

# FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2020

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ITINERA





# FINANCIAL STATEMENTS AS AT **31 DECEMBER 2020**

Share Capital Euro 86,836,594 fully paid-in  
Registered offices in Tortona (AL) - Via M. Balustra n. 15  
Tax code, VAT number and Business Registry of  
Alessandria number: 01668980061  
Direction and coordination: ASTM S.p.A.

# TABLE OF CONTENTS

## 01

### 3 GENERAL INFORMATION

- 5 General information
- 6 Introductory considerations
- 8 Summary statements - Economic and equity consolidated figures
- 10 Summary statements - Economic and equity statutory figures

## 02

### 13 REPORT ON OPERATIONS

- 14 General information
- 15 Itinera Group business and composition
- 18 Business trends in 2020
- 20 Covid-19 pandemic
- 21 Economic, equity and financial situation analysis
- 29 Operating activities
- 30 Backlog and Acquisitions
- 32 Key ongoing projects
- 40 Commercial activities
- 43 Human resources and organisation
- 44 Environment, safety and quality
- 46 Risks and uncertainties
- 57 Main Group company business trends
- 66 Specific information required by regulations
- 68 Business outlook

## 03

### 71 ITINERA GROUP FINANCIAL STATEMENTS AS AT 31 DECEMBER 2020

- 72 Statement of Financial Position
- 74 Income Statement
- 75 Statement of comprehensive income
- 76 Statement of Cash flows
- 78 Statement of Changes in Shareholders' Equity
- 79 **Notes to the Group financial statements**
- 79 Basis of consolidation and accounting principles
- 97 Information on the Statement of Financial Position
- 127 Information on the Income Statement
- 140 Annexes
- 154 Report of the Board of Auditors on the Consolidated Financial Statements as of 31.12.2020
- 156 Independent Auditor's Report on the Consolidated Financial Statements as of 31.12.2020

## 04

### 163 ITINERA S.P.A. FINANCIAL STATEMENTS AS AT 31 DECEMBER 2020

- 164 Statement of Financial Position
- 166 Income Statement
- 167 Statement of comprehensive income
- 168 Statement of Cash flows
- 170 Statement of Changes in Shareholders' Equity
- 171 **Notes to the Group financial statement**
- 171 Accounting policies
- 183 Information on the Statement of Financial Position
- 211 Information on the Income Statement
- 225 Annexes
- 244 Report of the Board of Auditors to the Shareholders' Meeting
- 250 Independent Auditor's Report on the Financial Statements as of 31.12.2020

## 05

### 257 PROPOSALS FOR THE ASSEMBLY





# 01

## GENERAL INFORMATION

- 5** Members of the company bodies
- 6** Introductory considerations
- 8** Summary statements - Economic and equity consolidated figures
- 10** Summary statements - Economic and equity statutory figures



# MEMBERS OF THE COMPANY BODIES

## BOARD OF DIRECTORS

### Chairman

Rosario Fiumara

### Managing Director

Massimo Malvagna

### Directors

Giorgio Desideri

Giuseppe Gatto

Luca Pecchio

## BOARD OF STATUTORY AUDITORS

### Chairman

Andrea Bo

### Standing Auditors

Roberto Coda

Massimo Trotter

### Alternate Auditors

Fossati Daniele

Pietro Ratti

## INDEPENDENT AUDITORS

PricewaterhouseCoopers S.p.A.

## DURATION

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

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

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

## CORPORATE BODY POWERS

The **Chairman** and **Managing Director** hold the offices and exercise the rights concerning Company Management based on the resolution of the Ordinary Assembly and the Board of Directors dated 28 April 2020.

Dear Shareholders,

The financial statements for the year ended 31 December 2020, prepared in accordance with IAS/IFRS international accounting standards and comprising 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 Statement, and also accompanied by this Report on Operations, prepared pursuant to Civil Code art. 2428, are submitted for your approval.

## INTRODUCTORY CONSIDERATIONS

The **Group** continued its development during 2020, a period characterised by further growth in business volumes, with over 70% of production carried out abroad.

In fact, **revenues** amounted to Euro 1,129.6 million compared to Euro 985.2 million in 2019, with growth, despite the difficulties associated with the spread of the Covid-19 pandemic, of 15% compared to the previous year and the 78% compared to 2018; in particular, the trend on the US market is highlighted, where the **Halmar** Group achieved very positive results, with a turnover that reached 379.2 million, up 18% compared to 2019.

Among the most significant projects in which the Group participated during the year, the construction of the new surgical and emergency hospital centre at the San Raffaele Hospital in Milan and the design and construction of the Naples- Bari, Cancello-Frasso Telesino section **in Italy**, while **foreign contracts** include the construction of the Reem Mall and the Mina Tunnel in the United Arab Emirates, the construction of the bridge over the Okavango river in Botswana and the Satu Mare variant in Romania, the hospitals in Odense, Koge and the construction of the Storstroem Bridge in Denmark, the construction of the new Skurungund Bridge, in Sweden. Finally, the most significant projects developed by the subsidiary Halmar on the US market were the expansion of the Long Island Railroad (LIRR) in New York, the modernisation of the Kew Garden road junction in New York and the construction of the Potomac Yard railway station, in Washington.

In terms of **results**, certain events had a significant

impact on the 2020 data. In general, despite the represented overall increase in volumes, the COVID effect has in any case caused lower production compared to the work progress schedules, generating extra costs and lengthening times substantially in all the main construction sites, both in Italy and abroad; delays and related cost increases are in any case the subject of complaints and disputes with customers, even if contracts generally provide for the recognition of additional time, but not of the related additional costs.

In **Italy**, the slowdown in activities manifested itself with reduced volumes of approx. 14% compared to the same period of the previous year, generating a consequent decrease in margins. **Abroad**, however, despite the overall growth of volumes by approx. 32%, the increase was less than planned; the operational difficulties generated by the pandemic mainly affected sites in Denmark, Romania and Botswana, causing extra costs and lengthening schedules. In particular, on the **Storstroem** bridge project in Denmark where, in addition to the initial consequences originating from the entry of the Italian partners into a corporate crisis procedure, which generated great difficulties in finding not only the managerial resources with the necessary skills, but also deprived the construction site of the technical support and company know-how of the partners, during the current year, the aforementioned delays and higher costs related to the COVID-19 effect were added to the problems related to the design process, with consequent increases in the expected quantities with respect to what was prepared in the bid phase and delays in the preparation of the executive design; all this generated the need to re-

view both the final economic forecasts, with important additional losses recorded during the year, and the internal management organisation of the site.

Finally, with reference to the project in **Austria**, the customer Brenner Basistunnel BBT SE, with a provision communicated on 27 October 2020, ordered the termination of the contract for the works in which Itinera participates, through a joint operation ("JO"), as one of the principals, with a minority share. The Company believes that this termination was generated due to the contractual position assumed by the leader of the JO, to whom Itinera has constantly notified its disagreement regarding the contractual line taken, and to whom it has requested an arbitration judgement for the reimbursement of all damages, both economic and in reputation terms, resulting from this termination.

In the **sales** area, in line with the strategic plan, Itinera continues to support the parent company ASTM for participation in international tenders for PPP (Private Public Partnership); in particular, thanks to Itinera's references and technical-engineering know-how, and to the knowledge and supervision of international markets developed in recent years, the Group was able to participate in tenders for important projects. In particular, in Northern Europe, where in Norway it pre-qualified for the construction and concession of the RV555 Sotra Connection highway section, and in the USA, where the subsidiary Halmar, with the support of Itinera and in coordination with ASTM, submitted pre-qualifications for participation in tenders concerning the Conces-

sion of two highway sections in the states of Maryland and Georgia, and of a rail transport system in Miami, resulting pre-qualified in all projects; at the end of the year, the preliminary bid for the project in the state of Maryland was also submitted, but the selection made by the customer subsequently indicated a competing group.

It should also be noted that Itinera took part in the tenders both for the award of the concession of the A5-A21 highway sections, in temporary partnership with some companies of the ASTM group, and for the award of the concession of the A10-A12 highway sections, initiatives that will be awarded after the decisions of administrative courts.

In a context of growing complexity, Itinera continues its organisational strengthening project, to consolidate its presence on the domestic and international reference market, strengthening the management and control structures of the projects in progress, as well as the staff dedicated to following the possible initiatives in geographical areas of interest and the development of new bids.



## ITINERA GROUP KEY ECONOMIC AND EQUITY CONSOLIDATED FIGURES

During the 2020 financial year, the Group's **production** reached a consolidated level of 1,129.6 million Euro, posting an increase of around 144.4 million Euro (+14.7%) compared to 2019 (equal to Euro 985.2 million); 72% of the volumes were gained abroad (62% in 2019).

**EBITDA** is affected by the events already discussed in the Introductory Considerations and at consolidated level it dropped from Euro 34 million to Euro (3.9) million, consequently the Ebitda Margin falls from the positive 3.4% in 2019 to the current (0.3)%.

The **operating margin (EBIT)** is Euro (34.8) million (Euro + 7.1 million as at 31 December 2019), after amortisation and depreciation charges on intangible and tangible assets of Euro (28.2) million (Euro 18.2 million as at 31.12.2019) and setting aside provisions for risks of Euro (2.8) million (Euro 8.6 million as at 31.12.2019).

**Financial and share management** changed from Euro (6.7) million in 2019 to Euro (23.3) million in this year, due in particular to the results of the jointly controlled subsidiary FSB which, also following the results of the impairment test, generated a total loss of approx. (18) million, as a write-down of the equity investment and financial receivables from the same,

due to the significant worsening of expectations regarding a recovery of the local market.

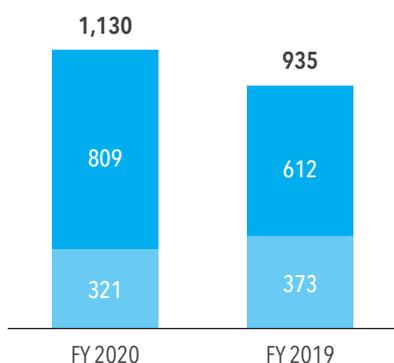
Lastly, the **net result** in the Overall Group and third party financial statements amounts to Euro (53.9) million, compared to the positive balance of Euro 1.0 million in 2019.

With regard to the Group's equity-financial structure, the **net financial position (NFP)** at 31 December 2020 shows a balance of Euro (125.8) million, against Euro (56.6) million in the previous year, and suffered from significant absorption of liquidity by operating assets (Euro 22.3 million), investment assets (Euro 23.9 million) and financial assets (Euro 30.7 million, which includes Euro 22.1 million related to investments through leasing contracts), partially offset by the liquidity deriving from the consolidation of Tubosider and its subsidiaries (Euro 7.7 million).

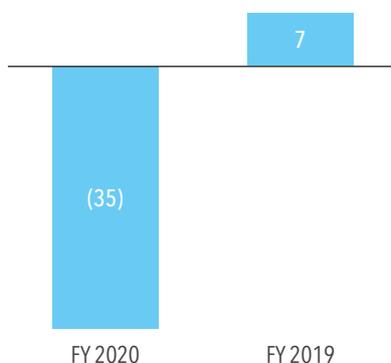
**Net equity** as at 31 December 2020 totalled Euro 161.9 million (Euro 234.4 million as at 31.12.2019).

The **order backlog** amounts to approximately Euro 3.7 billion, compared to Euro 4.4 billion at the end of 2019, and includes **new orders** for Euro 0.9 billion, affected by order cancellations of Euro 0.6 billion.

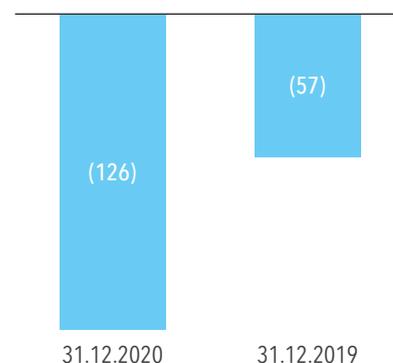
### ITINERA GROUP - REVENUES BY GEOGRAPHIC AREA



### ITINERA GROUP - EBIT



### ITINERA GROUP - NET FINANCIAL POSITION



● Italy ● Abroad

## SUMMARY STATEMENTS - ITINERA GROUP CONSOLIDATED INCOME STATEMENT FIGURES

(values in Euro/000)	2020	2019	Var.
Revenues	1,129,603	985,226	144,377
Operating costs	(1,133,461)	(951,270)	(182,191)
<b>EBITDA</b>	<b>(3,858)</b>	<b>33,956</b>	<b>(37,814)</b>
EBITDA (%)	-0.34%	3.45%	-26.19%
Amortisation and depreciation	(30,927)	(26,849)	(4,078)
<b>EBIT</b>	<b>(34,785)</b>	<b>7,107</b>	<b>(41,892)</b>
EBIT (%)	-3.08%	0.72%	-29.02%
Financial and investments management result	(23,322)	(6,736)	(16,586)
<b>Earnings before taxes</b>	<b>(58,107)</b>	<b>371</b>	<b>(58,478)</b>
Taxes	4,221	658	3,563
<b>Consolidated results</b>	<b>(53,886)</b>	<b>1,029</b>	<b>(54,915)</b>
Results pertaining to minority shareholders	16,617	7,559	9,058
<b>Group results</b>	<b>(70,503)</b>	<b>(6,530)</b>	<b>(63,973)</b>

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

(in Euro/000)	31/12/2020	31/12/2019	Var.
Intangible assets	43,237	46,152	(2,915)
Concessions - revertible assets	40,538	38,074	2,464
Tangible assets	135,120	120,599	14,521
Net non-current assets	218,895	204,825	14,070
Non-current assets (liabilities)	6,318	24,449	(18,131)
Tax assets and (liabilities)	20,866	10,201	10,665
Reserve for risks and charges, Severance	(17,748)	(18,051)	303
Working capital	59,463	69,601	(10,138)
<b>Net invested capital</b>	<b>287,794</b>	<b>291,025</b>	<b>(3,231)</b>
Shareholders' equity <sup>(*)</sup>	161,971	234,394	(72,423)
Net financial position	(125,823)	(56,631)	(69,192)
<b>Treasury and third party shares</b>	<b>287,794</b>	<b>291,025</b>	<b>(3,231)</b>

<sup>(\*)</sup>The change derives from the sum of the change in the conversion reserve (-14.2 million Euro) and the loss for the year (-53.9 million Euro), from the FV reserve (-Euro 1 million), the distribution of dividends from the American subsidiary (-Euro 3.7 million) and the change in the scope of consolidation (+ Euro 0.5 million).

## ITINERA S.P.A. KEY ECONOMIC AND EQUITY CONSOLIDATED FIGURES

During the 2020 financial year, the Parent company's **production** reached the amount of Euro 608.2 million, posting an increase of around 32.7 million Euro (+5.7%) compared to 2019 (equal to Euro 575.5 million); 56% of the volumes were gained abroad (39% in 2019).

**EBITDA** amounted to Euro (32.5) million (-5.3% of revenues), (Euro 17.9 million, 3.1% in 2019)

**EBIT** amounts to Euro (51.0) million (Euro (1.4) million as at 2019).

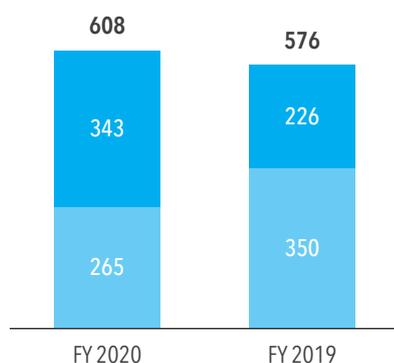
As regards the **net result**, negative of Euro (90.8) million (compared to (18.9) million in 2019), it should be noted that it includes an impairment of Euro (29) million related to the subsidiary Storstrom Bridge I/S. and an impairment of Euro (17) million related to the associated company Federici Stirling Batco.

The **net financial position** at 31 December 2020 was negative for Euro (114.9) million, compared to the negative balance of Euro (45.7) million at 31 December 2019, affected by a significant absorption of liquidity by operating assets (Euro 51.4 million), investments in tangible and intangible assets (Euro 0.6 million) and financial assets (Euro 17.2 million), which include new leasing contracts for Euro 17.3 million.

**Net equity** as at 31 December 2020 totalled Euro 102.2 million (Euro 197.9 million as at 31 December 2019).

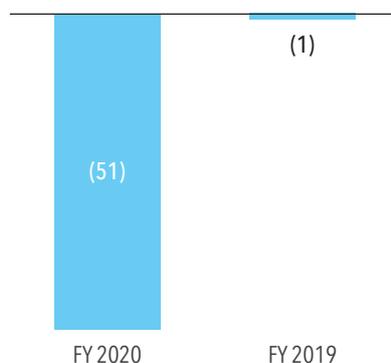
Finally, the total **order backlog** at year end was about Euro 2.9 billion.

**ITINERA SPA - REVENUES BY GEOGRAPHIC AREA**

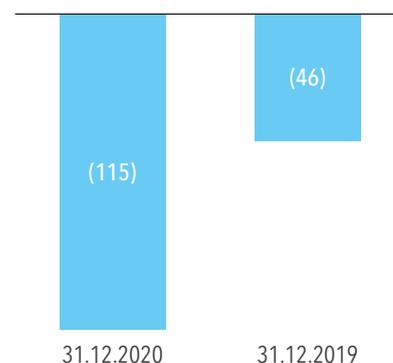


● Italy ● Abroad

**ITINERA SPA - EBIT**



**ITINERA SPA - NET FINANCIAL POSITION**



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

(values in Euro/000)	2020 ITINERA S.p.A.	2019 ITINERA S.p.A.	Var.
Revenues	608,211	575,521	32,690
Operating costs	(640,757)	(557,607)	(83,150)
<b>EBITDA</b>	<b>(32,546)</b>	<b>17,914</b>	<b>(50,460)</b>
EBITDA (%)	(5.35%)	3.11%	(154,36%)
Amortisation and depreciation	(18,524)	(19,352)	828
<b>EBIT</b>	<b>(51,070)</b>	<b>(1,438)</b>	<b>(49,632)</b>
EBIT (%)	(8.40%)	(0.25%)	(151,83%)
Financial and investments management result	(51,209)	(22,159)	(29,050)
<b>Earnings before taxes</b>	<b>(102,279)</b>	<b>(23,597)</b>	<b>(78,682)</b>
Taxes	11,457	4,725	6,732
<b>Year's result</b>	<b>(90,822)</b>	<b>(18,872)</b>	<b>(71,950)</b>

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

(valori in euro/000)	31.12.2020 ITINERA S.p.A	31.12.2019 ITINERA S.p.A	Var.
Net non-current assets	66,517	63,896	2,621
Non-current assets (liabilities)	113,336	114,373	(1,037)
Tax assets (liabilities)	20,170	6,858	13,312
Reserve for risks and charges, Severance	(66,334)	(38,946)	(27,388)
Working capital	83,337	97,423	(14,086)
<b>Total net invested capital</b>	<b>217,026</b>	<b>243,604</b>	<b>(26,578)</b>
Shareholders' equity	102,152	197,931	(95,779)
Net financial position	(114,875)	(45,673)	(69,202)
<b>Treasury and third party shares</b>	<b>217,027</b>	<b>243,604</b>	<b>(26,577)</b>





# 02

## REPORT ON OPERATIONS

- 14** General information
- 15** Itinera Group business and composition
- 18** Business trends in 2020
- 20** Covid -19 pandemic
- 21** Economic, equity and financial situation analysis
- 29** Operating activities
- 30** Backlog and Acquisitions
- 32** Key ongoing projects
- 40** Commercial activities
- 43** Human resources and organisation
- 44** Environment, safety and quality
- 46** Risks and uncertainties
- 57** Main Group company business trends
- 66** Specific information required by regulations
- 68** Business outlook



## 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, construction work, hospitals, shopping centres, bridges construction, maritime and underground works as their core business along with the sale of materials concerning this business now assuming a marginal role.

As at 31 December 2020, the main controlled entities of the parent company Itinera S.p.A., consolidated with the integral method, are Halmar International LLC (50% of share capital) and its subsidiaries, Itinera Construcoes Ltda (90% of share capital), Taranto Logistica S.p.A. (95% of share capital), Sea Segnaletica Stradale S.p.A (hereinafter also "SEA", 100% of share capital) and from this year Tubosider S.p.A. (90% of share capital).

### CHANGE IN SCOPE OF CONSOLIDATION

At 31 December 2018 Itinera S.p.A. held receivables from the subsidiary Tubosider S.p.A. for a total gross of Euro 11.8 million, which in 2019 it sold to the subsidiary Argo Finanziaria S.p.A. Following the financial reorganisation process undertaken in 2019 by Tubosider, the former reference shareholder, Ruscalla Group, the share had been reduced to 10% and Argo Finanziaria (a company wholly owned by Aurelia S.r.l., parent company of ASTM and Itinera S.p.A.) had subscribed a 90% stake in the new

share capital, after having agreed the contract for the assignment of the receivable from Tubosider with Itinera. The agreements signed also provided the subscription of a call option and a put option for which Itinera acquired the right to purchase Argo Finanziaria's share in Tubosider upon payment of the same 11.8 million Euro, plus any charges incurred by Argo Finanziaria S.p.A. to provide for the financial recovery of the subsidiary.

On July 27, 2020, Itinera purchased 9,000,000 ordinary shares in Tubosider S.p.A. from Argo Finanziaria S.p.A. which represent 90% of the share capital of Euro 10 million at a price of Euro 11.9 million. Moreover, Itinera took over a financial receivable of Argo Finanziaria from Tubosider S.p.A. worth Euro 9,1 million, which is the residual value of the restructuring of a bank debt in 2019.

The transaction represents an important investment opportunity for Itinera and the ASTM Group, taking into account (i) a recovery of the sector in which Tubosider operates, in particular with reference to the production and installation of safety barriers for the main infrastructure operators (ANAS, RFI, ASPI), as well as for the highway authorities belonging to the Group, and (ii) the reduced competitiveness of the sector, which now only includes 3-4 competitors.

Finally, it should be noted that the consolidation of Tubosider S.p.A. and its subsidiaries took place starting from 8 July 2020, the date from which the call and put options became exercisable.

## SCOPE OF CONSOLIDATION

Subsidiaries	Registered offices	% held	% Interests
A7 Barriere S.c. a r.l.	Tortona (AL) - St. Statale Alessandria 6/a	100.00%	100.00%
A.C.I. S.c.p.A. - Consorzio Stabile	Tortona (AL) - St. Statale Alessandria 6/a	98.15%	98.15%
Agognate S.c.a r.l. in liquidation	Tortona (AL), Strada Privata Ansaldi 8	96.90%	96.88%
Biandrate S.c.a r.l. in liquidation	Tortona (AL), Strada Privata Ansaldi 8	96.90%	96.88%
Carisio S.c.a r.l.	Tortona (AL) - Via Balustra 15	96.00%	96.00%
C.B.S. Srl	Via Palmieri, 29, 10138 Torino	80.00%	72.00%
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%
Impresa Costruzioni Milano Scarl in liquidation - I.CO.M.	Tortona (AL) - St. Statale Alessandria 6/a	93.00%	93.00%
I/S Storstroem Bridge	4760 Vordingborg (Denmark) - Brovejen 16	99.98%	99.98%
Itinera Construcoes Ltda	Vila Nova Conceicao Sao Paulo (Brazil)	90.00%	90.00%
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%	55.00%
Ponte Meier S.c.a.r.l.	Tortona (AL) - Località Passalacqua	51.00%	50.06%
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%
S.G.C. S.c.a.r.l. in liquidation	Tortona (AL) - Località Passalacqua	60.00%	58.89%
Sinergie S.c.a r.l. in liquidation	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%
Tubosider UK	3 EX St. Helens, Merseyside, 10 Sutton Fold Industrial Estate, UK	100.00%	90.00%
Tusbosider CSP Limited	3 EX St. Helens, Merseyside, 10 Sutton Fold Industrial Estate, UK	100.00%	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	100.00%	100.00%
Halmar International LLC	421 East Route 59 Nanuet, Ny 10954-2908	50.00%	50.00%

Subsidiaries	Registered offices	% held	% Interests
HIC Insurance Company Inc.	421 East Route 59 Nanuet, Ny 10954-2908	100.00%	50.00%
Halmar International Trucking Inc.	421 East Route 59 Nanuet, Ny 10954-2908	100.00%	50.00%
Halmar Transportation System Llc	421 East Route 59 Nanuet, Ny 10954-2908	100.00%	50.00%
Atlantic Coast Foundations Llc	421 East Route 59 Nanuet, Ny 10954-2908	70.00%	35.00%
Halmar International - LB Electric Llc	421 East Route 59 Nanuet, Ny 10954-2908	60.00%	30.00%
Halmar-A Servidone - B Anthony LLC	421 East Route 59 Nanuet, Ny 10954-2908	60.00%	30.00%
Potomac Yard Constructors JV	421 East Route 59 Nanuet, Ny 10954-2908	60.00%	30.00%
HINNS JV	421 East Route 59 Nanuet, Ny 10954-2908	50.00%	25.00%

Joint operations	Registered offices	% held	% Interests
3RD Track Constructors	810 Seventh Avenue 9th floor	23.00%	11.50%
Arge H 51	A110 Vienna, Absberggasse 47, Austria	44.99%	44.99%
Consortium Baixada Santista	Av Antonio Bernardo, 3951, Conj Residencial Hmaita, São Vicente/ Sp, Cep 11349-380	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)	50.00%	45.00%
MG-135 Consortium	Avenida Dom Pedro II, número 801, Bairro Centro, Município de Curvelo, Estado de Minas Gerais (MG)	50.00%	45.00%
Alcas da Ponte Consortium	Rua General Sampaio, 42, Sala 201, Caju, Rio De Janeiro/Rj, Cep 20931-050	50.00%	45.00%
CONSORCIO BR-050	Avenida José Severino, n. 3050, Lotamento Santa Terezinha Quadra 66 Citade de Catalo, Estado De Gois	50.00%	45.00%
I/S Koge Hospital	Ballerup, Industriparken 44 A CAP 2750, Denmark	80.00%	80.00%
I/S Odense Hospital	5000 Odense C (Denmark) - Kochsgade, 31D	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%
Consortio SP-070	Rua Coronel Gomes Nogueira, 211 - Centro, Taubaté - San Paolo, Brasile	50.00%	45.00%
Consultoria - ECO135	Av Dom Pedro II, 801, Centro, Curvelo/Mg, 35790-000	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	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	50.00%	45.00%

With regard to the variations that occurred in 2020, compared to 31 December 2019, we report the following main changes:

- acquisition of the majority share in Tubosider S.p.A. (90%), which took place on 27 July 2020;
- subscription of a 75% stake in the company Lanzo S.c.a.r.l.



# BUSINESS TRENDS IN 2020

## MACROECONOMIC SCENARIO

In 2020, the world economy experienced the shock due to the explosion of the Covid-19 pandemic. The health emergency and the related containment measures have generated a global recession, which has no historical precedent in terms of breadth and spread and with respect to which the recovery scenarios are very uncertain.

World GDP in 2020 recorded a strong contraction, with heterogeneous trends between the different countries: in October the forecast was for a decline of (4.4%), which in the final balance stopped at -3.5%, almost a percentage point less.

Currently, the world economy<sup>1</sup> is expected to rebound in 2021; in the update of the World Economic Outlook, the IMF estimates that the global economy will return to growth by 5.5% in 2021, and then settle at 4.2% in 2022.

Growth will be generalised to all major economies, from the US to China to the countries of the European Union, but such scenarios are subject to an exceptionally high degree of uncertainty.

The pandemic may also contribute to progressively increasing the role of the internal market in the various countries and in the neighbouring macro-areas. Various risk factors still remain, not only closely linked to the evolution of the health emergency and progress in the efficacy of vaccines and treatments, but also to the resilience of economic systems and further factors of geo-economic uncertainty (e.g. US-China tensions and Brexit).

To return to pre-pandemic levels, it takes time: even with the recovery, the “output gaps” are not expected to close until after 2022. Inflation will remain very low, below the targets set by central banks in advanced economies (around 1.5%) and below the historical average in emerging markets (just over 4%).

**China**, thanks to the growth of the industry, will be the only major economy to close the year with

a positive sign, albeit at a much lower rate than pre-Covid expectations.

At the end of 2022, according to the IMF, China could miss the pre-Covid forecast GDP growth by about 1.5%; having already restarted at the end of 2020 (+ 6.5% GDP in the fourth quarter), despite the pandemic and the tensions with Trump’s US, it will be the only large economy to save itself from recession in 2020, with estimated 2.3% growth by the IMF, followed by an acceleration of 8.1% in 2021.

Among other high-income economies, in general, the overall effect of the pandemic in the **United States** was less than in Europe, despite the significant number of infections.

The **United States** limited the damage in 2020, with a 3.4% contraction of GDP, thanks to the support measures launched and the fiscal and monetary stimulus (higher than that activated during the 2008 crisis) which strongly supported domestic spending. The measures taken previously will now be joined by the economic plan of the Biden Administration.

Preliminary estimates show that the planned \$ 1,900 trillion package could boost GDP by 5% over the next three years, with a 1.25% boost as early as 2021.

As for the **Eurozone**, 2020 is expected to close with a 7.2% drop in GDP; in 2021 the recovery will stop at 4.2%. Between the return of the infections and the lock down, according to the IMF, economic activity weakened at the end of 2020, with effects that will drag on into 2021, even if many expectations are obviously placed in the Next Generation EU program.

The Eurozone will only return to activity levels at the end of 2019 in 2022.

With regard to **Italy**, the crisis caused by the health emergency has affected the economy in a phase already characterised by prolonged weakness: after the gradual acceleration of the 2015-2017 three-

<sup>1</sup> Report World Economic Outlook dated 22 January 2021

year period, the recovery of GDP had, in fact, weakened considerably, giving way to an almost stagnant business trend.

In 2019, GDP had grown by just 0.3%, still failing, unlike many other European countries, to recover the pre-crisis levels of 2007. Compared to 12 years ago, in fact, the levels of economic activity were still 3.8% lower; on the contrary, for example, of France, which grew by 11.6%, and Germany, which rose by 15.2%.

With the outbreak of the pandemic and after the months of total lock down (the first half of 2020 closed with a significant drop in Italian GDP of 11.8%), the macro-economic scenario that was emerging seemed to herald a more extensive rebound, with the third quarter of 2020 which had recorded growth beyond expectations and which seemed to start a path of recovery.

However, the last months of 2020, with the onset of the second epidemic wave, radically changed the economic scenario, prompting the government to adopt new restrictive measures.

A phase has thus opened in which uncertainty returns to affect the economic trend and, in the coming months, much will depend on the duration and intensity of the restrictive measures implemented by the Government to combat the health crisis.

For Italy, 2021 could be a two-sided year, with downside risks in the first half and an upward trend in the second half of the year. Either way, it will take years to recover pre-COVID-19 business levels.

The International Monetary Fund's recent forecasts indicate weak 3.0% growth of the Italian GDP for 2021, after the substantial fall of 9.2% recorded in 2020.

For the construction sector, already severely hit by a crisis that has never fully ended since 2008, the difference to be bridged between the production levels of 2008 and those of 2019 remains large (equal to -35%).

The public sector experienced investment growth of 1.1% for 2020, compared to a forecast of 4.5%, while the estimate made by Ance for 2020 is a significant decline in investments in residential construction, equal to -10.1% in real terms compared to the previous year.

In any case, 2021 could mark a very important change of course for the construction sector if some important opportunities on the market can be seized and achieved.

Among these, an important opportunity for the future of the sector, which will be able to produce the first effects on production levels in the last part of 2021, is linked to the huge European resources of the Next Generation EU, and in particular of the Device for Recovery and Resilience (RFF), to be used for investments and reforms capable of increasing the country's production potential.

However, the impact of this program will depend on the ability to implement measures that are truly capable of accelerating the expenditure of available resources. This is 209 billion Euro, which reaches 224 billion Euro in consideration of the advance of 21.2 billion of resources from the Development and Cohesion Fund, to be used by 2026. 51% concerns interventions of direct interest to the construction sector (securing public and private assets, hydrogeological risk, infrastructures for mobility, social infrastructures, cities, etc.). On the basis of this evidence, investments in public works should grow in the five-year period 2021-2025 with significant rates of + 7.5% in 2021 and + 4.5% in 2022.

Ance expects, for 2021, a rebound of 8.6% of investments in residential construction, mainly driven by housing sector recovery and by a gradual recovery of activity in both the private and public non-residential sectors.

Analysing the individual sectors, with reference to investments in new housing, the forecast is for a limited rebound in production levels: + 3.5% compared to 2020, while for the private non-residential sector an increase in production levels of 5% is estimated.

In such a complex context, the strategic choice made by the Parent Company to diversify the geographic business markets, aimed at becoming a global player able to offer expertise in the design, construction, management and maintenance of highway infrastructures, hospitals and major works in general, will make it possible to take advantage of the various opportunities for growth.



## COVID-19 PANDEMIC

Faced with the spread of the Covid-19 pandemic and the consequent global health emergency, the Parent Company - in line with the directives of the national health authorities and of the countries in which it operates - adopted measures to prevent and contain contagions in the period under review so as to mitigate its impacts on all Group employees, both in Italy and abroad, and on the operation of their businesses.

In order to maintain constant control of the pandemic situation and its evolution, a crisis committee has been set up for the management of the emergency, with the aim of defining prevention measures, ensuring their application in all operational realities of the Group (offices and construction sites) and monitor its effectiveness; the committee also defined the guidelines, procedures and communication and training tools on the adoption of conduct to be adopted in the various phases of the pandemic, intended for all group employees, as well as third parties (suppliers, subcontractors, etc.).

In compliance with the directives established by the competent authorities in Italy and abroad, the necessary mechanisms have been adopted to protect health and safety in the workplaces, including: the distribution of suitable Personal Protective Equipment, an increase of disinfection activities in working environments and the adoption of suitable measures for guaranteeing social distancing during working activities. Furthermore, at the offices of the Italian and foreign offices, the management of activities in "remote working" mode was promoted, in order to ensure the containment of infections and the distances for the resources in attendance. This has entailed significant investments in technology in order to make "mobile workstations" available to employees with characteristics such as to satisfy operations and the possibility of holding meetings remotely, and a significant reduction in travel and business trips, except in cases of exceptional circumstances associated with needs that cannot be postponed.

Furthermore, the serious pandemic crisis and its impact on the operational activities of the orders were addressed through the management of contracts and the activation of the related clauses, while maintaining constant levels of performance and continuity of service by suppliers and sub-contractors, with the exception of the lock down period of the months of March and April 2020, in which almost all of the Italian sites suffered closures, in compliance with the limitations imposed by legal directives.



# GROUP ECONOMIC, EQUITY AND FINANCIAL SITUATION ANALYSIS

This chapter contains the reclassified income statement and balance sheet schedules and the structure of the net financial position; a brief comment is also provided to describe the main variations compared to the 2019 financial year with regard to economic data, and the financial statements as at 31 December 2019 for balance sheet data.

## GROUP ECONOMIC SITUATION

(values in Euro/000)	2020	2019	Var.
Revenues	1,129,603	985,226	144,377
Operating costs	(1,133,461)	(951,270)	(182,191)
<b>EBITDA</b>	<b>(3,858)</b>	<b>33,956</b>	<b>(37,814)</b>
EBITDA (%)	-0.34%	3.45%	-26.19%
Amortisation and depreciation	(30,927)	(26,849)	(4,078)
<b>EBIT</b>	<b>(34,785)</b>	<b>7,107</b>	<b>(41,892)</b>
EBIT (%)	-3.08%	0.72%	-29.02%
Financial and investments management result	(23,322)	(6,736)	(16,586)
<b>Earnings before taxes</b>	<b>(58,107)</b>	<b>371</b>	<b>(58,478)</b>
Taxes	4,221	658	3,563
<b>Consolidated results</b>	<b>(53,886)</b>	<b>1,029</b>	<b>(54,915)</b>
Results pertaining to minority shareholders	16,617	7,559	9,058
<b>Group results</b>	<b>(70,503)</b>	<b>(6,530)</b>	<b>(63,973)</b>

## REVENUES

**Revenues** posted a significant growth compared to the previous year (equal to + 14.7%), having increased from Euro 985.2 million in 2019 to the current Euro 1,130 million.

Foreign production amounted to Euro 808.7 million (72% of the total, compared to 62% in 2019), of which Euro 379.2 million related to the Halmar Group (up 18% compared to the 321.3 million in 2019) while an amount of Euro 320.9 million (28% of the total, compared to 38% in 2019) is made in Italy.

## OPERATING COSTS

**Operating costs** totalled Euro (1,133.4) million, with a 182.2 million Euro increase compared to the previous financial year (+19.1%).

The most significant variations involved costs for services, which went from Euro 601.3 to 710.9 million.

Payroll expenses amount to Euro 212 million compared to 170.5 million of the previous financial year - with an average number of employees of 2,721 as at 31 December 2020 (including 91 executives, 1,153 white-collar and 1,477 blue-collar workers), compared to 2,219 for the corresponding period in 2019 (including 85 executives, 875 white-collar and 1,259 blue-collar workers). The increase in staff costs is mainly attributable to Halmar International.



Costs for raw materials amounted to Euro 185.6 million compared to Euro 161.7 million in 2019.

Other costs amount to Euro 24.9 million compared to Euro 17.7 million in 2019 (represented by costs for the use of third part assets, contingent liabilities and other management charges).

Due to the above, the gross operating margin (EBITDA) amounts to Euro (3.8) million (Euro 34 million in 2019).

## AMORTISATION AND DEPRECIATION

**Amortisation, depreciation and provisions** as at 31 December 2020 totalled Euro 30.9 million (Euro 26.8 million as at 31 December 2019), with an increase of Euro 4.1 million.

In particular, amortisation, depreciation and write-downs amounted to a total of Euro 28.2 million compared to Euro 18.2 million at 31 December 2019; and refer for Euro 0.5 million to intangible assets (Euro 0.6 million at December 31, 2019), for Euro 25 million to tangible assets (Euro 17.6 million at December 31, 2019), for Euro 1.2 million to allocations to the provision for bad debts and for 1.3 million Euro to other write-downs of fixed assets.

The other provisions amount to Euro 2.8 million and relate to the higher charges to be incurred for interventions related to the disposal of materials, charges for the definition of the liquidation procedure of the associated company Nogara Mare and charges relating to existing discussions with the purchaser of the Arluno business branch.

## OPERATING MARGIN

The **operating margin (EBIT)** amounts to Euro (34.8) million (Euro 7.1 million as at 2019).

The worsening is mainly attributable to the performance of the Storstrom Bridge construction sites in Denmark and to those on the Okavango river in Botswana and the Satu Mare ring road in Romania: the problems derive both from extra costs and slowdowns deriving from the pandemic and from some worsening of management results, related to the progress of the works.

The negative results of these construction sites were only partially offset by the results of the Halmar Group, which achieved an operating margin of Euro 30.8 million (Euro 19.3 million in 2019).

## FINANCIAL AND SHARE MANAGEMENT

The **economic components** of the income statement highlight a negative balance of Euro 23.3 million, compared to Euro 6.7 million as at 31 December 2019, resulting from the sum of proceeds of Euro 2.5 million (in line with 2019) and charges of Euro 15.2 million (Euro 3.1 million as at 31.12.2019), and the pro-quota of the results of the subsidiaries for Euro 10.7 million (Euro 6.1 million as at 31.12.2019).

In particular, the proceeds include interest income on loans granted to non-consolidated companies (Euro 0.3 million), profits on forex (Euro 1.3 million) and other financial income (Euro 0.6 million).

Among the financial charges, amounting to Euro 15.2 million (Euro 3.2 million at 31 December 2019), we note the interest and charges accrued from the banking system for Euro (2.3) million (Euro (1.7) million at December 31, 2019), interest relating to financial and operating leasing contracts (Euro (0.6) million), foreign exchange losses (Euro (4) million) mainly related to the conversion of foreign currency loans and other foreign currency items relating to branches and subsidiaries, and the write-down of financial receivables from the investee company FSB (Euro 7 million).

The item "Profit/losses for valuations using the equity method", which is equal to Euro (10.7) million (Euro (6.1) million as at 31.12.2019), relates in particular to the effects of the subsidiary companies that are valued using the equity method. The most significant amounts refer to the liquidation of Asta, an investment in a company operating in the utilities sector, which generated a loss of Euro (1.1) million, to Federici Stirling Batco (Euro (9.2) million), which account of the results of the impairment test, and to Mill Basin (Euro 0.5 million).

Below is a breakdown of the equity assessment of associated companies:

(amounts in thousands of Euro)	2020	2019	Var.
<b>Profits (losses) of companies accounted for by the equity method:</b>			
Europa Scarl	(1)		(1)
Lissone S.c.a.r.l. in liquidation	(5)		(5)
Asta S.p.A.	(1,129)	(106)	(1,023)
Ponte Nord S.p.A.			-
ASCI Logistik GmbH	(5)	5	(10)
CIS Beton GmbH	37	(37)	74
Federici Stirling Batco LLC	(9,157)	(519)	(8,638)
Letimbro		(804)	804
Sistemi e Servizi	(2)	(4)	2
Tuborus	149		149
Mill Basin Bridge Constructors LLC	(548)	(4,667)	4,119
<b>Total</b>	<b>(10,661)</b>	<b>(6,132)</b>	<b>(4,529)</b>

## INCOME TAXES

**Income taxes** post a positive value of Euro 4.2 million (Euro 0.6 million at 31.12.2019), deriving from the sum of current taxes for Euro (4.7) million, offset by the income deriving from joining the ASTM tax consolidation for Euro 6.9 million, from out of period income deriving from the lower 2019 tax burden compared to the amount set aside in the 2019 financial statements, for Euro 0.3 million, and from deferred tax liabilities for Euro 1.8 million.

The tax effect on the loss on the Storstroem Bridge was calculated on the basis of the Danish tax rules and on the basis of assumptions of future recoverability, as a result of which no additional deferred tax assets were recorded during the course of 2020.





## NET RESULT

Finally, the **net result** amounts to Euro (53.9) million (compared to Euro 1 million as at 31 December 2019). The profit attributable to minority interests amounted to Euro 16.6 million: the entities present in the United States mainly contributed to the result.

### Group equity-financial situation

The Group's Statement of Financial Position as at 31 December 2020 posts the following values:

(in Euro/000)	31/12/2020	31/12/2019	Var.
<i>Intangible assets</i>	43,237	46,152	(2,915)
<i>Concessions - revertible assets</i>	40,538	38,074	2,464
<i>Tangible assets</i>	135,120	120,599	14,521
Net non-current assets	218,895	204,825	14,070
Non-current assets (liabilities)	6,318	24,449	(18,131)
Tax assets and (liabilities)	20,866	10,201	10,665
Reserve for risks and charges, Severance	(17,748)	(18,051)	303
Working capital	59,463	69,601	(10,138)
<b>Net invested capital</b>	<b>287,794</b>	<b>291,025</b>	<b>(3,231)</b>
Shareholders' equity	161,971	234,394	(72,423)
Net financial position	(125,823)	(56,631)	(69,192)
<b>Treasury and third party shares</b>	<b>287,794</b>	<b>291,025</b>	<b>(3,231)</b>

**Net invested capital** for 2020 totalled Euro 287.8 million, with a 3.2 million Euro decrease compared to 2019. In particular:

**Net assets** amounted to 218.9 million, an increase of 14.5 million, include:

- *intangible assets* of Euro 43.2 million, down by Euro 2.9 million compared to the end of 2019, mainly due to the exchange effect (negative for Euro (3.4) million) on the goodwill of the Halmar Group, equal to USD 50 million;
- *revertible assets* of Euro 40.5 million, an increase of Euro 2.5 million compared to the end of 2019 (the change includes capitalised costs for the design activities of the Taranto port platform for Euro 8.7 million, net of contributions for Euro 6,2 million granted by the grantor, the Port Authority of the Port of Taranto (Autorità di Sistema Portuale del Mar Ionio - Porto di Taranto), to the subsidiary Taranto Logistica S.p.A.);

(amounts in thousands of Euro)	31st December 2020	31st December 2019	Var.
Buildings, plants, machinery and other assets	82,743	75,094	7,649
Investment property	4,261	4,393	(132)
Rights of use assets	48,116	41,112	7,004
<b>Total Tangible Assets</b>	<b>135,120</b>	<b>120,599</b>	<b>14,521</b>

- *tangible assets* totalled Euro 135.1 million (with a 14.5 million Euro increase compared to 31 December 2019). This change is due to:
  - The increase in property, plant, machinery and other assets of Euro 7.6 million, attributable in particular to the purchases and increases in the year of owned assets of Euro 14.2 million (mainly in the construction sites in Denmark for the Storstroem Bridge and in the Arab Emirates for the Reem Mall), as well as the disposals for Euro (1.4) million, the increases resulting from the change in the scope of consolidation given by the consolidation of Tubosider and its subsidiaries for Euro 7.4 million, the change in exchange rates for Euro (2.3) million and depreciation for Euro (10.4) million;
  - the growth in rights of use with application of the IFRS 16 principle, related to leasing contracts, which in 2020 increased by a total of Euro 7 million. The increase is attributable for Euro 20.2 million to the increase in former financial leases and Euro 9.3 million for former operating leases and for Euro 0.4 million due to the change in the scope of consolidation, partially offset by sales for Euro (7.7) million, from exchange rate changes for (0.5) million Euro and depreciation for (14.7) million Euro.

**Non-current assets and liabilities** for Euro 6.3 million (Euro 24.4 million at 31 December 2019) decreased by Euro 18.1 million.

Main variations are listed below:

- **Aedes SIIQ S.p.A. - Restart SIIQ S.p.A.:** (book value Euro 1,852 thousand at 31 December 2020 compared to Euro 2,902 thousand at 31 December 2019) the value of the shareholding in the financial statement was adjusted to the share price quotation as at 31 December 2020, i.e. Euro 0.631 per share and Euro 0.462 per share respectively, with a negative adjustment of Euro 1.1 thousand, which is offset in the shareholders' equity pursuant to IFRS 9;
- **Asta S.p.A.:** the book value at 31 December 2019 was equal to Euro 2,796 thousand, during the year the associate, which managed

equity investments operating in the utilities sector, sold all the subsidiaries, ending its business. The liquidation of the company had a negative economic effect of Euro 1.1 million.

- **Mil Basin Bridge Constructors LLC:** company 50% owned by Halmar International LLC, recorded in the consolidated financial statements of the Itinera Group at 31 December 2019 at a value of Euro 942 thousand, reduced by the pro-rata of the negative result achieved in the year equal to Euro 1,096 thousand (Halmar's share of Euro 548 thousand) and due to a negative exchange rate effect on the investment value equal to Euro 43 thousand. The investment value at 31 December 2020 is equal to 351 thousand Euro.
- **Federici Stirling Batco LLC:** the carrying amount of the company in the consolidated financial statements at 31 December 2019 was equal to Euro 9,687 thousand. As at 31 December 2020 the book value of the investment held in the jointly controlled company, following its evaluation using the equity method, has decreased due to the implementation of the pro-quota loss posted between 31 October 2019 (financial statement date available at the date of preparation of the 2019 consolidated financial statements) and 31 December 2019 and the pro-quota loss posted as of 31 October 2020, as posted in the Statement of Financial Position approved by the board of directors of the subsidiary on 12 March 2021, for a total of Euro 3.6 million. Moreover, the investment value has decreased due to the adjustment of the associated company's net equity at the 31 December 2020 exchange rate totalling Euro 0.5 million, offset by the group's net equity. The value of the share was subject to an impairment test that led to an additional 5.6 million Euro write-down to cancel the book value. Following the write-down of the book value of the investment, the negative impact on the consolidated financial statements is equal to Euro 9.2 million. In Itinera S.p.A.'s separate financial statements, on the other hand, the book value of the investment at 31 December 2019 was equal to Euro 10 million, therefore following the results of the impairment test it was fully

written down with a negative impact on the income statement of the same amount.

Furthermore, as a consequence of the results of the impairment test, the parent company wrote down part of the financial receivables for Euro 7 million. The economic impact of the impairment is aligned between the separate financial statements of Itinera S.p.A. and the consolidated financial statements.

- **Other medium/long-term payables and contractual liabilities** decreased by Euro 0.8 million. The reduction is attributable for Euro 6.2 million to the m/l term portion of contractual advances on works already started in the previous year, which amount to Euro 30.4 million (Euro 36.6 million at 31.12.2019). The item is also affected by the expansion of the scope of consolidation with the entry of the Tubosider Group for Euro 5.4 million relating to the mid-term portion of the fine against AGCM.

The change in **tax assets and liabilities** (Euro 20.9 million at 31 December 2020, compared to Euro 10.2 million at 31 December 2019) equal to Euro 10.7 million is due to the balance of the increase in deferred tax assets equal to Euro 5.6 million, the increase in tax receivables of Euro 3 million, as well as the increase in deferred tax liabilities for Euro 0.7 million and the decrease in tax payables for Euro 2.8 million.

**Provisions for risks and charges** posted a reduction of Euro 0.6 million. The main effects refer to (i) the consolidation of Tubosider and its subsidiaries for Euro 0.8 million, (ii) the use of the reserve for future liabilities for the costs incurred for interventions relating to the disposal of materials for Euro (3.9) million partially offset by the provision made during the year to meet additional charges for Euro 1.3 million, (iii) the allocation to miscellaneous provisions for Euro 1.8 million, (iv) the use of various provisions for Euro (0.6) million.

**Severance indemnity** posted a 0.3 million Euro increase.

**Working capital** posts a positive balance of Euro 59.5 million compared to the Euro 69.6 million balance posted in 2019 (- Euro 10.1 million). The variations, which are linked mainly to the increase in the volumes of business, involved:

(in Euro/000)	31/12/2020	31/12/2019	Var.
Inventories and contractual assets	366,073	265,971	100,102
Trade receivables	283,136	266,637	16,499
Other receivables	70,843	84,214	(13,371)
Trade payables	(390,352)	(308,307)	(82,045)
Other payables and contractual liabilities	(270,237)	(238,914)	(31,323)
<b>Working capital</b>	<b>59,463</b>	<b>69,601</b>	<b>(10,138)</b>

- the increase of *inventories and contractual assets* by a total of Euro 100.1 million for stocks of raw materials and work in progress. With particular reference to the latter, it should be noted that the most significant values refer to the Italian construction sites for the construction works of the new surgical centre of the San Raffaele Hospital, and the construction works of the Naples-Bari railway line (through the subsidiary Consorzio Frasso Telesino), while for foreign ones, the initiatives in the Arab Emirates (Reem Mall and Mina Tunnel), Kuwait, Romania, the construction of the Storstroem Bridge in Denmark and the works of the Halmar Group (the expansion of the Long Island Railroad (LIRR) to New York, the modernisation of the Kew Garden road junction in New York, the improvement of the Metro North Station in New York, the construction of the new subway station in Alexandria (Virginia)). For Euro 9.7 million, the increase refers to the change in the scope of consolidation (Tubosider and its subsidiaries).
- As regards *trade receivables*, the increase of Euro 16.5 million is mainly attributable to the construction sites in Denmark.

- *Other receivables* decreased by 13.4 Euro mainly due to the reduction in receivables for advances to suppliers which dropped from 24.6 million Euro at 31.12.2019 to 2.2 million Euro at 31.12.2020. The entry also includes accrued income and deferred expenses which increased by Euro 5.5 million, for a balance of Euro 11.6 million as at 31.12.2020 (Euro 6.1 million as at 31.12.2019). It should also be noted that at 31.12.2019 the item included an amount of Euro 11.8 thousand, attributable to receivables from Tubosider S.p.A. sold to Argo Finanziaria S.p.A.. Following the latter's acquisition of the equity investment and related loan in Tubosider S.p.A., Itinera S.p.A. used the amount in question to partially offset the amount due. Lastly, during the year, the item increased by Euro 6.7 million as a result of the receivable from the tax consolidator ASTM relating to the 2020 tax base as a result of joining the tax consolidation.
- the *trade payables* increased by 82 million, from a balance of Euro 308.3 million as at 31.12.2019, to Euro 390.3 million as at 31.12.2020, with the main increases attributable to the sites in Kuwait, Sweden, Denmark

and the Italian sites.

- the increase in *other payables and contractual liabilities*, equal to Euro 31.2 million, takes into account, in particular, the increase in advances and contractual liabilities for Euro 12.1 million and payables for cost reversals to consortium companies for Euro 10.7 million.

The **shareholders' equity** went from Euro 234.4 million to Euro 162.0 million with a decrease of Euro 72.4 million mainly due to the loss for the year of Euro 53.9 million, and the negative effects of the adjustment to the fair value of AEDES SIIQ S.p.A and Restart SIIQ S.p.A. (Euro 1 million), from the negative change in the reserve for foreign exchange conversion (Euro 14.3 million) mainly referring to the consolidation of the American subsidiaries (Euro 737 million), of Itinera Construcoes (Euro 1.7 million), and of the branches of Botswana (Euro 2.8 million) and the Emirates (Euro 1.3 million), the distribution of dividends to third parties (3.7 million) and the change in the scope of consolidation (Euro 0.5 million).

The Group's **net financial position** posted, as at 31 December 2020, a negative balance of Euro 125.8 million for an overall change of - Euro 69.2 million.

(in Euro/000)	31.12.2020	31.12.2019	Var.
Cash in bank accounts	141,283	137,071	4,212
Cash and valuables on hand	146	218	(72)
Short-term financial receivables	27,125	36,648	(9,523)
Short-term leasing payables	(15,862)	(13,660)	(2,202)
Short-term payables due to other lenders	(9,149)	(723)	(8,426)
Short-term bank debt	(220,944)	(132,767)	(88,177)
<b>Short-term net financial position</b>	<b>(77,401)</b>	<b>26,787</b>	<b>(104,188)</b>
Medium/long term financial receivables <sup>(1)</sup>	8,124	8,337	(213)
Medium/long term leasing liabilities	(30,024)	(28,079)	(1,945)
Medium/long term bank debt	(26,522)	(63,676)	37,154
<b>Total net financial position</b>	<b>(125,823)</b>	<b>(56,631)</b>	<b>(69,192)</b>

<sup>(1)</sup>The financial credit amounting to Euro 17.5 million (written down by Euro 7 million during the year) that was granted to Federici Stirling Batco LLC was not included in the net financial position as it was entirely or partially used to increase the subsidiary's equity.

Among the events that led to the negative change in the net financial position (equal to Euro (69.2 million)), the absorption of financial resources related to the development of operating assets for Euro 22.3 million (including 27 million of depreciation) mainly attributable to construction sites in Denmark, with particular reference to the Storstroem Bridge initiative, in Botswana, Romania and the United Arab Emirates, partly offset by the liquidity generated by the Halmar Group.

As regards investment assets, they absorbed resources for a total of Euro 23.9 million, mainly in Halmar, Storstroem and Itinera, while the financial assets had a negative impact on the net financial position for Euro 30.7 million (of which Euro (22.1) million relating to new leasing contracts net of early terminations, (4.8) million Euro relating to the exchange rate effect, (3.8 million) Euro relating to the distribution of dividends by the Halmar Group to third parties).

It should be noted that the cash absorption was partly offset by the liquidity deriving from the consolidation of Tubosider and its subsidiaries for Euro 7.7 million.

With regard to the composition of the **Net Financial Position**:

- *Short term financial receivables*, that mainly concern investment fund shares, decreased by Euro 9.5 million, for a total value as at 31 December 2020, of Euro 27.1 million (Euro 36.6 million as at 31 December 2019).
- *Short-term leasing liabilities* of Euro 15.9 million include:
  - a. financial liabilities of Euro 6.3 million (Euro 4.7 million as at 31 December 2019) deriving from the application of the IFRS 16 principle to leasing classified as ex operational;
  - b. financial liabilities of Euro 9.6 million (Euro 8.9 million as at 31 December 2019) relating to leasing classified as ex financial leases;
- *Payables to other short-term lenders* of Euro 9.1 million include:

- a. the minority interest in the financing of the Austrian Joint Operation (Euro 8.7 million)
- b. the minority interest in the financing of the subsidiary Partecipazione Roma Sud (Euro 0.4 million).
- *Short-term bank debt* of Euro 220.9 million include:
  - a. current account overdrafts and lines of credit of Euro 159.4 million (Euro 105.7 million as at 31 December 2019);
  - b. self-liquidating debts, represented by sums advanced on the collection of invoices for a value of Euro 16.1 million (Euro 7.3 million as at 31 December 2019);
  - c. Short-term loans for Euro 1.4 million (Euro 0.05 million as at 31 December 2019)
  - d. short term instalments of m/l term loans for a total of Euro 43.9 million (Euro 19.7 million at 31 December 2019).
- *Medium/long-term financial receivables* of Euro 8.1 million
- *Medium/long term leasing liabilities* of Euro 30 million include:
  - a. financial liabilities of Euro 7.5 million (Euro 8.4 million as at 31 December 2019) deriving from the application of the new IFRS 16 principle to leasing classified as ex operational;
  - b. financial liabilities of Euro 22.5 million (Euro 19.7 million as at 31 December 2019) relating to leasing classified as ex financial leases.
- *Medium/long term bank debt* include the medium/long-term portion of bank loans Euro 26.5 million (Euro 63.7 million as at 31 December 2019).

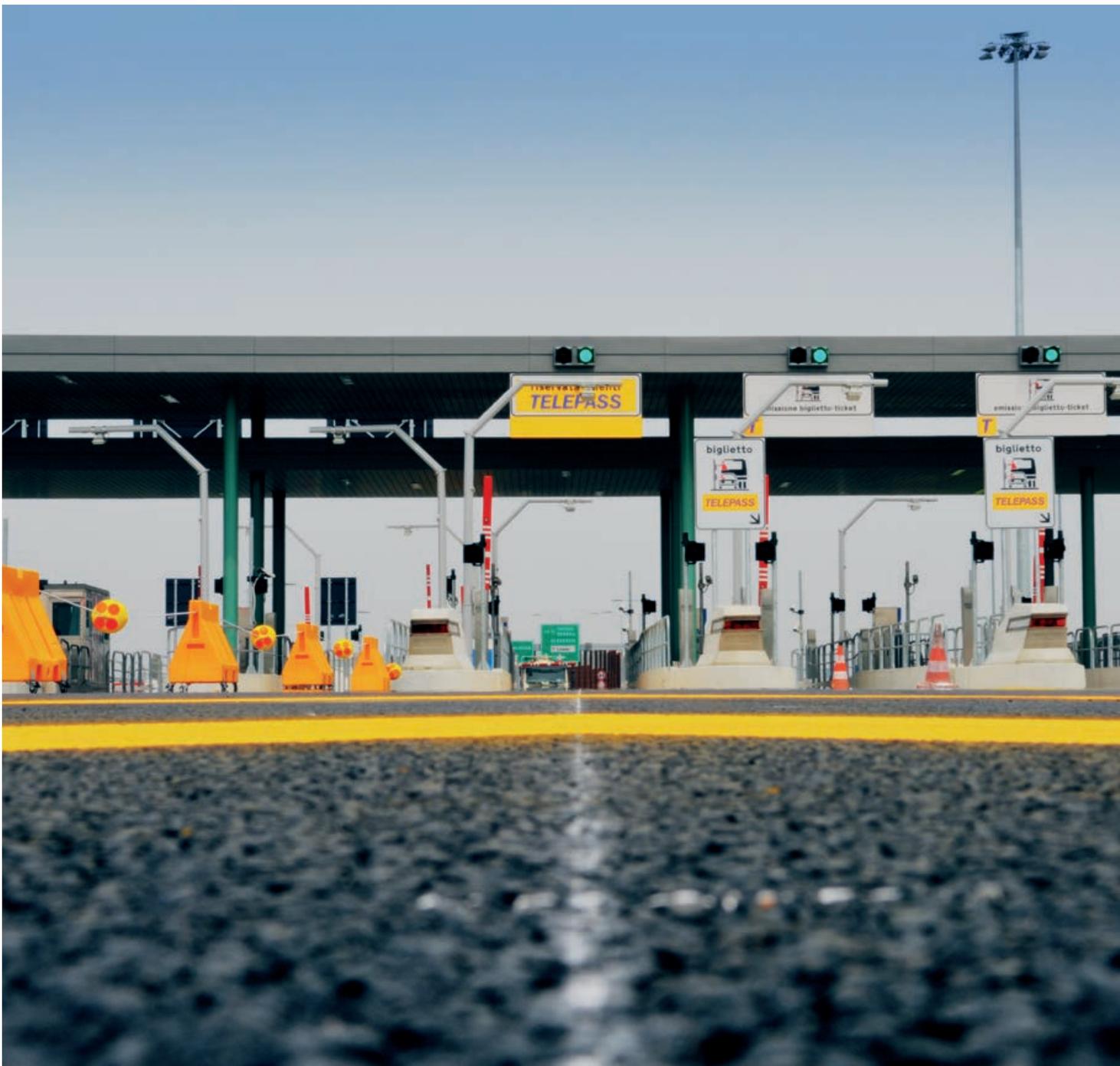
It should be noted that on 8 January 2021 Itinera S.p.A. signed a loan agreement with a leading Italian bank for Euro 30 million, half-yearly instalments, falling due on 31 December 2023 and at a variable interest rate.

## OPERATING ACTIVITIES

Itinera Group has now become a global player operating in various geographical areas around the world.

The foreign business action plan continued in 2020 (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), USA, Brazil, Gulf states (UAE, Kuwait, Saudi Arabia), Southern Africa (Botswana).

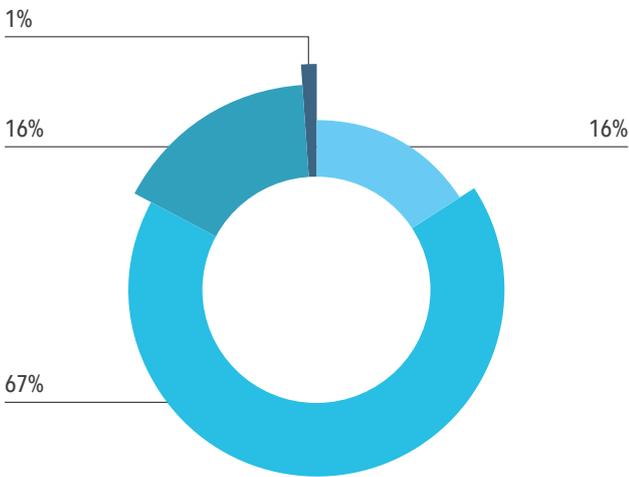


# BACKLOG AND ACQUISITIONS

The Group's backlog as at 31 December 2020, resulting from the update of the investment plans to which the individual interventions refer, amounts to approximately Euro 3.7 billion (resulting from the application of the exchange rates at 31 December 2020 for contracts expressed in currencies other than Euro). The change is affected by the increase attributable to new orders acquired for Euro 0.9 billion and the cancellations of orders equal to Euro 0.6 billion (consisting almost entirely of the works relating to the Brenner Pass, as a result of the communication of contractual termination of 27 October 2020 received from the Customer BBT SE).

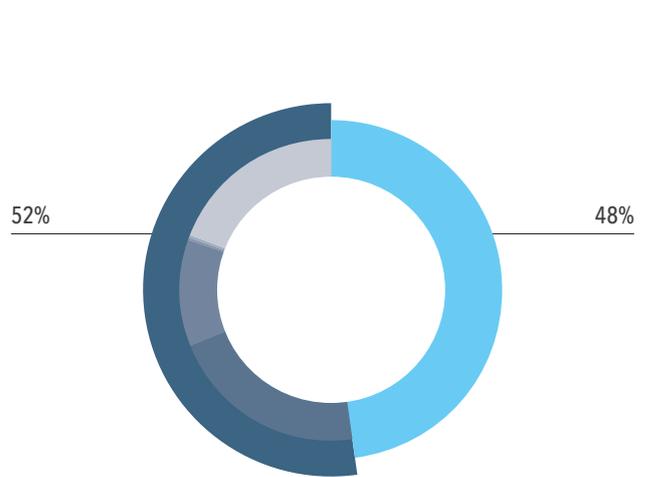
## ITINERA GROUP - BACKLOG

Type of works



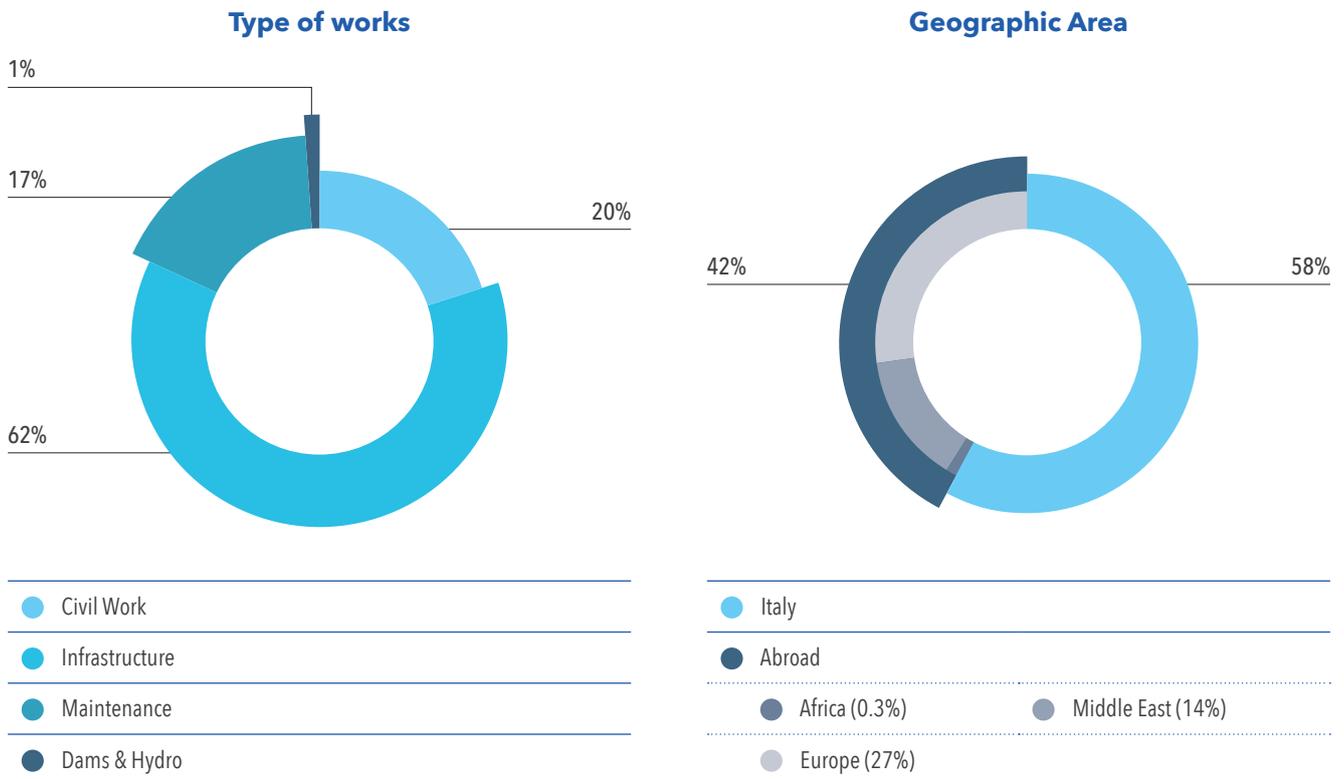
- Civil Work
- Infrastructure
- Maintenance
- Dams & Hydro

Geographic Area



- Italy
- Abroad
  - Europe (21.1%)
  - Middle East (11.3%)
  - Africa (0.2%)
  - Brazil (0.1%)
  - USA (19%)

## ITINERA S.P.A. - BACKLOG



The breakdown of the total current amount of the portfolio among the Group's **main companies** includes Euro 2.9 billion for the Group leader Itinera S.p.A., Euro 0.7 billion for Halmar International LLC, in addition to Euro 0.1 billion for Sea Segnaletica S.p.A. and Tubosider S.p.A..

As regards the breakdown of the backlog by **geographical area**, illustrated in the graphs above, the Italian quota represents 48% of the total for an equivalent value of Euro 1.8 billion (Euro 1.8 billion as at 31 December 2019), while the portion referring to abroad, equal to 52% of the total, is equivalent to Euro 1.9 billion (Euro 2.6 billion as at 31 December 2019).

The overall value of new order acquisitions during the course of the year amounts to approximately Euro 0.9 billion, including Euro 0.5 billion in Italy and Euro 0.4 billion abroad. Among the Italian acquisitions, the most significant relates to the executive design and construction works of the Naples-Bari railway line, Telesse San Lorenzo Vitulano (BN) section, while as regards foreign countries, the main acquisition concerns the Halmar Group which has been awarded a lot of the "Van Wyck Expressway" project in New York City for a value of USD 0.3 billion.

The breakdown of the backlog into categories of works to be carried out is as follows:

- road and railway infrastructures and hydraulic works: Euro 2,487 million (of which Euro 1,786 million relating to Itinera S.p.A.);
- civil construction: Euro 590 million (fully relating to Itinera S.p.A.)
- highway and other maintenance: Euro 581 million (Euro 477 million relating to Itinera S.p.A.);
- maritime works: Euro 22 million (fully relating to Itinera S.p.A.);

## KEY ONGOING PROJECTS

Below is a list of the main contracts and respective production values which the group has been operating on during the course of 2020:

### MAIN ITALIAN PROJECTS

#### Bisagno Genova Project

- Customer: Delegate Extraordinary Commissioner for hydrogeological risk mitigation interventions for the Liguria Region.
- The work was fully carried out by Itinera S.p.A.
- Work progress as at 31/12/2020: 80%
- Production for the year 2020: Euro 11.1 million



The work consists in carrying out the works relating to the functional recovery of the coverage of the terminal section of the Bisagno stream, with improvement of the flow conditions and urban reorganisation.

The activity carried out in 2020 concerned the construction of the structures in the riverbed (foundations, elevations) and the roof decks, the resolution of interference (gas, aqueduct, Enel and Telecom), the execution of the pavements, the public lighting systems and road paving.

Work will be completed in April 2021.

#### CFT project

- Customer: Consorzio CFT
- Design and construction works of the Naples -

Bari railway line, 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 33.33%)
- Work progress 31%.
- Production for the year 2020: Euro 21.4 million



The work, in place between the provinces of Caserta and Benevento, consists in the redevelopment works of the Naples-Bari railway line, for a development of approximately 16.5 km on double tracks. In particular, the work concerns the construction of the doubling and acceleration of the Cancellone-Benevento section, consisting of a natural tunnel section of about 4 km, engineering structures (8 viaducts for about 3.9 km) and 4 artificial tunnels for about 300 m.

Preliminary activities for the works continued in 2020, such as the construction of runways, demolition of existing structures and removal of underground utilities interfering with the works to be carried out.

The progress of the excavation of the natural tunnel is equal to 75%; in addition, the related reinforced concrete coating has begun. 30% of the embankments and 40% of the viaducts were completed.

#### Dhl Project

- Customer: DHL Express Italy S.r.l.
- Construction works for the new hub in Malpensa
- The work was fully carried out by Itinera S.p.A.
- Work progress 100%;
- Production for the year 2020: Euro 10.3 million

The work, completed, relates to the construction of a building for the DHL customer, to be used as a goods storage facility at Malpensa international airport. The intervention was also aimed at obtaining the LEED certification.

The activity carried out in the last period relates to the completion of the construction of collateral buildings, external arrangement works (asphalt yards, self-locking parking lots), office finishing works (first and second floor), internal and external painting, completion of electrical and mechanical systems.

### San Raffaele Hospital Project

- Customer: Ospedale San Raffaele S.r.l.
- Works of the new San Raffaele surgical and emergency hospital in Milan
- The work was fully carried out by Itinera S.p.A.
- Work progress 90%.
- Production for the year 2020: Euro 20.2 million



The work consists in the construction of the new San Raffaele surgical and emergency hospital in Milan.

The activity carried out during the year concerned the realisation of the internal finishes of the hospital wards, the intensive care unit on the first floor and the emergency room on the ground floor.

Furthermore, the Supplementary and Variant Appraisals that gradually emerged included the changed hospital needs, especially as regards the plant elements as well as the functional aspects of the Hospital (viability, etc.).

Construction of the internal plasterboard partition walls continues and the construction of false ceilings, electrical and mechanical systems is under way; finally, the installation of the operating theatres continued, the construction of the flooring and vertical resin coatings, the progress of the installation of emergency fire doors; the installation of the elevators and the works for the arrangement of the external areas have begun.

### Venice Marco Polo Airport Project

- Customer: SAVE - Aeroporto di Venezia Marco Polo S.p.A.
- Redevelopment and regulatory adaptation of flight infrastructures - Marco Polo Venice Airport
- The work is carried out in collaboration with Impresa Costruzioni Giuseppe Maltauro (Itinera S.p.A. share 39.24%).
- Work progress 100%.
- Production for the year 2020: Euro 9.3 million

The works concern the execution of the upgrade works and adaptations to legislative requirements of the flight infrastructure Lot 2 - 2nd completion component of the "Marco Polo" Airport in Tessera Venice.

In particular, the works carried out during the year mainly refer to the reconstruction of the road substructure and the paving of the runways and of the connections to the apron. The activities carried out also concern the refurbishment of all the AVL flight systems, the construction of a new electrical cabin for the power supply of the runway lights and the refurbishment of all the energy and signal transmission poles (MV, LV, data).

The works are almost completed.

### 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 97%.
- Production for the year 2020: Euro 8.6 million

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

During the year, all the works of the dock to the west of the IV jetty and the extension of the IV jetty were completed.

As regards the landscaping activities of the Reservoir, the only ones still in progress, they are expected to be completed by the first half of 2021.

### Cervit Project

- Customer: Società di Committenza Regione Piemonte.
- 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 59%.
- Production for the year 2020: Euro 10 million



The intervention concerns the construction of the underground connection between the Turin-Ceres railway and the railway link of the Turin Junction, 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)

In 2020, the structural works and civil systems of the Rebaudengo station were completed, along with the bulkheads of secant/tangent poles of the entire new railway tunnel and of the new Grosseto stop; fi-

nally, the structural works of the railway tunnel were completed

The structural works at the Grosseto stop, the railway superstructure works in the Rebaudengo station and the Tunnel and the road works/surface arrangements of the cross roads of C.so Grosseto are currently nearing completion.

### 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: 2%.
- Production for the period: Euro 1.3 million

The activity concerns the construction of hydraulic works in Turin aimed at guaranteeing the reliability of the sewer network in the future due to the construction of a very deep tunnel and smaller works that will guarantee the creation of an alternative to the existing inter-communal manifold, with the aim also of facilitating maintenance activities.

The work is in its initial phase and, in particular, archaeological investigations, geognostic surveys, the execution of geophysical investigations and design were carried out during 2020.

## 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%).
- Work progress 84%.
- Production for the year 2020: Euro 94.3 million

On the basis of the new "baseline program" submitted to the customer, the new contractual completion date of the project is June 14, 2021.



At the end of February 2021, the JV reached all the milestones envisaged by the agreement.

The roof coverings are completed as well as the external façades. The balcony panels along the façade and the side panels of the cinema area are being completed.

As for the electro-mechanical installations, the installations are being completed, giving priority to the fire and life safety systems (*FLS systems*) which are subject to inspections by the fire brigade (the *Abu Dhabi Civil Defence, ADCD*).

*Testing and Commissioning* activities are in progress, still giving priority to testing for *FLS systems*. *ADCD* inspections are scheduled to begin in the second half of March.

Significant progress is also recorded for the snow park where the main construction activities are almost completed. At the moment, progress is continuing with the installation of the last electro-mechanical elements, *Testing and Commissioning* and with the installation and completion of the rides.

The infrastructural works are being completed, with particular attention to the external urban furnishings, the pavements and the external lighting systems.

As for the technical documentation, the works are proceeding with the preparation of all the *as-built* documentation, with the progress of the BIM model and all the documentation for O&M of the Mall in preparation for the *handing over* to the customer.

### Brenner Tunnel Project - Austria

- Customer: Brenner Basistunnel BBT SE (Austria)
- Construction work on the Brenner tunnel on the Munich - Verona railway line
- The work is carried out in collaboration with the Austrian companies Poor Bau GmbH, G.Hinteregger & Sohne Baugesellschaft mbH and the Italian company Condotte S.p.A. (Itinera S.p.A. share of 44.99%)
- Work progress 18%. Production for the year 2020, Itinera: Euro 34.8 million

The work consists in the construction of the Brenner Base Tunnel (BBT) which is part of one of the nine "core" corridors that make up the backbone of the Trans European Network - Transport (TEN-T): the SCAN - MED corridor (Scandinavia-Mediterranean Sea), which starting from the Russian-Finnish border, crosses southern Sweden, Denmark, Germany, western Austria, Italy and reaches Malta.

The subject of this contract is lot H51, between km 13 + 486 and km 32 + 090 (state border), between the municipalities of Pfons (Austria) and Brenner (Italy), for a total length of approximately 18,6 km.

Starting from the delivery of the works which took place on 19.11.18 and up to now, the main activities of site set up and tunnel excavation have been carried out using the traditional method (drill & blast).

During the year 2020 and until the termination of the contract determined by BBT on 27 October 2020, the main activity was that of excavating the tunnels and arranging the materials in the Padaster-tal deposit.

With regard to the construction site for the Brenner Tunnel, please refer to the following paragraph on Operational Risks for further details.

### Okavango bridge Project- Botswana

- Customer: Ministry of Transport (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 89%.

- Production for the year 2020, Itinera: Euro 14.6 million



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

Refers to the bridge construction of a total length of about 1,160 metres built with two different static solutions. The most important structure, on the main street, consists of a 400-metre long cable-stayed bridge with a central span of 200 and about 50-metre high antennas. The completion is achieved by the two approaches, in a continuous structure, mixed steel and concrete, with spans of 45 metres.

For the cable-stayed bridge, the assembly on the back-spans of the metal structures, including the stays, was completed; the metal structure of the central span is being assembled.

For the approaches, work is being carried out on the decks. The connecting road is proceeding with a current progress of about 60% of earthmoving.

The work carried out during the year was slowed down by the unexpected centennial flood of the Okavango River and the spread of the Covid 19 pandemic.

### **Bucharest ring-road project - Romania**

- Customer: Romanian Ministry of Transport
- Construction works of the Bucharest ringroad (lot 1)
- The work was fully carried out by Itinera S.p.A.
- Work progress 14%.
- Production for the year 2020: Euro 5 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 n. 4 (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 design phase entirely attributable to the Customer. Consequently, the order to start works was issued by the customer only on 6.08.2020 with completion scheduled for 19.10.2022.

The works began immediately after the order to start the works on 6.08.2020 with the organisation of the site and at the same time with the transfer of the underground utilities interfering with the works (communication networks, gas pipes, power lines, etc.) Subsequently, the construction of the reinforced concrete foundation piles constituting the roundabout, the cutting of the vegetation, the demolition of the numerous buildings located in the work area, the construction of the rainwater collection conduits and the construction of part of the access ramps began.

### Satu Mare ring road project - Romania

- Customer: Romanian Ministry of Transport
- 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 60%.
- Production for the year 2020 Itinera: Euro 13.6 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 (km 0 + 000) and at the end of the route (km 19 + 540) 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 include the relocation of some services (low, medium and high voltage power lines, gas transport and distribution network, telecommunications networks).

During the year, the detailed design activities relating to the movement of services continued, for the production of the documentation necessary to ob-

tain the additional expropriations made necessary by the works to move the services, and the obtaining of the building permit.

Work continued on the road body, embankments, road superstructure, asphalt road pavements as well as the completion of the bridges (special foundations and steel structures and completion slab). Finally, the construction of the hydraulic protection works of the various streams crossed by the route continued.

### Odense Hospital Project - Denmark

- Customer: Syddanmark Region (DAN)
- Construction work for the New University Hospital of Odense (DAN)
- The work is carried out in collaboration with Italian company CMB (Itinera S.p.A. share 49%).
- Work progress 23%.
- Production for the year 2020 Itinera: Euro 48.8 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.

The activities carried out in the period concern civil works (earthworks, structures, insulation, waterproofing and façades) for all buildings.



### Koge Hospital Project - Denmark

- Customer: Sjællands 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 15%.
- Production for the year 2020 Itinera: Euro 23.6 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.

The activities carried out during the period concern part of the civil works of Building B1 (earthworks, piles, foundations and prefabricated structures including the façades) and Building B2 (earthmoving, pilings and foundations).

### Storstrom Bridge Project - Denmark

- Customer: Vejdirektoratet (DAN)
- Construction work on the Storstrom Bridge (DAN)
- The work is carried out in collaboration with Italian company GLF (Itinera S.p.A. share 99.99%).
- Work progress 44%.
- Production for the year 2020: Euro 66.7 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. The main pylon is cast on site on a prefabricated ground plinth and subsequently transported to the sea; the main spans will consist of 4 prefabricated ground beams with a span of 65 metres supported by 2 temporary steel piers. After the cables are installed, the temporary structures will be removed.

During the period the marine embankments and part of the land embankments were carried out, in addition to the road underpass located to the south. The entire area intended for the production of the prefabricated elements has been completed and the construction of the structures (abutments, pillars and deck) has begun, in addition to the construction of the prefabricated elements (foundations and pile segments) and the foundation of the central pylon.

### 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 66.24%. Production in 2020: USD 134.2 million (Euro 117.5 million at the average exchange rate for the period)

The work consists in the modernisation of the road junction through 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.

In 2020 the project, which for logistical reasons, is divided into two parts (east and west) was substantially completed in the east part. The express way roads were first temporarily relocated and subsequently completely redone, making them more modern and safer. Of the eleven bridges planned, three have been directly completed, in addition to the two built in the previous year.

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

- 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 60.4%. Production in 2020, Halmar share: USD 118.6 million (Euro 103.8 million at the 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.

In 2020, the progress of the various activities led to the following situation: the design reached 90% of the established contract amount; activities related to various interferences reached 75%, while 92% of completion was reached for the railway bridges linked to Block N.1. Railway bridges for Block 2 at 78% completion. The stations are at 50%, the construction of the parking lots has been completed. Construction of retaining walls and noise barriers

has reached 55%. Railway superstructure is 29%. Electrical substations, signals and power supply are at 50%.

### **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 31.4%. Production in 2020 USD 47.7 million (Euro 41.7 million at the 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.

In 2020, the project completed most of the "in house" activities: drainage and concrete works; in particular, the concrete in the Railway Station, the North Pedestrian Walkway and the related Pavilion have been almost completed. The project had problems with the construction of the air conditioning panels, but the schedule was brought back in line with what was foreseen in Budget. Same situation with the submission of the documents of another "Mass Electric" Subcontractor regarding the communication and electrical works. Last problem in the northern part of the project, where there are delays due to difficulties in expropriation due to the design of ARUP.

In December 2020, the project received approval for a variant of USD 47 million for the construction of an access pavilion at the south entrance.



# COMMERCIAL ACTIVITIES

## HIGHWAY AUTHORITIES

During the year, with Decree no. 841 of 26 November 2020, the Ministry of Infrastructure and Transport has put the renewal of the concession of the A21 Turin-Alessandria-Piacenza and A5 Turin-Ivrea-Quincinetto highway sections, the A4/A5 Ivrea-Santhià link road, the Turin-Pinerolo branch and the Turin Ring Road System (SATT) up for tender.

The assignment to the Temporary partnership of Competitors SALT S.p.A. (agent) - Itinera S.p.A. - Euroimpianti S.p.A., Sinelec S.p.A. and Proger S.p.A. and is current subject to appeal at the Council of State.

Still in the year, with Decree no. 839 of 18 November 2020, the Ministry of Infrastructure and Transport has awarded the concession of the management activities of the A12 Sestri Levante-Livorno, A11/A12 Viareggio-Lucca highway segments and A15 branches for La Spezia and A10 Savona-Ventimiglia (French border), as well as, limited to the safety interventions of the existing infrastructure, the design, construction and management of the same to Itinera S.p.A.

The second competitor has filed an appeal to the Administrative Court of Lazio to cancel the contract award. The Administrative Court of Lazio has not granted the suspension and stated that it will proceed in the matter by June 2021.



## CONSTRUCTION MARKET

The construction market in Italy, in particular for the public infrastructure sector which represents one of Itinera's main businesses, remains in a difficult situation, despite the fact that in recent years, on the occasion of the public finance manoeuvre, the government has expressed its willingness to focus on reviving public investment.

Following the economic crisis generated by Covid 19, a rescheduling of funds is still expected thanks to the so-called "Recovery Fund", helping to create the basis for an economic recovery in the country.

Itinera has for some years launched a strategic plan that aims at a progressive growth on international markets with the goal of achieving a significant share of its sales abroad. This process of internationalization continued in line with the strategic guidelines of ASTM Group that involve a process of development and geographical diversification, not only in the construction sector but also in the complementary sector of concessions.

The markets Itinera focuses on by participating in tenders for public and private customers are mainly the ones in northern Europe in addition to the USA and Brazil, thanks to the subsidiaries Halmar and Itinera Construcoes respectively.

### Brazil

In Brazil the activities of ITINERA CONSTRUCOES LTDA, in which Itinera S.p.A. has a share of 90% of the share capital - with the remaining 10% held by Sinelec S.p.A. - have been heavily influenced by the health emergency caused by Covid 19. Itinera Construcoes Ltda was involved in the preparation of the Piracicaba and Santos bridge bid and in the bids for the concession tenders of the "Litoral Paulista" and "Dutra", as well as for a series of road sections expiring in the first quarter of 2021.

### USA

In the United States, the development of important operational synergies between the Group's activities and those of HALMAR INTERNATIONAL LLC continues.

During the year, HALMAR was awarded the contract for:

- a tender called by the New York State Department of Transportation for the replacement of the LIRR Atlantic 6 Bridge, a single-track railway bridge, \$ 32.7 M;
- a tender launched by the New York State Department of Transportation, for the Van Wick Expressway project which involves the expansion of the important artery connecting with JFK airport in New York City, contract worth approximately \$ 319 million;
- a tender launched by the New York State Department of Transportation for the Lower Westchester Bundle Bridges project worth approximately \$ 115 M for the refurbishment and maintenance of some bridges in Westchester County, near New York.

In addition, based on successful negotiations with customers, some orders from HALMAR INTERNATIONAL LLC have obtained important contractual additions, in particular Potomac Yard in Virginia, PATH Harrison and One Vanderbilt, for a total of over \$ 50 M.

The US subsidiary also presented a series of pre-qualifications in New York State and New Jersey for the airport and railway sectors for which it is awaiting the results and is preparing a series of tenders in the road sector in New York State.

In the PPP (Private Public Partnership) field, HALMAR, with the support of ITINERA and in coordination with the parent company ASTM, presented pre-qualification for participation in tenders concerning the Concession of two highway sections in the states of Maryland and Georgia, and for the construction of a rail transport system in Miami, resulting pre-qualified in all projects. At the end of the year, a preliminary bid was presented for the project in the state of Maryland, in order to select the entity with which to continue the subsequent development of the bid; the customer subsequently selected a competing grouping.



## Europe

The areas of interest for the Group in Europe have been identified in the Northern Countries (Sweden, Norway and Denmark) where large-scale infrastructure development plans are envisaged.

In **Norway**, in partnership with a Japanese company, Itinera participated in a pre-qualification for the construction and concession of a stretch of motorway and the group has been pre-qualified; the preparation of the tender has begun and the first bid was made during the month of December 2020 while the final bid is scheduled for June 2021.

With the same Japanese company, following a pre-qualification between the four companies chosen by the customer, a bid has been presented for the design and construction of a stretch of road which will include the construction of a bridge of approximately 900 m, and the Group is ranked second.

In anticipation of another PPP project (Halogaland), some leading European companies are being contacted for participation in the relative pre-qualification scheduled for the second half of 2021.

In **Sweden**, the pre-qualifications concerning the construction of two underground stations for a new line of the Stockholm metro were submitted and accepted; a first bid was delivered at the end of November 2020, with a negative outcome, while the second bid was submitted in February 2021.

In **Denmark**, the pre-qualification phase for the partial construction of a paediatric hospital in Copenhagen, of limited size, has been passed and the bid is being prepared in partnership with a Dutch company, whose final submission is scheduled for the end of the month of March 2021.

Again in the hospital sector, the Parent Company took part in tenders in relation to new expansion areas for contracts already in progress, relating to the hospitals of Koge and Odense, winning a new lot for the expansion of the Odense hospital, for an amount of approx. Euro 65 million, in partnership with the leader CMB

Itinera also submitted an expression of interest in the construction of a road link in the city of Copenhagen, for which the tender is expected to be issued in the second half of 2021.

In **France**, after taking part in the pre-qualification phase organised by TELT for the construction of the Turin-Lyon high-speed railway line, on the transalpine side, along with IMPLENIA, NGE and RIZZANI, Itinera presented an offer for two of the three lots for which it was pre-qualified and is waiting for the results of the tender.

Also relating to the Turin-Lyon connection, Itinera is waiting for the results of the pre-qualification relating to the stretch on the Italian side, in which it participated with a French and an Italian company.

## Gulf Area

In the area the group is experiencing delays in the scheduled ventures.

In the **United Arab Emirates**, Itinera with a local partner has been pre-qualified and has submitted a bid for the construction of the Sharjah airport, for which the result is awaited.

The delay of the expected initiatives has led to an increase in competitiveness in the area, consequently it was decided for the moment not to continue with other bids.

In this regard, another two ventures had been identified in Abu Dhabi relating to the construction of road infrastructure, but these are currently suspended.

In **Saudi Arabia**, again in consideration of the uncertainties expressed by the market, for the moment it has been decided to only maintain commercial presence, pending future positive market developments.

## Africa

In **Botswana**, Itinera had submitted, together with a South African partner, a bid for the construction of the Mogoditshane - Gabane road section, resulting first as a technical bid; the contract was recently awarded to a competing group.

## HUMAN RESOURCES AND ORGANISATION

The company's average staff for the year 2020 and comparison with previous year data is represented below:

	Average 2020	Average 2019	Var.
Executives	91	85	6
White-collar workers	1,153	875	278
Blue-collar workers	1,477	1,259	218
<b>Total</b>	<b>2,721</b>	<b>2,219</b>	<b>502</b>

The employees of the Group at 31 December 2020 amounted to 2,863 units against 2,461 at 31 December 2019, in particular:

	31.12.2020	31.12.2019	Var.
Executives	82	83	(1)
White-collar workers	1,190	1,024	166
Blue-collar workers	1,591	1,354	237
<b>Total</b>	<b>2,863</b>	<b>2,461</b>	<b>402</b>

The growth in the number of staff is attributable to the development of jobs abroad and in particular in the initiatives in the United Arab Emirates (with JV Mina Tunnel) and of the American subsidiary Halmar International Llc. The consolidation of Tubosider and its subsidiaries resulted in an increase of 122 units.

We report that during the period the companies of the group used 80,955 hours of temporary unemployment compensation (of which 71,836 was used by the parent company) as a consequence of Covid 19.



# ENVIRONMENT, SAFETY AND QUALITY

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

The Parent Company consolidated and implemented the Integrated Quality, Environment, Safety Management System (IMS) during the year 2020 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.

The IMS is constantly monitored through periodic auditing activities, carried out both by internal staff, suitably trained and updated, and by the Certifying Bodies, as required by sector regulations. This activity makes it possible to verify, with the necessary frequency, the organisational effectiveness of the structure and to implement the corrective actions of adaptation and updating necessary for the improvement of the processes and sub-processes of which the system is composed.

The structure of the Integrated Management System is organised in such a way as to ensure that activities are effectively and efficiently conducted related to product quality and service delivery, environmental protection and Health and Safety through:

- the determination of the processes required for the management system and their application throughout the organisation;
- the determination of process sequences and interactions;
- the determination of the criteria and methods necessary to ensure that the operation and control of these processes are effective;
- the availability of the resources and information necessary to support the functioning and monitoring of these processes;
- the monitoring, the measurement and the analysis of these processes;
- the implementation of the actions needed to

achieve the planned results and continuous improvement.

The department of the Group leader in charge of these activities, in the context of law and regulations requirements, permits the chair and coordination with a dedicated staff deployed on operational projects in support to construction site divisions, making sure that the integrated system forecasts are respected both on the documentary and operational levels and for direct and sub-contracted work.

The certifying body ICMQ S.p.A. conducted a surveillance inspection visit of the aforementioned QAS "Integrated System", with a positive result.

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

The **ISO 39001** "Road Traffic Safety Management Systems" certification that identifies the management standard for road risk reduction was renewed in October, 2020. The application of the ISO 39001 standard is the result of the voluntary choice of the Parent Company which has decided to implement its own management system to reduce the related risk, wanting to document the possession of an adequate management system to keep the impacts on the road risk deriving from its activities, systematically seeking improvement.

The ICMQ certification body, in consideration of the situation that has arisen with the travel restrictions imposed by various governments, including the Italian one, has proceeded to extend/confirm the validity of the Quality, Environment and Safety certification for the branches in Abu Dhabi and of Saudi Arabia and for the company Itinera Costrucoes Ltda.

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.

In general, the forecast for 2021 is to consolidate and continue the expansion of the scope of certifications to be provided to the Group.

### Suppliers' List

The constant implementation of the Suppliers' List has brought about a significant organisational and functional improvement aimed at the initial screening and control activities of all the sub-contractors (and suppliers, lenders, etc.) of Itinera S.p.A.

Last year, in order to modernise the process of making it faster and usable for obtaining indicators and statistics, the direct evaluation was computerised, making it possible to fill in the evaluation form within the same software used for the vendor qualification part.

Therefore, the evaluation and monitoring of the supplier working at a job is managed by Site Management through a "score card", a computerised evaluation form within the same portal, filled in and automatically collected and classified in a specific section of the Register, available to the Supplier List department for the evaluations foreseen in the specific procedure.

The Suppliers' List office will continue the annual program of external audits of suppliers and sub-contractors during 2021, in order to:

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

### Employee training activities

Based on that which was implemented in previous years and with the support of the constructors committee and the construction school of Alessandria, Sistedil, specific training programs were created for employees.

The total number of training-education hours provided was 8189 for a total of 800 participating employees.

Furthermore, in the individual operating units, specific personnel training (employees and workers) was carried out, with regard to particular equipment and specific Personal Protective Equipment (anti fall protection safety harnesses, anti fall prevention and restraint systems in general, III cat. PPE, machines and equipment for site specific work activities).

For 2020, this training activity will be further implemented, hand in hand with the periodic deadlines that the specific sector regulations impose.

## SUSTAINABILITY

During 2020, the company provided training to the operators and owners of the processes involved, also by setting up specific missions in Sweden, Denmark and the United Arab Emirates. It coordinated the collection and validation of the data useful for the preparation of the next Itinera Sustainability Report according to the criteria established by ASTM in compliance with:

- "GRI Sustainability Reporting Standards", defined in 2016 by the GRI Global Reporting Initiative ("GRI Standards"), according to the "in accordance-core" option
- "Ten Principles" of the United Nations Global Compact (UNGC);
- 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.



## 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 generally monitored by the Itinera Group concern:

- operating risk - represented by the risks associated with the construction of the works and relations with individual clients - and
- financial risks, represented by "market," credit "and" liquidity "risks

### 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.

As for the **projects in Italy**.

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

The project has been performed by three separate contracts that were awarded between 2012 and 2013 by the General Contractor CEPAV DUE for a total initial value of approximately Euro 164 million. The scope of work was the construction of three lots of the high-speed/high-capacity Railway line Treviglio-Brescia; the value of the contract raised later to approximately 173 million Euro.

The three contracts were delayed due to the late area handing over and design procurement by the Client causing disruption and extra cost to the contractor.

We were forced to enter significant amounts as reserves within the works accounts.

At the same time CEPAV DUE is claiming penalty charges and damages the contractor is disputing both because the delay is the result of the CEPAV DUE's conduct and because no damage was caused to the Customer.

The dispute is under way in front of the Court of Milan. During 2018 and 2019, the expert witness reports relating to the three Contracts were prepared; currently all three definitive expert witness reports have been filed. As a result of these files, the case for Contract 3 has been decided (following the hearing for the clarification of the conclusions of 06.10.2020), but with an order of 14.01.2021 the jury has remitted the case to the investigation calling the expert witness to clarify the timeliness of the reserves in the hearing of March 9, 2021; also for contract 4, the case was decided but with the order of 04.03.2021 the jury remitted the case to the investigation calling the expert witness to clarify the timeliness of the reservations in the hearing of 09.03.2021, while an order was issued for Contract 5 (following the hearing for the clarification of the conclusions of 10.11.2020) setting the terms for the conclusions at March 29, 2021 and April 28, 2021.

In the hearing of March 9, the judge, for contracts 3 and 4, expressed the need, with the help of the expert witnesses, to reach a settlement agreement and set the following hearing for 06.07.2021; for contract 5, the opportunity arose to put it back in the preliminary investigation like the other two contracts, however, prior to the filing of the conclusions, therefore the lawyers of the parties will submit a joint request for remittance in the preliminary investigation.

Moreover, to settle the additional problems which arose after the commencement of the first three proceedings, a second dispute was initiated with the Court of Milan for all three contracts. The first hearings are scheduled for 9 March 2021.

The deadlines, the same for all three contracts, for submitting pleas were set during these hearings: 15.04.2021 deadline for 1st plea; 27.05.2021 deadline for 2nd plea and 16.06.2021 deadline for 3rd plea.

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

The project refers to the unitary execution of the contract entrusted by the Consorzio di Bonifica della Sardegna Centrale based in Nuoro and falling into the OG5 category, necessary for the construction of the Cumbidanovu dam on the upper Cedrino, for the irrigation of the agricultural area of Orgosolo - Oliena - Nuoro - Dorgali - Lula.

The temporary joint venture between Itinera (agent) and CONSCOOP (principal) remained the winning tenderer and signed the contract.

On 18 November 2013, following the devastating passage of the Cyclone Cleopatra over eastern Sardinia, the entire site area was invaded by the waters of the rivers Cedrino and Sorasi in flood, with almost total destruction of the structures.

As a result, a total suspension of the activities was ordered, as per suspension report of 21 November 2013 that the company has signed with reserve.

Following this suspension, the Customer prepared a specific appraisal to proceed with the restoration of the damages on 30 April 2014, which was followed by the delivery report of the restoration work of the following May 5, signed with reserve by the company given the failed feasibility of the intervention for facts unrelated to the company.

No appraisal necessary for the continuation of the contract work was issued. For this reason, the company first sent a letter of formal warning to the Customer on 13 May and subsequently, on 26 June 2014, through the Court of Alessandria, a Notice of Warning notified on 03 July 2014.

On 20 January 2016, the reservations on the Accounting Register were called up and updated to 19 January 2016, the Act of Submission No. 4 - Appraisal of force majeure, with the relative Minutes of Agreement of the prices, and the 2nd report of delivery of the restoration works with reserve were signed.

Given the situation represented in the introduction, it was agreed to entrust the search for an amicable agreement for the settlement of the dispute to a commission pursuant to art. 240, constituted on 11 June 2016, which completed its work with the drafting of an Amicable Settlement on 30 March 2017.

However, the Customer has not formalised any specific settlement proposal, and the company has confirmed the reserves.

After a prolonged standstill of the works, the commissioning body ordered the supplementary and variant report (n. 3, "Completion works"), and on 22 November 2018 it sent to Itinera (in its capacity as agent of the temporary joint venture) the submission deed.

On 9 January 2019, in the meantime, Itinera notified the commissioning body that it had suffered the reduction of the original SOA certification for category OG5, class VII, necessary for the execution of the works in Report n. 3.

In virtue of this stated reduction, with board resolution n. 4 of 18 January 2019 the commissioning body declared the contract with the temporary joint venture to be terminated and proceeded to enforce the guarantee provided by the latter as a definitive security deposit.

In order to prevent the enforcement of the bank guarantee, the temporary joint venture appealed to the Civil Court of Cagliari, which rejected this request with the Decree of 26 March 2019.

Against this Ordinance, the Itinera temporary partnership filed a complaint before the Court of Cagliari, with a hearing set for January 16, 2020, May 7, 2020, December 3, 2020 and finally January 21, 2021, when the judge submitted his recusal to the President of the Court; therefore with deed dated 27.01.2021, the replacement was appointed who set a new hearing on 04 March 2021, where the judge placed the case in reserve.

Aside from the above described judicial activity, through Itinera and with a deed that was served on 3 May 2019, the temporary joint venture summonsed the consortium before the Court of Cagliari in order to receive a declaration of the illegitimacy and/or invalidity and/or ineffectiveness and/or groundlessness of the termination of the contract and in order to receive the awarding of the costs that it has sustained and the damages that it has suffered.

In the hearing scheduled for October 16, 2020, the judge assigned the terms for the pleas pursuant to art. 183 code of civil procedure and set the next hearing on February 19, 2021 in which the judge reserved for the admission of evidence.

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

The works in question are covered by an Anas contract dated 25 February 2010 that was awarded to the temporary joint venture made up of CMC agent (51%) and Itinera principal (49%) for an overall initial value of approximately Euro 108 million relating to the construction of "S.S. no. 1 Nuova Aurelia - ac-

cess 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", that was increased, with the additional deed of 19 June 2012 to approximately 132 million.

Since start of the contract, for which the works were carried out by the temporary joint venture through the consortium company Letimbro Scarl, there were detrimental events and circumstances for the contractor, but was forced to sustain very severe charges and damages, for reasons not attributable to it; which resulted in the entering within the works accounts significant amounts as reserves.

In order to obtain the reimbursement of the requested sums, the temporary joint venture has entered a specific lawsuit in the court of Rome to have its claims upheld.

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.

In the hearing of 27 June 2017 the Judge considered the requested court appointed technical assessment CTU; with ruling of 5 July 2017, the Judge upheld the request for a CTU.

During the year, the customer requested the renewal of the expert witness report that the judge, in the hearing of 24 September 2018, rejected and on 15 April 2019 the definitive CTU was deposited.

The Judge then set hearings for the parties' observations, for the CTU and for the specification of the conclusions, on 9 June 2020.

On 26.01.2021, the jury put the case back under investigation, cancelling the expert witness report of 15.04.2019 and appointed two new experts.

Meanwhile, due to the CMC (JV leader) insolvency procedure, the Court of Ravenna, on 27th June 2019, ordered the termination of the contract with Anas.

Following the return of the site and the issuing of the Final Balance with the conditional signature by the temporary partnership, the contractor commenced a second proceeding on 27.03.2020 with

the Court of Rome, where a first hearing has been set for the 19 November 2020, in which the deadlines for please ex art. 183 and the new hearing for June 9, 2021 were set.

In the course of the 2nd case, Itinera filed an appeal for preliminary technical investigation on 01.12.2020 in relation to the deductions made by Anas, with the first hearing on 20 January 2021 and subsequent to 24.02.2021. At this hearing, the judge admitted the appeal for preliminary technical investigation, appointing the expert witness and the hearing for the appointment was set for 31.03.2021.

### **Customer Sitaf - construction of the Frejus safety tunnel**

The project refers to the executive design and execution of the works called "T4 Frejus Road Tunnel - Safety Tunnel - Lot 2 - Civil works on the Italian side" entrusted by Sitaf on 15 February 2010, through a restricted procedure with the criterion of the most economically advantageous bid pursuant to art. 83 and 86 of Legislative Decree 163/06, to the temporary joint venture composed by ITINERA (50% agent), RAZEL, MATTIODA, for an amount of Euro 94.6 million.

Based on the agreements between the members of the temporary partnership, all the work has been carried out jointly by setting up a consortium company, the "Tunnel Frejus S.c.a.r.l."

The contract was signed on 11 July 2011, the delivery of the works was scheduled for 19 March 2012 and the contractual amount arose to Euro 137.2 million as a consequence of the signature of 4 Additional Deeds.

The issues that had characterised the contract up to the signing of the Supplementary deed. no. 3, unfortunately, have not been closed and, therefore, the contractor entered reservations to denounce the new events that impedes the regular progress of the works. In response to these new requests, on 03 October 2019, the Commission pursuant to art. 240 Legislative Decree 163/2006 was established to settle the dispute amicably and on 09 October 2019 the two party members were appointed, while on 30 January 2020 the appointed chairman accepted the assignment.

In the meantime, additional progress reports were



issued with the respective updating of reserves/conditions and therefore, the temporary partnership requested an extension of the reserves to be analysed.

The Commission proposal is dated 29.12.2020, discussions are in progress with the customer.

#### **Customer Asti - Cuneo - Construction works, Lot 6**

The project relates to the "Asti-Cuneo motorway link, Section 1, Massimini (A6) - Cuneo, Lot 6, Roddi - Enel Dam".

On 31 October 2013, Itinera signed the contract with the Customer Asti-Cuneo for a total and fixed amount of Euro 459.8 million with a term to complete the established works in 1,671 natural and consecutive days, starting from the delivery report date.

As of today, this delivery date has never taken place, as the Customer did not do so, while only a few works to prepare the site took place.

In 2017, as described in the relative Management Report included in the Financial Statements, alleged the Grantor's insufficient financial resources for the realisation of construction project, a solution that was deemed sustainable was identified which

involved a significantly lower investment for the completion of the works, that was also guaranteed through "cross financing" from the concession holder, SATAP A4, the financial coverage of investments still to be done, with a financial neutrality regime for SATAP A4.

This solution was included by the Italian government in the so-called "Motorway Relaunching Plan", given the cross financing with SATAP A4 of the residual works for the A33 Asti-Cuneo Connection of a total value of 350 million Euro (substantially 4/5 of the original works), to be implemented in 4 years from the coming into effect of the additional act to the respective conventions, includes the amendment of the timeline of both concessions, which were extended to 2030. The discussions with the Grantor, which have been continued over the years, have seen the redisposition for a project with the value which is well below what was foreseen by the 2017 discussions.

Also, with consideration of the CIPE communication of the 1st of August 2019, which took place on the project in question, Itinera believes that it should be compensated for the reduction of the contractual amount beyond one fifth by assimilating the hypothesis of the partial withdrawal from the project by the customer. Following the resolutions of

the CIPE n. 14 and n. 15 of 14.05.2020, Itinera sent a further note to request the definition of the economic requests.

On 15.09.2020, the "Technical Advisory Board pursuant to art. 6 of Legislative Decree no. 76 of 16.07.2020" was established in order to define the requests of Itinera referred to above.

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

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

With a provision communicated on 27 October, the company Brenner Basistunnel BBT SE ordered the termination of contract B0142 for the works of the construction lot H51 "Pfons-Brenner", previously stipulated with a temporary partnership (called "ARGE/ATI H51 Pfons -Brenner"), in which Itinera participates as one of the principals, with a minority share (44.99%).

The aforementioned resolution constitutes a unilateral act by the customer, which has been contested and submitted, as regards its validity, to the scrutiny of the Austrian court.

To this end, please consider:

- a.** Itinera S.p.A. assumed the mere quality of one of the principals in the group led by the Austrian company PORR Bau GmbH (agent), and participated by the Austrian company G. Hinteregger & Sohne Baugesellschaft mbH and by the Italian company Condotte S.p.A. (principals). Itinera was consequently precluded from any contact with the customer and any technical-contractual choice in relations with the same.
- b.** The termination was not judicially ascertained, since the contractor - according to Austrian law - has the right to obtain its cancellation and the consequent right to perform the contract.
- c.** Finally, the resolution does not originate in any execution error or economic technical inability to carry out the contracted work, but in a simple design divergence regarding the possibility of carrying out part of the work according to the project drawn up by the

customer and tender base. Having this divergence emerged, the customer - despite being the designer of the works and without logical reasoning - simply demanded the contractor carry out the work, without admitting any variation, whose technical necessity is instead plainly apparent and attested by some of the major international sector experts. This design divergence, at the basis of the termination of the contract, must now be submitted to the judgement of the pertinent Austrian court, which will have the task of ascertaining the possibility of carrying out the work according to the project prepared by the customer and the consequent contractual responsibilities".

On January 8, 2021, Itinera Spa filed an arbitration request against Porr Bau GmbH and G.Hinteregger & Sohne Baugesellschaft GmbH for damages. The request was filed with the International Court of Arbitration of the International Chamber of Commerce (ICC). The claim was accepted.

In the meantime, the suit to be submitted to the Court of Innsbruck against BTT SE is being defined with PORR.

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

The project concerns the construction of a mall and access infrastructures in Abu Dhabi, Reem Island for a value of approximately Euro 540 million. The complex will have a total built-up area of approximately 600,000 square metres, of which 260,000 for retail usage with 450 stores and 6,800 parking spaces. The complex will also host an entertainment area for families, including cinemas, restaurants and a snow-covered amusement park, the "Snow Park", of approximately 10,000 square metres.

The contract complies with the provisions of the FIDIC Red Book. The execution of the works was entrusted to a joint venture (JV) Itinera-Ghantoot, where Itinera is the leader of the consortium (with a 50% stake holding).

Since the beginning of the activities, the works have been hampered by numerous changes that have led to substantial changes in the project and to significant delays in the approval of the executive drawings.



Due to these problems, JV Itinera-Ghantoot has submitted requests for additional fees, in particular for “extension of time”. Starting from August 2019, a negotiation phase between the parties began with the aim of reaching an out-of-court settlement.

Following this negotiation phase, on 10.09.20, the JV Itinera-Ghantoot and the customer Al Farwaniya signed a settlement agreement. The agreement signed by the parties contains an extension of time equal to 293 days, moving the project completion date from 24.08.20 to 14.06.2021. The penalties for delays, provided for in the contract, have been re-scheduled on the basis of the extension of time.

The works are currently proceeding in accordance with the agreed work schedule which provides for the substantial completion of the construction activities for March 15, 2021 and the testing activities for May 31, 2021, with completion of the works and delivery of the Mall scheduled for June 14, 2021.

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

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.

On the basis of the reservations prepared by the

Company, the Dispute Board has now agreed to an extension of the contractual period of 363 days. The Engineer has formalised an extension of 108 days. The Company submitted other reservations aimed at recognising a further extension of the contractual deadlines in relation to the delays due to the flooding of the construction site and the difficulties caused by the COVID 19 pandemic. The new requests have yet to be analysed by the Dispute Board.

The Company, in order to enforce its requests, not being satisfied with the recommendations of the Dispute Board obtained to date, has undertaken the mandatory Amicable Settlement procedure with the Customer, provided for in the Contract, which should have ended at the end of November 2020.

Although the period foreseen for the Amicable Settlement has been extended by mutual agreement until February 2021, the parties have not managed to reach an amicable agreement for which an official communication has been sent to the attention of the Ministry of Transport notifying that, if a mutual solution is not found by the end of February 2021, starting from March 2021 the Company will start the International Arbitration procedure provided for in the contract.

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

The works in question concern the contract signed on the 16th of 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 roads infrastructure - hereinafter CNAIR) for a basic amount of 304 million RON (amounting approximately to 68 million Euro) in addition to the price review relating to the construction of the ring road around the city of Satu Mare. The contract is of the “yellow FIDIC design and execution” type.

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, the Parent Company Itinera has submitted requests for additional fees for the extension of the contractual time and for the calculation of the additional costs incurred.

Subsequently, the Parent Company Itinera encountered new difficulties caused by the request of some further works and delays in obtaining the necessary documentation and authorisations. Due to the aforementioned events, substantially concluded to date, which generated further 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 by adding the related economic and time requests for events that occurred in March 2020; the reserves for the events that occurred up to 31 August 2020, which are expected to be delivered to the Customer at the end of March 2021, are being updated.

In order to shorten the times and reduce costs, the Parties recently agreed to eliminate the Dispute Adjudication Board (i.e. the body that contractually judges the reserves once they have been subjected to scrutiny by the Works Director). This will allow direct access to arbitration (already provided for in the contract as the supreme judicial body) if there is disagreement on the assessment of the reserves carried out by the Works Director.

#### **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 Oltenia for an amount of 169 million RON

(equal to approximately Euro 36 million) in addition to the price review. 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.

In the period between October 2019 and June 2019 there was mainly a continuation of the design development activities, the contractual duration of which was expected to be 6 months, plus 24 months for the 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 the delays attributable to the customer, linked both to the customer's failure to appoint his own "Legal Checker" (required by Romanian law), and to the definition of the procedures for expropriation (always charged to the customer) of the affected areas of the works, the approval of the project and the building permit (with simultaneous delivery of the works) took place only at the beginning of August 2020, providing the 24 months for the construction of the works.

These events have already been notified to the customer and a request has been presented for the payment of the additional costs and the relative charges for the delays. The additional consideration has already been determined by the Works Director who, with a binding opinion for the Parties,



has granted a substantial part of both the damages and the extension of the times, while the remaining part was submitted to the Court of Bucharest (as required by the contractual agreements) and the procedure is in progress.

There are also other events promptly notified to the customer whose effects are still being examined by the Works Director, including the consequences of the Sars-Cov 2 pandemic which certainly caused many problems in the organisation of the works and significant additional costs.

### 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., which deals with 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.

As already indicated in the report on the Financial Statements as at 31.12.2019, 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 Client 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 December 15, 2020. The counter-party did not respond to the notification so the ICC is in the process of appointing the arbitrator for the other party and the chairman of the court of arbitration. The arbitration will, in all likelihood, proceed without the presence of the counter-party.

Including as a result of the spread of the Covid 19 pandemic there are no updates with regard to the criminal proceeding.

## 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. With regard to identification, the Group, in the ordinary performance of its operating activities, is potentially exposed to the following financial risks, which could also be affected in the future by the economic consequences deriving from the evolution of the Covid -19 pandemic currently under way:

- **“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 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 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 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 2020 no hedging transactions are in place for exchange rate.

During 2020, the high volatility of exchange rates, connected to the macroeconomic scenario influenced by the spread of the pandemic, had a significant effect on the financial statements of the Itinera Group. In particular, the exchange gains/losses deriving from the assessment of items expressed in currencies other than the Euro amounted to Euro (2.7) million and the conversion reserve of foreign companies which had an effect of Euro (14.3) million in Net 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 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 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.

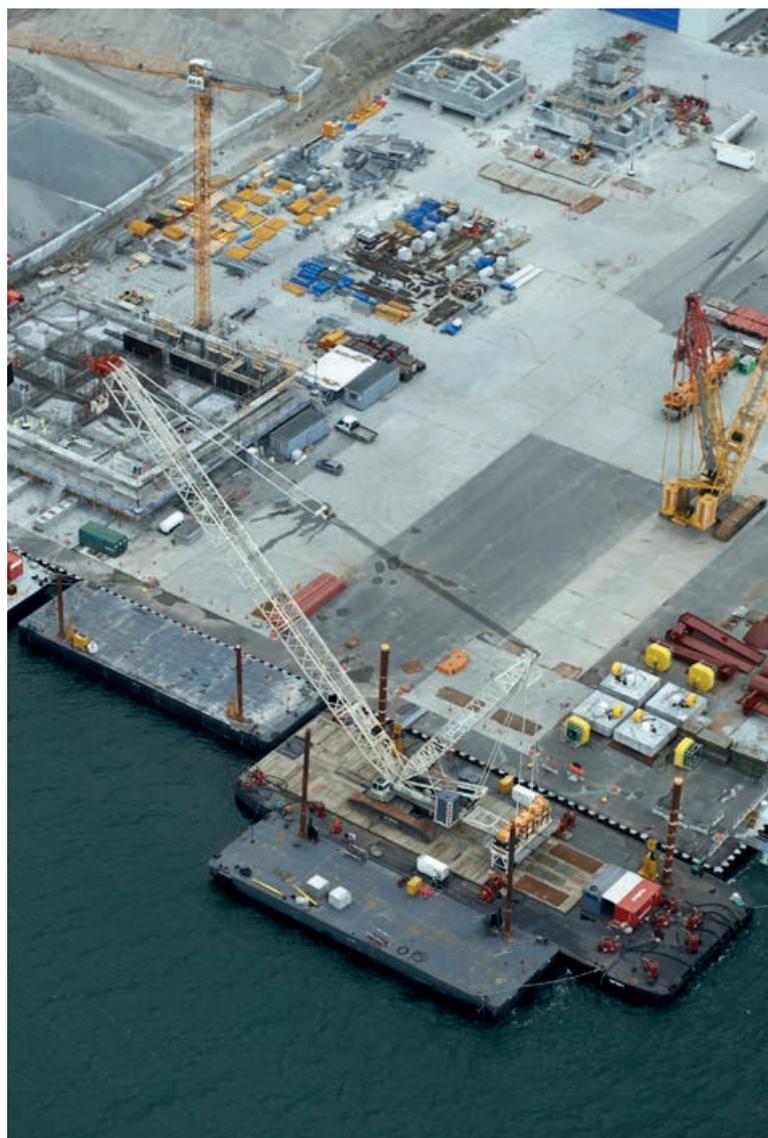
With regard to these cases, the following are examples of this type of risk faced by the Parent Company:

**Contract for the execution of the works related to the "Storstroem Bridge" (Denmark)**

STORSTROEM 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 of the Condotte S.p.A. (subsequently permanently removed) and Grandi Lavori Fincosit S.p.A. (then Fincosit S.r.l.) shareholdings - each at 0.01% - pursuant to art. 4.4 of the JV Agreement, since both companies incurred bankruptcy proceedings in the meantime (more specifically, in Compulsory Administration, the first; in the arrangement with creditors, subsequently in full arrangement, the second).

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 his 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.

At present, the request proposed must still be examined by the procedure bodies.



### **Contract for the execution of works relating to the "Pfans-Brenner Construction Lot" of the Brenner Base Tunnel**

Itinera S.p.A. participates 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 "Strorstroem 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 JO 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.

This claims still needs to be examined by the procedure bodies.

### **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 judge delegated 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 company purpose, and appointed two liquidators accordingly.

## MAIN GROUP COMPANY BUSINESS TRENDS

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, Tubosider S.p.A., Taranto Logistica S.p.A., SEA Segnaletica Stradale S.p.A. and Itinera Construcoes Ltda.

### ITINERA S.P.A.

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

ITINERA S.p.A. (values in Euro/000)	2020	2019	Var.
Revenues	608,211	575,521	32,690
Operating costs	(640,757)	(557,607)	(83,150)
<b>EBITDA</b>	<b>(32,546)</b>	<b>17,914</b>	<b>(50,460)</b>
EBITDA (%)	(5.35%)	3.11%	(154.36%)
Amortisation and depreciation	(18,524)	(19,352)	828
<b>EBIT</b>	<b>(51,070)</b>	<b>(1,438)</b>	<b>(49,632)</b>
EBIT (%)	(8.40%)	(0.25%)	(151.83%)
Financial and investments management result	(51,209)	(22,159)	(29,050)
<b>Earnings before taxes</b>	<b>(102,279)</b>	<b>(23,597)</b>	<b>(78,682)</b>
Taxes	11,457	4,725	6,732
<b>Year's result</b>	<b>(90,822)</b>	<b>(18,872)</b>	<b>(71,950)</b>

Production demonstrates an increase from 575.5 million Euro in 2019 to 608.2 million Euro in 2020 (+5.7%). A bigger change was recorded for operating costs since they have increased from Euro 577.6 million in 2018 to Euro 640.8 million (14.9%).

The operating margin (EBIT) dropped, in absolute values from Euro - 1.4 million to Euro - 51.1 million, affected by problems, in particular in Romania, Botswana and Austria, deriving from both the extra costs and the slowdowns deriving from the pandemic, and from some operational difficulties.

**Financial and investment management result** was negative for a total of Euro 51.2 million - given by the sum of income for Euro 2 million and charges for Euro 53.2 million - over the negative data of Euro 22.2 million in 2019. Financial expenses refer in particular to the write-down relating to the subsidiary

Storstrom Bridge JV for the final loss in 2020 (Euro 29 million), to the results of the impairment test of Federici Stirling Batco LLC which led to the cancellation of the book value of the investment (Euro 10 million) and the write-down of part of the financial receivable (Euro 7 million) and to SAM S.p.A. due to the losses recorded at December 31, 2020 (Euro 921 thousand).

The item "Losses on disposals of shares" mainly refers to the equity investment in ASTA S.p.A. for Euro 917 thousand.

The loss for the year totals 90.8 million Euro (Euro - 18.9 million in 2019).

The **net financial position** as at 31 December 2020 posts a negative balance of Euro 114.9 million over the positive balance of 45.7 million Euro posted as at 31 December 2019; it is broken down as follows:



<b>ITINERA S.p.A.</b> (in Euro/000)	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>Var.</b>
Cash in bank accounts	70,746	105,519	(34,773)
Cash and valuables on hand	124	205	(81)
Short-term financial liabilities	(17,708)	(6,269)	(11,439)
Short-term bank debt	(187,479)	(116,699)	(70,780)
<b>Short-term net financial position</b>	<b>(134,317)</b>	<b>(17,244)</b>	<b>(117,073)</b>
Medium/long term financial receivables <sup>(*)</sup>	57,530	42,044	15,486
Medium/long term financial liabilities	(21,111)	(16,532)	(4,579)
Medium/long term bank debt	(16,977)	(53,941)	36,964
<b>Total net financial position</b>	<b>(114,875)</b>	<b>(45,673)</b>	<b>(69,202)</b>

<sup>(\*)</sup>The financial credit amounting to Euro 17.5 million granted (written down by Euro 7 million during the year) to Federici was not included in the net financial position as it was entirely or partially used to increase the subsidiary's equity.

The worsening of Euro 69.2 million is essentially due to the resources absorbed by operating assets for Euro 51.4 million (of which depreciation is Euro 14.7 million), from the investments in tangible and intangible assets (Euro 0,6 million) and financial assets (Euro 17.2 million), which include new leasing contracts (Euro 17.3 million).

## HALMAR GROUP

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

<b>HALMAR GROUP</b> (values in Euro/000)	<b>2020</b>	<b>2019</b>	<b>Var.</b>
Revenues	379,186	321,309	57,877
Operating costs	(343,758)	(297,617)	(46,141)
<b>EBITDA</b>	<b>35,428</b>	<b>23,692</b>	<b>11,736</b>
EBITDA (%)	9.34%	7.37%	20.28%
Amortisation and depreciation	(4,587)	(4,358)	(229)
<b>EBIT</b>	<b>30,841</b>	<b>19,334</b>	<b>11,507</b>
EBIT (%)	8.13%	6.02%	19.88%
Financial and investments management result	(1,538)	(5,312)	3,774
<b>Earnings before taxes</b>	<b>29,303</b>	<b>14,022</b>	<b>15,281</b>
Taxes	(530)	(4)	(526)
<b>Year's result</b>	<b>28,773</b>	<b>14,018</b>	<b>14,755</b>
Results pertaining to minority shareholders	3,277	367	2,910
<b>Group results</b>	<b>25,496</b>	<b>13,651</b>	<b>11,845</b>

*Core business revenues* for the period totalled Euro 379.2 million and are related to works directly completed by Halmar International LLC and its subsidiaries. Compared to the previous year, when revenues amounted to Euro 321.3 million, production increased by 18%.

The projects that have had the greatest impact on production in 2020 are: works relating to the expansion of the Long Island Railroad (LIRR) in New York, works relating to the construction of the new subway station in Alexandria (Virginia) and works relating to the modernisation of the Kew Garden road junction in New York. Furthermore, the recognition of contractual variants by the customer for which the costs were finalised in the year or in previous ones had a significant impact on the production of the period. The increase in production led to a significant increase in labour costs equal to Euro 94.6 million (Euro 62.6 million at December 31, 2019) and in costs for services equal to Euro 199.2 million (Euro 186.4 million as of December 31, 2019).

Despite the results achieved in terms of higher revenues and EBIT compared to the previous year, it should in any case be highlighted that on some projects there were delays with respect to forecasts as a result of the pandemic connected in particular to slowdowns in subcontracting and in the delivery of equipment.

*Financial and share management results*, equal to Euro 1.5 million, include financial charges and the negative effect of Mill Basin equity evaluation.

As regards *taxes*, it should be noted that since Halmar is an LLC these are borne by the shareholders, the taxes recorded in the financial statements of Halmar and its subsidiaries are inherent to state taxes recognised as a result of the activity carried out in the various states.

The main Statement of Financial Position items are summarized below:

<b>HALMAR GROUP</b> (in euro/000)	<b>31/12/2020</b>	<b>31/12/2019</b>	<b>Var.</b>
Net non-current assets	18,621	20,852	(2,231)
Non-current assets (liabilities)	2,807	3,238	(431)
Tax assets and (liabilities)	(1,454)	(412)	(1,042)
Working capital	1,700	(9,091)	10,791
<b>Net invested capital</b>	<b>21,674</b>	<b>14,587</b>	<b>7,087</b>
Shareholders' equity	58,739	42,142	16,597
Net financial position	37,065	27,555	9,510
<b>Treasury and third party shares</b>	<b>21,674</b>	<b>14,587</b>	<b>7,087</b>

*Non-current assets and liabilities* mainly include shares held in Mill Basin Constructors LLC, 50% held by Halmar International LLC and assessed with the net equity value.

*Net working capital* increased by 10.8 million Euro.

The net financial position is broken down below:



<b>HALMAR GROUP</b> (in euro/000)	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>Var.</b>
Cash in bank accounts	41,804	20,286	21,518
Short-term financial receivables	19,872	27,142	(7,270)
Short-term financial liabilities	(2,354)	(2,261)	(93)
Short-term bank debt	(11,468)	(5,468)	(6,000)
<b>Short-term net financial position</b>	<b>47,854</b>	<b>39,699</b>	<b>8,155</b>
Medium/long term leasing liabilities	(1,708)	(3,730)	2,022
Medium/long term bank debt	(9,081)	(8,414)	(667)
<b>Total net financial position</b>	<b>37,065</b>	<b>27,555</b>	<b>9,510</b>

Financial receivables refer to liquidity invested in short-term financial instruments; bank debts include medium-long term loans.

For loans, please see that already described in paragraph "Group economic, equity and financial situation analysis".

## TUBOSIDER S.P.A

The Company operates in the civil works market in particular through the construction of noise barriers, road and pipeline barriers and in the lining of tunnels; Tubosider, through the equity investments held in Tubosider UK and Tuborus, also operates abroad.

Below are the economic data of the subsidiary with reference to the 2020 financial year:

<b>TUBOSIDER S.p.A.</b> (values in Euro/000)	<b>2020 from 08/07/2020</b>	<b>2020</b>	<b>2019</b>	<b>Var.</b>
Revenues	28,651	44,257	55,008	(26,357)
Operating costs	(21,872)	(36,931)	(40,650)	18,778
<b>EBITDA</b>	<b>6,779</b>	<b>7,326</b>	<b>14,358</b>	<b>(7,579)</b>
EBITDA (%)	24%	17%	26.10%	28.76%
Amortisation and depreciation	(2,082)	(2,882)	(2,611)	529
<b>EBIT</b>	<b>4,697</b>	<b>4,444</b>	<b>11,747</b>	<b>(7,050)</b>
EBIT (%)	16%	10%	21%	27%
Financial and investments management result	201	2,645	(250)	451
<b>Earnings before taxes</b>	<b>4,898</b>	<b>7,089</b>	<b>11,497</b>	<b>(6,599)</b>
Taxes	(749)	(847)	2,200	(2,949)
<b>Year's result</b>	<b>4,149</b>	<b>6,242</b>	<b>13,697</b>	<b>(9,548)</b>

Revenues amount to Euro 44.2 million and refer to fees for public contracts (contracts and subcontracts) and to supplies of materials of their own production to construction companies engaged in any case in the execution of works whose final customer is represented by the State or by entities attributable to the State. Revenues for the previous year included extraordinary items for Euro 12.9 million, therefore it should be noted that the level of activity increased compared to the previous year.

It should be noted that the consolidation of Tubosider S.p.A. took place starting from 8 July 2020, therefore the income statement was acquired starting from that date, the revenues acquired by the Group therefore amount to Euro 28.6 million and EBIT for Euro 4.7 million.

Below is the financial position of Tubosider S.p.A.:

<b>TUBOSIDER S.p.A. (in Euro/000)</b>	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>Var.</b>
Cash in bank accounts	13,417	1,416	12,001
Short-term financial receivables	375	-	375
Short-term financial liabilities	(150)	(48)	(102)
Short-term bank debt	(102)	(3,724)	3,622
<b>Short-term net financial position</b>	<b>13,540</b>	<b>(2,356)</b>	<b>15,896</b>
Medium/long term financial liabilities	(9,245)	(9,238)	(7)
Medium/long term bank debt	(19)	(66)	47
<b>Total net financial position</b>	<b>4,276</b>	<b>(11,660)</b>	<b>15,936</b>

Financial receivables refer to the subsidiary Partecipazione Roma Sud.

The m/l financial liabilities include Euro 9,143 thousand and are due to Itinera S.p.A.





## 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 company's main economic components according to IAS international accounting policies, can be broken down as follows:

SEA SEGNALETICA STRADALE S.p.A. (values in Euro/000)	2020	2019	Var.
Revenues	29,190	22,591	6,599
Operating costs	(20,063)	(16,312)	(3,751)
<b>EBITDA</b>	<b>9,127</b>	<b>6,279</b>	<b>2,848</b>
EBITDA (%)	31%	27.79%	43.16%
Amortisation and depreciation	(826)	(758)	-68
<b>EBIT</b>	<b>8,301</b>	<b>5,521</b>	<b>2,780</b>
EBIT (%)	28%	24%	42%
Financial and investments management result	15	(18)	33
<b>Earnings before taxes</b>	<b>8,316</b>	<b>5,503</b>	<b>2,813</b>
Taxes	(2,353)	(1,572)	(781)
<b>Operating profits</b>	<b>5,963</b>	<b>3,931</b>	<b>2,032</b>

The **net financial position** as at 31 December 2020 reveals a positive balance of Euro 3,186 thousand (Euro +250 thousand as at 31 December 2019).

SEA SEGNALETICA STRADALE S.p.A. (in Euro/000)	31.12.2020	31.12.2019	Var.
Cash in bank accounts	4,503	2,439	2,064
Cash and valuables on hand	6	1	5
Short-term financial liabilities	(2)	(11)	9
Short-term bank debt	(876)	(856)	(20)
<b>Short-term net financial position</b>	<b>3,631</b>	<b>1,573</b>	<b>2,058</b>
Medium/long term financial liabilities	-	(2)	2
Medium/long term bank debt	(445)	(1,321)	876
<b>Total net financial position</b>	<b>3,186</b>	<b>250</b>	<b>2,936</b>

## ITINERA CONSTRUÇOES LTDA

The Company operates as an EPC contractor serving Ecorodovias group concession holders (a company subject to joint control by ASTM Group) and mainly carries out maintenance work on the motorway sections.

Itinera S.p.A. holds a 90% stake in the Company, the remaining 10% belongs to Sinelec S.p.A., a company belonging to the ASTM Group.

The company's main economic components according to IAS international accounting policies, can be broken down as follows:

ITINERA CONSTRUÇOES LTDA (values in Euro/000)	2020	2019	Var.
Revenues	19,713	33,147	(13,434)
Operating costs	(16,610)	(27,919)	11,309
<b>EBITDA</b>	<b>3,103</b>	<b>5,228</b>	<b>(2,125)</b>
EBITDA (%)	16%	15.77%	15.82%
Amortisation and depreciation	(207)	(275)	68
<b>EBIT</b>	<b>2,896</b>	<b>4,953</b>	<b>(2,057)</b>
EBIT (%)	15%	15%	15%
Financial and investments management result	388	386	2
<b>Earnings before taxes</b>	<b>3,284</b>	<b>5,339</b>	<b>(2,055)</b>
Taxes	(1,064)	(1,527)	463
<b>Operating profits</b>	<b>2,220</b>	<b>3,812</b>	<b>(1,592)</b>

The **net financial position** as at 31 December 2020 reveals a positive balance of Euro 7,199 thousand (Euro + 9,209 thousand as at 31 December 2019).

ITINERA CONSTRUÇOES LTDA (in euro/000)	31.12.2020	31.12.2019	Var.
Cash in bank accounts	4	3	1
Short-term financial receivables	7,253	9,506	(2,253)
Short-term financial liabilities	(29)	(261)	232
<b>Short-term net financial position</b>	<b>7,228</b>	<b>9,248</b>	<b>(2,020)</b>
Medium/long term financial liabilities	(29)	(39)	10
<b>Total net financial position</b>	<b>7,199</b>	<b>9,209</b>	<b>(2,010)</b>



## TARANTO LOGISTICA S.P.A.

The company's core business is the design and execution of work and services regarding the Port of Taranto infrastructure hub - Logistics Platform integrated in the "Adriatic corridor" intermodal trans-European system and the management of the logistics platform as concession holder.

The company's main economic components according to IAS international accounting policies, can be broken down as follows:

<b>TARANTO LOGISTICA S.p.A.</b> (values in Euro/000)	<b>2020</b>	<b>2019</b>	<b>Var.</b>
Revenues	9,362	17,874	(8,512)
Operating costs	(9,540)	(17,942)	8,402
<b>EBITDA</b>	<b>(178)</b>	<b>(68)</b>	<b>(110)</b>
EBITDA (%)	(2%)	-0.38%	1.29%
Amortisation and depreciation	(6)	(6)	0
<b>EBIT</b>	<b>(184)</b>	<b>(74)</b>	<b>(110)</b>
EBIT (%)	(2%)	(0%)	1%
Financial and investments management result	(134)	(197)	63
<b>Earnings before taxes</b>	<b>(318)</b>	<b>(271)</b>	<b>(47)</b>
Taxes	75	62	13
<b>Year's result</b>	<b>(243)</b>	<b>(209)</b>	<b>(34)</b>

Revenues refer to the capitalisation of costs relating to the construction of concession works (Pier road, IV Jetty, Dock, Logistics Platform and Reservoir), safety charges and technical expenses.

The loss posted in 2020 is due to general expenses and other non-capitalised costs. This situation is expected to continue until the year in which the subsidiary will earn its initial income, not effecting, in any case, the profit outlook and value of the investment.

During the year, all the works of the dock to the

west of the IV jetty and the extension of the IV jetty were completed. As regards the landscaping activities of the Reservoir, the only ones still in progress, they are expected to be completed by the first half of 2021.

The **net financial position** as at 31 December 2020 reveals a negative balance of Euro 8,745 thousand (Euro - 8,184 thousand as at 31 December 2019).

Medium/long-term payables are entirely due to the parent company Itinera S.p.A.

<b>TARANTO LOGISTICA S.p.A.</b> (in Euro/000)	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>Var.</b>
Cash in bank accounts	3,257	3,826	(569)
Cash and valuables on hand	7	5	2
Short-term financial liabilities	(6)	(6)	-
Other financial liabilities	(12,000)	(12,000)	-
<b>Short-term net financial position</b>	<b>(8,742)</b>	<b>(8,175)</b>	<b>(567)</b>
Medium/long term financial liabilities	(3)	(9)	6
<b>Total net financial position</b>	<b>(8,745)</b>	<b>(8,184)</b>	<b>(561)</b>

## MAIN GROUP SUBSIDIARIES

The economic and financial results of the Group's main and non-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: 34.30% (representing 49% of economic interests).

With regard to 2020 results, the financial statement has not yet been drafted; the situation as at 31 October 2020 that was submitted for the approval of the board highlights a negative result of 2,952 thousand Omani rial (equal to Euro 6,794 thousand). In the evaluation of the investment through the equity method, the best final result at 31 December 2019 was taken into account compared to what was shown in the situation at 31 October 2019 used for the consolidated financial statements ended 31 December 2019.

With regard to the future prospects of the subsidiary, the expectations are for a partial recovery of the Oman market starting from 2021 and confirmed in the 2021-2024 Business plan approved on 12 March 2021 by the board of the company.

As previously highlighted, following the results of the *impairment* test carried out on the investment, the entire book value was cancelled (amount equal to Euro 9.7 million at 31 December 2019) and the Euro 7 million of financial receivables from the same written down (Euro 10.5 million remaining).

### EUROIMPIANTI S.p.A.

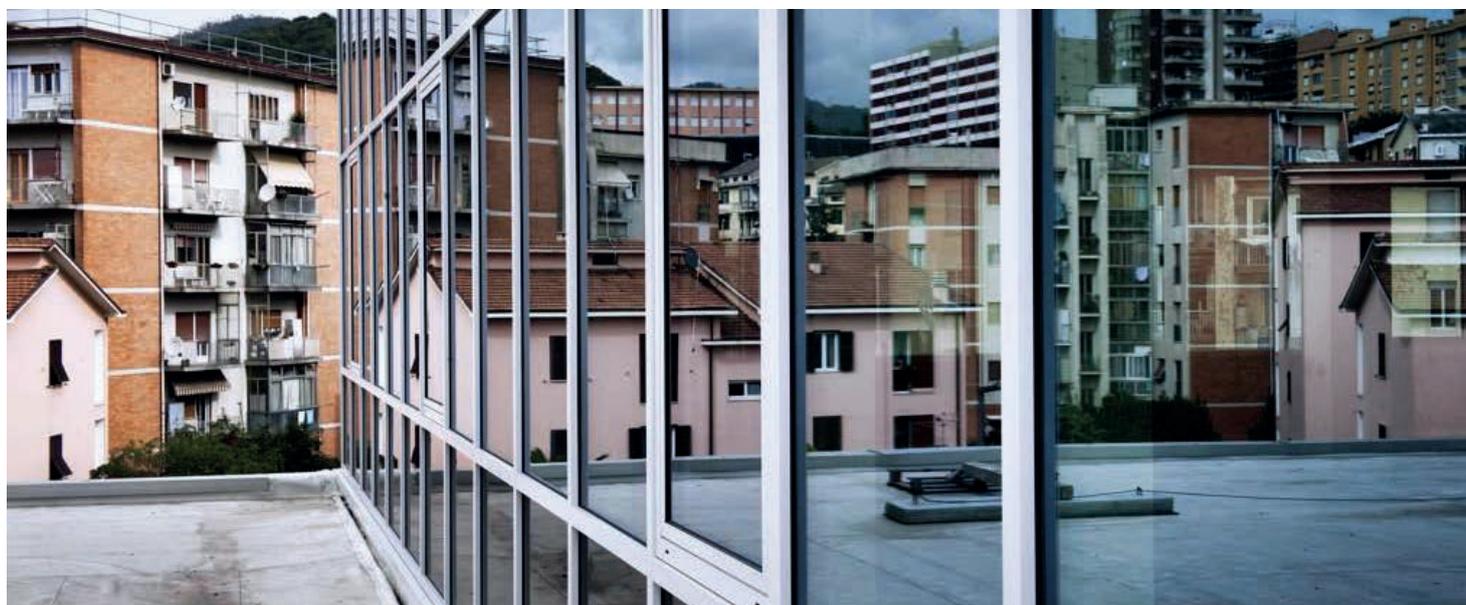
Companies subject to parent company's control

Registered offices: Tortona; Share capital: Euro 120,000; Shares: 5%

The company operates in the sector of the design and manufacturing of electrical, telecommunication and electronic systems as well as electrotechnical, electromechanical and electronic devices.

During the course of 2020, 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 companies it has shares in, and on behalf of external customers; the latter also include works awarded through our membership in the A.C.I. S.c.p.A. stable consortium and carried out in a grouping with other companies. In the second half of 2020, preparatory activities began for the construction of all the works relating to the electro-mechanical part of the Zeland University Hospital in Koge, Denmark, whose construction works are carried out by a temporary partnership with the agent Itinera S.p.A. thus launching growth on international markets in line with the guidelines of the Group's Strategic Plan.

The total turnover for 2020 financial year is Euro 94.3 million, with a profit of Euro 3.1 million and a net financial position of Euro 10.9 million.





## SPECIFIC INFORMATION REQUIRED BY REGULATIONS

### COMPANY ADMINISTRATIVE RESPONSIBILITY

During the year, the management and monitoring of the organisation, management and control model pursuant to Legislative Decree 231/01.

In this regard, it should be noted that the Company has initiated an update of the Risk Assessment 231 and, consequently, of the 231 Model in order to implement the regulatory changes introduced in Legislative Decree 231/01 - among which the so-called tax offences, embezzlement, abuse of office, fraud in public supplies and smuggling offences - as well as some organisational changes and the introduction or revision of some company procedures. The updated Model was adopted during the Board meeting of 10 November 2020.

Also on 10 November, the Company adopted the new Group Code of Ethics as a reference tool and guide for the conduct of every employee and collaborator of the Group and for anyone who conducts business on behalf of the Group, on the initiative of the Parent Company.

During the year, the activities related to maintaining the certification of the Management System for corruption pursuant to the UNI ISO 37001: 2016 standard, achieved in 2019 with regard to the Italian perimeter, also continued; it is noted that these activities have had a positive effect on the crime

prevention system pursuant to Legislative Decree 231/2001 and on the verification of the relative control measures for the important interference profiles between the risk sectors supervised in terms of predicate offences that they intend to prevent and for the implicit awareness and training activities that have ensued.

During the year, the activities of the Supervisory Body continued by holding of periodic meetings during which, in the context of the activities connected with the performance of the usual Supervisory functions, the Body in particular provided:

- to examine the regulatory developments that have an impact on the administrative liability of institutions (Legislative Decree 231/01) and the extension of alleged crimes;
- to monitor the evolution of the organisational structure and business processes;
- to update the scope of the areas of intervention, also taking into consideration the foreign realities, and the audit plan;
- to examine the periodic reports sent by the department managers and the results concerning the procedures subject to verification;
- to set up information exchanges useful for the performance of their duties and to draw up periodic reports for the Board of Directors.

## 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 own shares or holdings or shares in parent companies were disposed or purchased, even through trust companies or other persons.

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

The fees due to the Directors and Statutory Auditors of the Parent Company Itinera S.p.A. and of the other companies included in the consolidation are the following:

Corporate body fees	2020
Board of Directors	1,563
Board of Statutory Auditors	60
<b>Total</b>	<b>1,623</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 L. 262/2005

Itinera, as subsidiary of listed company ASTM S.p.A., is subject to the instructions introduced by Law 28 December 2005, no. 262 and by Legislative Decree 29 December 2006 no. 303, amending Legislative Decree 58/98 (Tax Consolidation Act) that regulate, among others, the nomination of the "Manager in charge of preparing corporate accounting documents", already in 2007 nominated the "Manager in charge of preparing corporate accounting documents", who issued, in concert with the Board of Managing Directors, a specific report relevant to these financial statements.



## BUSINESS OUTLOOK

The estimates for the year 2021, based on the current composition and on the expected evolution of the order backlog, indicate a slightly higher production volume for the Group compared to the year 2020; production, in fact, should increase, indicatively, between 5% and 10%, exclusively thanks to the works already in the backlog.

The objectives for 2021 are, on the one hand, organisational strengthening and, on the other, the maintenance of market shares in the areas of Northern Europe and the United States.

It should be noted that the company's objectives are part of a market context that is still particularly difficult and characterised by widespread complexity, especially on the Italian infrastructure market, where it manifests itself with the delay that some projects have suffered for years, with appeals by competing companies and postponed contracts.

Furthermore, the economic and financial difficulties of some important Italian partners, which resulted in admission to insolvency and bankruptcy procedures which in the past led to operational slowdowns and uncertainties on how to continue some works, have reduced the number of possible partners with whom to participate in the tenders that require high level qualifications.

The Group's financial situation can be defined as satisfactory, in fact, despite the presence of a negative net financial position, in any case in line with expectations, the D/E ratio remains solid.

Furthermore, even if the expectations take into account the continuation of the slowdowns in some projects following the measures repeated by the Governments, mainly in European countries, the

impacts and possible consequences for the continuation of the spread of the COVID-19 virus are not entirely foreseeable.

In strategic terms, therefore, the lines of growth remain confirmed, which see as fundamental both the maintenance of the activity on foreign markets (in particular, Northern Europe, USA and Brazil), an increasingly preponderant part of the turnover, and the presence in the Italian market, in coordination with the strategy defined at the ASTM group level.

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 related to the development achieved, both in the technical and operational area, in particular by strengthening the management structures of foreign orders and in the economic-financial area, to govern the management and control of administrative and financial processes.

Finally, with reference to the subsidiary Halmar, the commercial overseeing process will continue with the further objectives of strengthening EPC business and supporting the parent company ASTM in the development of PPP projects on the US market.

The objectives represented could be influenced by unpredictable exogenous factors that are not within the scope of management.

Tortona, March 15, 2021

For the Board of Directors  
The Chairman  
Rosario Fiumara







# 03

## ITINERA GROUP FINANCIAL STATEMENTS AS AT 31 DECEMBER 2020

- 72** Statement of Financial Position
- 74** Income Statement
- 75** Statement of comprehensive income
- 76** Statement of Cash flows
- 78** Statement of Changes in Shareholders' Equity
- 79** **Notes to the Group financial statements**
- 79** Basis of consolidation and accounting principles
- 97** Information on the Statement of Financial Position
- 127** Information on the Income Statement
- 140** Annexes
- 154** Report of the Board of Auditors on the Consolidated Financial Statements as of 31.12.2020
- 156** Independent Auditor's Report on the Consolidated Financial Statements as of 31.12.2020



# STATEMENT OF FINANCIAL POSITION

(amounts in thousands of Euro)	Notes	31/12/2020	31/12/2019
<b>Assets</b>			
<b>Non-current assets</b>			
1. Intangible assets	1		
a. goodwill		41,658	44,762
b. other intangible assets		1,578	1,390
c. concessions - non-compensated revertible assets		40,538	38,074
<b>3. Total intangible assets</b>		<b>83,774</b>	<b>84,226</b>
2. Tangible assets	2		
a. buildings, plants, machinery and other assets		82,743	75,094
b. investment property		4,261	4,393
c. rights of use assets		48,116	41,112
<b>3. Total tangible assets</b>		<b>135,120</b>	<b>120,599</b>
3. Non-current financial assets	3		
a. equity accounted investments		1,987	14,417
b. Other equity investments		21,272	22,344
c. Other non-current financial assets		26,995	32,583
<b>3. Total non-current financial assets</b>		<b>50,254</b>	<b>69,344</b>
4. Deferred tax assets	4	22,992	17,407
<b>Total non-current assets</b>		<b>292,140</b>	<b>291,576</b>
<b>Current assets</b>			
5. Inventories and contractual assets	5	366,074	265,971
6. Trade receivables	6	283,136	266,637
7. Current tax assets	7	13,240	10,272
8. Other receivables	8	70,843	84,214
9. Current financial assets	9	27,125	36,648
<b>3. Total</b>		<b>760,418</b>	<b>663,742</b>
10. Cash and cash equivalents	10	141,429	137,289
<b>Total current assets</b>		<b>901,847</b>	<b>801,031</b>
<b>Total Assets</b>		<b>1,193,987</b>	<b>1,092,607</b>

(amounts in thousands of Euro)	Notes	31/12/2020	31/12/2019
<b>Net equity and liabilities</b>			
<b>Shareholders' equity</b>	<b>11</b>		
1. Shareholders' equity attributed to owners of the parent company			
a. share capital		86,837	86,837
b. reserves and profits		41,212	124,892
<b>Total</b>		<b>128,049</b>	<b>211,729</b>
2. Shareholders' equity posted to minority shares		33,922	22,665
<b>Total net equity</b>		<b>161,971</b>	<b>234,394</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
3. Provisions for risks and charges and Employee benefits	12	17,748	18,051
5. Other payables and contractual liabilities	13	35,812	36,558
6. Bank debt	14	26,522	63,676
7. Other financial liabilities	15	30,024	28,079
8. Deferred tax liabilities	16	2,903	2,177
<b>Total non-current liabilities</b>		<b>113,009</b>	<b>148,541</b>
<b>Current liabilities</b>			
9. Trade payables	17	390,351	308,307
10. Other payables and contractual liabilities	18	270,237	238,914
11. Bank debt	19	220,945	132,767
12. Other financial liabilities	20	25,011	14,383
13. Current tax liabilities	21	12,463	15,301
<b>Total current liabilities</b>		<b>919,007</b>	<b>709,672</b>
<b>Total liabilities</b>		<b>1,032,016</b>	<b>858,213</b>
<b>Total liabilities and net equity</b>		<b>1,193,987</b>	<b>1,092,607</b>

# INCOME STATEMENT

(amounts in thousands of Euro)	Notes	2020	2019
<b>Revenues</b>	<b>22</b>		
1. revenues from contracts with customers		1,118,142	958,789
2. changes to work in progress, semi-finished and finished products		(3,275)	171
3. other revenue	22.1	14,736	26,266
<b>Total Revenue</b>		<b>1,129,603</b>	<b>985,226</b>
4. Payroll expenses	23	(212,025)	(170,576)
5. Costs for services	24	(710,899)	(601,259)
6. Costs for raw materials	25	(185,638)	(161,772)
7. Other costs	26	(24,899)	(17,663)
8. Amortisation, depreciation and write-downs	27	(28,158)	(18,229)
9. Other provisions for risks and charges	28	(2,769)	(8,620)
<b>EBIT</b>		<b>(34,785)</b>	<b>7,107</b>
10. Financial income:	29.1		
a. from equity investments		163	458
b. others		2,381	2,062
11. Financial expenses:	29.2		
a. interest expense		(2,304)	(2,016)
b. others		(12,901)	(1,108)
12. Profit (loss) of companies accounted for by the equity method:	30	(10,661)	(6,132)
<b>Profits (Loss) before taxes</b>		<b>(58,107)</b>	<b>371</b>
13. Taxes	31		
a. Current taxes		2,443	(4,537)
b. Deferred taxes		1,778	5,195
<b>Profit (loss) for the year</b>		<b>(53,886)</b>	<b>1,029</b>
- amount attributable to minority shares		16,617	7,559
- amount attributable to the Group		(70,503)	(6,530)
<b>Earnings per share</b>	<b>32</b>		
<i>Earnings (loss) per share (Euro unit)</i>		<i>(0.812)</i>	<i>(0.075)</i>

# STATEMENT OF COMPREHENSIVE INCOME

(amounts in thousands of Euro)	2020	2019
<b>Profit/(Loss) for the period (a)</b>	<b>(53,886)</b>	<b>1,029</b>
Actuarial profits (loss) on employee benefits (severance)	(38)	(141)
Shareholding fair value measurement	(1,090)	34
Tax effect on profits (loss) not subsequently reclassified in the Income statement	9	34
<b>Profits (loss) not subsequently reclassified in the Income statement (b)</b>	<b>(1,119)</b>	<b>(73)</b>
Foreign exchange reserves	(14,221)	1,338
<b>Profits (loss) subsequently reclassified in the Income statement when certain conditions are met (c)</b>	<b>(14,221)</b>	<b>1,338</b>
<b>Comprehensive economic results (a) + (b) + (c)</b>	<b>(69,226)</b>	<b>2,294</b>
- amount attributable to minority shares	13,763	7,825
<b>- amount attributable to the Group</b>	<b>(82,989)</b>	<b>(5,531)</b>





# STATEMENT OF CASH FLOWS

(amounts in thousands of Euro)	2020	2019
<b>Cash and cash equivalents starting balance</b>	<b>137,289</b>	<b>110,184</b>
Exchange effect on cash and cash equivalents	(4,759)	
Change in scope of consolidation <sup>(1)</sup>	7,663	(956)
<b>"Adjusted " cash and cash equivalents starting balance (a)</b>	<b>140,193</b>	<b>109,228</b>
<b>Profits (loss)</b>	<b>(53,886)</b>	<b>1,029</b>
<b>Adjustments</b>		
Amortisation	26,951	18,229
Severance reserves adjustment	762	331
Provisions for risks	4,629	9,559
(Profits) loss of companies accounted for by the equity method (net of collected dividends)	17,661	6,132
Gains on the disposal of assets	(1,601)	(5,092)
Financial asset (adjustments) writedowns	-	-
<i>Operating Cash Flow (I)</i>	<i>(5,484)</i>	<i>30,188</i>
Net variation in deferred tax assets and liabilities	(1,702)	(5,393)
Changes in net working capital	(7,696)	(1,902)
Other general operating activities changes	(7,386)	(2,618)
<i>Changes in net working capital and other changes (II)</i>	<i>(16,784)</i>	<i>(9,913)</i>
<i>Liquidity generated (absorbed) by operating activities (I+II) (b)</i>	<i>(22,268)</i>	<i>20,275</i>
Investments in revertible assets	(8,668)	(20,975)
Grants related to revertible assets	4,674	19,958
<i>Net investments in reversible assets (III)</i>	<i>(3,994)</i>	<i>(1,017)</i>
Investments in buildings, plants, machinery and other assets	(14,157)	(28,327)
Investments in intangible assets	(98)	(188)
Net divestiture of buildings, plants, machinery and other assets	3,031	8,043
Net divestiture of intangible assets	273	71
<i>Net investments in tangible and intangible assets (IV)</i>	<i>(10,951)</i>	<i>(20,401)</i>
Investments in non-current financial assets	(9,885)	(16,821)
Non current financial asset divestiture	7,463	6,814
<b><i>Net investments in non-current financial assets (V)</i></b>	<b><i>(2,422)</i></b>	<b><i>(10,006)</i></b>

Extraordinary transactions (VI) <sup>(2)</sup>	(6,315)	(2,669)
<i>Liquidity generated (absorbed) by investments (III+IV+V+VI) (c)</i>	<i>(23,682)</i>	<i>(34,093)</i>
New medium/Long-term loans	-	50,001
Medium/Long-term loans (reimbursements)	(37,154)	(23,964)
Change in other financial liabilities	78,592	36,976
Change in current financial assets	9,523	(20,199)
Variation in third party net equity	(3,775)	(936)
Variation in Group net equity	-	-
<i>Liquidity generated (absorbed) by financial activities (d)</i>	<i>47,186</i>	<i>41,879</i>
<b>Cash and cash equivalents closing balance (a+b+c+d)</b>	<b>141,429</b>	<b>137,289</b>
	-	-
Taxes paid in the year	3,097	3,778
Financial charges paid in the year	2,102	3,124

<sup>(1)</sup> The variation in the scope of consolidation refers to the acquisition of Tubosider and its subsidiaries

<sup>(2)</sup> The item refers to the Tubosider consolidation with its subsidiaries and the payment of the balance for the purchase of Interstrade during the previous year

# STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(amounts in thousands of Euro)	Share capital	Share premium reserve	Legal reserve	Compen-sation gains	Cancel-lation gains	"Fair value" reval-uation reserves	Extraor-dinary reserve	Foreign ex-change reserves	Sever-ance actual-isation reserve	Retained earnings/(Accumu-lated loss)	Profit (loss) for the year	Group Total	Minor-ities	Group Total + Minor-ities
<b>31 December 2018</b>	<b>86,837</b>	<b>26,901</b>	<b>5,775</b>	<b>11,691</b>	<b>58</b>	<b>(4,391)</b>	<b>105,321</b>	<b>(1,200)</b>	<b>222</b>	<b>(21,749)</b>	<b>7,771</b>	<b>217,236</b>	<b>15,776</b>	<b>233,012</b>
Allocation of 2018 results			25			486				7,260	(7,771)	-		-
Change in scope of consolidation														
Other changes										24		24	(936)	(912)
Result for the period						698		1,072	(107)	(664)	(6,530)	(5,531)	7,825	2,294
<b>31 December 2019</b>	<b>86,837</b>	<b>26,901</b>	<b>5,800</b>	<b>11,691</b>	<b>58</b>	<b>(3,693)</b>	<b>105,807</b>	<b>(128)</b>	<b>115</b>	<b>(15,129)</b>	<b>(6,530)</b>	<b>211,729</b>	<b>22,665</b>	<b>234,394</b>
Allocation of 2019 results							(18,872)			12,342	6,530	-		-
Change in scope of consolidation								(24)		(667)		(691)	1,269	578
Other changes							(1)			1		-	(3,775)	(3,775)
Result for the period						(1,090)		(11,367)	(29)	(70,503)	(70,503)	(82,989)	13,763	(69,226)
<b>31/12/2020</b>	<b>86,837</b>	<b>26,901</b>	<b>5,800</b>	<b>11,691</b>	<b>58</b>	<b>(4,783)</b>	<b>86,934</b>	<b>(11,519)</b>	<b>86</b>	<b>(3,453)</b>	<b>(70,503)</b>	<b>128,049</b>	<b>33,922</b>	<b>161,971</b>

# NOTES TO THE GROUP FINANCIAL STATEMENTS

## BASIS OF CONSOLIDATION AND ACCOUNTING PRINCIPLES

Itinera S.p.A. prepared the consolidated financial statements for 2020 that are submitted for statutory audit to Pricewaterhouse Coopers S.p.A..

### BASIS OF PRESENTATION

The consolidated 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 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".

The consolidated financial statements for the 2020 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.

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### Consolidation with the integral method

Consolidation with the "integral method" consists, in brief, in posting 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.

### Measurement of shareholdings using the "equity method"

Shareholdings 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 are 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.

### Joint control agreements

Companies or enterprises in which the company exercises joint control based on the shareholding or specific contractual provisions, based on the definition of IFRS 11, are consolidated line by line based on the share of ownership, if they are *Joint Operations*, otherwise with the equity method if they are *Joint Ventures*.

## 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, acquires 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.

The intangible asset model is applicable to concession contract in the name of Itinera Group company Taranto Logistica S.p.A.

#### 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 reversible 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 reversible assets with working life longer than concession duration at the end of the concession;

- recovery and replacement of reversible 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.

### 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	3.0%
General plants	10.0%
Specific plants	15.0%
Temporary construction	12.5%
Various equipment	40.0%
Metallic formworks	25.0%
Mechanical excavators and shovels	20.0%
Transport vehicles	20.0%
Office furniture and machines	12.0%
Electric/electronic office machines	20.0%
Cars, vehicles, etc.	25.0%

With reference to non-civil buildings, the land item was separated from buildings; in lack 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 posted in the Income Statement in the year in which they are sustained.

### 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 assets

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.

#### **Contract work in progress/Contractual assets**

These are measured, based on agreed fees, ac-

ording 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 cash 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 Group 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 recognise 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 at a given time (point in time) or over time (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 obligations 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’ Assembly.

Any dividend advances are posted when distribution is resolved 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 reversible 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.

### **Asset value losses (*impairment test*)**

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 recorded 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 rec-

ognised. The reversal is recognised immediately in the income statement.

### **Conversion of currency items**

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	Average annual exchange rate
Euro/Reais	6.3735	5.8943
Euro/Dollar	1.2271	1.1422
Euro/Kuwaiti Dinar	0.3735	0.3504
Euro/Omani Rial	0.4718	0.4392
Euro/Angola - Readjustado Kwanza	800.3450	661.8680
Euro/Botswana - Pula	13.2516	13.0638
Euro/South Africa - Rand	18.0219	18.7655
Euro/Romania - Ron	4.8683	4.8383
Euro/British pound	0.8990	0.8897
Euro/Saudi Arabia - Saudi Ryal	4.6016	4.2832
Euro/United Arab Emirates - United Arab Emirates Dirham	4.5065	4.1947
Euro/Denmark - Danish Kroner	7.4409	7.4542
Euro/Sweden - Swedish Kroner	10.0343	10.4848
Euro/Kenya - Kenyan Pound	134.0171	121.7547
Euro/Zambia - Zambia Kwacha	25.9523	20.9539

### 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 measurements

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.

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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”.

### **New accounting standards and interpretations implemented by the EU and in force from 1 January 2020**

- **Amendments to IAS 1 and IAS 8- Definition of materiality.** The document introduced a change in the definition of “significant” contained in IAS 1 and IAS 8. This amendment aims to make the definition of “significant” more specific and introduced the concept of “obscured information” alongside the concepts of omitted or incorrect information already present in the two principles subject to modification. The amendment clarifies that information is “obscured” if it has been described in such a way as to produce an effect similar to that which would have been produced if this information had been omitted or incorrect for the primary readers of a financial statement.
- **Changes to the references to the “Conceptual Framework” in IFRS,** which defines the fundamental concepts for financial reporting. The document helps ensure that the Standards are conceptually consistent and that similar transactions are treated equally, in order to provide useful information to investors, lenders and other creditors. The Conceptual Framework supports companies in the development of accounting principles when no IFRS standard is applicable to a particular transaction and, more generally, helps stakeholders to understand and interpret the Standards.
- **The IASB, on September 26, 2019, published the amendment called “Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform” which amends IFRS 9 - Financial Instruments and IAS 39 - Financial Instruments: Recognition and Measurement as well as IFRS 7 - Financial Instruments: Disclosures.** In particular, the amendment modifies some of the requirements required for the application of hedge accounting, providing for temporary exceptions to them, in order to mitigate the impact deriving from the uncertainty of the IBOR reform (still in progress) on cash flows. cash future in the period preceding its completion. The amendment also requires companies to provide additional information in the financial statements regarding their hedging relationships which are directly affected by the uncertainties generated by the reform and to which they apply the aforementioned exceptions.
- **Amendments to IFRS 3 - Business combinations.** The document provides some clarifications regarding the definition of *business* for the correct application of the IFRS 3 principle. In particular, the amendment clarifies that while a *business* usually produces an output, the presence of an output is not strictly necessary to identify a *business* in the presence of an integrated set of activities/processes and assets. However, to meet the business definition, an integrated set of activities/processes and assets must include, at a minimum, an input and a substantial process which together contribute significantly to the ability to create an *output*. To this end, the IASB has replaced the term “ability to create output” with “ability to contribute to the creation of output” to clarify that a business can exist even without the presence of all the inputs and processes necessary to create an output. The amendment also introduced an optional “*concentration test*”, which allows to exclude the presence of a business if the price paid is substantially referable to a single activity or group of activities.
- On May 28, 2020, the IASB published an amendment called “**Covid -19 Related Rent Concessions (Amendment to IFRS 16)**”, approved by the European Union on October 9, 2020. The document provides lessees the right to account for the reduction in fees connected with Covid-19 without having to assess, through the analysis of the contracts, whether the definition of lease modification of IFRS 16 is met. Therefore, the lessees who apply this option will be able to account for the effects of the reductions in the rent directly in the income statement on the effective date of the reduction. This amendment, applicable to financial statements starting on 1 June 2020, can be applied in advance by a company to financial statements starting on 1 January 2020.

The above did not have any effects on the Group’s

consolidated financial statements as at 31 December 2020.

**Accounting standards, amendments and interpretations IFRS or IFRIC approved by the European Union, not yet mandatory and not adopted in advance by the Group at 31 December 2020.**

- On May 28, 2020, the IASB published an amendment called **“Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)”**. The amendments make it possible to extend the temporary exemption from the application of IFRS 9 until January 1, 2023 for insurance. These changes will take effect on January 1, 2021.
- On August 27, 2020, the IASB published, in light of the reform on interbank interest rates such as the IBOR, the document **“Interest Rate Benchmark Reform–Phase 2”** which contains amendments to the following standards:
  - IFRS 9 Financial Instruments;
  - IAS 39 Financial Instruments: Recognition and Measurement;
  - IFRS 7 Financial Instruments: Disclosures;
  - IFRS 4 Insurance Contracts;
  - IFRS 16 Leases.

The above did not have any effects on the Group’s consolidated financial statements as at 31 December 2020.

**New accounting standards and interpretations issued by the IASB and not yet endorsed 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 May 18, 2017, the IASB issued the **IFRS 17 - Insurance Contracts** standard. The new standard, applicable from years beginning on or after 1 January 2023, governs the accounting treatment of insurance contracts issued and reinsurance contracts held.
- 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”**. The document aims to clarify how to classify debts and other short or long term liabilities. The amendments come into effect from January 1, 2023; early application is however permitted.

- On May 14, 2020, the IASB published the following amendments whose effectiveness begins with financial years starting on January 1, 2022:
  - **Amendments to IFRS 3 Business Combinations:** 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 of IFRS 3.
  - **Amendments to IAS 16 Property, Plant and Equipment:** the amendments are aimed at defining that the revenues deriving from the sale of goods produced by an asset before it is ready for its intended use are posted to the income statement together with the related production costs rather reducing the cost of the asset.
  - **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, including not only incremental costs (such as, for example, the 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 cost of personnel and 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. All the changes will take effect on January 1, 2022.

The Group 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 Group leader'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 Group leader 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 leader company

Company name	Registered offices
ITINERA S.P.A.	Tortona - Via Balustra 15

### Subsidiaries - consolidated with an "integral method"

Subsidiaries	Registered offices	% interests
A7 Barriere S.c.a r.l.	Tortona (AL) - St. Statale Alessandria 6/a	100.00%
A.C.I. S.c.p.A. - Consorzio Stabile	Tortona (AL) - St. Statale Alessandria 6/a	98.15%
Agognate S.c.a r.l. in liquidation	Tortona (AL) - Strada Privata Ansaldo 8	96.88%
Biandrate S.c.a r.l. in liquidation	Tortona (AL) - Strada Privata Ansaldo 8	96.88%
Carisio S.c.a r.l.	Tortona (AL) - Via Balustra 15	96.00%
C.B.S. Srl	Via Palmieri, 29, 10138 Torino	72.00%
Cornigliano 2009 S.ca. r.l.	Tortona (AL) - St. Statale Alessandria 6/a	99.80%
Crispi S.c.a r.l. with sole shareholder in liquidation	Tortona (AL) - St. Statale Alessandria 6/a	100.00%
Crz01 S.ca. r.l.	Tortona (AL) - St. Statale Alessandria 6/a	100.00%
Diga Alto Cedrino S.c.a r.l.	Tortona (AL) - Via Balustra 15	80.00%
Impresa Costruzioni Milano Scarl in liquidation - I.CO.M.	Tortona (AL) - St. Statale Alessandria 6/a	93.00%
I/S Storstroem Bridge	4760 Vordingborg (Denmark) - Brovejen 16	99.98%
Itinera Construcoes Ltda	Vila Nova Conceicao San Paolo (Brasile)	90.00%
Lambro S.c.a r.l.	Tortona (AL) - St. Statale Alessandria 6/a	97.21%
Lanzo S.c.a r.l.	Tortona (AL) - St. Statale Alessandria 6/a	75.00%
Marcallo S.c.a r.l.	Tortona (AL) - St. Statale Alessandria 6/a	100.00%
Mazzè S.c.a r.l.	Tortona (AL) - St. Statale Alessandria 6/a	80.00%
Partecipazione Roma Sud	c.so Torino 236 Asti	55.00%
Ponte Meier S.c.a.r.l.	Tortona (AL) - Località Passalacqua	50.06%
Ramonti S.c.a r.l. in liquidation	Tortona (AL) - St. Statale Alessandria 6/a	51.00%

Subsidiaries	Registered offices	% interests
SAM Società Attività Marittime S.p.A.	Tortona (AL) - St. Statale Alessandria 6/a	100.00%
SEA Segnaletica Stradale S.p.A.	Tortona (AL) - St. Statale Alessandria 6/a	100.00%
S.G.C. S.c.a.r.l. in liquidation	Tortona (AL) - Località Passalacqua	58.89%
Sinergie S.c.a.r.l. in liquidation	Tortona (AL) - St. Statale Alessandria 6/a	100.00%
Taranto Logistica S.p.A.	Tortona (AL) - St. Statale Alessandria 6/a	95.00%
Torre di Isola S.c.a.r.l.	Tortona (AL) - St. Statale Alessandria 6/a	99.90%
Tubosider S.p.A.	Corso Torino 236, 14100 Asti	90.00%
Tubosider UK	3 EX St. Helens, Merseyside, 10 Sutton Fold Industrial Estate, UK	90.00%
Tusbosider CSP Limited	3 EX St. Helens, Merseyside, 10 Sutton Fold Industrial Estate, UK	90.00%
Urbantech S.r.l.	Pontedera (PI) - Via Lombardia 34	100.00%
Itinera USA CORP	2140 S Dupont Highway Street, Camden Delaware	100.00%
Halmar International LLC	421 East Route 59 Nanuet, Ny 10954-2908	50.00%
HIC Insurance Company Inc.	421 East Route 59 Nanuet, Ny 10954-2908	50.00%
Halmar International Trucking Inc.	421 East Route 59 Nanuet, Ny 10954-2908	50.00%
Halmar Transportation System Llc	421 East Route 59 Nanuet, Ny 10954-2908	50.00%
Atlantic Coast Foundations Llc	421 East Route 59 Nanuet, Ny 10954-2908	35.00%
Halmar International - LB Electric Llc	421 East Route 59 Nanuet, Ny 10954-2908	30.00%
Halmar-A Servidone - B Anthony LLC	421 East Route 59 Nanuet, Ny 10954-2908	30.00%
Potomac Yard Constructors JV	421 East Route 59 Nanuet, Ny 10954-2908	30.00%
HINNS JV	421 East Route 59 Nanuet, Ny 10954-2908	25.00%



### Joint Arrangements - Joint Operations

With reference to assessment of the existence of joint arrangements, the provisions of paragraphs 4 and 5 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 of IFRS 11, analysing in particular the legal form of the separate vehicle and the terms of the contractual agreement. With reference to the situation as at 31 December 2020, only entities not incorporated in legal entities and structured in separate vehicles that guarantee transparency of rights and obligations with respect to the participants are qualified as joint operations.

Subsidiaries	Registered offices	% interests
3RD Track Constructors	810 Seventh Avenue 9th floor	11.50%
Arge H 51	A110 Vienna, Absberggasse 47, Austria	44.99%
Consortium Baixada Santista	Av Antonio Bernardo, 3951, Conj Residencial Hmaita, São Vicente/Sp, Cep 11349-380	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)	45.00%
MG-135 Consortium	Avenida Dom Pedro II, número 801, Bairro Centro, Município de Curvelo, Estado de Minas Gerais(MG)	45.00%
Alcas da Ponte Consortium	Rua General Sampaio, 42, Sala 201, Caju, Rio De Janeiro/Rj, Cep 20931-050	45.00%
CONSORCIO BR-050	Avenida José Severino, n. 3050, Lotamento Santa Terezinha Quadra 66 Citade de Catalo, Estado De Gois	45.00%
I/S Koge Hospital	Ballerup, Industriparken 44 A CAP 2750, Denmark	80.00%
I/S Odense Hospital	5000 Odense C (Denmark) - Kochsgade, 31D	49.00%
ITINERA - GHANTOOT JV	Emirate of Abu Dhabi, UAE	50.00%
Itinera Agility JV	Emirate of Abu Dhabi, UAE	75.00%
Itinera/Cimolai JV	Gabarone/Repubblica del Botswana	72.23%
Consortio SP-070	Rua Coronel Gomes Nogueira, 211 - Centro, Taubaté - San Paolo, Brasile	45.00%
Consultoria - ECO135	Av Dom Pedro II, 801, Centro, Curvelo/Mg, 35790-000	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	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	45.00%

## List of shareholdings in subsidiaries, jointly controlled and associated companies accounted for by the "equity method"

Joint operations	Registered offices	Group Share
Autostrada Nogare Mare Adriatico S.c.p.A. in liquidation	37135 Verona, Via Flavio Gioia 71	29%
Nichelino Village S.c.a.r.l.	15057 Tortona (AL), Strada Statale per Alessandria 6/a	50%
Formazza S.c.a.r.l. in liquidation	15057 Tortona (AL), Str.Priv.Ansaldi, 8	33%
Con.Si.L.Fer.	Roma - Via Indonesia 100	50%
Europa S.c.a.r.l.	43121 Parma - Via Anna Maria Adorni 1	50%
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%
Ponte Nord S.p.A.	43121 Parma - Via Anna Maria Adorni 1	50%
Tunnel Frejus S.c.a.r.l.	15057 Tortona (AL), Strada Statale per Alessandria 6/a	50%
Letimbro S.c.a.r.l.	15057 Tortona (AL), Strada Statale per Alessandria 6/a	49%
Fondo Valle S.c.a.r.l. in liquidation	Tortona (AL) - Str. Priv. Ansaldi 8	39%
S.A.C. S.r.l. Consortium in liquidation	Carini (PA) - S.S. 113 zona industriale	35%
Mose TREPORTI	35127 Padova, Via Belgio 26	23%
Consorzio Costruttori TEEM	15057 Tortona (AL), Strada Statale per Alessandria 6/a	35%
Aurea S.c.a.r.l.	15057 Tortona (AL), Strada Statale per Alessandria 6/a	50%
SERRAVALLE VILLAGE S.C.A.R.L.	15057 Tortona (AL), Strada Statale per Alessandria 6/a	50%
COVA S.c.a.r.l.	Bologna - Via del Tappezziere, 4	40%
MOSE BOCCA DI CHIOGGIA SCARL	35127 Padova, Via Belgio 26	43%
FEDERICI STIRLING BATCO LLC (*)	Muscat (Oman) - P.O. BOX 1179 ALATHAIBA, 130	34%
Interconnessione Scarl	15057 Tortona (AL), Strada Statale per Alessandria 6/a	50%
MOSE OPERAE S.c.a.r.l.	35127 Padova, Via Belgio 26	40%
CMC ITINERA JV S.c.p.A.	Ravenna, Via Trieste	49%
Mill Basin Bridge Constructors	421 East Route 59 Nanuet, Ny 10954-2908	50%
Consorzio Frasso Telesino	43121 Parma - Via Anna Maria Adorni 1	33%
TESSERA S.C. A.R.L.	15057 Tortona (AL), Strada Statale per Alessandria 6/a	39%
Darsene Nord Civitavecchia S.c.a.r.l.	00139 Roma, Piazza Fernando De Lucia, 65	25%
SISTEMI E SERVIZI S.c.a.r.l.	15057 Tortona (AL), Str. Prov. Lomellina 3/13	22%
ASCI LOGISTIK GMBH	Thalerhofstrasse 88 8141 Premstatten	45%
CIS BETON GMBH	Thalerhofstrasse 88 8141 Premstatten	45%
Grugliasco S.c.a.r.l.	Tortona (AL), Strada Statale per Alessandria 6/a	50%
Colmeto S.c.a.r.l.	Tortona (AL), Strada Statale per Alessandria 6/a	51%
SPO1 limited liability consortium company	Torino - Via Vincenzo Vela 42	40%



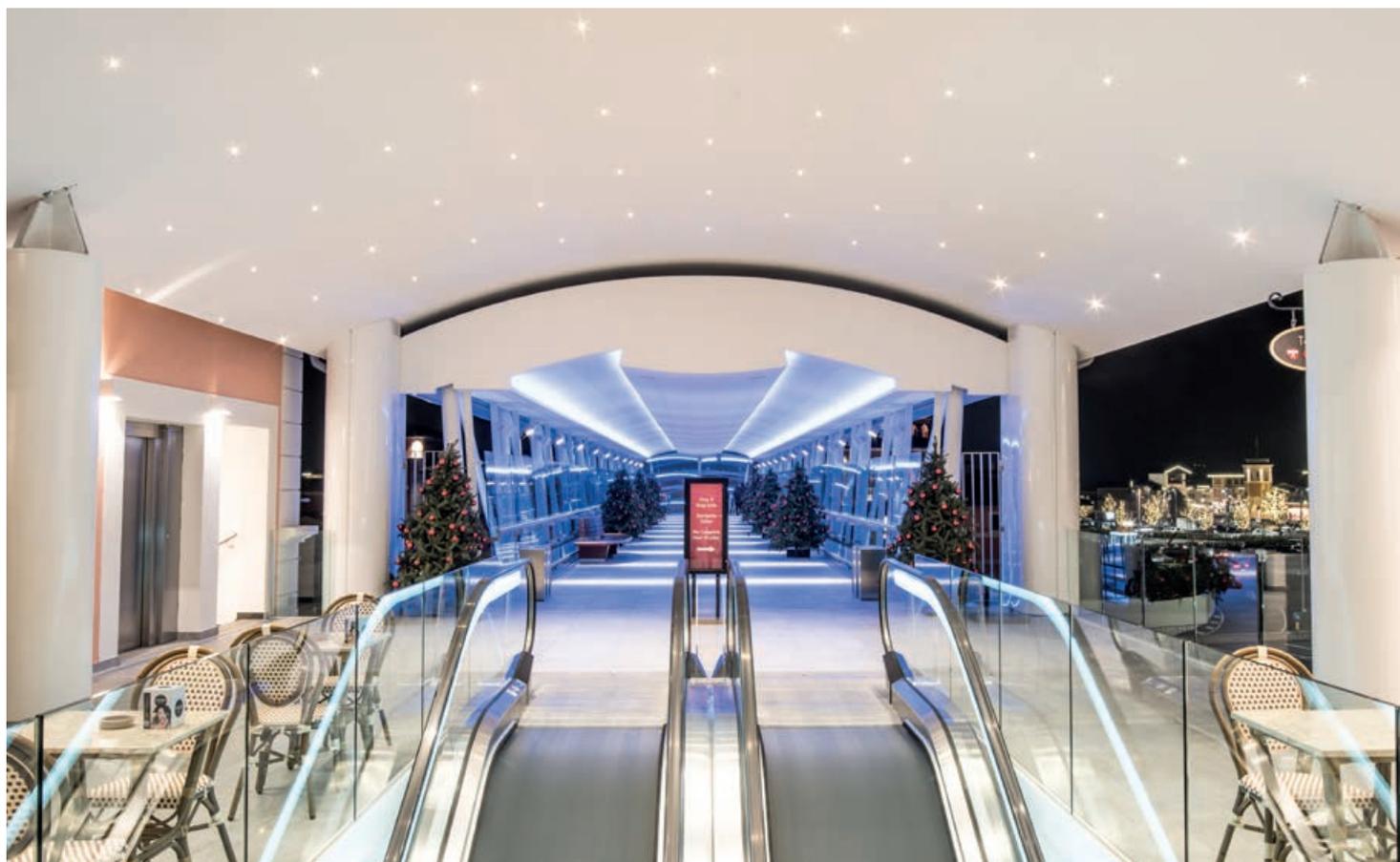
Joint operations	Registered offices	Group Share
Cervit S.c.a.r.l.	20151 Milano, Via Antonio Cechov 50	51%
Telese Scarl	00195 Roma, Via Pietro Borsieri 2/A	45%
Frasso Scarl	43121 Parma, Via Madre Anna Maria Adorni 1	33%
Tuborus LLC	Ulitsa Zubkovoy 8a - Ryazan Oblast - 390037 RUSSIA	50%
Atifon S.c.a.r.l.	Corso Torino 236, 14100 Asti	45%

(\*) On 20 October 2015 Itinera purchased 34.3% of shares, representing 49% of the economic interests, of Federici Stirling Batco LLC based in Muscat, the capital of the Sultanate of Oman, which operates in the construction industry. The agreements signed with shareholder Batco Holding S.A.L. attribute joint control over shares to Itinera.

### Changes in the scope of consolidation

The following is reported for changes to the scope of consolidation:

- Acquisition of control of the Tubosider Group: on 27 July 2020 the subsidiary Itinera S.p.A. acquired control of the company Tubosider S.p.A., as well as of its subsidiaries C.B.S. - Carpenteria Barriere Stradali S.r.l. in liquidation, Partecipazione Roma Sud S.c.ar.l., Tubosider UK LTD and Tubosider CSP LIMITED ("Tubosider Group"); their consolidation took place from 8 July 2020, the date from which the purchase option became exercisable. Please refer to what is better described in the report on operations.
- in July 2020, the subsidiary Itinera S.p.a. subscribed no. 7,500 shares of the newly established consortium company Lanzo S.c.ar.l., coming to hold 75% of the share capital; as of the date of incorporation, the company is included in the consolidation area;
- in 2020, the joint operation Mep JV was incorporated into Itinera Ghantoot JV;
- As of this year, the *Joint Operation* Consultoria - Novos Negócios, Consultoria - Eco 135, Consorcio SP-070 and Consorcio PSG are included in the consolidation area.



## 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)	31st December 2020	31st December 2019	Var.
Goodwill	41,658	44,762	(3,104)
Other intangible assets	1,578	1,390	188
Concessions - revertible assets	40,538	38,074	2,464
<b>Total intangible Assets</b>	<b>83,774</b>	<b>84,226</b>	<b>(452)</b>



## Goodwill and Other intangible assets

(amounts in thousands of Euro)	Goodwill	Other intangible assets		Total
		Industrial patent rights	Other assets	
<b>Cost:</b>	<b>43,991</b>	<b>2,555</b>	<b>4,615</b>	<b>51,161</b>
<b>as at 1st January 2019</b>				
Investments		48	79	127
Reclassifications		188		188
Write-downs				-
Reversals				-
Disposals			(1,032)	(1,032)
Change in perimeter (IAS 1)				-
Exchange differences	771	1		772
<b>as at 31st December 2019</b>	<b>44,762</b>	<b>2,792</b>	<b>3,662</b>	<b>51,216</b>
<b>Accumulated amortisation:</b>		<b>(1,589)</b>	<b>(3,757)</b>	<b>(5,346)</b>
<b>as at 1st January 2019</b>				
Amortisation 2019		(151)	(440)	(591)
Reclassifications		(188)		
Other changes			29	29
Disposals			1,032	1,032
Change in perimeter (IAS 1)				-
Exchange differences				-
<b>as at 31st December 2019</b>		<b>(1,928)</b>	<b>(3,136)</b>	<b>(5,064)</b>
<b>Net book value:</b>				
<b>as at 1st January 2019</b>	<b>43,991</b>	<b>966</b>	<b>858</b>	<b>45,815</b>
<b>as at 31 December 2019</b>	<b>44,762</b>	<b>864</b>	<b>526</b>	<b>46,152</b>

(amounts in thousands of Euro)	Other intangible assets			Total
	Goodwill	Industrial patent rights	Other assets	
<b>Cost:</b>	<b>44,762</b>	<b>2,792</b>	<b>3,662</b>	<b>51,216</b>
<b>as at 1st January 2020</b>				
Investments		46	52	98
Reclassifications				-
Write-downs				-
Other changes			(1,198)	(1,198)
Disposals		(493)	(763)	(1,256)
Change in perimeter (IAS 1)	347	56	4,338	4,741
Exchange differences	(3,451)	(13)	(12)	(3,476)
<b>as at 31 December 2020</b>	<b>41,658</b>	<b>2,388</b>	<b>6,079</b>	<b>50,125</b>
<b>Accumulated amortisation:</b>		<b>(1,928)</b>	<b>(3,136)</b>	<b>(5,064)</b>
<b>as at 1st January 2020</b>				
Amortisation 2020		(157)	(377)	(534)
Reclassifications				-
Other changes		(1)	1,252	1,251
Disposals		493	490	983
Change in perimeter (IAS 1)		(54)	(3,479)	(3,533)
Exchange differences		10	(2)	8
<b>as at 31 December 2020</b>	<b>-</b>	<b>(1,637)</b>	<b>(5,252)</b>	<b>(6,889)</b>
<b>Net book value:</b>				
<b>as at 1st January 2020</b>	<b>44,762</b>	<b>864</b>	<b>526</b>	<b>46,152</b>
<b>as at 31 December 2020</b>	<b>41,658</b>	<b>751</b>	<b>827</b>	<b>43,236</b>



The item **goodwill** is attributable to the goodwill generated by the acquisition of the Halmar Group (amount of Euro 40,771 thousand as at 31 December 2020) which took place on 5 July 2017, the goodwill generated by the acquisition of SEA Segnaletica Stradale S.p.A. (Euro 539 thousand) which took place on July 4, 2018 and the goodwill generated by the acquisition of Tubosider and its subsidiaries (Euro 348 thousand) which took place on July 8, 2020, 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 is under common control. The item decreased by Euro 3,451 thousand as a result of the exchange rate effect for the adjustment of the value of the goodwill of the Halmar Group to the exchange rate of 31 December 2020.

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 "impairment 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 50 million, this was subject to an impairment test based on the 2021-2024 financial plan approved by the subsidiary's board of directors. 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 1.4%, and a 7.94% 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

The item refers entirely to the existing concession in Taranto Logistica S.p.A.:

Cost: as at 1st January 2019	35,739	Cost: as at 1st January 2020	38,074
Investments	20,975	Investments	8,668
Grants	(18,640)	Grants	(6,204)
Write-downs		Write-downs	
Other changes		Other changes	
Reversals		Reversals	
Disposals		Disposals	
<b>31st December 2019</b>	<b>38,074</b>	<b>as at 31 December 2020</b>	<b>40,538</b>
<b>Accumulated amortisation:</b>		<b>Accumulated amortisation:</b>	-
<b>as at 1st January 2019</b>		<b>as at 1st January 2020</b>	
Amortisation 2019		Amortisation 2020	
Reversals		Reversals	
<b>31st December 2019</b>	<b>-</b>	<b>as at 31 December 2020</b>	<b>-</b>
<b>Net book value:</b>		<b>Net book value:</b>	
<b>as at 1st January 2019</b>	<b>35,739</b>	<b>as at 1st January 2020</b>	<b>38,074</b>
<b>as at 31 December 2019</b>	<b>38,074</b>	<b>as at 31 December 2020</b>	<b>40,538</b>

## NOTE 2 - TANGIBLE ASSETS

This item is broken down below:

(amounts in thousands of Euro)	31st December 2020	31st December 2019	Var.
Buildings, plants, machinery and other assets	82,743	75,094	7,649
Investment property	4,261	4,393	(132)
Rights of use assets	48,116	41,112	7,004
<b>Total Tangible Assets</b>	<b>135,120</b>	<b>120,599</b>	<b>14,521</b>

### 2.1 Buildings, plants, machinery 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>48,064</b>	<b>35,386</b>	<b>43,514</b>	<b>11,739</b>	<b>2,070</b>	<b>140,773</b>
<b>as at 1st January 2019</b>						
Investments	2,110	5,319	8,745	1,777	10,376	28,327
Reclassifications	1,163	(502)	1,119	(2,075)	(2,104)	(2,399)
Write-downs						-
Change in perimeter (IAS 1)	(57)	(114)	(57)	(139)		(367)
Disposals	(453)	(3,711)	(3,052)	(882)		(8,098)
Exchange differences	80	101	297	103	26	607
<b>31st December 2019</b>	<b>50,907</b>	<b>36,479</b>	<b>50,566</b>	<b>10,523</b>	<b>10,368</b>	<b>158,843</b>
<b>Accumulated amortisation:</b>	<b>(15,059)</b>	<b>(27,915)</b>	<b>(33,423)</b>	<b>(7,157)</b>	<b>-</b>	<b>(83,554)</b>
<b>as at 1st January 2019</b>						
Depreciation 2019	(1,035)	(2,370)	(4,782)	(1,033)		(9,220)
Reclassifications	364	940	521	243		2,068
Change in perimeter (IAS 1)	71	9	8	41		129
Utilisations	255	3,217	2,892	701		7,065
Exchange differences	(13)	(11)	(166)	(47)		(237)
<b>31st December 2019</b>	<b>(15,417)</b>	<b>(26,130)</b>	<b>(34,950)</b>	<b>(7,252)</b>	<b>-</b>	<b>(83,749)</b>
<b>Net book value:</b>						
<b>as at 1st January 2019</b>	<b>33,005</b>	<b>7,471</b>	<b>10,091</b>	<b>4,582</b>	<b>2,070</b>	<b>57,219</b>
<b>as at 31 December 2019</b>	<b>35,490</b>	<b>10,349</b>	<b>15,616</b>	<b>3,271</b>	<b>10,368</b>	<b>75,094</b>



(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>50,907</b>	<b>36,479</b>	<b>50,566</b>	<b>10,523</b>	<b>10,368</b>	<b>158,843</b>
<b>as at 1st January 2020</b>						
Investments	75	4,082	3,725	2,126	4,149	14,157
Reclassifications	876	12,011	133	80	(10,392)	2,708
Write-downs	(317)	(170)	(13)			(500)
Other changes		(49)	(166)	(33)		(248)
Change in perimeter (IAS 1)	12,752	9,821	3,373	1,484	843	28,273
Disposals		(6,906)	(3,863)	(1,797)		(12,566)
Exchange differences	(825)	(544)	(1,948)	(455)	29	(3,743)
<b>as at 31 December 2020</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>Accumulated amortisation:</b>	<b>(15,417)</b>	<b>(26,130)</b>	<b>(34,950)</b>	<b>(7,252)</b>	<b>-</b>	<b>(83,749)</b>
<b>as at 1st January 2020</b>						
Depreciation 2020	(1,218)	(2,761)	(5,029)	(1,287)		(10,295)
Reclassifications		(437)	(1,764)			(2,201)
Other changes	2	60	188	30		280
Change in perimeter (IAS 1)	(7,520)	(8,719)	(3,298)	(1,321)		(20,858)
Utilisations		5,902	3,613	1,621		11,136
Exchange differences	92	122	1,092	200		1,506
<b>as at 31 December 2020</b>	<b>(24,061)</b>	<b>(31,963)</b>	<b>(40,148)</b>	<b>(8,009)</b>	<b>-</b>	<b>(104,181)</b>
<b>Net book value:</b>						
<b>as at 1st January 2020</b>	<b>35,490</b>	<b>10,349</b>	<b>15,616</b>	<b>3,271</b>	<b>10,368</b>	<b>75,094</b>
<b>as at 31 December 2020</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>

The change in scope (IAS 1) in 2020 is due to the consolidation of Tubosider and its subsidiaries for Euro 7,415 thousand (of which Euro 28,273 thousand of book cost and Euro (20,858) thousand of accumulated depreciation).

Investments in the period, equal to Euro 14,157 thousand, mainly refer to **Plants and Machinery** (Euro 4,082 thousand, of which 654 thousand in Italy, 91 thousand in Romania, 761 thousand in the Arab Emirates, 9 thousand in Botswana, 2,240 thousand in Denmark and 327 thousand in Brazil) and **Industrial and commercial equipment** (Euro 3,725 thousand, of which 1,128 thousand in Italy, 16 thousand in Botswana and 100 thousand in the Arab Emirates, 1,523 thousand in the USA, 44 thousand in Brasil and 914 thousand in Denmark). **Assets under construction and advances** are related to investments made by the subsidiary Storstroem Bridge (Euro 2,285 thousand) and by the subsidiary Tubosider (Euro 12,640 thousand).

Net disposals for the period of Euro 1,430 thousand (Euro 12,566 thousand of book cost and Euro 11,136 of accumulated depreciation) mainly refer to assets used in Italian contracts.

The item **Reclassifications** is mainly attributable to the redemption of assets previously included in the Rights of use assets.

With regard to the item **Land and Buildings**, deriving from the Halmar Group, mortgage guarantees were recognised in favour of M&T Bank on land and buildings owned by Halmar International LLC, whose net value as at 31 December 2020 amounts to USD 9,356 thousand as collateral for the loan negotiated on August 2, 2019 whose residual debt at 31 December 2020 amounted to USD 5,507 thousand.

The land in Tortona owned by the subsidiary SEA Segnaletica Stradale S.p.A. is burdened by a voluntary mortgage of Euro 12 million, in favour of UBI Banca for a loan in place whose residual value at 31 December 2020 was Euro 1,321 thousand.

It should also be noted that as a consequence of the consolidation of Tubosider S.p.A., the following guarantees are held by the group:

- 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;
- mortgage guarantee in favour of Banca Popolare di Spoleto registered on the industrial complex of Terni, owned by Tubosider S.p.A. to guarantee a loan whose residual debt at 31 December 2020 amounts to 0.1 million Euro.

## 2.2 Investment property

The item **Land and Buildings** includes a building in Bologna, for net total value of euro 4,261 thousand, owned by Itinera S.p.A. that is rented to third parties.

(amounts in thousands of Euro)	<b>Investment property</b>
<b>Cost:</b>	<b>5,519</b>
<b>as at 1st January 2019</b>	
Investments	
Reclassifications	
Write-downs	
Disposals	
Exchange differences	
<b>31st December 2019</b>	<b>5,519</b>
<b>Accumulated amortisation:</b>	<b>(994)</b>
<b>as at 1st January 2019</b>	
Depreciation	(132)
Reclassifications	
Utilisations	
Exchange differences	
<b>31st December 2019</b>	<b>(1,126)</b>
<b>Net book value:</b>	
<b>as at 1st January 2019</b>	<b>4,525</b>
<b>as at 31 December 2019</b>	<b>4,393</b>

(amounts in thousands of Euro)	<b>Investment property</b>
<b>Cost:</b>	<b>5,519</b>
<b>as at 1st January 2020</b>	
Investments	
Reclassifications	
Write-downs	
Disposals	
Exchange differences	
<b>as at 31 December 2020</b>	<b>5,519</b>
<b>Accumulated amortisation:</b>	<b>(1,126)</b>
<b>as at 1st January 2020</b>	
Depreciation	(132)
Reclassifications	
Utilisations	
Exchange differences	
<b>as at 31 December 2020</b>	<b>(1,258)</b>
<b>Net book value:</b>	
<b>as at 1st January 2020</b>	<b>4,393</b>
<b>as at 31 December 2020</b>	<b>4,261</b>

### 2.3 - Rights of use assets

This item is broken down below:

(amounts in thousands of Euro)	Building rights of use	Vehicle rights of use	Machinery rights of use	Other assets rights of use	Total
<b>Cost:</b>					-
<b>as at 1st January 2019</b>					
Investments	12,089	3,425	22,893	9,436	47,843
Reclassifications	548	3,466	14,672	8,693	27,379
Write-downs					-
Change in perimeter (IAS 1)					-
Disposals		(92)	(4,379)	(1,002)	(5,473)
Exchange differences	(13)	(15)	(22)	(6)	(56)
<b>31st December 2019</b>	<b>12,624</b>	<b>6,784</b>	<b>33,164</b>	<b>17,121</b>	<b>69,693</b>
<b>Accumulated amortisation:</b>					-
<b>as at 1st January 2019</b>					
Depreciation 2020	(2,661)	(1,664)	(2,696)	(1,258)	(8,279)
Reclassifications	(386)	(1,592)	(13,441)	(8,456)	(23,875)
Change in perimeter (IAS 1)					-
Utilisations		27	2,578	951	3,556
Exchange differences	3	9	5		17
<b>31st December 2019</b>	<b>(3,044)</b>	<b>(3,220)</b>	<b>(13,554)</b>	<b>(8,763)</b>	<b>(28,581)</b>
<b>Net book value:</b>					
<b>as at 1st January 2019</b>	-	-	-	-	-
<b>as at 31 December 2019</b>	<b>9,580</b>	<b>3,564</b>	<b>19,610</b>	<b>8,358</b>	<b>41,112</b>



(amounts in thousands of Euro)	Building rights of use	Vehicle rights of use	Machinery rights of use	Other assets rights of use	Total
<b>Cost:</b>	<b>12,624</b>	<b>6,784</b>	<b>33,164</b>	<b>17,121</b>	<b>69,693</b>
<b>as at 1st January 2020</b>					
Investments	4,690	2,876	14,367	7,562	29,495
Reclassifications	(924)	(736)	(1,063)		(2,723)
Write-downs					-
Change in perimeter (IAS 1)	972	85	1,846	11	2,914
Disposals	(2,277)	(680)	(4,234)	(7,441)	(14,632)
Exchange differences	(386)	(353)	(311)	(39)	(1,089)
<b>as at 31 December 2020</b>	<b>14,699</b>	<b>7,976</b>	<b>43,769</b>	<b>17,214</b>	<b>83,658</b>
<b>Accumulated amortisation:</b>	<b>(3,044)</b>	<b>(3,220)</b>	<b>(13,554)</b>	<b>(8,763)</b>	<b>(28,581)</b>
<b>as at 1st January 2020</b>					
Depreciation 2020	(3,992)	(2,057)	(6,060)	(2,543)	(14,652)
Reclassifications	555	1,077	728		2,360
Change in perimeter (IAS 1)	(590)	(72)	(1,845)	(3)	(2,510)
Utilisations	1,218	519	2,602	2,955	7,294
Exchange differences	170	191	179	7	547
<b>as at 31 December 2020</b>	<b>(5,683)</b>	<b>(3,562)</b>	<b>(17,950)</b>	<b>(8,347)</b>	<b>(35,542)</b>
<b>Net book value:</b>					
<b>as at 1st January 2020</b>	<b>9,580</b>	<b>3,564</b>	<b>19,610</b>	<b>8,358</b>	<b>41,112</b>
<b>as at 31 December 2020</b>	<b>9,016</b>	<b>4,414</b>	<b>25,819</b>	<b>8,867</b>	<b>48,116</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 in the period therefore amounted to Euro 29.5 million, of which Euro 9.3 million refer to new operating leasing contracts (in particular Euro 2.8 million in Itinera headquarters, Euro 2.2 million in the Emirates, Euro 3.2 million in Denmark, Euro 0.7 million in Austria and Euro 0.7 million in the United States) and Euro 20.2 million refer to financial leases (of which Euro 1 million in Itinera headquarters, Euro 7.7 million in Denmark, Euro 10.7 million in Austria and Euro 0.7 million in the United States).

## NOTE 3 - NON-CURRENT FINANCIAL ASSETS

(amounts in thousands of Euro)	31st dicembre 2020	31st dicembre 2019	Var.
Equity accounted investments	1,987	14,417	(12,430)
Other shareholdings	21,272	22,344	(1,072)
Other non-current financial assets	26,995	32,583	(5,588)
<b>Total Non-current financial assets</b>	<b>50,254</b>	<b>69,344</b>	<b>(19,090)</b>

### 3.a - Shareholdings accounted for by the equity method

(in Euro/000)	31.12.2019	Purchases/ (Disposals)	Equity adjustments	Write-downs	Exchange effect/ Other changes	31.12.2020
ASCI GMBH	21		(5)			16
ASTA S.P.A.	2,796	(1,668)	(1,128)			-
ATIFON SCARL	-	4				4
CIS BETON GMBH	-		16			16
EUROPA	5		(1)			4
FEDERICI STIRLING BATCO LLC	9,687		(3,593)	(5,563)	(531)	-
FRASSO S.C.A.R.L.	-	5				5
LISSONE	5		(5)			-
MILL BASIN BRIDGE CONSTRUCTORS LLC	942		(548)		(43)	351
NICHELINO	5	(5)				-
SERRAVALLE	5	(5)				-
SISTEMI E SERVIZI S.C.A.R.L.	18		(2)			16
TELESE S.C.A.R.L.	-	5				5
TUBORUS LLC	-	1,159	(299)		(228)	632
ALTRE MINORI	933				5	938
<b>Total Shares measured using the equity method</b>	<b>14,417</b>	<b>(505)</b>	<b>(5,565)</b>	<b>(5,563)</b>	<b>(797)</b>	<b>1,987</b>

Changes in shareholdings accounted for by the “equity method” during the year are indicated in annex 1. The following operations, among others, are of note:

- **Federici Stirling Batco LLC:** the book value of Company in the Consolidated Financial Statements as at 31 December 2019 amounted to Euro 9,687 thousand, as at 31 December 2020 it was entirely written down; in particular during the year the book value of the investment held in the jointly controlled company has decreased mainly due to the implementation of the pro-quota loss posted between 31 October 2019 (financial statement date available at the date of preparation of the 2019 consolidated financial statements) and 31 December 2019 and the pro-quota loss posted as of 31 October 2020, as posted in the Statement of Financial Position approved by the board of directors of the subsidiary on 12 March 2021, for a total of 3,593 thousand Euro. Moreover, the investment value has decreased due to the adjustment of the associated company’s net equity at the 31 December 2020 exchange rate totalling Euro 531 thousand, offset by the group’s net equity. The book value of the investment was also subjected to impairment tests. The value in use was determined by using the future cash flows (“Discounted Cash Flows”) obtained from the above plan and the “Terminal Value”, determined based on the average of the last two years of the plan assuming a “g rate” equal to 2.5%, and a 13.49% WACC. The results of the test led to the need to cancel the book value of the investment, with an impairment of Euro 5,563 thousand. It should also be noted that the financial receivables held against the company were written down for 7 million Euro as a consequence of the results of the impairment test.
- **Asta S.p.A.:** during the year the investee terminated its business, the Itinera Group, which held a stake of 30.002% of the share capital, equal to Euro 2,796 thousand, obtained a share of Euro 1,668 thousand from the distribution plan, taking over a negative effect, included in the profits (losses) from companies valued with the equity method of Euro 1,128 thousand.
- **Mill Basin Constructors LLC:** company 50% owned by Halmar International LLC, recorded in the consolidated financial statements of the Itinera Group at 31 December 2019 at a value of Euro 942 thousand, reduced by the pro-rata of the negative result achieved in the year equal to Euro 1,096 thousand (Halmar share Euro 548 thousand) and due to a negative exchange rate effect on the investment value equal to Euro 43 thousand. The investment value at 31 December 2020 is equal to 351 thousand Euro.
- **Asci Gmbh:** company 45% owned by Itinera S.p.A. valued at equity (Euro (5) thousand) on the basis of the economic and equity situation as at 30 September 2020 prepared by the administrative bodies of the associate.
- **Cis Beton:** company 45% owned by Itinera S.p.A. valued at equity (Euro 37 thousand) on the basis of the economic and equity situation as at 30 September 2020 prepared by the administrative bodies of the associate.
- **Frasso S.c.a r.l.:** during the year Itinera S.p.A. subscribed a 33% stake in the share capital for Euro 5 thousand. The Company will be responsible for the executive design and construction of the doubling of the Naples-Bari railway line, Frasso Telesse Vitulano (BN) section;
- **Nichelino S.c.a r.l. and Serravalle Village S.c.a r.l.:** during the year the companies, 50% owned by Itinera S.p.A., completed the liquidation procedure. Itinera Spa recorded a total loss of Euro 2 thousand;
- **Telese S.c.a r.l.:** during the year Itinera S.p.A. subscribed a 45.3% stake in the subsidiary’s share capital for Euro 5 thousand. The Company will be responsible for the executive design and construction of the of the Naples-Bari railway line, Telesse San Lorenzo Vitulano (BN) section;
- **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 2020 at a value of Euro 632 thousand. The economic effects of the equity assessment were acquired starting from the consolidation

of Tubosider, 8 July 2020, and amount to Euro 149 thousand. The equity assessment of the associate also had a negative effect of Euro 228 thousand as a result of the adjustment to the exchange rate at 31 December 2020. This effect had an offset account in shareholders' equity

### 3.b - Other equity investments

(in Euro/000)	31.12.2019	Purchases/Increases	Equity adjustments	Fair Value adjustments	31.12.2020
AEDES S.P.A.	1,838			(769)	1,069
ALES TECH S.r.l.	-	15			15
AUTOSTRADA ASTI-CUNEO S.p.A.	10,000				10,000
AUTOSTRADE CENTROPADANE S.p.A.	1,660			(18)	1,642
EUROLINK SCPA	3,000				3,000
PASSANTE DORICO S.P.A.	2,621			(6)	2,615
Part.SAV AQ Scarl	-	2			2
RESTART SIIQ (ex AEDES S.p.A.)	1,064			(281)	783
SOC.AUT. BRONI-MORTARA S.p.A.	818			(16)	802
ASTALDI	-	1			1
ALTRE	1,343				1,343
<b>Total Other Shareholdings</b>	<b>22,344</b>	<b>18</b>	<b>-</b>	<b>(1,090)</b>	<b>21,272</b>

The change of Euro (1,090) thousand recognised in the year is mainly attributable to the following transactions:

- **Aedes SIIQ S.p.A.:** at 31 December 2020, the last day of listing relative to 2020, the value of the investments in the financial statements was adjusted to the listing value of the securities, equal to Euro 0.631 (value at 31 December 2020 equal to Euro 1,069 thousand), with a negative effect of Euro 769 thousand allocated to the statement of comprehensive income pursuant to IFRS 9;
- **Autostrade Centropadane S.p.A.:** the reduction in the value of the equity investment, for Euro 18 thousand, is attributable to its adjustment to its "fair value" offset by "equity";
- **Passante Dorico S.p.A.:** the reduction in the value of the equity investment, for Euro 6 thousand, is attributable to its adjustment to its "fair value" offset by "equity";
- **Restart SIIQ S.p.A.:** at 31 December 2020, the last day of listing relative to 2020, the value of the investments in the financial statements was adjusted to the listing value of the securities, equal to Euro 0.462 (value at 31 December 2020 equal to Euro 782 thousand), with a negative effect of Euro 281 thousand allocated to the statement of comprehensive income pursuant to IFRS 9;
- **Sa.Bro.m. S.p.A.:** the reduction in the value of the equity investment, for Euro 16 thousand, is attributable to its adjustment to its "fair value" offset by "equity";



### 3.c - Other non-current financial assets

These are represented by:

(amounts in thousands of Euro)	31st December 2020	31st December 2019	Var.
<b>Loans to subsidiaries not fully consolidated:</b>			
- Receivables from associated companies	24,426	21,585	2,841
- Loans to other companies	1,214	3,567	(2,353)
- Adjusting provisions	(7,000)	-	(7,000)
<b>Receivables:</b>			
- from suppliers for deposits	2,954	2,313	641
- from others	6,239	5,118	1,121
- Adjusting provisions	(838)	-	(838)
<b>Total</b>	<b>26,995</b>	<b>32,583</b>	<b>(5,588)</b>

The **loans to subsidiaries not fully consolidated** include:

- *Receivables from associated companies* equal to Euro 24,426 thousand (Euro 21,585 as at 31 December 2019) which refer to the loan disbursed to Federici Stirling Batco LLC equal to Euro 17,517 thousand (the amount was written down with a provision in a specific item, equal to Euro 7,000 thousand), of which Euro 2,480 disbursed during the year, but net of the change in the exchange rate for Euro 1,779 thousand, on the main part of which 3% interest accrues. The remaining part is made up of non-interest bearing loans to Tunnel Frejus S.c.a.r.l. (Euro 3,250 thousand; Euro 3,000 thousand as at 31 December 2019), Società Nogara Mare Adriatico S.c.p.A. (Euro 290 thousand; same as at 31 December 2019), Interconnessione S.c.a.r.l. (Euro 796 thousand; euro 49 thousand as at 31 December 2019), Formazza S.c.a.r.l. (Euro 75 thousand, constant during the year), Colmeto S.c.a.r.l. (Euro 943 thousand; euro 51 thousand as at 31 December 2019), Grugliasco S.c.a.r.l. (Euro 130 thousand, Euro 60 thousand at 31.12.2019), Fondovalle (Euro 20 thousand unchanged compared to 31 December 2019) and Darsene Nord Civitavecchia (Euro 200 thousand unchanged compared to 31

December 2019). During the year, non-interest bearing loans were disbursed to Frasso S.c.a.r.l. (Euro 495 thousand), Ponte Nord S.p.A. (Euro 60 thousand), Telese S.c.a.r.l. (Euro 113 thousand) and Tessera S.c.a.r.l. (Euro 536 thousand). Furthermore, during the year, the non-interest bearing loan in place at 31.12.2019 to Nichelino S.c.a.r.l. (Euro 1,024 thousand was fully repaid as part of the closing of the liquidation procedure).

- Adjusting provisions equal to Euro 7,000 thousand refer to the impairment of part of the receivable from Federici Stirling Batco LLC as a result of the impairment test,
- *Loans to other companies* equal to Euro 1,214 thousand (Euro 3,567 at 31 December 2019) the item includes the non-interest bearing loan of Euro 491 thousand relating to the JO Arge H51 (net of an elision equal to 44.99%, corresponding to the percentage of interest in the JO), the loan to Sa.Bro.M. S.p.A. equal to Euro 608 thousand (figure that increased during the year by Euro 28 thousand) on which interest accrues at the rate of 2.75% to the interest-free loan granted to Abesca Europe S.r.l. (Euro 72 thousand, unchanged in the year), the loan to Consorzio Costruttori Veneti San Marco (Euro 9 thousand unchanged compared to 31 December 2019)

and the loan to Eurolink (Euro 33 thousand, Euro 20 thousand at December 31 2019). The reduction in the item for the period mainly refers to the reimbursement of the pro-rata financial receivable that JO Arge H51 had from the two Austrian shareholders PORR Bau GmbH and Hinteregger mbH.

Receivables "From suppliers for deposits" amounting to Euro 2,954 thousand (Euro 2,313 thousand at 31 December 2019), mainly refer to the Arab Emirates for Euro 1,095 thousand and to Denmark for Euro 1,448 thousand.

The item "Amounts due from others" equal to Euro 6,239 thousand (Euro 5,118 thousand as at 31 December 2019), refer for an amount of Euro 413 thousand, to the credit deriving from the incorporation of ABC in 2016, relating to charges capitalised in past years in relation to the equity investment held, for a share of 50%, in the consortium Con.Si.L.Fer. If the final outcome of the dispute that the consortium is pursuing with the State Railways is favourable (currently with the Supreme Court judgement of 9 October 2013, the decision was referred to the Civil Court of Appeals of Rome), these costs will make up contract charges which will be amortised based on the progress of the job; if it is negative, or if the ruling sets a compensation in favour of the consortium, these will be expensed in the period in which the pertinent judicial bodies issue their final sentence. It should be noted, however, that these costs are entirely offset by risk provisions.

The item also includes the advance payment of Euro 250 thousand paid to Logsystem International S.r.l. for the purchase of 40% of the share capital of Logsystem S.r.l., a company wholly owned by the former, owner of the land which is synergistic for the activities of the subsidiary Taranto Logistica S.p.A. and of the *net cash value* of insurance policies stipulated by the subsidiary Halmar International LLC for the amount of Euro 1,738 thousand and prepaid insurance premiums whose expiration is expected over 12 months for Euro 1,929 thousand.

The "adjusting provisions" equal to Euro 838 thousand refer to the impairment made during the year of the receivables recorded by the subsidiary SAM in consideration of the difficulty in recovering them.

#### NOTE 4 - DEFERRED TAX ASSETS

This item totals Euro 22,992 thousand (Euro 17,407 thousand as at 31 December 2019); for the breakdown of this item, please refer to Note 32 - Income tax. The increase in the year is mainly represented by deferred tax assets on taxed provisions.

#### NOTE 5 - INVENTORIES AND CONTRACTUAL ASSETS

These are represented by:

(amounts in thousands of Euro)	31st December 2020	31st December 2019	Var.
Raw materials, subsidiary materials and consumables	30,292	17,467	12,825
Work in progress and semi-finished products	3,974	2,312	1,662
Work in progress on order/Contractual assets	270,156	225,463	44,693
Finished products and goods	3,836	1,333	2,503
Advances	57,816	19,396	38,420
<b>Total</b>	<b>366,074</b>	<b>265,971</b>	<b>100,103</b>



### Raw materials, subsidiary materials and consumables

The item amounts to Euro 30,292 thousand, of which Euro 15,842 thousand (net of provisions for bad debts of Euro 1,147 thousand) in Italy, 2,839 in Romania, Euro 1,788 thousand (net of provisions for bad debt of Euro 150 thousand) in the United Arab Emirates, and Euro 7,495 thousand in Denmark. The consolidation of Tubosider and its subsidiaries resulted in an increase of Euro 2,602 thousand.

### Work in progress and semi-finished products

The item, amounting to Euro 3,974 thousand (Euro 2,312 as at 31 December 2019), increased compared to the previous year as a result of the consolidation of Tubosider and its subsidiaries.

### Work in progress on order/Contractual assets

Work in progress on order and contractual assets, amounting to Euro 270,156 thousand, are broken down as follows:

(amounts in thousands of Euro)	31st December 2020	31st December 2019	Var.
Gross contract value	2,796,080	2,024,681	771,399
Advances on work progress	(2,455,273)	(1,765,996)	(689,277)
Adjusting provisions	(70,651)	(33,222)	(37,429)
<b>Work in progress on order/Contractual assets</b>	<b>270,156</b>	<b>225,463</b>	<b>44,693</b>

The most significant amounts refer to Italian sites for Euro 132 million (of which Euro 2.4 million as a result of the consolidation of Tubosider), to construction sites relating to the Middle East area for Euro 63.6 million, to the construction site relating to Botswana for Euro 28.2 million, to Europe for Euro 11.8 million and to the United States for Euro 32.9 million.

The *adjustment provisions* amounting to Euro 70,651 thousand (Euro 33,222 thousand as at 31 December 2019) are against the possible risks of certain asset items due to disputes in progress with purchasers 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

The *finished product and goods inventories*, amounting to Euro 3,836 thousand (Euro 1,333 as at 31 December 2019) refer to the value of recognition of land as at 31 December 2020 located in the town of Monreale in Contrada San Martino delle

Scale (Euro 32 thousand) and to the civil buildings in Milan (Euro 861 thousand). With reference to the latter, it should be noted that, during the year, Itinera S.p.a. sold 2 residential units and 2 garages for a value of Euro 448 thousand. The item increased by Euro 2,943 as a result of the consolidation of Tubosider and its subsidiaries.

### Advances

The item concerns advances paid to suppliers and subcontractors. The increase in the item mainly refers to construction sites in the Middle East (Kuwait for Euro 14,633 thousand and the United Arab Emirates for Euro 13,067 thousand) and to Danish construction sites for Euro 13,141 thousand.

## NOTE 6 - TRADE RECEIVABLES

Trade receivables totalled Euro 283,136 thousand (Euro 266,637 thousand as at 31 December 2019) net of provisions for doubtful debt equal to Euro 6,390 thousand.

These receivables refer for Euro 177,956 thousand (net of provisions for bad debt of Euro 4,073 thousand) to Itinera with reference to the Italian sites, for Euro 43,669 thousand to the Halmar Group,

for Euro 23,945 thousand to the sites in Denmark. Receivables arising from the consolidation of Tubosider S.p.A. at 31 December 2020 amount to Euro 19,708 thousand (net of the provision for bad debts of Euro 1,610 thousand).

Trade receivables due to normal business operations essentially refer to work, material supplies, technical and administrative services and other services, etc.

The doubtful debt reserves 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)	<b>Provision for bad debts</b>
<i>Balance as at 01.01.2020</i>	4,149
Increase from change in scope of consolidation	1,555
Utilisation during the year	(521)
Provision for the year	1,207
<i>Balance as at 31.12.2020</i>	<b>6,390</b>





## NOTE 7 - CURRENT TAX ASSETS

This item, totalling 13,240 thousand Euro (10,272 thousand Euro as at 31 December 2019) refers to VAT, IRAP and IRES receivables and other tax receivables.

## NOTE 8 - OTHER RECEIVABLES

This item is broken down as follows:

(amounts in thousands of Euro)	31st December 2020	31st December 2019	Var.
from others	59,191	78,053	(18,862)
prepayments	11,652	6,161	5,491
<b>Total</b>	<b>70,843</b>	<b>84,214</b>	<b>(13,371)</b>

### Amounts due from others

The item "from others" includes among others

- Euro 18,433 thousand relating to the payment mainly made in 2019, of the credit institutions and of some suppliers made on behalf of the associated company Letimbro S.c.a r.l.. This payment was necessary as a result of Letimbro's difficult financial situation. With particular reference to the payables that Itinera S.p.A. owed to Letimbro, please refer to Note 18;
- Euro 3,622 thousand relating to the value of the option for the purchase of the securities of the company TE S.p.A. against ASTM S.p.A.
- Euro 2,227 thousand relating to supplier receivables for advances paid, significantly reduced compared to the previous year when they amounted to Euro 24,580 thousand. The most significant reduction of these amounts occurred in particular in sites in the Emirates, for Euro 13,876 thousand and in the site in Botswana for Euro 9,423 thousand.
- Euro 6,920 thousand relating to income from tax consolidation;
- Euro 11,691 thousand in receivables relating to the Halmar Group.

It should be noted that at 31.12.2019 the item included an amount of Euro 11,837 thousand, attributable to receivables from Tubosider S.p.A. to Argo Finanziaria S.p.A. Following the latter's acquisition of the equity investment and related loan in Tubosider S.p.A., Itinera S.p.A. used the amount in question to partially offset the amount due to Argo Finanziaria S.p.A.

"Prepayments" mainly refer to prepayments on insurance, of which Euro 3,438 thousand relating to the Halmar Group.

## NOTE 9 - FINANCIAL ASSETS

These amount to 27,125 thousand Euro at 31 December 2020 (36,648 thousand Euro at 31 December 2019) and refer to low-risk and readily liquidated investment funds underwritten by the Brazilian subsidiary Itinera Construcoes for 7,253 thousand Euro and the Joint Operation 3rd Track for Euro 19,872 thousand.

## NOTE 10 - CASH AND CASH EQUIVALENTS

These are represented by:

(amounts in thousands of Euro)	31st December 2020	31st December 2019	Var.
Bank and post office deposits	141,283	137,071	4,212
Cash and valuables on hand	146	218	(72)
<b>Total</b>	<b>141,429</b>	<b>137,289</b>	<b>4,140</b>

Interest rates on bank and postal current accounts are market rates.

## NOTE 11 - NET EQUITY

(amounts in thousands of Euro)	31st December 2020	31st December 2019	Var.
<b>Share capital</b>	<b>86,837</b>	<b>86,837</b>	-
<b>Share premium reserve</b>	<b>26,901</b>	<b>26,901</b>	-
<b>Legal reserve</b>	<b>5,800</b>	<b>5,800</b>	-
<i>Extraordinary reserve</i>	86,934	105,807	
<i>Exchange rate reserve</i>	(11,519)	(128)	(11,391)
<i>Compensation gains</i>	11,691	11,691	
<i>Cancellation gains</i>	58	58	-
<i>"Fair value" valuation reserves</i>	(4,783)	(3,693)	(1,090)
<i>Severance actualisation reserve</i>	86	115	(29)
<b>Other reserves</b>	<b>82,467</b>	<b>113,850</b>	<b>(31,383)</b>
<b>Retained earnings</b>	<b>(3,453)</b>	<b>(15,129)</b>	<b>11,676</b>
<b>Group Profit/(Loss)</b>	<b>(70,503)</b>	<b>(6,530)</b>	<b>(63,973)</b>
<b>Group shareholders' equity</b>	<b>128,049</b>	<b>211,729</b>	<b>(83,680)</b>
<i>Retained earnings - third parties</i>	20,044	14,982	5,062
<i>Exchange rate reserves - third parties</i>	(2,742)	124	(2,866)
<i>Severance actualisation reserve - third parties</i>	3	-	3
<b>Third party shares and reserves</b>	<b>17,305</b>	<b>15,106</b>	<b>2,199</b>
<b>Third party Profit/(Loss)</b>	<b>16,617</b>	<b>7,559</b>	<b>9,058</b>
<b>Minorities net equity</b>	<b>33,922</b>	<b>22,665</b>	<b>(133,912)</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>161,971</b>	<b>234,394</b>	<b>(217,592)</b>

## 11.1 - Share capital

The share capital as at 31 December 2020, fully subscribed and paid-in, comprises 86,836,594 ordinary shares with a par value of Euro 1 each totalling Euro 86,837 thousand.

Share capital in tax suspension for Euro 1,833 thousand attributable to Itinera S.p.A. incorporation in 2006: the revaluation reserves ex law 342/2000 and law 350/2003 in Itinera S.p.A. equity for a total of Euro 2,282 thousand, were reconstituted by attributing compensation excess (Euro 449 thousand)

and, for the mentioned amount, to share capital. The remaining part is made up of shareholder contributions for Euro 67,898 thousand, profit reserves for Euro 4,157 thousand, of capital reserves for Euro 5,240 thousand due to the incorporation of ABC Costruzioni S.p.A. and contributions in kind, confirmed by report, for Euro 7,708 thousand.

## 11.2 - Reserves

Changes are summarised in the following table (values in thousands of Euro):

Share Reserve	31/12/2019	Increases	Decreases	31/12/2020
Premium reserves	26,901			26,901
Legal reserve	5,800			5,800
Other reserves	113,850	(1)	(31,382)	82,467
<i>Extraordinary reserve</i>	105,807	(1)	(18,872)	86,934
<i>Foreign exchange reserves</i>	(128)		(11,391)	(11,519)
<i>Compensation gains</i>	11,691			11,691
<i>Cancellation gains</i>	58			58
<i>"Fair value" valuation reserves</i>	(3,693)		(1,090)	(4,783)
<i>Provision Provision for severance indemnity</i>	115		(29)	86
Retained earnings	(15,129)	12,620	(944)	(3,453)
Year's result	(6,530)	6,530	(70,503)	(70,503)
<b>Total</b>	<b>124,892</b>	<b>19,149</b>	<b>(102,829)</b>	<b>41,212</b>

### 11.2.1 - Share premium reserve

The item is due to share capital increases during 2013.

### 11.2.2 - Legal reserves

The item is unchanged during the year.

### 11.2.3 - Other reserves

The total amount is Euro 82,467 thousand (Euro 113,850 as at 31 December 2019) and the detail is as follows:

#### *Extraordinary reserve*

The value of the reserve is Euro 86,934 thousand.

The decrease is due to Assembly resolution dated 28 April 2020 on the allocation of 2019 loss of Itinera S.p.A. amounting to Euro 18,872 thousand.

#### *Foreign exchange reserves*

It is negative for Euro 11,519 thousand and relates to the adjustments to the exchange rate at the end of the period of the foreign branches and subsidiaries, in addition to the exchange effects on the investments held in associated companies (FSB and Tuborus).

#### *Merger gains*

This item amounts to Euro 11,961 thousand and

includes the compensation excess generated with the merger by incorporation of Itinera S.p.A. which took place in 2006 for Euro 449 thousand and for Euro 13,470 thousand with the merger by incorporation of ABC Costruzioni S.p.A. which took place on 31 December 2016. It also includes the merger loss amounting to Euro - 2,228 thousand, generated by the merger by incorporation of Interstrade S.p.A. with legal effect as of 1 December 2018, which, falling under the scope of the operations "under common control" was recognised in accordance with the OPI 1 in continuity of values with that carried out by the parent company and in accordance with the OPI 2 the effects of the merger were charged starting from 4 July 2018, the date on which Itinera S.p.A. acquired the entire share package of Interstrade S.p.A.

#### *Cancellation gains*

It totals Euro 58 thousand and is represented by the cancellation gains generated with the merger by incorporation of Strade Co. Ge. S.p.A. in 2010.

#### **"Fair value" valuation reserves**

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" and "Other financial assets"). At 31 December 2020 this reserve was negative for Euro 4,783 thousand. The decrease of Euro 1,089 thousand is mainly due to the negative effect relating to the companies Aedes SIIQ S.p.A. (Euro 768 thousand) and Restart SIIQ S.p.A. (Euro 281 thousand).

#### **Severance actualisation reserve**

This item amounts to Euro - 86 thousand (net of tax effects for Euro 47 thousand) and includes unrealised gains and losses related to severance indemnities posted under other components of the "Statement of Comprehensive Income".

#### **11.2.4 - Retained earning reserve**

This reserve, which amounts to Euro - 3,453 thousand, mainly refers to the allocation of the difference in the result of the parent company and the consolidated financial statements. During the year this item changed as a result of the consolidation of Tubosider and its subsidiaries.

#### **11.2.6 - Year's results**

This item includes a Group negative result amounting to Euro 70,503 thousand (Euro (6,530) thousand in 2019).

#### **11.3 - Minority interests in capital and reserves**

This item, at 31 December 2020, amounted to 33,922 thousand Euro (Euro 22,665 thousand at 31 December 2019) and includes the result for the period amounting to Euro 16,617 thousand (Euro 7,559 thousand as at 31 December 2019).

## **NOTE 12 - PROVISIONS FOR RISKS AND CHARGES AND EMPLOYEE BENEFITS**

The item includes provisions for risks and charges (Euro 11,929 thousand, Euro 12,521 thousand at 31 December 2019) and provisions for employee benefits (Euro 5,819 thousand, Euro 5,530 thousand at 31 December 2019).

The items are broken down as follows:

(amounts in thousands of Euro)	31st December 2020	31st December 2019	Var.
Allocation to the bad debts provision	11,929	12,521	(592)
Provisions for severance indemnity	5,819	5,530	289
<b>Allocation to the bad debts provision and severance indemnity</b>	<b>17,748</b>	<b>18,051</b>	<b>(303)</b>

## 12.1 - Provision for risks and charges

This item totalled 11,929 thousand Euro (12,521 thousand Euro as at 31 December 2019).

Description	31/12/2019	Increases	Decreases	Other changes	31/12/2020
Supplementary indemnity fund		6	(19)	78	65
Provision for legal disputes	5,768	260	(137)		5,891
Subsidiary risk reserves	805	352	(43)		1,114
Reserve for future liabilities	5,009	2,199	(4,238)	(754)	2,216
Provision for managerial incentive expenses	924	1,012	(93)		1,843
Provision for corporate reorganisation expenses	15	800	(451)	436	800
<b>Total</b>	<b>12,521</b>	<b>4,629</b>	<b>(4,981)</b>	<b>(240)</b>	<b>11,929</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:

- Provision for legal disputes:** the value of the item equal 5,891 thousand (Euro 5,768 thousand as at December 31, 2019) refers entirely to the charges that could derive from existing disputes. These disputes refer to disputes relating to Fiumicino Runway 3 (Euro 363 thousand, unchanged compared to December 31, 2019), Letimbro for Euro 4,856 thousand (used in the year for Euro 107 thousand), Consilfer for Euro 414 thousand (unchanged compared to December 31, 2019). In addition, Euro 260 thousand was allocated during the year for the probable charges to be incurred at the Arluno (MI) site following a discussion with the purchaser.
- Subsidiary risk reserves:** the provision of Euro 1,114 thousand (Euro 805 thousand at 31 December 2019) refers to the coverage of charges expected, for various reasons, from CCT (Euro 4 thousand, reduced during the year by Euro 22 thousand), Letimbro S.c.a.r.l. (Euro 755 thousand). The increase for the year, on the other hand, is attributable to the provision to cover the Lissone S.c.a.r.l. loss for Euro 2 thousand as well as to cover future charges expected by the associate Nogara Mare Adriatico S.c.p.A. in liquidation (Euro 350 thousand).
- Reserves for future liabilities:** the remaining reserves refer, for an amount of 1,862 thousand Euro (4,456 thousand Euro as at 31 December 2019), to charges to be incurred for work related to the disposal of unusable materials and the reclamation of the area where they are found in the municipality of Salbertrand and to the evaluation of the charges deriving from the possible purchase and sale transactions of the equity investments in TE (Euro 228 thousand).
- Provision for managerial incentives:** this provision, amounting to Euro 1,842 thousand (Euro 924 thousand as at 31.12.2019), refers to the bonuses relating to the managerial incentive system for the years 2019-2020. The amount relating to the initial balance was used in the year for Euro 93 thousand.
- Provision for corporate reorganisation expenses:** : the provision allocated in 2019 was cancelled in 2020. In the 2020 financial year, a provision for Euro 800 thousand was made to cover charges that will arise during the following financial year.

## 12.2 - Provisions for Employee benefits

This item totalled Euro 5,819 thousand (Euro 5,530 thousand as at 31 December 2019). The following changes occurred during the year:

1st January 2020	5,530
Adjustment of the period	762
Adjustment of scope	1,073
Indemnity paid/liquidated in the period	(1,546)
31st December 2020	5,819

The following tables illustrate the economic-financial and demographic hypotheses adopted for the actuarial measurement of the liabilities, respectively.

Economic-financial hypothesis	
Annual discount rate	0.53%
Annual inflation rate	0.80%
Annual severance growth rate	2.10%

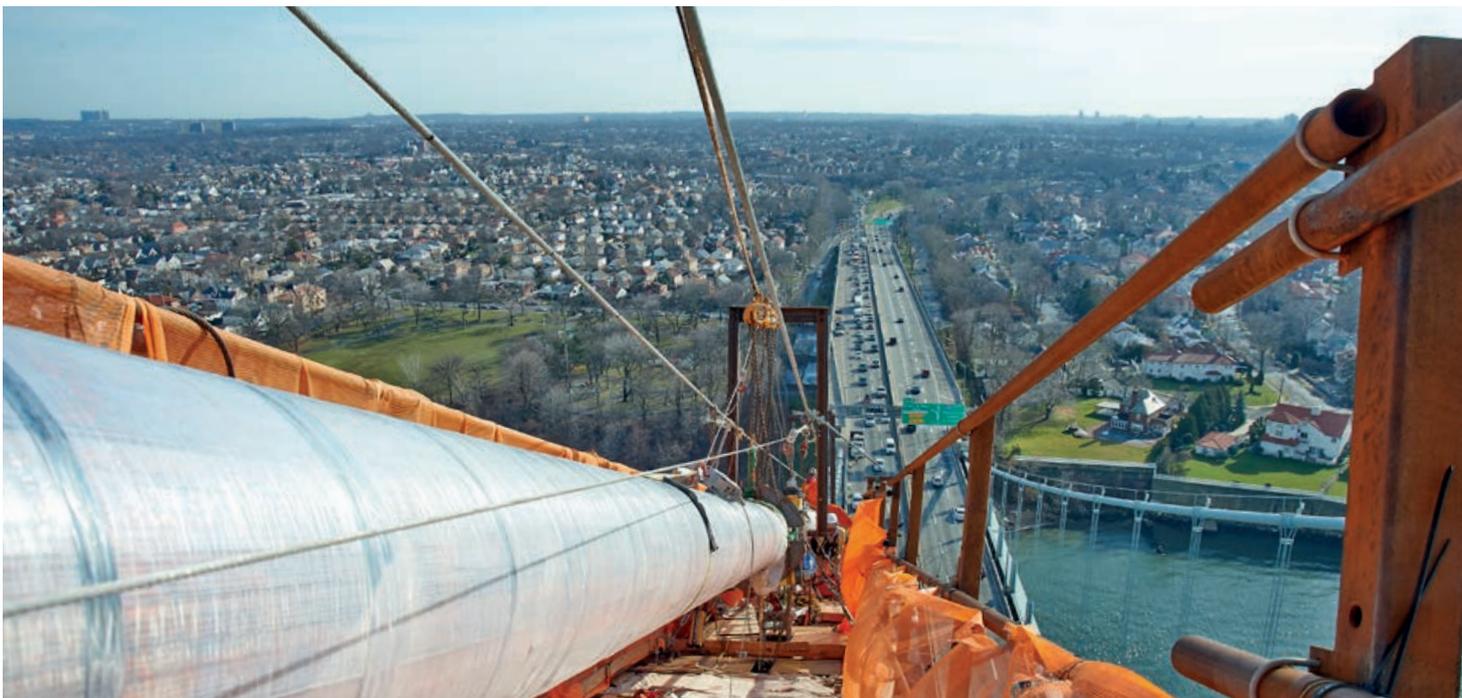
Demographic hypothesis	
Mortality	Tab RG48 from State Jan. Status
Disability	INPS tables by age and gender
Retirement age	Achievement of requirements
Advance frequency %	4.0%
Turnover	10.0%

### 12.3 - 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 for the period until the financial year closed at 31 December 2020:



Pension Trust Fund	Employer Identification Number	("PPA") Certified Zone Status <sup>1</sup>		Status Pending / Implemented	Contributions		Collection Bargaining Agreement <sup>2</sup>
		2020	2019		2020	2019	
Westchester Heavy Construction Laborers Local 60 Pension Fund	13-1962287	Green	Green	Yes	226	173	27/03/2021
International Union of Operating Engineers Local 14 Pension Fund	11-2392157	Green	Green	N/A	152	86	30/06/2022
New York District Council of Carpenters Pension Plan	51-0174276	Green	Green	N/A	806	664	31/05/2021
Pension Plan of the IUOE Local 137, AFL-CIO	13-1825849	Green	Green	N/A	33	23	28/02/2021
Central Pension Fund of the IUOE & Participating Employers Local 15 & 15D	36-6052390	Green	Green	N/A	353	314	30/06/2022
Upstate New York Engineers Pension Fund Local 158/106	15-0614642	Red	Red	Yes	-	-	31/03/2021
Empire State Carpenters Pension Fund Local 253/279	11-1991772	Yellow	Yellow	N/A	88	75	30/04/2021
Local 282 Pension Trust Fund	11-6245313	Green	Green	N/A	457	243	30/06/2021
Iron Workers Locals 40, 361 & 417 Pension Fund	51-6102576	Green	Green	Yes	226	34	30/06/2022
Staff DC Plan for Heavy and General Laborers Locals 472 & 172 Employee Benefit Funds	22-6032103	Green	Green	N/A	55	49	01/03/2020
Excavators Union Local 731 Pension Fund	13-1809825	Green	Green	N/A	1,685	1,016	30/04/2026
Cement Masons Local 780 Pension Plan	13-1626710	Green	Green	N/A	87	33	30/06/2022
Operating Engineers Local No. 825 Pension Fund	22-6033380	Green	Green	N/A	41	40	31/03/2020
Pavers & Road Builders DC Pension Fund Local 1010	13-1990171	Green	Green	N/A	227	75	30/06/2021
Iron Workers Local No. 12 Pension Fund	14-1512731	Red	Red	N/A	-	-	30/04/2020
Laborers Local No. 17 Pension Fund	14-6025196	Green	Yellow	Yes	27	37	30/04/2022
Iron Workers Local 11 Pension Fund	22-6243387	Green	Green	N/A	-	0	30/06/2020
Teamsters Local Union No. 408 Pension Fund	22-6172437	Red	Red	Yes	-	-	30/04/2022
Laborers' Local 235 Pension Fund	13-6186984	Green	Green	N/A	15	24	30/04/2022
International Union of Operating Engineers Local 13 Pension Fund	36-6052390	Green	Green	N/A	0	1	31/05/2021
Laborer Local 1298 Pension Fund	11-1970385	Green	Yellow	Yes	-	12	31/05/2022
Iron Workers Local 424 Pension Fund	06-6077019	Red	Red	N/A	4	49	29/06/2021
Carpenters Local 326 Pension Fund	06-0738583	Yellow	Yellow	N/A	30	150	30/04/2022
Laborers Local 146 Pension Fund	06-6044348	Green	Green	N/A	9	25	31/05/2022

Pension Trust Fund	Employer Identification Number	("PPA") Certified Zone Status <sup>1</sup>		Status Pending / Implemented	Contributions		Collection Bargaining Agreement <sup>2</sup>
		2020	2019		2020	2019	
Electrical Workers Local 164 Pension Fund	22-6031199	Yellow	Yellow	N/A	73	13	30/04/2022
Teamsters Local Union No. 456 Pension Fund	13-6123973	Green	Green	N/A	28	14	31/05/2022
Architectural & ornamental Iron Workers Local 580	13-6178514	Green	Green	N/A	5	1	31/05/2022
Virginia Laboers Local 11	52-0749130	Yellow	Yellow	N/A	52	3	31/05/2022
IUOE Local 77	52-6038506	Green		N/A	25	-	30/04/2021
Carpenters Local 197 Pension Fund		Yellow		N/A	50	-	30/04/2023
					<b>4,756</b>	<b>3,154</b>	

Notes to the table included above:

<sup>(1)</sup> The "zone status" is based on the most recent information available in 2020 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.

## NOTE 13 - OTHER PAYABLES AND CONTRACTUAL LIABILITIES (NON-CURRENT)

The amount totalling Euro 35,812 thousand (Euro 36,558 thousand as at 31 December 2019) refers for Euro 30,418 thousand (Euro 36,558 thousand as at 31 December 2019) to the amount of advances on work paid by purchasers 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 2021. It refers to the medium/long term portion of the 5,394 thousand Euro fine against AGCM deriving from the consolidation of Tubosider S.p.A.

(amounts in thousands of Euro)	Between 1 and 5 years	Beyond 5 years	Total
Contract Advances	30,418	-	30,418
Other payables	5,394	-	5,394
<b>Total</b>	<b>35,812</b>	<b>-</b>	<b>35,812</b>

The contractual advances entirely refer to the amounts received from foreign customers, in particular from the United Arab Emirates branch for Euro 10,259 thousand relating to the construction of the Mina Zayed Tunnel and for Euro 20,159 thousand relating to the worksite in Denmark for the construction of the Storstroem Bridge.

## NOTE 14 - BANK DEBT (NON-CURRENT)

Bank debt (non-current) total 26,522 thousand Euro (63,676 thousand Euro as of 31 December 2019).

Medium and long term bank debt is broken down as follows:

(amounts in thousands of Euro)	Between 1 and 5 years	Beyond 5 years	Total
Loan Banca Passadore (Itinera S.p.A.)	2,015		2,015
Banca UBI (Itinera S.p.A.) Loan	14,962		14,962
Banca Regionale Europea (SEA Segnaletica Stradale S.p.A.)	445		445
Loan MT BANK Mortgage (Halmar International LLC)	721	3,526	4,247
Loan MT Term Loan (Halmar International LLC)	1,086		1,086
M&T PPP Loan thru SBA (Halmar International LLC)	2,027		2,027
Halmar loans for Vehicle and Equipment purchase (Halmar)	1,549	171	1,720
Other financial payables (Tubosider)	19		19
<b>Total bank debt (non-current)</b>	<b>22,824</b>	<b>3,697</b>	<b>26,522</b>

In detail, the item refers to:

- the loan granted by Banca Passadore on 18 December 2017 in the amount of Euro 10,000 thousand, for the non-current portion for 2,015 thousand Euro, which will be repaid in ten semi-annual deferred instalments the first of which due on 29 June 2018. The loan is due to mature on 30 December 2022. The residual debt at 31 December 2020 is equal to Euro 4,022 thousand;
- the loan granted by UBI Banca on 23 December 2019 in the amount of Euro 30,000 thousand, for the non-current portion for 14,962 thousand Euro, 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 expires on December 23, 2022, with the option for Itinera S.p.A. of extending the duration of the loan by a further 12 months. The residual debt at 31 December 2020 is equal to Euro 22,465 thousand.
- the loan with Banca Regionale Europea granted to the subsidiary SEA Segnaletica Stradale S.p.A. on 17 February 2010 and disbursed in tranches until 10 April 2012, the portion falling due beyond the year amounts to 445 thousand Euro to be repaid in quarterly instalments. The loan is due to mature on 10 April 2022. The residual debt at 31 December 2020 is equal to Euro 1,321 thousand;
- the loan with MT BANK granted on 02 August 2019 to Halmar International for an original amount of USD 5,900 thousand, for the portion falling due beyond the year equal to Euro 5,212 thousand (Euro 4,247 thousand), of which USD 4,327 thousand (Euro 3,526 thousand) over 5 years, to be repaid in monthly instalments. The loan is due to mature on 02 August 2029. The residual debt at 31 December 2020 is equal to USD 5,507 thousand (Euro 4,488 thousand);
- the loan granted on 3 April 2019 by M&T BANK to Halmar International for an original amount of USD 5,000 thousand, for the portion falling due beyond the year, equal to USD 1,333 thousand (Euro 1,086 thousand), to be repaid in monthly instalments. The loan is due to mature on 31 March 2023. The residual debt at 31 December 2020 is equal to USD 2,333 thousand (Euro 1,901 thousand);
- to the loan disbursed on 14 April 2020

through M&T BANK to Halmar International for an original amount of USD 7,312 thousand, for the portion due beyond the year, equal to USD 2,487 thousand (Euro 2,027 thousand), the loan is was provided to support companies to deal with the Covid emergency, specifically to meet the salary payments. The loan is repayable in 24 months. The company has applied, not yet approved, for debt cancellation as required by law. This cancellation depends on the submission of specific documentation and verification of compliance with the mandatory requirements by the pertinent authorities.

- various loans obtained from Halmar International in order to acquire equipment and machinery whose portion due beyond one year amounts to USD 2,111 thousand (Euro 1,720 thousand) with a residual debt of USD 3,323 thousand (Euro 2,708 thousand)
- the loan disbursed on 18 December 2017 for an amount of Euro 30,000 thousand from Banca Popolare dell'Emilia Romagna to be repaid in eight deferred six-monthly instalments starting from 15 June 2018, for the portion expiring beyond the year equal to Euro 0 thousand. The loan is due to mature on 15 December 2021. The loan agreement requires compliance with a financial/equity parameter ("covenant") relating to the ratio between Net Financial Position and Shareholders' Equity of

the Itinera Consolidated Financial Statements, the parameter was respected. The residual debt at 31 December 2020 is equal to Euro 7,500 thousand

- 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 is due to mature on 31 January 2021. At 31 December 2020 the residual debt of this loan is recognised for Euro 20,000.

The loans with M&T Bank require compliance with certain financial covenants based on the current contractual agreements were complied with at the balance sheet date.

## NOTE 15 - OTHER FINANCIAL LIABILITIES (NON-CURRENT)

This item, totalling 30,024 thousand Euro (28,079 thousand Euro as at 31 December 2019) is mainly represented by the medium long term share of loans for leased assets as per IFRS 16.

The payable relates to operating leases for Euro 7,537 thousand and to financial leases for Euro 22,487 thousand.

These liabilities, based on their maturity, are broken down as follows:

(amounts in thousands of Euro)	Between 1 and 5 years	Beyond 5 years	
Other financial liabilities	29,479	545	30,024
<b>Total</b>	<b>29,479</b>	<b>545</b>	<b>30,024</b>



## NOTE 16 - DEFERRED TAX LIABILITIES

This item totals Euro 2,903 thousand (Euro 2,177 thousand as at 31 December 2019); for the breakdown of this item, please refer to Note 31 - Income tax.

## NOTE 17 - TRADE PAYABLES (CURRENT)

Amounts due to suppliers totalled Euro 390,351 thousand (Euro 308,307 thousand as of 31 December 2019).

These payables mainly refer to Itinera for Euro 140,430 thousand for construction sites in Italy, for Euro 78,099 thousand to the Halmar Group, for Euro 50,714 thousand to construction sites in the Arab Emirates, for Euro 43,843 thousand to construction sites in Denmark and for Euro 18,029 thousand to construction sites in Kuwait. Trade payables relating to the change in the consolidation area amount to Euro 18,080 thousand.

## NOTE 18 - OTHER PAYABLES AND CONTRACTUAL LIABILITIES (CURRENT)

These are represented by:

(amounts in thousands of Euro)	31st December 2020	31st December 2019	Var.
Contractual advances and liabilities	130,166	117,992	12,174
Payables due to social security and welfare institutions	3,954	2,911	1,043
Payables due to consortium companies	84,021	73,290	10,731
Amounts due to shareholders for dividends		1,853	(1,853)
Payables to employees	11,185	10,632	553
Deferred income	1,195	647	548
Other payables	39,716	31,589	8,127
<b>Total</b>	<b>270,237</b>	<b>238,914</b>	<b>31,323</b>

### Contractual advances and Liabilities

The item "Advances/contractual liabilities" amounting to Euro 130,166 thousand (Euro 117,992 as at 31 December 2019) includes advances received from purchasers according to law and intended to be recovered based on the issue of the work progress report, if due within 2021 and 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)	31/12/2020	31/12/2019	Var.
Contract Advances	81,648	64,286	17,362
Advances	48,518	53,706	(5,188)
<b>Total</b>	<b>130,166</b>	<b>117,992</b>	<b>12,174</b>

The item *Contractual advances* includes amounts received from foreign customers, in particular the United Arab Emirates (Euro 15,972 thousand, Euro 21,493 thousand as of 31 December 2019), Romania (Euro 6,333 thousand, Euro 7,414 thousand as of 31 December 2019), Denmark (Euro 6,369 thousand, Euro 6,997 thousand as of 31 December 2019), Botswana (Euro 4,172 thousand, Euro 4,955 thousand as of 31 December 2019), Sweden (Euro 2,250 thousand, Euro 3,485 thousand as at 31 December 2019), Kuwait (Euro 22,528 thousand, not present as of 31 December 2019) and construction sites in Italy (Euro 18,887 thousand, Euro 5,953 thousand as of 31 December 2019). The consolidation of Tubosider S.p.A. led to a Euro 4,579 thousand increase in this item.

*Advances* mainly concern the contracts in Denmark (Euro 21,687 thousand), Sweden (Euro 14,843 thousand) and the USA (Euro 11,373 thousand).

#### Payables due to consortium companies

"*Payables to consortium companies*" refer to cost reversals by consortium companies posted net of invoiced advances. The main amounts refer to Cervit S.c.a r.l. (Euro 7,497 thousand), CCTeem (Euro 5,138

thousand), Consorzio CFT (Euro 5,320 thousand), CMC Itinera JV S.c.p.a. (Euro 19,798 thousand), Letimbro S.c.a r.l. (Euro 19,188 thousand) and Tunnel Frejus S.c.a r.l. (Euro 7,398 thousand).

#### Other payables

The most significant amounts in "*Other payables*" are represented by payables for amounts due for share capital subscriptions of Asti-Cuneo S.p.A. (Euro 7,500 thousand) and Passante Dorico S.p.A. (Euro 1,980 thousand). The item also includes payables to insurance companies for Euro 2,641 thousand, the payable for the option to purchase TE shares, referred to in the previous paragraph "*Other non-current assets*", for an amount of Euro 3,622 thousand. The item "*Other payables*" also includes the residual debt to Argo Finanziaria for the acquisition of the equity investment and loan in Tubosider S.p.A. (Euro 9,206, including the portion of interest accrued as of July 26, 2020).

### NOTE 19 - BANK DEBT (CURRENT)

These are represented by:

(amounts in thousands of Euro)	31st December 2020	31st December 2019	Var.
Current accounts payable and advances	175,622	113,005	62,617
Loans	45,323	19,762	25,561
<b>Total</b>	<b>220,945</b>	<b>132,767</b>	<b>88,178</b>

The item "*current accounts payable*" refers to credit lines included in the credit lines granted.

Overall indebtedness includes an amount of Euro 16.1 million of self-liquidating nature, considering that these are amounts advanced on contracts and invoice collection.

The item "*loans*" refers to the current portion of loans already described in Note 14.

The following is a breakdown of the short-term loans:



(amounts in thousands of Euro)	31st December 2020	31st December 2019	Var.
Loan Banca Passadore (Itinera S.p.A.)	2,007	2,000	7
Loan Bper (Itinera S.p.A.)	7,500	7,500	-
Banca UBI (Itinera S.p.A.) Loan	7,500	7,500	-
Banca BPM (Itinera S.p.A.)	20,000		20,000
Banca Regionale Europea (SEA Segnaletica Stradale S.p.A.)	876	856	20
Loan MT BANK Mortgage (Halmar International LLC)	240	890	(650)
M&T Long Term Debt loan (Halmar International LLC)	815	699	116
M&T PPP Loan thru SBA (Halmar International LLC)	3,963		3,963
Halmar loans for Vehicle and Equipment purchase (Halmar)	988	263	725
Insurance policy loans (Halmar)	1,387		1,387
Other short-term loans	47	54	(7)
<b>Total</b>	<b>45,323</b>	<b>19,762</b>	<b>25,561</b>

## NOTE 20 - OTHER FINANCIAL LIABILITIES (CURRENT)

These liabilities, based on their maturity, are broken down as follows:

(amounts in thousands of Euro)	31st December 2020	31st December 2019	Var.
Financial lease contract payables	15,862	13,660	2,202
Liabilities to other lenders	9,149	723	8,426
<b>Total</b>	<b>25,011</b>	<b>14,383</b>	<b>10,628</b>

The item "Other current financial liabilities", equal to Euro 25,011 thousand (Euro 14,383 thousand at 31 December 2019), is represented by the short-term portion of the financial debt relating to rights of use recognised pursuant to IFRS 16 for Euro 15,862 thousand (Euro 13,660 thousand at December 31, 2019) and "Liabilities to other lenders" which mainly refer to the portion of the non-interest bearing loan disbursed by third party shareholders to JO Arge H51 for Euro 8,533 thousand (Euro 491 thousand at December 31, 2019).

## NOTE 21 - CURRENT TAX LIABILITIES

Current tax liabilities (IRES, IRAP, IVA, IRPEF, other minor taxes) totalled 12,463 thousand Euro (15,301 thousand Euro as at 31 December 2019).



## INFORMATION ON THE INCOME STATEMENT

### NOTE 22 - REVENUES

Revenues are broken down as follows:

(amounts in thousands of Euro)	2020	2019	Var.
Revenues from works and services	1,065,674	911,085	154,589
Other revenues	51,364	46,683	4,681
Rental income	1,104	1,021	83
<b>Customer contract revenues</b>	<b>1,118,142</b>	<b>958,789</b>	<b>159,353</b>
Changes in work in progress, semi-finished and finished products	(3,275)	171	(3,446)
<b>Total</b>	<b>1,114,867</b>	<b>958,960</b>	<b>155,907</b>

Revenues include revenues from the American subsidiaries of the Halmar Group for 378,645 thousand Euro, revenues for the Brazilian subsidiary for 19,713 thousand Euro, revenues for the Stormstroem Bridge for 54,944 thousand Euro. The consolidation of Tubosider and its subsidiaries starting from 8 July 2020 resulted in an increase in revenues for works and services of Euro 30,766 thousand. The breakdown by geographical area of revenues from works and services:

(amounts in thousands of Euro)	2020	2019
Italy	283,274	318,094
Europe	196,246	118,482
Middle East	175,853	97,140
Africa	19,040	31,411
North and South America	391,261	345,958
<b>Total</b>	<b>1,065,674</b>	<b>911,085</b>

"Other revenues" include, among other, the cost reversals for non-Group consortium companies for Euro 23,063 thousand.

## 22.1 Other revenues

Revenues are broken down as follows:

(amounts in thousands of Euro)	2020	2019	Var.
Compensation of damages	789	8,394	(7,605)
Other revenue	13,794	17,803	(4,009)
Operating grants	153	69	84
<b>Total</b>	<b>14,736</b>	<b>26,266</b>	<b>(11,530)</b>

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 59 thousand; b) contributions relating to the tax credit for sanitation provided for by art. 125 of the Relaunch Decree (expenses incurred for anti-Covid-19 investments) for Euro 75 thousand; c) the grants relating "Industry 4.0" deriving from the acquisition of assets with specific characteristics for Euro 16 thousand d) other minor grants for Euro 3 thousand.

## NOTE 23 - PAYROLL EXPENSES

This item is broken down as follows:

(amounts in thousands of Euro)	2020	2019	Var.
Wages and salaries	154,236	122,992	31,244
Social security contributions	27,324	25,727	1,597
Provision for severance indemnity	4,297	3,964	333
Other costs	26,168	17,893	8,275
<b>Total</b>	<b>212,025</b>	<b>170,576</b>	<b>41,449</b>

With regard to personnel costs, it should be noted that these include Euro 94,523 thousand (Euro 62,596 thousand as at 31 December 2019) for consolidation of the American subsidiaries and Euro 5,414 thousand for the Brazilian subsidiary Itinera Construcoes Ltda. The consolidation of Tubosider and its subsidiaries resulted in an increase of Euro 4,432 thousand in payroll expenses.

The average breakdown for employees by category is the following:

	2020	2019
Executives	91	85
Managers	179	161
White-collar workers	974	714
Blue-collar workers	1,477	1,259
<b>Total</b>	<b>2,721</b>	<b>2,219</b>

Employee breakdown by category at year end:

	2020	2019
Executives	82	83
Managers	187	170
White-collar workers	1,003	854
Blue-collar workers	1,591	1,354
<b>Total</b>	<b>2,863</b>	<b>2,461</b>



## NOTE 24 - COSTS FOR SERVICES

This item is broken down as follows:

(amounts in thousands of Euro)	2020	2019	Var.
Tangible assets maintenance	7,569	4,570	2,999
Consulting	4,756	3,913	843
Technical design activities	15,495	13,442	2,053
Security services	931	813	118
IT services	2,958	2,426	532
Transportation	12,375	13,370	(995)
Insurance	14,699	15,413	(714)
Legal and notary consultancy expenses	4,983	4,071	912
Corporate body fees and reimbursements	3,741	2,773	968
Seconded services and contract workers	24,380	26,631	(2,251)
Other payroll and related costs	5,917	7,748	(1,831)
Utilities	2,912	2,804	108
Subcontracting	81,904	67,123	14,781
Subcontracts	406,757	315,602	91,155
Reversals from consortium companies	62,817	80,195	(17,378)
Others	58,705	40,365	18,340
<b>Total other costs for services</b>	<b>710,899</b>	<b>601,259</b>	<b>109,640</b>

Costs for services include costs relating to the American subsidiaries for Euro 199,157 thousand (Euro 186,404 thousand in 2019) to the Brazilian subsidiary for Euro 8,239 thousand (Euro 12,570 thousand in 2019), to the subsidiary Storstroem Bridge for Euro 50,528 thousand (Euro 37,303 thousand in 2019) and to SEA Segnaletica Stradale for Euro 8,908 thousand (Euro 6,247 thousand in 2019). The consolidation of Tubosider and its subsidiaries re-

sulted in an increase of Euro 10,089 thousand in costs for services.

## NOTE 25 - COSTS FOR RAW MATERIAL

This item is broken down as follows:

(amounts in thousands of Euro)	2020	2019	Var.
Raw materials	147,466	122,392	25,074
Consumables and goods	42,630	41,951	679
Changes to raw material, consumable and goods inventories	(4,458)	(2,571)	(1,887)
<b>Total</b>	<b>185,638</b>	<b>161,772</b>	<b>23,866</b>

## NOTE 26 - OTHER OPERATING COSTS

This item is broken down as follows:

(amounts in thousands of Euro)	2020	2019	Var.
Use of third party assets	14,635	9,725	4,910
Non-recurring costs	3,257	1,732	1,525
Other operating expense	7,007	6,206	801
<b>Total</b>	<b>24,899</b>	<b>17,663</b>	<b>7,236</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.

## NOTE 27 - AMORTISATION, DEPRECIATION AND WRITE-DOWNS

These are broken down as follows:

(amounts in thousands of Euro)	2020	2019	Var.
Intangible assets:			
- Other intangible assets	534	591	-57
Tangible assets:			
- Buildings	1,350	1,167	183
- Plant and machinery	2,761	2,370	391
- Industrial and commercial equipment	5,029	4,782	247
- Other assets	1,287	1,034	253
- Building rights of use	3,992	2,660	1,332
- Vehicle rights of use	2,057	1,665	392
- Machinery rights of use	6,060	2,702	3,358
- Other assets rights of use	2,543	1,258	1,285
<b>Total depreciation and amortisation</b>	<b>25,613</b>	<b>18,229</b>	<b>7,384</b>

Impairments relating to fixed assets are broken down below:

(amounts in thousands of Euro)	2020	2019	Var.
<b>Write-downs:</b>			
- Other non-current assets	1,338	-	1,338
- Write-down of receivables	1,207	-	1,207
<b>Total write-downs</b>	<b>2,545</b>	<b>-</b>	<b>2,545</b>

The impairments of "Other non-current assets" for Euro 500 thousand relates to the write-down of plant and machinery by Tubosider S.p.A. while for Euro 838 thousand to the write-down of receivables by the subsidiary SAM S.p.A.

they are located in the municipality of Salbertrand (Euro 2,158 thousand), to the probable charges to be incurred at the Arluno (MI) site (Euro 260 thousand) and charges deriving from the forthcoming settlement of the liquidation of the associate Noga-Mare Adriatico S.c.p.A. (Euro 350 thousand).

## NOTE 28 - PROVISIONS FOR RISKS AND CHARGES

The item "Provisions for risks and charges" refers to the estimated charges for interventions relating to the disposal of materials that are unusable in production and the reclamation of the area on which

## NOTE 29 - FINANCIAL INCOME AND CHARGES

### 29.1 Financial income

These are broken down as follows:

(amounts in thousands of Euro)	2020	2019	Var.
<b>Share revenue:</b>			
- Dividends from other companies	163	455	(292)
- Gains on disposals		3	(3)
<b>Interest and other financial income</b>			
- from credit institutes	72	80	(8)
- from loans	316	245	71
- Others	1,993	1,737	256
<b>Total</b>	<b>2,544</b>	<b>2,520</b>	<b>24</b>

The item "dividends from other companies" refers to the dividends approved and Autovia Padana S.p.A. (Euro 6 thousand), Autostrade Centropadane S.p.A. (Euro 66 thousand), Euroimpianti S.p.A. (Euro 90 thousand) and Milano Depur S.p.A. (Euro 1 thousand).

The item "from loans" refers only to the interest ac-

rued on the loan granted to Federici Stirling Batco LLC.

"Other" financial income mainly includes foreign exchange gains of Euro 1,343 thousand and income from investment funds held by Halmar International and Itinera Costrucoes.

## 29.2 - Financial charges

These are broken down as follows:

(amounts in thousands of Euro)	2020	2019	Var.
<b>Interest due to credit institutes:</b>			
- on loans	1,340	1,167	173
- on current accounts	964	518	446
<b>Other interest payable:</b>			-
- on lease contracts	613	404	209
<b>Other financial expenses:</b>			-
- Losses on disposals of shares	2	35	(33)
- Other financial expenses	12,286	1,000	11,286
<b>Total</b>	<b>15,205</b>	<b>3,124</b>	<b>12,081</b>

Other financial charges include exchange losses for Euro 4,025 thousand and expected losses relating to the financial receivable from Federici for Euro 7 million.

## NOTE 30 - PROFITS (LOSSES) OF COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD

The item is broken down as follows:

(amounts in thousands of Euro)	2020	2019	Var.
<b>Profits (losses) of companies accounted for by the equity method:</b>			
- Europa Scarl	(1)		(1)
- Lissone S.c.a.r.l. in liquidation	(5)		(5)
- Asta S.p.A.	(1,129)	(106)	(1,023)
- Ponte Nord S.p.A.			-
- ASCI Logistik GmbH	(5)	5	(10)
- CIS Beton GmbH	37	(37)	74
- Federici Stirling Batco LLC	(9,157)	(519)	(8,638)
- Letimbro		(804)	804
- Sistemi e Servizi	(2)	(4)	2
- Tuborus	149		149
- Mill Basin Bridge Constructors LLC	(548)	(4,667)	4,119
<b>Total</b>	<b>(10,661)</b>	<b>(6,132)</b>	<b>(4,529)</b>



## NOTE 31 - INCOME TAXES

This item is broken down as follows:

(amounts in thousands of Euro)	2020	2019
<b>Current taxation:</b>		
- IRES	(1,998)	(1,707)
- IRAP	(569)	(463)
- Foreign taxation	(2,154)	(2,358)
	<b>(4,721)</b>	<b>(4,528)</b>
<b>Taxation relating to previous years:</b>		
- IRES	125	6
- IRAP	197	(28)
	<b>322</b>	<b>(22)</b>
<b>Deferred taxes:</b>		
- IRES	3,019	4,820
- IRAP	879	487
- Foreign taxation	(2,120)	(112)
	<b>1,778</b>	<b>5,195</b>
<b>Income/Charges from tax consolidation</b>	<b>6,842</b>	<b>13</b>
<b>Total</b>	<b>4,221</b>	<b>658</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 2020 and 2019 ("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)	2020	2019
<b>Earnings before income taxes</b>	<b>(58,107)</b>	<b>371</b>
<b>Actual income tax (from financial statements)</b>	<b>(7,863)</b>	<b>(3,126)</b>
	<b>13.53%</b>	<b>39.75%</b>
<b>Lesser taxes (compared to theoretic rate):</b>		
- lesser taxes on dividends and share sales	102	-0.18%
- Decreases	1,140	-1.96%
		1,298
		349.87%
<b>Greater taxes (compared to theoretic rate):</b>		
- Non-deductible charges and other changes	(7,325)	-12.61%
		(2,159)
		581.94%
<b>"Theoretic" income tax (24% on earnings before taxes in 2018)</b>	<b>(13,946)</b>	<b>24.00%</b>
		<b>89</b>
		<b>24.00%</b>

Reconciliation between the "theoretic" and "actual" tax rate (IRAP):

(amounts in thousands of Euro)	2020		2019	
<b>Added value (IRAP taxable income)</b>	<b>(34,785)</b>		<b>7,107</b>	
<b>Actual income tax (from financial statements)</b>	<b>(310)</b>	<b>0.89%</b>	<b>(24)</b>	<b>-0.34%</b>
<b>Lesser taxes (compared to theoretic rate):</b>				
- Sundry deductible charges, net				
- other decreases	4,414	-12.69%	350	4.92%
<b>Greater taxes (compared to theoretic rate)</b>				
- Non-deductible charges	(5,461)	15.70%	(49)	-0.69%
<b>"Theoretic" income tax (3.9% on earnings before taxes)</b>	<b>(1,357)</b>	<b>3.90%</b>	<b>277</b>	<b>3.90%</b>

The following tables illustrate, for the year in question and 2019, 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)	2020	2019
<b>Deferred tax income for: (*)</b>		
- deferred tax liabilities "reversal" on capital gains	16	19
- works in progress		
- severance reserves actuarial recalculation		
- Provisions for suspended tax reserves	9,857	5,689
- others	662	4,572
<b>Total (A)</b>	<b>10,535</b>	<b>10,280</b>
<b>Deferred tax charges for: (*)</b>		
- provision "reversal" to suspended tax reserves	(3,983)	(4,574)
- leased assets		
- Effects from work in progress as per IAS		
- Reversal of maintenance expense over the deductible tax rate	(6)	(15)
- Reversal of entertainment expenses over the deductible tax rate		
- Severance reserves actuarial recalculation		
- Others	(2,648)	(496)
<b>Total (B)</b>	<b>(6,637)</b>	<b>(5,085)</b>
<b>Total (B) - (A)</b>	<b>3,898</b>	<b>5,195</b>

(\*)Deferred income and charges were calculated based on tax rates in effect at their expected "reversal".



(amounts in thousands of Euro)	2020	2019
<b>Deferred tax assets for: (*)</b>		
- provisions to suspended tax reserves	20,867	10,332
- Maintenance expenses over the deductible rate		6
- Others	2,125	7,069
<b>Total</b>	<b>22,992</b>	<b>17,407</b>
<b>Deferred tax liabilities for: (*)</b>		
- Capital gains divided over several accounting periods		(16)
- other	(2,903)	(1,681)
- Leased assets		(274)
- works in progress		(206)
<b>Total</b>	<b>(2,903)</b>	<b>(2,177)</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)	2020	2019
Net result pertaining to the Group	(70,503)	(6,530)
<b>Earnings (loss) per share (Euro unit)</b>	<b>(0.812)</b>	<b>(0.075)</b>
Number of ordinary shares	86,836,594	86,836,594

Options, warrants or equivalent financial instruments on "potential" ordinary shares with diluting effects were not posted in 2019 and 2020.



## NOTE 33 - INFORMATION ON THE STATEMENT OF CASH FLOWS

### 33.1 - Changes to net working capital

(amounts in thousands of Euro)	2020	2019
Inventory	(85,051)	(47,502)
Trade receivables	466	(72,809)
Current tax assets	(2,522)	704
Amounts due from others	2,724	(34,304)
Trade payables	62,891	86,906
Other payables	17,223	53,657
Current tax liabilities	(3,427)	11,446
<b>Total</b>	<b>(7,696)</b>	<b>(1,902)</b>

### 33.2 - Other general operating activities changes

(amounts in thousands of Euro)	2020	2019
Severance reserve use	(1,566)	(692)
Other fund variations	(5,820)	(1,926)
<b>Total</b>	<b>(7,386)</b>	<b>(2,618)</b>

## 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.



## Statement of relations between the Group leader's net equity and year's results according to IFRS international policies and the Group's net equity and consolidated net results

(amounts in thousands of Euro)	Net equity as of 31.12.2019	Change to Net equity 2020	2020 results	Net equity as of 31.12.2020
<b>Itinera financial statements</b>	<b>197,930</b>	<b>(4,956)</b>	<b>(90,822)</b>	<b>102,152</b>
<b>Adjustments:</b>				
1. Difference in net equity and subsidiary values	(8,637)	(7,691)	(9,980)	(26,308)
2. Reversal of the CFH reserve	3,061			3,061
3. Asta S.p.A. result (net equity)	211		(211)	-
4. Federici Stirling Batco LLP result (net equity)	(312)	(531)	843	-
5. ASCI CIS Beton (net equity)	(32)		32	-
6. Storstrom Bridge impairment reversal	21,623		29,010	50,633
7. SAM impairment reversal			922	922
8. Reversal of Codelfa S.p.A. transfer effect	(2,333)		47	(2,286)
9. Other minor	218		(343)	(125)
<b>Consolidated financial statements</b>	<b>211,729</b>	<b>(13,178)</b>	<b>(70,502)</b>	<b>128,049</b>

## GUARANTEES GIVEN

The main sureties granted are listed below:

**Contract performance bonds:** they totalled 620 million Euro and are issued to purchasers for good work execution, contractual advances, contract releases, withholding release as collateral and tender participation, referred to all contracts in progress.

Following the acquisition of Halmar International LLC, the parent company took over, for its share, through the issue of corporate guarantees, the guarantees that the shareholders had provided to financial institutions - banks and insurance companies - that support the company.

In particular, it signed an Indemnity Agreement for a total of USD 300 million (Euro 244.5 million) with the US insurance company that had issued the guarantees necessary for execution of works in the interests of the latter, through which it undertakes to counter-guarantee 50% (equal to the shareholding in the US company) of the work in progress at the time of the closing; at the statement of financial po-

sition date, the risk commensurate with the work to be carried out amounted to Euro 18 million.

For the works acquired by the Halmar Group subsequent to the closing date, Itinera issued guarantees for a total of USD 1,431 million, equivalent to Euro 1,166.1 million; the risk commensurate with the work to be carried out amounts to Euro 575.8 million.

**Sureties and other guarantees for credit granting:** these amount to Euro 118.5 million and refer to guarantees issued in favour of financial institutions, pro-quota and non-joint and several guarantees for credit concessions in the interest of operating companies.

## 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.

## EXTERNAL AUDITORS 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	2020
<b>Itinera S.p.A.</b>	
<b>Auditing services - PwC</b>	
Audit of the financial statements, consolidated and bookkeeping verification and tax declarations	200
Mid-year limited report audit	63
<b>Total</b>	<b>263</b>
<b>Italian subsidiaries</b>	
<b>Auditing services - PwC</b>	
Yearly audit and routine accounting procedures	50
<b>Foreign Subsidiaries and Branches - PwC network</b>	
Auditing and other services	110
<b>Total</b>	<b>423</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 38 thousand; payables for Euro 18 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 4,599 thousand.

These transactions have been concluded under normal market conditions.

### Significant events after the end of the year

After the end of the year, we have no significant events to report to you concerning the Group, with the exception of what has already been highlighted in the paragraph "Business outlook" in the "Report on operations" relating 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 2020 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 2020 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 2020 financial year, the Group collected:

- Euro 8,824,244 from the Port System Authority of the Ionian Sea (Autorità di Sistema Portuale del Mar Ionio) for the construction of the Taranto port platform;
- Euro 294,635.29 from the Customs agency as a refund of excise duties on diesel;
- Euro 24,071 from the Customs agency as a refund of excise duties on fuel consumption and raw materials.

Funder	2020
Contribution for the construction of the Taranto Port Platform	8,824,244
Fuel tax refund (Carbon Tax)	294,635
Fuel consumption and raw material tax refund	24,071
<b>Total</b>	<b>9,142,950</b>

It should also be noted that following the Covid 19 epidemiological emergency, the Revenue Agency provided the company with non-repayable contributions as a "tax credit" for the adaptation of the workplace, the sanitation of the premises and the purchase of safety devices" for Euro 70,864, of which Euro 22,616 already set offset and/or collected during the 2020 financial year, and non-repayable contributions pursuant to art. 25 of the Decree Law of 25/05/2020 for Euro 4,000 collected in the 2020 financial year.

## ANNEXES

- Statement no. 1 on changes in associated and jointly controlled equity investments.
- Statement no. 2 on changes in other equity investments.
- Statement no. 3 relating to equity transactions with related parties.
- Statement no. 4 relating to economic transactions with related parties.

Tortona, March 15, 2021

For the Board of Directors  
The Chairman  
Rosario Fiumara



Description	Share- holdings %	Opening balance	Changes in the period										Closing balance		
			Acquisitions/ Increases	Sales/ Decreases	Change in scope		Other changes		Change in Consolidation scope		Equity adjustments			Ex- change effect	
					Book value	Impairment provision	Book value	Value ad- justments	Book value	Value ad- justments	Book value	Result			Other changes
Grugliasco S.c.a.r.l.	49.900%	5													5
GSG TUNELING S.R.L. in liq.	33.000%	-													-
INTERCONNESSIONE S.C.A.R.L.	49.900%	4												1	5
LETIMBRO SCARL	49.000%	-													-
LISSONE S.C.A.R.L.	50.000%	5												(5)	-
MAICO S.C.A.R.L.	50.000%	5													5
MARCHETTI S.C.A.R.L.	36.770%	-													-
MILL BASIN BRIDGE CONSTRUCTORS LLC	50.000%	942												(548)	351
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%	5		(5)											-
PONTE NORD S.R.L.	50.000%	753												1	754
S.A.C. s.r.l. consortile (in liq.)	35.000%	-													-
SERRAVALLE VILLAGE S.C.A.R.L.	50.000%	5		(5)											-
SISTEMI E SERVIZI SCARL	22.000%	18												(2)	16
SP01 società consortile a responsabilità limitata	40.000%	4													4
TELESE SCARL	45.000%	-	5												5
TESSERA S.C.A.R.L.	39.24%	4													4
Tuborus LLC	50.00%	-			1,159										632
TUNNEL FREJUS SCARL	50.000%	25													25
<b>TOTAL ASSOCIATED COMPANIES</b>		<b>14,417</b>	<b>14</b>	<b>-1,676</b>	<b>1,159</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>149</b>	<b>(448)</b>	<b>(228)</b>	<b>1,987</b>

**ANNEX NO. 2 - Other shareholdings**

Statement of changes in "other equity investments" (amounts in thousands of Euro)

Description	Shareholding percentage	Opening balance	Changes in the period					Closing balance
			Acquisitions/ Increases	Sales/ Decreases	Other changes	Adjustments	Fair Value adjustments	
<b>OTHER</b>								
ABESCA EUROPE S.R.L.	19.523%	158						158
AEDS S.P.A.	5.287%	1,838				(769)		1,069
ASTALDI		-	1					1
AUTOSTRADA ASTI-CUNEO S.p.A.	5.000%	10,000						10,000
AUTOSTRADE CENTROPADANE S.p.A.	1.631%	1,660				(18)		1,642
BANCA ALPI 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%	3,000						3,000
MILANO DEPUR SPA	0.100%	2						2
MN 6 SCARL	1.000%	-						-
MN METROPOLITANA NAPOLI SPA	0.000%	-						-
Part.SAV AQ Scarl	10.000%	-	2					2
PARTECIPAZIONE ALES TECH S.r.l.	1.000%	-	15					15
PASSANTE DORICO S.P.A.	11.000%	2,621				(6)		2,615

Description	Shareholding percentage	Opening balance	Changes in the period					Closing balance
			Acquisitions/ Increases	Sales/ Decreases	Other changes	Adjustments	Fair Value adjustments	
PEDELOMBARDA SCPA	11.000%	550						550
RESTART SIIQ (ex-AEDES S.p.A.)	5.300%	1,064				(281)		783
SEVESO SCARL	1.500%	-						-
Si.Co.Gen. S.r.l.	15.000%	139						139
SOC.AUT. BRONI-MORTARA S.p.A.	3.220%	818				(16)		802
SOCIETÀ DI PROGETTO AUTOVIA PADANA S.p.A.	0.100%	164						164
TANGENZIALE ESTERNA S.P.A.	0.000%	-						-
TUBOSIDER S.p.A.	14.657%	-						-
VETTABBIA SCARL	0.100%	-						-
<b>TOTAL OTHER SHAREHOLDINGS</b>		<b>22,344</b>	<b>18</b>			<b>(1,090)</b>	<b>0</b>	<b>21,272</b>

**ANNEX NO. 3 - ITINERA GROUP**

Summary statement of Group equity transactions with related parties as at 31.12.2020 (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 current payables	
ASTIM S.p.A.	-	-	-	-	-	10,510	10,510	3,195	-	-	205	3,400
AURELIA S.r.l.	-	-	-	-	-	33	33	-	-	-	-	-
<b>Total Parent Companies</b>	-	-	-	-	-	<b>10,543</b>	<b>10,543</b>	<b>3,195</b>	-	-	<b>205</b>	<b>3,400</b>
Aurea S.c.a.r.l.	-	376	-	-	7,817	1	8,194	7	-	5,495	-	5,502
GERVIT SCARL	-	3,566	(3,465)	-	2,329	-	2,430	-	-	7,510	-	7,510
CMC ITINERA JV S.c.p.A.	-	-	-	-	175	-	175	-	-	19,798	-	19,798
Colmeto S.c.a.r.l.	944	-	-	-	357	7	1,308	-	-	1,200	-	1,200
Consorzio Siciliano Lavori Ferroviari - Con.Si.L.Fer.	-	-	-	-	-	-	-	6	-	-	-	6
Consorzio Cancellò-Frasso Telesino - CONSORZIO CFT	-	36,760	(21,208)	-	2,788	-	18,340	12,675	-	5,319	180	18,174
Consorzio Costruttori TEEM	-	(136)	-	-	8,636	-	8,500	1,480	-	5,138	-	6,618
COVA S.c.a.r.l.	-	-	-	-	100	-	100	-	-	-	-	-
Darsene Nord Civitavecchia S.c.a.r.l.	200	-	-	-	-	-	200	3,922	-	(45)	-	3,877
Europa S.c.a.r.l.	-	-	-	-	-	-	-	(14)	-	-	-	(14)
FEDERICI STIRLING BATCO LLC	10,516	-	-	-	1,650	38	12,204	2	-	-	-	2
Frasso S.c.a.r.l.	495	-	-	-	387	133	1,015	-	-	613	36	649
Fondo Valle S.c.a.r.l. in liquidation	20	-	-	-	-	-	20	-	-	-	-	-
Formazza S.c.a.r.l. in liquidation	75	-	-	-	-	-	75	-	-	-	-	-
Grugliasco S.c.a.r.l.	130	-	-	-	381	-	511	-	-	423	-	423
Interconnessione S.c.a.r.l.	796	-	-	-	-	-	796	13	-	(25)	-	(12)



Company	RECEIVABLES						PAYABLES					
	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 current payables	Total Liabilities
Letimbro S.c.a.r.l. in liquidation	-	-	-	-	7,584	18,434	26,018	60	-	19,188	-	19,248
Lisone S.c.a.r.l. in liquidation	-	-	-	-	54	-	54	-	-	5	-	5
Malco S.c.a.r.l.	-	-	-	-	1,005	-	1,005	5	-	4,197	-	4,202
Marchetti S.c.a.r.l.	-	-	-	-	-	-	-	-	-	-	-	-
MAZZÈ S.c.a.r.l.	-	-	-	-	-	-	-	-	-	-	-	-
Mill Basin Bridge Constructors	-	-	-	-	3,191	-	3,191	-	-	-	-	-
Mose Bocca di Chioggia S.c.a.r.l.	-	-	-	-	115	-	115	37	-	2,885	9	2,931
Mose TREPORTI S.c.a.r.l.	-	-	-	-	110	-	110	109	-	1,226	10	1,345
Mose Operae S.c.a.r.l.	-	-	-	-	642	-	642	-	-	401	-	401
Nichelino Village S.c.a.r.l. in liquidation	-	4,091	(4,091)	-	-	-	-	-	-	-	-	-
Ponte Nord S.p.A.	60	-	-	-	1,050	-	1,110	-	-	-	-	-
SERRAVALLE VILLAGE S.C.A.R.L.	-	-	-	-	-	-	-	-	-	-	-	-
SISTEMI E SERVIZI S.c.a.r.l.	-	-	-	-	-	-	-	-	-	-	-	-
SP01 limited liability consortium company	-	1,278	(848)	-	1,465	-	1,895	-	-	1,886	-	1,886
Telese S.c.a.r.l. (CONSORZIO TELESOCIETÀ CONSORTILE A RESPONSABILITÀ LIMITATA)	113	-	-	-	106	-	219	-	-	128	-	128
TESSERA S.C.A.R.L.	537	-	-	-	456	-	993	68	-	88	-	156
Tunnel Frejus S.c.a.r.l.	3,250	-	-	-	866	-	4,116	1,295	-	7,399	2	8,696
<b>Total Associated and Joint Controlled Companies</b>	<b>17,136</b>	<b>45,935</b>	<b>(29,612)</b>	<b>-</b>	<b>41,264</b>	<b>18,613</b>	<b>93,336</b>	<b>19,665</b>	<b>-</b>	<b>82,829</b>	<b>237</b>	<b>102,731</b>

Company	RECEIVABLES							PAYABLES				
	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 current payables	Total Liabilities
APPIA S.r.l.	-	-	-	-	-	6	6	66	-	-	-	66
Abesca Europa S.r.l.	72	-	-	-	-	-	72	-	-	-	-	-
Argo Finanziaria S.p.A. Unipersonale	-	-	-	-	-	-	-	117	-	-	9,314	9,431
Argentea Gestioni S.C.p.A.	-	1,273	(1,140)	-	1,053	-	1,186	259	-	35	-	294
A.T.I.V.A. S.p.A. - Autostrada Torino-Ivrea-Valle d'Aosta	-	3,742	(2,997)	-	482	-	1,227	-	-	-	-	-
Autoservice 24 S.r.l. with sole shareholder	-	-	-	-	-	-	-	4	-	-	-	4
AUTOSPED G S.p.A.	-	-	-	-	742	5	747	3,869	-	-	-	3,869
AutostradaAsti-Cuneo S.p.A.	-	4,317	(3,898)	-	10,516	7,080	18,015	95	-	-	-	95
S.A.BRO.M - Autostrada Broni Mortara S.p.A.	609	-	-	-	35	-	644	-	-	-	-	-
AUTOSTRADA DEI FIORI S.p.A.	-	20,609	(14,774)	-	19,668	-	25,503	261	8,160	-	-	8,421
Autostrada Nogare Mare Adriatico S.c.p.A. in liquidation	290	-	-	-	-	15	305	22	-	58	-	80
Azeta S.R.L. con socio Unico in liquidation	-	-	-	-	152	-	152	-	-	-	-	-
Azienda Agricola Balda S.r.l.	-	-	-	-	36	-	36	-	-	-	-	-
Baglietto S.p.A.	-	22,138	(22,138)	-	2,442	-	2,442	-	-	-	-	-
CodeI.Ma. S.r.l.	-	-	-	-	1	-	1	-	-	-	-	-
CODELFA S.p.A.	-	3,665	(3,770)	-	1,879	-	1,774	181	-	-	22	203
Compagnia Porto di Civitavecchia S.p.A. in liquidation	-	-	-	-	3	-	3	-	-	-	-	-
Concessionaria das Rodovias Ayrton Senna e Carvalho Pinto S.A. - Ecopistas	-	1,550	(1,550)	-	-	-	-	-	72	-	-	72
Concessionaria Ecovias dos Imigrantes S.A.	-	12,242	(12,242)	-	-	-	-	-	150	-	-	150



Company	RECEIVABLES						PAYABLES					
	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 current payables	Total Liabilities
Rivalta Terminal Europa S.p.A.	-	-	-	-	-	57	57	-	-	-	-	57
SATAP S.p.A.	-	30,279	(26,092)	-	13,001	-	17,188	18	-	-	-	17,206
SAVS s.p.A. (Società Autostrade Valdostane S.p.A.)	-	-	-	-	874	-	874	3	-	-	-	877
Si.Co.Gen. S.r.l.	-	-	-	-	355	-	355	-	-	-	-	355
SINA S.p.A.	-	-	-	-	1,631	2	1,633	1,380	-	-	-	3,015
SINELEC S.p.A.	-	-	-	153	1,434	4	1,591	11,184	-	-	-	12,779
SITAF S.p.A.	-	2,995	-	-	1,193	-	4,188	4	-	-	-	4,192
Sitalia S.p.A.	-	415	(423)	-	245	-	237	-	-	-	1	238
Smart Mobility Systems s.c. a r.l. (SMS S.c. a r.l.)	-	-	-	-	1	-	1	-	-	-	-	-
Società Autostrada Ligure Toscana p.A.	-	20,193	(19,031)	-	22,892	-	24,054	186	11,803	-	19	12,008
Società di Progetto Autovia Padana S.p.A.	54	34,848	(28,448)	-	6,952	34	13,440	7	534	-	-	541
Sviluppo Cotorossi S.p.A.	-	27,561	(27,399)	-	2,018	-	2,180	-	-	-	-	-
Tangenziale Esterna S.p.A.	-	-	-	-	-	-	-	2	-	-	3,623	3,625
Tomato Farm S.p.A.	-	-	-	-	1	-	1	8	-	-	-	8
TRANSPÉ S.p.A.	-	-	-	-	-	-	-	122	-	-	-	122
Tubosider S.p.A.	-	-	-	-	18	-	18	190	-	-	-	190
Vettabbia S.c.a.r.l.	-	-	-	-	10	-	10	6	-	-	-	6
VETIVARIA S.r.l.	-	-	-	-	-	-	-	338	-	-	-	338
<b>Total Other Associated Parties</b>	<b>1,067</b>	<b>222,807</b>	<b>(192,472)</b>	<b>8,672</b>	<b>95,801</b>	<b>7,236</b>	<b>143,111</b>	<b>45,016</b>	<b>21,800</b>	<b>253</b>	<b>13,039</b>	<b>114,762</b>
<b>Total</b>	<b>18,203</b>	<b>268,742</b>	<b>(222,084)</b>	<b>8,672</b>	<b>137,065</b>	<b>36,392</b>	<b>246,990</b>	<b>67,876</b>	<b>21,800</b>	<b>83,082</b>	<b>13,481</b>	<b>220,893</b>

**ANNEX NO. 4 - ITINERA GROUP**

Summary statement of economic transactions with related parties - Financial Year 2020 (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.	(495)	-	-	1	-	-
<b>Total Parent Companies</b>	<b>(495)</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>
Aurea S.c.a r.l.	-	(5,495)	12,062	43	-	-
CERVIT SCARL	-	(11,397)	1,257	1,254	-	-
CMC ITINERA JV S.c.p.A.	-	(3,858)	-	917	-	-
Colmeto S.c. a r.l.	-	(1,146)	-	265	-	-
Con.Si.L.Fer.	-	-	-	-	-	-
Consorzio Cancellò-Frasso Telesino - CONSORZIO CFT	(333)	(21,163)	23,100	305	-	-
Consorzio Costruttori TEEM	-	(22)	-	-	-	-
Darsene Nord Civitavecchia S.c. a r.l.	-	(49)	-	-	-	-
Europa S.c.a.r.l.	-	14	-	-	-	-
FEDERICI STIRLING BATCO LLC	-	-	-	5	-	315
Frasso S.c. a r.l.	-	(613)	-	467	-	-
Grugliasco S.c. a r.l.	-	(303)	-	352	-	-
Interconnessione S.c. a r.l.	-	11	-	-	-	-
Letimbro S.c.a.r.l. in liquidation	(14)	(106)	-	23	-	-
Malco S.c.a.r.l.	-	(2,576)	-	18	-	-
Marchetti S.c.a r.l.	-	-	-	-	-	-
Mill Basin Bridge Constructors	-	-	-	142	-	-
Nichelino Village S.c.a r.l. in liquidation	-	(10)	-	-	-	-
SERRAVALLE VILLAGE S.C.A.R.L.	-	-	-	-	-	-

Company	Operating costs	Reversals from consortium companies	Revenues for works	Other Revenue	Financial Expenses	Financial Income
SP01 società consortile a responsabilità limitata	-	(3,323)	1,278	509	-	-
Telese S.c.a.r.l. (CONSORZIO TELESOCIETÀ CONSORTILE A RESPONSABILITÀ LIMITATA)	-	(128)	-	106	-	-
Tessera S.c.a.r.l.	-	(8,035)	993	837	-	-
Tunnel Frejus S.c.a.r.l.	-	(4,334)	-	762	-	-
<b>Total Associated and Joint Controlled Companies</b>	<b>(347)</b>	<b>(62,533)</b>	<b>38,690</b>	<b>6,005</b>	<b>-</b>	<b>315</b>
APPIA S.r.l.	(13)	-	-	-	(6)	-
Argentea Gestioni S.C.p.A.	-	(143)	469	6	-	-
Argo Finanziaria S.p.A. Unipersonale	-	-	-	6	(6)	-
ATIVA Engineering S.p.A.	-	-	-	2	-	-
A.T.I.V.A. S.p.A. - Autostrada Torino-Ivrea-Valle d'Aosta	-	-	3,192	-	-	-
Augustas S.p.A.	(2)	-	-	-	-	-
Autoservice 24 S.r.l. with sole shareholder	(3)	-	-	-	-	-
AUTOSPED G S.p.A.	(3,692)	-	-	-	-	-
Autostrada Asti-Cuneo S.p.A.	6	-	4,664	44	(3)	-
S.A.BRO.M - Autostrada Broni Mortara S.p.A.	-	-	-	-	-	16
AUTOSTRADA DEI FIORI S.p.A.	(124)	-	42,281	876	-	-
Autostrada Nogare Mare Adriatico S.c.p.A. in liquidation	-	(15)	-	-	-	-
Autostrade centro padane S.p.A.	-	-	-	-	-	66
Baglietto S.p.A.	-	-	589	-	-	-
Brescia Milano Manutenzioni S.c.a.r.l.	-	-	-	4	-	-
CODEFAS S.p.A.	(547)	-	3,665	448	(2)	-

Company	Operating costs	Reversals from consortium companies	Revenues for works	Other Revenue	Financial Expenses	Financial Income
Consorzio Sintec	-	-	-	1	-	-
Concessionaria das Rodovias Ayrton Senna e Carvalho Pinto S.A. - Ecopistas	-	-	1,676	-	-	-
Concessionaria Ecovias dos Imigrantes S.A.	-	-	4,746	-	-	-
Concessionaria Ponte Rio-Niteroi SA - Ecoponte	-	-	7,392	-	-	-
Concessionaria de Rodovias Minas Gerais Goiás S.A. (MGO)	-	-	5,367	-	-	-
Eco135 Concessionaria de Rodovias S.A.	-	-	2	-	-	-
Ecorodovias Concessoes e Serviços S.A.	(35)	-	-	379	-	-
Euroimpianti S.p.A.	(27,622)	-	11	20,784	-	90
G&A S.p.A.	(73)	-	-	-	-	-
Gale S.r.l.	(2,545)	-	-	-	-	-
GAVIO & TORTI CASA DI SPEDIZIONE S.p.A.	-	-	-	-	-	-
IMPRESA GRASSETTO S.p.A. son Socio Unico in Liquidation	-	-	-	50	-	-
Inerti Rivolta S.r.l.	(189)	-	-	25	-	-
Milano Depur S.p.A.	-	-	-	-	-	1
M.N. Metropolitana Napoli S.p.A.	(1)	-	-	-	-	-
P.C.A. S.p.A.	(148)	-	-	193	-	-
RAIL HUB EUROPE SPA	-	-	-	-	-	-
SATAP S.p.A.	(29)	-	45,267	1,410	-	-
SAV S.p.A. (Società Autostrade Valdostane S.p.A.)	(5)	-	4,519	78	-	-
Si.Co.Gen. S.r.l.	-	-	302	270	-	-
SIMA S.p.A.	(443)	-	92	1,190	-	-

Company	Operating costs	Reversals from consortium companies	Revenues for works	Other Revenue	Financial Expenses	Financial Income
SINELEC S.p.A.	(7,566)	-	-	5,403	-	-
SITAF S.p.A.	-	-	3,156	-	-	-
Sitalfa S.p.A.	-	-	348	39	-	-
Società Autostrada Ligure Toscana p.A.	(204)	-	27,477	1,977	4	-
Società di Progetto Autovia Padana S.p.A.	(319)	-	22,930	177	-	6
Sviluppo Cotorossi S.p.A.	-	-	2,552	-	-	-
Tangenziale Esterna S.p.A.	(4)	-	-	-	-	-
Tangenziali Esterne Milano (TEM)	-	-	-	-	-	-
Tomato Farm S.p.A.	-	-	-	1	-	-
TRANSPE S.p.A.	(76)	-	-	2	-	-
Tubosider S.p.A.	(1,227)	294	1,683	(867)	-	(1)
V.A. Bitumi S.r.l.	(3)	-	-	-	-	-
Vettabbia S.c.a.r.l.	-	(4)	-	4	-	-
Vetivaria S.r.l.	(498)	-	-	-	-	-
<b>Total Other Associated Parties</b>	<b>(45,362)</b>	<b>132</b>	<b>182,380</b>	<b>32,502</b>	<b>(13)</b>	<b>178</b>

**REPORT OF THE BOARD  
OF AUDITORS ON  
THE CONSOLIDATED  
FINANCIAL STATEMENTS  
AS OF 31.12.2020**

Dear Shareholders,

ITINERA GROUP consolidated financial statements as at 31 December 2020, 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 161,971 Euro/000 in net equity, including the amount of 33,922 Euro/000 corresponding to third party capital and reserves, and negative results for the year for 53,886 Euro/00, including the positive amount of 16,617 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 - in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards 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 2020, 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, the Board has nothing to remark on the ITINERA Group's consolidated financial statements as at 31 December 2020.

Tortona, 26 March 2021.

**The Board of Auditors**

*Mr. BO Andrea*

*Mr. TROTTER Massimo*

*Mr. CODA Roberto*

Digitally signed by:  
BO ANDREA  
Signed on 26/03/2021 17:36  
Certificate Number: 17731156  
Valid from 09/03/2020 to 09/03/2023  
InfoCert Qualified Signature 2

*In consideration of the operational difficulties related to the pandemic spread of Covid-19 and the restrictive regulatory provisions that condition the free movement of people, exceptionally, for the purpose of filing at the Company's headquarters, this report of the board of statutory auditors to the consolidated financial statements as at 31 December 2020, approved unanimously, is digitally signed only by the President, on behalf of the Board.*

**INDEPENDENT  
AUDITOR'S REPORT ON  
THE CONSOLIDATED  
FINANCIAL STATEMENTS  
AS OF 31.12.2020**



**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 2020**



## ***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 2020, 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 2020, 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.

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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 Piccapietra 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 Felissent 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



### ***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.

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 Itinera Group as of 31 December 2020, 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 2020 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 2020 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, 26 March 2021

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*





# 04

## ITINERA S.P.A. FINANCIAL STATEMENTS AS AT 31 DECEMBER 2020

- 164** Statement of Financial Position
- 166** Income Statement
- 167** Statement of comprehensive income
- 168** Statement of Cash flows
- 170** Statement of Changes in Shareholders' Equity
- 171** **Notes to the Group financial statement**
- 171** Accounting policies
- 183** Information on the Statement of Financial Position
- 211** Information on the Income Statement
- 225** Annexes
- 244** Report of the Board of Auditors to the Shareholders' Meeting
- 250** Independent Auditor's Report on the Financial Statements as of 31.12.2020

# STATEMENT OF FINANCIAL POSITION

(amounts in Euro)	Notes	31/12/2020	31/12/2019
<b>Assets</b>			
<b>Non-current assets</b>			
1. Intangible assets	1		
b. other intangible assets		191,369	583,879
<b>3. Total intangible assets</b>		<b>191,369</b>	<b>583,879</b>
2. Tangible assets	2		
a. buildings, plants, machinery and other assets		30,788,010	35,380,299
b. investment property		4,260,570	4,393,023
c. rights of use assets		31,276,652	23,538,934
<b>3. Total tangible assets</b>		<b>66,325,232</b>	<b>63,312,256</b>
3. Non-current financial assets	3		
a. investments in subsidiaries		90,295,943	78,905,266
b. investments in jointly controlled and associate companies		978,709	13,572,257
c. other equity investments		17,681,609	18,770,924
d. other non-current financial assets		72,169,805	61,649,458
<b>3. Total non-current financial assets</b>		<b>181,126,066</b>	<b>172,897,905</b>
4. Deferred tax assets	4	17,807,841	13,583,142
<b>Total non-current assets</b>		<b>265,450,507</b>	<b>250,377,182</b>
<b>Current assets</b>			
5. Inventories and contractual assets	5	294,025,781	227,003,552
6. Trade receivables	6	218,201,972	204,334,119
7. Current tax assets	7	10,466,829	7,290,544
8. Other receivables	8	53,144,459	74,078,147
9. Current financial assets		-	-
<b>3. Total</b>		<b>575,839,042</b>	<b>512,706,362</b>
10. Cash and cash equivalents	9	70,869,955	105,724,051
<b>Subtotal current assets</b>		<b>646,708,997</b>	<b>618,430,413</b>
11. Discontinued operations/Non-current assets held for sale		-	-
<b>Total current assets</b>		<b>646,708,997</b>	<b>618,430,413</b>
<b>Total assets</b>		<b>912,159,505</b>	<b>868,807,595</b>

(amounts in Euro)	Notes	31/12/2020	31/12/2019
<b>Net equity and liabilities</b>			
<b>Shareholders' equity</b>	<b>10</b>		
1. Shareholders' equity			
a. share capital		86,836,594	86,836,594
b. retained earnings		15,315,692	111,094,024
<b>Total net equity</b>		<b>102,152,286</b>	<b>197,930,618</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
3. Allocation to the bad debts provision and severance indemnity	11	66,333,947	38,946,450
4. Other payables and contractual liabilities	12	10,259,414	16,481,651
5. Bank debt	13	16,977,091	53,940,652
7. Other financial liabilities	14	21,110,559	16,532,316
8. Deferred tax liabilities	15	496,271	496,271
<b>Total non-current liabilities</b>		<b>115,177,282</b>	<b>126,397,341</b>
<b>Current liabilities</b>			
9. Trade payables	16	240,347,192	201,988,482
10. Other payables and contractual liabilities	17	241,688,053	206,004,003
11. Bank debt	18	187,478,591	116,698,955
12. Other financial liabilities	19	17,707,524	6,269,157
13. Current tax liabilities	20	7,608,576	13,519,038
<b>Total current liabilities</b>		<b>694,829,936</b>	<b>544,479,636</b>
<b>Total liabilities</b>		<b>810,007,219</b>	<b>670,876,977</b>
<b>Total liabilities and net equity</b>		<b>912,159,505</b>	<b>868,807,595</b>

# INCOME STATEMENT

(amounts in Euro)	Notes	2020	2019
<b>Revenues</b>	<b>23</b>		
1. revenues from contracts with customers		593,754,238	548,824,758
2. changes to work in progress, semi-finished and finished products		(446,870)	170,584
3. other revenue	23.1	14,903,736	26,525,654
<b>Total Revenue</b>		<b>608,211,104</b>	<b>575,520,996</b>
4. Payroll expenses	24	(93,260,242)	(87,290,154)
5. Costs for services	25	(428,041,393)	(360,159,011)
6. Costs for raw materials	26	(101,682,004)	(97,263,728)
7. Other costs	27	(17,773,660)	(12,894,642)
8. Amortisation, depreciation and write-downs	28	(15,755,600)	(10,731,411)
9. Other provisions for risks and charges	29	(2,768,826)	(8,620,277)
<b>EBIT</b>		<b>(51,070,621)</b>	<b>(1,438,228)</b>
10. Financial income:	30.1		
a. from equity investments		162,882	458,206
b. others		1,840,595	1,598,078
11. Financial expenses:	30.2		
a. interest expense		(1,535,785)	(858,054)
b. others		(51,676,437)	(23,356,820)
<b>Profits (loss) before taxes</b>		<b>(102,279,366)</b>	<b>(23,596,818)</b>
13. Taxes	32		
a. Current taxes		7,256,367	(577,388)
b. Deferred taxes		4,200,761	5,302,381
<b>Profit (loss) for the year</b>		<b>(90,822,238)</b>	<b>(18,871,824)</b>
<b>Earnings per share</b>	<b>33</b>		
<i>Earnings (loss) per share (Euro unit)</i>		<i>(1.046)</i>	<i>(0.217)</i>

# STATEMENT OF COMPREHENSIVE INCOME

(amounts in Euro)	2020	2019
<b>Profit for the year (a)</b>	<b>(90,822,238)</b>	<b>(18,871,824)</b>
Actuarial profits (loss) on employee benefits (severance indemnity)	(37,754)	(145,210)
Shareholding fair value measurement	(1,089,314)	34,155
Tax effect on profits (loss) not subsequently reclassified in the Income statement	9,061	37,866
<b>Profits (loss) not subsequently reclassified in the Income statement (b)</b>	<b>(1,118,007)</b>	<b>(73,189)</b>
Cash flow hedge reserves		
Foreign exchange reserves	(3,838,087)	13,936
Tax effect on profits (loss) subsequently reclassified in the Income statement		
<b>Profits (loss) subsequently reclassified in the Income statement when certain conditions are met (c)</b>	<b>(3,838,087)</b>	<b>13,936</b>
<b>Comprehensive economic results (a) + (b) + (c)</b>	<b>(95,778,332)</b>	<b>(18,931,077)</b>



## STATEMENT OF CASH FLOWS

(amounts in Euro)	2020	2019
Cash and cash equivalents starting balance	105,724,051	56,596,298
Exchange effect on cash and cash equivalents	(2,836,519)	-
Extraordinary Transactions	-	-
<b>"Adjusted" cash and cash equivalents starting balance (a)</b>	<b>102,887,532</b>	<b>56,596,298</b>
<b>Profits (loss)</b>	<b>(90,822,238)</b>	<b>(18,871,824)</b>
<b>Adjustments</b>		
Amortisation	14,768,603	10,731,411
Severance reserves adjustment	161,843	249,167
Provisions for risks	3,780,826	9,558,151
(Gains) / Losses on the disposal of assets	(384,176)	(4,962,303)
(Gains)/ losses on share sales	917,930	31,047
Financial asset (adjustments) write-downs	46,945,247	22,434,567
<i>Operating Cash Flow (I)</i>	<i>(24,631,964)</i>	<i>19,170,215</i>
Net variation in deferred tax assets and liabilities	(4,215,637)	(5,299,077)
Changes in net working capital	(17,387,106)	(894,303)
Other general operating activities changes	(5,125,380)	(1,986,803)
<i>Changes in net working capital and other changes (II)</i>	<i>(26,728,122)</i>	<i>(8,180,184)</i>
<b>Liquidity generated (absorbed) by operating activities (I+II) (b)</b>	<b>(51,360,086)</b>	<b>10,990,032</b>
Investments in buildings, plants, machinery and other assets	(2,843,917)	(8,753,461)
Investments in intangible assets	(63,052)	(146,048)
Net divestiture of buildings, plants, machinery and other assets	1,992,840	7,788,714
Net intangible asset disposals	273,064	-
<i>Net investments in tangible and intangible assets (III)</i>	<i>(641,065)</i>	<i>(1,110,795)</i>
Investments in non-current financial assets	(14,289,888)	(36,753,612)
Non current financial asset divestiture	7,576,670	10,611,000
<i>Net investments in non-current financial assets (IV)</i>	<i>(6,713,218)</i>	<i>(26,142,612)</i>
<i>Intertrade S.p.A. acquisition (V)</i>	<i>(5,791,100)</i>	<i>(2,669,000)</i>
<b>Liquidity generated (absorbed) by investments (III+IV+V) (c)</b>	<b>(13,145,383)</b>	<b>(29,922,406)</b>

New medium/Long-term loans	-	50,000,000
Medium/Long-term loans (reimbursements)	(16,956,055)	(9,492,493)
Change in other financial liabilities	49,443,947	27,552,620
<b>Liquidity generated (absorbed) by financial activities (d)</b>	<b>32,487,892</b>	<b>68,060,127</b>
<b>Cash and cash equivalents closing balance (a+b+c+d)</b>	<b>70,869,955</b>	<b>105,724,051</b>
Taxes paid in the year		-
Financial charges paid in the year	(1,535,785)	(858,054)
Collected dividends	162,882	454,911

# STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(amounts in Euro)	Share capital	Share premium reserve	Legal reserve	Merger gain/(losses)	Cancellation gains	Compensation gains	Cash flow hedge reserves	"Fair value" revaluation reserves"	Extraordinary reserve	Foreign exchange reserves	Severance actualisation reserve	FTA reserve	Retained earnings (Accumulated loss)	Profit (loss) for the year	Shareholders' Equity
<b>31 December 2018</b>	86,836,594	26,901,280	5,774,745	(2,228,879)	58,285	9,970,627	(3,060,821)	(4,390,778)	105,320,166	(483,104)	(12,564)	3,006,079	(11,341,623)	511,687	216,861,694
Allocation of 2018 results			25,584						486,103					(511,687)	
Other changes															
Result for the period								698,542		13,936	(107,344)		(664,387)	(18,871,824)	(18,931,077)
<b>31 December 2019</b>	86,836,594	26,901,280	5,800,330	(2,228,879)	58,285	9,970,627	(3,060,821)	(3,692,236)	105,806,269	(469,168)	(119,908)	3,006,079	(12,006,010)	(18,871,824)	197,930,618
Allocation of 2019 results									(18,871,824)					18,871,824	
Reclassifications															
Other changes															
Result for the period								(1,089,314)		(3,838,087)	(28,693)			(90,822,238)	(95,778,332)
<b>31 December 2020</b>	86,836,594	26,901,280	5,800,330	(2,228,879)	58,285	9,970,627	(3,060,821)	(4,781,550)	86,934,444	(4,307,255)	(148,602)	3,006,079	(12,006,010)	(90,822,238)	102,152,287

# NOTES TO THE FINANCIAL STATEMENTS

## ACCOUNTING POLICIES

### GENERAL INFORMATION

Itinera S.p.A. prepared the financial statements for 2020 that are submitted for statutory audit to Price-waterhouse Coopers S.p.A..

### PREPARATION CRITERIA AND CONTENT OF THE SEPARATE FINANCIAL STATEMENTS

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 Standard 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 comparative figures referring to the previous year also comply with the aforementioned accounting standards.

The separate financial statements for the 2020 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.

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 policies.

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.

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### ACCOUNTING POLICIES

The accounting policies applied in preparing the financial statements for the year ended 31 December 2020, are similar to those used for the preparation of the financial statements for the year ended 31 December 2019.

#### 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% respectively. 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	3.0%
General plants	10.0%
Specific plants	15.0%
Temporary construction	12.5%
Various equipment	40.0%
Metallic formworks	25.0%
Mechanical excavators and shovels	20.0%
Transport vehicles	20.0%
Office furniture and machines	12.0%
Electric/electronic office machines	20.0%
Cars, vehicles, etc.	25.0%

Rates for new investments during the year were reduced by 50% since it is believed that this is a reasonable approximation of the average share of possession and thus of their participation in the production process.

With reference to non-civil buildings, the land item was separated from buildings; in lack 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 posted in the Income Statement in the year in which they are sustained.

## 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 in-

roduction 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.

### **Equity investments in subsidiaries, jointly controlled and associated companies**

Equity investments in subsidiaries, jointly controlled and associated companies are measured according to the "cost" criterion. If there are signs of loss of value by means of suitable evaluation tests, the posted value is aligned. The original value is reinstated in subsequent accounting periods, if the reasons for the adjustments made cease to exist.

#### **TARANTO LOGISTICA S.p.A.**

Regarding this share (95% shareholding) the value posted is higher, by 2,511 thousand Euro, than the pro rata net equity due as at 31 December 2020; the loss posted in 2020, in line with those in previous years, is due to overhead and other non-capitalised costs. This situation is expected to continue until the year in which the subsidiary earns its initial income.

The Company, which holds a Concession granted by the Port Authority of the Port of Taranto (Autorità di Sistema Portuale del Mar Ionio - Porto di Taranto), is concerned with the design and construction of the Port of Taranto Infrastructure Gateway - Logistical Base integrated with the intermodal transportation system of the Adriatic Corridor, and management of the Logistics Platform.

The construction works for the expansion of the IV Jetty and the Western Dockyard of the IV Jetty were completed during 2020 within the contractually established terms. The environmental and landscape reclamation activities in the Reservoir are still under way and are expected to be completed by contract in the first half of 2021.

On the overall state of progress on the Concession, there is a possible risk in the achievement of

the principal indicators of profitability of the investment, and, despite the subsidiary's commercial promotion, difficulty identifying market players interested in using the Logistics Platform under sustainable technical and economic conditions.

In consideration of this and consequently to what is repeatedly indicated by the subsidiary especially during 2020, a proposal for revision of the Economic and Financial Plan called "Five-year review of the PEF" was sent to the Port System Authority with note prot. no. 24 of 22.01.2021, currently being verified by the Grantor.

#### **FEDERICI STIRLING BATCO LLC**

The carrying value of the investment in Federici Stirling Batco LLC was subject to "impairment" test based on the 2021-2024 financial plan approved by the subsidiary's board of directors on 12 March 2021. 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 average of the last two years of the plan assuming a "g rate" equal to 2.5%, and a 13.49% WACC. The test results led to the need to cancel the book value of the investment and therefore provide for an impairment of Euro 10,000 thousand. It should also be noted that the financial receivables held against the company were written down for 7,000 thousand Euro as a consequence of the results of the impairment test.

#### **Joint control agreements**

With reference to the companies or entities, in which the company exercises joint control based on the shareholding or specific contractual provisions and which are configured as on the basis of what is defined by IFRS 11, the share pertaining to rights and obligations is posted.

As at 31 December 2020, only entities not incorporated in legal entities and structured in separate vehicles that guarantee transparency of rights and obligations with respect to the participants are qualified as joint operations.



Joint operations	Registered offices	Interests %
Arge H 51	A110 Vienna, Absberggasse 47, Austria	44.90%
I/S Koge Hospital	Ballerup, Industriparken 44 A CAP 2750, Denmark	80.00%
I/S Odense Hospital	5000 Odense C (Denmark) - Kochsgade, 31D	49.00%
Itinera - Ghantoot JV	Emirate of Abu Dhabi, UAE	50.00%
Itinera Agility JV	Emirate of Abu Dhabi, UAE	75.00%
Itinera/Cimolai JV	Gabarone/Republic of Botswana	72.23%

## 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 Statement of Financial Position. The corresponding balance sheet values of the previous year are not reclassified in the Statement of Financial Position, but are indicated where they are significant in the comment on the individual items in the Notes to the financial statements.

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 income statement, net of tax effects and in the statement of cash flows. The corresponding values for the previous year, if any, are reclassified and shown separately in the income statement, net of tax effects and in the 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 Statement of Comprehensive Income.

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.

#### **Contract work in progress /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 Company, 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 by 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**

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 Company; (ii) current obligations due to past events, the amounts of which cannot be reliably estimated or whose occurrence is probably not burdensome.

### 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 as well as interest expense 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 at a given time (point in time) or over time (over time), when the company 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 obligations 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 Company 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 Company 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’ Assembly.

Any dividend advances are posted when distribution is resolved 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 - by accrual - as costs in the year in which they are sustained except for those that are directly attributable to the construction of reversible 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 sub-

stantially 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.

## 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 counter-party, 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 hedge covers 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, hedg-

es 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.

### **Asset value losses (impairment test)**

Company 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 recorded 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 currency items**

The economic and financial situations of Itinera and its branches 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. For the purpose of transferring the balances of branches to the head office, the conversion of the Statement of Financial Position with functional currencies other than the Euro occurs by applying to the assets and liabilities, the exchange rate existing at the closing date of the financial year and to income statement items the average exchange rates for the year or the reference period, if lower.

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 31st December 2020	Average annual exchange rate
Euro/Reais	6.3735	5.8943
Euro/Dollar	1.2271	1.1422
Euro/Kuwaiti Dinar	0.3735	0.3504
Euro/Omani Rial	0.4718	0.4392
Euro/Angola - Readjustado Kwanza	800.3450	661.8680
Euro/Botswana - Pula	13.2516	13.0638
Euro/South Africa - Rand	18.0219	18.7655
Euro/Romania - Ron	4.8683	4.8383
Euro/British pound	0.8990	0.8897
Euro/Saudi Arabia - Saudi Ryal	4.6016	4.2832
Euro/United Arab Emirates - United Arab Emirates Dirham	4.5065	4.1947
Euro/Denmark - Danish Kroner	7.4409	7.4542
Euro/Sweden- Swedish Kroner	10.0343	10.4848
Euro/Kenya - Kenyan Pound	134.0171	121.7547
Euro/Zambia - Zambia Kwacha	25.9523	20.9539





## Earnings per share

Basic earnings per share are calculated by dividing the company's share of profit or loss by the weighted average number of the shares outstanding during the year.

## Estimates and measurements

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 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.

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These accounting policies were homogeneously applied and consistent with the preparation of these financial statements.

Pursuant to art. 5, paragraph 2 of Legislative Decree 28 February 2005, no. 38 it is specified that the financial statements are drawn up in Euro units while the values included in the Notes to the financial statements are expressed in thousands of Euro, unless otherwise specified. For Itinera, the Euro represents the "functional currency" and coincides with the "presentation currency".

## New accounting standards and interpretations implemented by the EU and in force from 1 January 2020

- **Amendments to IAS 1 and IAS 8- Definition**

**of materiality.** The document introduced a change in the definition of "significant" contained in IAS 1 and IAS 8. This amendment aims to make the definition of "significant" more specific and introduced the concept of "*obscured information*" alongside the concepts of omitted or incorrect information already present in the two principles subject to modification. The amendment clarifies that information is "*obscured*" if it has been described in such a way as to produce an effect similar to that which would have been produced if this information had been omitted or incorrect for the primary readers of a financial statement.

- **Changes to the references to the "Conceptual Framework" in IFRS**, which defines the fundamental concepts for financial reporting. The document helps ensure that the Standards are conceptually consistent and that similar transactions are treated equally, in order to provide useful information to investors, lenders and other creditors. The Conceptual Framework supports companies in the development of accounting principles when no IFRS standard is applicable to a particular transaction and, more generally, helps stakeholders to understand and interpret the Standards.
- **The IASB, on September 26, 2019, published the amendment called "Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform" which amends IFRS 9 - Financial Instruments and IAS 39 - Financial Instruments: Recognition and Measurement as well as IFRS 7 - Financial Instruments: Disclosures.** In particular, the amendment modifies some of the requirements required for the application of hedge accounting, providing for temporary exceptions to them, in order to mitigate the impact deriving from the uncertainty of the IBOR reform (still in progress) on cash flows. cash future in the period preceding its completion. The amendment also requires companies to provide additional information in the financial statements regarding their hedging relationships which are directly affected by the uncertainties generated by the reform and to which they apply the aforementioned exceptions.

- **Amendments to IFRS 3 - Business combinations.** The document provides some clarifications regarding the definition of *business* for the correct application of the IFRS 3 principle. In particular, the amendment clarifies that while a *business* usually produces an output, the presence of an output is not strictly necessary to identify a *business* in the presence of an integrated set of activities/processes and assets. However, to meet the business definition, an integrated set of activities/processes and assets must include, at a minimum, an input and a substantial process which together contribute significantly to the ability to create an *output*. To this end, the IASB has replaced the term “ability to create output” with “ability to contribute to the creation of output” to clarify that a business can exist even without the presence of all the inputs and processes necessary to create an *output*. The amendment also introduced an optional “concentration test”, which allows to exclude the presence of a business if the price paid is substantially referable to a single activity or group of activities.
- On May 28, 2020, the IASB published an amendment called “**Covid -19 Related Rent Concessions (Amendment to IFRS 16)**”, approved by the European Union on October 9, 2020. The document provides lessees the right to account for the reduction in fees connected with Covid-19 without having to assess, through the analysis of the contracts, whether the definition of lease modification of IFRS 16 is met. Therefore, the lessees who apply this option will be able to account for the effects of the reductions in the rent directly in the income statement on the effective date of the reduction. This amendment, applicable to financial statements starting on 1 June 2020, can be applied in advance by a company to financial statements starting on 1 January 2020.

The above did not have any effects on the Company's financial statements as at 31 December 2020.

**Accounting standards, amendments and interpretations IFRS or IFRIC approved by the European Union, not yet mandatory and not adopted in advance by the Company at 31**

## December 2020.

- On May 28, 2020, the IASB published an amendment called “**Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)**”. The amendments make it possible to extend the temporary exemption from the application of IFRS 9 until January 1, 2023 for insurance. These changes will take effect on January 1, 2021.
- On August 27, 2020, the IASB published, in light of the reform on interbank interest rates such as the IBOR, the document “**Interest Rate Benchmark Reform-Phase 2**” which contains amendments to the following standards:
  - IFRS 9 *Financial Instruments*;
  - IAS 39 *Financial Instruments: Recognition and Measurement*;
  - IFRS 7 *Financial Instruments: Disclosures*;
  - IFRS 4 *Insurance Contracts*; e
  - IFRS 16 *Leases*.

The above did not have any effects on the Company's financial statements as at 31 December 2020.

## **New accounting standards and interpretations issued by the IASB and not yet endorsed 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 May 18, 2017, the IASB issued the **IFRS 17 - Insurance Contracts** standard. The new standard, applicable from years beginning on or after 1 January 2023, governs the accounting treatment of insurance contracts issued and reinsurance contracts held.
- 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**”. The document aims to clarify how to classify debts and other short or long term liabilities. The amendments come into effect from January 1, 2023; early application is however permitted.
- On May 14, 2020, the IASB published the

following amendments whose effectiveness begins with financial years starting on January 1, 2022:

- **Amendments to IFRS 3 Business Combinations:** 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 of IFRS 3.
- **Amendments to IAS 16 Property, Plant and Equipment:** the amendments are aimed at defining that the revenues deriving from the sale of goods produced by an asset before it is ready for its intended use are posted to the income statement together with the related production costs rather reducing the cost of the asset.
- **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, including not only incremental costs (such as, for example, the of the direct material used in the processing), but also all the costs

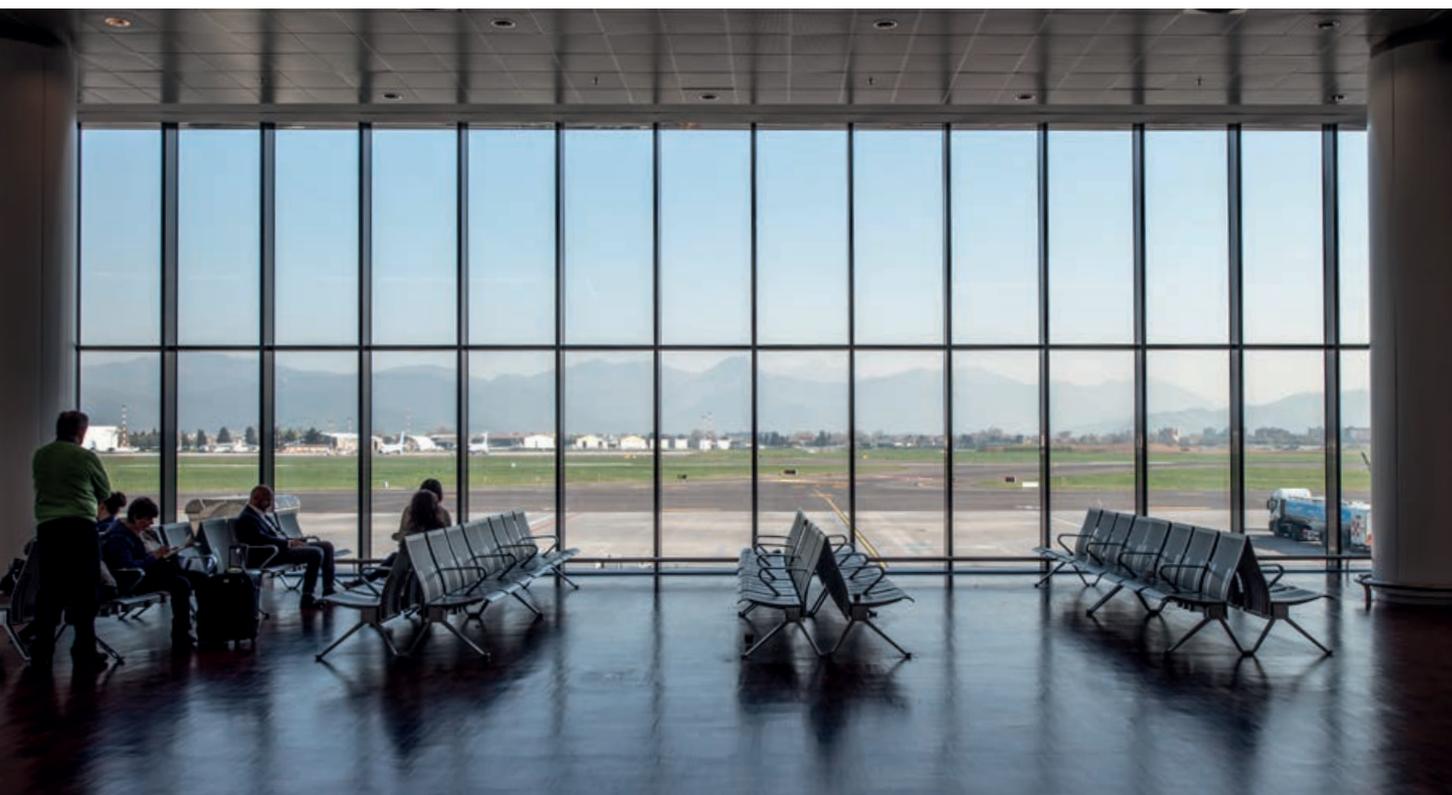
that the company cannot avoid as it has entered into the contract (such as, for example, the share of the cost of personnel and depreciation of the machinery used for the fulfilment of the contract).

- **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. All the changes will take effect on January 1, 2022.

The Company is currently evaluating the possible effects deriving from the introduction of the aforementioned changes on its separate financial statements.

## TAX DISCLOSURE

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)	31st December 2020	31st December 2019	Var.
Other intangible assets	191	584	(393)
<b>Total intangible Assets</b>	<b>191</b>	<b>584</b>	<b>(393)</b>

### Other intangible assets:

(amounts in thousands of Euro)	Other intangible assets		Total
	Industrial patent rights	Other assets	
<b>Cost:</b>	<b>1,208</b>	<b>18,446</b>	<b>19,654</b>
<b>1st January 2019</b>			
Investments	30	79	109
Reclassifications			-
Impairments			-
Disposals	(65)	(15,414)	(15,479)
Other changes			
Exchange differences	2		2
<b>31st December 2019</b>	<b>1,175</b>	<b>3,111</b>	<b>4,286</b>
<b>Accumulated amortisation:</b>	<b>(1,127)</b>	<b>(17,634)</b>	<b>(18,761)</b>
<b>1st January 2019</b>			
Amortisation 2019	(54)	(401)	(455)
Reclassifications			
Reversals	65	15,414	15,479
Other changes		36	36
Exchange differences	(1)		(1)
<b>31st December 2019</b>	<b>(1,117)</b>	<b>(2,585)</b>	<b>(3,702)</b>
<b>Net book value:</b>			
<b>1st January 2019</b>	<b>81</b>	<b>812</b>	<b>893</b>
<b>31st December 2019</b>	<b>58</b>	<b>526</b>	<b>584</b>



(amounts in thousands of Euro)	Other intangible assets		Total
	Industrial patent rights	Other assets	
<b>Cost:</b>	<b>1,175</b>	<b>3,111</b>	<b>4,286</b>
<b>1st January 2020</b>			
Investments	42	21	63
Impairments	-	-	-
Disposals	(493)	(455)	(948)
Other changes	-	-	-
Exchange differences	(12)	(1)	(13)
<b>31st December 2020</b>	<b>712</b>	<b>2,676</b>	<b>3,388</b>
<b>Accumulated amortisation:</b>	<b>(1,117)</b>	<b>(2,585)</b>	<b>(3,702)</b>
<b>1st January 2020</b>			
Amortisation 2020	(61)	(118)	(179)
Reversals	493	182	675
Other changes	-	-	-
Exchange differences	8	1	9
<b>31st December 2020</b>	<b>(677)</b>	<b>(2,520)</b>	<b>(3,197)</b>
<b>Net book value:</b>			
<b>1st January 2020</b>	<b>58</b>	<b>526</b>	<b>584</b>
<b>31st December 2020</b>	<b>35</b>	<b>156</b>	<b>191</b>

The items "Divestitures" with reference to the cost and "Reversals" with reference to accumulated depreciation refer to the write-down of the respective intangible assets which concluded the depreciation process in previous years. In particular, the net amount of Euro 273 thousand relating to the costs incurred for the implementation of the Cerano (VC) quarry should be noted. As the quarry authorisation ended during the year, these costs were reversed and the provision included in the liability item "Provisions for risks and charges" was used as coverage.

## NOTE 2 - TANGIBLE ASSETS

Tangible assets are broken down below:

(amounts in thousands of Euro)	31/12/2020	31/12/2019	Var.
Buildings, plants, machinery and other assets	30,788	35,380	(4,592)
Investment property	4,261	4,393	(132)
Rights of use assets	31,277	23,539	7,738
<b>Total intangible Assets</b>	<b>66,325</b>	<b>63,312</b>	<b>3,013</b>

## Buildings, plants, machinery and other assets

This item is broken down below:

(amounts in thousands of Euro)	Land and Buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under financial lease	Assets in process of formation and advances	Total
<b>Cost:</b>	<b>27,937</b>	<b>32,081</b>	<b>27,992</b>	<b>6,740</b>	<b>23,914</b>	<b>589</b>	<b>119,254</b>
<b>1st January 2019</b>							
Investments		4,843	3,237	671			8,751
Reclassifications		589			(23,914)	(589)	(23,914)
Impairments							-
Other changes				(222)			(222)
Disposals	(453)	(3,195)	(2,835)	(552)			(7,035)
Exchange differences		105	122	23			250
<b>31st December 2019</b>	<b>27,484</b>	<b>34,423</b>	<b>28,516</b>	<b>6,660</b>	<b>-</b>	<b>-</b>	<b>97,084</b>
<b>Accumulated amortisation:</b>	<b>(10,717)</b>	<b>(25,140)</b>	<b>(21,622)</b>	<b>(4,746)</b>	<b>(22,283)</b>	<b>-</b>	<b>(84,508)</b>
<b>1st January 2019</b>							
Depreciation	(450)	(2,266)	(2,147)	(652)			(5,515)
Reclassifications					22,283		22,283
Other changes		(84)	(39)	101			(22)
Utilisations	255	2,698	2,693	466			6,112
Exchange differences		(11)	(30)	(12)			(53)
<b>31st December 2019</b>	<b>(10,912)</b>	<b>(24,803)</b>	<b>(21,145)</b>	<b>(4,843)</b>	<b>-</b>	<b>-</b>	<b>(61,703)</b>
<b>Net book value:</b>							
<b>1st January 2019</b>	<b>17,220</b>	<b>6,941</b>	<b>6,370</b>	<b>1,994</b>	<b>1,631</b>	<b>589</b>	<b>34,745</b>
<b>31st December 2019</b>	<b>16,572</b>	<b>9,620</b>	<b>7,371</b>	<b>1,817</b>	<b>-</b>	<b>-</b>	<b>35,380</b>



(amounts in thousands of Euro)	Land and Buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under financial lease	Assets in process of formation and advances	Total
<b>Cost:</b>	<b>27,484</b>	<b>34,423</b>	<b>28,516</b>	<b>6,660</b>	-	-	<b>97,084</b>
<b>1st January 2020</b>							
Investments		1,458	801	513		72	2,844
Reclassifications							-
Impairments							-
Other changes		(1)	(1)				(2)
Disposals		(5,535)	(2,906)	(849)			(9,290)
Exchange differences		(485)	(588)	(81)			(1,154)
<b>31st December 2020</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>Accumulated amortisation:</b>	<b>(10,912)</b>	<b>(24,803)</b>	<b>(21,145)</b>	<b>(4,843)</b>	-	-	<b>(61,703)</b>
<b>1st January 2020</b>							
Depreciation	(450)	(2,123)	(2,190)	(741)			(5,504)
Reclassifications							-
Other changes							-
Utilisations		4,568	2,831	790			8,189
Exchange differences		101	196	28			325
<b>31st December 2020</b>	<b>(11,362)</b>	<b>(22,257)</b>	<b>(20,308)</b>	<b>(4,766)</b>	-	-	<b>(58,693)</b>
<b>Net book value:</b>							
<b>1st January 2020</b>	<b>16,572</b>	<b>9,620</b>	<b>7,371</b>	<b>1,817</b>	-	-	<b>35,380</b>
<b>31st December 2020</b>	<b>16,122</b>	<b>7,603</b>	<b>5,514</b>	<b>1,477</b>	-	<b>72</b>	<b>30,788</b>

Investments in the period, equal to Euro 2,844 thousand, mainly refer to specific plants within the **Plants and Machinery** category (Euro 1,458 thousand, of which 761 thousand in the United Arab Emirates, 309 thousand in Italy, and 286 thousand in Denmark) and transport vehicles within the **Industrial and commercial equipment** category (Euro 801 thousand, of which 565 thousand in Italy, 113 thousand in Denmark and 91 thousand in the United Arab Emirates).

The disposals (equal to Euro 1,101 thousand) for the period fully refer to assets used in Italian orders.

No guarantees were issued on non-current assets held as at 31 December 2020.

## Investment property

This item is broken down below:

(amounts in thousands of Euro)	Investment property
<b>Cost:</b>	<b>5,519</b>
<b>1st January 2019</b>	
Investments	
Reclassifications	
Impairments	
Disposals	
Exchange differences	
<b>31st December 2019</b>	<b>5,519</b>
<b>Accumulated amortisation:</b>	<b>(994)</b>
<b>1st January 2019</b>	
Depreciation	(132)
Reclassifications	
Utilisations	
Exchange differences	
<b>31st December 2019</b>	<b>(1,126)</b>
<b>Net book value:</b>	
<b>1st January 2019</b>	<b>4,525</b>
<b>31st December 2019</b>	<b>4,393</b>

(amounts in thousands of Euro)	Investment property
<b>Cost:</b>	<b>5,519</b>
<b>1st January 2020</b>	
Investments	
Reclassifications	
Impairments	
Disposals	
Exchange differences	
<b>31st December 2020</b>	<b>5,519</b>
<b>Accumulated amortisation:</b>	<b>(1,126)</b>
<b>1st January 2020</b>	
Depreciation	(132)
Reclassifications	
Utilisations	
Exchange differences	
<b>31st December 2020</b>	<b>(1,258)</b>
<b>Net book value:</b>	
<b>1st January 2020</b>	<b>4,393</b>
<b>31st December 2020</b>	<b>4,261</b>

This item includes a building in Bologna, for net total value of 4,261 thousand Euro, owned by Itinera S.p.A. that is rented to third parties.

## Rights of use

This item is broken down below:

(amounts in thousands of Euro)	Building rights of use	Vehicle rights of use	Machinery rights of use	Other assets rights of use	Total
<b>Cost</b>					
<b>as at 1st January 2019</b>					
Investments	10,602	2,298	13,723	1,765	28,388
Disposals			(4,379)	(1,002)	(5,381)
Grants			-	-	-
Reclassifications	548		14,672	8,694	23,914
Other changes					
<b>as at 31 December 2019</b>	<b>11,150</b>	<b>2,298</b>	<b>24,016</b>	<b>9,457</b>	<b>46,921</b>
<b>Amortisation</b>					
Opening balance					
Reclassifications	(386)		(13,441)	(8,456)	(22,283)
Depreciations	(1,922)	(703)	(1,647)	(355)	(4,627)
Utilisations			2,578	950	3,528
Other changes					
<b>as at 31 December 2019</b>	<b>(2,308)</b>	<b>(703)</b>	<b>(12,510)</b>	<b>(7,861)</b>	<b>(23,382)</b>
Net book value:					
<b>as at 1st January 2019</b>	-	-	-	-	-
<b>as at 31 December 2019</b>	<b>8,842</b>	<b>1,595</b>	<b>11,506</b>	<b>1,596</b>	<b>23,539</b>

(amounts in thousands of Euro)	Building rights of use	Vehicle rights of use	Machinery rights of use	Other assets rights of use	Total
<b>Cost</b>	<b>11,150</b>	<b>2,298</b>	<b>24,016</b>	<b>9,457</b>	<b>46,921</b>
<b>as at 1st January 2020</b>					-
Investments	3,765	2,417	12,790	578	19,550
Disposals	(2,051)	(447)	(3,870)	(1,291)	(7,659)
Grants					-
Reclassifications	47		(47)		-
Other changes					-
Exchange differences	(166)	(84)	6		(244)
<b>as at 31 December 2020</b>	<b>12,745</b>	<b>4,184</b>	<b>32,895</b>	<b>8,744</b>	<b>58,568</b>
<b>Amortisation</b>	<b>(2,308)</b>	<b>(703)</b>	<b>(12,510)</b>	<b>(7,861)</b>	<b>(23,382)</b>
Opening balance					-
Reclassifications					-
Depreciations	(2,927)	(1,207)	(4,362)	(459)	(8,955)
Utilisations	978	398	2,269	1,291	4,936
Other changes	8				8
Exchange differences	72	29	1		102
<b>as at 31 December 2020</b>	<b>(4,177)</b>	<b>(1,483)</b>	<b>(14,602)</b>	<b>(7,029)</b>	<b>(27,291)</b>
Net book value:					
<b>as at 1st January 2020</b>	<b>8,842</b>	<b>1,595</b>	<b>11,506</b>	<b>1,596</b>	<b>23,539</b>
<b>as at 31 December 2020</b>	<b>8,568</b>	<b>2,701</b>	<b>18,293</b>	<b>1,715</b>	<b>31,277</b>

In accordance with IFRS 16, the "rights of use" item includes passive leasing contracts which do not constitute the provision of services.

Investments in the period amounted to € 19,550 thousand, of which 11,474 thousand in the Austrian JO, 6,010 in the United Arab Emirates and 1,813 thousand in Italy.

Net disposals of € 2,723 thousand are mainly attributable to the Austrian JO for € 1,626 thousand, to the Swedish branch for € 375 thousand and to Denmark for € 111 thousand.



## NOTE 3 - NON-CURRENT FINANCIAL ASSETS

### 3.a.b.c. - Shareholdings

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)	31/12/2020	31/12/2019	Var.
<i>a. Subsidiaries</i>	90,296	78,905	11,391
<i>b. Jointly controlled and associate companies</i>	979	13,572	(12,594)
<i>c.1 Companies controlled by parent companies</i>	10,462	10,462	-
<i>c.2 Other companies</i>	7,219	8,308	(1,089)
<b>Total c. Other Shareholdings</b>	<b>17,681</b>	<b>18,770</b>	<b>(1,089)</b>
<b>Shareholdings</b>	<b>108,956</b>	<b>111,248</b>	<b>(2,292)</b>

The following operations, among others, are of note:

#### 3.a - Subsidiaries

The increase of Euro (11,391) thousand compared to 31.12.2019 is due to the following transactions:

- **Tubosider S.p.A.:** on July 27, 2020 Itinera S.p.A. acquired the investment held in Tubosider S.p.A. from Argo Finanziaria S.p.A., equal to 90% of the share capital. The value of the investment now amounts to Euro 11,953 thousand. The transaction represents an important investment opportunity for Itinera and the ASTM Group, taking into account (i) a recovery of the sector in which Tubosider operates, in particular with reference to the production and installation of safety barriers for the main infrastructure operators (ANAS, RFI, ASPI), as well as for the highway authorities belonging to the Group, and (ii) the reduced competitiveness of the sector, which now only includes 3-4 competitors;
- **Lanzo S.c.a r.l.:** during the year Itinera S.p.A. subscribed a 75% stake in the subsidiary's share capital for € 7.5 thousand. The Company's purpose is to carry out the works for the adaptation to four lanes of a lot on the Grosseto-Siena route;
- **Crz01 S.c.a r.l. in liquidazione:** on December 23, 2020, the Company acquired a share

equal to 49.25% of the investment from the shareholder Zoppoli & Pulcher S.p.A., for a value of 1 thousand Euro.

This effect is partially offset by the following changes:

- **SAM S.p.A.:** in relation to the subsidiary's 2020 financial statements, Itinera S.p.A. made an impairment to cover the loss accrued by the subsidiary of Euro 565 thousand, completely eliminating the value of the investment. Since the overall losses as at 31.12.2020 were greater than the share capital, Itinera S.p.A. also made a provision for Subsidiary risks for € 357 thousand;
- **A7 Barriere S.c.a r.l.:** on 23.12.2020 the investee completed the liquidation procedure. From the distribution plan, Itinera Spa, which held a 51% stake, for an equivalent value of € 5 thousand, recorded a capital loss of € 3 thousand.

#### 3.b - Jointly controlled and associated companies

The change of Euro (12,594) thousand is mainly due to the following transactions:

- **Federici Stirling Batco LLC:** the Company proceeded to submit the value of the investment to an impairment test for which reference should be made to the accounting criteria paragraph. The results of the test led

to the need to carry out an impairment of Euro 10,000 thousand. The net value of the investment was therefore cancelled;

- **Asta S.p.A.:** during the year the subsidiary ended its business. Itinera, which held a shareholding equal to 30.002% of the share capital, equal to € 2,586 thousand, obtained a share of € 1,668 thousand from the distribution plan, recording a capital loss of € 917 thousand;
- **Frasso S.c.a r.l.:** during the year Itinera S.p.A. subscribed a 33% stake in the share capital for € 5 thousand. The Company will be responsible for the executive design and construction of the doubling of the Naples-Bari railway line, Frasso Telesse Vitulano (BN) section;
- **Telese S.c.a r.l.:** during the year Itinera S.p.A. subscribed a 45.3% stake in the subsidiary's share capital for € 5 thousand. The Company will be responsible for the executive design and construction of the of the Naples-Bari railway line, Telesse San Lorenzo Vitulano (BN) section;
- **Nichelino S.c.a r.l. and Serravalle Village S.c.a r.l.:** during the year the companies, 50% owned by Itinera S.p.A., completed the liquidation procedure. Itinera Spa recorded a total loss of € 2 thousand.

### 3.c.1 Companies controlled by parent companies

The item, constant during the year, includes the investments in **Autostrada AT-CN S.p.A.** for Euro 10,000 thousand, in **Euroimpianti S.p.A.** for Euro 298 thousand and in **Autovia Padana S.p.A.** for Euro 164 thousand.

### 3.c.2 - Other companies:

The change of € (1,089) thousand recognised in the year is mainly attributable to the following transactions:

- **Aedes SIIQ S.p.A.:** at 31 December 2020, the last day of listing relative to 2020, the value of the investments in the financial statements was adjusted to the listing value of the securities, equal to Euro 0.631 (value at 31 December 2020 equal to Euro 1,069 thousand), with a negative effect of Euro 769 thousand allocated to the statement of comprehensive income pursuant to IFRS 9;
- **Autostrade Centropadane S.p.A.:** the reduction in the value of the equity investment, for € 18 thousand, is attributable to its adjustment to its "fair value" offset by "equity". The residual value at 31 December 2020 is equal to 1,642 thousand Euro;
- **Passante Dorico S.p.A.:** the reduction in the value of the equity investment, for € 6 thousand, is attributable to its adjustment to its "fair value" offset by "equity". The residual value at 31 December 2020 is equal to 2,615 thousand Euro;
- **Restart SIIQ S.p.A.:** at 31 December 2020, the last day of listing relative to 2020, the value of the investments in the financial statements was adjusted to the listing value of the securities, equal to Euro 0.462 (value at 31 December 2020 equal to Euro 782 thousand), with a negative effect of Euro 281 thousand allocated to the statement of comprehensive income pursuant to IFRS 9;
- **Sa.Bro.m. S.p.A.:** the reduction in the value of the equity investment, for € 16 thousand, is attributable to its adjustment to its "fair value" offset by "equity". The residual value at 31 December 2020 is equal to 803 thousand Euro.

### 3.d - Other non-current financial assets

These are represented by:

(amounts in thousands of Euro)	31/12/2020	31/12/2019	Var.
<b>Receivables:</b>			
d.1. Loans	75,048	58,860	16,188
d.2. Adjusting provisions	(7,000)	-	(7,000)
d.3. Security deposits	1,943	1,515	428
d.4. Other receivables	1,929	1,024	905
d.5. Other non-current financial assets	250	250	-
<b>Other non-current financial assets</b>	<b>72,170</b>	<b>61,649</b>	<b>10,521</b>

**d.1** "Loans" are broken down as follows:

(amounts in thousands of Euro)	31/12/2020	31/12/2019	Var.
<b>Loans:</b>			
d.1.a from subsidiaries	49,649	33,936	15,713
d.1.b from associated companies	24,227	21,386	2,841
d.1.c from other companies	1,171	3,538	(2,367)
d.2. Adjusting provisions	(7,000)	-	(7,000)
<b>Total Loans and Adjusting Provisions</b>	<b>68,048</b>	<b>58,860</b>	<b>9,188</b>

**d.1a** *Receivables from subsidiaries*: rising from Euro 33,936 thousand to Euro 49,649 thousand, refer to the loan balances at December 31, 2020 disbursed to the subsidiary Storstroem Bridge JV equal to Euro 23,440 thousand, of which Euro 7,000 thousand disbursed during the year, on which 2.25% interest accrues, to the subsidiary Taranto Logistica SpA equal to Euro 12,000 thousand on which interest accrues at 1.25%, to the American subsidiary company Itinera USA Corp equal to \$ 4,900 thousand (equal to Euro 3,993 thousand, changed during the year due to the exchange adjustment effect of Euro 369 thousand), on which interest accrues at the Libor rate of 6 months + 2.55% and of the loan granted to Diga Alto Cedrino S.c.ar.l., equal to Euro 110 thousand (constant during the year), on which interest is accrued at Euribor quarterly rate + 100 b.p..

The item also includes the non-interest bearing loans granted to ACI S.c.p.a. (Euro 550 thousand; same as at 31 December 2019), Ramonti S.c.a r.l. (Euro 116 thousand; reduced by 61.2 thousand compared to 31 December 2019), SAM S.p.A. (Euro 100 thousand, constant during the year), Sinergie S.c.a r.l. (Euro 76 thousand; same as at 31 December 2019), Biandrate S.c.a r.l. (Euro 50 thousand; same as at 31 December 2019), Crispi S.c.a r.l. (Euro 50 thousand; same as at 31 December 2019) and ICOM (Euro 20 thousand; constant during the year).

Furthermore, during the year, Itinera Spa acquired the interest-bearing loan from Argo Finanziaria S.p.A. (at the rate of 1% per annum) taken out by Tubosider S.p.A. (equal to Euro 9,143 thousand) as part of the purchase of the equity investment already described in paragraph 3.a *Subsidiaries* of

non-current financial assets.

**d.1b** *Receivables from associated companies:* increased from Euro 21,386 thousand to Euro 24,227 thousand (the amount does not include an additional provision for bad debts, allocated to a specific item, equal to Euro 7,000 thousand); they refer to the loan disbursed to Federici Stirling Batco LLC equal to Euro 17,517 thousand (of which Euro 2,480 disbursed during the year, but net of the change in the exchange rate of Euro 1,779 thousand), on which 3% interest accrues. The remaining part is made up of non-interest bearing loans to Tunnel Frejus S.c.a r.l. (Euro 3,250 thousand; Euro 3,000 thousand as at 31 December 2019), Società Nogara Mare Adriatico S.c.p.A. (Euro 290 thousand; same as at 31 December 2019), Interconnessione S.c.a r.l. (Euro 796 thousand; euro 49 thousand as at 31 December 2019), Formazza S.c.a r.l. (Euro 75 thousand, constant during the year), Colmeto S.c.a r.l. (Euro 943 thousand; euro 51 thousand as at 31 December 2019), Grugliasco S.c.a r.l. (Euro 130 thousand; euro 60 thousand as at 31 December 2019), Fondovalle S.c.a r.l. (euro 20 thousand; unchanged compared to the previous financial year). During the year, non-interest bearing loans were disbursed to Frasso S.c.a.r.l. (Euro 495 thousand), Ponte Nord S.p.A. (Euro 60 thousand), Telese S.c.a r.l. (Euro 113 thousand) and Tessera S.c.a r.l. (Euro 536 thousand). Furthermore, during the year, the non-interest bearing loan in place at 31.12.2019 to Nichelino S.c.a.r.l. (Euro 1,024 thousand) was fully repaid as part of the closing of the liquidation procedure.

**d.1c** *Loans to other companies:* The item, equal to Euro 1,171 thousand compared to Euro 3,538 thousand at 31.12.2019, includes the non-interest bearing loan of Euro 491 thousand relating to the JO Arge H51 (net of an elision equal to 44.99%, corresponding to the percentage of interest in the JO), the loan to Sa.Bro.M. S.p.A. equal to Euro 608 thousand (figure that increased during the year by Euro 28 thousand) on which interest accrues at the rate of

2.75% and the interest-free loan granted to Abesca Europe S.r.l. (72 thousand Euro, unchanged during the year). The reduction in the item for the period mainly refers to the reimbursement of the pro-rata financial receivable that JO Arge H51 had from the two Austrian shareholders PORR Bau GmbH and Hinteregger GmbH.

**d.2** The item "Adjustment Provisions" relates to the impairment of the receivable from Federici for Euro 7,000 thousand.

**d.3** The item "Guarantee deposits" amounts to Euro 1,943 thousand, increased compared to Euro 1,515 at 31 December 2019.

**d.4** The item "Receivables from others" equal to Euro 1,929 thousand compared to Euro 1,024 thousand as at 31.12.2019, includes an amount of 413 thousand Euro, deriving from the incorporation of ABC in 2016, related to charges capitalised in past years in relation to the equity investment held, for a share of 50%, in the consortium Con. Si.L.Fer. If the final outcome of the dispute that the consortium is pursuing with the State Railways is favourable (currently with the Supreme Court judgement of 9 October 2013, the decision was referred to the Civil Court of Appeals of Rome), these costs will make up contract charges which will be amortised based on the progress of the job; if it is negative, or if the ruling sets a compensation in favour of the consortium, these will be expensed in the period in which the pertinent judicial bodies issue their final sentence. It should be noted, however, that these costs are entirely offset by risk provisions.

**d.5** The item "other non-current financial assets" only includes the Euro 250 thousand advance to Logsystem International S.r.l. for the purchase of 40% of Logsystem S.r.l. share capital, company fully held by the first, owner of the land which play a synergistic role for the subsidiary Taranto Logistica S.p.A.'s business.

## NOTE 4 - DEFERRED TAX ASSETS

This item amounts to Euro 17,808 thousand (Euro 13,584 thousand as at 31 December 2019) 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.

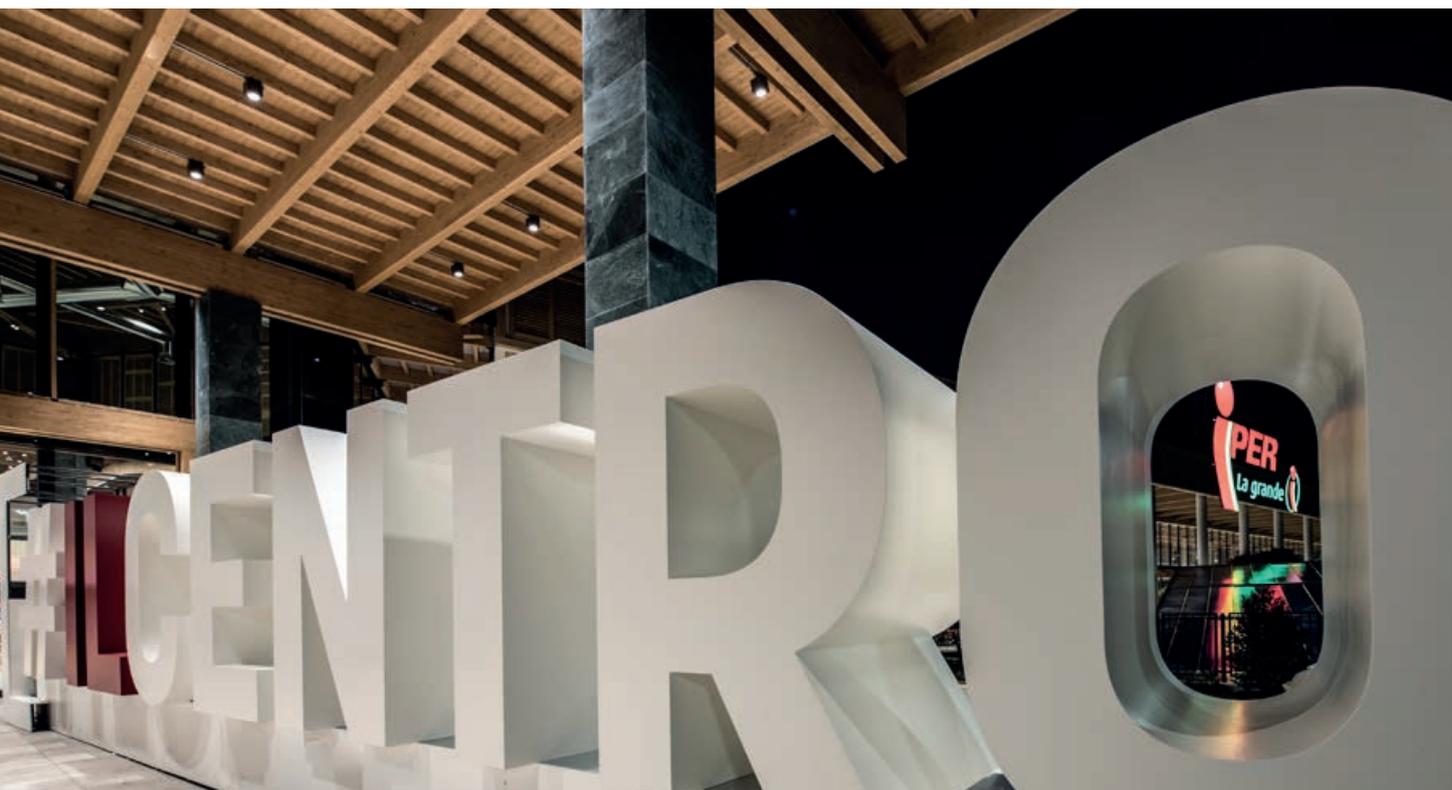
Please see the following table for changes during the year:

<b>Balance as at 01.01.2020</b>	<b>13,584</b>
Deductible time difference offset	(99)
Deferred tax assets for the year	4,314
IAS 19 reserve tax effect	9
<b>Deferred Tax Assets at 31.12.2020</b>	<b>17,808</b>

The items that during the year have given rise to such assets are, mainly, represented by the amounts of taxable provisions.

In addition, deferred tax assets include prepaid taxes on losses for:

- Euro 317 thousand related to the tax losses accrued in Italy;
- Euro 2,395 thousand related to the losses accrued in Denmark and was determined on the basis of Danish tax rules and future recoverability, during 2020, no further deferred tax assets were ascertained.



## NOTE 5 - INVENTORIES AND CONTRACTUAL ASSETS

These are represented by:

(amounts in thousands of Euro)	31st December 2020	31st December 2019	Var.
Raw materials, subsidiary materials and consumables	19,869	13,912	5,957
Work in progress and semi-finished products	2,305	2,312	(7)
Work in progress on order/Contractual assets	229,435	199,580	29,855
Finished products and goods	893	1,333	(440)
Advances	41,524	9,867	31,657
<b>Inventory</b>	<b>294,026</b>	<b>227,004</b>	<b>67,022</b>

### Raw materials, subsidiary materials and consumables

The item amounts to Euro 19,869 thousand, of which 12,934 thousand (net of the impairment reserves equal to Euro 1,147 thousand) in Italy, 2,839 in Romania and 1,788 in the United Arab Emirates (net of the impairment reserves for Euro 149 thousand). The increase is mainly attributable to the Italian construction sites and Romania.

### Work in progress and semi-finished products

The item equal to Euro 2,305 thousand is substantially unchanged compared to 31 December 2019.

### Work in progress on order

This item is broken down as follows:

(amounts in thousands of Euro)	31st December 2020	31st December 2019	Var.
Gross contract value	1,822,976	1,516,884	306,092
Advances received	(1,550,729)	(1,300,005)	(250,724)
Adjusting provisions	(42,812)	(17,299)	(25,513)
<b>Work in progress on order/Contractual assets</b>	<b>229,435</b>	<b>199,580</b>	<b>29,855</b>

The most significant amounts related to contract work in progress / contractual assets refer to the construction of the new surgical centre of the San Raffaele Hospital, the construction works of the Naples-Bari railway line, the construction of the Venice airport and of the Taranto port platform as regards Italy, and the construction sites of the bridge over the Okavango river in Botswana, the Reem Mall shopping centre and the Mina Tunnel in Abu Dhabi (UAE), the construction works of the hospitals in Koge and Odense in Denmark and the extension of the highway section between Kuwait city and Abdaly as regards foreign countries. .

The *adjustment provisions* are against the possible risks of certain asset items due to disputes in progress with purchasers 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. Changes in "adjustment provisions" are provided in the following statement:



(amounts in thousands of Euro)	31st December 2020	31st December 2019	Var.
<b>Opening balance</b>	<b>17,299</b>	<b>12,249</b>	<b>5,050</b>
Provision for the year	32,389	10,913	21,476
Utilisation during the year	(6,876)	(5,863)	(1,012)
<b>Adjusting provisions</b>	<b>42,812</b>	<b>17,299</b>	<b>25,514</b>

Regarding the operational risks in place, please refer to what is extensively described in the report on operations.

Inventory posted net of advances received from purchasers 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 12 and 17, to which we refer), is the following:

(amounts in thousands of Euro)	31st December 2020	31st December 2019	Var.
Net job order balance	229,435	199,580	29,855
Other payables and contractual non-current liabilities (Note 12)	(10,259)	(16,482)	6,223
Contractual advances and liabilities (Note 17)	(104,591)	(75,072)	(29,519)
<b>Total</b>	<b>114,585</b>	<b>108,026</b>	<b>6,559</b>

### Finished product and goods inventories

Mainly refer to the value of recognition of land as at 31 December 2020 located in the town of Monreale in Contrada San Martino delle Scale (Euro 32 thousand) and to the civil buildings in Milan (Euro 861 thousand). With reference to the latter, it should be noted that, during the year, the Company sold 2 residential units and 2 garages for a value of Euro 448 thousand.

### Advances

The item concerns advances paid to suppliers and subcontractors. The increase in the item mainly

refers to construction sites in the Middle East (Kuwait for Euro 14,633 thousand and the United Arab Emirates for Euro 13,067 thousand) and to Danish construction sites for Euro 4,777 thousand.

### NOTE 6 - TRADE RECEIVABLES

Amounts receivable from customers totalled Euro 218,202 thousand (Euro 204,334 thousand as of 31 December 2019).

The details as at 31 December 2020 are summarised below:

(amounts in thousands of Euro)	31st December 2020	31st December 2019	Var.
Invoiced receivables	166,279	149,460	16,819
Receivables to be invoiced	55,998	58,317	(2,319)
Provision for bad debts	(4,074)	(3,443)	(631)
Adjustment for actualisation	-	-	-
<b>Trade receivables</b>	<b>218,202</b>	<b>204,334</b>	<b>13,868</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 doubtful debt reserves 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)	<b>PROVISION FOR BAD DEBTS</b>
<b>Balance as at 01.01.2020</b>	<b>3,443</b>
Utilisation during the year	(356)
Provision for the year	987
<b>Balance as at 31.12.2020</b>	<b>4,074</b>

## NOTE 7 - CURRENT TAX ASSETS

Tax receivables as at 31 December 2020 are broken down as follows:

(amounts in thousands of Euro)	<b>31st December 2020</b>	<b>31st December 2019</b>	<b>Var.</b>
Carbon tax receivables	32	267	(235)
Retained IRAP receivables	700	527	173
Retained IRES receivables	1,875	2,474	(599)
VAT receivable Italy	1,792	-	1,792
VAT receivable Saudi Arabia	12	5	7
VAT receivable Romania	1,171	1,118	53
VAT receivable Botswana	158	-	158
VAT receivable Denmark	20	-	20
VAT receivable United Arab Emirates:	1,544	1,260	284
VAT receivable South Africa	-	5	(5)
VAT receivable Sweden	318	39	279
Other receivables Austria	842	-	842
Other receivables	2,178	1,771	407
Write-down reserves	(175)	(175)	-
<b>Tax receivables</b>	<b>10,467</b>	<b>7,291</b>	<b>3,176</b>



## NOTE 8 - OTHER RECEIVABLES

This item is broken down as follows:

(amounts in thousands of Euro)	31st December 2020	31st December 2019	Var.
from others	39,885	46,813	(6,928)
supplier receivables	1,256	24,506	(23,250)
tax consolidation receivables	6,798	164	6,634
prepayments	5,753	3,143	2,610
provision for bad debts	(548)	(548)	-
<b>Other receivables</b>	<b>53,144</b>	<b>74,078</b>	<b>(20,934)</b>

### Receivables from others

The item "from others" includes among others:

- Euro 18,433 thousand related to the payment of the credit institutions and of some suppliers made on behalf of the associated company Letimbro S.c.a r.l.. This payment carried out in 2019 was necessary as a result of the subsidiary's difficult financial situation. With particular reference to the payables that Itinera S.p.A. owed to Letimbro, please refer to Note 17;
- Euro 3,622 thousand related to the value of the option for the purchase of the securities of the company TE S.p.A. against ASTM S.p.A.

It should be noted that at 31.12.2019 the item included an amount of Euro 11,837 thousand, attributable to receivables from Tubosider S.p.A. sold to Argo Finanziaria S.p.A.. Following the latter's acquisition of the equity investment and related loan in Tubosider S.p.A., Itinera S.p.A. used the amount in question to partially offset the amount due to Argo Finanziaria S.p.A..

### Receivables from suppliers

Receivables from suppliers include advances received from suppliers for 1.2 million (€ 24.5 million at 31.12.2019). The most significant reduction of these amounts occurred in particular in sites in the Emirates, for Euro 13,876 thousand and in the site in Botswana for Euro 9,423 thousand.

### Tax consolidation receivables

The item "Receivables from tax consolidation" refers for Euro 6,753 thousand to the receivable from the tax consolidator ASTM referred to the 2020 tax base as a result of joining the tax consolidation for which reference should be made to what was previously described.

### Prepayments

"Prepayments" mainly refers to insurance prepayments.

### Provision for other bad debts

The item refers to the coverage of losses deriving from extraordinary transactions and the sale of receivables.

## NOTE 9 - CASH AND CASH EQUIVALENTS

These are represented by:

(amounts in thousands of Euro)	31st December 2020	31st December 2019	Var.
Bank and post office deposits	70,746	105,519	(34,773)
Cash and valuables on hand	124	205	(81)
<b>Cash and cash equivalents</b>	<b>70,870</b>	<b>105,724</b>	<b>(34,854)</b>

(amounts in thousands of Euro)	31st December 2020	31st December 2019	Var.
Bank and post office deposits Italy	6,878	31,773	(24,895)
Bank deposits Angola	110	120	(10)
Bank deposits Saudi Arabia	310	96	214
Bank deposits Austria	1,797	6,158	(4,361)
Bank deposits Botswana	2,608	1,799	809
Bank deposits Denmark	22,850	25,658	(2,808)
Bank deposits United Arab Emirates	22,301	32,635	(10,334)
Bank deposits Kuwait	2,858	108	2,750
Bank deposits Romania	5,534	3,852	1,682
Bank deposits South Africa	10	37	(27)
Bank deposits Sweden	5,489	3,269	2,220
Bank deposits Zambia	0	14	(14)
Cash and valuables on hand Italy	93	150	(57)
Foreign cash and valuables in hand	31	55	(24)
<b>Cash and cash equivalents</b>	<b>70,870</b>	<b>105,724</b>	<b>(34,854)</b>

Interest rates on bank and postal current accounts are market rates.



## NOTE 10 - NET EQUITY

(amounts in thousands of Euro)	31st December 2020	31st December 2019	Var.
<b>Share capital</b>	<b>86,837</b>	<b>86,837</b>	-
<b>Share premium reserve</b>	<b>26,901</b>	<b>26,901</b>	-
<b>Legal reserve</b>	<b>5,800</b>	<b>5,800</b>	-
Extraordinary reserve	86,934	105,806	(18,872)
Foreign exchange reserves	(4,307)	(469)	(3,838)
Merger gain/(losses)	(2,229)	(2,229)	-
Compensation gains	9,972	9,972	-
Cancellation gains	58	58	-
Cash flow hedge reserve	(3,061)	(3,061)	-
"Fair value" valuation reserves	(4,782)	(3,692)	(1,090)
FTA reserve	3,006	3,006	-
<b>Other reserves</b>	<b>85,591</b>	<b>109,391</b>	<b>(23,800)</b>
<b>Retained earnings</b>	<b>(12,006)</b>	<b>(12,006)</b>	-
<b>Provision for severance indemnity</b>	<b>(149)</b>	<b>(120)</b>	<b>(29)</b>
<b>Net income /(loss) for the Group</b>	<b>(90,822)</b>	<b>(18,872)</b>	<b>(71,950)</b>
<b>Group shareholders' equity</b>	<b>102,152</b>	<b>197,931</b>	<b>(95,750)</b>

### 10.1 - Share capital

The share capital as at 31 December 2020, fully subscribed and paid-in, comprises 86,836,594 ordinary shares with a par value of Euro 1 each totalling Euro 86,837 thousand.

Share capital in tax suspension for Euro 1,833 thousand attributable to Itinera S.p.A. incorporation in 2006: the revaluation reserves ex law 342/2000 and law 350/2003 in Itinera S.p.A. equity for a total of Euro 2,282 thousand, were reconstituted by attributing compensation excess (Euro 449 thousand)

and, for the mentioned amount, to share capital. The remaining part is made up of shareholder contributions for Euro 67,898 thousand, profit reserves for Euro 4,157 thousand, of capital reserves for Euro 5,240 thousand due to the incorporation of ABC Costruzioni S.p.A. and contributions in kind, confirmed by report, for Euro 7,708 thousand.

### 10.2 - Reserves

Changes are summarised in the following table (values in thousands of Euro):

Share Reserve	31/12/2019	Increases	Decreases	31/12/2020
<b>10.2.1 Premium reserves</b>	<b>26,901</b>			<b>26,901</b>
<b>10.2.2 Legal reserves</b>	<b>5,800</b>			<b>5,800</b>
<b>10.2.3 Other reserves</b>	<b>109,390</b>	-	<b>(23,799)</b>	<b>85,591</b>
<i>Extraordinary reserve</i>	<i>105,806</i>		<i>(18,872)</i>	<i>86,934</i>
<i>Foreign exchange reserves</i>	<i>(469)</i>		<i>(3,838)</i>	<i>(4,307)</i>
<i>Merger gain/(losses)</i>	<i>(2,229)</i>			<i>(2,229)</i>
<i>Compensation gains</i>	<i>9,972</i>			<i>9,972</i>
<i>Cancellation gains</i>	<i>58</i>			<i>58</i>
<i>Cash flow hedge reserve</i>	<i>(3,061)</i>			<i>(3,061)</i>
<i>"Fair value" valuation reserves</i>	<i>(3,692)</i>		<i>(1,089)</i>	<i>(4,781)</i>
<i>FTA reserve</i>	<i>3,006</i>		-	<i>3,006</i>
<b>10.2.4 Retained earnings</b>	<b>(12,006)</b>		-	<b>(12,006)</b>
<b>10.2.5 Legal reserves Provision for severance indemnity</b>	<b>(120)</b>		<b>(29)</b>	<b>(149)</b>
<b>10.2.6 Profit for the year</b>	<b>(18,872)</b>		<b>(71,950)</b>	<b>(90,822)</b>
<b>Total</b>	<b>111,094</b>	-	<b>(95,778)</b>	<b>15,315</b>

### 10.2.1 - Share premium reserve

The item is due to share capital increases during 2013.

### 10.2.2 - Legal reserves

The item is unchanged during the year.

### 10.2.3 - Other reserves

The total amount is Euro 85,591 thousand and the detail is as follows:

#### *Extraordinary reserve*

The value of the reserve is Euro 86,934 thousand. The decrease is due to Assembly resolution dated 28 April 2020 on the allocation of 2019 loss.

#### *Foreign exchange reserves*

It is negative for Euro (4,307) thousand and relates solely to the adjustments to foreign branch exchange rates at the end of the period.

#### *Merger gain/(losses)*

This item totals Euro (2,228) thousand. It is represented by the difference generated by the merger by incorporation of Interstrade S.p.A. with legal effect as of 1 December 2018, which, falling under the scope of the operations "under common control" was recognised in accordance with the OPI 1 in continuity of values with that carried out by the parent company and in accordance with the OPI 2 the effects of the merger were charged starting from 4 July 2018, the date on which Itinera S.p.A. acquired the entire share package of Interstrade S.p.A..

#### *Compensation gains*

It is represented by the compensation excess generated with the merger by incorporation of Itinera S.p.A. which took place in 2006 for Euro 449 thousand and for Euro 9,522 thousand with the merger by incorporation of ABC Costruzioni S.p.A. which took place on 31 December 2016.

### *Cancellation gains*

It totals Euro 58 thousand and is represented by the cancellation gains generated with the merger by incorporation of Strade Co. Ge. S.p.A. in 2010.

### *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 entered a reserve of Euro 3,061 thousand, net of deferred fiscal effects, which will remain among the Shareholders' Equity reserves until the future financial flows connected with the elements hedged take place, that is, for the portion of the reserve attributable to the share capital increase in Itinera USA Corp., only in the event of sale or write-down of the investment, while the portion of the reserve attributable to the loan granted to Itinera USA Corp. will be allocated to the Income Statement when the loan capital has been repaid.

### **"Fair value" valuation reserves**

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 2020 this reserve was negative for Euro 4,782 thousand. The

decrease of Euro 1,089 thousand is mainly due to the negative effect related to the companies Aedes SIIQ S.p.A. (Euro 768 thousand) and Restart SIIQ S.p.A. (Euro 281 thousand).

### **FTA reserve**

This item amounts to € 3,006 thousand and relates to the transition to IAS/IFRS international accounting standards carried out on the financial statements at 31 December 2018.

### **10.2.4 - Retained earning reserve**

This reserve, which amounts to - € 12,006 thousand, mainly refers to the effects connected with the application of IFRS 15 on January 1, 2018.

### **10.2.5 - Severance actualisation reserves**

This item amounts to Euro (147) thousand (net of tax effects for Euro 47 thousand) and includes unrealised gains and losses related to severance indemnities posted under other components of the "Statement of Comprehensive Income".

### **10.2.6 - Year's results**

This item includes losses for the year for Euro (90,822) thousand (Euro 18,872 thousand in 2019).

The following table shows the analysis of the "nature, possibility of use and distribution" of the shareholders' equity items" as at 31 December 2020, as well as their possible use in the last three financial years (values in thousands of Euro).

(amounts in thousands of Euro)	Balance at 31.12.2020	Possibility of utilisation	Distributable amount	Uses made in the last three financial years
<b>Share capital</b>	<b>86,837</b>			
<b>Capital reserves (A)</b>				
Share premium reserve	26,901	A, B, C	26,901	
Merger gains (revaluations)	649	A, B, C	649	
Merger gains	731	A, B, C	731	
<b>Net income reserves (B)</b>				
Legal reserve	5,800	B		
Extraordinary reserve	86,934	A, B, C	86,934	
Cash flow hedge reserve	(3,061)		(3,061)	
FTA reserve	3,006	A, B, C	3,006	
Retained earnings	(12,006)		(12,006)	
"Fair value" valuation reserves	(4,782)		(4,782)	
Severance actualisation reserves	(149)		(149)	
Foreign exchange reserves	(4,307)		(4,307)	
Merger gain/(losses)	(2,229)		(2,229)	
Cancellation gains	58	A, B, C	58	
Merger gains	8,592	A, B, C	8,592	
<b>Total dividends (A + B)</b>	<b>106,137</b>	<b>Total distributable amount</b>	<b>100,337</b>	
<b>Profit (loss) for the year</b>	<b>(90,822)</b>	Non-distributable amount	<b>(90,822)</b>	
<b>Reserve sub-total</b>	<b>15,315</b>		<b>100,337</b>	
<b>Total NE</b>	<b>102,152</b>	<b>Residual distributable amount</b>	<b>9,515</b>	

Key:

A: for share capital increase

B: to cover losses

C: for distribution to shareholders

## NOTE 11 - PROVISIONS FOR RISKS AND CHARGES AND EMPLOYEE BENEFITS

The items are broken down as follows:

(amounts in thousands of Euro)	31st December 2020	31st December 2019	Var.
Allocation to the bad debts provision	61,935	34,126	27,809
Provisions for severance indemnity	4,399	4,820	(421)
<b>Allocation to the bad debts provision and provision for severance indemnity</b>	<b>66,334</b>	<b>38,946</b>	<b>27,388</b>

## 11.1 Provision for risks and charges

This item totalled 61,935 thousand Euro (34,126 thousand Euro as at 31 December 2019).

Description	31/12/2019	Increases	Decreases	Other changes	31/12/2020
Provision for legal disputes	5,768	260	(137)		5,891
Subsidiary risk reserves	22,412	29,722	(22)		52,112
Reserve for future liabilities	5,007	2,159	(4,238)	(839)	2,089
Provision for future employee charges	924	1,012	(93)		1,843
Provision for corporate reorganisation expenses	15		(15)		-
<b>Total</b>	<b>34,126</b>	<b>33,153</b>	<b>(4,505)</b>	<b>(839)</b>	<b>61,935</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:

- Provision for legal disputes:** the value of the item equal to Euro 5,891 thousand refers entirely to the charges that could derive from existing disputes. These disputes refer to Fiumicino Runway 3 (Euro 363 thousand, unchanged compared to December 31, 2019), Letimbro for Euro 4,856 thousand (used in the year for Euro 107 thousand), Consilfer for Euro 414 thousand (unchanged compared to December 31, 2019). In addition, Euro 260 thousand was allocated during the year for the probable charges to be incurred at the Arluno (MI) site.
- Subsidiary risk reserves:** the initial reserves refer to the coverage of expected charges, for various reasons, from subsidiaries Stoerstrom Bridge (Euro 21,627 thousand) Marcallo S.c.a.r.l. (Euro 5 thousand), CCT (Euro 26 thousand, reduced during the year by Euro 22 thousand), Letimbro S.c.a.r.l. (Euro 755 thousand). The increase for the year is, on the other hand, attributable to the provision for allowance to cover the loss from the subsidiary Stoerstrom Bridge JV for Euro 29,013 thousand, SAM S.p.A. for Euro 357 thousand and from Letimbro S.c.a.r.l. for Euro 2 thousand as well as to cover future charges expected by the associate Nogara Mare Adriatico S.c.p.A. in liquidation (Euro 350 thousand). For further information, please refer to the Report on Operations.
- Reserves for future liabilities:** the Euro 2,089 thousand value of the item refers, for an amount of Euro 1,862 thousand (Euro 4,456 thousand as at 31 December 2019), to charges to be incurred for work related to the disposal of hazardous materials and the reclamation of the area where they are found in the municipality of Salbertrand and to the evaluation of the charges deriving from the possible purchase and sale transactions of the equity investments in TE (Euro 228 thousand).
- Provision for future charges for employees:** this provision, amounting to Euro 1,843 thousand (Euro 924 thousand as at 31.12.2019), refers to the bonuses relating to the managerial incentive system for the years 2019-2020. The initial balance amount was used in the year for Euro 93 thousand.
- Provision for corporate reorganisation expenses:** the provision was entirely used for Euro 15 thousand to cover the expense deriving from a transaction with an employee.

## 11.2 - Employee benefits

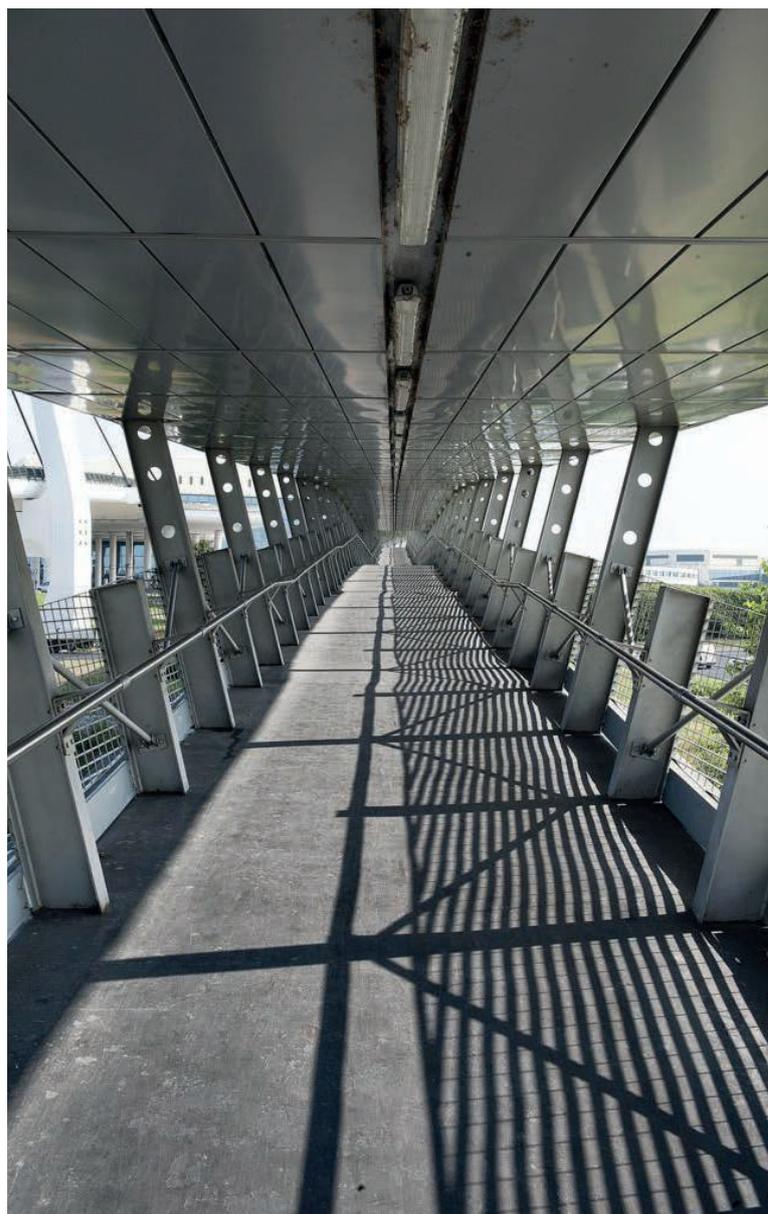
This item totalled Euro 4,399 thousand (Euro 4,820 thousand as at 31 December 2019). The following changes occurred during the year:

<b>1st January 2020</b>	<b>4,820</b>
Adjustment - Interest cost	45
Adjustment - Actuarial (gains)/losses	38
Utilisations	(540)
Transfers from (to) other companies	(80)
Other changes	116
<b>31st December 2020</b>	<b>4,399</b>

The following tables illustrate the economic-financial and demographic hypotheses adopted for the actuarial measurement of the liabilities, respectively.

<b>Economic-financial hypothesis</b>	
Annual discount rate	0.53%
Annual inflation rate	0.80%
Annual severance growth rate	2.10%

<b>Demographic hypothesis</b>	
Mortality	Tab RG48 from State Jan. Status
Disability	INPS tables by age and gender
Retirement age	Achievement of requirements
Advance frequency %	4.0%
Turnover	10.0%



## **NOTE 12 - OTHER PAYABLES AND CONTRACTUAL LIABILITIES (NON-CURRENT)**

The amount as at 31 December 2020 of Euro 10,259 (Euro 16,482 thousand as at 31 December 2019) refers to the amount of advances on work paid by purchasers 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 2021.

(amounts in thousands of Euro)	<b>Between 1 and 5 years</b>	<b>Beyond 5 years</b>	<b>Total</b>
Contractual advances/liabilities	10,259		10,259
<b>Total</b>	<b>10,259</b>	<b>-</b>	<b>10,259</b>

The item refers entirely to the amounts received from foreign customers, in particular from the UAE branch for Euro 10,259 thousand related to the construction of the Mina Zayed Tunnel.



## NOTE 13 - BANK DEBT (NON-CURRENT)

Bank debt (non-current) total 16,977 thousand Euro (53,941 thousand Euro as of 31 December 2019).

Medium and long term bank payables are broken down as follows:

(amounts in thousands of Euro)	Between 1 and 5 years	Beyond 5 years	Total
Loan Banca Passadore	2,015		2,015
Loan UBI	14,962		14,962
Loan BPM	-		-
Loan Bper	-		-
<b>Non-current bank debt</b>	<b>16,977</b>	<b>-</b>	<b>16,977</b>

For further details on the loans outstanding as at 31.12.2020, please refer to the following Note 18.

## NOTE 14 - OTHER FINANCIAL LIABILITIES (NON-CURRENT)

This item, totalling 21,111 thousand Euro (16,532 thousand Euro as at 31 December 2019) is represented by the medium long term share of loans for leased assets as per IFRS 16.

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	20,566	545	21,111
<b>Other non-current financial liabilities</b>	<b>20,566</b>	<b>545</b>	<b>21,111</b>

## NOTE 15 - DEFERRED TAX LIABILITIES

This item amounts to Euro 496 thousand (Euro 496 at 31 December 2019); it refers to the estimated tax burden of the Austrian JO Arge H51.

(amounts in thousands of Euro)	31st December 2020	31st December 2019	Var.
Deferred tax liabilities reserves	496	496	-
<b>Deferred tax liabilities reserves</b>	<b>496</b>	<b>496</b>	<b>-</b>

## NOTE 16 - TRADE PAYABLES (CURRENT)

Amounts due to suppliers totalled Euro 240,347 thousand (Euro 201,988 thousand as of 31 December 2019).

(amounts in thousands of Euro)	31st December 2020	31st December 2019	Var.
Invoiced payables	150,168	155,258	(5,090)
Invoices receivable	90,179	46,730	43,449
<b>Trade payables</b>	<b>240,347</b>	<b>201,988</b>	<b>38,359</b>

## NOTE 17 - OTHER PAYABLES AND CONTRACTUAL LIABILITIES (CURRENT)

These are represented by:

(amounts in thousands of Euro)	31st December 2020	31st December 2019	Var.
Contractual advances and liabilities	104,591	75,072	29,519
Payables due to parent companies	-	1,853	(1,853)
Payables due to social security and welfare institutions	3,054	2,651	403
Payables due to consortium companies	91,225	91,212	13
Payables due to employees	8,774	7,911	863
Deferred income	259	170	89
Other payables	33,785	27,135	6,650
<b>Other payables</b>	<b>241,688</b>	<b>206,004</b>	<b>35,684</b>

### Contractual advances and Liabilities

"Advances/contractual liabilities" include advances received from purchasers according to law and intended to be recovered based on the issue of the work progress report, if due within 2021 and 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)	31/12/2020	31/12/2019	Var.
Contract Advances	67,648	48,291	19,357
Advances	36,943	26,781	10,162
<b>Total</b>	<b>104,591</b>	<b>75,072</b>	<b>29,519</b>

The item *Contractual advances* includes amounts received from foreign customers, in particular the United Arab Emirates (Euro 15,972 thousand, Euro 21,493 thousand as of 31 December 2019), Romania (Euro 6,333 thousand, Euro 7,414 thousand as of 31 December 2019), Denmark (Euro 6,369 thousand, Euro 6,997 thousand as of 31 December 2019), Botswana (Euro 4,172 thousand, Euro 4,955 thousand as of 31 December 2019), Sweden (Euro 2,250 thousand, Euro 3,485 thousand as at 31 De-

ember 2019), Kuwait (Euro 22,528 thousand, not present as of 31 December 2019) and construction sites in Italy (Euro 10,024 thousand, Euro 3,947 thousand as of 31 December 2019).

*Advances* mainly concern the contracts in Denmark (Euro 21,687 thousand) and Sweden (Euro 14,843 thousand).

### Payables due to consortium companies

(amounts in thousands of Euro)	31st December 2020	31st December 2019	Var.
Payables for cost reversals	3,009,681	2,982,801	26,879
Advances paid for cost reversals	(2,918,456)	(2,891,589)	(26,867)
<b>Payables due to consortium companies</b>	<b>91,225</b>	<b>91,212</b>	<b>12</b>

"*Payables to consortium companies*" refer to cost reversals by consortium companies posted net of invoiced advances. The main amounts refer to ACI S.c.p.A. (Euro 5,623 thousand), Cervit S.c.a r.l. (Euro 7,497 thousand), CCTeem (Euro 5,138 thousand), Consorzio CFT (Euro 5,320 thousand), CMC Itinera JV S.c.p.a. (Euro 19,798 thousand), Letimbro S.c.a r.l. (Euro 19,188 thousand) and Tunnel Frejus S.c.a r.l. (Euro 7,398 thousand).

### Other payables

The most significant amounts in "*Other payables*" are represented by payables for amounts due for share capital subscriptions of Asti-Cuneo S.p.A. (Euro 7,500 thousand), Passante Dorico S.p.A. (Euro

1,980 thousand) and Taranto Logistica S.p.A. (Euro 3,705 thousand, paid in January 2021). The item also includes payables to insurance companies for € 2,641 thousand, the payable for the option to purchase TE shares, referred to in the previous paragraph "*Other non-current assets*", for an amount of € 3,622 thousand. The item "*Other payables*" also includes the residual debt to Argo Finanziaria for the acquisition of the equity investment and loan in Tubosider S.p.A. (Euro 9,206, including the portion of interest accrued as of July 26, 2020).

### NOTE 18 - BANK DEBT (CURRENT)

These are represented by:

(amounts in thousands of Euro)	31st December 2020	31st December 2019	Var.
Current accounts payable	134,355	92,372	41,983
Advances	16,116	7,327	8,789
Loans	37,007	17,000	20,007
<b>Bank debt</b>	<b>187,478</b>	<b>116,699</b>	<b>70,779</b>

The item “*current accounts payable*” refers to credit lines included in the credit lines granted.

Overall indebtedness includes an amount of Euro 16,116 thousand of self-liquidating nature, considering that these are amounts advanced on contracts and invoice collection.

The item “*loans*” refers to the current portion of loans. It is broken down as follows:

(amounts in thousands of Euro)	Short-term
Loan Banca Passadore	2,007
Loan UBI	7,500
Loan BPM	20,000
Loan Bper	7,500
<b>Total loans</b>	<b>37,007</b>

In detail, the item refers to:

- the loan granted by Banca Passadore on 18 December 2017 in the amount of Euro 10,000 thousand, with a remaining amount of Euro 4,022 thousand as at 31 December 2020, which will be repaid in ten semi-annual deferred instalments the first of which due on 29 June 2018. The loan is due to mature on 30 December 2022;
- the loan granted by UBI Banca on 23 December 2019 in the amount of Euro 30,000 thousand, with a remaining amount of Euro 22,465 thousand as of 31 December 2020, 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 expires on December 23, 2022, with the option for Itinera S.p.A. of extending the duration of

the loan by a further 12 months;

- 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 is due to mature on 31 January 2021. At December 31, 2020 the amount of this loan was recorded for Euro 19,999, net of the effect of the amortised cost;
- the loan disbursed on 18 December 2017 for an amount of 30,000 thousand Euro from Banca Popolare dell’Emilia Romagna to be repaid in eight deferred six-monthly instalments starting from 15 June 2018, with a remaining amount of Euro 7,498 thousand as of 31 December 2020, net of the amortised cost impact. The loan is due to mature on 15 December 2021. The loan agreement requires compliance with a financial/equity parameter (“covenant”) related to the ratio between Net Financial Position and Shareholders’ Equity of the Itinera Consolidated Financial Statements. Compliance with this parameter will be verified annually; as at 31 December 2020 the parameter was respected.

The financial position with regard to credit institutions, considering also cash and cash equivalents and expenses provisions, has a negative balance of approximately Euro (133.6) million compared to Euro (64.9) million as at 31 December 2019. For further details on the change in the NFP, please refer to what is reported in the Report on operations.

## NOTE 19 - OTHER FINANCIAL LIABILITIES (CURRENT)

These are represented by:

(amounts in thousands of Euro)	31st December 2020	31st December 2019	Var.
Financial lease contract payables	9,175	5778	3,397
Amounts due to other investors	8,533	491	8,042
<b>Other current financial liabilities</b>	<b>17,708</b>	<b>6,269</b>	<b>11,439</b>

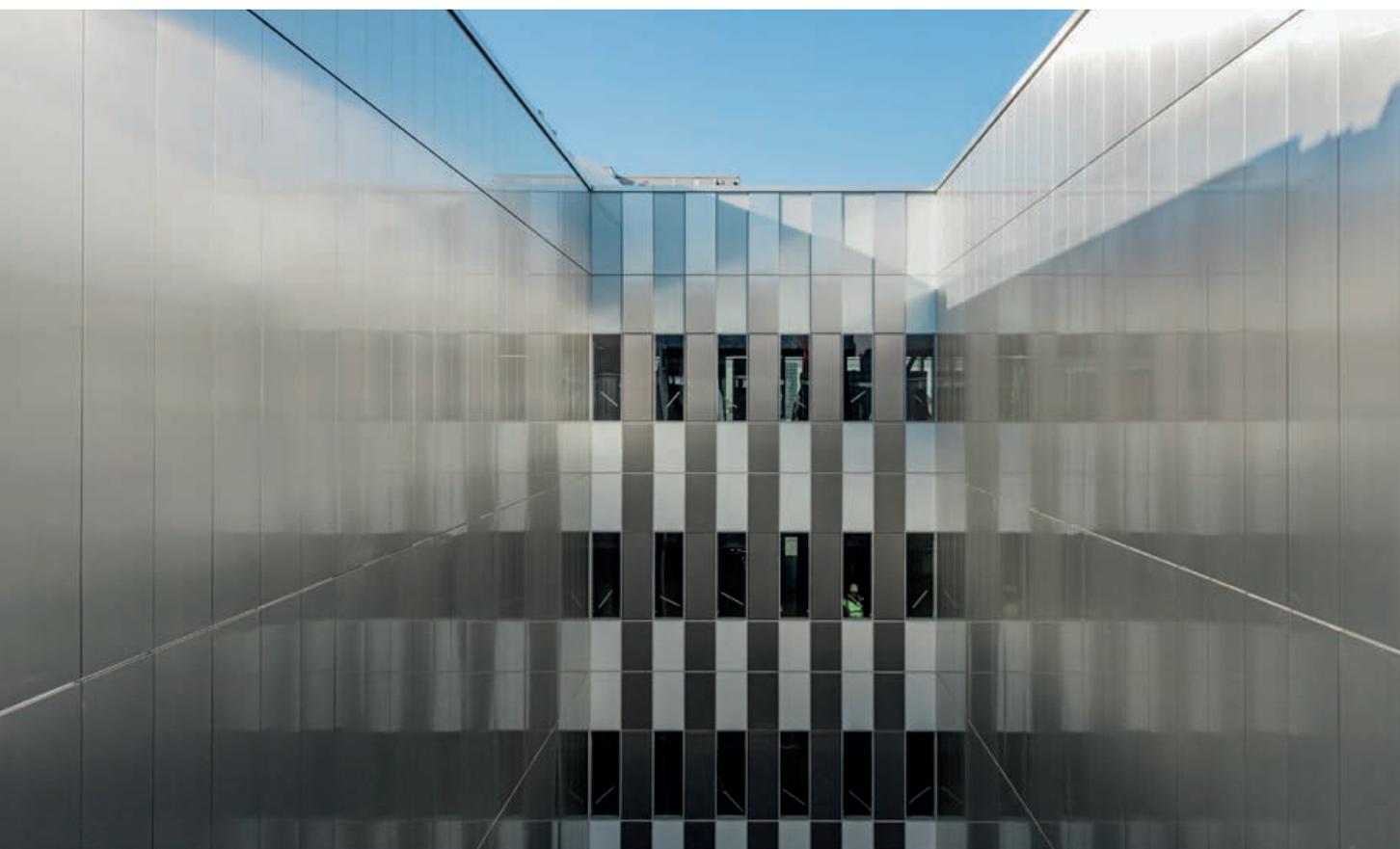


The item “*Other current financial liabilities*”, equal to Euro 17,708 thousand (Euro 6,269 thousand at 31 December 2019), is represented for Euro 9,175 thousand by the short-term portion of the financial debt related to the *rights of use* recognised pursuant to IFRS 16 and for Euro 8,533 thousand to the portion of the non-interest bearing loan disbursed by third party shareholders to JO Arge H51.

## NOTE 20 - CURRENT TAX LIABILITIES

The item is broken down as follows:

(amounts in thousands of Euro)	31st December 2020	31st December 2019	Var.
Employee and associate IRPEF withholdings	3,004	2,307	697
VAT payable in Italy	-	2,702	(2,702)
VAT payable in Botswana	-	19	(19)
VAT payable in Austria	2,979	5,444	(2,465)
VAT payable in Denmark	685	1,566	(881)
VAT payable in the United Arab Emirates	-	1,215	(1,215)
Other current tax liabilities	941	266	675
Tax payables	7,609	13,519	(5,910)
<b>Debiti tributari</b>	<b>7.609</b>	<b>13.519</b>	<b>(5.910)</b>



# INFORMATION ON THE INCOME STATEMENT

## NOTE 23 - REVENUES

Revenues are broken down as follows:

(amounts in thousands of Euro)	2020	2019	Var.
Revenue from works and services	571,625	523,797	47,828
Other revenues	21,004	23,953	(2,949)
Rental income	1,125	1,074	51
<b>Customer contract revenues</b>	<b>593,754</b>	<b>548,824</b>	<b>44,930</b>
Changes in work in progress, semi-finished and finished products	(447)	171	(618)
<b>Revenues</b>	<b>593,307</b>	<b>548,995</b>	<b>44,312</b>

The turnover due to work is the following:

Revenues by category of activities	2020	%	2019	%
Road constructions and paving	344,894	60.38%	280,869	53.62%
Civil and industrial buildings	206,834	36.13%	224,729	42.90%
Maritime works and dredging	667	0.12%	640	0.12%
River, defence, hydraulic systems and reclamation works	11,000	1.93%	8,178	1.56%
Underground works	3,119	0.55%	4,555	0.87%
Others	5,110	0.89%	4,827	0.92%
<b>Total Revenues by category of activities</b>	<b>571,625</b>	<b>100%</b>	<b>523,797</b>	<b>100%</b>

Finally, the breakdown of Revenue from works and services for 2020 by geographical area is as follows:

Value of production	2020	2019
Italy	243,107	307,330
Europe	133,625	87,915
Middle East	175,853	97,140
Africa	19,040	31,411
<b>Revenue from works and services</b>	<b>571,625</b>	<b>523,797</b>

### 23.1 Other revenues

Revenues are broken down as follows:

(amounts in thousands of Euro)	2020	2019	Var.
Compensation of damages	777	8,356	(7,579)
Out-of-period income	2,014	5,280	(3,266)
Employee cost recovery	6,797	6,147	650
Other revenue	5,213	6,674	(1,461)
Operating grants	103	69	34
<b>Other revenue</b>	<b>14,904</b>	<b>26,526</b>	<b>(11,622)</b>

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 58 thousand; b) contributions referred to the tax credit for sanitation provided for by art. 125 of the Relaunch Decree (expenses incurred for anti-Covid-19 investments) for Euro 28 thousand; c) the grants related to law no. 160 of 27.12.2019 art.1 ("Industry 4.0") about the acquisition of assets with specific characteristics for Euro 16 thousand.

### NOTE 24 - PAYROLL EXPENSES

This item is broken down as follows:

(amounts in thousands of Euro)	2020	2019	Var.
Wages and salaries	66,905	62,861	4,044
Social security contributions	18,953	18,387	566
Provision for severance indemnity	3,479	3,216	263
Other costs	3,923	2,826	1,097
<b>Payroll expenses</b>	<b>93,260</b>	<b>87,290</b>	<b>5,970</b>

The average breakdown for employees by category is the following:

	2020	2019
Executives	65	64
Managers	130	112
White-collar workers	630	474
Blue-collar workers	704	541
<b>Total</b>	<b>1,528</b>	<b>1,191</b>

Employee breakdown by category at year end:

	31st December 2020	31st December 2019
Executives	60	64
Managers	129	120
White-collar workers	672	596
Blue-collar workers	976	537
<b>Total</b>	<b>1,838</b>	<b>1,317</b>

## NOTE 25 - COSTS FOR SERVICES

This item is broken down as follows:

(amounts in thousands of Euro)	2020	2019	Var.
<b>Other costs for services:</b>			
Mechanical processing	2,703	-	2,703
Tangible assets maintenance	4,410	4,060	350
Consulting	3,468	2,764	704
Technical design activities	8,180	8,713	(533)
Security services	460	481	(21)
IT services	8	2,258	(2,250)
Transportation	10,115	12,305	(2,190)
Insurance	5,035	5,813	(778)
Legal and notary consultancy expenses	3,770	3,367	403
Corporate body fees and reimbursements	1,248	1,128	120
Auditors' fees	557	287	270
Seconded services and contract workers	24,200	26,693	(2,493)
Other payroll and related costs	5,292	7,011	(1,719)
Utilities	1,705	1,675	30
Subcontracting	66,111	58,034	8,077
Subcontracts	201,003	111,572	89,431
Reversals from consortium companies	77,940	102,839	(24,899)
Others	11,836	11,159	677
<b>Total costs for services</b>	<b>428,041</b>	<b>360,159</b>	<b>67,882</b>

The increase in the item "subcontracting" is attributable to the increase in production.



## NOTE 26 - COSTS FOR RAW MATERIAL

This item is broken down as follows:

(amounts in thousands of Euro)	2020	2019	Var.
Raw materials	73,256	63,910	9,346
Consumables	34,744	35,607	(863)
Changes to raw material, consumable and goods inventories	(6,318)	(2,253)	(4,065)
<b>Costs for raw materials</b>	<b>101,682</b>	<b>97,264</b>	<b>4,418</b>

The increase recorded in 2020 is attributable to the increase in production volumes.

## NOTE 27 - OTHER OPERATING COSTS

This item is broken down as follows:

(amounts in thousands of Euro)	2020	2019	Var.
Use of third party assets	11,070	7,514	3,556
Non-recurring costs	2,825	1,562	1,263
Other operating expense	3,879	3,819	60
<b>Other costs</b>	<b>17,774</b>	<b>12,895</b>	<b>4,879</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

## NOTE 28 - AMORTISATION, DEPRECIATION AND WRITE-DOWNS

These are broken down as follows:

(amounts in thousands of Euro)	2020	2019	Var.
Intangible assets:			
- Other intangible assets	179	455	(276)
Tangible assets:			
- Buildings	582	582	-
- Plant and machinery	2.123	2.266	(143)
- Industrial and commercial equipment	2.190	2.147	43
- Other assets	741	652	89
- Rights of use assets	8.955	4.629	4.326
<b>Total depreciation and amortisation</b>	<b>14.770</b>	<b>10.731</b>	<b>4.039</b>

(amounts in thousands of Euro)	2020	2019	Var.
Impairments:			
- Assets		-	-
- Impairments of receivables	987	-	987
<b>Total impairments</b>	<b>987</b>	<b>-</b>	<b>987</b>

The increase in the item "Depreciation" is mainly attributable to the increase in investments in Rights of use pursuant to IFRS 16.

## NOTE 29 - PROVISIONS FOR RISKS AND CHARGES

The item "Provisions for risks and charges" refers to the estimated charges for interventions related to the disposal of materials that are unusable in production and the reclamation of the area on which they are located in the municipality of Salbertrand

(Euro 2,158 thousand), to the probable charges to be incurred at the Arluno (MI) site (Euro 260 thousand) and charges deriving from the forthcoming settlement of the liquidation of the associate Noga-ra Mare Adriatico S.c.p.A. (Euro 350 thousand).

## NOTE 30 - FINANCIAL INCOME AND CHARGES

### 30.1 Financial income

These are broken down as follows:

(amounts in thousands of Euro)	2020	2019	Var.
<b>Share revenue:</b>			
- Dividends from other companies	163	455	(292)
- Gains on disposals	-	3	(3)
<b>Interest and other financial income</b>			
- from credit institutes	43	10	33
- from subsidiaries loans	776	431	345
- from associate loans	314	245	69
- from other loans	-	73	(73)
- exchange differences	632	732	(100)
- Others	75	107	(32)
<b>Financial income</b>	<b>2,003</b>	<b>2,056</b>	<b>(53)</b>

The item "dividends from other companies" refers to the dividends approved and Autovia Padana S.p.A. (Euro 6 thousand) and Autostrade Centropadane S.p.A. (Euro 66 thousand), Euroimpianti S.p.A. (Euro 90 thousand) and Milano Depur S.p.A. (Euro 1 thousand).

The item "from subsidiary loans" refers to interest accrued on the loan granted to Diga Alto Cedrino S.c.a r.l. (Euro 2 thousand), Itinera USA Corp (Euro 131 thousand), Stoerstrom Bridge JV (Euro 453 thousand), Taranto Logistica S.p.A. (Euro 150 thousand) and Tubosider S.p.A. (Euro 39 thousand).

The item "from loans to associated companies" refers only to the interest accrued on the loan granted to Federici Stirling Batco LLC.

The item "exchange differences" mainly refers to profits earned by the branches in Sweden (Euro 296 thousand) and in Botswana (Euro 163 thousand).

### 30.2 - Financial charges

These are broken down as follows:

(amounts in thousands of Euro)	2020	2019	Var.
<b>Interest due to credit institutes:</b>			
- on loans	323	143	180
- on current accounts	624	358	266
<b>Other interest payable:</b>			
- on lease contracts	589	357	232
<b>Other financial expenses:</b>			
- Impairment of equity investments	39,945	22,435	17,510
- Losses on disposals of shares	923	34	889
- Exchange differences	3,644	632	3,012
- Other financial expenses	7,164	256	6,908
<b>Financial expenses</b>	<b>53,212</b>	<b>24,215</b>	<b>28,997</b>

It should be noted that the slight increase in "Interest due to credit institutions" is attributable to the increase in bank debt recognised during the year and highlighted in Note 18.

Details of item "Impairment of equity investments" are the following:

(amounts in thousands of Euro)	2020	2019	Var.
<b>Impairment of equity investments:</b>			
- Federici Stirling Batco LLC	10,000	-	10,000
- Società Attività Marittime SpA (SAM SpA)	921	-	921
- Europa Scarl	1	-	1
- Lissone Scarl	7	-	7
- Letimbro S.c.r.l.	-	804	(804)
- Storstroem Bridge	29,013	21,627	7,386
- Sistemi e Servizi S.c.a.r.l.	3	4	(1)
<b>Total</b>	<b>39,945</b>	<b>22,435</b>	<b>17,510</b>

The item *"Impairment of equity investments"* includes the write-down related to the subsidiary Stoerstrom Bridge JV for the loss recorded by the investee at 31 December 2020 for an amount equal to Euro 29,013 thousand, to Federici Stirling Batco LLC due to the results of the *impairment test* (Euro 10,000 thousand) and to SAM S.p.A. due to the losses recorded at 31 December 2020 (Euro 921 thousand).

The item *"Losses on disposals of shares"* mainly refers to the equity investment in ASTA S.p.A. for Euro 917 thousand liquidated during the year.

*"Other financial charges"* mainly refer to the impair-

ment of financial receivables from the associate Federici Stirling Batco LLC for Euro 7,000 thousand.

The item *"exchange differences"* mainly refers to the exchange losses at December 31, 2020 of financial receivables from the associate Federici Stirling Batco LLC for Euro 1,780 thousand, the subsidiary Itinera USA Corp for Euro 369 thousand and the exchange losses recorded by the various branches for Euro 1,451 thousand.

## NOTE 31 - INCOME TAXES

This item is broken down as follows:

(amounts in thousands of Euro)	2020	2019	Var.
<b>Current taxation:</b>			
- IRES		(351)	351
- IRAP		(207)	207
- Foreign taxation		-	-
	-	(558)	558
<b>Taxation relating to previous years:</b>			
- IRES	330		330
- IRAP	173	(28)	201
	503	(28)	531
<b>Total current taxes</b>	<b>503</b>	<b>(586)</b>	<b>1,089</b>
<b>Deferred taxes:</b>			
- IRES	5,515	740	4,775
- IRAP	875	487	388
- Foreign taxation	(2,189)	4,076	(6,265)
	4,201	5,303	(1,102)
<b>Income/Charges from tax consolidation</b>	<b>6,753</b>	<b>8</b>	<b>6,745</b>
<b>Total</b>	<b>11,457</b>	<b>4,725</b>	<b>6,732</b>

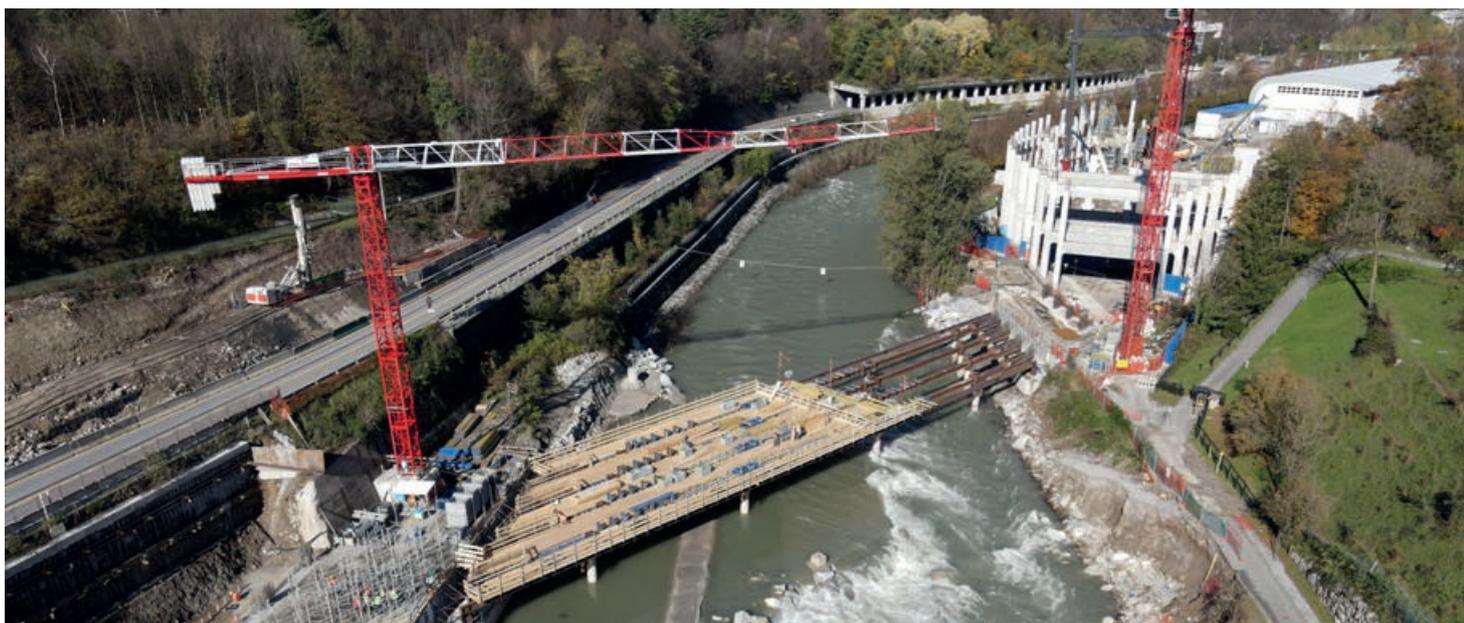
In accordance with paragraph 81, letter c) of IAS 12, the reconciliation of income taxes posted in the financial statements as at 31 December 2020 and 2019 ("actual") and those "theoretic" at the same dates is provided below.

Reconciliation between the "theoretic" and "actual" tax rate (IRES):

(amounts in thousands of Euro)	2020		2019	
<b>Earnings before income taxes</b>	<b>(102,279)</b>		<b>(25,925)</b>	
<b>Actual income tax (from financial statements)</b>	<b>(12,268)</b>	<b>-11.99%</b>	<b>(389)</b>	<b>-1.50%</b>
<b>Lesser taxes (compared to theoretic rate):</b>				
- lesser taxes on dividends and share sales	37	-0.04%	6,737	-25.99%
- other decreases	78	-0.08%		0.00%
<b>Greater taxes (compared to theoretic rate):</b>				
- Non-deductible charges and other change	(12,394)	12.12%	(126)	0.49%
<b>"Theoretic" income tax (24% on earnings before taxes)</b>	<b>(24,547)</b>	<b>24.00%</b>	<b>(6,222)</b>	<b>24.00%</b>

Reconciliation between the "theoretic" and "actual" tax rate (IRAP):

(amounts in thousands of Euro)	2020		2019	
<b>Added value (IRAP taxable income)</b>	<b>(51,071)</b>		<b>(1,438)</b>	
<b>Actual income tax (from financial statements)</b>	<b>(875)</b>	<b>-1.71%</b>	<b>(280)</b>	<b>-19.47%</b>
<b>Lesser taxes (compared to theoretic rate):</b>				
- Sundry deductible charges, net				
- other decreases	(4,414)	8.64%		0.00%
<b>Greater taxes (compared to theoretic rate)</b>				
- Non-deductible charges	3,297	-6.46%	224	-15.57%
<b>"Theoretic" income tax (3.9% on earnings before taxes)</b>	<b>(1,992)</b>	<b>3.90%</b>	<b>(56)</b>	<b>3.90%</b>



The following tables illustrate, for the year in question and 2019, 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)	2020	2019
<b>Deferred tax income for: (*)</b>		
- deferred tax liabilities "reversal" on capital gains	16	19
- works in progress		
- severance reserves actuarial recalculation		
- Provisions for suspended tax reserves	9,433	5,689
- others	481	4,572
<b>Total (A)</b>	<b>9,930</b>	<b>10,280</b>
<b>Deferred tax charges for: (*)</b>		
- provision "reversal" to suspended tax reserves	(3,239)	(4,466)
- leased assets		
- Effects from work in progress as per IAS		
- Reversal of maintenance expense over the deductible tax rate	(6)	(15)
- Reversal of entertainment expenses over the deductible tax rate		
- Severance reserves actuarial recalculation		
- Others	(2,484)	(496)
<b>Total (B)</b>	<b>(5,729)</b>	<b>(4,977)</b>
<b>Total (B) - (A)</b>	<b>4,201</b>	<b>5,303</b>

(\*) Deferred income and charges were calculated based on tax rates in effect at their expected "reversal".



(amounts in thousands of Euro)	2020	2019
<b>Deferred tax assets for: (*)</b>		
- provisions to suspended tax reserves	17,669	10,332
- Maintenance expenses over the deductible rate	6	6
- Others	627	4,652
- compensation	(494)	(1,407)
<b>Total</b>	<b>17,808</b>	<b>13,583</b>
<b>Deferred tax liabilities for: (*)</b>		
- Capital gains divided over several accounting periods		(16)
- other	(990)	(1,407)
- Leased assets		(274)
- works in progress		(206)
- compensation	494	1,407
<b>Total</b>	<b>(496)</b>	<b>(496)</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 results by the average number of shares in circulation during the year.

(amounts in thousands of Euro)	2020	2019
Net result	(90,822)	(18,872)
<b>Earnings (loss) per share (Euro unit)</b>	<b>(1.046)</b>	<b>(0.217)</b>
Number of ordinary shares	86,836,594	86,836,594

Options, warrants or equivalent financial instruments on "potential" ordinary shares with diluting effects were not posted in 2019 and 2020.

## NOTE 33 - INFORMATION ON THE STATEMENT OF CASH FLOWS

### 33.1 - Changes to net working capital

(amounts in thousands of Euro)	2020	2019	Var.
Inventory	(67,862)	(26,974)	(40,887)
Trade receivables	(13,868)	(47,213)	33,345
Current tax assets	(3,176)	756	(3,932)
Amounts due from others	9,159	(17,722)	26,881
Trade payables	38,359	56,545	(18,186)
Other payables	25,931	23,088	2,843
Current tax liabilities	(5,910)	10,612	(16,522)
Exchange effect	(21)	14	(35)
<b>Total</b>	<b>(17,387)</b>	<b>(894)</b>	<b>(16,493)</b>

### 33.2 - Other general operating activities changes

(amounts in thousands of Euro)	2020	2019	Var.
Severance reserve use	(620)	(541)	(79)
Other fund variations	(4,505)	(1,446)	(3,059)
<b>Total</b>	<b>(5,125)</b>	<b>(1,987)</b>	<b>(3,138)</b>

## 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

The main sureties granted are listed below:

**Contract performance bonds:** they totalled 572.7 million Euro and are issued to purchasers for good work execution, contractual advances, contract releases, withholding release as collateral and tender participation, referred to all contracts in progress.

Furthermore, following the acquisition of Halmar International LLC, the parent company took over, for its share, through the issue of corporate guarantees, the guarantees that the shareholders had provided to financial institutions - banks and insurance companies - that support the company.

In particular, it signed an Indemnity Agreement for a total of USD 300 million (Euro 244.5 million) with the US insurance company that had issued the guarantees necessary for execution of works in the interests of the latter, through which it undertakes to counter-guarantee 50% (equal to the shareholding in the US company) of the work in progress at the time of the closing; at the statement of financial position date, the risk commensurate with the work to be carried out amounted to Euro 18 million.

For the works acquired by the Halmar Group subsequent to the closing date, Itinera issued guarantees for a total of USD 1,431 million, equivalent to Euro 1,166.3 million; the risk commensurate with the work to be carried out amounts to Euro 575.8 million.

**Sureties and other guarantees for credit granting:** these amount to Euro 157.9 million and refer to guarantees issued in favour of financial institutions, pro-quota and non-joint and several guarantees for credit concessions in the interest of operating companies.

## 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 purchasers/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.

With regard to the exchange rate risk, which has been until now limited, this is bound to become increasingly more important in the future in light of the growing level of activity in foreign markets.

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 2020 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 purchasers - 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)	2020
Board of Directors	1,161
Board of Statutory Auditors	55
<b>Total</b>	<b>1,216</b>

The company did not pay advances or issue collateral to directors and auditors.

## EXTERNAL AUDITORS 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	2020
<b>Itinera S.p.A. - Auditing services</b>	
Audit of the financial statements, consolidated and bookkeeping verification and tax declarations	200
Mid-year report audit	63
<b>Branches - PwC network</b>	
Auditing and other services	65
<b>Total</b>	<b>328</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 2019); 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 2019 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 - quinquies 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 2020 financial year, the Company collected:

- Euro 294,635.29 from the Customs agency as a refund of excise duties on diesel;
- Euro 24,071 from the Customs agency as a refund of excise duties on fuel consumption and raw materials.

It should also be noted that following the Covid 19 epidemiological emergency, the Revenue Agency provided the company with non-repayable contri-

butions as a “tax credit” for the adaptation of the workplace, the sanitation of the premises and the purchase of safety devices” for € 28,297, of which € 9,385 already set aside during the 2020 financial year.

## **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 2020 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 2020 there are no loans intended for specific business.

## **ANNEXES**

- Statement no. 1 on changes in Equity Investments.
- Statement no. 2 containing the list of Shares held as at 31 December 2020.
- Statement no. 3 on key data from ASTM S.p.A.’s last approved financial statements (as at 31 December 2019), company who provides “direction and coordination” activities.
- Statement no. 4 related to Statement of Financial Position transactions with related parties.
- Statement no. 5 related to economic transactions with related parties.

**ANNEX NO. 1 - ITINERA S.p.A.**

Statement of changes in equity investments - Financial statements as at 31.12.2020 (Values expressed in thousands of Euro)

Description 1st part	Opening balance			Movements during the year					Closing balance		
	Book value	Revaluations and impairments	Opening balance	Acquisitions/Increases	Adjustment	Decreases	(Impairments)/Reversals	(Impairments) provision	Book value	Impairments	Closing balance
A7 Barriere S.c.a r.l.	5		5			(5)			0		0
A.C.I. S.c.p.A - Consorzio Stabile	125		125						125		125
Agognate S.c.a r.l. in liquidation	9		9						9		9
Biandrate S.c.a r.l.	9		9						9		9
Carisio S.c.a r.l.	10		10						10		10
Comigliano 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.	5		5	1					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
I.Co.M. S.c.a r.l.	9		9						9		9
Itinera Construcoes Ltda	268		268						268		268
Itinera USA Corp	48,465		48,465						48,465		48,465
Marcallo S.c.a r.l.	50		50						50		50
Mazze S.c.a r.l.	8		8						8		8
Ramonti S.c.a r.l.	5		5						5		5
SAM S.p.A.	565		565					(565)	565	(565)	(0)
Sea Segnaletica Stradale S.p.A.	16,600		16,600						16,600		16,600
Sinergie S.c.a r.l.	10		10						10		10

Description	Opening balance			Movements during the year					Closing balance		
	Book value	Revaluations and impairments	Opening balance	Acquisitions/Increases	Adjustment	Decreases	(Impairments)/Reversals	(Impairments) provision	Book value	Impairments	Closing balance
Storstroem bridge JV/S											
Taranto Logistica S.p.A.	12,350		12,350						12,350		12,350
Torre di Isola S.c.a.r.l.	9		9						9		9
Tubosider SpA				11,953					11,953		11,953
Urbantech S.p.A.	771	(625)	146						771	(625)	146
<b>Total Subsidiaries</b>	<b>79,530</b>	<b>(625)</b>	<b>78,905</b>	<b>11,961</b>	<b>(5)</b>	<b>(5)</b>	<b>(918)</b>	<b>(565)</b>	<b>91,485</b>	<b>(1,190)</b>	<b>90,295</b>
Asci Logistik GmbH	16		16						16		16
Asta S.p.A.	2,584		2,584			(1,666)	(918)		(0)		(0)
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		16
CMC Itinera JV scpa	49		49						49		49
Colimeto 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
Fondo Valle S.c.a.r.l. in liquidation	6	(2)	4						6	(2)	4
Nichelino Village S.c.a.r.l.	5		5			(5)					
Europa S.c.a.r.l.	5		5				(1)		5	(1)	4
Federici Stirling Batco LLC*	19,182	(9,182)	10,000				(10,000)		19,182	(19,182)	
Formazza S.c.a.r.l.	2		2						2		2
Frasso S.c.a.r.l.											
				5					5		5

Description 3rd part	Opening balance			Movements during the year					Closing balance		
	Book value	Revaluations and impairments	Opening balance	Acquisitions/Increases	Adjustment	Decreases	(Impairments)/Reversals	(Impairments) provision	Book value	Impairments	Closing balance
Grugliasco Scarl	5		5						5		5
Interconnessione S.c.a r.l.	5		5						5		5
Letimbro S.c.a r.l.	49	(49)							49	(49)	
Lissone S.c.a r.l.	5		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
S.A.C. S.c.a r.l. in liquidation	4	(4)	0						4	(4)	0
Serravalle Village S.c.a r.l.	5		5			(5)					
Soc. Aut. Nogara Mare S.c.p.A.	35		35						35		35
SP01 S.c.a r.l.	4		4						4		4
Sistemi e Servizi S.c. a r.l.	22	(4)	18				(3)		22	(6)	16
Telese S.c.a.rl.				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>22.918</b>	<b>(9.346)</b>	<b>13.572</b>	<b>9</b>		<b>(1.676)</b>	<b>(10.927)</b>		<b>20.333</b>	<b>(19.355)</b>	<b>979</b>

Description	Opening balance			Movements during the year					Closing balance		
	Book value	Impairment provision	Opening balance	Acquisitions/ Increases	Reclassifications	Decreases	Fair value adjustments	(Impairments) provision	Book value	Write-downs	Closing balance
4th part											
Autostrada AT-CN S.p.A.	10,000		10,000						10,000		10,000
Euroimpianti Electronic 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>10,462</b>		<b>10,462</b>						<b>10,462</b>		<b>10,462</b>
Abesca Europa S.r.l.	261	(103)	158						261	(103)	158
AEDES SIQ S.p.A.	1,897	(59)	1,838				(769)		1,897	(828)	1,069
Autostrade Centropadane S.p.A.	1,660		1,660				(18)		1,660	(18)	1,642
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
Milano Depur S.p.a.	2		2						2		2
Passante Dorico S.p.A.	2,640	(19)	2,621				(6)		2,640	(25)	2,615
REstart SIQ S.p.A.	11,736	(10,673)	1,064				(281)		11,736	(10,954)	783
Seveso S.c.a.r.l.	0		0						0		0
S.I.CO.GEN. S.r.l.	140		140						140		140
Soc.Aut. Broni-Mortara S.p.A.	931	(113)	818				(16)		931	(129)	802
TRA.DE.CIV. Consorzio Trattata Determinante Città Vitale	4	(4)							4	(4)	
Tangenziale esterna S.p.A.	0		0						0		0
Vettabbia S.c.a.r.l.	0		0						0		0
<b>Total Others</b>	<b>19,280</b>	<b>(10,971)</b>	<b>8,309</b>				<b>(1,090)</b>		<b>19,280</b>	<b>(12,061)</b>	<b>7,219</b>
<b>Total</b>	<b>132,190</b>	<b>(20,942)</b>	<b>111,248</b>	<b>11,970</b>	<b>(1,681)</b>	<b>(12,017)</b>	<b>(565)</b>	<b>141,561</b>	<b>(32,606)</b>	<b>108,956</b>	

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 31.12.2020 (Values expressed in thousands of Euro)

Investee	Type	Registered Office	Share capital	Number of shares	Net Equity	Last year's Result	Share held	Face Value of shares held	Net Equity Share	Posted value	Notes
A7 Barriere S.c.a.r.l.	Subsidiary	15057 Tortona (AL), Strada Statale per Alessandria 6/a	10		10		51.000%	5.10	5.10		
A.C.I. S.c.p.A. - Consorzio Stabile	Subsidiary	15057 Tortona (AL), Strada Statale per Alessandria 6/a	130	130	130		96.416%	125.34	125.34	125.34	
Agognate S.c.a.r.l. in liquidation	Subsidiary	15057 Tortona (AL), Str. Priv. Ansaldi 8	10		10		94.900%	9.49	9.49	9.49	
Biandrate S.c.a.r.l. in liquidation	Subsidiary	15057 Tortona (AL), Str. Priv. Ansaldi 8	10		10		94.900%	9.49	9.49	9.49	
Carisio S.c.a.r.l. in liq.	Subsidiary	15057 Tortona (AL), Via Balustra 15	10		10		96.000%	9.60	9.60	9.60	
Cornigliano 2009 S.c.a.r.l.	Subsidiary	15057 Tortona (AL), Strada Statale per Alessandria 6/a	10		10		99.800%	9.98	9.98	9.98	
Crispi S.c.a.r.l. with sole shareholder in liquidation	Subsidiary	15057 Tortona (AL), Strada Statale per Alessandria 6/a	10		10		100.000%	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		100.000%	10.00	10.00	10.00	
Diga Alto Cedrino S.c.a.r.l.	Subsidiary	15057 Tortona (AL), Via Balustra 15	50		50		80.000%	40.00	40.00	40.00	
I.Co.M. S.c.a.r.l.	Subsidiary	15057 Tortona (AL), Strada Statale per Alessandria 6/a	10		10		93.000%	9.30	9.30	9.30	
Itinera Construcoes Ltda	Subsidiary	San Paolo (BRASILE) - Vila Nova Conceicao	298	298	5,321	2,200	90.000%	268.20	4,788.90	267.79	
Itinera USA Corp	Subsidiary	2140 S Dupont Highway Street, Camden Delaware	48,465		46,155	(850)	100.000%	48,465.17	46,155.00	48,465.17	
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		75.000%	7.50	7.50	7.50	
Marcallo S.c.a.r.l.	Subsidiary	15057 Tortona (AL), Strada Statale per Alessandria 6/a	50		50		100.000%	50.00	50.00	50.00	
Mazzè S.c.a.r.l.	Subsidiary	15057 Tortona (AL), Strada Statale per Alessandria 6/a	10		10		80.000%	8.00	8.00	8.00	
Ramonti S.c.a.r.l. in liquidation	Subsidiary	15057 Tortona (AL), Strada Statale per Alessandria 6/a	10		10		51.000%	5.10	5.10	5.10	
SAM Società Attività Marittime	Subsidiary	15057 Tortona (AL), Strada Statale per Alessandria 6/a	500	500	(357)	(881)	100.000%	500.00	(357.14)		
SEA Segnaletica Stradale S.p.A.	Subsidiary	15057 Tortona (AL), Regione Ratto	500		25,618	5,561	100.000%	500.00	25,618.00	16,600.00	
Sinergie S.c.a.r.l. in liquidation	Subsidiary	15057 Tortona (AL), Strada Statale per Alessandria 6/a	10		10		100.000%	10.00	10.00	10.00	
Storstrom bridge J/V/S	Subsidiary	4760 Vordingborg (Denmark) - Færgegaardsvej 15 L			(50,645)	(28,871)	99.990%		(50,639.94)		

Investee	Type	Registered Office	Share capital	Number of shares	Net Equity	Last year's Result	Share held	Face Value of shares held	Net Equity Share	Posted value	Notes
Taranto Logistica S.p.A.	Subsidiary	15057 Tortona (AL), Strada Statale per Alessandria 6/a	13,000	13,000	10,357	(243)	95.000%	12,350.00	9,839.15	12,350.00	
Urbantech S.p.A.	Subsidiary	15057 Tortona (AL), Strada Statale per Alessandria 6/a	131	131	155	(65)	100.000%	130.91	155.21	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	17,275	6,242	90.000%	9,000.00	15,547.50	11,953	
<b>Total subsidiaries</b>								<b>71,737.60</b>	<b>51,630.00</b>	<b>90,295.95</b>	
Asci Logistik	Associated company	Thalerhoff Strasse 88, 8141 Premstatten	35	35	12	66	45.000%	15.75	5.42	15.75	(1)
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.	Joint control	20151 Milano, Via Antonio Cechov 50	10		10		51.000%	5.10	5.10	5.10	
Cis Beton	Associated company	Thalerhoff Strasse 88, 8141 Premstatten	35	35	(83)	(89)	45.000%	15.75	(37.39)	15.75	(1)
CMC Itinera jv scpa	Associated company	48122 Ravenna, Via Trieste	100		100		49.000%	49.00	49.00	49.00	
Colmeto Scarl	Joint control	15057 Tortona (AL), Strada Statale per Alessandria 6/a					51.000%	49.00	49.00	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.SI.L.FER.	Associated company	Roma - Via Indonesia 100	5		5		50.000%	2.58	2.58	2.58	
Europa S.c.a.r.l.	Associated company	43121 Parma - Via Anna Maria Adorni 1	10		10		50.000%	5.00	5.00	4.03	
Federici Stirling Batco LLC	Joint control	Muscat (Oman) - P.O. BOX 1179 AL-ATHAIBA, 130	2,169		(8,921)	6,075	34.300%	743.97	(3,059.97)		(1)
Frasso S.c.a.r.l.	Associated company	43121 Parma - Via Anna Maria Adorni 1	10,2		15		33.000%	3.366	4.95	4.95	
Fondo Valle S.c.a.r.l. (In liquidation)	Associated company	Tortona (AL) - Str. Priv. Ansaldi 8	10		10		39.330%	3.93	4.06	4.06	
Formazza S.c.a.r.l. in liquidation	Associated company	15057 Tortona (AL), Str. Priv. Ansaldi, 8	10		10		33.333%	3.40	3.40	2.07	
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.a.r.l.	Associated company	15057 Tortona (AL), Strada Statale per Alessandria 6/a	100		100		49.000%	49.00	49.00	49.00	
Lisone S.c.a.r.l. in liquidation	Associated company	20147 Milano, Via Marcello Nizzoli 4	10		(3)		50.000%	5.00	(1.65)		

Investee	Type	Registered Office	Share capital	Number of shares	Net Equity	Last year's Result	Share held	Face Value of shares held	Net Equity Share	Posted value	Notes
Maito S.c.a r.l.	Associated company	36100 Vicenza - Viale dell'Industria 42	10		10		50.000%	5.00	5.00	5.00	
Nichelino Village S.c.a r.l.	Associated company	15057 Tortona (AL), Strada Statale per Alessandria ó/a	10		10		50.000%	5.00	5.00		
Ponte Nord S.p.A.	Associated company	43121 Parma - Via Anna Maria Adomi 1	1,667	17	1,508		50.000%	833.50	753.82	753.81	(1)
S.A.C.s.r.l. consortium (in liquidation)	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	15.84	
Soc.Aut. Nogarà Mare Adriatico S.c.p.A. in liq.	Associated company	37135 Verona, Via Flavio Gioia 71	120	120	120		29.000%	34.80	34.80	34.80	
Serravalle Village S.c.a r.l.	Associated company	15057 Tortona (AL), Strada Statale per Alessandria ó/a	10		10		50.000%	5.00	5.00		
SP01 S.c.a. rl.	Associated company	15057 Tortona (AL), Strada Statale per Alessandria ó/a	10	10	10		40.000%	4.00	4.00	4.00	
Telese S.c.a.r.l.	Associated company	00195 Roma, Via Pietro Borsieri 2/A	10		0		45.300%	4.53	0.00	4.53	
Tessera S.c.a r.l.	Associated company	15057 Tortona (AL), Strada Statale per Alessandria ó/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 ó/a	50		50		50.000%	25.00	25.00	25.00	
<b>Total jointly controlled and associate companies</b>								<b>1,920.63</b>	<b>(2,035.92)</b>	<b>978.71</b>	
Autostrada AT-CN S.p.A.	Other	00187 Roma, Via XX Settembre 98/E	200,000	200,000	204,712	(1,369)	5.000%	10,000.00	10,235.62	10,000.00	
Euroimpianti S.p.A.	Other	15057 Tortona (AL) - Via Balustrà 15	5,000	5,000,000	20,364	3,137	5.000%	250.00	1,018.20	298.11	
Soc. di progetto Autovia Padana Spa	Other	15057 Tortona (AL), Str. Prov.Lomellina 3/13	163,700	163,700	167,251	1,657	0.100%	163.70	167.25	163.70	
<b>Total companies subject to parent company's control</b>								<b>10,413.70</b>	<b>11,421.07</b>	<b>10,461.81</b>	
Abesca Europe S.r.l.	Other	39100 Bolzano, Via Galileo Galilei 10	100		816	(60)	19.523%	19.52	159.22	158.07	(1)
AEDES SIIQ S.p.A.	Other	20143 Milano, Via Morimondo 26	210,000	32,030	210,000		5.287%	11,102.70	11,102.70	1,068.63	(3)
Autostrade Centro Padane S.p.A.	Other	26100 Cremona - Località San Felice	30,000	3,000	100,687	(51)	1.631%	489.33	1,642.31	1,642.30	(1)
Daita S.c.a r.l.	Other	93100 Caltanissetta, Via N. Colajanni 314/E	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	(3,242)	0.000%	0.00	0.00		(1)
M.N. 6 S.c.a r.l.	Other	80142 Napoli Via Galileo Ferraris 101	51		51		1.000%	0.51	0.51	0.51	
Milano Depur S.p.A.	Other	20141 Milano, Via Lampedusa 13	1,900	1,900	3	773	0.100%	1.90	0.00	1.98	(1)

Investee	Type	Registered Office	Share capital	Number of shares	Net Equity	Last year's Result	Share held	Face Value of shares held	Net Equity Share	Posted value	Notes
Passante Dorico S.p.A.	Other	20142 Milano, Via dei Missaglia n.97	24,000	24,000	23,771	(54)	11.000%	2,640.00	2,614.81	2,614.81	(1)
Restart SIQ S.p.A.	Other	20143 Milano, Via Morimondo 26	5,000	31,980	5,000		5.290%	264.81	264.81	782.42	(3)
Seveso S.c.a.r.l. in liquidation	Other	20159 Milano, Via Valtellina 17	10		10		1.500%	0.15	0.15	0.15	
S.I.CO.GEN. S.r.l.	Other	10156 Torino, Torino Strada della Cebrosa 86	260	260	5	943	15.000%	39.00	0.75	139.74	
Soc.Aut. Broni-Mortara S.p.A.	Other	20142 Milano, Via dei Missaglia n.97	28,903	28,903	24,929	(488)	3.220%	930.68	802.71	802.71	(1)
Consorzio TRA.DE.CIV.	Other	90144 Napoli, Via G. Ferraris 101	156		156		0.000%	0.00	0.00		
Tangenziale Esterna S.p.A.	Other	20124 Milano, Viale della Liberazione 18	464,945	464,945	315	(23)				0.10	(1)
Vettabbia S.c.a.r.l.	Other	20141 Milano, Via Lampedusa 13	100		100		0.100%	0.10	0.10	0.10	
<b>Total other companies</b>								<b>15.496,96</b>	<b>16,596.34</b>	<b>7,219.78</b>	
Argentea Gestioni S.c.p.a	Other	25126 Brescia - Via Somalia 2/4	120	120,000	120		14.241%	17.09	17.09		(2)
Soc. di Progetto BreBeMi S.p.A.	Other	25126 Brescia - Via Somalia 2/4	332	332,118	(176)	(37)	0.000%	0.00	(0.00)	0.10	(1)-(2)
<b>Total financial assets other than non-current assets</b>								<b>17.09</b>	<b>17.09</b>	<b>0.10</b>	
<b>Overall total</b>								<b>99,585.98</b>	<b>77,628.57</b>	<b>108,956.35</b>	

Notes:

(1) Financial statement data as at 31.12.2019

(2) shares were reclassified among class III) Financial non-current assets.

(3) Market listings as at 30 December 2020, last listing date in 2020.

### ANNEX NO. 3 - ASTM S.p.A. financial statements as at 31 December 2019, parent company exercising "direction and coordination"

#### TOTAL ASSETS

(amounts in thousands of Euro)	31.12.2019
Intangible assets	0
Tangible assets	7,301
Non-current financial assets	4,511,713
Deferred tax assets	5,900
<b>Total non-current assets</b>	<b>4,524,914</b>
Cash and cash equivalents	38,057
Other current assets	764,070
<b>Total current assets</b>	<b>802,127</b>
<b>TOTAL ASSETS</b>	<b>5,327,041</b>

#### NET EQUITY AND LIABILITIES

(amounts in thousands of Euro)	31.12.2019
Share capital	66,360
Retained earnings	2,568,395
<b>Total net equity</b>	<b>2,634,755</b>
Allocation to the bad debts provision and severance indemnity	2,693
Bank debt	673,069
Other financial liabilities	1,041,270
Deferred tax liabilities	2
<b>Total non-current liabilities</b>	<b>1,717,034</b>
Trade payables	11,486
Other payables	19,379
Bank debt	191,557
Other financial liabilities	751,406
Current tax liabilities	1,424
<b>Total current liabilities</b>	<b>975,252</b>
<b>TOTAL LIABILITIES AND NET EQUITY</b>	<b>5,327,041</b>

#### INCOME STATEMENT

(amounts in thousands of Euro)	2019
Financial income and charges	172,752
Value adjustments of financial assets	(71)
Other operating revenues	8,925
Other operating costs	(27,670)
Taxes	13,835
<b>Profit (loss) for the year</b>	<b>167,771</b>

**ANNEX NO. 4 - ITINERA S.p.A.**

Summary statement of Statement of Financial Position transactions with related parties as at 31.12.2020 (Values in thousands of Euro)

Description	Rights of use	Financial receivables	Inventory works	Advances	Other receivables	Trade	Total assets	Other payables	Net cost reversal	Trade	Totalliabilities
Agognate S.c.a.r.l. in liquidation						4	4		62		62
A.C.I. S.c.p.a. - Consorzio Stabile		550	50,243	(48,235)		38,272	40,830		5,623	844	6,467
A7 barriere S.c.a.r.l. in liquidation					81		81				
Biandrate S.c.a.r.l. in liquidation		50				63	113		47		47
Carisio S.c.a.r.l.						128	128		35		35
Comigliano 2009 S.c.a. r.l.					265	61	326		217		217
Crispi S.c.a.r.l. with sole shareholder in liquidation		50					50		4	22	26
CRZ01 S.c.a.r.l. in liquidation					59		59		123	113	236
Diga Alto Cedrino S.c.a. r.l.		110				2,581	2,691		2,307	153	2,460
I.Co.M. S.c.a.r.l.		20					20		15		15
Itinera Construcoes LTDA						64	64				
Itinera USA Corp		3,993				347	4,340				
Lambro S.c.a.r.l.					30	3,656	3,686		3,670	7	3,677
Lanzo S.c.a.r.l.						1,274	1,274		364		364
Marcallo S.c.a.r.l.						98	98		(29)		(29)
Mazzè S.c.a.r.l.						94	94		4		4
Ramonti S.c.a.r.l. in liquidation		117				24	141		(129)	(31)	(160)
Sea Segnaletica Stradale S.p.A.	2,491					263	2,754	2,556		1,899	4,455
Sinergie S.c.a.r.l. in liquidation		77					77		(34)	13	(21)

Description	Rights of use	Financial receivables	Inventory works	Advances	Other receivables	Trade	Total assets	Other payables	Net cost reversal	Trade	Totalliabilities
Società Attività Marittime S.p.A. (SAM S.p.A.)	100				1,270	43	1,413			162	162
Storstroem Bridge JV I/S	23,440				10	5,809	29,259			17	17
Taranto Logistica S.p.A.	12,000		203,018	(201,155)		57	13,920	4			4
Torre di Isola S.c.a.r.l.			2,023	(2,013)		8	18		99	1,604	1,703
Urbantech S.p.A.										684	684
<b>Total subsidiaries</b>	<b>2,491</b>	<b>40,507</b>	<b>255,284</b>	<b>(251,403)</b>	<b>1,715</b>	<b>52,846</b>	<b>101,440</b>	<b>2,560</b>	<b>12,378</b>	<b>5,487</b>	<b>20,425</b>
Aurea S.c.a.r.l.			376		1	7,817	8,194		5,495	7	5,502
Cerwit S.c.a.r.l.			3,566	(3,465)		2,329	2,430		7,510		7,510
CMC Itinera JV Scpa						175	175		19,798		19,798
Colmeto S.c.a.r.l.	944				7	357	1,308		1,200		1,200
Consorzio Cancellò Frasso Telesino			36,760	(21,208)		2,788	18,340	180	5,319	12,675	18,174
Consorzio Costruttori TEEM			(136)			4,340	4,204		5,138		5,138
Consorzio CON.SI.L.FER.										6	6
Europa S.c.a.r.l.										(14)	(14)
Federici Stirling Batco LLC	10,516				38	1,650	12,204			2	2
Fondo Valle S.c.a.r.l. in liquidation	20						20				
Formazza S.c.a.r.l. in liquidation	75						75				
Frasso S.c.a.r.l.	495				133	387	1,015	36	613		649
Grugliasco Scarl	130					381	511		423		423
Interconnessione S.c.a.r.l.	796						796		(25)	13	(12)
Letimbro S.c.a.r.l.					18,434	7,584	26,018		19,188	60	19,248
Lisone S.c.a.r.l. in liquidation						54	54		5		5

Description	Rights of use	Financial receivables	Inventory works	Advances	Other receivables	Trade	Total assets	Other payables	Net cost reversal	Trade	Totalliabilities
Macco S.c.a.r.l.						1,005	1,005		4,197	5	4,202
Marchetti S.c.a.r.l.											
Nichelino Village S.c.a.r.l.											
Ponte Nord S.p.A.		60				1,050	1,110				
Serravalle Village S.c.a.r.l.											
Sistemi e Servizi S.c.a.r.l.											
Soc.Aut. Nogaara Mare Adriatico S.c.p.A.		290			15		305		58	22	80
SP01 S.c.a.r.l.			1,278	(848)		1,465	1,895		1,886		1,886
Telese S.c.a.r.l.		113				106	219		128		128
Tunnel Frejus S.c.a.r.l.		3,250				866	4,116	2	7,399	1,295	8,696
V.A. Bitumi S.r.l.										1	1
<b>Total associated companies</b>		<b>16,689</b>	<b>41,844</b>	<b>(25,521)</b>	<b>18,628</b>	<b>32,354</b>	<b>83,994</b>	<b>218</b>	<b>78,332</b>	<b>14,072</b>	<b>92,622</b>
ASTM S.p.A.					10,421		10,421		205	3,168	3,373
<b>Total parent companies</b>					<b>10,421</b>		<b>10,421</b>	<b>205</b>		<b>3,168</b>	<b>3,373</b>
Appia S.r.l.	224				6		230	226		66	292
Abecca Europa S.r.l.		72					72				
Argentea Gestioni S.C.p.A.						1,053	1,053		35	259	294
Argo Finanziaria S.p.A.								9,314		117	9,431
Augustas S.p.A.										1	1
Autoservice 24 S.r.l. con socio unico										4	4
Autostrada Asti-Cuneo S.p.A.	76		4,151	(3,733)	7,080	2,276	9,850	78		9	87
Autostrada dei Fiori S.p.A.			14,163	(8,781)		12,350	17,732			7,065	7,065
Autosped G SpA	11				5	142	158	8		3,415	3,423

Description	Rights of use	Financial receivables	Inventory works	Advances	Other receivables	Trade	Total assets	Other payables	Net cost reversal	Trade	Totalliabilities
Azeta S.R.L. in liquidation						152	152				
Azienda Agricola Balda S.r.l.						36	36				
Baglietto S.p.A.			22,138	(22,138)		2,442	2,442				
Consorzio Sintec										16	16
Codelfa S.p.A.	155		3,665	(3,770)		1,879	1,929	153		139	292
Consorzio R.F.C.C. in liquidation						14	14				
Compagnia Porto di Civitavecchia S.p.A. in liquidation						3	3				
DAITA S.c. a r.l.					87		87		160		160
Euroimpianti S.p.A.			50	(50)	833	676	1,509	10		10,483	10,493
G&A S.p.A.						715	715			241	241
G&A Schweiz AG											
Gale S.r.l.					3		3			1,520	1,520
Halmar International LLC						620	620				
Impresa Grassetto S.p.A. with sole shareholder in liquidation						31	31				
Inerti Rivolta S.r.l.						28	28			174	174
M.N. Metropolitana Napoli S.p.A.			8,410			24	8,434			9	9
Ponte Meier S.c.a.r.l.											
Rivalta Terminal Europa S.p.A.						57	57				
SATAP S.p.A.			24,880	(20,693)		8,563	12,750			18	18
SINA S.p.A.						1,630	1,630			720	720
Sinelec S.p.A.					1	489	490			8,349	8,349
SITAF S.p.A.			2,995			1,193	4,188			4	4

Description	Rights of use	Financial receivables	Inventory works	Advances	Other receivables	Trade	Total assets	Other payables	Net cost reversal	Trade	Totalliabilities
Sitalfa S.p.A. Bruzzolo						28	28	1			1
S.A.V. Società Autostrade Valdostane S.p.A.						787	787			3	3
S.A.L.T. Soc. Autostrada Ligure Toscana P.A.			1,833	(1,701)		8,137	8,269	19		705	724
Soc. di Progetto Autovia Padana S.p.A.			34,848	(28,448)	88	2,683	9,171			541	541
TESSERA S.C.A.R.L.		537				456	993		88	68	156
Tomato Farm S.c.a.r.l.											
Transpe S.p.A.										114	114
Autostrada Broni Mortara S.p.A.		609				35	644				
Tangenziale Esterna S.p.A.								3,623		2	3,625
ATIVA S.p.A.			1,121	(801)		20	340				
Si.Co.Gen. S.r.l.						190	190				
Sviluppo Cotorossi S.p.A.			27,561	(27,399)		2,018	2,180				
Codei.Ma. S.r.l.						1	1				
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.)					1		1				
Tubosider S.p.A.		9,143			63	167	9,373	4		1,020	1,024
Vettabbia S.c.a.r.l.						10	10			6	6
VETIVARIA S.r.l.										331	331
<b>Total Other associated parties</b>	<b>466</b>	<b>10,361</b>	<b>145,815</b>	<b>(117,514)</b>	<b>8,167</b>	<b>48,905</b>	<b>96,200</b>	<b>13,436</b>	<b>283</b>	<b>35,405</b>	<b>49,124</b>
<b>Total</b>	<b>2,957</b>	<b>67,557</b>	<b>442,943</b>	<b>(394,438)</b>	<b>38,931</b>	<b>134,105</b>	<b>292,055</b>	<b>16,419</b>	<b>90,993</b>	<b>58,132</b>	<b>165,544</b>

**ANNEX NO. 5 - ITINERA S.p.A.**

Summary statement of economic transactions with related parties - Financial Year 2020 (Values in thousands of Euro)

Company	Cost of production	Cost reversals	Financial expenses	Revenues for works	Other revenue	Financial receivables
ASTIM S.p.A.	(468)					1
<b>Total parent companies</b>	<b>(468)</b>				<b>1</b>	<b>1</b>
Agognate S.c.a.r.l. in liquidation		(5)				
A.C.I. S.c.p.a. - Consorzio Stabile	(196)	(14,555)		7,616		358
A 7 barriere S.c.a.r.l. in liquidation						
Biandrate S.c.a.r.l. in liquidation		(5)				
Carisio S.c.a.r.l. in liquidation		(5)				
Colmero S.c.a.r.l.		(1,146)				265
Cornigliano 2009 S.c.a.r.l.		(10)				
Crispi S.c.a.r.l. with sole shareholder in liquidation	(1)	(4)				
CRZ01 S.c.a.r.l. in liquidation		(111)				
Diga Alto Cedrino S.c.a.r.l.		(8)			9	2
Frasso S.c.a.r.l.		(613)				467
I.Co.M. S.c.a.r.l.		(4)				
Itinera USA Corp					356	131
Itinera Construcoes LTDA					173	
Lambro S.c.a.r.l.		(34)				1
Lanzo S.c.a.r.l.		(456)				828
Marcallo S.c.a.r.l.		29				
Mazzè S.c.a.r.l.		(4)				
Ramonti S.c.a.r.l. in liquidation		9				
Società Attività Marittime S.p.A. (SAM S.p.A.)	(549)					28

Company	Cost of production	Cost reversals	Financial expenses	Revenues for works	Other revenue	Financial receivables
Sea Segnaletica Stradale S.p.A.	(1,707)		(104)		454	
Sinergie S.c.a. r.l. in liquidation	(2)	(4)				
Storstroem Bridge JV /S	(156)				3,976	452
Taranto Logistica S.p.A.				8,611	31	150
Telese S.c.a. r.l.		(128)			106	
Torre di Isola S.c.a.r.l.	(4)	(99)			12	
Urbantech S.p.A.	(59)					
<b>Total subsidiaries</b>	<b>(2,674)</b>	<b>(17,153)</b>	<b>(104)</b>	<b>16,227</b>	<b>7,064</b>	<b>735</b>
Aurea S.c.a. r.l.		(5,495)		12,062	43	
Cerwit S.c.a.r.l.	11	(11,397)		1,257	1,254	
CMC Itinera JV Scpa		(3,858)			917	
Consorzio Cancellò Frasso Telesino	(333)	(21,163)		23,100	305	
Consorzio Costruttori TEEM		(22)				
Consorzio CON.SI.L.FER.						
Federici Stirling Batco LLC					5	315
Grugliasco Scarl		(303)			352	
Interconnessione S.c.a. r.l.		11				
Letimbro S.c.a.r.l.		(106)			23	
Maico S.c.a.r.l.		(2,576)			18	
Marchetti S.c.a. r.l.						
Nichelino Village S.c.a. r.l.		(10)				
Serravalle Village S.c.a. r.l.						
Soc.Aut. Nogarà Mare Adriatico S.c.p.A.		(15)				
SP01 S.c.a. rl.		(3,323)		1,278	509	

Company	Cost of production	Cost reversals	Financial expenses	Revenues for works	Other revenue	Financial receivables
V.A. Bitumi S.r.l.	(3)					
Tunnel Frejus S.c.a.r.l.	21	(4,334)			762	
<b>Total associated companies</b>	<b>(304)</b>	<b>(52,591)</b>		<b>37,697</b>	<b>4,188</b>	<b>315</b>
Appia S.r.l.	(54)		(6)			
Argo Finanziaria S.p.A.	23				6	
Argentea Gestioni S.C.p.A.		(143)		214	6	
Augustas S.p.A.	(1)					
Autoservice 24 S.r.l. with sole shareholder	(2)					
Autostrada Asti-Cuneo S.p.A.	1		(3)	4,260		
Autostrada dei Fiori S.p.A.	(116)			32,899	620	
Autostrade centro padane S.p.A.						66
Autosped G SpA	(3,161)					
Baglietto S.p.A.				589		
Brescia Milano Manutenzioni S.c.a.r.l.					4	
Codelfa S.p.A.	(418)		(2)	3,665	448	
Consorzio Sintec					1	
Euroimpianti S.p.A.	(7,588)				1,249	90
Europa S.c.a.r.l.		14				
G&A S.p.A.	(73)					
Gale S.r.l.	(2,222)					
Impresa Grassetto S.p.A. with sole shareholder in liquidation					50	
Inerti Rivolta S.r.l.	(188)				23	
Halmar International LLC					1,068	
SATAP S.p.A.	(29)			36,773	959	

Company	Cost of production	Cost reversals	Financial expenses	Revenues for works	Other revenue	Financial receivables
SITAF S.p.A.				3,156		
SINA S.p.A.	(117)			92	1,060	
Sinelec S.p.A.	(3,859)				1,131	
Sitalfa S.p.A. Bruzolo						
S.A.V. Società Autostrade Valdostane S.p.A.	(5)		4,003			
S.A.L.T. Soc. Autostrada Ligure Toscana P.A.	(22)		4	14,667	1,139	
S.G.C. S.c.a.r.l. in liquidation	(4)					
Soc. di Progetto Autovia Padana S.p.A.	(319)			22,930		6
TESSERA S.C.A.R.L.		(8,035)		993	837	
Tomato Farm S.c.a.r.l.						
Transpe S.p.A.	(63)				2	
Autostrada Broni Mortara S.p.A.						16
Tangenziale Esterna S.p.A.	(4)					
ATIVA S.p.A.				1,114		
ATIVA Engineering S.p.A.					2	
Milano Depur S.p.A.						1
M.N. Metropolitana Napoli S.p.A.	(1)					
Vettabbia S.c.a.r.l.		(4)			4	
VETIVARIA S.r.l.	(498)					
Si.Co.Gen. S.r.l.	12				230	
Sviluppo Cotorossi S.p.A.				2,552		
Tubosider S.p.A.	(3,601)				129	39
<b>Total Other associated parties</b>	<b>(22,309)</b>	<b>(8,168)</b>	<b>(7)</b>	<b>127,907</b>	<b>8,968</b>	<b>218</b>
<b>Total</b>	<b>(25,755)</b>	<b>(77,912)</b>	<b>(111)</b>	<b>181,831</b>	<b>20,221</b>	<b>1,268</b>

**REPORT OF THE BOARD  
OF AUDITORS TO  
THE SHAREHOLDERS'  
MEETING**

To the ITINERA S.p.A. Shareholders' Meeting

During the year closed as at 31 December 2020, 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.

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 will terminate its term with the shareholders' meeting for the approval of the financial statements at 31 December 2022.

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 (2020-2022).

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) 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.

\* \* \*

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***

- We monitored the observance of the law and Articles of Association and adherence to correct administrative principles. To the best of our knowledge, it appears that the Company has operated in compliance with these regulations and has complied with the disclosure obligations.
- We attended Shareholders' Meetings and Board of Directors' meetings, held according to statutory, legal and regulatory standards that regulate their operations and for which, based on

available information, we can reasonably assure you that the resolved actions comply with law and the articles of association and were not imprudent, risky, in potential conflict of interest or such to irreparably jeopardise the integrity of shareholders' equity.

- We have obtained information from appointed departments, both during Board of Directors' meetings and during periodic audits, on the general business trends and its foreseen evolution as well as the most significant operations, due to their size or characteristics, put in place by the company and we can reasonably sustain that the actions implemented comply with law and the articles of association and were not imprudent, risky, in potential conflict of interest or in conflict with the shareholder's assembly resolutions or such to irreparably jeopardise the integrity of shareholders' equity.
- 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, insofar as we are competent to do so, the Company's organisational structure, by collecting information from department heads deeming this adequate as a whole. In particular, during 2020 the Company updated the controls necessary to maintain the SO 37001: 2016 - Anti-corruption Management Systems certification;
- 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", providing, over time, for the appropriate updates in relation to the progressive extension of the scope of application of Legislative Decree 231/2001, which involves a process of ongoing maintenance of the Model still in progress also through the performance of a targeted analysis of sensitive activities and 231 risk profiles (risk assessment 231);
- 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 also approved the Sustainability Report of Itinera and its consolidated subsidiaries in full reference to the financial year ended 31 December 2020. The document has been subjected to limited assurance (according to the criteria indicated by the ISAE 3000 Revised principle) by Deloitte & Touche SpA.
- 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 2020, the Board of Auditors received no disputes pursuant to Civil Code ex article 2408.
- During the fiscal year, the Board of Auditors issued an opinion according to art. 2389, section 3 of the Italian Civil Code.
- During the supervisory activities as described above, no other significant events emerged such as to be worthy of note in this Report.

### ***Financial statements***

We have examined the trial balance sheet for the financial year ended as at 31 December 2020, 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 26 March 2021 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.

### ***Concluding Remarks***

Considering also the results of the activity carried out by the entity in charge of the legal audit of the accounts, the Board of Auditors believes that the financial statements for the year ended 31 December 2020, as prepared by the Directors, are subject to your approval, together with the proposal contained therein concerning the allocation of the operating result.

Tortona, 26 March 2021.

### **The Board of Auditors**

*Mr. BO Andrea*

*Mr. TROTTER Massimo*

*Mr. CODA Roberto*

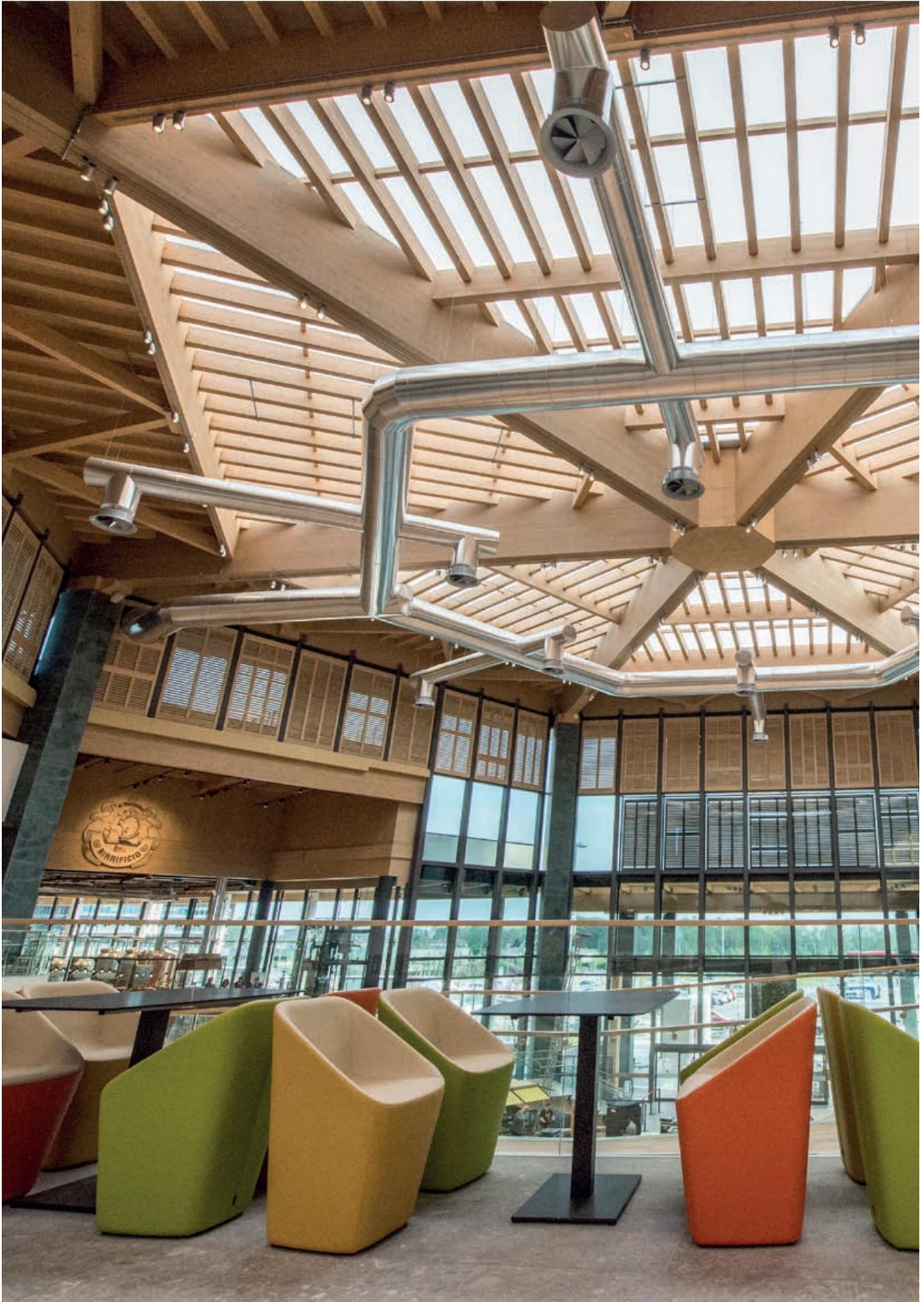
*(Chairman)*

*(Standing Auditor)*

*(Standing Auditor)*

Digitally signed by:  
BO ANDREA  
Signed on 26/03/2021 17:34  
Certificate Number: 17731156  
Valid from 09/03/2020 to 09/03/2023  
InfoCert Qualified Signature 2

*In consideration of the operational difficulties related to the pandemic spread of Covid-19 and the restrictive regulatory provisions that condition the free movement of people, exceptionally, for the purpose of filing at the Company's headquarters, this report of the board of statutory auditors to the 2020 financial statements, approved unanimously, is digitally signed only by the President, on behalf of the Board.*



**INDEPENDENT  
AUDITOR'S REPORT  
ON THE FINANCIAL  
STATEMENTS AS OF  
31.12.2020**



**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 2020**



## **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 2020, 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 2020, 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.

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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** 05129 Corso Italia 302 Tel. 095 7532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 055 2482811 - **Genova** 16121 Piazza Piccapietra 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 Felissent 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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### ***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.

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 2020, 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 2020 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 2020 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, 26 March 2021

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*





# 05

## PROPOSALS FOR THE ASSEMBLY

Dear Shareholders, in consideration of that stated, we request the Assembly approves the financial statements as submitted.

Regarding the allocation of year's loss, totalling Euro 90,822,237.53 (rounded down in the Statement of Financial Position to 90,822,238), we propose the allocation of the entire amount to reserves.

Specifically, please allocate:

- Euro 58,285.21, as a reduction of the reserve called cancellation gains;
- Euro 8,590,855.00, as a reduction of the reserve called exchange gains;
- Euro 82,173,097.32 as a reduction of the Extraordinary Reserve.

It is also proposed, for the purpose of a clearer presentation of the shareholders' equity items in the financial statements, to cover the amount of the negative reserve called Merger losses arising from the merger by incorporation of Interstrade S.p.A., which took place in 2018, and equal to Euro 2,228,879.12, through the use of the Extraordinary Reserve.

We therefore request you to take suitable measures on that occasion.

Tortona, March 15, 2021

For the Board of Directors  
The Chairman  
Rosario Fiumara







Ready to face all new challenges

[www.itinera-spa.it](http://www.itinera-spa.it)