-	-
Tessera S.c. a r.l. in liquidation	-	(124)	-	4	-	-
Tunnel Frejus S.c.a.r.l.	-	(38)	-	1,335	-	-
<b>Total Associated and Joint Controlled Companies</b>	<b>(48)</b>	<b>(71,813)</b>	<b>55,378</b>	<b>7,639</b>	<b>(1,373)</b>	<b>383</b>
APPIA S.r.l.	(121)	-	-	-	(4)	-
Abesca Europa S.r.l.	(6)	-	-	-	-	-
Argentea Gestioni S.C.p.A.	-	-	489	-	-	-
Argo Costruzioni Infrastrutture S.c.p.a.	(32)	27	23	228	-	-

Company	Operating costs	Reversals from consortium companies	Revenues for works	Other Revenue	Financial Expenses	Financial Income
A.T.I.V.A. S.p.A. - Autostrada Torino-Ivrea-Valle d'Aosta	-	-	1,650	-	-	-
Augustas S.p.A.	(6)	-	-	-	-	-
Autoservice 24 S.r.l. with sole shareholder	(1)	-	-	-	-	-
AUTOSPED G S.p.A.	(11,451)	-	-	2	(1)	-
Autostrada Asti-Cuneo S.p.A.	(225)	-	98,281	29	(3)	-
S.A.BRO.M - Autostrada Broni-Mortara S.p.A.	-	-	-	-	-	17
Autostrada dei Fiori S.p.A.	(716)	-	89,162	1,259	-	-
Baglietto S.p.A.	-	-	-	10	-	-
CODEIFAS p.A.	(345)	-	2	397	(2)	-
Consorzio Sintec	-	-	-	7	-	-
Consorzio Costruttori TEEM in liquidation	-	(21)	-	19	-	-
Concessionaria das Rodovias Ayrton Senna e Carvalho Pinto S.A. - Ecopistas	-	-	22	-	-	-
Concessionária Ecovias do Araguaia S.A.	-	-	42,792	-	-	-
Concessionaria Ecovias dos Imigrantes S.A.	-	-	5,361	-	-	-
EcoRodovias Infraestrutura e Logística S.A.	(8)	-	-	-	-	-
Eco050 - Concessionária de Rodovias S.A.	-	-	1,519	-	-	-
Eco135 Concessionaria de Rodovias S.A.	-	-	41,745	-	-	-
Ecorodovias Concessões e Serviços S.A.	-	-	-	412	-	-
ECS MEP Contractor I/S	(13,435)	-	-	237	-	-
Euroimpianti S.p.A.	(4,569)	-	465	1,636	-	150
F2A S.r.l.	(5)	-	-	11	-	-
G&A S.p.A.	(80)	-	-	-	-	-
Gale S.r.l.	(4,093)	-	-	-	-	-
IMPRESA GRASSETTO S.p.A. - son Socio Unico in Liquidation	-	-	-	50	-	-
Mose Operae S.c.a.r.l.	-	-	-	-	-	-

Company	Operating costs	Reversals from consortium companies	Revenues for works	Other Revenue	Financial Expenses	Financial Income
M.N. Metropolitana Napoli S.p.A.	(1)	-	-	-	-	-
Musinet Engineering S.p.A.	-	-	-	45	-	-
P.C.A. S.p.A.	(122)	-	-	200	-	-
Rail Hub Europe S.p.A.	-	-	-	4	-	-
RO.S.S. - Road Safety Services S.r.l.	(1,211)	-	-	-	-	-
SAN DONATO S.C.A.R.L. in LIQUIDATION	-	144	-	2	-	-
SATAP S.p.A.	(505)	-	74,429	173	-	-
Società Autostrade Valdostane S.A.V. - S.p.A.	(6)	-	10,098	4	-	-
Si.Co.Gen. S.r.l.	-	-	97	290	-	202
SINA S.p.A.	(969)	-	102	1,373	-	-
SINELEC S.p.A.	(6,498)	-	171	1,512	-	-
SITRASB S.p.A.	-	-	23	-	-	-
Smart Mobility Systems s.c.a.r.l. (SMS S.c.a.r.l.)	-	-	60	-	-	-
Società Italiana Traforo Autostradale del Frejus S.p.A. - S.I.T.A.F. S.p.A.	(1,334)	-	18	97	-	-
Sitalia S.p.A.	-	-	317	382	-	-
Società Autostrada Ligure Toscana p.A.	(105)	-	43,373	1,837	-	-
Project company Autovia Padana S.p.A.	(121)	-	59,034	155	-	-
Tangenziale Esterna S.p.A.	(1)	-	-	-	-	-
Tecnosistaf S.p.A. in liquidation	(18)	-	-	-	-	-
Terminal San Giorgio S.r.l.	-	-	-	40	-	-
Tomato Farm S.p.A.	-	-	-	3	-	-
TRANSPE S.p.A.	(25)	-	-	-	-	-
Vetivaria S.r.l.	(750)	-	-	-	-	-
<b>Total Other Associated Parties</b>	<b>(46,759)</b>	<b>150</b>	<b>469,233</b>	<b>10,415</b>	<b>(10)</b>	<b>369</b>
<b>Total</b>	<b>(47,266)</b>	<b>(71,663)</b>	<b>524,611</b>	<b>18,099</b>	<b>(1,383)</b>	<b>752</b>

# **INDEPENDENT AUDITOR'S REPORT**



**INDEPENDENT AUDITOR'S REPORT IN ACCORDANCE  
WITH ARTICLE 14 OF LEGISLATIVE DECREE NO. 39 OF 27  
JANUARY 2010**

**ITINERA GROUP**

**CONSOLIDATED FINANCIAL STATEMENTS AS OF 31  
DECEMBER 2022**



## **Independent auditor's report**

*in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010*

To the Shareholders of  
Itinera SpA

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### **Report on the Audit of the Consolidated Financial Statements**

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#### **Opinion**

We have audited the consolidated financial statements of Itinera SpA and its subsidiaries ("Itinera Group" or the "Group"), which comprise the statement of financial position as of 31 December 2022, the income statement, the statement of comprehensive income, the statement of changes in shareholders' equity, the statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Itinera Group as of 31 December 2022, and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of this report. We are independent of Itinera SpA (the "Company") pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements**

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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#### **PricewaterhouseCoopers SpA**

Sede legale: Milano 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Capitale Sociale Euro 6.890.000,00 I.v. C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: Ancona 60131 Via Sandro Totti 1 Tel. 071 2132311 - Bari 70122 Via Abate Gimma 72 Tel. 080 5640211 - Bergamo 24121 Largo Belotti 5 Tel. 035 229691 - Bologna 40126 Via Angelo Finelli 8 Tel. 051 6186211 - Brescia 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - Catania 95129 Corso Italia 302 Tel. 095 7532311 - Firenze 50121 Viale Gramsci 15 Tel. 055 2482811 - Genova 16121 Piazza Piccopetra 9 Tel. 010 29041 - Napoli 80121 Via dei Mille 16 Tel. 081 36181 - Padova 35138 Via Vicenza 4 Tel. 049 873481 - Palermo 90141 Via Marchese Ugo 60 Tel. 091 349737 - Parma 43121 Viale Tanara 20/A Tel. 0521 275911 - Pescara 65127 Piazza Ettore Troilo 8 Tel. 085 4545711 - Roma 00154 Largo Fochetti 29 Tel. 06 570251 - Torino 10122 Corso Palestro 10 Tel. 011 556771 - Trento 38122 Viale della Costituzione 33 Tel. 0461 237004 - Treviso 31100 Viale Fellissent 90 Tel. 0422 696911 - Trieste 34125 Via Cesare Battisti 18 Tel. 040 3480781 - Udine 33100 Via Poscolle 43 Tel. 0432 25789 - Varese 21100 Via Albuzzi 43 Tel. 0332 285039 - Verona 37135 Via Francia 21/C Tel. 045 8263001 - Vicenza 36100 Piazza Pontelandoio 9 Tel. 0444 393311

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The directors are responsible for assessing the Group's ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the consolidated financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate Itinera SpA or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Group's financial reporting process.

### ***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;



- We evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- We obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

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### ***Report on Compliance with other Laws and Regulations***

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#### ***Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree No. 39/10***

The directors of Itinera SpA are responsible for preparing a report on operations of the Group as of 31 December 2022, including its consistency with the relevant consolidated financial statements and its compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to express an opinion on the consistency of the report on operations with the consolidated financial statements of the Itinera Group as of 31 December 2022 and on its compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations is consistent with the consolidated financial statements of the Itinera Group as of 31 December 2022 and is prepared in compliance with the law.



With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Turin, 3 April 2023

PricewaterhouseCoopers SpA

Signed by

Piero De Lorenzi  
(Partner)

*This report has been translated into English from the Italian original solely for the convenience of international readers.*

# **REPORT OF THE BOARD OF STATUTORY AUDITORS**

Dear Shareholders,

ITINERA GROUP consolidated financial statements as at 31 December 2022, submitted to your attention, include the Statement of Financial Position, the Income Statement, the Statement of Comprehensive Income, the Statement of Cash Flows, the Statement of changes in Shareholders' equity as well as the notes to the financial statements with 164,812 Euro/000 in net equity (113,401 Euro/000 as of 31 December 2021), including the amount of 25,095 Euro/000 corresponding to third party capital and reserves, and total negative results for the period for (189,240) Euro/000 (54,750) Euro/000 as of 31 December 2021), including the positive amount of 4,608 Euro/000 attributable to minority shares.

The consolidated financial statements were prepared based on that defined by Legislative Decree no. 38, art. 3, paragraph 2, dated 28/2/2005 - according to IFRS international accounting criteria issued by the International Accounting Standard Board (IASB) and approved by the European Commission.

The checks made by PricewaterhouseCoopers S.p.A., assigned to audit, were conducted to ascertain whether the values posted in the financial statements match the Parent company's accounts, the Subsidiaries' financial statements and relevant information these officially transmitted to the Parent Company.

The auditing firm issued a report without remarks, findings or informative notes.

The auditing firm thus confirmed that the consolidated financial statements provide a true and fair representation of Itinera Group equity and financial situation as at 31 December 2022, of the economic results and cash flows for the year closed on that date according to the International Financial Reporting Standards adopted by the European Union.

Specific information on the Group considered alone, as expressed in its economic-financial aspects through the values contained in the consolidated financial statements, is amply provided in the report on operations including Group companies, highlighting, among others, the choices and strategic guidelines followed.

In light of that indicated and the information and opinion issued by the auditing firm without remarks as per law and acknowledging the shareholders' resolutions adopted during the extraordinary shareholders' meeting held on 28 September 2022, the Board has nothing to remark on the ITINERA Group's consolidated financial statements as at 31 December 2022.

Finally, we would like to remind you that with the approval of the Financial Statements that are the subject of this report, our term of office will come to an end; thanking you for the trust you have placed in us, we invite you to resolve on this matter.

Tortona, 03 April 2023

**The Board of Auditors**

*Mr. BO Andrea*

*Mr. TROTTER Massimo*

*Mr. CODA Roberto*

This report is unanimously approved and digitally signed by the Chairman of the Board of Auditors on behalf of the Board itself.

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## FINANCIAL STATEMENTS

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# STATEMENT OF FINANCIAL POSITION

(Amounts in Euros)	Notes	31/12/2022	31/12/2021
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	1		
b. intangible assets		92,914	97,385
<b>Total intangible assets</b>		<b>92,914</b>	<b>97,385</b>
Tangible assets	2		
a. Property, plant, equipment and other assets		25,706,397	26,761,089
b. investment property		3,995,664	4,128,117
c. rights of use assets		21,304,828	16,700,027
<b>Total tangible assets</b>		<b>51,006,889</b>	<b>47,589,233</b>
Non-current financial assets	3		
a. investments in subsidiaries		223,736,979	87,547,251
b. Investments in jointly controlled and associate companies		1,185,413	1,222,688
c. other equity investments		6,555,810	6,425,245
d. other non-current financial assets		201,347,266	208,119,875
<b>Total non-current financial assets</b>		<b>432,825,468</b>	<b>303,315,059</b>
Deferred tax assets	4	22,273,269	16,008,684
<b>Total non-current assets</b>		<b>506,198,541</b>	<b>367,010,361</b>
<b>Current assets</b>			
Inventories and contractual assets	5	308,383,182	337,113,485
Trade receivables	6	198,157,009	184,628,817
Current tax assets	7	10,333,978	12,306,155
Other receivables	8	148,242,365	62,063,340
Current financial assets	9	-	44,146,212
<b>Total</b>		<b>665,116,534</b>	<b>640,258,009</b>
Cash and cash equivalents	10	140,436,501	97,847,372
<b>Total current assets</b>		<b>805,553,035</b>	<b>738,105,381</b>
<b>Total Assets</b>		<b>1,311,751,575</b>	<b>1,105,115,742</b>

(Amounts in Euros)	Notes	31/12/2022	31/12/2021
<b>Net equity and liabilities</b>			
<b>Shareholders' equity</b>	<b>11</b>		
Shareholders' equity			
a. share capital		232,834,000	232,834,000
b. retained earnings		167,809,434	25,697,313
c. Financial year result		(180,652,516)	(102,900,555)
<b>Total net equity</b>		<b>219,990,918</b>	<b>155,630,758</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Provisions for risks and charges and Employee benefits	12	25,229,501	19,844,498
Other payables and contractual liabilities	13	97,202,260	49,676,138
Bank debt	14	30,008,674	89,880,729
Other financial liabilities	15	10,487,332	8,760,910
<b>Total non-current liabilities</b>		<b>162,927,767</b>	<b>168,162,275</b>
<b>Current liabilities</b>			
Trade payables	16	285,861,411	269,612,467
Other payables and contractual liabilities	17	465,672,326	294,593,209
Bank debt	18	135,193,844	131,725,893
Other financial liabilities	19	36,289,785	78,680,137
Current tax liabilities	20	5,815,525	6,711,003
<b>Total current liabilities</b>		<b>928,832,891</b>	<b>781,322,709</b>
<b>Total liabilities</b>		<b>1,091,760,658</b>	<b>949,484,984</b>
<b>Total liabilities and net equity</b>		<b>1,311,751,575</b>	<b>1,105,115,742</b>

## ITINERA S.P.A. INCOME STATEMENT

(Amounts in Euros)	Notes	2022	2021
<b>Revenues</b>	<b>21</b>		
Revenues from contracts with customers		783,388,497	695,090,066
Changes to work in progress, semi-finished and finished products		(24,513)	(982,612)
Other revenue		44,570,515	22,582,601
<b>Total Revenue</b>		<b>827,934,499</b>	<b>716,690,055</b>
Payroll expenses	22	(104,290,396)	(97,746,164)
Costs for services	23	(499,146,871)	(456,044,868)
Costs for raw materials	24	(158,354,491)	(143,441,354)
Other operating costs	25	(60,280,998)	(24,808,279)
<b>EBITDA</b>		<b>5,861,743</b>	<b>(5,350,610)</b>
Amortisation, depreciation and write-downs	26	(13,140,442)	(16,656,530)
Other provisions for risks and charges	27	(4,786,551)	(2,897,932)
<b>EBIT</b>		<b>(12,065,250)</b>	<b>(24,905,072)</b>
Financial income:	28.1		
a. from equity investments		22,883,075	4,625,000
b. other income		14,233,980	7,857,813
Financial expenses:	28.2		
a. interest expense		(2,714,377)	(1,913,965)
b. other expenses		(203,378,998)	(92,634,546)
<b>Profits (Loss) before taxes</b>		<b>(181,041,569)</b>	<b>(106,970,770)</b>
Taxes	29		
a. Current taxes		(5,916,709)	5,303,993
b. Deferred taxes		6,305,761	(1,233,778)
<b>Profit (loss) for the year</b>		<b>(180,652,516)</b>	<b>(102,900,555)</b>
<b>Earnings per share</b>	<b>30</b>		
<b>Basic and diluted earnings / (loss) (Euro per share)</b>		<b>(0,94)</b>	<b>(0,44)</b>

# STATEMENT OF COMPREHENSIVE INCOME

(Amounts in Euros)	2022	2021
<b>Profit/(Loss) for the period (a)</b>	<b>(180,652,516)</b>	<b>(102,900,555)</b>
Actuarial profits (loss) on employee benefits (severance)	171,320	(152,546)
Fair value measurement of equity investments	288,647	(1,254,236)
Capital gains/(Losses) from the sale of equity investments pursuant to IFRS 9	--	9,798,958
Tax effect on profits (loss) not subsequently reclassified in the Income statement	(41,117)	36,611
<b>Profits (loss) not subsequently reclassified in the Income statement (b)</b>	<b>418,850</b>	<b>8,428,787</b>
Cash flow hedge reserves	--	446,253
Foreign exchange reserves	(967,656)	1,560,220
Tax effect on profits (loss) subsequently reclassified in the Income statement	--	(107,102)
<b>Profits (loss) subsequently reclassified in the Income statement when certain conditions are met (c)</b>	<b>(967,656)</b>	<b>1,899,371</b>
<b>Comprehensive economic results (a) + (b) + (c)</b>	<b>(181,201,322)</b>	<b>(92,572,397)</b>



# STATEMENT OF CASH FLOWS

(Amounts in Euros)	2022	2021
Cash and cash equivalents opening balance (a)	97,847,372	70,869,955
Exchange effect on cash and cash equivalents	(381,785)	1,969,216
<b>Adjusted opening liquidity (a)</b>	<b>97,465,588</b>	<b>72,839,171</b>
<b>Operating activities:</b>		
<b>Result for the period</b>	<b>(180,652,516)</b>	<b>(102,900,556)</b>
<b>Adjustments:</b>		
Amortisation	13,140,442	16,656,530
Adjustment to the provision for employee benefits	41,949	398,395
Provisions for risks	32,980,833	14,979,345
(Gains)/losses due to disposal of assets	(372,875)	512,146
Financial asset (adjustments) write-downs	201,824,393	80,455,550
<b>Operating Cash Flow (I)</b>	<b>66,962,225</b>	<b>10,101,410</b>
Net variation in deferred tax assets and liabilities	(6,265,643)	1,195,784
Changes in net working capital	56,332,866	56,794,450
Other changes from operating activities	(6,850,407)	(3,055,086)
<b>Changes in net working capital and other changes (II)</b>	<b>43,216,816</b>	<b>54,935,148</b>
<b>Liquidity generated (absorbed) by operating activities (I+II) (b)</b>	<b>110,179,041</b>	<b>65,036,559</b>
<b>Investments:</b>		
Investments in property, plant, equipment and other assets	(4,943,117)	(2,885,382)
Investments in intangible assets	(34,856)	(6,371)
Net divestiture of property, plant, equipment and other assets	2,306,049	1,318,801
Net intangible asset disposals	--	1,187
<b>Net investments in tangible and intangible assets (III)</b>	<b>(2,671,924)</b>	<b>(1,571,765)</b>
Investments in non-current financial assets	(136,573,285)	(186,871,192)
Non-current financial asset disposals	2,307,789	35,506,513
<b>Net investments in non-current financial assets (IV)</b>	<b>(134,265,496)</b>	<b>(151,364,679)</b>
<b>Liquidity generated (absorbed) by investments (III+IV+V) (c)</b>	<b>(136,937,420)</b>	<b>(152,936,444)</b>
<b>Financial assets:</b>		
New medium/Long-term loans	--	82,397,123

(Amounts in Euros)	2022	2021
Medium/Long-term loans (reimbursements)	(27,028,578)	(9,493,485)
Change in current financial assets	44,146,212	(44,146,212)
Change in other financial liabilities	(83,936,883)	(3,447,945)
Changes in shareholders' equity	136,548,540	87,598,606
<b>Liquidity generated (absorbed) by financial activities (d)</b>	<b>69,729,292</b>	<b>112,908,087</b>
<b>Cash and cash equivalents closing balance (a+b+c+d)</b>	<b>140,436,501</b>	<b>97,847,372</b>
<b>Additional information</b>		
Taxes collected from tax consolidation	5,684,135	6,572,371
Financial charges paid to third parties	2,534,753	1,913,965
Financial income received from group companies	3,014,466	778,392
Dividends received	22,852,455	4,625,000

# STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(Amounts in Euros)	Share capital	Share premium reserve	Legal reserve	Merger surplus reserve	Cancellation surplus reserve	Com-pen-sation gains reserves	Cash flow hedge reserves	"Fair value" revaluation reserves	Extraor-dinary reserve	Foreign ex-change reserves	Employee Benefits dis-counting reserve	FTA reserve	Reserves to cover losses	Retained earnings/ (Accumulat-ed loss)	Profit (loss) for the year	Sharehold-ers Equity
as at 1st January 2021	86,836,594	26,901,280	5,800,330	(2,228,879)	58,285	9,970,627	(3,060,821)	(4,781,550)	86,934,446	(4,307,255)	(148,602)	3,006,079	--	(12,006,010)	(90,822,238)	102,152,287
Allocation of 2020 results	--	--	--	2,228,879	(58,285)	(8,590,855)	--	--	(84,401,976)	--	--	--	--	--	90,822,238	--
Reclassifica-tions	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Other changes	145,997,406	--	--	--	--	--	--	--	--	--	--	--	--	53,462	--	146,050,868
Result for the period	--	--	--	--	--	--	339,151	(1,254,236)	--	1,560,220	(115,935)	--	--	9,798,958	(102,900,555)	(92,572,397)
as at 31 December 2021	232,834,000	26,901,280	5,800,330	--	(0)	1,379,772	(2,721,670)	(6,035,786)	2,532,470	(2,747,035)	(264,537)	3,006,079	--	(2,153,590)	(102,900,555)	155,630,758
Allocation of 2021 results	--	--	--	--	--	--	--	--	(2,532,470)	--	--	--	36,613,852	--	102,900,555	--
Use of reserves to cover losses	--	(26,901,280)	(5,800,330)	--	--	(1,379,772)	--	--	--	--	--	--	--	--	--	--
Coverage of residual losses	(223,426,160)	--	--	--	--	--	--	--	--	--	--	--	245,719,564	--	--	22,293,404
Capital Increase	223,426,160	--	--	--	--	--	--	--	--	--	--	--	--	(158,082)	--	223,426,160
Other changes	--	--	--	--	--	--	--	--	--	--	--	--	--	(158,082)	--	(158,082)
Result for the period	--	--	--	--	--	--	288,647	--	--	(967,656)	130,203	--	--	--	(180,652,516)	(181,201,322)
as at 31 December 2022	232,834,000	--	--	--	(0)	--	(2,721,670)	(5,747,139)	--	(3,714,691)	(134,334)	3,006,079	282,333,416	(105,212,227)	(180,652,516)	219,990,918

# NOTES TO THE FINANCIAL STATEMENTS

## PREPARATION CRITERIA AND CONTENT OF THE SEPARATE FINANCIAL STATEMENTS

Itinera S.p.A. prepared the financial statements for 2022 that are subjected to statutory audit by Pricewaterhouse Coopers S.p.A..

Therefore, the financial statements were prepared - based on that defined by Legislative Decree no. 38, art. 3, paragraph 2, dated 28/02/2005 - in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and approved by the European Commission. IFRS also means all the reviewed international accounting criteria ("IAS"), all the International Financial Reporting Interpretations Committee interpretations ("IFRIC"), previously called Standing Interpretations Committee ("SIC"). The comparative figures referring to the previous year also comply with the aforementioned accounting standards.

The financial statements consist of the Statement of Financial Position, the Income Statement, the Statement of Comprehensive Income, the Statement of Cash Flows, the Statement of Changes in equity and the notes to the financial statements, applying the provisions of IAS 1 "Presentation of financial statements" and the general criterion of historical cost, except for items in the financial statements that, in accordance with IFRS, are measured at fair value as indicated below in the accounting criteria.

The Statement of Financial Position is presented based on the layout that divides current and non-current assets and liabilities, while costs are presented in the Income Statement using the classification based on their nature. The Statement of Cash Flows is presented using the indirect method.

The tables are shown in Euro while the tables in the Notes to the financial statements are expressed in thousands of Euro, unless otherwise specified.

### GOING CONCERN

The Financial Statements for the 2022 financial year have been prepared on a going concern basis as there is a reasonable expectation that Itinera will continue its operations in the foreseeable future and in any case over a time frame of more than 12 months.

### ACCOUNTING POLICIES

The accounting policies are the same as those adopted for the preparation of the Consolidated Financial Statements, to which reference should be made, except for the recognition and valuation of investments in subsidiaries, joint ventures and associated companies.

In particular, investments in subsidiaries, joint ventures and associated companies are valued at purchase cost (with reference to investments in companies classified as joint operations, as in the Consolidated Financial Statements, Itinera S.p.A.'s share of the relevant assets/liabilities and revenues/costs is recognised on the basis of the actual rights and obligations arising from the contractual agreements, often coinciding with its share of interest).

Dividend distributions from subsidiaries, joint ventures and associated companies are charged to the income statement when the unconditional right to receive payment is established.

In case of evidence of impairment, recoverability is tested by comparing the carrying value with the higher of value in use, determined by discounting the prospective cash flows of the investment, where possible, and the hypothetical sale value (fair value). Any portion of the loss in excess of the carrying value is recognised in the income statement in a specific provision under liabilities to the extent that the Company considers there is a legal or constructive obligation to cover the loss and in any case within the limits of the book equity. If the subsequent performance of the impaired subsidiary shows an improvement such that the reasons for the write-

downs no longer apply, the equity investments are revalued within the limits of the write-downs recognised in previous years, under the item "Value adjustments to equity investments".

## TAX INFORMATION

For the 2020-2022 three-year period, the company adhered to the national tax consolidation regime, set forth in tax consolidation act articles 117 to 129, by jointly opting for adhesion with the consolidator ASTM S.p.A..

# INFORMATION ON THE STATEMENT OF FINANCIAL POSITION

## NOTE 1 - INTANGIBLE ASSETS

The composition of the intangible assets is broken down below:

(amounts in thousands of Euro)	31/12/2022	31/12/2021	Change
Other intangible assets	93	97	(4)
<b>Intangible assets</b>	<b>93</b>	<b>97</b>	<b>(4)</b>

### Other intangible assets:

(amounts in thousands of Euro)	Other intangible assets		Total
	Industrial patent rights	Other assets	
<b>Cost:</b>	<b>712</b>	<b>2,676</b>	<b>3,388</b>
<b>as at 1st January 2021</b>			
Investments	6	--	6
Disposals	(1)	--	(1)
Exchange differences	10	1	11
<b>as at 31 December 2021</b>	<b>727</b>	<b>2,677</b>	<b>3,404</b>
<b>Accumulated depreciation:</b>	<b>(677)</b>	<b>(2,520)</b>	<b>(3,197)</b>
<b>as at 1st January 2021</b>			
Depreciation 2021	(13)	(83)	(96)
Exchange differences	(12)	(2)	(14)
<b>as at 31 December 2021</b>	<b>(702)</b>	<b>(2,605)</b>	<b>(3,307)</b>
<b>Net book value:</b>			
<b>as at 1st January 2021</b>	<b>35</b>	<b>156</b>	<b>191</b>
<b>as at 31 December 2021</b>	<b>25</b>	<b>72</b>	<b>97</b>

(amounts in thousands of Euro)	Other intangible assets		Total
	Industrial patent rights	Other assets	
<b>Cost:</b>	<b>727</b>	<b>2,677</b>	<b>3,404</b>
<b>as at 1st January 2022</b>			
Investments	40	--	40
Disposals	(5)	--	(5)
Exchange differences	7	2	9
<b>as at 31 December 2022</b>	<b>769</b>	<b>2,679</b>	<b>3,448</b>
<b>Accumulated amortisation:</b>	<b>(702)</b>	<b>(2,605)</b>	<b>(3,307)</b>
<b>as at 1st January 2022</b>			
Amortisation	(25)	(20)	(45)
Utilisations	5	--	5
Exchange differences	(7)	(1)	(8)
<b>as at 31 December 2022</b>	<b>(729)</b>	<b>(2,626)</b>	<b>(3,355)</b>
<b>Net book value:</b>			
<b>as at 1st January 2022</b>	<b>25</b>	<b>72</b>	<b>97</b>
<b>as at 31 December 2022</b>	<b>40</b>	<b>53</b>	<b>93</b>

Industrial patent rights and other assets, which amounted to Euro 40 thousand and Euro 53 thousand at 31 December 2022, respectively, consisted mainly of software licences and improvements to third-party assets.

## NOTE 2 - TANGIBLE ASSETS

Tangible assets are broken down below:

(amounts in thousands of Euro)	31/12/2022	31/12/2021	Change
2.a Property, plant, equipment and other assets	25,706	26,761	(1,055)
2.b Investment property	3,996	4,128	(132)
2.c Rights of use asset	21,305	16,700	4,605
<b>Total Tangible Assets</b>	<b>51,007</b>	<b>47,589</b>	<b>3,418</b>

## 2.a Property, plant, equipment and other assets

This item is broken down below:

(amounts in thousands of Euro)	Property, plant, equipments and other assets					Total
	Land and Buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets in process of formation and advances	
<b>Cost:</b>	<b>27,484</b>	<b>29,860</b>	<b>25,822</b>	<b>6,243</b>	<b>72</b>	<b>89,482</b>
<b>as at 1st January 2021</b>						
Investments	--	1,542	1,093	125	138	2,898
Disposals	(8)	(5,165)	(2,998)	(547)	(72)	(8,790)
Exchange differences	--	201	86	53		340
<b>as at 31 December 2021</b>	<b>27,476</b>	<b>26,438</b>	<b>24,003</b>	<b>5,874</b>	<b>138</b>	<b>83,930</b>
<b>Accumulated depreciation:</b>	<b>(11,362)</b>	<b>(22,257)</b>	<b>(20,308)</b>	<b>(4,766)</b>	<b>--</b>	<b>(58,693)</b>
<b>as at 1st January 2021</b>						
Depreciation	(1,235)	(1,645)	(1,895)	(583)		(5,358)
Other changes	--	--	--	(13)		(13)
Utilisations	--	3,659	2,769	532		6,960
Exchange differences	--	(55)	14	(23)		(64)
<b>as at 31 December 2021</b>	<b>(12,597)</b>	<b>(20,298)</b>	<b>(19,420)</b>	<b>(4,853)</b>	<b>--</b>	<b>(57,168)</b>
<b>Net book value:</b>						
<b>as at 1st January 2021</b>	<b>16,122</b>	<b>7,603</b>	<b>5,514</b>	<b>1,477</b>	<b>72</b>	<b>30,788</b>
<b>as at 31 December 2021</b>	<b>14,879</b>	<b>6,140</b>	<b>4,583</b>	<b>1,021</b>	<b>138</b>	<b>26,761</b>



(amounts in thousands of Euro)	Property, plant, equipments and other assets					Total
	Land and Buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets in process of formation and advances	
<b>Cost:</b>	<b>27,476</b>	<b>26,438</b>	<b>24,003</b>	<b>5,874</b>	<b>138</b>	<b>83,930</b>
<b>as at 1st January 2022</b>						
Investments	--	2,452	2,072	303	116	4,943
Reclassifications	--	98	(98)	--	--	--
Disposals	(25)	(4,431)	(2,288)	(354)	--	(7,098)
Exchange differences	--	177	54	34	--	265
<b>as at 31 December 2022</b>	<b>27,451</b>	<b>24,734</b>	<b>23,743</b>	<b>5,857</b>	<b>254</b>	<b>82,040</b>
<b>Accumulated depreciation:</b>	<b>(12,597)</b>	<b>(20,298)</b>	<b>(19,420)</b>	<b>(4,853)</b>	<b>--</b>	<b>(57,168)</b>
<b>as at 1st January 2022</b>						
Depreciation	(449)	(1,374)	(1,634)	(427)	--	(3,884)
Reclassifications	--	(98)	98	--	--	--
Utilisations	14	2,513	1,927	338	--	4,792
Exchange differences	--	(33)	(19)	(21)	--	(73)
<b>as at 31 December 2022</b>	<b>(13,032)</b>	<b>(19,290)</b>	<b>(19,048)</b>	<b>(4,963)</b>	<b>--</b>	<b>(56,333)</b>
<b>Net book value:</b>						
<b>as at 1st January 2022</b>	<b>14,879</b>	<b>6,140</b>	<b>4,583</b>	<b>1,021</b>	<b>138</b>	<b>26,761</b>
<b>as at 31 December 2022</b>	<b>14,419</b>	<b>5,444</b>	<b>4,695</b>	<b>894</b>	<b>254</b>	<b>25,706</b>

The balance of this item decreased during the year 2022 by Euro 1,055 thousand as a net effect of investments for the period in the amount of Euro 4,943 thousand, net disposals in the amount of Euro 2,306 thousand, and depreciation for the period in the amount of Euro 3,884 thousand.

Investments for the period, mainly related to industrial plant and equipment, were mainly attributable to Italian projects (Euro 2,901 thousand) and projects in Sweden that commenced in FY2022.

Net disposals for the period, on the other hand, largely related to assets disposed of as part of closed projects or projects under completion in Botswana (net Euro 850 thousand) and the Arab Emirates (net Euro 898 thousand), respectively.

## 2.b Investment property

This item is broken down below:

(amounts in thousands of Euro)	Investment property
<b>Cost:</b>	<b>5,519</b>
<b>as at 1st January 2021</b>	
Investments	-
Disposals	-
<b>as at 31 December 2021</b>	<b>5,519</b>
<b>Accumulated depreciation:</b>	<b>(1,258)</b>
<b>as at 1st January 2021</b>	
Depreciation	(132)
Utilisations	-
<b>as at 31 December 2021</b>	<b>(1,391)</b>
<b>Net book value:</b>	
<b>as at 1st January 2021</b>	<b>4,261</b>
<b>as at 31 December 2021</b>	<b>4,128</b>

(amounts in thousands of Euro)	Investment property
<b>Cost:</b>	<b>5,519</b>
<b>as at 1st January 2022</b>	
Investments	-
Disposals	-
<b>as at 31 December 2022</b>	<b>5,519</b>
<b>Accumulated depreciation:</b>	<b>(1,391)</b>
<b>as at 1st January 2022</b>	
Depreciation	(132)
Utilisations	-
<b>as at 31 December 2022</b>	<b>(1,523)</b>
<b>Net book value:</b>	
<b>as at 1st January 2022</b>	<b>4,128</b>
<b>as at 31 December 2022</b>	<b>3,996</b>

This item includes a building in Bologna, for net total value of Euro 3,996 thousand, owned by Itinera S.p.A. that is rented to third parties.

## 2.c Rights of use assets

This item is broken down below:

(amounts in thousands of Euro)	Right of use				Total
	Building rights of use	Vehicle rights of use	Machinery rights of use	Other assets rights of use	
<b>Cost</b>	<b>12,745</b>	<b>4,184</b>	<b>32,895</b>	<b>8,744</b>	<b>58,568</b>
<b>as at 1st January 2021</b>					-
Investments	2,570	1,103	2,274	2,170	8,117
Disposals	(1,571)	(1,131)	(19,820)	(1,235)	(23,757)
Other changes	--	51	--	--	51
Exchange differences	163	73	67	--	303
<b>as at 31 December 2021</b>	<b>13,907</b>	<b>4,280</b>	<b>15,416</b>	<b>9,679</b>	<b>43,282</b>
<b>Accumulated amortisation:</b>	<b>(4,177)</b>	<b>(1,483)</b>	<b>(14,602)</b>	<b>(7,029)</b>	<b>(27,291)</b>
<b>as at 1st January 2021</b>					
Amortisation	(3,545)	(1,542)	(5,303)	(680)	(11,070)
Utilisations	1,342	795	8,593	1,230	11,960
Other changes	--	(51)	--	--	(51)
Exchange differences	(76)	(33)	(21)	--	(130)
<b>as at 31 December 2021</b>	<b>(6,456)</b>	<b>(2,314)</b>	<b>(11,333)</b>	<b>(6,479)</b>	<b>(26,582)</b>
<b>Net book value:</b>					
<b>as at 1st January 2021</b>	<b>8,568</b>	<b>2,701</b>	<b>18,293</b>	<b>1,715</b>	<b>31,277</b>
<b>as at 31 December 2021</b>	<b>7,451</b>	<b>1,966</b>	<b>4,083</b>	<b>3,200</b>	<b>16,700</b>

(amounts in thousands of Euro)	Right of use				Total
	Building rights of use	Vehicle rights of use	Machinery rights of use	Other assets rights of use	
<b>Cost</b>	<b>13,907</b>	<b>4,280</b>	<b>15,416</b>	<b>9,679</b>	<b>43,282</b>
<b>as at 1st January 2022</b>					-
Investments	3,447	1,696	7,528	1,564	14,235
Disposals	(4,105)	(966)	(783)	(3)	(5,857)
Exchange differences	50	34	(190)	1	(105)
<b>as at 31 December 2022</b>	<b>13,299</b>	<b>5,044</b>	<b>21,971</b>	<b>11,241</b>	<b>51,555</b>
<b>Accumulated amortisation:</b>	<b>(6,456)</b>	<b>(2,314)</b>	<b>(11,333)</b>	<b>(6,479)</b>	<b>(26,582)</b>
<b>as at 1st January 2022</b>					
Amortisation	(3,489)	(1,646)	(2,909)	(1,034)	(9,078)
Utilisations	3,732	948	774	3	5,457
Other changes	(6)	--	--	--	(6)
Exchange differences	(37)	(27)	23	--	(41)
<b>as at 31 December 2022</b>	<b>(6,256)</b>	<b>(3,039)</b>	<b>(13,445)</b>	<b>(7,510)</b>	<b>(30,250)</b>
<b>Net book value:</b>					
<b>as at 1st January 2022</b>	<b>7,451</b>	<b>1,966</b>	<b>4,083</b>	<b>3,200</b>	<b>16,700</b>
<b>as at 31 December 2022</b>	<b>7,043</b>	<b>2,005</b>	<b>8,526</b>	<b>3,731</b>	<b>21,305</b>

In accordance with IFRS 16, the "rights of use" item includes leasing contracts, with the entity a "lessee", which do not constitute the provision of services.

The balance of rights of use as at 31 December 2022 increased by Euro 4,605 thousand compared to the end of the previous year. This increase was the result of investments of Euro 14,235 thousand, net of depreciation for the period of Euro 9,078 thousand and, to a marginal extent, net disposals of Euro 400 thousand.

Investments are attributable to leases in connection with the new construction projects started in Sweden in 2022 for Euro 8,461 thousand, and, to construction projects of the Koge and Odense hospitals for Euro 1,849 thousand.

## NOTE 3 - NON-CURRENT FINANCIAL ASSETS

The breakdown of the item is as follows:

(amounts in thousands of Euro)	31/12/2022	31/12/2021	Change
3.a.b.c Equity investments	231,478	95,195	136,283
3.d Receivables and financial assets	201,347	208,120	(6,773)
<b>Total Non-current financial assets</b>	<b>432,825</b>	<b>303,315</b>	<b>129,510</b>

### 3.a.b.c. - Equity investments

Changes in equity investments during the period and the list of equity investments are shown in Annexes 1 and 2. The details of the investments are summarised below:

(amounts in thousands of Euro)	31/12/2022	31/12/2021	Change
<b>a. Subsidiaries</b>	<b>223,737</b>	<b>87,547</b>	<b>136,190</b>
<b>b. Jointly controlled and associate companies</b>	<b>1,185</b>	<b>1,223</b>	<b>(38)</b>
c.1 Companies controlled by parent companies	462	462	--
c.2 Other companies	6,094	5,963	131
<b>Total c. Other equity investments</b>	<b>6,556</b>	<b>6,425</b>	<b>131</b>
<b>Equity investments</b>	<b>231,478</b>	<b>95,195</b>	<b>136,283</b>

Details of the equity investments can be summarised as follows:

Description	Opening balance	Increases	Decreases	Closing balance
Itinera Construções Ltda	268	--	--	268
Itinera USA Corp	48,465	18,751	--	67,216
SAM S.p.A.	--	1,123	(623)	500
Sea Segnaletica Stradale S.p.A.	16,600	--	--	16,600
Soc. di progetto Costruzioni del Tirreno S.p.A.	100	119,900	--	120,000
Storstroem bridge JV I/S	--	193,341	(193,341)	--
Taranto Logistica S.p.A.	9,646	--	(2,962)	6,684
Tubosider SpA	11,953	--	--	11,953
Urbantech S.p.A.	146	--	--	146
Others	370	--	--	370
<b>Total investments in subsidiaries</b>	<b>87,548</b>	<b>333,115</b>	<b>(196,926)</b>	<b>223,737</b>
Cis Beton GmbH	16	--	(16)	--
CMC Itinera JV scpa	49	--	--	49
Eteria Società consortile per azioni S.c.p.A.	250	--	--	250
Federici Stirling Batco LLC	--	--	--	--
Fondo Valle S.c.a r.l. in liquidation	4	--	(4)	--
Ponte Nord S.p.A.	754	--	--	754
Tunnel Frejus S.c. ar.l.	25	--	--	25
Others	125	--	(17)	108
<b>Total investments in jointly controlled and associate companies</b>	<b>1,223</b>	<b>--</b>	<b>(38)</b>	<b>1,185</b>
Euroimpianti S.p.A.	<b>298</b>	--	--	<b>298</b>
Soc. di progetto Autovia Padana S.p.A.	<b>164</b>	--	--	<b>164</b>
<b>Total investments in companies controlled by parent company</b>	<b>462</b>	<b>--</b>	<b>--</b>	<b>462</b>
Abesca Europe S.r.l.	158	--	--	158
AEDES SIIQ S.p.A.	288	363	(158)	493
Autostrade Centropadane S.p.A.	1,397	--	(11)	1,386
Passante Dorico S.p.A.	2,612	--	(5)	2,607
REstart SIIQ S.p.A.	566	--	(42)	524
S.I.CO.GEN. S.r.l.	140	--	--	140
Soc.Aut. Broni-Mortara S.p.A.	794	--	(16)	778
Others	9	--	--	9
<b>Total investment in other entities</b>	<b>5,963</b>	<b>363</b>	<b>(232)</b>	<b>6,094</b>
<b>Total</b>	<b>95,195</b>	<b>333,478</b>	<b>(197,195)</b>	<b>231,478</b>

The following operations, among others, are of note:

### 3.a - Subsidiaries

The carrying value of investments in subsidiaries increased by Euro 136,190 thousand during the period, mainly as a result of the following transactions:

- **Concessioni del Tirreno S.p.A.:** on 3 January 2022, Itinera S.p.A. subscribed to the share capital increase of the subsidiary for Euro 119,900 thousand, which followed the subscription of the initial capital, the latter amounting to Euro 100 thousand, already made at the end of the previous year. A portion of this capital increase, amounting to Euro 89,925,000, is still payable. The purpose of the subsidiary is to use the concessions relating to the A10-A12 motorways, following the tender for which Itinera S.p.A. was awarded. In this regard, it should be noted that the parent company ASTM S.p.A. has already expressly confirmed its willingness to financially support the company in this initiative;
- **Itinera USA Corp.:** On 28 December 2022, the Board of Directors of the subsidiary Itinera USA Corp. approved to request the sole shareholder Itinera S.p.A., in order to achieve a more balanced ratio between equity and debt capital, to transform into equity, effective 31 December 2022, a portion of the inter-company loan made by the latter within the scope of the completion of the Halmar Group acquisition transactions totalling USD 100 million, into a share equal to USD 20 million. Subsequently, on 30 December 2022, the parties signed an agreement whereby Itinera S.p.A. consented to the conversion of said portion of the loan into capital. As of 31 December 2022, therefore, the value of the investment in Itinera USA Corp. increased by Euro 18,751 thousand to a total of Euro 67,216 thousand;
- **Storstroem Bridge I/S:** Itinera S.p.A., at the close of the 2022 financial year, undertook to cover new losses recognised by the subsidiary in the course of 2022 of Euro 193,341

thousand. Specifically, this commitment was first recognised through an increase in the carrying value of the investment, which was simultaneously and fully written down. As a result of these transactions, the value of SB I/S is zero, while there remain payables to the subsidiary of Euro 95,246 million equal to the loss to be covered, net of loans already returned and waived by Itinera S.p.A..

### 3.b - Jointly controlled and associated companies

Compared to the end of the previous year, the balance of this item decreased marginally by Euro 38 thousand.

This change is the result of disposals related to the completed liquidation process for the subsidiaries Sistemi e Servizi Scarl (carrying value as of 31 December 2021 equal to Euro 16 thousand), Fondo Valle S.c.a r.l. (carrying value as of 31 December 2021 of Euro 4 thousand) and Formazza S.c.a r.l. (carrying value as of 31 December 2021 of Euro 2 thousand).

Furthermore, in the context of Itinera's exit from the Austrian ventures, above all ARGE H51 JV, following the dispute that arose with the former partner Porr, Itinera entered into an agreement during the year to exit the subsidiaries Asci Logistik GmbH and CIS Beton GmbH against the repayment of the capital initially paid in (equal to Euro 15 thousand for each of the companies). In the case of Asci Logistik, as at 31 December 2021, the carrying value of the investment had already been fully written down, while the sale of the shares in CIS Beton resulted in a decrease in the balance of the investment of Euro 16 thousand.

### 3.c.1 Companies controlled by parent companies

The total value of the item as at 31 December 2022 was Euro 462 thousand, unchanged from the end of the previous year. The balance consists almost entirely of the investments in **Euroimpianti S.p.A.** (Euro 298 thousand) and **Autovia Padana S.p.A.** (Euro 164 thousand).

### 3.C.2 - Other companies:

The change recognised during the year amounted to Euro 131 thousand, going from Euro 5,963 thousand at 31 December 2021 to Euro 6,094 thousand at 31 December 2022. The contents of this item are summarised below:

- **Aedes SIIQ S.p.A.:** As at 31 December 2022, the carrying value of the investment was Euro 493 thousand (Euro 288 thousand as at 31 December 2021). First of all, there was a decrease in the carrying value of the investment, of Euro 158 thousand, due to recognition of the non-exercise of the option right on the share capital increase approved by the subsidiary, with the consequent dilution of the equity investment. However, this decrease was more than offset by the Fair Value adjustment (Euro 363 thousand) recognised on the basis of the unit value of the stock as of 30 December 2022, the last day of listing for 2022, which rose to Euro 0.29 compared to the Euro 0.17 unit value as of 31 December 2021. This alignment to fair value was recognised in the statement of comprehensive income (OCI) in accordance with IFRS 9;
- **Restart SIIQ S.p.A.:** As at 31 December 2022, the carrying value of the investment was Euro 524 thousand (Euro 566 thousand as at 31

December 2021). As at 30 December 2021, the last day of listing for 2022, the value of the investments in the financial statements was adjusted to the unit listing value of the stock, equal to Euro 0.31 (Euro 0.34 per stock at 30 December 2021), with a negative effect of Euro 42 thousand allocated itself to the statement of comprehensive income (OCI) pursuant to IFRS 9.

Further reductions in carrying values attributable to changes in fair value, also recognised in the manner described above, concerned the investment in S.A.BRO.M S.p.A. (carrying value of Euro 778 thousand, down Euro 16 thousand), Autostrade Centro Padane S.p.A. (carrying value of Euro 1,386 thousand, down Euro 11 thousand) and Passante Dorico S.p.A. (carrying value of Euro 2,607 thousand, down Euro 5 thousand).

### 3.d - Other non-current financial assets

The item "Other non-current financial assets" is largely composed of loans granted by Itinera S.p.A. to subsidiaries and associated companies, and to a lesser extent to third parties. This item, which amounted to Euro 201,347 thousand as at 31 December 2022, decreased by Euro 6,773 thousand.

Details are as follows:

(amounts in thousands of Euro)	31/12/2022	31/12/2021	Change
<b>Receivables:</b>			
d.1. Loans	145,918	154,866	(8,948)
d.2. Adjusting provisions	(18,857)	(17,483)	(1,374)
d.3. Security deposits	2,079	3,457	(1,378)
d.4. Other receivables	66,601	60,744	5,857
d.5. Other non-current financial assets	5,606	6,536	(930)
<b>Other non-current financial assets</b>	<b>201,347</b>	<b>208,120</b>	<b>(6,773)</b>

A significant portion of the balance, amounting to Euro 145,918 thousand, is represented by loans receivable, the details of which are as follows:

(amounts in thousands of Euro)	31/12/2022	31/12/2021	Change
<b>Loans:</b>			
d.1.a from subsidiaries	85,508	102,278	(16,770)
d.1.b from associated companies	46,049	38,051	7,998
d.1.c from other companies	14,361	14,537	(176)
<b>Total Loans d.1</b>	<b>145,918</b>	<b>154,866</b>	<b>(8,948)</b>

**d.1.a) Receivables from subsidiary companies:** recorded a decrease of Euro 16,770 thousand, going from Euro 102,278 thousand as at 31 December 2021 to Euro 85,508 thousand as at 31 December 2022. This decrease is the result of given changes:

- as already described in the note commenting on equity investments, during 2022 a portion of the financial receivable from Itinera USA Corp. (equal to a countervalue of Euro 88,292 thousand as of 31 December 2021) was converted into capital, of Euro 18,751 thousand; the decrease, however, was offset by the increases arising from the change in the euro-USD exchange rate, with the strengthening of the latter during 2022. As a result of these changes, the receivable from Itinera USA Corp. amounted to Euro 75,005 thousand. It should be noted, in this regard, that this loan is related to the transaction for the purchase of a stake in Halmar International Llc, and interest accrues on it at the 1-month Libor rate + 2.40%;
- the full repayment by the subsidiary Taranto Logistica S.p.A. of the loan taken out on 31 December 2021 of Euro 12,000 thousand;
- the non-interest-bearing loan granted in 2022 to Lanzo S.c.a r.l. of Euro 10,089 thousand.

**d.1.b) Receivables from associated companies:** increased during 2022 by Euro 7,998 thousand, going from Euro 38,051 thousand to Euro 46,049 thousand. This increase is mainly attributable to the new disbursements of Euro 8,610 thousand to Frasso S.c.a r.l. in the year 2022 (in relation to which the item totalled Euro 18,667 thousand as at 31 December 2022, vs. Euro 10,057 thousand as of 31 December 2021).

The balance of the item also includes loans granted to Federici Stirling Batco LLC in the gross amount of Euro 25,170 thousand, which were written down by Euro 18,857 thousand. This credit increased by Euro 1,454 thousand in 2022 against new disbursements made during the year to cover the financial needs of the subsidiary.

**d.1.c) Receivables from other companies:** this item amounted to Euro 14,361 thousand as at 31 December 2022, practically unchanged from the end of the previous year (the balance as at 31 December 2021 was Euro 14,537 thousand). The prevailing portion of the balance is attributable to the value of the non-interest-bearing loan of Euro 13,303 thousand made to the former subsidiary **Arge H51** JV prior to Itinera's exit from it at the end of 2021. The item also includes a receivable from **S.A.BRO.M. S.p.A.** (Euro 619 thousand) and Abesca Europa S.r.l. (Euro 72 thousand).

**d.2)** The item "Adjusting provisions" mainly relates, as said above, to the write-down of receivables from **Federici Stirling Batco LLC** for Euro 18,857 thousand (Euro 17,483 thousand at 31 December 2021).

**d.3)** The item "Security deposits" totalled Euro 2,079 thousand, compared to Euro 3,457 thousand as of 31 December 2021.

**d.4)** The item "Other receivables", amounting to Euro 66,601 thousand as of 31 December 2022, mainly refers (for a value of Euro 63,941 thousand) to the share capital still to be paid by the company's shareholders, based on the capital increase approved on 28 September 2022, that is expected to be paid over a period of more than 12 months depending on the purposes for which the same amounts are intended (in this case, covering the financial requirements for the purchase of the residual 20% stake in Halmar). The breakdown of receivables from shareholders, totalling Euro 167,570 thousand, between non-current and current portion is shown below:

Partner	number of shares	% share capital	Proposal to increase share capital	1st tranche (paid)	2nd tranche (to be paid)	of which within 12 months	of which over 12 months
ASTM S.p.A.	51,486	66,12%	147,723	36,931	110,792	68,516	42,276
Autostrada dei Fiori S.p.A.	1,540	1,98%	4,419	1,105	3,314	2,050	1,265
Finanziaria di Partecipazioni e Investimenti S.p.A.	0	0,00%	0	0	0	0	0
SATAP S.p.A.	21,685	27,85%	62,219	15,555	46,664	28,858	17,806
SALT p.A.	3,159	4,06%	9,065	2,266	6,799	4,204	2,594
<b>Total</b>	<b>77,870</b>	<b>100,00%</b>	<b>223,426</b>	<b>55,857</b>	<b>167,570</b>	<b>103,629</b>	<b>63,941</b>

**d.5)** The item "other non-current financial assets", equal to Euro 5,606 thousand as of 31 December 2022 against Euro 6,536 thousand as of 31 December 2021, refers to the carrying value of the options to purchase the minority share of the subsidiary Tubosider S.p.A. (Euro 3,616 thousand) and, for Euro 1,990 thousand, the shares of TE S.p.A..

## NOTE 4 - DEFERRED TAX ASSETS

This item amounts to Euro 22,273 thousand (Euro 16,009 thousand as at 31 December 2021) and assimilates deferred tax assets calculated on tax deductible negative income elements in years following the posting to the statutory income statement. Deferred tax assets are posted in the financial statements assuming their recovery through economic results in future years, also taking into account the participation of the company to the tax consolidation ASTM.

(amounts in thousands of Euro)	31/12/2022	31/12/2021	Change
Deferred taxes Italy	20,783	14,428	6,355
Foreign deferred taxes	1,490	1,581	(91)
<b>Total deferred tax assets</b>	<b>22,273</b>	<b>16,009</b>	<b>6,264</b>

Please see the following table for changes during the year:

<b>Balance as at 1.1.2022</b>	<b>16,009</b>
Compensation reversal with deferred tax liabilities reserves	1,772
Deferred tax assets for the year	7,531
IAS 19 reserve tax effect	(41)
Compensation with deferred tax liabilities reserves	(2,998)
<b>Deferred Tax Assets at 31.12.2022</b>	<b>22,273</b>

The balance of deferred tax assets, which amounted to Euro 22,273 thousand at 31 December 2022, increased by Euro 6,264 thousand compared to the previous year-end. The items that during the year have given rise to such assets are, mainly, represented by the amounts of taxable provisions.

In addition, the credit for deferred tax assets accrued abroad, of Euro 1,490 thousand, is represented by the balance related to losses accrued in Denmark on the basis of local tax rules, taking into account future recovery prospects.

During 2022, except as reported, no further advance payments on tax losses were recognised.

## NOTE 5 - INVENTORIES AND CONTRACTUAL ASSETS

These are represented by:

(amounts in thousands of Euro)	31/12/2022	31/12/2021	Change
5.1 Raw materials, subsidiary materials and consumables	22,790	22,904	(114)
5.2 Work in progress and semi-finished products	1,947	2,036	(89)
5.3 Work in progress on order/Contractual assets	261,999	282,433	(20,434)
5.4 Finished products and goods	254	254	--
5.5 Advances	21,393	29,486	(8,093)
<b>Total Inventories and contractual assets</b>	<b>308,383</b>	<b>337,113</b>	<b>(28,730)</b>

### 5.1 Raw materials, subsidiary materials and consumables

This item amounted to Euro 22,790 thousand (Euro 22,904 thousand as of 31 December 2021), of which Euro 19,798 thousand (from which a Euro 617 thousand write-down reserve is to be deducted) related to Italy, with the remaining balance was represented by the branches in the United Arab Emirates (Euro 1,751 thousand, from which a Euro 172 thousand write-down reserve is to be deducted), Sweden (Euro 762 thousand), Romania (Euro 683 thousand) and Denmark (Euro 556 thousand).

### 5.2 Work in progress and semi-finished products

The balance of the item, in line with the previous year, amounted to Euro 1,947 thousand as at 31 December 2022, represented almost entirely by inventories on Italian construction sites (Euro 1,938 thousand).

### 5.3 Work in progress / contractual assets

This item is broken down as follows:

(amounts in thousands of Euro)	31/12/2022	31/12/2021	Change
5.3.a Gross work in progress balance	2,289,179	2,067,165	222,014
5.3.b Advances on work progress	(1,882,119)	(1,714,355)	(167,764)
5.3.c Advances on price reviews and claims	(77,448)	(31,042)	(46,406)
5.3.d Provisions and impairment	(67,613)	(39,335)	(28,278)
<b>5.3 Work in progress / Contractual assets</b>	<b>261,999</b>	<b>282,433</b>	<b>(20,434)</b>

The total net balance of contractual assets of Euro 261,999 thousand relates to Italian contracts of Euro 144,198 thousand. The remainder, relating to foreign contracts, concerns contracts in the Middle East area (Euro 54,775 thousand), the Okavango Bridge contract in Botswana (Euro 23,372 thousand), and works of the branches in Romania (Euro 16,125 thousand), Sweden (Euro 11,225 thousand), Denmark (Euro 9,015 thousand) and France (Euro 3,287 thousand).

The most significant amounts relating to the work in progress on order/contractual activities refer to the construction works of the Naples-Bari railway line and the construction of the underground connection between the Turin-Ceres Railway and the railway link of the Turin Node, along the Corso Grosseto stretch with regard to Italy, the construction of the Koge hospital in Denmark, the construction of the Satu Mare motorway variant in Romania, the construction of the bridge over the Okavango river in Botswana, the Mina Tunnel in Abu Dhabi (UAE), the extension of the motorway section between Kuwait city and Abdaly, and the contracts for the construction of underground lines in Sweden launched in 2022 with regard to abroad.

The above balances incorporate the allocation of *provisions and impairment* that, as of 31 December 2022, amounted to Euro 67,613 thousand (Euro 39,335 thousand as of 31 December 2021), of which a portion of Euro 31,544 thousand related to the Reem Mall contract, closed in 2022 as a result of what is described in the Report on Operations.

The said provisions are made against the risks of certain asset items due, inter alia, to disputes in progress with customers and losses that are expected to occur in the continuing work on a number of contracts in progress; their amount is considered adequate to risks and potential liabilities that could arise in relation to the value of inventories. Regarding the operational risks in place, please refer to what is extensively described in the Report on operations.

The following table shows the changes in the adjusting provisions and impairment for work in progress that occurred during the financial year 2022, vs. the comparison period:

(amounts in thousands of Euro)	31/12/2022	31/12/2021	Change
<b>Opening balance</b>	<b>39,335</b>	<b>42,812</b>	<b>(3,477)</b>
Provisions and impairment for the year	54,658	17,050	37,608
Utilisation during the year	(26,381)	(20,527)	(5,854)
<b>5.3.d Provisions and impairment</b>	<b>67,613</b>	<b>39,335</b>	<b>28,277</b>

Inventory posted net of advances received from customers and down payments on work status reports exceeding the relevant inventories (both allocated under liability items 4 and 10 respectively in the Statement of Financial Position, Notes 13 and 18, to which we refer), is the following:

(amounts in thousands of Euro)	31/12/2022	31/12/2021	Change
Net work in progress / contractual asset balance	261,999	282,433	(20,434)
Other payables and contractual non-current liabilities (Note 13)	(97,202)	(49,675)	(47,527)
Advances and contractual liabilities (Note 17)	(133,985)	(121,994)	(11,991)
<b>Total</b>	<b>30,812</b>	<b>110,764</b>	<b>(79,952)</b>

#### 5.4. Finished product and goods inventories

The balance of the item as at 31 December 2022, equal to Euro 254 thousand, was unchanged from the previous year.

#### 5.5 Advances

The item, equal to Euro 21,393 thousand (compared to Euro 29,486 thousand at 31 December 2021) concerns advances to suppliers and subcontractors. This balance is mainly attributable to construction projects still in progress in the Middle East (Euro 13,620 thousand) and Danish construction projects (Euro 6,199 thousand).

### NOTE 6 - TRADE RECEIVABLES

Amounts receivable from customers totalled Euro 198,157 thousand (Euro 184,629 thousand as of 31 December 2021).

It should be noted that an amount of Euro 147,934 thousand is due from Italian customers, Euro 23,844 thousand is due from European customers, Euro 24,824 thousand from Middle East customers and Euro 1,555 thousand from other extra-EU customers.

The details as at 31 December 2022 are summarised below:

(amounts in thousands of Euro)	31/12/2022	31/12/2021	Change
Trade receivables	200,189	188,663	11,526
Provision for bad debts	(2,032)	(4,034)	2,002
<b>Trade receivables</b>	<b>198,157</b>	<b>184,629</b>	<b>13,528</b>

Trade receivables due to normal business operations essentially refer to work, material supplies, technical and administrative services and other services, etc. With regard to transactions with related parties, reference is made to Annex no. 4.

The increase in trade receivables observed during the year, amounting to Euro 13,528 thousand, is attributable to Italian construction projects for Euro 10,198 thousand and construction projects abroad for the remaining Euro 3,330 thousand, in relation to which the highest balances are recognised on the TELT contracts in France (Euro 3.192 thousand), Romanian construction projects (Euro 4,208 thousand) and contracts still in progress in the Middle-East (Euro 1,387 thousand), net of the decrease in the balance on Danish projects for Euro 5,940 thousand.

The provision for bad debts allocated in the financial statements are thus deemed consistent to the expected receivable collectability. The following changes in the reserve occurred during the year:

(amounts in thousands of Euro)	PROVISION FOR BAD DEBTS RECEIVABLES
<b>Balance at 1.1.2022</b>	<b>(4,034)</b>
Utilisation during the year	2,002
Provision for the year	--
<b>Balance at 31.12.2022</b>	<b>(2,032)</b>

## NOTE 7 - CURRENT TAX ASSETS

Tax receivables as at 31 December 2022, equal to Euro 10,334 thousand compared to Euro 12,307 thousand as at 31 December 2021, are broken down below:

(amounts in thousands of Euro)	31/12/2022	31/12/2021	Change
Carbon tax receivables	--	27	(27)
Retained IRAP receivables	--	700	(700)
Retained IRES receivables	817	--	817
VAT receivable Italy	194	--	194
VAT receivable Saudi Arabia	20	18	2
VAT receivable Austria	36	84	(49)
VAT receivable Romania	2,830	6,059	(3,229)
VAT receivable Botswana	450	117	333
VAT receivable Denmark	--	123	(123)
VAT receivable United Arab Emirates	2,875	2,575	300
VAT receivable France	35	2	33
VAT receivable South Africa	1	1	(0)
VAT receivable Sweden	727	159	568
Other receivables	2,524	2,617	(93)
Write-down reserves	(175)	(175)	--
<b>Current tax assets</b>	<b>10,334</b>	<b>12,307</b>	<b>(1,973)</b>

## NOTE 8 - OTHER RECEIVABLES

The balance of *other receivables*, which amounted to Euro 148,242 thousand, increased by Euro 86,179 thousand compared to 31 December 2021, is detailed as follows:

(amounts in thousands of Euro)	31/12/2022	31/12/2021	Change
8.a Receivables from others	135,188	45,768	89,420
8.b Receivables from suppliers	7,707	4,520	3,187
8.c Tax consolidation receivables	--	5,539	(5,539)
8.d Prepaid expenses	5,895	6,784	(889)
8.e Provision for other bad debts	(548)	(548)	--
<b>Other receivables</b>	<b>148,242</b>	<b>62,063</b>	<b>86,179</b>

### 8.a - Receivables from others

The item "receivables from others" includes, first of all, the current portion of receivables from shareholders on share capital still to be paid in accordance with the share capital increase approved on 28 September 2022 (for a value of Euro 103,629 thousand), the details of which, already presented in Note 3 above, are shown below:

Partner	number of shares	% share capital	Proposal to increase share capital	1st tranche (paid)	2nd tranche (to be paid)	of which within 12 months	of which beyond 12 months
ASTM S.p.A.	51,486	66,12%	147,723	36,931	110,792	68,516	42,276
Autostrada dei Fiori S.p.A.	1,540	1,98%	4,419	1,105	3,314	2,050	1,265
Finanziaria di Partecipazioni e Investimenti S.p.A.	0	0,00%	0	0	0	0	0
SATAP S.p.A.	21,685	27,85%	62,219	15,555	46,664	28,858	17,806
SALT p.A.	3,159	4,06%	9,065	2,266	6,799	4,204	2,594
<b>Total</b>	<b>77,870</b>	<b>100,00%</b>	<b>223,426</b>	<b>55,857</b>	<b>167,570</b>	<b>103,629</b>	<b>63,941</b>

A further portion of the balance of receivables from others as of 31 December 2022, amounting to Euro 18,433 thousand, is represented by receivables due from the associated company Letimbro S.c.ar.l. for the payment made, mainly during the 2019 financial year, to credit institutions and certain suppliers on behalf of the latter. This payment was necessary as a result of Letimbro's difficult financial situation. It should be noted that, also in terms of the recoverability of the receivable, the company's current liabilities include a payable to the subsidiary of almost the same and offsettable amount, as discussed in Note 17 below.

The remaining balance of Euro 13,126 thousand includes operating receivables from various parties, including third-party partners in certain contracts.

### 8.b - Receivables from suppliers

Receivables from suppliers include advances made to suppliers totalling Euro 7,707 thousand (Euro 4,520 thousand as of 31 December 2021).

### 8.c - Tax consolidation receivables

The item "tax consolidation receivables", which amounted to Euro 5,539 thousand at the close of the previous year due to the negative tax base realised during the year, amounted to zero at the close of the 2022 financial year as a result of the positive taxable income realised during the 2022 financial year.

### 8.d - Prepaid expenses

The item "prepaid expenses" refers mainly to prepaid insurance premiums and shows a decrease of Euro 889 thousand compared to the end of the previous year.

### 8.e - Provision for other bad debts

The item, unchanged from the end of the previous year, refers to the coverage of any credit losses deriving from extraordinary transactions and the sale of receivables.

## NOTE 9 - CURRENT FINANCIAL ASSETS

The balance of the item as of 31 December 2021 was Euro 44,146 thousand, referring entirely to the counter-value of the loan of USD 50,000 thousand granted to **Itinera USA Corp** for the operating needs of its subsidiary Halmar, , which was written off in 2022.

## NOTE 10 - CASH AND CASH EQUIVALENTS

These are represented by:

(amounts in thousands of Euro)	31/12/2022	31/12/2021	Change
Bank and postal deposits	140,325	97,737	42,588
Cash and cash equivalents on hand	112	110	2
<b>Cash and cash equivalents</b>	<b>140,437</b>	<b>97,847</b>	<b>42,590</b>

(amounts in thousands of Euro)	31/12/2022	31/12/2021	Change
Bank and post office deposits Italy	51,704	38,619	13,085
Bank deposits Angola	16	13	3
Bank deposits Saudi Arabia	105	104	1
Bank deposits Austria	1,978	1,632	346
Bank deposits Botswana	33,637	32,098	1,539
Bank deposits Denmark	20,280	9,992	10,288
Bank deposits United Arab Emirates	1,467	107	1,361
Bank deposits Kuwait	4,946	18	4,928
Bank deposits France	11,272	2,754	8,518
Bank deposits Romania	2	7	(5)
Bank deposits South Africa	14,916	12,391	2,525
Bank deposits Sweden	58	80	(23)
Bank deposits Zambia	54	30	24
<b>Cash and cash equivalents</b>	<b>140,437</b>	<b>97,847</b>	<b>42,590</b>

Cash and cash equivalents, which amounted to Euro 140,437 thousand as at 31 December 2022, therefore showed an increase of Euro 42,590 thousand compared to the same balance of Euro 97,847 thousand as at 31 December 2021.

This increase is related to the net effect of the following changes:

- Firstly, cash contributed by shareholders totalling Euro 136,549 thousand, in connection with the payment of the share capital still unpaid on the capital increase approved in December 2021, of 25% of the share capital related to the capital increase approved on 28 September 2022, as well as cash paid in on the same date to cover losses;
- A positive operating cash flow of Euro 110,179 thousand as a result, mainly, of the significant down payments and advances received during the year on certain new projects started during the year (see Note 13 and Note 17 for further details). This operating cash flow is already to be considered net of the negative effect of the payment of the outstanding counter-guarantees on the Performance Bond enforced by the customer in connection with the Reem Mall project (with an outlay of approximately Euro 29 million);
- Significant disbursements made in the area of equity investment management, which included, in particular:
  - » Cash injections in favour of the subsidiary Storstroem Bridge JV for a total of Euro 98,094 thousand for the purpose of partially covering the losses accrued by its subsidiary, up to 31 December 2022, in connection with the execution of the Storstroem Bridge construction contract in Denmark;
  - » The payment to the subsidiary Società di Progetto Concessioni del Tirreno S.p.A. of Euro 29,975 thousand as payment, representing a 25% share of the capital increase subscribed in the same subsidiary;
  - » Other net investments in subsidiaries of Euro 8,126 thousand, mainly represented by financial disbursements made during 2022.
- Certain changes related to financial management, which saw, in particular, the repayment of the current portion of long-term loans of Euro 27,029 thousand, as well as the repayment of bank credit lines and other current liabilities of a further Euro 29,443 thousand;
- Net investments in tangible and intangible assets of Euro 2,671 thousand, as well as rights of use assets of Euro 9,494 thousand.

We should also mention residual changes of various kinds of Euro 694 thousand, including Euro (382) thousand for the change in cash and cash equivalents attributable to exchange rate fluctuations.

Interest rates on bank and postal current accounts are in line with the market.

## NOTE 11 - NET EQUITY

As mentioned in the "Extraordinary Transactions" section of the Report on Operations, on 28 September 2022, the shareholders of Itinera S.p.A., during an extraordinary shareholders' meeting held on a plenary basis, unanimously approved to cover the total losses of Itinera S.p.A., accrued through 30 June 2022, of Euro 282,333 thousand (of which Euro 179,433 thousand accrued in the first half of 2022 and Euro 102,901 thousand accrued in previous years). The structure of the operation is summarised in the table below:

(amounts in thousands of Euro)	31/12/2022	Change for the year	Loss coverage			Use of 2021 results	31/12/2021
			Reductions of share capital	Shareholder contributions	Use of available reserves		
<b>11.a Share capital</b>	<b>232,834</b>	<b>223,426</b>	<b>(223,426)</b>	--	--	--	<b>232,834</b>
Premium reserve	--	--	--	--	(26,901)	--	26,901
Legal reserve	--	--	--	--	(5,800)	--	5,800
Extraordinary reserve	--	--	--	--	(2,532)	--	2,532
Foreign exchange reserves	(3,715)	(968)	--	--	--	--	(2,747)
Compensation gains	--	--	--	--	(1,380)	--	1,380
"Fair value" valuation reserves	(5,746)	289	--	--	--	--	(6,035)
Cash flow hedge reserves	(2,722)	--	--	--	--	--	(2,722)
Reserves First Time Adoption	3,007	--	--	--	--	--	3,007
Employee benefits discounting reserve	(134)	130	--	--	--	--	(264)
<b>Other reserves</b>	<b>(9,310)</b>	<b>(549)</b>	--	--	<b>(3,912)</b>	--	<b>(4,849)</b>
Reserve to cover losses	282,333	--	223,426	22,293	36,614	--	-
Retained earning reserve	(105,213)	(158)	--	--	--	(102,901)	(2,154)
<b>11.b Reserves and profits</b>	<b>167,810</b>	<b>(707)</b>	<b>223,426</b>	<b>22,293</b>	<b>1</b>	<b>(102,901)</b>	<b>25,698</b>
<b>11.c Year's profit (Loss)</b>	<b>(180,653)</b>	<b>(180,653)</b>	--	--	--	<b>102,901</b>	<b>(102,901)</b>
<b>Total shareholders' equity</b>	<b>219,991</b>	<b>42,066</b>	--	<b>22,293</b>	<b>1</b>	--	<b>155,631</b>

Specifically, the said accumulated losses of Euro 282,333 thousand were covered by:

- the utilisation of the reserves available for this purpose of Euro 36,614 thousand;
- a cash injection to cover losses of Euro 22,293 thousand;
- the partial reduction of the share capital of Euro 223,426 thousand, with a simultaneous increase thereof in the same amount and consequent restoration to its original value of Euro 232,834 thousand.

Also on 28 September 2022, the company's shareholders paid 25% of the aforementioned capital increase (Euro 55,856 thousand) and paid the portion of the December 2021 capital increase that was still unpaid on that date (Euro 58,399 thousand).

Further detailed information on the composition of the individual equity items is provided below:

(amounts in thousands of Euro)	31/12/2022	31/12/2021	Change
<b>11.a Share capital</b>	<b>232,834</b>	<b>232,834</b>	<b>--</b>
<b>11.b Reserves and profits</b>	<b>167,809</b>	<b>25,698</b>	<b>142,111</b>
<b>11.c Year's profit/(Loss)</b>	<b>(180,653)</b>	<b>(102,901)</b>	<b>(77,752)</b>
<b>Total shareholders' equity</b>	<b>219,991</b>	<b>155,631</b>	<b>64,360</b>

### 11.a - Share capital

The share capital as at 31 December 2022, fully subscribed, comprises 77,870,172 ordinary shares, for a total of Euro 232,834 thousand, paid-in for Euro 65,264 thousand.

The value of share capital is in line with the previous year, as a result of the net effect of the aforementioned share capital reduction, for the purpose of covering accumulated losses, and simultaneous re-increase.

The new breakdown of the share capital is as follows:

Partner	number of shares	% share capital	Breakdown of share capital	of which, paid up	of which to be paid
ASTM S.p.A.	51,485,563	66,12%	153,943,277	43,150,968	110,792,309
Autostrada dei Fiori S.p.A.	1,540,157	1,98%	4,605,114	1,290,833	3,314,280
Finanziaria di Partecipazioni e Investimenti S.p.A.	1	0,00%	3	1	2
SATAP S.p.A.	21,685,139	27,85%	64,839,173	18,174,702	46,664,472
SALT p.A.	3,159,312	4,06%	9,446,433	2,647,876	6,798,557
<b>Total</b>	<b>77,870,172</b>	<b>100,00%</b>	<b>232,834,000</b>	<b>65,264,380</b>	<b>167,569,620</b>

The share capital is under tax suspension for an amount of Euro 2,482 thousand mainly attributable to revaluation reserves pursuant to Law 342/2000 and Law 350/2003, which are present in the assets of Itinera S.p.A.. The remaining part is made up of shareholder contributions for Euro 55,856 thousand, shareholder contributions to be paid for Euro 167,570 thousand, profit reserves for Euro 4,157 thousand, of capital reserves for Euro 2,769 thousand due to the incorporation of ABC Costruzioni S.p.A. (which took place in 2016).

## 11.b - Reserves

Reserves as at 31 December 2022, detailed in the introductory table to this Note 11, totalled Euro 167,809 thousand.

### Share premium reserve

This reserve, the balance of which amounted to Euro 26,901 thousand at the end of the previous year, was related to the capital increase transactions carried out in 2013 and was fully utilised in 2022 to cover accumulated losses.

### Legal reserve

The balance of the legal reserve as at 31 December 2021, amounting to Euro 5,800 thousand, was also fully utilised in 2022 to cover accumulated losses.

### Other reserves

The total amount was Euro (9,310) thousand, detailed as follows:

#### Foreign exchange reserve

The foreign exchange reserve showed a negative balance of Euro 3,715 thousand as at 31 December 2022, and related solely to year-end exchange rate adjustments of foreign branches.

#### Cash flow hedge reserve

The Cash Flow Hedge reserve was set up during the year 2017 as a result of the 21 April 2017 stipulation of a forward contract for buying forward USD 60 million to cover exchange rate risk in connection with the planned operation for purchasing a 50% share in Halmar International LLC, which took place on 5 July 2017, through the subsidiary Itinera USA Corp. For this hedging operation, the Company originally entered a reserve of Euro 3,061 thousand, net of deferred fiscal effects, which is recognised among the Shareholders' Equity reserves until the future cash flows related to the hedged items, that is, for the portion of the reserve attributable to the capital increase in Itinera USA Corp only in the event of write-down or sale of the investment and for the portion of the repayment loan. This value was reduced to Euro 2,722 thousand in the year 2021, due to the repayment of the related portion of the loan

in that year. There were no further changes in the cash flow hedge reserve during 2022.

#### "Fair value" revaluation reserve

It is set up and changes as a direct counterpart to the valuation, at fair value, of financial assets measured at "Fair value through OCI" ("Investments in other companies"). At 31 December 2022 this reserve was negative for Euro 5,747 thousand (Euro 6,036 thousand as at 31.12.2021). The change in the year is essentially attributable to the effects already described in Note 3 above.

#### FTA reserve

This item amounts to Euro 3,006 thousand and relates to the transition to IAS/IFRS international accounting standards carried out on the financial statements at 31 December 2018.

It should be noted that, within the item other reserves, as part of the aforementioned recapitalisation transaction, the extraordinary reserve (amounting to Euro 2,532 thousand as of 31 December 2021) and the compensation gains reserve (Euro 1,381 thousand as of the same date) were also used to cover accumulated losses.

#### Retained earning reserve

This reserve, as at 31 December 2022, amounted to Euro (105,212) thousand mainly as a result of the allocation of the prior year's result of Euro (102,901) thousand.

The remainder of the balance, amounting to Euro (2,312) thousand, relates mainly to the effects connected with the application of IFRS 15 on 1 January 2018, equal to Euro 11,342 thousand, and to capital gains/losses on the disposal of investments in companies that are neither subsidiaries nor associated companies, recognised in previous years in accordance with IFRS 9 (Euro 9,188 thousand).

#### Employee benefits discounting reserve

This item amounts to Euro (133) thousand (net of tax effects for Euro 42 thousand) and includes unrealised gains and losses related to severance indemnities posted under other components of the "Statement of Comprehensive Income".

### 11.c - Year's results

This item includes losses for the year for Euro (180,653) thousand, compared to Euro (102,901) thousand in 2021.

The following table shows the analysis of the "nature, possibility of use and distribution" of the shareholders' equity items" as at 31 December 2022, as well as their possible use in the last three financial years (values in thousands of Euro):

Nature and description of Net Equity items (amounts in thousands of Euro)	Balance at 31/12/2022	Possibility of utilisation	Distributable amount	Uses made in the last three financial years
<b>Share capital (A)</b>	<b>232,834</b>			
<b>Capital reserves (B)</b>				
Reserve to cover losses	274,000	B		
Share premium reserve				26,901
Compensation gains				9,972
<b>Net income reserves (C)</b>				
Reserve to cover losses	8,333	B		
Legal reserve				5,800
Extraordinary reserve				105,806
Cash flow hedge reserve	(2,722)			
FTA reserve	3,006			
Retained earnings	(105,212)			
"Fair value" revaluation reserve	(5,747)			
Employee benefits discounting reserve	(134)			
Foreign exchange reserve	(3,715)			
Merger gain/(losses)				2,229
Cancellation surplus reserve				(58)
<b>Total Reserves (B+C)</b>	<b>167,809</b>		-	<b>150,650</b>
<b>Profit (loss) for year (D)</b>	<b>(180,653)</b>			
<b>Total shareholders' equity (A + B + C + D)</b>	<b>219,991</b>			
<b>Distributable amount</b>	-			

Key:

A: for capital increase;

B: to cover losses;

C: for distribution to shareholders.

## NOTE 12 - PROVISIONS FOR RISKS AND CHARGES AND EMPLOYEE BENEFITS

The items are broken down as follows:

(amounts in thousands of Euro)	31/12/2022	31/12/2021	Change
12.a Provisions for risks and charges	20,890	15,304	5,586
12.b Provision for severance indemnity	4,340	4,540	(200)
<b>Total provisions for risks and charges and employee benefits</b>	<b>25,230</b>	<b>19,844</b>	<b>5,386</b>

### 12.a - Provision for risks and charges

This item, at 31 December 2022, amounted to Euro 20,890 thousand (Euro 15,304 thousand at 31 December 2021), thus posting an increase of Euro 5,586 thousand in the course of 2022.

(amounts in thousands of Euro)	31/12/2022	Accruals	Utilisations	31/12/2021
12.a.1 Provision for legal disputes	7,707	500	(10)	7,217
12.a.2 Provisions for losses on equity investments	7,536	4,150	(638)	4,024
12.a.3 Reserve for future liabilities	5,223	4,287	(188)	1,124
12.a.4 Provision for restructuring and staff incentive costs	424	424	(2,939)	2,939
<b>Total Provisions for risks and charges</b>	<b>20,890</b>	<b>9,361</b>	<b>(3,775)</b>	<b>15,304</b>

Following is a brief description of the nature of the commitments associated with provisions and any prudentially foreseen compensation.

The item includes the following accounts:

**12.a.1 - Provision for legal disputes:** the value of the item equal to Euro 7,707 thousand refers entirely to the charges that could derive from existing disputes. The main provision, for a balance of Euro 7,346 thousand (of which Euro 500 thousand was recognised in the year), is related to the Letimbro contract.

**12.a.2- Provision for losses on equity investments:** the provision, amounting to Euro 7,536 thousand, refers to the coverage of charges expected, for various reasons, by the subsidiaries Federici Stirling Batco LLC (Euro 6,780 thousand, of which Euro 4,150 thousand set aside during the year) and

Letimbro S.c.a r.l. (Euro 755 thousand, unchanged during the year);

**12.a.3 - Reserve for future liabilities:** : this item amounted to Euro 5,223 thousand and mainly related, for an amount of Euro 3,687 thousand (allocated during the year), to potential charges arising from completed contracts. Compared to the previous year, allocations remained virtually unchanged for the residual charges to be incurred for the disposal of unusable materials and the reclamation of the area where they are placed in the municipality of Salbertrand (Euro 300 thousand, which takes into account an increase in the year of Euro 111 thousand); for the valuation of charges arising from the possible purchase of the equity investment in TE for Euro 228 thousand; and for non-recoverable charges relating to the Trinità (CN) project of Euro 709 thousand.

**12.a.4 - Provision for restructuring and staff incentive costs:** this provision amounted to Euro 424 thousand (Euro 2,939 thousand as of 31 December 2021), having decreased during the year by a net Euro 2,514 thousand against utilisations.

### 12.b - Employee benefits

This item totalled Euro 4,340 thousand (Euro 4,540 thousand as of 31 December 2021). The following changes occurred during the year:

1st January 2022	4,540
Adjustment in the period - Actuarial (gains)/losses	(171)
Adjustment in the period - Interest cost	42
Indemnity paid/liquidated in the period	(228)
Other changes	157
<b>31 December 2022</b>	<b>4,340</b>

The following tables illustrate the economic-financial and demographic hypotheses adopted for the actuarial measurement of the liabilities:

Economic-financial hypothesis	Rate
Annual discount rate	4.17%
Annual inflation rate	2.30%
Annual severance growth rate	3.23%

Demographic hypothesis	Hypothesis
Mortality	Tab RG48 from "Ragioneria Generale di Stato"
Disability	INPS tables by age and gender
Retirement age	Achievement of requirements
Advance frequency %	4.00%
Turnover	10.00%



## NOTE 13 - OTHER PAYABLES AND CONTRACTUAL LIABILITIES (NON-CURRENT)

The balance of the item as at 31 December 2022 of Euro 97,202 thousand (Euro 49,676 thousand as at 31 December 2021) refers to the amount of advances on work paid by customers according to law, intended to be recovered through the issue of work progress proportionate to the percentage of completed job, for the portion which, based on budget forecasts for work, will be collected after 31 December 2023.

(amounts in thousands of Euro)	31/12/2022	31/12/2021	Change
Advances	97,202	49,676	47,526
<b>Total Other payables and contractual liabilities (non-current)</b>	<b>97,202</b>	<b>49,676</b>	<b>47,526</b>

The item refers to the amounts received from Italian customers for Euro 69,326 thousand, of which Euro 29,901 thousand from the customer Autovia Padana S.p.A. and Euro 13,778 thousand from Autostrada dei Fiori S.p.A., and the remainder from foreign customers, mainly in connection with the construction projects started in Sweden in 2022 (Euro 10,029 thousand) and the contract related to the construction of the Koge hospital in Denmark (Euro 8,355 thousand).

The increase in the balance of the item, amounting to Euro 47,526 thousand, is mainly related to Italian contracts (Euro 28,332 thousand) and the aforementioned Swedish contracts (Euro 10,029 million).

Non-current other payables and contractual liabilities are broken down as follows:

(amounts in thousands of Euro)	Between 1 and 5 years	Beyond 5 years	Total
Advances	97,202		97,202
<b>Total Other payables and contractual liabilities (non-current)</b>	<b>97,202</b>	<b>-</b>	<b>97,202</b>

## NOTE 14 - BANK DEBT (NON-CURRENT)

Bank debt (non-current) total Euro 30,009 thousand (Euro 89,881 thousand as of 31 December 2021) and represent the portion of long-term loans held by the company that will be repaid in a period longer than 12 months.

(amounts in thousands of Euro)	31/12/2022	31/12/2021	Change
Non-current bank debt	30,009	89,881	(59,872)
<b>Total Non-current bank debt</b>	<b>30,009</b>	<b>89,881</b>	<b>(59,872)</b>

Medium and long term bank debt is broken down as follows:

(amounts in thousands of Euro)	Within the year	Between 1 and 5 years	Beyond 5 years	Total
Intesa ex UBI	7,500	--	--	7,500
MPS (Itinera Spa) Loan	10,000	--	--	10,000
BPM1 (Itinera Spa) Loan	20,000	--	--	20,000
BPM2 (Itinera Spa) Loan	14,940	15,026	--	29,966
BPER (Itinera Spa) Loan	7,500	14,983	--	22,483
<b>Total Non-current bank debt</b>	<b>59,940</b>	<b>30,009</b>	<b>-</b>	<b>89,949</b>

In detail, the item refers to:

- the loan granted by Banca Intesa on 23 December 2019 of Euro 30,000 thousand, with a remaining amount of Euro 7,500 thousand, net of the amortised cost impact, which will be repaid in six semi-annual deferred instalments the first of which due on 30 June 2020. The loan expired on December 23, 2022, with the contractual option for Itinera S.p.A., which was enforced, of extending the duration of the loan by a further 12 months. The amount is fully classified as current;
- the loan granted on 08 January 2021 for an original amount of Euro 30,000 thousand from MPS, repayable in six semi-annual deferred instalments, from 30 June 2021; The amount in the financial statements, 10,000 thousand, is to be considered current in its entirety;
- the loan granted on 31 October 2019 for an amount of Euro 20,000 thousand from BPM bank, repayable in a single instalment at maturity. The loan maturity, originally scheduled for January 31, 2021, was extended to February 2, 2023. It should be noted that the loan was fully repaid on 2 February 2023;
- the loan granted on 30 December 2021 for an original amount of Euro 30,000 thousand from BPM, repayable in four semi-annual deferred instalments, from 30 June 2023; The balance of Euro 30,000 thousand, net of the effect of amortised cost, is repayable within the next 12 months (Euro 14,940 thousand, with the remaining balance of Euro 15,060 thousand due after 12 months);
- the loan granted on 15 December 2021 for an original amount of Euro 30,000 thousand from the Banca Popolare dell'Emilia Romagna, repayable in eight semi-annual deferred instalments, from 30 June 2022; The balance of Euro 22,500 thousand, net of the effect of amortised cost, is repayable within the next 12 months in the amount of Euro 7,500 thousand, with the remaining balance of Euro 15,000 thousand due after 12 months.

## NOTE 15 - OTHER FINANCIAL LIABILITIES (NON-CURRENT)

This item, totalling Euro 10,487 thousand (Euro 8,761 thousand as at 31 December 2021) is represented by the medium long term share of loans for leased assets as per IFRS 16.

(amounts in thousands of Euro)	31/12/2022	31/12/2021	Change
Other financial liabilities	10,487	8,761	1,726
<b>Total Other non-current financial liabilities</b>	<b>10,487</b>	<b>8,761</b>	<b>1,726</b>

These liabilities, based on their maturity, are broken down as follows:

(amounts in thousands of Euro)	Between 1 and 5 years	Beyond 5 years	Total
Other financial liabilities	10,487		10,487
<b>Total Other non-current financial liabilities</b>	<b>10,487</b>	<b>-</b>	<b>10,487</b>

## NOTE 16 - TRADE PAYABLES (CURRENT)

Trade payables totalled Euro 285,861 thousand (Euro 269,612 thousand as of 31 December 2021).

(amounts in thousands of Euro)	31/12/2022	31/12/2021	Change
Trade payables	285,861	269,612	16,249
<b>Total Trade payables</b>	<b>285,861</b>	<b>269,612</b>	<b>16,249</b>

These payables refer for a significant portion to suppliers on Italian construction projects (Euro 156,753 thousand), Euro 91,919 thousand to construction projects in the Middle East and Euro 16,309 thousand to construction projects in Denmark, Euro 7,959 thousand to construction projects in Sweden and Euro 6,591 thousand to construction projects in Romania.



## NOTE 17 - OTHER PAYABLES AND CONTRACTUAL LIABILITIES (CURRENT)

The balance of the item as at 31 December 2022 totalled Euro 465,672 thousand, compared to Euro 294,593 thousand as at 31 December 2021.

(amounts in thousands of Euro)	31/12/2022	31/12/2021	Change
Advances and contractual liabilities	133,985	121,994	11,991
Payables due to parent companies	5,224	--	5,224
Payables due to social security and welfare institutions	2,586	2,671	(85)
Payables due to consortium companies	90,226	84,804	5,422
Payables to employees	10,274	9,266	1,008
Deferred income	1,643	578	1,065
Other payables	221,734	75,280	146,454
<b>Total Other payables and contractual liabilities (current)</b>	<b>465,672</b>	<b>294,593</b>	<b>171,079</b>

### Advances and contractual liabilities

"Advances and contractual liabilities" include advances received from customers according to law and intended to be recovered based on the issue of the work progress report within 2023 and the excess of the amounts invoiced to customers themselves compared to the assessment of the related work performed.

The item is broken down as follows:

(amounts in thousands of Euro)	31/12/2022	31/12/2021	Change
Advances	98,432	77,499	20,933
Contractual liabilities	35,553	44,495	(8,942)
<b>Total Advances and contractual liabilities</b>	<b>133,985</b>	<b>121,994</b>	<b>11,991</b>

The total balance of Euro 133,985 thousand consists of Euro 35,553 thousand in contractual liabilities and Euro 98,432 thousand in advances.

The item advances includes the current portion of amounts received in connection with Italian construction projects of Euro 70,406 thousand, the Abdaly Highway project in Kuwait for Euro 14,722 thousand, and the contracts in Sweden for Euro 8,991 thousand.

Contractual liabilities, on the other hand, concern the Odense contracts in Denmark for Euro 22,386 thousand, Italian construction projects for Euro 11,169 thousand and Swedish construction projects for Euro 1,997 thousand.

### Payables due to parent companies

The item "Payables due to parent companies", amounting to Euro 5,224 thousand, refers to the tax consolidation payable to ASTM S.p.A..

### Payables due to consortium companies

"Payables due to consortium companies", amounting to Euro 90,226 thousand, refer to cost reversals by consortium companies posted net of invoiced advances. The main amounts refer to CMC Itinera JV S.c.a r.l. (Euro 23,613 thousand), Letimbro S.c.a r.l. (Euro 18,345 thousand), Consorzio CFT (Euro 7,829 thousand) and a number of minor positions for the remainder. It should be noted that, by virtue of the operating mechanisms of these consortium companies, these debit balances find a nearly mirror-image position among the balance sheet items on the assets side in the light of the balances recognised in the contracts under which these consortium companies operate.

### Other payables

totalling Euro 221,734 thousand (Euro 75,280 thousand as of 31 December 2021, with an increase recognised in 2022 of Euro 146,454 thousand), the most significant items are represented by payables for payments due to the subsidiary Storstroem Bridge JV to

cover the losses accrued by the same subsidiary up to 31 December 2022 (Euro 95.246 thousand), as well as payables for share capital still to be paid to Concessioni del Tirreno S.p.A. for the capital increase subscribed on 3 January 2022 (Euro 89,925 thousand). It is underlined that the purpose of the subsidiary is to use the concessions relating to the A10-A12 motorways, following the tender for which Itinera S.p.A. was awarded. In this regard, it should be noted that the parent company ASTM S.p.A. has already expressly confirmed its willingness to financially support the company in this initiative.

The balance of this item also includes the residual payable to Aurelia S.r.l. (formerly Argo Finanziaria) for the acquisition of the shareholding in Tubosider S.p.A. (Euro 9,143 thousand), payables to insurance companies of Euro 3,274 thousand, the carrying value of commitments to purchase minority interests in Tubosider S.p.A. (Euro 3,615 thousand) and Tangenziale Esterna S.p.A. (Euro 1,990 thousand), and certain amounts that Itinera S.p.A. must repay to customers (Euro 2,100 thousand).

## NOTE 18 - BANK DEBT (CURRENT)

This is represented by:

(amounts in thousands of Euro)	31/12/2022	31/12/2021	Change
Current accounts payable	75,200	93,718	(18,518)
Advances	54	10,979	(10,925)
Loans	59,940	27,029	32,911
<b>Total Current bank debt</b>	<b>135,194</b>	<b>131,726</b>	<b>3,468</b>

The item "current accounts payable" refers to credit lines included in the credit lines granted.

Total debt as of 31 December 2021 included an amount of Euro 10,979 thousand, self-liquidating in nature, consisting of sums advanced on the collection of invoices. This value was almost reduced to

zero during the financial year 2022.

The item "loans" refers to the current portion of medium-/long-term loans, already specified in Note 14 above, to which reference should therefore be made for further details:

(amounts in thousands of Euro)	Within the year	Between 1 and 5 years	Beyond 5 years	Total
Intesa ex UBI	7,500	--	--	7,500
MPS (Itinera Spa) Loan	10,000	--	--	10,000
BPM1 (Itinera Spa) Loan	20,000	--	--	20,000
BPM2 (Itinera Spa) Loan	14,940	15,026	--	29,966
BPER (Itinera Spa) Loan	7,500	14,983	--	22,483
<b>Total Non-current bank debt</b>	<b>59,940</b>	<b>30,009</b>	<b>-</b>	<b>89,949</b>

## NOTE 19 - OTHER FINANCIAL PAYABLES (CURRENT)

These are represented by:

(amounts in thousands of Euro)	31/12/2022	31/12/2021	Change
Lease liabilities	9,908	7,300	2,608
Liabilities to other lenders	26,382	71,380	(44,998)
<b>Total Other current financial payables</b>	<b>36,290</b>	<b>78,680</b>	<b>(42,390)</b>

The item "Other current financial payables", as at 31 December 2022, amounted to Euro 36,290 thousand, recording a decrease compared to the end of the previous year of Euro 42,390 thousand.

Of this balance, a portion of Euro 26,382 thousand is represented by non-interest bearing loans received from the parent company ASTM in 2021 to meet certain financial requirements, including

short-term needs on the US market for the acquisition of new contracts through the subsidiary Halmar. The decrease in the balance of this item is specifically related to the repayment in 2022 of Euro 45,000 thousand of this portion of the loan.

The residual balance of Euro 9,908 thousand is represented by the short term share of loans for leased assets recognised as per IFRS 16.

## NOTE 20 - CURRENT TAX LIABILITIES

The item is broken down as follows:

(amounts in thousands of Euro)	31/12/2022	31/12/2021	Change
Employee and associate IRPEF withholdings	2,480	2,771	(291)
IRAP payables	755	--	755
Payables for current taxation Sweden	--	10	(10)
VAT payable in Italy	--	1,743	(1,743)
VAT payable in France	37	--	37
VAT payable in Denmark	2,337	1,191	1,146
Other current tax liabilities	207	996	(789)
<b>Total Tax payables</b>	<b>5,816</b>	<b>6,711</b>	<b>(895)</b>



# INFORMATION ON THE INCOME STATEMENT

## NOTE 21 - REVENUES

Total revenue generated by the company in the year 2022 amounted to Euro 827,935 thousand, compared to Euro 716,690 thousand, and was composed as follows:

(amounts in thousands of Euro)	2022	2021	Change
Revenue from works and services	757,857	663,134	94,723
Other revenue pertaining to the core business	24,972	31,270	(6,298)
Hire	560	686	(126)
<b>Revenues from contracts with customers</b>	<b>783,389</b>	<b>695,090</b>	<b>88,299</b>
Changes in work in progress, semi-finished and finished products	(25)	(983)	958
<b>Total Revenue pertaining to the core business</b>	<b>783,364</b>	<b>694,107</b>	<b>89,257</b>
Compensation of damages	2,015	2,686	(671)
Extraordinary income	24,379	7,109	17,270
Employee cost recovery	8,908	6,283	2,625
Other revenue	8,872	6,263	2,609
Operating grants	397	242	155
<b>Total Other revenues</b>	<b>44,571</b>	<b>22,583</b>	<b>21,988</b>
<b>Total Revenue</b>	<b>827,935</b>	<b>716,690</b>	<b>111,245</b>

The breakdown of revenue from works and services performed (Euro 757,857 thousand) by category of activity is as follows:

Revenues by category of activities	2022	%	2021	%
Road construction and paving	599,767	79.13%	480,518	72.46%
Civil and industrial buildings	141,337	18.65%	174,392	26.30%
Works and plant for environmental reclamation and protection	1,319	0.17%	1,055	0.16%
Underground works	8,602	1.14%	--	
Others	6,832	0.90%	7,169	1.08%
<b>Total revenues by category of activities</b>	<b>757,857</b>	<b>100.00%</b>	<b>663,134</b>	<b>100.00%</b>

Finally, the breakdown of Revenue from works and services for 2022 by geographical area is as follows:

Revenues from works and services	2022	%	2021	%
Italy	382,135	50.42%	284,750	42.94%
Europe	205,238	27.08%	190,989	28.80%
Middle-East	157,915	20.84%	178,967	26.99%
Africa	12,569	1.66%	8,428	1.27%
Northern and Southern America	-		-	
<b>Total revenues by area</b>	<b>757,857</b>	<b>100.00%</b>	<b>663,134</b>	<b>100.00%</b>

The item "Other revenue pertaining to the core business" includes, among others, sales of materials and various products, revenues for technical and administrative assistance services to Group companies, and cost recharges relating to Group companies and non-Group consortium companies.

The balance of "other revenues" also includes the recovery of personnel costs from associated and/or sister companies and the recovery of other costs, as well as out-of-period income recognised during the year

The item "Operating grants" includes: a) grants on the consumption of diesel fuel in favour of transport operators on behalf of third parties or for their own account by virtue of various legislative measures which have occurred over time for Euro 15 thousand; b) contributions referred to the tax credit for rising energy costs of Euro 64 thousand, by virtue of the legislative measures of the former Aid and Aid Bis Decree of 2022; c) the grants related to law no. 160 of 27.12.2019 art.1 ("Industry 4.0 2020") and law 178 of 30.12.2020 c.1051-1063 ("Industry 4.0 and Ordinary Assets") about to the acquisition of assets with specific characteristics for Euro 227 thousand; d) grants received by the Danish branch for Euro 91 thousand.

## NOTE 22 - PAYROLL EXPENSES

This item is broken down as follows:

(amounts in thousands of Euro)	2022	2021	Change
Wages and salaries	80,431	74,352	6,079
Social security contributions	18,065	16,701	1,364
Provision for severance indemnity	3,796	3,559	237
Pension	499	474	25
Other costs	1,499	2,660	(1,161)
<b>Total</b>	<b>104,290</b>	<b>97,746</b>	<b>6,544</b>

The average breakdown for employees by category is the following:

Average data	2022	2021	Change
Executives	56	56	--
Managers	127	133	(6)
White-collar workers	665	654	11
Blue-collar workers	1,264	1,298	(34)
<b>Total</b>	<b>2,112</b>	<b>2,141</b>	<b>(29)</b>

Employee breakdown by category at year end:

Prompt data	2022	2021	Change
Executives	56	51	5
Managers	123	125	(2)
White-collar workers	624	657	(33)
Blue-collar workers	1,141	1,302	(161)
<b>Total</b>	<b>1,944</b>	<b>2,135</b>	<b>(191)</b>

## NOTE 23 - SERVICES COSTS

This item is broken down as follows:

(amounts in thousands of Euro)	2022	2021	Change
Tangible assets maintenance	5,334	4,685	649
Consulting	6,135	3,928	2,207
Technical design activities	8,115	8,388	(273)
Security services	694	512	182
IT services	2,933	2,874	59
Transportation	12,557	11,366	1,191
Insurance	7,533	4,833	2,700
Legal and notary consultancy expenses	4,272	5,783	(1,511)
Corporate body fees and reimbursements	931	1,247	(316)
Seconded services and contract workers	14,618	15,780	(1,162)
Other payroll and related costs	8,537	7,336	1,201
Utilities	3,479	2,559	920
Subcontracting	85,472	80,630	4,842
Subcontracts	242,448	215,271	27,177
Reversals from consortium companies	80,472	77,493	2,979
Others	15,617	13,360	2,257
<b>Total service costs</b>	<b>499,147</b>	<b>456,045</b>	<b>43,102</b>

## NOTE 24 - RAW MATERIAL COSTS

This item is broken down as follows:

(amounts in thousands of Euro)	2022	2021	Change
Raw materials	105,012	87,727	17,285
Consumables and goods	56,597	57,407	(810)
Changes to raw material, consumable and goods inventories	(3,255)	(1,693)	(1,562)
<b>Total Costs for raw materials</b>	<b>158,354</b>	<b>143,441</b>	<b>14,913</b>

## NOTE 25 - OTHER OPERATING COSTS

This item is broken down as follows:

(amounts in thousands of Euro)	2022	2021	Change
Use of third party assets	18,006	16,150	1,856
Non-recurring costs	2,966	2,611	355
Other operating expense	39,309	6,047	33,262
<b>Total Other operating costs</b>	<b>60,281</b>	<b>24,808</b>	<b>35,473</b>

The costs for the use of third party assets mainly refer to the short-term rental of equipment used in the various construction sites.

We highlight the significant increase in the item other operating expense, amounting to Euro 39,309 thousand as of 31 December 2022, related for Euro 30,788 thousand to the losses recognized on the Reem Mall Middle East contract (equal to a total of Euro 41,416 thousand), recognised in this item for the amount exceeding the amount offset against the revenues recognised on this contract in the current year, due to the events occurred and fully described in the "Operating Risks" section of the report on operations.

## NOTE 26 - AMORTISATION, DEPRECIATION AND WRITE-DOWNS

These are broken down as follows:

(amounts in thousands of Euro)	2022	2021	Change
<b>Intangible assets:</b>			
· Other intangible assets	45	96	(51)
<b>Tangible assets:</b>			
· Buildings	582	1,368	(786)
· Plant and machinery	1,374	1,645	(271)
· Industrial and commercial equipment	1,634	1,895	(261)
· Other assets	427	583	(156)
· Building rights of use	3,489	3,545	(56)
· Vehicle rights of use	1,646	1,542	104
· Machinery rights of use	2,909	5,303	(2,394)
· Other assets rights of use	1,034	680	354
<b>Total depreciation and amortisation</b>	<b>13,140</b>	<b>16,657</b>	<b>(3,517)</b>

## NOTE 27 - PROVISIONS FOR RISKS AND CHARGES

The item "Provisions for risks and charges", amounting to Euro 4,787 thousand (Euro 2,898 thousand in 2021), related, for Euro 2,500 thousand, to allocations to cover contingent liabilities in connection with litigation initiated by subcontractors; for Euro 1.187 thousand to other charges arising from completed contracts; and for Euro 300 thousand to estimated charges for the disposal of materials that cannot be used in production activities and for the reclamation of the area where they are located in the municipality of Salbertrand.

(amounts in thousands of Euro)	2022	2021	Change
Other provisions for risks and charges	(4,787)	(2,898)	(1,889)
<b>Total Other provisions for risks and charges</b>	<b>(4,787)</b>	<b>(2,898)</b>	<b>(1,889)</b>

## NOTE 28 - FINANCIAL INCOME AND CHARGES

### 28.1 Financial income

This are broken down as follows:

(amounts in thousands of Euro)	2022	2021	Change
<b>Income from equity investments:</b>			
· Dividends from subsidiaries	22,501	4,500	18,001
· Dividends from other companies	352	125	227
· Gains on disposals	31	--	31
<b>Total income from equity investments</b>	<b>22,884</b>	<b>4,625</b>	<b>18,259</b>
<b>Other income</b>			--
· from credit institutes	89	92	(3)
· from subsidiaries loans	5,024	1,785	3,239
· from associate loans	383	345	38
· exchange differences	8,737	5,636	3,101
<b>Total other income</b>	<b>14,233</b>	<b>7,858</b>	<b>6,375</b>
<b>Total Financial income</b>	<b>37,117</b>	<b>12,483</b>	<b>24,634</b>

The item "dividends from subsidiaries" refers to the dividends distributed by Tubosider S.p.A. (Euro 18,000 thousand) and by Sea Segnaletica Stradale S.p.A. (Euro 4,500 thousand).

The item "dividends from other companies" refers to the dividends approved by Euroimpianti S.p.A. (Euro 150 thousand) and by Si.Co.Gen. S.r.l. (Euro 202 thousand).

Revenue from subsidiaries loans refers to interest accrued on the loan granted to Itinera USA Corp (Euro 4,732 thousand), Storstroem Bridge JV (Euro 188 thousand) and other minor amounts.

*Revenue from associate loans* refers solely to interest accrued on the loan granted to Federici Stirling Batco LLC (balance of Euro 383 thousand during the year 2022).

The item "*exchange differences*", amounting to Euro 8,737 thousand, mainly refers to foreign exchange gains on the loans to Itinera USA Corp (Euro 6,565 thousand) and Federici Stirling Batco LLC (Euro 1,373 thousand).

## 28.2 - Financial expenses

These are broken down as follows:

(amounts in thousands of Euro)	2022	2021	Change
<b>Interest due to credit institutes:</b>			
· on loans	1,045	517	528
· on current accounts	1,417	899	518
<b>Other interest payable:</b>			-
· on lease contracts	252	498	(246)
<b>Total Interest payable</b>	<b>2,714</b>	<b>1,914</b>	<b>800</b>
<b>Others:</b>			-
· Losses on disposals of shares	44	40	4
· Impairment of equity investments	200,452	80,456	119,996
· Other financial expenses	2,883	12,139	(9,256)
<b>Total Others</b>	<b>203,379</b>	<b>92,635</b>	<b>110,744</b>
<b>Total</b>	<b>206,093</b>	<b>94,549</b>	<b>111,544</b>

Details of item "*Impairment of equity investments*" are the following:

(amounts in thousands of Euro)	2022	2021	Change
<b>Impairment of equity investments:</b>			
· Federici Stirling Batco LLC	4,150	2,631	1,519
· Società Attività Marittime SpA (SAM SpA)	--	1,216	(1,216)
· Asci	--	31	(31)
· Storstroem Bridge	193,341	73,874	119,467
· Taranto Logistica	2,961	2,704	257
<b>Total write-downs</b>	<b>200,452</b>	<b>80,456</b>	<b>119,996</b>

"Other financial expenses" mainly refer to the impairment of financial receivables from the associate Federici Stirling Batco LLC for Euro 1,373 thousand.

## NOTE 29 - INCOME TAXES

This item is broken down as follows:

(amounts in thousands of Euro)	2022	2021
<b>Current taxation:</b>		
· IRES	(5,226)	--
· IRAP	(785)	--
· Foreign taxation		(9)
<b>Total</b>	<b>(6,011)</b>	<b>(9)</b>
<b>Taxation relating to previous years:</b>		
· IRES	(18)	
· IRAP	--	
<b>Total taxes of previous years</b>	<b>(18)</b>	<b>--</b>
<b>Income/Charges from tax consolidation</b>	<b>112</b>	<b>5,314</b>
<b>Total Current taxation</b>	<b>(5,917)</b>	<b>5,305</b>
<b>Deferred taxes:</b>		
· IRES	5,252	(953)
· IRAP	1,145	38
· Foreign taxation	(91)	(320)
<b>Total deferred taxes</b>	<b>6,306</b>	<b>(1,234)</b>
<b>Total taxes</b>	<b>389</b>	<b>4,070</b>

In accordance with paragraph 81, letter c) of IAS 12, the reconciliation of income taxes posted in the financial statements as at 31 December 2022 and 2021 ("actual") and those "theoretic" at the same dates is provided below.

Reconciliation between the "theoretic" and "actual" tax rate (IRES):

(amounts in thousands of Euro)	2022		2021	
<b>Earnings before income taxes</b>		<b>(181,042)</b>		<b>(106,971)</b>
<b>Actual income tax (from financial statements)</b>	<b>(26)</b>	<b>-0.01%</b>	<b>(4,361)</b>	<b>-4.08%</b>
<b>Lesser taxes (compared to theoretic rate):</b>				
· lesser taxes on dividends and share sales	5,213	-2.88%	56	-0.05%
· other decreases	13	-0.01%	118	-0.11%
<b>Greater taxes (compared to theoretic rate):</b>				
· Greater taxes due to non-deductible charges and other changes	(48,650)	26.87%	(21,486)	20.09%
<b>"Theoretic" income tax (24% on earnings before taxes)</b>	<b>(43,450)</b>	<b>24.00%</b>	<b>(25,673)</b>	<b>24.00%</b>

Reconciliation between the "theoretic" and "actual" tax rate (IRAP):

(amounts in thousands of Euro)	2022		2021	
<b>Added value (IRAP taxable income)</b>		<b>(11,739)</b>		<b>(24,905)</b>
<b>Actual income tax (from financial statements)</b>	<b>(360)</b>	<b>-3.07%</b>	<b>(38)</b>	<b>-0.15%</b>
<b>Lesser taxes (compared to theoretic rate):</b>				
· Sundry deductible charges, net				
· other decreases	1,812	-15.44%	1,634	-6.56%
<b>Greater taxes (compared to theoretic rate)</b>				
· Non-deductible charges	(1,910)	16.27%	(2,567)	10.31%
<b>"Theoretic" income tax (3.9% on earnings before taxes)</b>	<b>(458)</b>	<b>3.90%</b>	<b>(971)</b>	<b>3.90%</b>

The following tables illustrate, for the year in question and 2021, the deferred tax income and charges posted in the income statement and deferred tax assets and liabilities posted in the Statement of Financial Position.

(amounts in thousands of Euro)	2022	2021
<b>Deferred tax income for: (*)</b>		
· deferred tax liabilities "reversal" on capital gains		
· works in progress		
· severance reserves actuarial recalculation		
· Provisions for suspended tax reserves	16,443	6,001
· others	146	17
<b>Total Deferred tax income (A)</b>	<b>16,589</b>	<b>6,018</b>
<b>Deferred tax charges for: (*)</b>		
· provision "reversal" to suspended tax reserves	(1,297)	(6,374)
· leased assets		
· Effects from work in progress as per IAS		
· Reversal of maintenance expense over the deductible tax rate		
· Reversal of entertainment expenses over the deductible tax rate		
· Severance reserves actuarial recalculation		
· Others	(8,986)	(879)
<b>Total Deferred tax charges (B)</b>	<b>(10,283)</b>	<b>(7,253)</b>
<b>Total Deferred income/charges (A) + (B)</b>	<b>6,306</b>	<b>(1,235)</b>

(\*) Deferred income and charges were calculated based on tax rates in effect at their expected "reversal".

(amounts in thousands of Euro)	2022	2021
<b>Deferred tax assets for: (*)</b>		
· provisions to suspended tax reserves	25,271	17,781
· Maintenance expenses over the deductible rate		
· Others		
· compensation	(2,998)	(1,772)
<b>Total deferred tax assets</b>	<b>22,273</b>	<b>16,009</b>
<b>Deferred tax liabilities for: (*)</b>		
· Capital gains divided over several accounting periods		
· other	(2,998)	(1,772)
· Leased assets		
· works in progress		
· compensation	2,998	1,772
<b>Total Deferred tax liabilities</b>	<b>-</b>	<b>-</b>

(\*) Deferred tax assets and liabilities were calculated based on tax rates in effect at their expected "reversal".

## NOTE 30 - EARNINGS PER SHARE

Share profits are calculated, according to IAS 33, dividing the net results by the average number of shares in circulation during the year.

(amounts in thousands of Euro)	2022	2021
Net result	(180,653)	(102,901)
<b>Earnings/(loss) per share (Euro unit)</b>	<b>(0.938)</b>	<b>(0.442)</b>
Number of ordinary shares	192,500,949	232,834,000

Options, warrants or equivalent financial instruments on "potential" ordinary shares with diluting effects were not posted in 2022 and 2021.

## NOTE 31 - INFORMATION ON THE STATEMENT OF CASH FLOWS

### 31.1 - Changes to net working capital

(amounts in thousands of Euro)	31/12/2022	31/12/2021
Inventory	(2,814)	(43,088)
Trade receivables	(13,528)	33,573
Receivables from others	22,992	(8,367)
Trade payables	16,251	29,265
Other payables	33,432	48,560
Other changes	--	(3,149)
<b>Total</b>	<b>56,333</b>	<b>56,794</b>

### 31.2 - Other changes from operating activities

Other general operating activities changes amounted to Euro (6,850) thousand, compared to Euro (3,055) thousand as of 31 December 2021, and consisted mainly of changes in current tax assets and liabilities and exchange rate effects accrued on assets and liabilities.



## OTHER INFORMATION

Following is information on the determination of "fair value"; as for information on the company, on **events after year end** and **foreseeable business outlook**, please see the "Report on Operations".

### INFORMATION ON THE DETERMINATION OF FAIR VALUE

Fair value is used to measure financial assets and liabilities if their amount is not reliably determinable.

For financial assets and liabilities listed in an active market, the fair value is determined with reference to market prices at the date of posting and/or subsequent measurement. Should an official market price not be available, the fair value is determined with reference to prices applied in the most recent financial asset or liability purchase, sale or extinction operations.

The fair value of receivables and payables of trade nature is identified with their book value, even in consideration of the fact that their maturity is generally short term and does not require, among others, the use of actualisation techniques.

### GUARANTEES GIVEN

#### Performance bonds

Itinera Spa has issued, through credit and insurance institutions, trade guarantees (trade finance), for a residual value as of 31 December 2022 of Euro 566.7 million, in favour of customers and to secure the proper execution of works (performance bonds), contractual advances (advance bonds), the release of retention bonds (retention bonds), and participation in tenders (bid bonds) as part of its ordinary operating and commercial activities.

Within the framework of the tender procedure for the concession of the management of the A21 and A5 motorway sections and of the Turin by-pass motorway system, as well as, limited to the safety enhancement of the existing infrastructure, the de-

sign, construction and management of the same, a bid bond was issued, on behalf of the grouping composed of, inter alia, SALT p.A., Itinera S.p.A., Euroimpianti S.p.A. and Sinelec S.p.A., pursuant to Article 93, paragraph 1 of Legislative Decree no. 50/2016, in favour of the Ministry of Sustainable Infrastructure and Mobility. Itinera's share amounts to Euro 4.2 million, which is included in the above total.

In addition, Itinera S.p.A. and ASTM S.p.A., the latter in its capacity as ultimate parent company, have both assumed an obligation to indemnify and have jointly provided guarantees, with respect to US insurance companies that support Halmar International LLC in the issuance of commercial bonds (bid bonds, performance bonds, etc.), in relation to the operational performance of the latter; in particular, Itinera S.p.A. has signed specific "Indemnity Agreements" for a total limit of USD 3,300 million (Euro 3,094 million at the exchange rate of 1.0666 at 31 December 2022) as of 31 December 2022; the underlying bonds issued on works currently in the portfolio and still to be executed amounted as of 31/12/2022 to USD 1,526 million (Euro 1,431 million at the exchange rate of 1.0666 at 31 December 2022).

#### Sureties and other guarantees for the granting of credit

Net of the liabilities already disclosed in the financial statements, as of 31 December 2022, Itinera Spa had issued pro-rata and non-joint and several corporate guarantees to financial institutions for credit granting and other commercial guarantees on behalf of subsidiaries of Euro 168.2 million (of which Euro 134.6 million for commercial credit facilities and Euro 33.6 million for financial credit facilities).

## FINANCIAL RISK MANAGEMENT

As per IFRS 7, please note that Itinera S.p.A., in ordinary business activities, is potentially exposed to the following financial risks:

- “market risk” represented by the risk that the value of assets and liabilities or future cash flows can fluctuate following market price changes that, in this case, can essentially concern the interest rate and foreign exchange rate;
- “liquidity risk” due to the lack of adequate financial resources to meet business activities and the repayment of undertaken liabilities;
- “credit risks” represented by both the risk of default in obligations undertaken by clients/customers and the risk associated with normal trade relations.

These risks are analysed - in detail - below:

### Market risk

With regard to the risk associated with interest rates, variations in the market levels of interest rates have an impact on the cost and yield of the various forms of funding and investment and thus have an impact on the total net financial charges.

Itinera S.p.A.’s strategy, also referring to subsidiaries, aims to limit the same by monitoring the respective market dynamics by duly appointed company departments which work closely with the parent company’s Central Financial Management to identify the optimal combination of fixed and variable rate loans and using - where this is deemed appropriate - specific hedging contracts.

Itinera S.p.A. is exposed to exchange rate risk deriving from various factors including (i) receipt and payment cash flows in different currencies (financial exchange risk); (ii) net investment of capital in subsidiaries with balance sheet currencies different from Euro (translation exchange risk); (iii) deposits and/or loans in currencies that are different to the financial statement currency (transaction exchange risk).

The duly appointed company departments work closely with ASTM Group’s Central Financial and pursue a policy of hedging risk associated with variations in exchange rates, using financial resources that are available on the market, and taking in consideration of the level of exposure of each contract and project risk.

As at 31 December 2022 no hedging transactions are in place for exchange rate.

### Liquidity risk

“Liquidity risk” represents the risk that the available financial resources may not be sufficient to meet obligations. This risk may emerge, substantially, from potential delay in obtaining collections from customers - from both the public and private sector - and any difficulties in obtaining funding supporting business at the right time and at conditions that are not unfavourable.

The main factors that determine the liquidity situation are, on the one hand, resources generated or absorbed by business and investments and, on the other, the debt maturity and renewal characteristics or liquidity of financial commitments and market conditions.

The strategy adopted consists in pursuing, as much as possible, financial autonomy in current contracts, combined with limiting indebtedness and maintaining financial equilibrium. On this topic, the Group believes that the generation of cash flows, combined with the diversification of funding resources and the current availability of lines of credit, satisfactorily guarantee the planned funding needs.

### Credit risk

Positions, if singularly significant, for which the objective condition of partial or total insolvency is found are subject to impairment. The amount of the impairment takes into account an estimate of recoverable flows and relevant collection date, future recovery charges and expenses as well as the value of sureties.

## CORPORATE BODY FEES

The fees due to Itinera S.p.A.'s corporate bodies are provided in the following table:

(amounts in thousands of Euro)	2022	2021	Change
Board of Directors	849	1,169	(320)
Board of Statutory Auditors	63	52	11
<b>Total</b>	<b>912</b>	<b>1,221</b>	<b>(309)</b>

## INDEPENDENT AUDITOR'S FEES

As per legal decree no.39 dated 27 January 2010, fees recognised to PricewaterhouseCoopers S.p.A. and the network companies are broken down below:

Tipologia dei servizi	2022
<b>Itinera S.p.A. - Auditing services</b>	
Audit of the financial statements, consolidated and bookkeeping verification and tax declarations	212
Mid-year report audit	58
<b>Branches - PwC network</b>	
Auditing and other services	91
<b>Total</b>	<b>361</b>

## DISCLOSURE REGARDING THE CORPORATE MANAGEMENT AND COORDINATION ACTIVITIES

The parent company ASTM S.p.A. exercises the management and coordination as per Italian Civil Code article 2497.

As per Civil Code article 2497-bis, paragraph 4, annex 3 is enclosed with these Notes including a statement that summarises the key data from the last approved financial statements of the parent company (as at 31 December 2021); this company also drafted the Consolidated Financial Statements on the same date.

For the adequate and complete comprehension of ASTM S.p.A.'s equity and financial situation as at 31 December 2021 as well as the economic results for the same year, please see the financial statements which, including the auditors' report, are available in the format and modes required by law.

## **INFORMATION ON INTRA-GROUP TRANSACTIONS AND WITH RELATED PARTIES**

Data, of equity and economic nature, concerning transactions during the year with subsidiaries, associated companies, parent companies and companies controlled by the latter, are summarised in the illustrative tables enclosed with this report (see annexes 4 and 5). Please note that these transactions were completed at normal market conditions and based on rules that ensure accountability as well as substantial and procedural correctness.

These data illustrate, also for the information purposes required by current article 2497 bis, paragraph 5, of the Civil Code, relations with the parent company ASTM S.p.A., who provides "direction and coordination" activities and with other companies subject to this activity.

## **AGREEMENTS NOT RESULTING FROM THE STATEMENT OF FINANCIAL POSITION**

The company did not sign any agreements not posted in the Statement of Financial Position that could have a significant impact on the company's equity and financial situation, as well as on their economic results.

## **INFORMATION ON THE COMPANY PREPARING THE CONSOLIDATED FINANCIAL STATEMENTS**

Please note that, due to that set forth in point 22 - quinques of art. 2427 of the Civil Code, the Consolidated Financial Statements of the largest group of companies in which the company is a subsidiary, is prepared by Aurelia S.r.l. with headquarters in Tortona (AL). A copy of the Consolidated Financial Statements is available at the Chamber of Commerce of Alessandria.

Please note that the company, in accordance with pertinent laws, voluntarily prepared the Consolidated Financial Statements (subjecting them to audit), referred to for an assessment of the Group's equity, economic and financial situation.

## **DISCLOSURE ON THE TRANSPARENCY OF PUBLIC PAYMENTS**

Pursuant to article 1 paragraphs 125-129 of law no. 124/2017, subsequently supplemented by the "Security" Law Decree (No. 113/2018) and the "Simplification" Law Decree (No. 135/2018) it should be noted that in the 2022 financial year, the amount of Euro 41,644.85 was collected by the company from the Customs Agency as a refund of excise duties on diesel fuel.

In relation to contributions to Law no. 160 of 27.12.2019 art.1("Industry 4.0 2020") and Law 178 of 30.12.2020 c.1051-1063 ("Industry 4.0 and Ordinary Assets"), it should be noted that during the year an amount equal to Euro 461,103.00 was used.

Lastly, it should be noted that during the financial year, the Company benefited from contributions under the title of "Tax Credit" of Euro 21,461.73 related to the urgent support measures in the energy sector and public finance of Decree-Law of 17 February 2022 no. 50 - ("Aid Decree") - Art. 2.

## **SIGNIFICANT EVENTS AFTER THE END OF THE YEAR**

After the end of the year, we have no significant events to report to you, with the exception of what has already been highlighted in the paragraph "Business outlook" in the "Report on operations" related to the health emergency.

## **DISCLOSURE PURSUANT TO ART. 2447- SEPTIES, ITALIAN CIVIL CODE**

Pursuant to art. 2447-septies of the Italian civil code, it should be noted that at 31 December 2022 there are no assets intended for specific business.

## **DISCLOSURE PURSUANT TO ART. 2447- DECIES, ITALIAN CIVIL CODE**

Pursuant to art. 2447-decies of the Italian civil code, it should be noted that at 31 December 2022 there are no loans intended for specific business.

## ANNEXES

- Annex no. 1 on changes in Equity Investments;
- Annex no. 2 containing the list of Shares held as at 31 December 2022;
- Annex no. 3 on key data from ASTM S.p.A.'s last approved financial statements (as at 31 December 2021), company who provides "direction and coordination" activities;
- Annex no. 4 relating to equity transactions with related parties;
- Annex no. 5 related to economic transactions with related parties.

## PROPOSALS FOR THE SHAREHOLDERS' MEETING

In view of the above, we invite the shareholders to approve the financial statements as presented, which show a loss for the year of Euro 180,652,516.37.

There is a loss coverage reserve - "Shareholders' payment to cover losses" in the total amount of Euro 179,432,857.37, which takes into account the utilisation to cover losses accrued during the financial year 2021 of Euro 102,900,555.11 approved at the extraordinary shareholders' meeting of 28 September 2022, which we propose to utilise in full to cover the loss for the year by transferring the remainder of the loss for the year, amounting to Euro 1,219,659.00, to the retained earnings reserve.

It is also proposed, for the purpose of a clearer presentation of the equity items in the financial statements, considering the occurrence of the conditions that had generated their formation, to allocate the Reserve for Changes in Criteria created in 2018, in the first-time application of IFRS 15, amounting to Euro - 11,341,621.79, and the Reserve for Capital Gains/Losses on Investments in Other Entities, in the application of IFRS 9, amounting to Euro 9,029,951.9, to the aforementioned retained earnings reserve.

We therefore request you to take suitable measures on that occasion.

Tortona, 16 March 2023

For the Board of Directors

The Chairman

Engineer Gianni Luciani

**ANNEX NO. 1 - ITINERA S.p.A.**

Statement of changes in Investments - Financial statements as at 31.12.2022 (Values expressed in thousands of Euro)

Description	Opening balance		Movements during the year					Closing balance			
	Book value	Revaluations and Write-downs	Opening balance	Acquisitions/ Increases	Adjustments	Decreases	Use of reserve	(Impairments)/ Reversals	Book value	Write-downs	Closing balance
A.C.I. S.c.p.A. - Consorzio Stabile											
Agognate S.c.a.r.l. in liq.	9		9						9		9
Biandrate S.c.a.r.l.	9		9						9		9
Cornigliano 2009 S.c.a.r.l.	10		10						10		10
Crispi S.c.a.r.l.	10		10						10		10
CRZ01 S.c.a.r.l.	6		6						6		6
Diga Alto Cedrino S.c.a.r.l.	40		40						40		40
Lambro S.c.a.r.l.	196		196						196		196
Lanzo S.c.a.r.l.	8		8						8		8
Itinera Construções Ltda	268		268						268		268
Itinera USA Corp	48,465		48,465	18,751					67,216		67,216
Marcallo S.c.a.r.l.	50		50						50		50
Mazzè S.c.a.r.l.	8		8						8		8
Ramonti S.c.a.r.l.	5		5						5		5
SAM S.p.A.	1,515	(1,515)		1,123			(623)		2,638	(2,138)	500
Sea Segnaletica Stradale S.p.A.	16,600		16,600						16,600		16,600
Sinerجية S.c.a.r.l.	10		10						10		10
Soc. di progetto Costruzioni del Tirreno S.p.A.	100		100	119,900					120,000		120,000
Storstroem bridge JV I/S	124,514	(124,514)		193,341				(193,341)	317,855	(317,855)	

Description	Opening balance			Movements during the year					Closing balance		
	Book value	Revaluations and Write-downs	Opening balance	Acquisitions/Increases	Adjustments	Decreases	Use of reserve	(Impairments)/Reversals	Book value	Write-downs	Closing balance
<b>1st PART</b>											
Taranto Logistica S.p.A.	12,350	(2,704)	9,646					(2,962)	12,350	(5,666)	6,684
Torre di Isola S.c.a r.l.	9		9						9		9
Tubosider SpA	11,953		11,953						11,953		11,953
Urbantech S.p.A.	941	(795)	146						941	(795)	146
<b>Total Subsidiaries</b>	<b>217,076</b>	<b>(129,528)</b>	<b>87,548</b>	<b>333,115</b>			<b>(623)</b>	<b>(196,303)</b>	<b>550,191</b>	<b>(326,454)</b>	<b>223,737</b>
Asci Logistik GmbH	16	(16)				(16)		16			
Aurea S.c.a r.l.	5		5						5		5
Cervit S.c.a r.l.	5		5						5		5
Cis Beton GmbH	16		16					(16)			
CMC Itinera JV scpa	49		49						49		49
Colmeto S.c.a r.l.	5		5						5		5
Consorzio Consilfer	28	(26)	3						28	(26)	3
Consorzio Costruttori TEEM	4		4						4		4
Consorzio Frasso Telesino	5		5						5		5
Eteria Società consortile per azioni S.c.p.A.	250		250						250		250
Federici Stirling Batco LLC *	19,182	(19,182)							19,182	(19,182)	
Fondo Valle S.c.a r.l. in liq.	6	(2)	4			(6)	2				
Formazza S.c.a.r.l.	2		2			(2)					
Frasso S.c.a .rl.	5		5						5		5
Grugliasco Scarl	5		5						5		5
Interconnessione S.c.a r.l.	5		5						5		5

Description	Opening balance		Movements during the year					Closing balance			
	Book value	Revaluations and Write-downs	Opening balance	Acquisitions/Increases	Adjustments	Decreases	Use of reserve	(Impairments)/Reversals	Book value	Write-downs	Closing balance
1st PART											
Letimbro S.c.a.r.l.	49	(49)							49	(49)	
Lissone S.c.a.r.l.	5	(5)							5	(5)	
Malco S.c.a.r.l.	5		5						5		5
Ponte Nord S.p.A.	834	(80)	754						834	(80)	754
San Donato Scarl	49		49						49		49
S.A.C. S.c.a.r.l. in liq.	4	(4)							4	(4)	
SP01 S.c.a.r.l.	4		4						4		4
Sistemi e Servizi S.c.a.r.l.	22	(7)	15			(22)	7				
Telese S.c.a.r.l.	5		5						5		5
Tessera S.c.a.r.l.	4		4						4		4
Tunnel Frejus S.c.ar.l.	25		25						25		25
<b>Total Jointly controlled and associate companies</b>	<b>20,593</b>	<b>(19,370)</b>	<b>1,223</b>			<b>(46)</b>	<b>9</b>		<b>20,531</b>	<b>(19,346)</b>	<b>1,185</b>

Description	Opening balance			Movements during the year				Closing balance		
	Book value	Write-down reserves	Opening balance	Acquisitions/Increases	Reclassifications	Decreases	Fair value adjustments	Book value	Write-downs	Closing balance
2nd PART										
Autostrada AT-CNS p.A.										
Euroimpianti S.p.A.	298		298					298		298
Soc. di progetto Autovia Padana S.p.A.	164		164					164		164
<b>Total Companies controlled by parent company</b>	<b>462</b>		<b>462</b>					<b>462</b>		<b>462</b>
Abesca Europe S.r.l.	261	(103)	158					261	(103)	158
AEDES SIIQ S.p.A.	1,897	(1,609)	288		(158)		363	1,739	(1,246)	493
Autostrade Centropadane S.p.A.	1,660	(263)	1,397				(11)	1,660	(274)	1,386
Daita S.c.a r.l.	8		8					8		8
M.N. Metropolitana Napoli S.p.A.										
M.N. 6 S.c.a r.l.	1		1					1		1
Passante Dorico S.p.A.	2,640	(28)	2,612				(5)	2,640	(33)	2,607
REstar SIIQ S.p.A.	11,736	(11,171)	566				(42)	11,736	(11,213)	524
S.I.CO.GEN. S.r.l.	140		140					140		140
Soc.Aut. Broni-Montara S.p.A	931	(137)	794				(16)	931	(153)	778
TRA.DE.C.I.V. Consorzio Triatta Determinante Città Vitale	4	(4)						4	(4)	
Tangenziale esterna S.p.A.										
<b>Total Others</b>	<b>19,278</b>	<b>(13,315)</b>	<b>5,963</b>		<b>(158)</b>		<b>289</b>	<b>19,120</b>	<b>(13,026)</b>	<b>6,094</b>
<b>Total</b>	<b>257,408</b>	<b>(162,213)</b>	<b>95,195</b>	<b>333,115</b>	<b>(204)</b>		<b>(196,014)</b>	<b>590,304</b>	<b>(358,826)</b>	<b>231,479</b>

Note: There is a joint control agreement with BATCO HOLDING S.A.L. for Federici Stirling Batco LLC.

**ANNEX NO. 2 - ITINERA S.p.A.**

List of shareholdings held as at 31.12.2022 (Values expressed in thousands of Euro)

Subsidiary	Type	Registered Office	Share capital	Number of shares	Net Equity	Last year's Result	Share held	Face Value of shares held	Net Equity Share	Net book value	Notes
Agognate S.c.a r.l. in liq.	Subsidiary	15057 Tortona (AL), Str.Priv.Ansaldi 8	10		10		94.9000%	9.49	9.49	9.49	
Biantrate S.c.a r.l. in liq.	Subsidiary	15057 Tortona (AL), Str.Priv.Ansaldi 8	10		10		94.9000%	9.49	9.49	9.49	
Cornigliano 2009 S.c.a. r.l.	Subsidiary	15057 Tortona (AL), Strada Statale per Alessandria 6/a	10		10		99.8000%	9.98	9.98	9.98	
Crispi S.c.a r.l. con socio unico in liq.	Subsidiary	15057 Tortona (AL), Strada Statale per Alessandria 6/a	10		10		100.0000%	10.00	10.00	10.00	
Crz01 S.c.a. r.l. in liq.	Subsidiary	15057 Tortona (AL), Strada Statale per Alessandria 6/a	10		10		100.0000%	10.00	10.00	5.58	
Diga Alto Cedrino S.c.a r.l.	Subsidiary	15057 Tortona (AL), Via Balustrà 15	50		50		80.0000%	40.00	40.00	40.00	
Itinera Construções Ltda	Subsidiary	San Paolo (BRASILE) - Vila Nova Conceicao	298	298	3,412	1,065	90.0000%	267.79	3,070.82	267.79	
Itinera USA Corp	Subsidiary	2140 S Dupont Highway Street, Camden Delaware	67,216		75,248	4,089	100.0000%	67,216.35	75,248.00	67,216.35	
Lambro S.c.a r.l.	Subsidiary	15057 Tortona (AL), Strada Statale per Alessandria 6/a	200		200		97.210%	194.42	194.42	196.33	
Lanzo S.c.a r.l.	Subsidiary	15057 Tortona (AL), Strada Statale per Alessandria 6/a	10		10		75.0000%	7.50	7.50	7.50	
Marcallo S.c.a r.l.	Subsidiary	15057 Tortona (AL), Strada Statale per Alessandria 6/a	50		50		100.0000%	50.00	50.00	50.00	
Mazzè S.c.a r.l.	Subsidiary	15057 Tortona (AL), Strada Statale per Alessandria 6/a	10		10		80.0000%	8.00	8.00	8.00	
Ramonti S.c.a r.l. in liq.	Subsidiary	15057 Tortona (AL), Strada Statale per Alessandria 6/a	10		10		51.0000%	5.10	5.10	5.10	
SAM Società Attività Marittime in liq.	Subsidiary	15057 Tortona (AL), Strada Statale per Alessandria 6/a	500	500	515	15	100.0000%	500.00	515.34	500.11	
SEA Segnaletica Stradale S.p.A.	Subsidiary	15057 Tortona (AL), Regione Ratto	500		26,859	4,829	100.0000%	500.00	26,858.69	16,600.00	
Sinergie S.c.a r.l. in liq.	Subsidiary	15057 Tortona (AL), Strada Statale per Alessandria 6/a	10		10		100.0000%	10.00	10.00	10.00	
Soc. di Progetto Concessioni del Tirreno S.p.A.	Subsidiary	15057 Tortona (AL), Strada Statale per Alessandria 6/a	120,000		120,000	94	100.0000%	120,000.00	120,000.00	120,000.00	
Storstroem bridge JV /S	Subsidiary	4760 Vordingborg (Denmark) - Færgegaardsvej 15 L				(193,405)	99.990%				
Taranto Logistica S.p.A.	Subsidiary	15057 Tortona (AL), Strada Statale per Alessandria 6/a	13,000	13,000	7,036	(3,117)	95.0000%	12,350.00	6,683.99	6,683.99	

Subsidiary	Type	Registered Office	Share capital	Number of shares	Net Equity	Last year's Result	Share held	Face Value of shares held	Net Equity Share	Net book value	Notes
Urbantech S.p.A.	Subsidiary	15057 Tortona (AL), Strada Statale per Alessandria 6/a	131	131	878	194	100.000%	130.91	877.66	146.05	
Torre di Isola S.c.a.r.l.	Subsidiary	15057 Tortona (AL), Strada Statale per Alessandria 6/a	10		10		99.900%	9.99	9.99	8.60	
Tubosider SpA	Subsidiary	14100 Asti AT, Corso Torino, 236	10,000	10,000	36,157	24,132	90.000%	9,000.00	32,541.69	11,953	
<b>Total subsidiaries</b>					<b>210,339.02</b>			<b>266,170.16</b>	<b>223,736.99</b>		
Aurea S.c.a.r.l.	Associated company	15057 Tortona (AL), Strada Statale per Alessandria 6/a	10		10		49.850%	4.99	4.99	4.99	
Cervit S.c.a.r.l.	Jointly controlled company	41012 Carpi - Via Carlo Marx, 101	10		10		51.000%	5.10	5.10	5.10	
CMC Itinera jv scpa	Associated company	48122 Ravenna, Via Trieste	100		100		49.000%	49.00	49.00	49.00	
Colmeto Scarl	Jointly controlled company	15057 Tortona (AL), Strada Statale per Alessandria 6/a	10		10		51.000%	5.10	5.10	5.10	
Consorzio Frasso Telesino	Associated company	43121 Parma - Via Anna Maria Adorni 1	15		15		33.000%	4.95	4.95	4.95	
Consorzio TEEM	Associated company	15057 Tortona (AL), Strada Statale per Alessandria 6/a	10		10		34.999%	3.50	3.50	3.50	
Consorzio CON.S.I.L.FER.	Associated company	Roma - Via Indonesia 100	5		5		50.000%	2.58	2.58	2.58	
ETERIA Consorzio Stabile Scarl	Associated company	Via Biscolati n. 76, Roma	550	550	550		45.455%	250.00	250.00	250.00	
Federici Stirling Batco LLC	Jointly controlled company	Muscat (Oman) - P.O. BOX 1179 ALATHAIBA, 130	2,169		(8,921)	6,075	49.000%	1,062.68	(4,371.38)	(1)	
Fondo Valle S.c.a.r.l. (in liq.)	Associated company	Tortona (AL) - Str. Priv. Ansaldi 8	10		10		39.330%	3.93	4.06	(4)	
Formazza S.c.a.r.l. in liq.	Associated company	15057 Tortona (AL), Str. Priv. Ansaldi, 8	10		10		33.333%	3.40	3.40	(4)	
Frasso S.c.a.r.l.	Associated company	43121 Parma - Via Anna Maria Adorni 1	10.2		15		33.000%	3.37	4.95	4.95	

Subsidiary	Type	Registered Office	Share capital	Number of shares	Net Equity	Last year's Result	Share held	Face Value of shares held	Net Equity Share	Net book value	Notes
Grugliasco Scarl	Associated company	15057 Tortona (AL), Strada Statale per Alessandria 6/a	10	10	10		49.900%	4.99	4.99	4.99	
Interconnessione S.c.a r.l.	Associated company	15057 Tortona (AL), Strada Statale per Alessandria 6/a	10		10		49.900%	4.99	4.99	4.99	
Letimbro S.c.ar.l.	Associated company	15057 Tortona (AL), Strada Statale per Alessandria 6/a	100		100		49.000%	49.00	49.00		
Lisone S.c.a r.l. in liq.	Associated company	20147 Milano, Via Marcello Nizzoli 4	10		(3)		50.000%	5.00	(1.65)		
Malco S.c.a r.l.	Associated company	36100 Vicenza - Viale dell'Industria 42	10		10		50.000%	5.00	5.00	5.00	
Ponte Nord S.p.A.	Associated company	43121 Parma - Via Anna Maria Adorni 1	1,667	17	1,508		50.000%	833.50	753.81	753.81	(1)
S.A.C. s.r.l. consortile (in liq.)	Associated company	Carini (PA) - S.S. 113 zona industriale	10		10		35.000%	3.62	3.62		
Sistemi e Servizi S.c.a r.l.	Associated company	15057 Tortona (AL), Str. Prov.Lomellina 3/13	100		100		22.000%	22.00	22.00		(4)
San Donato S.c.a r.l. in liq.	Associated company	15057 Tortona (AL), Strada Statale per Alessandria 6/a	100		100		49.000%	49.00	49.00	49.00	
SP01 S.c.a. rl.	Associated company	15057 Tortona (AL), Strada Statale per Alessandria 6/a	10	10	10		40.000%	4.00	4.00	4.00	
Telese S.c.a.rl.	Associated company	00195 Roma, Via Pietro Boisrieri 2/A	10		10		45.300%	4.53	4.53	4.53	
Tessera S.c.a r.l.	Associated company	15057 Tortona (AL), Strada Statale per Alessandria 6/a	10		10		39.240%	3.92	3.92	3.92	
Tunnel Frejus S.c.a r.l.	Associated company	15057 Tortona (AL), Strada Statale per Alessandria 6/a	50		50		50.000%	25.00	25.00	25.00	
<b>Total jointly controlled and associate companies</b>								<b>2,413.14</b>	<b>(3,105.54)</b>	<b>1,185.41</b>	
Autostrada AT-CN S.p.A.	Other	00187 Roma, Via XX Settembre 98/E	200,000	200,000	222,832	18,119	0.000%	0.10	0.11	0.10	(1)
Euroimpianti S.p.A.	Other	15057 Tortona (AL) - Via Balustra 15	5,000	5,000	20,230	1,300	5.000%	250.00	1,011.49	298.11	

Subsidiary	Type	Registered Office	Share capital	Number of shares	Net Equity	Last year's Result	Share held	Face Value of shares held	Net Equity Share	Net book value	Notes	
Autovia Padana S.p.A.	Other	15057 Tortona (AL), Str. Prov. Lomellina 3/13	163,700	163,700	206,691	9,720	0.100%	163.70	206.69	163.70		
<b>Total companies subject to parent company's control</b>												
Abesca Europe S.r.l.	Other	39100 Bolzano, Via Galileo Galilei 10	100	841	841	25	19.523%	19.52	164.17	158.07	(1)	
AEDES SIIQ S.p.A.	Other	20144 Milano, Via Tortona 37	221,623	280,607	278,377		0.705%	1,562.44	1,962.56	492.82	(3)	
Autostrade Centro Padane S.p.A.	Other	26100 Cremona - Località San Felice	30,000	3,000	84,973	(680)	1.631%	489.33	1,385.99	1,385.99	(1)	
Daita S.c.a r.l.	Other	93100 Caltanissetta, Via N. Colajanni 314/E	10	10	10		80.000%	8.26	8.26	8.26		
M.N. Metropolitana Napoli S.p.A.	Other	80142 Napoli Via Galileo Ferraris 101	3,655	7,311	27,232	(3,242)	0.000%	0.00	0.00	0.00	(1)	
M.N. 6 S.c.a r.l.	Other	80142 Napoli Via Galileo Ferraris 101	51	51	51		1.000%	0.51	0.51	0.51		
Passante Dorico S.p.A.	Other	20142 Milano, Via dei Missaglia n.97	24,000	24,000	23,699	(48)	11.000%	2,640.00	2,606.94	2,606.94	(1)	
Restart SIIQ S.p.A.	Other	20144 Milano, Via Tortona 37	5,000	31,980	5,000		5.296%	264.80	264.80	523.31	(3)	
S.I.CO.GEN. S.r.l.	Other	10156 Turin, Turin Strada della Cebrosa 86	260	260	10,744	5,805	15.000%	39.00	1,611.60	139.74		
Soc.Aut. Broni-Mortara S.p.A.	Other	20142 Milano, Via dei Missaglia n.97	28,903	28,903	24,166	(485)	3.220%	930.66	778.15	778.14	(1)	
Consorzio TR.A.D.E.C.I.V.	Other	90144 Napoli, Via G. Ferraris 101	156	156	156		0.0001%	0.00	0.00	0.00		
Tangenziale Esterna S.p.A.	Other	20124 Milano, Viale della Liberazione 18	464,945	464,945	281,682	(15,001)				0.10	(1)	
<b>Total other companies</b>												
Argentea Gestioni S.c.p.a	Other	25126 Brescia - Via Somalia 2/4	120	120	120		14.241%	17.09	17.09	17.09	(2)	
Soc. di Progetto BreBeMi S.p.A.	Other	25126 Brescia - Via Somalia 2/4	332,118	332,118	(175,815)	(37,183)	0.0000%	0.03	(0.02)	0.10	(1) - (2)	
<b>Total financial assets other than non-current assets</b>												
									<b>17.12</b>	<b>17.07</b>	<b>0.10</b>	
<b>Overall total</b>									<b>219,137.61</b>	<b>273,082.97</b>	<b>231,478.29</b>	

Notes:

(1) Financial statement data as at 31.12.2021

(2) shares were reclassified among class III) Financial non-current assets.

(3) Market listings as at 30 December 2022.

(4) Company liquidated, awaiting cancellation from the Business Registry.

**ANNEX NO. 3 - ASTM S.p.A. financial statements as at 31 December 2021, parent company exercising "direction and coordination"**

**STATEMENT OF FINANCIAL POSITION**

(amounts in thousands of Euro)	<b>31/12/2021</b>
Intangible assets	6
Tangible assets	6,821
Non-current financial assets	5,742,585
Deferred tax assets	5,542
<b>Total non-current assets</b>	<b>5,754,954</b>
Cash and cash equivalents	151,088
Other current assets	294,611
<b>Total current assets</b>	<b>445,699</b>
<b>TOTAL ASSETS</b>	<b>6,200,653</b>

**NET EQUITY AND LIABILITIES**

(amounts in thousands of Euro)	<b>31/12/2021</b>
Share capital	32,503
Retained earnings	797,670
<b>Total shareholders' equity</b>	<b>830,173</b>
Allocation to the bad debts provision and severance indemnity	6,092
Bank debt	799,581
Other financial liabilities	4,009,046
Deferred tax liabilities	935
<b>Total non-current liabilities</b>	<b>4,815,654</b>
Trade payables	11,901
Other payables	60,389
Bank debt	160,978
Other financial liabilities	263,265
Current tax liabilities	58,293
<b>Total current liabilities</b>	<b>554,826</b>
<b>TOTAL LIABILITIES AND NET EQUITY</b>	<b>6,200,653</b>

**INCOME STATEMENT**

(amounts in thousands of Euro)	<b>2021</b>
Financial income and charges	(3,276)
Value adjustments of financial assets	(1)
Other operating revenues	13,145
Other operating costs	(36,572)
Taxes	10,646
<b>Profit (loss) for the year</b>	<b>(16,058)</b>

**ANNEX NO. 4 - ITINERA S.p.A.**

Summary statement of Group equity transactions with related parties as at 31.12.2022 (Values in thousands of Euro)

Description	RECEIVABLES						PAYABLES				Total liabilities
	Rights of use	Financial receivables	Inventory works	Advances	Other receivables	Trade receivables	Total assets	Other payables	Net costs transfer	Trade payables	
Agognate S.c.a.r.l. in liquidation						4	4	4	(5)	44	39
Biandrate S.c.a.r.l. in liquidation		50				63	113		86		86
Cornigliano 2009 S.c.a. r.l.					265		265		95	115	210
Crispi S.c.a r.l. with sole shareholder in liquidation		50					50		14	22	36
CRZ01 S.c.ar.l. in liquidation					59		59		(158)	225	67
Diga Alto Cedrino S.c.a r.l.		110				2.596	2.706		2.321	153	2.474
Itinera Construcões LTDA						342	342				
Itinera USA Corp		75.005			674	2.956	78.635	2			2
Lambro S.c.a r.l.					30	3.657	3.687		3.188		3.188
Lanzo S.c.a r.l.		10.089				861	10.950	19	5.498	3.654	9.171
Marcallo S.c.ar.l.						82	82		(25)		(25)
Mazzè S.c.ar.l.		10				94	104		11		11
Ramonti S.c.a r.l. in liquidation		117				24	141		7	(31)	(24)
Sea Segnaletica Stradale S.p.A.	1.743				1	224	1.968	1.768		1.694	3.462
Sinergie S.c.a r.l. in liquidation		77					77		(127)	12	(115)
Società di Progetto Concessioni del Tirreno S.p.A.						185	185		89.925		89.925
Società Attività Marittime S.p.A. (SAM S.p.A.)					7	11	18			407	407
Storstroem Bridge JV I/S								95.246			95.246
Taranto Logistica S.p.A.						10	10	4			4

Description	RECEIVABLES							PAYABLES			
	Rights of use	Financial receivables	Inventory works	Advances	Other receivables	Trade receivables	Total assets	Other payables	Net costs transfer	Trade payables	Total liabilities
Torre di Isola S.c.a.r.l.									204	839	1,043
Tubosider S.p.A.					854	206	1,060			3,840	3,840
Urbantech S.p.A.					239		239			2,404	2,404
<b>Total subsidiaries</b>	<b>1,743</b>	<b>85,508</b>			<b>2,129</b>	<b>11,315</b>	<b>100,695</b>	<b>186,964</b>	<b>11,109</b>	<b>13,378</b>	<b>211,451</b>
Aurea S.c.a.r.l.			376		1	8,863	9,240		6,067	7	6,074
Cervit S.c.a.r.l.						2,016	2,016		4,533	2,205	6,738
CMC Itinera JV Scpa						23	23		23,613		23,613
Colmeto S.c.a.r.l.		944	3,902	(1,216)	7	1,237	4,874	28	2,341		2,369
Consorzio Cancellò Frasso Telesino			89,023	(73,037)		1,685	17,671		7,829	9,072	16,901
Consorzio Costruttori TEEM			(136)			865	729		2,385		2,385
Consorzio CON.SI.L.FER.										2	2
Eteria consorzio stabile S.c.ar.l.						450	450		948		948
Federici Stirling Batco LLC		6,313			38	2,379	8,730			2	2
Fondo Valle S.c.a.r.l. in liquidation					2		2				
Formazza S.c.a.r.l. in liquidation					1		1				
Frasso S.c.a.r.l.		18,667					18,667		2,804	6,858	9,662
Grugliasco Scarl			10,860	(5,674)		90	5,276	36	3,940	466	4,442
Interconnessione S.c.a.r.l.		973					973		48	13	61
Letimbro S.c.a.r.l.					18,434	7,584	26,018		18,345	169	18,514
Lissone S.c.a.r.l. in liquidation						14	14		5		5
Malco S.c.a.r.l.						936	936		2,510	(4)	2,506
Ponte Nord S.p.A.		135				1,050	1,185		375		375
Sistemi e Servizi S.c.a.r.l.					10		10				

Description	RECEIVABLES							PAYABLES			
	Rights of use	Financial receivables	Inventory works	Advances	Other receivables	Trade receivables	Total assets	Other payables	Net costs transfer	Trade payables	Total liabilities
SP01 S.c.a. r.l.						1,133	1,133	1	1,919	927	2,847
Telese S.c.a. r.l.			4,793	(2,894)		423	2,322		1,538	632	2,170
Tunnel Frejus S.c.a. r.l.					1	1,564	1,565		7	71	78
<b>Total associated companies</b>		<b>27,032</b>	<b>108,818</b>	<b>(82,821)</b>	<b>18,494</b>	<b>30,312</b>	<b>101,835</b>	<b>440</b>	<b>78,832</b>	<b>20,420</b>	<b>99,692</b>
ASTM S.p.A.					111,175	52	111,227	31,830		1,597	33,427
AURELIAS.r.l.								9,314		117	9,431
<b>Total parent companies</b>					<b>111,175</b>	<b>52</b>	<b>111,227</b>	<b>41,144</b>		<b>1,714</b>	<b>42,858</b>
Appia S.r.l.	191				(3)		188	195		310	505
Abesca Europa S.r.l.		72					72	11		5	16
A.C.I. S.c.p.a. - Consorzio Stabile		367	20,112	(19,307)	1	1,280	2,453	2,248	(175)	15	2,088
Argentea Gestioni S.C.p.A.						986	986		35	215	250
Augustas S.p.A.										1	1
Autostrada Asti-Cuneo S.p.A.	70		100,479	(97,249)		10,935	14,235	3,880		22,847	26,727
Autostrada dei Fiori S.p.A.			86,879	(65,428)	3,314	12,480	37,245	13,859		10,685	24,544
Autosped G SpA	71				5	1	77	67		7,689	7,756
Azeta S.R.L. in liquidation						152	152				
Baglietto S.p.A.						500	500			9	9
Consorzio Sintec											
Codelfa S.p.A.	124				10	190	324	126		14	140
Consorzio R.F.C.C. in liquidation						14	14				
Compagnia Porto di Civitavecchia S.p.A. in liquidation						4	4				
DAITA S.c.a r.l.					87		87		160		160
EcoRodovias Infrastruttura e Logistica SA						3	3				

Description	RECEIVABLES							PAYABLES			
	Rights of use	Financial receivables	Inventory works	Advances	Other receivables	Trade receivables	Total assets	Other payables	Net costs transfer	Trade payables	Total liabilities
Euroimpianti S.p.A.			460	(465)		1,286	1,281			3,723	3,723
ECS MEP Contractor I/S					1,694	271	1,965	818		1,031	1,849
FZA S.r.l.										73	73
G&A S.p.A.										98	98
Gale S.r.l.										2,300	2,300
Halmar International LLC						95	95				
Impresa Grassetto S.p.A. with sole shareholder in liquidation					3	16	19				
M.N. Metropolitana Napoli S.p.A.			8,410			24	8,434			10	10
Rivalta Terminal Europa S.p.A.						57	57				
RO.S.S. - Road Safety Services S.r.l.										5	5
SATAP S.p.A.			11,041	(216)	46,664	17,484	74,973			3,564	3,564
SINAS p.A.						928	928			831	831
Sinelec S.p.A.					14	832	846			2,228	2,228
SITAF S.p.A.			18			148	166			1,338	1,338
Sitalia S.p.A. Bruzolo						345	345	1			1
S.A.V. Società Autostrade Valdostane S.p.A.						1,814	1,814			1,852	1,852
S.A.L.T. Soc. Autostrada Ligure Toscana P.A.			12,515	(4,620)	6,799	5,258	19,952	7,281		9,159	16,440
Soc. di Progetto Autovia Padana S.p.A.			86,837	(76,438)	23	5,350	15,772	29,901		3,032	32,933
TESSERA S.C.A.R.L.		160				341	501		260	68	328
Autostrada Broni Mortara S.p.A.		619				68	687				
Tangenziale Esterna S.p.A.								2,525			2,525
ATIVA S.p.A.						32	32				

Description	RECEIVABLES							PAYABLES				Total liabilities
	Rights of use	Financial receivables	Inventory works	Advances	Other receivables	Trade receivables	Total assets	Other payables	Net costs transfer	Trade payables		
Si.Co.Gen. S.r.l.			137	(129)		66	74					
Sviluppo Cotorossi S.p.A.						1,163	1,163					
S.G.C. S.c.ar.l. in liquidation										6		6
Smart Mobility Systems s.c.a.r.l. (SMS S.C.A R.L.)						2	2					
Tecnositaf S.p.A.						132	132					
VETIVARIA S.r.l.										456		456
<b>Total Other associated parties</b>	<b>456</b>	<b>1,218</b>	<b>326,888</b>	<b>(263,852)</b>	<b>58,611</b>	<b>62,257</b>	<b>185,578</b>	<b>60,912</b>	<b>280</b>	<b>71,564</b>		<b>132,756</b>
<b>Total</b>	<b>2,199</b>	<b>113,758</b>	<b>435,706</b>	<b>(346,673)</b>	<b>190,409</b>	<b>103,936</b>	<b>499,335</b>	<b>289,460</b>	<b>90,221</b>	<b>107,076</b>		<b>486,757</b>

**ANNEX NO. 5 - ITINERA S.p.A.**

Summary statement of economic transactions with related parties - Financial Year 2022 (Values in thousands of Euro)

Company	Cost of production	Cost reversals	Financial expenses	Revenues for works	Other revenue	Financial income
ASTM S.p.A.	(457)				45	
<b>Total parent companies</b>	<b>(457)</b>				<b>45</b>	
Agognate S.c.a.r.l. in liquidation	(5)					
Biandrate S.c.a.r.l. in liquidation	(5)					
Colmeto S.c.a.r.l.		(1,390)		1,319	322	
Cornigliano 2009 S.c.a. r.l.		2				
Crispi S.c.a. r.l. with sole shareholder in liquidation		(5)				
CRZ01 S.c.a.r.l. in liquidation		(4)				
Diga Alto Cedrino S.c.a. r.l.		(4)			5	2
Frasso S.c.a. r.l.	(14)	(15,047)			413	
Halmar International LLC					768	
Itinera USA Corp					222	4,732
Itinera Construções LTDA					491	
Lambro S.c.a. r.l.		(4)				
Lanzo S.c. a r.l.		(8,605)			668	
Marcallo S.c.a.r.l.		(4)				
Mazzè S.c.a.r.l.		(3)				
Ramonti S.c.a. r.l. in liquidation		(133)				
Società Attività Marittime S.p.A. (SAM S.p.A.)	(569)				10	
Sea Segnaletica Stradale S.p.A.	(1,839)		(64)		432	4,500
Sinergie S.c.a. r.l. in liquidation		(4)				
Soc. di Progetto Concessioni del Tirreno S.p.A.					200	

Company	Cost of production	Cost reversals	Financial expenses	Revenues for works	Other revenue	Financial income
Storstroem Bridge JV I/S	(224)				5,179	188
Taranto Logistica S.p.A.				3,187	30	97
Telese S.c.a.r.l.		(2,287)		2,223	1,289	
Torre di Isola S.c.a.r.l.		(41)		(10)	4	
Tubosider S.p.A.	(13,755)				889	18,005
Urbantech S.p.A.	(2,129)				25	
<b>Total subsidiaries</b>	<b>(18,530)</b>	<b>(27,539)</b>	<b>(64)</b>	<b>6,719</b>	<b>10,947</b>	<b>27,524</b>
Aurea S.c.a.r.l.	(7)	(6,067)		14,421	52	
Cervit S.c.a.r.l.	(12)	(7,032)			1,742	
CMC Itinera JV Scpa		(3,627)			133	
Consorzio Cancelli Frasso Telesino	(15)	(26,234)		26,484	324	
Consorzio Costruttori TEEM		(21)			19	
Eteria consorzio stabile S.c.ar.l.		(1,062)			482	
Federici Stirling Batco LLC			(1,373)			383
Grugliasco Scarl		(7,614)		10,860	1,463	
Interconnessione S.c.a.r.l.		(28)				
Letimbro S.c.a.r.l.		(10)				
Malco S.c.a.r.l.		(107)				
San Donato S.C.A.R.L.		144			2	
SP01 S.c.a.r.l.		(1,146)			80	
Tunnel Frejus S.c.a.r.l.		(38)			1,335	
<b>Total associated companies</b>	<b>(34)</b>	<b>(52,842)</b>	<b>(1,373)</b>	<b>51,765</b>	<b>5,632</b>	<b>383</b>

Company	Cost of production	Cost reversals	Financial expenses	Revenues for works	Other revenue	Financial income
Abesca Europa S.r.l.	(6)					
A.C.I. S.c.p.a. - Consorzio Stabile	(32)	40			209	
Appia S.r.l.	(121)		(4)			
Augustas S.p.A.	(1)					
Autostrada Asti-Cuneo S.p.A.	(224)		(3)	97,906		
Autostrada dei Fiori S.p.A.	(705)			79,643	904	
Autosped G SpA	(10,441)		(1)		2	
Baglietto S.p.A.					10	
Consorzio Sintec					7	
Codelfa S.p.A.	(286)		(2)	2	394	
ECS MEP Contractor I/S	(12,081)				237	
Euroimpianti S.p.A.	(4,569)			460	1,636	150
F2A S.r.l.	(2)				11	
G&A S.p.A.	(80)					
Gale S.r.l.	(3,690)					
Impresa Grassetto S.p.A. with sole shareholder in liquidation					50	
Rail Hub Europe S.p.A.					4	
SATAP S.p.A.	(505)			51,493		
SITAF S.p.A.	(1,334)			18	2	
SINA S.p.A.	(969)			102	1,373	
Sinelec S.p.A.	(6,390)				1,516	
S.A.V. Società Autostrade Valdostane S.p.A.	(6)			7,897		
S.A.I.T. Soc. Autostrada Ligure Toscana P.A.	(85)			22,906	1,262	
Soc. di Progetto Autovia Padana S.p.A.	(121)			57,891		

Company	Cost of production	Cost reversals	Financial expenses	Revenues for works	Other revenue	Financial income
TESSERA S.C.A.R.L.		(124)			4	
Autostrada Broni Mortara S.p.A.						17
Tangenziale Esterna S.p.A.	(1)					
Sitalfa S.p.A.					289	
M.N. Metropolitana Napoli S.p.A.	(1)					
VETIVARIA S.r.l.	(750)					
Si.Co.Gen. S.r.l.				(17)	258	202
<b>Total Other associated parties</b>	<b>(42,400)</b>	<b>(84)</b>	<b>(10)</b>	<b>318,301</b>	<b>8,168</b>	<b>369</b>
<b>Total</b>	<b>(61,421)</b>	<b>(80,465)</b>	<b>(1,447)</b>	<b>376,785</b>	<b>24,792</b>	<b>28,276</b>

# **INDEPENDENT AUDITOR'S REPORT**



**INDEPENDENT AUDITOR'S REPORT IN ACCORDANCE  
WITH ARTICLE 14 OF LEGISLATIVE DECREE NO. 39 OF 27  
JANUARY 2010**

**ITINERA SPA**

**FINANCIAL STATEMENTS AS OF 31 DECEMBER 2022**



## **Independent auditor's report**

*in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010*

To the Shareholders of  
Itinera SpA

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### **Report on the Audit of the Financial Statements**

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#### **Opinion**

We have audited the financial statements of Itinera SpA (the "Company"), which comprise the statement of financial position as of 31 December 2022, the income statement, the statement of comprehensive income, the statement of changes in shareholders' equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2022, and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of this report. We are independent of the Company pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements**

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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#### **PricewaterhouseCoopers SpA**

Sede legale: **Milano** 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Capitale Sociale Euro 6.890.000,00 I.v. C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 12979880155 Iscritta al n° 110644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 071 2132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 080 5640211 - **Bergamo** 24121 Largo Belotti 5 Tel. 035 229691 - **Bologna** 40126 Via Angelo Finelli 8 Tel. 051 6186211 - **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - **Catania** 95129 Corso Italia 302 Tel. 095 7532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 055 2482811 - **Genova** 16121 Piazza Piccopetra 9 Tel. 010 29041 - **Napoli** 80121 Via dei Mille 16 Tel. 081 36181 - **Padova** 35138 Via Vicenza 4 Tel. 049 873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091 349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521 275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 085 4545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06 570251 - **Torino** 10122 Corso Palestro 10 Tel. 011 556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461 237004 - **Treviso** 31100 Viale Fellissent 90 Tel. 0422 696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 040 3480781 - **Udine** 33100 Via Poscolle 43 Tel. 0432 25789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332 285039 - **Verona** 37135 Via Francia 21/C Tel. 045 8263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444 393311

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The directors are responsible for assessing the Company's ability to continue as a going concern and, in preparing the financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Company's financial reporting process.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised our professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;



- We evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

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### ***Report on Compliance with other Laws and Regulations***

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#### ***Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree No. 39/10***

The directors of Itinera SpA are responsible for preparing a report on operations of the Company as of 31 December 2022, including its consistency with the relevant financial statements and its compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to express an opinion on the consistency of the report on operations with the financial statements of Itinera SpA as of 31 December 2022 and on its compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations is consistent with the financial statements of Itinera SpA as of 31 December 2022 and is prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Turin, 3 April 2023

PricewaterhouseCoopers SpA

*Signed by*

Piero De Lorenzi  
(Partner)

*This report has been translated into English from the Italian original solely for the convenience of international readers.*



# **REPORT OF THE BOARD OF STATUTORY AUDITORS**

To the ITINERA S.p.A. Shareholders' Assembly

During the year closed as at 31 December 2022, the Board of Auditors carried out its auditing activity according to law, based on the Board of Auditors Code of Conduct recommended by the National Board of Accountants and Auditors.

This report gives you information precisely on such activity and the results achieved.

The current Board of Auditors was appointed by the shareholders' meeting on 28 April 2020 in compliance with the current legal, regulatory and statutory provisions and terminates its term with the shareholders' meeting for the approval of these financial statements.

The statutory audit assignment pursuant to Legislative Decree 39/2010 and article 165 of Legislative Decree 58/1998, is performed by the company PricewaterhouseCoopers S.p.A. as resolved by the Shareholders' Meeting of 28 April 2020 for the duration of three financial years and therefore ends with the meeting approving these financial statements.

The company prepares its financial statements according to the IAS/IFRS international accounting standards and, therefore, the financial statements were prepared - based on that defined by Legislative Decree no. 38, art. 3, paragraph 2, dated 28/02/2005 - in accordance with the International Financial Reporting Standards (IFRS) international accounting criteria issued by the International Accounting Standards Board (IASB) and approved by the European Commission.

It was made available to the Board of Auditors in accordance with the law.

The Board of Auditors, not being entrusted with statutory auditing, carried out the supervisory activities envisaged in Rule 3.8. of the "Code of Conduct for the Board of Auditors of Unlisted Companies" with regard to the financial statements, consisting of an overall summary control aimed at verifying that the financial statements had been correctly drawn up. Verification of compliance with accounting data is, in fact, the responsibility of the statutory auditor.

\* \* \*

In compliance with the provisions of art. 2429, paragraph 2, civil code, we report the following regarding the activities carried out and the conclusions we have reached.

In particular, we would like to inform you that:

***Supervisory activities pursuant to Art. 2403 and following, of the Italian Civil Code.***

- We monitored compliance with the law and the Articles of Association, as well as compliance with the principles of good governance and, in particular, the adequacy of the Company's organisational structure and its administrative and accounting system as well as their due operation.
- We attended the Shareholders' Meetings and the meetings of the Board of Directors, which were held in compliance with the statutory, legislative and regulatory provisions governing their operation and for which, based on the information available, we have no particular issues to report.
- We obtained from the delegated bodies, both at Board of Directors' meetings and during periodic audits, information on the general performance of operations and their foreseeable evolution, as well as on the most significant transactions, due to their size or characteristics, carried out by the Company, and with reference to said transactions, please refer to what is illustrated by the directors in the Report on Operations and in the introductory paragraph dedicated to "*Extraordinary Transactions*".
- In carrying out its activity, the Company is exposed to risks and uncertainties that may be of a general, financial nature or more closely related to the nature and specificity of the activity carried out (so-called operational risks) with respect to which reference is made to what is illustrated by the directors in the Report on Operations.
- We met the Board of Auditors of the parent company and no significant data or information emerged that should be highlighted in this report.
- We acquired information from the documents prepared in virtue of internal audit procedures and no significant data and information worthy of note in this report were revealed.
- We gained awareness of and monitored the suitability of the Company's organisational structure and its concrete operation, also by collecting information from the department managers and, in this respect, the Company stated that the strengthening process will continue, aimed at ensuring that the Group is able to meet the new needs, both in the technical and operational area, in particular by strengthening the management structures of both foreign and Italian orders and in the economic-financial area, to govern the management and control of administrative and financial processes.

- The Company has an Internal Audit and Compliance department with an appointed manager from whom we have acquired information and no relevant data and information has emerged that should be highlighted in this report.
- The company has adopted the “Organisation, Management and Control Model” pursuant to Legislative Decree n. 231/2001” and the progressive extension of the scope of application of Legislative Decree n. 231/2001 involves a process of ongoing maintenance and updating of the Model.
- The company promoted and updated the Code of Ethics and of Conduct with personnel and third parties and, more in general, adjusting it to business activities.
- The Board maintains continuous relations with the Supervisory Board, also thanks to the presence of a member of the same Board within the Supervisory Board;
- We reviewed the Supervisory Board's reports and no critical situations emerged concerning the correct implementation of the current organisational model worthy of note in this report.
- The Company has approved the Sustainability Report of Itinera and its consolidated subsidiaries in full reference to the financial year ended 31 December 2022. The document has been subjected to limited assurance (according to the criteria indicated by the ISAE 3000 Revised principle) by PricewaterhouseCoopers Business Services S.r.l.
- The Company approved the Guidelines for the evolution of its Internal Control and Risk Management System (ICRMS) in the areas of "Risk Appetite Framework", "General Risk Assessment", "Project & Portfolio Risk Management" and "Information Flows".
- We gained awareness of and monitored, insofar as we are competent to do so, the suitability and function of the administrative and accounting system, in addition to its suitability in providing a correct representation of management events, by means of obtaining information from the department managers, the individual in charge of the statutory audit and examining company documents. On this regard, we have no particular comments to make.
- We monitored the observance of the rules that regulate operations with associated parties and have no particular comments to make.
- The activities conducted by the individual assigned to statutory audit the accounts and meetings with their contact did not reveal significant data and information worthy of note in this report.
- During 2022, the Board of Auditors received no disputes pursuant to Civil Code ex article 2408.

- We made no reports to the Board of Directors pursuant to and for the purposes of Article 15 of Legislative Decree No. 118/2021 or Article 25-octies of Legislative Decree no. 14 of 12 January 2019. We received no reports from public creditors pursuant to and for the purposes of Article 25-novies of Legislative Decree 12 January 2019, No 14, or Article 30-sexies of Legislative Decree 6 November 2021, No 152, converted by Law No 233 of 29 December 2021, as amended.
- During the fiscal year, the Board of Auditors issued two opinions according to art. 2389, section 3 when proposing the granting of fees to the delegated bodies.
- During the year, the Board of Auditors also made its observations on the Company's interim economic, capital and financial position as at 30 June 2022 and on the proposals relating to the measures to be taken to strengthen the company and its finances set forth in the specific report prepared by the Directors for the extraordinary shareholders' meeting convened on 28 September 2022 with the following agenda "*Measures for the recapitalisation of the Company: proposal to cover the losses resulting from Itinera's balance sheet as at 30 June 2022 through the use of reserves, reduction of the share capital and simultaneous increase thereof, with related share regrouping operation. Related and consequent resolutions*".
- During the supervisory activities as described above, no other significant events emerged such as to be worthy of note in this Report.

***Remarks on the financial statements***

We have examined the trial balance sheet for the financial year ended as at 31 December 2022, which were made available to us within the terms pursuant to art. 2429 of the Italian Civil Code. We would therefore inform you of the following.

As we are not entrusted with the statutory audit of the accounts, we have monitored their general layout and their general compliance with the law with regards to their preparation and structure. On this regard, we confirm that the company prepares its financial statements according to IAS/IFRS international accounting standards.

Therefore, the financial statements were prepared - based on that defined by Legislative Decree no. 38, art. 3, paragraph 2, dated 28/02/2005 - in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and approved by the European Commission.

We have verified compliance of the financial statements with the facts and information of which we are aware and following completion of our duties, we have no comments to make.

In particular, the explanatory notes to the financial statements, in addition to the specific indications provided for by the regulations on the preparation of the financial statements, provide

the information deemed appropriate to represent the equity, financial and economic situation of the Company.

We have verified compliance with the provisions of law concerning the report on operations. On this regard, we have no particular comments to make.

We have verified the fulfilment of the information obligation relating to the subsidies and contributions received from Public Administration Bodies of the Italian State and / or from public associated Companies, pursuant to art. 1, par. 125, L. 124/17.

PricewaterhouseCoopers SpA. auditing firm, assigned to statutory audit of the accounts, issued on 03 April 2023 the report as per art. 14 of Legislative Decree 27/01/2010, no. 39 on financial statements; the same does not contain remarks, findings or informative notes.

***Remarks and proposals regarding the approval of the financial statements***

Considering also the results of the activity carried out by the entity in charge of the legal audit of the accounts and acknowledging the shareholders' resolutions adopted during the extraordinary shareholders' meeting held on 28 September 2022, the Board of Auditors believes that the financial statements for the year ended 31 December 2022, as prepared by the Directors, are open to your approval, together with the proposal contained therein concerning the allocation of the operating result.

Finally, we would like to remind you that with the approval of the Financial Statements that are the subject of this report, our term of office will come to an end; thanking you for the trust you have placed in us, we invite you to resolve on this matter.

Tortona, 03 April 2023

This report is unanimously approved and digitally signed by the Chairman of the Board of Auditors on behalf of the Board itself.

**The Board of Auditors**

*Mr. BO Andrea*

*(Chairman)*

*Mr. TROTTER Massimo*

*(Standing Auditor)*

*Mr. CODA Roberto*

*(Standing Auditor)*





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