Atlantia

Press Release

ATLANTIA GROUP'S RESULTS ANNOUNCEMENT FOR NINE MONTHS ENDED 30 SEPTEMBER 2020

Consolidated results for 9M 2020

- 9M 2020 results reflect impact of Covid-19 on traffic registered by Group's operators and take account of cost of undertakings given by Autostrade per l'Italia in latest settlement proposal submitted to Government, amounting to €3.4bn, including €700m in additional provisions recognised from the Interim Report for the six months ended 30 June 2020, compared with the €2.7bn reported in the Annual Report for 2019
- Motorway traffic: down 26.6% in Italy, 30.9% in Spain, 23.2% in France, 34.7% in Chile, 11.8% in Brazil and 14.6% in Mexico
- Airport traffic: down 73.5% at Aeroporti di Roma and 66.3% at Aéroports de la Côte d'Azur
- Operating revenue of €6,223m down €2,597m or 29% (down 26% on like-for-like basis) compared with 9M 2019
- Gross operating profit (EBITDA) of €2,768m down €2,930m or 51% (down 45% on like-for-like basis) compared with 9M 2019
- Loss attributable to owners of parent of €718m compares with profit of €1,038m for 9M 2019
- Operating cash flow of €1,892m down €2,082m or 52% (down 46% on like-for-like basis) compared with 9M 2019
- Capital expenditure amounts to €970m, down €250m (20%) compared with 9M 2019
- Net debt as at 30 September 2020 amounts to €38,483m, up €1,761m compared with 31 December 2019, essentially due to impact of Abertis's acquisition of RCO group in Mexico (totalling €3,172m)
- Completion of sale of 49% stake in Telepass (€1.1bn) and Abertis's acquisition of 100% interest in operator Elizabeth River Crossings in Virginia (USA) (€1bn for total equity) in partnership with Manulife Investment Management

Rome, 13 November 2020 – Today's meeting of the Board of Directors of Atlantia SpA, chaired by Fabio Cerchiai, has approved the Atlantia Group's results announcement for the nine months ended 30 September 2020 ("9M 2020").

At the date of preparation of this results announcement for the nine months ended 30 September 2020, application of the going concern assumption has been confirmed, as required by the applicable laws and accounting standards. The reasons for this decision are described in the Interim Report for the six months ended 30 June 2020 and are also based on developments in talks with the Government, aimed at reaching a Settlement Agreement bringing to an end the dispute involving Autostrade per l'Italia over serious breaches of its concession arrangement.

Despite the fact the remaining risks and uncertainties, previously described in the Interim Report for the six months ended 30 June 2020, Atlantia's Board of Directors has prepared this results announcement for the nine months ended 30 September 2020 on a going concern basis, having concluded that:

- the risk of termination of Autostrade per l'Italia's concession arrangement is not reasonably likely and that there is a reasonable likelihood that a settlement agreement will be reached with the Italian Government;
- the occurrence of liquidity and financial risk for Autostrade per l'Italia and Atlantia is not reasonably likely in the 12 months following approval of the results announcement for the nine months ended 30 September 2020, even if there is a deterioration in traffic estimates due to a resurgence of the Covid-19 pandemic, also bearing in mind Atlantia's agreement with Partners Group AG regarding the sale of a 49% stake in the subsidiary, Telepass SpA (€1,056m), and Atlantia's receipt of a final dividend for 2019 from Abertis HoldCo (€216m).

Group financial review

Introduction

This section presents and analyses the Atlantia Group's reclassified income statement and changes in net debt for the first nine months of 2020, compared with amounts for the same period of the previous year, and the reclassified statement of financial position as at 30 September 2020, compared with the corresponding amounts as at 31 December 2019.

The international financial reporting standards (IFRS) used in the preparation of the consolidated accounts for the nine months ended 30 September 2020 are substantially unchanged with respect to those used in the preparation of the Annual Report for 2019, to which reference should be made.

The reclassified consolidated income statement for the first nine months of 2019 includes certain differences with respect to the information published in the results announcement for the nine months ended 30 September 2019. These reflect completion of the Purchase Price Allocation process following the acquisition of the Abertis group completed at the end of October 2018. A fuller description is provided in the Annual Report for 2019, to which reference should be made.

In addition, the Atlantia Group's scope of consolidation as at 30 September 2020 has changed with respect to 31 December 2019. This essentially reflects completion, in the first half of 2020, of the acquisition by the subsidiary, Abertis Infraestructuras, of the Mexican company, Red de Carreteras de Occidente ("RCO"), as described in the Interim Report for the six months ended 30 June 2020.

There is no further evidence of impairment as at 30 September 2020 in addition to what was reported and accounted for in the Interim Report for the six months ended 30 June 2020.

Disclosure on the impact of Autostrade per l'Italia's proposed Settlement Agreement

With regard to efforts designed to settle the dispute over alleged serious breaches of Autostrade per l'Italia's concession arrangement, following the talks held in 2019 and which have continued in 2020, on 11 July 2020 Autostrade per l'Italia submitted a proposal that, among other things, has increased the funds the company has committed to make available, at its own expense and without any form of recovery, to €3,400m.

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

At the date of preparation of this announcement, the commitments worth €3.4bn thus consist of the following:

a) €1,500m to be used to fund toll discounts and other initiatives benefitting road users, already recognised in "Other provisions for risks and charges" at the time of preparation of the Annual Report for 2019;

b) €1,200m in expenditure that will not be recovered through tolls, an amount that was increased from €700m to €1,200m in the Interim Report for the six months ended 30 June 2020 (an increase of €500m);

c) €700m to fund expenses linked to demolition and reconstruction of the Polcevera road bridge, exemptions from the payment of tolls in the Genoa area throughout 2020 and other costs covered by provisions or already expensed, following an increase of €200m in the Interim Report for the six months ended 30 June to take into account the increase in commitments proposed by Autostrade per l'Italia from €500m to €700m.

As at 30 September 2020, Autostrade per l'Italia has incurred total expenses of €471m, including:

a) €408m (of which €129m in the first nine months of 2020) at the request of the Special Commissioner for Genoa to cover the cost of demolition and reconstruction of the Polcevera road bridge;

b) €63m in compensation for the families of the victims and the injured, to cover legal expenses and to provide financial support to small businesses and firms (including €12m paid in the first nine months of 2020).

Disclosure on the impact of the Covid-19 pandemic

Since the end of February 2020, the restrictions on movement, imposed by many governments in response to the global spread of the Covid-19 pandemic, have resulted in significant reductions in the volumes of traffic using the motorways and airports operated under concession by the Group. The following table shows the impact on the main countries in which the Group operates in the first nine months of 2019.

	TOLL MOTORWAYS						AIRPORTS	
	Italy	**Spain**	**France**	**Brazil**	**Chile**	**Mexico**	**Italy**	**France**
	km travelled	*km travelled*	*km travelled*	*km travelled*	*km travelled*	*km travelled*	*passengers*	*passengers*
January	2.8%	2.8%	7.7%	1.7%	-7.6%	6.7%	-0.2%	5.3%
February	1.7%	8.5%	4.9%	8.9%	-3.1%	5.8%	-8.9%	5.2%
March	-60.5%	-42.4%	-41.3%	-18.5%	-29.9%	-9.3%	-81.2%	-62.0%
April	-80.4%	-78.9%	-79.6%	-38.2%	-53.0%	-39.4%	-98.3%	-99.4%
May	-55.1%	-65.6%	-56.0%	-23.5%	-54.5%	-32.3%	-97.5%	-98.5%
June	-23.4%	-40.4%	-22.9%	-16.4%	-53.8%	-18.7%	-93.4%	-92.1%
July	-13.2%	-16.6%	-5.0%	-16.9%	-50.7%	-18.5%	-82.9%	-68.0%
August	-5.1%	-21.6%	-5.1%	-6.4%	-39.6%	-14.5%	-77.9%	-54.6%
September	-7.3%	-15.7%	-8.4%	2.3%	-27.1%	-6.5%	-81.7%	-69.9%
Progressive % change (from 1 January 2020 to 30 September 2020)	**-26.6%**	**-30.9%**	**-23.2%**	**-11.8%**	**-34.7%**	**-14.6%**	**-73.5%**	**-66.3%**
October	-15.1%	-21.8%	-12.5%	4.1%	-5.4%[1]	-1.9%	-84.3%	-73.0%
Progressive % change (from 1 January 2020 to 31 October 2020)	**-25.5%**	**-30.0%**	**-22.2%**	**-10.1%**	**-32.1%**	**-13.3%**	**-74.6%**	**-67.0%**

In terms of operating segment, airport operators were the most affected compared with motorway operators, reflecting the global crisis that has hit the airline industry throughout the world.

[1] The change in traffic registered in Chile in October is influenced by the impact of protests that took place last year from 18 October 2019.

With regard to motorway traffic, the most significant reductions were registered by the Chilean operators, reflecting the prevalently urban nature of the motorways operated, and by the European operators as opposed to those in Brazil and Mexico. This primarily reflects the different timing of the outbreak of Covid-19 and of the resulting restrictions on movement introduced by governments in the countries in which the Group operates.

The reduction in operating revenue, amounting to €2,161m on a like-for-like basis (down 26%) compared with the first nine months of 2019, is broadly linked to the reduction in traffic caused by the above restrictions on movement.

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

The impact of the Covid-19 pandemic has also reduced operating cash flow on a like-for-like basis, after capital expenditure during the period, by €1,498m (58%) compared with the first nine months of 2019.

Information on the outlook regarding the impact of the Covid-19 pandemic on the Group is provided below in the “Outlook”.

Consolidated results of operations

Reclassified consolidated income statement(*)

€M	9M 2020	9M 2019 (restated)	INCREASE/ (DECREASE)	%
Toll revenue	5,132	7,049	-1,917	-27%
Aviation revenue	202	637	-435	-68%
Other operating income	889	1,134	-245	-22%
Total operating revenue	**6,223**	**8,820**	**-2,597**	**-29%**
Cost of materials and external services	-1,802	-1,715	-87	5%
Concession fees	-332	-469	137	-29%
Staff costs	-926	-1,098	172	-16%
Operating change in provisions	-395	160	-555	n/s
Total operating costs	**-3,455**	**-3,122**	**-333**	**11%**
Gross operating profit (EBITDA)	**2,768**	**5,698**	**-2,930**	**-51%**
Amortisation, depreciation, impairment losses and reversals of impairment losses	-2,883	-2,929	46	-2%
Provisions for renewal work and other adjustments	-68	-80	12	-15%
Operating profit/(loss) (EBIT)	**-183**	**2,689**	**-2,872**	**n/s**
Financial expenses, net	-1,065	-818	-247	30%
Share of profit/(loss) of investees accounted for using the equity method	-34	7	-41	n/s
Profit/(Loss) before tax from continuing operations	**-1,282**	**1,878**	**-3,160**	**n/s**
Income tax (expense)/benefit	318	-541	859	n/s
Profit/(Loss) from continuing operations	**-964**	**1,337**	**-2,301**	**n/s**
Profit/(Loss) from discontinued operations	1	1	-	-
Profit/(Loss) for the period	**-963**	**1,338**	**-2,301**	**n/s**
Profit/(Loss attributable to non-controlling interests	-245	300	-545	n/s
Profit/(Loss) attributable to owners of the parent	**-718**	**1,038**	**-1,756**	**n/s**

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

"Operating revenue" for the first nine months of 2020 totals €6,223m, down €2,597m (29%) compared with the first nine months of 2019 (€8,820m). On a like-for-like basis, operating revenue is down €2,161m (26%), essentially due to the impact of the Covid-19 pandemic.

"Toll revenue" of €5,132m is down €1,917m compared with the first nine months of 2019 (€7,049m). After stripping out exchange rate movements, which had a negative impact of €227m due to the weakness of the South American currencies, toll revenue is down €1,690m. This primarily reflects the following:

a) the impact of the Covid-19 pandemic, which resulted in declines in traffic using the Italian motorway network (down 26.6%), the Abertis group's network (down 23.9%) and overseas motorways (down 23.4%), resulting in reductions in toll revenue of €693m, €712m and €119m, respectively;
b) changes in the scope of consolidation and the expiry of certain concessions in the two comparative periods, reducing revenue by a total of €166m. This essentially reflects the expiry of the concession held by the Spanish company, Aumar, at the end of 2019, only partially offset by the contribution from RCO following the acquisition of control of this company in the second quarter of 2020.

"Aviation revenue" of €202m is down €435m compared with the first nine months of 2019 (€637m), primarily reflecting the impact of the Covid-19 pandemic on traffic volumes at Aeroporti di Roma (passenger traffic down 73.5%) and at the Aéroports de la Côte d'Azur group (passenger traffic down 66.3%), resulting in reductions in revenue of €372m and €63m, respectively.

"Other operating income", totalling €889m, is down €245m compared with the first nine months of 2019 (€1,134m). This essentially reflects a combination of the following:
a) a reduction in non-aviation revenue at Aeroporti di Roma (€126m) and at the Aéroports de la Côte d'Azur group (€56m), primarily due to the decline in revenue generated by retail sub-concessions following the fall in traffic and the closure of terminals;
b) reduced revenue from the Italian motorways segment (€78m), primarily due to motorway sub-concessions and resulting from a reduction in sales and measures taken to support oil and food service providers affected by the Covid-19 emergency;
c) the insurance proceeds (€38m) received by Autostrade per l'Italia in the first nine months of 2019 following quantification of the amount payable solely under existing third-party liability insurance policies for the Polcevera road bridge;
d) increased revenue generated by Pavimental from work for external customers (€59m).

"Operating costs" of €3,455m are up €333m compared with the first nine months of 2019 (€3,122m). This primarily reflects increased provisions made by Autostrade per l'Italia, partially offset by reduced concession fees and lower staff costs.

The "Cost of materials and external services and other costs" amounts to €1,802m, an increase of €87m compared with the first nine months of 2019 (€1,715m). After stripping out the impact of exchange rate movements (€64m) and the reduction in costs relating to reconstruction of the

Polcevera road bridge in Genoa, totalling €54m (costs of €135m in the first nine months of 2020 and €189m in the first nine months of 2019), the increase of €205m is essentially due to:

a) the increased costs incurred by Autostrade per l'Italia (€257m), primarily due to continuation of the tunnel inspection and maintenance programme;
b) a €52m reduction in operating costs, essentially following the series of initiatives taken by Group companies to mitigate the impact of the Covid-19 pandemic.

"Concession fees", totalling €322m, are down €137m compared with the first nine months of 2019 (€469m), primarily due to the reductions in motorway and airport traffic.

"Staff costs" of €926m are down €172m (€1,098m in the first nine months of 2019), due primarily to the following:

a) the adoption of furlough schemes and other steps taken by the Group's operators to cut staff costs in response to the impact of the Covid-19 pandemic (€115m);
b) a reduction in the fair value of the Group's staff incentive plans, reflecting the fall in Atlantia's share price between the two comparative periods (€48m);
c) recognition, in the first nine months of 2019, of the costs incurred following the resignation of Atlantia's then Chief Executive Officer following the conclusion of a settlement agreement (€13m).

The "Operating change in provisions" in the first nine months of 2020 generated expense of €395m (income of €160m in the first nine months of 2019), essentially due to the following:

a) an increase in provisions for repair and replacement work by Group companies, amounting to €177m, primarily due to provisions of €187m made by Autostrade per l'Italia and essentially relating to the improvement maintenance plan for network infrastructure to be carried out in the regulatory period 2020-2024 (in line with the Financial Plan submitted to the Ministry of Infrastructure and Transport). This change also takes into account the use of provisions to fund work on demolition and reconstruction of the Polcevera road bridge, totalling €129m (€181m in the first nine months of 2019);
b) additional provisions for risks and charges of €218m, including €200m reflecting an updated estimate of the additional costs to be incurred in connection with ongoing talks with the Government and the Ministry of Infrastructure and Transport (the "MIT") aimed at settling the dispute involving Autostrade per l'Italia.

"Gross operating profit" (EBITDA) of €2,768m is down €2,930m compared with the first nine months of 2019 (€5,698m, marking a fall of 51%). On a like-for-like basis, gross operating profit is down €2,448m (45%).

"Amortisation and depreciation, impairment losses and reversals of impairment losses", totalling €2,883m, is down €46m compared with the first nine months of 2019 (€2,929m). This primarily reflects reduced amortisation and depreciation following changes in the scope of consolidation and the expiry of certain concessions (€167m) and falls in the value of South American currencies against the euro (€99m), partially offset by impairment losses on the goodwill attributable to Aéroports de la Côte d'Azur (€94m) and on A4's intangible assets deriving from concession rights (€109m), previously recognized in the Interim Report for the six months ended 30 June 2020.

"Provisions for renewal work and other adjustments", amounting to €68m, are down €12m compared with the first nine months of 2019 (€80m). This primarily reflects updated estimates of the present value of renewal work to be carried out on the infrastructure operated under concession by Aeroporti di Roma and Aéroports de la Côte d'Azur.

The "Operating loss" (negative EBIT) of €183m marks a deterioration of €2,872m compared with the first nine months of 2019 (a profit of €2,689m).

"Net financial expenses" of €1,065m are up €247m compared with the same period of 2019 (€818m). This essentially reflects:

a) increased expenses incurred in the form of fair value losses on Forward Starting Interest Rate Swaps held by Atlantia and Autostrade per l'Italia that do not qualify for hedge accounting (€72m), and recognition of the ineffective portion of derivatives entered into by Azzurra Aeroporti (€24m);
b) an increase in interest expense incurred by Atlantia (€48m), essentially linked to the revolving credit facilities of €3,250m that Atlantia drew down in full in January 2020 and partially repaid in November 2020;
c) the increase in the impairment loss on financial assets deriving from the concession rights guaranteed by the Grantor to the Argentine operators, GCO and Ausol, compared with the amount recognised in the same period of the previous year (€158m in the first nine months of 2020 and €25m in the first nine months of 2019), and the impairment loss on the investment in Aeroporto di Bologna, totalling €35m;

d) the overall positive impact, amounting to €145m, of movements in South American currencies against the euro and the application of IAS 29 - Financial Reporting in Hyperinflationary Economies (Argentina).

"Tax benefits" amount to €318m, marking a change of €859m compared with tax expense of €541m for the same period of 2019. The change is essentially linked to the pre-tax loss resulting from the above performance.

The first nine months of 2020 closed with a "Loss for the period" of €963m, compared with profit of €1,338m for the first nine months of 2019. This marks a deterioration of €2,301m, primarily due to the fall in traffic caused by the Covid-19 pandemic.

The "Loss for the period attributable to owners of the parent", amounting to €718m, compares with the profit of €1,038m recorded in the first nine months of 2019, marking a deterioration of €1,756m.

Consolidated financial position

Reclassified statement of financial position(*)

€M	30 September 2020	31 December 2019	INCREASE/ (DECREASE)
Non-current non-financial assets (A)	67,021	66,144	877
Working capital (B)	-3,021	-2,714	-307
Gross invested capital (C=A+B)	**64,000**	**63,430**	**570**
Non-current non-financial liabilities (D)	-12,211	-11,805	-406
NET INVESTED CAPITAL (E=C+D)	**51,789**	**51,625**	**164**
Equity attributable to owners of the parent	5,679	7,408	-1,729
Equity attributable to non-controlling interests	7,627	7,495	132
Equity (F)	**13,306**	**14,903**	**-1,597**
Non-current net debt (G)	44,990	39,042	5,948
Current net debt/(net funds) (H)	-6,507	-2,320	-4,187
Total net debt (I=G+H)	**38,483**	**36,722**	**1,761**
NET DEBT AND EQUITY (L=F+I)	**51,789**	**51,625**	**164**

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

As at 30 September 2020, "Non-current non-financial assets", totalling €67,021m, are up €877m compared with 31 December 2019, essentially due to:

a) an increase of €1,742m in intangible assets, primarily resulting from provisional recognition of the fair value of concession rights following consolidation of the RCO group, amounting to

€5,722m, and investment in intangible assets totalling €520m. These changes are partially offset by amortization and depreciation for the period of €2,741m and the negative impact of translation differences, totalling €1,770m, primarily reflecting significant falls in the value of the Brazilian real and, to a lesser extent, the Chilean peso against the euro;

b) a reduction of €1,028m in the value of investments, primarily due to the movement in the fair value of the investment in Hochtief (€796m), linked to the sharp fall in the investee's share price as at 30 September 2020 compared with 31 December 2019 (€66.5 and €113.7 per share, respectively) and the sale, in 2020, of the investment in the French operator, Alis, the carrying amount of which at the transaction date was €117m.

"Working capital" reports a negative balance of €3,021m, marking an increase of €307m compared with the negative balance of €2,714m as at 31 December 2019. The change essentially reflects a reduction in current tax assets, after a reduction in current tax liabilities (€376m), due primarily to the collection of tax credits by Abertis Infraestructuras in 2020 (€622m) and an increase in current provisions at Autostrade per l'Italia, essentially due to the provisions of €200m linked to ongoing talks with the Government and the Ministry of Infrastructure and Transport and Autostrade per l'Italia's provisions for construction services required by contract (€244m). These changes were partially offset by a reduction in trading liabilities (€213m) linked to the decline in activity caused by the Covid-19 pandemic.

"Non-current non-financial liabilities", totalling €12,211m, are up €406m compared with 31 December 2019 (€11,805m). The change primarily reflects:

a) an increase in deferred tax liabilities of €493m, reflecting the provisional value of the concession rights recognised following first-time consolidation of the RCO group, contributing a total of €1,192m, offset by both the reduction attributable to net translation differences recognised during the period, totalling €271m, and releases during the period of €562m linked to amortisation of the gains recognized on the concession rights of other Group companies;
b) an increase in non-current provisions (€236m), primarily linked to an updated estimate of the present value on completion of works funded from provisions for the repair and replacement of Autostrade per l'Italia's motorway infrastructure;
c) a reduction of €272m in provisions for construction services required by contract, primarily due to the reclassification of €505m to the current portion, partially offset by the RCO group's contribution, amounting to €202m.

"Equity attributable to owners of the parent and non-controlling interests" totals €13,306m (€14,903m as at 31 December 2019).

"Equity attributable to owners of the parent", totalling €5,679m, is down €1,729m compared with 31 December 2019, primarily reflecting a combination of the following:

a) the loss for the period attributable to owners of the parent (€718m);
b) the reduction in the fair value of the investment in Hochtief (an after-tax loss of €787m), partially offset by a €247m after-tax increase in fair value gains on fair value hedges (entered into as part of the collar financing transaction involving around a third of the shares held in Hochtief);
c) the reduction of €393m in the currency translation reserve, primarily due to falls in value of the Brazilian real and the Chilean peso against the euro as at 30 September 2020 compared with 31 December 2019;
d) a reduction in the cash flow hedge reserve (after the related taxation amounting to €82m), essentially connected with the decline in interest rates during the period.

"Equity attributable to non-controlling interests" of €7,627m is up €132m compared with 31 December 2019 (€7.495m). This essentially reflects a combination of the following:

a) the loss for the period attributable to non-controlling interests (€245m);
b) the consolidation of RCO, contributing equity attributable to non-controlling interests of €1,346m;
c) the reduction of €729m in the currency translation reserve, primarily due to falls in value of the Brazilian real and the Chilean peso against the euro as at 30 September 2020 compared with 31 December 2019;
d) the distribution of equity reserves of €254m to non-controlling shareholders, primarily by Abertis HoldCo;
e) a reduction in the cash flow hedge reserve (after the related taxation amounting to €33m), essentially connected with the above-mentioned decline in interest rates during the period.

"Net debt" as at 30 September 2020 amounts to €38,483m, an increase of €1,761m compared with 31 December 2019 (€36,722m). This reflects events described in greater detail below in the section, "Consolidated cash flow". The main changes in financial liabilities regard the first-time consolidation of the RCO group, contributing a total of €1,988m as at 30 September 2020 and essentially consisting of bonds totalling €1,298m and medium/long-term borrowings of €638m.

"Net financial debt", an indicator usually used by analysts and rating agencies to assess the Group's financial structure, amounts to €40,844m as at 30 September 2020, marking an increase of €1,308m compared with 31 December 2019 (€39,536m). This primarily reflects the acquisition of RCO (€3,172m) and investment during the period (€970m), partially offset by the cash flow generated during the period (€1,892m) and the impact of exchange rate movements (€881m).

As at 30 September 2020, the Group's gross debt amounts to €51,429m, including €31,014m represented by bond issues and €20,415m by bank borrowings.

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

70.1% of the Group's debt is fixed rate. After taking into account the related hedges, fixed rate debt represents 78.0% of the total.

As at 30 September 2020, the weighted average cost of the Atlantia Group's medium/long-term borrowings, including differentials on hedging instruments, is 3.2% (reflecting the combined effect of the 2.5% cost of euro-denominated debt, the 4.2% paid on debt denominated in Chilean pesos and the 6.2% paid on debt denominated in Brazilian reals).

As at 30 September 2020, the Atlantia Group has cash reserves of €16,616m, consisting of:

a) €10,585m in cash and cash equivalents and/or investments maturing in the short term, including €3,762m attributable to Atlantia;
b) €6,031m in committed lines of credit not drawn on, having an average residual term of approximately four years and nine months and a weighted average residual drawdown period of approximately four years. As regards the two committed lines of credit amounting to €1.3bn obtained by Autostrade per l'Italia from Cassa Depositi e Prestiti, following a request to draw down €200m from the Revolving Credit Facility, Cassa Depositi e Prestiti has so far not proceeded to make any disbursement.

On 5 November 2020, Atlantia repaid the Revolving Credit Facility of €2,000m (having a final term to maturity expiring in November 2021), having decided, after 30 September 2020, that it would not renew its use. The full amount of this facility is, therefore, once again available.

Also with regard to the financial position, in May 2020, Autostrade per l'Italia began the process of applying for a credit facility of €1,250m that would benefit from a guarantee provided by SACE under art. 1, paragraph 7 of law Decree 23 of 8 April 2020 (the so-called *Liquidità* Decree). At the date of preparation of this results announcement, the arrangement process is still ongoing.

Consolidated cash flow

Consolidated statement of changes in net debt (*)

€M	9M 2020	9M 2019 (restated)
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Operating cash flow	**1,892**	**3,974**
Change in operating capital	-222	-396
Other changes in non-financial assets and liabilities	99	174
Net cash generated from/(used in) operating activities (A)	**1,769**	**3,752**
NET CASH FROM/(USED IN) INVESTMENT IN NON-FINANCIAL ASSETS		
Capital expenditure	-970	-1,220
Government grants related to assets held under concession	3	5
Increase in financial assets deriving from concession rights (related to capital expenditure)	61	67
Purchases of investments	-	-4
Investment in consolidated companies, including net debt assumed	-3,182	-16
Proceeds from sale of property, plant and equipment, intangible assets and unconsolidated investments	161	12
Proceeds from sales of consolidated investments, including net debt transferred	51	-
Net change in other non-current assets	29	49
Net cash from/(used in) investment in non-financial assets (B)	**-3,847**	**-1,107**
NET EQUITY CASH INFLOWS/(OUTFLOWS)		
Dividends declared by Atlantia	-	-736
Dividends declared by Group companies and payable to non-controlling shareholders	-24	-441
Proceeds from exercise of rights under share-based payment plans	-	1
Distribution of reserves and returns of capital to non-controlling shareholders	-229	-459
Net equity cash inflows/(outflows) (C)	**-253**	**-1,635**
Increase/(Decrease) in cash and cash equivalents during period (A+B+C)	**-2,331**	**1,010**
Change in fair value of hedging derivatives	155	-801
Non-cash financial income/(expenses)	88	186
Effect of foreign exchange rate movements on net debt and other changes	327	-159
Impact of first-time adoption of IFRS 16 as at 1 January 2019	-	-137
Other changes in net debt (D)	**570**	**-911**
Decrease/(Increase) in net debt for period (A+B+C+D)	**-1,761**	**99**
Net debt at beginning of period	**36,722**	**38,791**
Net debt at end of period	**38,483**	**38,692**

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

The Atlantia Group's net debt increased by €1,761m in the first nine months of 2020 as a result of the following events.

“Net cash from operating activities” amounts to €1,769m, a reduction of €1,983m compared with the comparative period (€3,752m). This is broadly due to the reduction of €2,082m in operating cash flow, reflecting the negative impact of the Covid-19 pandemic on the traffic registered by the Group’s motorway and airport operators.

“Net cash used for investment in non-financial assets” in the first nine months of 2020 amounts to €3,847m (€1,107m in the first nine months of 2019). The increase of €2,740m primarily reflects:

a) Abertis Infraestructuras’s acquisition of control of the Mexican operator, RCO, for €3,172m, including net debt assumed;
b) a reduction of €250m in capital expenditure in the first nine months of 2020;
c) the amount collected on the sale of the investment in the French operator, Alis, totalling €152m.

“Net equity cash outflows” amount to €253m in the first nine months of 2020 and reflect the payment of dividends and the distribution of equity reserves to non-controlling shareholders. The reduction of €1,382m compared with the same period of 2019 (€1,635m) essentially reflects dividends declared and payable to Atlantia’s shareholders (€736m) and those declared by other Group companies and payable to non-controlling shareholders (€441m), as well as the distribution of equity reserves by Abertis HoldCo (€432m) in the first nine months of 2019.

Overall, cash flows from operating activities in the first nine months of 2020, less cash used for investment and net equity cash outflows, have resulted in an increase in net debt of €2,331m.

“Other changes in net debt” have reduced net debt by €570m, primarily due to the fall in value of the Brazilian real against the euro. In the first nine months of 2019, “Other changes in net debt” increased net debt by €911m, essentially due to an increase in fair value losses on hedging derivatives.

Operating review by segment

Italian motorways (Autostrade per l'Italia Group)[2]

Italian motorways €m	9M 2020	9M 2019	Change	% change
Operating revenue	**2,297**	3,115	-818	*-26%*
EBITDA	**481**	1,903	-1,422	*-75%*
Operating cash flow	**529**	1,180	-651	*-55%*
Capital expenditure	**345**	396	-51	*-13%*
Millions of km travelled				
Traffic	**28,895**	39,357	-10,462	-26.6%

Traffic during the first nine months of 2020 was significantly impacted by the effects of the spread of Covid-19 in Italy from the last week in February and the Government's subsequent imposition of restrictions on movement.

Traffic on the motorway network operated by Autostrade per l'Italia and its subsidiaries declined 26.6% in the first nine months of 2020 compared with the same period of the previous year. The reduction primarily regarded the number of kilometres travelled by vehicles with 2 axles, which is down 29.2%, whilst the figure for vehicles with 3 or more axles is down 9.4%.

The Group's Italian motorway operations generated operating revenue of €2,297m in the first nine months of 2020, a reduction of €818m compared with the same period of the previous year (€3,115m). On a like-for-like basis, operating revenue is down €784m (25%).

Toll revenue of €2,124m is down €693m compared with the same period of 2019 (€2,817m). The reduction broadly reflects the downturn in traffic due to the impact of Covid-19.

Other operating income is down €125m. This primarily reflects reduced income from motorway service areas on Autostrade per l'Italia's network (down €64m), following a reduction in sales and measures taken by to support oil and food service providers affected by the Covid-19 emergency. In addition, it should be noted that the figure for the first nine months of 2019 included insurance proceeds of approximately €38m, following agreement with the company's insurance company regarding quantification of the amount payable solely under existing third-party liability insurance policies for the Polcevera road bridge.

[2] The results of the Abertis group's Italian motorway businesses, presented in the operating segment "Abertis group", are not included.

The cost of materials and external services reflects the additional costs incurred by Autostrade per l'Italia (up €257m, after the costs connected with work on reconstruction of the Polcevera road bridge), primarily linked to work on tunnels.

Concession fees are down €86m as a result of the reduction in traffic and in royalties from services areas in the first nine months of 2020.

Staff costs are down €40m, essentially reflecting a decline in the average workforce (down 215 on average), a reduction in the average cost (following activation of the ordinary wage guarantee fund or *CIGO* and other effects of the Covid-19 emergency) and a reduction in the fair value of management incentive plans, partially offset by an increase in costs following renewal of the national collective labour agreement.

The "Operating change in provisions" generated expense of €394m (income of €137m in the comparative period). The performance is essentially linked to:

- the operating change in the provisions for the repair and replacement of motorway infrastructure which, after stripping out the effect of the use of provisions to fund demolition and reconstruction of the Polcevera road bridge (€129m paid from provisions made in previous years), results in net provisions of €322m. These provisions essentially relate to the improvement maintenance plan for Autostrade per l'Italia's network infrastructure, due to be carried out in the regulatory period 2020-2024 (in line with the Financial Plan submitted to the Ministry of Infrastructure and Transport);
- new provisions for risks and charges of €200m made by Autostrade per l'Italia, reflecting an updated estimate of the additional costs to be incurred in connection with ongoing talks with the Government and the MIT aimed at settling the dispute between the parties.

EBITDA for the first nine months of 2020 amounts to €481m, a reduction of €1,422m compared with the same period of 2019 (€1,903m). On a like-for-like basis, EBITDA is down €1,209m (63%).

Operating cash flow in the first nine months of 2020 amounts to €529m, a reduction of €651m compared with the first nine months of 2019 (€1,180m). This primarily reflects the negative impact of the spread of Covid-19 and an increase in maintenance work carried out on Autostrade per l'Italia's network. On a like-for-like basis, operating cash flow is down €702m (51%).

Capital expenditure in the first nine months of 2020 amounts to €345m (€396m in the first nine months of 2019). Work on the following projects continued:

- projects included in the Agreement of 1997, with particular regard to the widening of the A1 between Barberino and Florence North and between Florence South and Incisa to three lanes. The most important of the works completed is the boring of the Santa Lucia Tunnel. The tunnel forms part of the planned upgrade of the Barberino–Florence North section of the A1, which is a natural continuation of the *Variante di Valico*. Boring of the tunnel began on 26 April 2017 and was completed on 8 June 2020;

- projects included in the IV Addendum of 2002, with particular regard to works involved in completion of the widening to three lanes of the A14, the interventions included in the second phase of the Tunnel Safety Plan, preparatory work for the Genoa Bypass (the so-called *Gronda*) and work on the fifth lane of the A8 motorway between Milan and the Lainate Link Road;
- other capital expenditure, with particular regard to the continuation of work on the development of new technologies and ongoing improvements to quality and safety standards on the network, as well as to the major works involved in the upgrade and improvement of infrastructure, primarily relating to construction of the fourth free-flow lane for the A4 in the Milan area.

Abertis group

Abertis group €m	9M 2020	9M 2019	Change	% change
Operating revenue	2,988	4,059	-1,071	*-26%*
EBITDA	1,917	2,812	-895	*-32%*
Operating cash flow	1,157	2,018	-861	*-43%*
Capital expenditure	307	454	-147	*-32%*
Millions of km travelled				
Traffic	41,566	55,751	-14,185	*-25.4%*

The Abertis group's traffic fell by 25.4% overall in the first nine months of 2020 compared with the same period of the previous year. On a like-for-like basis, the decrease is 23.9%[3].

COUNTRY	TRAFFIC (MILLIONS OF KM TRAVELLED) 9M 2020	9M 2019	% change
Spain	5,299	7,665	-30.9%
France	9,818	12,792	-23.2%
Italy	3,092	4,273	-27.6%
Brazil	12,288	13,734	-10.5%
Chile	3,804	5,949	-36.0%
Mexico	3,013	3,528	-14.6%
Argentina	2,032	3,782	-46.3%
Puerto Rico	1,306	1,694	-22.9%
India	706	928	-23.9%
Total	41,357	54,346	-23.9%

Operating revenue for the first nine months of 2020 amounts to €2,988m, a reduction of €1,071m (26%) compared with the same period of the previous year, in part due to the fall in value of South American currencies.

On a like-for-like basis, revenue is down €731m (20%), primarily due to the decline in traffic caused by the Covid-19 pandemic.

[3] The changes in traffic shown do not take into account the changes in scope occurring between 2019 and 2020. In Spain, Aumar's concession expired in December 2019, whilst in Brazil, Centrovias's concession expired in June 2020 and Autovias's concession was expanded in July 2019 with the addition of the Via Paulista concession). In contrast, for comparative purposes, the figures for 2019 in Mexico include the contribution of the Mexican group, RCO, consolidated from the first half of 2020.

€M COUNTRY	OPERATING REVENUE 9M 2020	9M 2019	% change
Spain	684	1,178	-42%
France	1,111	1,359	-18%
Italy	247	322	-23%
Brazil	326	465	-30%
Chile	256	426	-40%
Argentina	65	94	-31%
Puerto Rico	89	121	-26%
India	18	24	-25%
Mexico*	131	-	-
Other activities	61	70	-13%
Total	2,988	4,059	-26%

* RCO contributes to the results for the first nine months for 5 months from May.

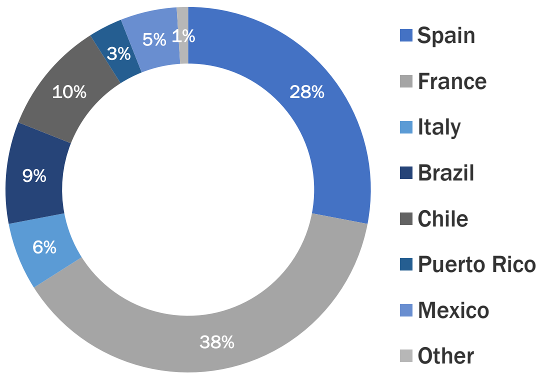
EBITDA for the first nine months of 2020 amounts to €1,917m, a reduction of €895m (32%) compared with the same period of the previous year. On a like-for-like basis and after stripping out exchange rate movements, EBITDA is down €651m (26%).

Abertis group companies implemented extraordinary measures to contain costs in response to the pandemic, including the use of income support schemes for workers adopted by governments in the various countries.

€M COUNTRY	EBITDA 9M 2020	9M 2019	% change
Spain	534	987	-46%
France	728	929	-22%
Italy	110	173	-36%
Brazil	171	245	-30%
Chile	192	341	-44%
Argentina	11	19	-42%
Puerto Rico	61	88	-31%
India	11	17	-35%
Mexico*	104	-	-
Other activities	-5	13	n/s
Total	1,917	2,812	-32%

* RCO contributes to the results for the first nine months for 5 months from May.

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



The Abertis group's operating cash flow amounts to €1,157m for the first nine months of 2020, a decline of €861m compared with the same period of 2019. This primarily reflects the negative impact of the spread of Covid-19 and the expiry of Aumar's concession in Spain on 31 December 2019, partially offset by the contribution from the RCO group from the second quarter of 2020. On a like-for-like basis, operating cash flow is down €496m (30%).

The Abertis group's capital expenditure amounts to €307m in the first nine months of 2020. This primarily regards the investment programmes being carried out by the Brazilian operators and work on the *Plan de Relance* investment programme in France.

€M COUNTRY	CAPITAL EXPENDITURE 9M 2020	 9M 2019
Spain	7	12
France	73	145
Italy	12	22
Brazil	165	200
Chile	30	57
Mexico	15	-
Other activities	5	18
Total	**307**	**454**

Other overseas motorways[4]

Overseas motorways €m	9M 2020	9M 2019	Change	% change
Operating revenue	341	523	-182	*-35%*
EBITDA	237	390	-153	*-39%*
Operating cash flow	208	292	-84	*-29%*
Capital expenditure	92	91	1	*1%*
Millions of km travelled				
Traffic	5,346	6,978	-1,633	*-23.4%*

In the first nine months of 2020, traffic on the networks managed by the Group's overseas operators fell 23.4% overall compared with the same period of 2019, reflecting the impact of the Covid-19 pandemic.

COUNTRY	TRAFFIC - KM TRAVELLED (IN MILLIONS)		
	9M 2020	9M 2019	% change
Brazil	2,758	3,321	-16.9%
Chile	1,963	2,885	-32.0%
Poland	625	772	-19.1%
TOTAL	**5,346**	**6,978**	**-23.4%**

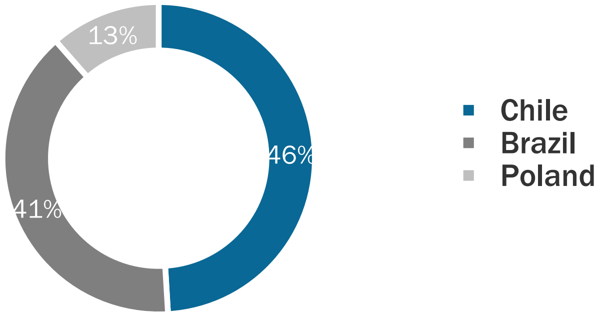
The overseas motorways segment generated operating revenue of €341m in the first nine months of 2020, a reduction of €182m (35%) compared with the same period of the previous year, in part due to the fall in value of South American currencies. On a like-for-like basis, operating revenue is down €111m (21%), primarily due to the decline in traffic caused by the Covid-19 pandemic.

Total EBITDA of €237m is down €153m (39%) compared with the first nine months of 2019. On a like-for-like basis, EBITDA is down €103m (27%), reflecting the above decline in revenue and the negative impact of changes in provisions following a revised estimate of the cost of road surface maintenance, partially offset by a reduction in concession fees.

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

€M COUNTRY	EBITDA 9M 2020	 9M 2019	 % change
Brazil	98	148	-34%
Chile	108	214	-50%
Poland and other	31	28	+11%
Total	237	390	-39%

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



Capital expenditure in the first nine months of 2020 amounts to €92m, including approximately €66m in Chile primarily relating to payments to the Grantor by the operators, Americo Vespucio Oriente II and Conexión Vial Ruta 78 Hasta Ruta 68, as their contributions to the cost of expropriations in accordance with the related concession arrangements. Work has also been completed on the *Santiago Centro Oriente* upgrade programme.

Operating cash flow amounts to €208m for the first nine months of 2020, a reduction of €84m compared with the same period of 2019. This primarily reflects the negative impact of Covid-19 and declines in the value of the Brazilian real and the Chilean peso against the euro. On a like-for-like basis, operating cash flow is down €43m (15%).

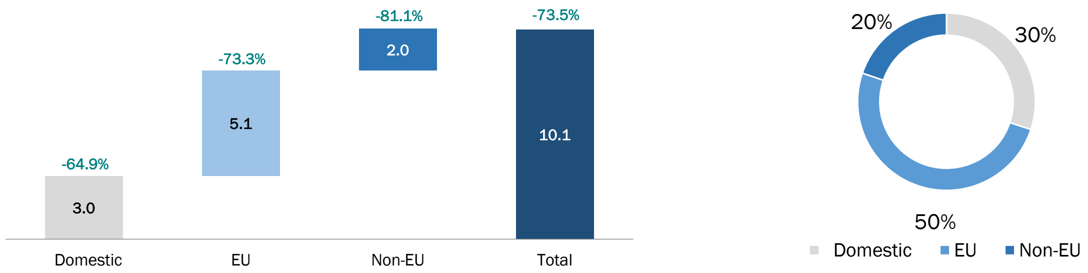
Italian airports

Italian airports	9M 2020	9M 2019	Change	% change
€m				
Operating revenue	228	726	-498	-69%
EBITDA	45	460	-415	-90%
Operating cash flow	53	337	-284	-84%
Capital expenditure	102	178	-76	-43%
Passengers in millions				
Traffic	10.1	38.1	-28	-73.5%

The global spread of Covid-19 led to a sharp decline in passenger traffic, which continued in the third quarter of the current year.

The Roman airport system handled 73.9% fewer passengers in the first nine months of 2020, compared with the same period of 2019.

Breakdown of traffic using the Roman airport system in 9M 2020
(millions of pax and change 9M 2020 vs 9M 2019)



In particular, Fiumicino airport registered a 74.4% decline in passenger traffic, whilst at Ciampino airport passenger numbers were down 67.0% compared with the first nine months of 2019.

Operating revenue for the first nine months of 2020 amounts to €228m, a reduction of €498m (69%) compared with the same period of the previous year. Aviation revenue of €145m is down by a total of €372m (72%), reflecting the decline in traffic. Other operating income of €82m is down €126m (61%) compared with the first nine months of the previous year, primarily due to reduced income from retail sub-concessions and car parks, reflecting the above fall in traffic and the resulting concentration of operations at Terminal 3, following the closure of the other two terminals at Fiumicino.

EBITDA of €45m is down €415m (90%) compared with the same period of the previous year. The reduction in revenue was partially offset by the impact of cuts to the cost of materials and external services, a reduction in staff costs, due partly to the use of government income support schemes (*CIGS*), and lower concession fees linked to the performance of traffic.

Operating cash flow amounts to €53m for the first nine months of 2020, a reduction of €284m compared with the same period of 2019.

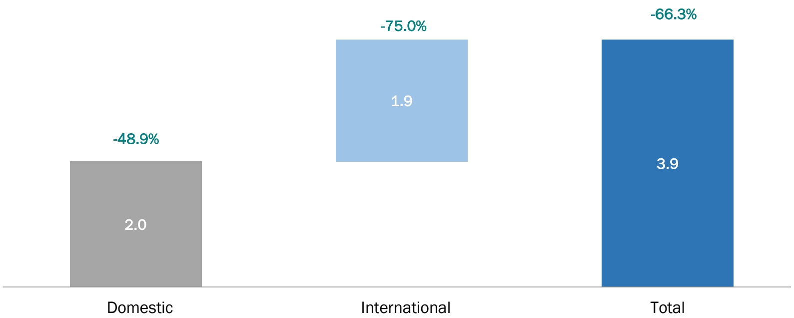
Capital expenditure in the first nine months of 2020 reflected the slowdown in work caused by the lockdown in spring 2020 and amounts to €102m (€178m in the first nine months of 2019). The work carried out in the first quarter primarily regarded the continuation of work on increasing capacity, in line with the planned expansion of the terminals in the eastern part of Fiumicino airport, whilst work in the following six months consisted solely of interventions deemed essential in order to meet regulatory and safety requirements, and work on projects at an advanced stage and practically close to completion.

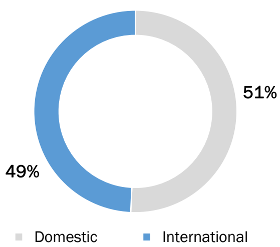
Overseas airports

Overseas airports	9M 2020	9M 2019	Change	& change
€m				
Operating revenue	108	228	-120	*-53%*
EBITDA	21	103	-82	*-80%*
Operating cash flow	-11	73	-84	*n/s*
Capital expenditure	24	35	-11	*-31%*
Passengers in millions				
Traffic	3.9	11.5	-8	-66.3%

Nice airport handled 3.9m passengers in the first nine months of 2020, a reduction of 66.3% compared with the same period of the previous year and reflecting the spread of the Covid-19 pandemic.

Breakdown of traffic using Nice airport in 9M 2020
(millions of pax and change 9M 2020 vs 9M 2019)





The Group's overseas airports segment generated operating revenue of €108m in the first nine months of 2020, down €120m (53%) compared with the first nine months of 2019.

Aviation revenue of €57m is down 53% compared with the first nine months of 2019. This reflects a combination of the impact on traffic of the spread of the Covid-19 pandemic and the negative impact of the French transport regulator's decision to reduce airport fees, which are 33% lower from 15 May 2019.

Other operating income of €51m is down €56m compared with the same period of the previous year, primarily due to reduced income from retail sub-concessions and car parks, reflecting the above fall in traffic in the first nine months of 2020.

EBITDA of €21m is down €82m compared with the first nine months of 2019 (down 80%). The reduction in revenue was partially offset by the impact of cuts in the cost of materials and external services and staff costs, due in part to the use of government income support schemes.

Negative operating cash flow for the first nine months of 2020 amounts to €11m, a deterioration of €84m compared with the same period of 2019. This essentially reflects the negative impact of Covid-19 and of the French transport regulator's decision to reduce airport fees from May 2019.

The Aéroports de la Côte d'Azur group's capital expenditure amounts to €24m in the first nine months of 2020 (€35m in the same period of 2019). Expenditure primarily regarded continued work on the safety of infrastructure.

Significant concession-related, regulatory and legal aspects

In addition to the information already provided in the Annual Report for 2019 and the Interim Report for the six months ended 30 June 2020, this section provides details of updates or new developments relating to significant concession-related, regulatory and legal issues affecting Group companies and occurring through to the date of approval of this results announcement for the three months ended 30 September 2020.

Italian motorways

Talks with the Government regarding the procedure for serious breach of Autostrade per l'Italia's Concession Arrangement

The letters sent by Autostrade per l'Italia ("ASPI") on 11, 13, 14 and 15 July 2020 (the latter two also signed by the parent, Atlantia) contained a proposal aimed at resolving the dispute with the Government resulting from allegations made by the Ministry of Infrastructure and Transport (the "MIT" or the "Grantor") regarding serious breaches of the Concession Arrangement following the collapse of a section of the Polcevera road bridge.

Atlantia's letter of 14 July 2020, among other things, expressed a willingness to enter into an agreement to carry out a market transaction designed to result in Atlantia giving up control of ASPI and make it possible for a publicly owned entity, such as Cassa Depositi e Prestiti ("CDP"), to acquire an interest, whilst respecting the rights of ASPI's existing minority shareholders.

A series of meetings between ASPI, the MIT, the Ministry of the Economy and Finance (the "MEF") and the Cabinet Office were then held from 31 July 2020 with the aim of resolving the dispute and agreeing on the related documents, including the "Settlement Agreement" and the "Outline Addendum to the Single Concession Arrangement". Among other things, the two documents are intended to amend numerous provisions in the concession arrangement and the operator's obligations, to revise many elements of the Financial Plan, and to establish the procedures to be followed and the conditions to be met in order to settle the dispute and render the Addendum and the Financial Plan effective. On 4 August 2020, however, ASPI noted that there were differences between the nature of certain obligations and commitments to be assumed by the operator under the above documents and those previously agreed on.

Following further correspondence, on 23 September 2020, the Government sent a draft of the Settlement Agreement, stating that it was final and that it had applied a number of the changes proposed by ASPI and specifying, among other things, that, with regard to the changes it could not accept, "the second condition set out in art. 10 of the Agreement may not be removed". This condition subjects effectiveness of the Settlement Agreement to completion of the transaction that would result in CDP acquiring a stake in ASPI.

In response to this latter communication, on 29 September 2020, ASPI submitted the Agreement to the above Government departments to be finalised and ratified. The Agreement contained the changes deemed necessary to comply with the commitments given and just one request for removal of the above condition precedent. In the same letter, ASPI stated that, were the Government to be unwilling to conclude the agreement previously reached, the rights granted under the Concession Arrangement, and previously referred to in the latter dated 22 June 2020, would continue to apply.

On 29 September 2020, Atlantia also replied to the Government's letter dated 23 September. In addition to referring to certain aspects regarding the sale of ASPI, the letter noted that the Government's request to make effectiveness of the settlement agreement dependent on the Company's transfer of control of ASPI to CDP is to no extent pertinent to or in line with the objective of the agreement, nor with the content of the commitments in the letter sent by Atlantia to the Government on 14 July, which states that approval of the settlement agreement cannot be subject to the sale of ASPI.

On 2 October, ASPI followed up on previous correspondence regarding the allegations made as part of the dispute over serious breaches of its Concession Arrangement, sending the Grantor a copy of the Technical Report drawn up by its consultants in connection with the criminal case brought before the Court of Genoa. The Report identifies "the effective causes that led to the collapse of a section of the Polcevera road bridge, linked to events for which the Operator cannot be held responsible". The Technical Report points to "clear evidence of unseen defects during construction of the bridge that were in no way observable during maintenance activity, and a number of related external events". Declaring a willingness to quickly arrange a meeting to provider further clarification, ASPI thus requested that the dispute be brought swiftly to a conclusion.

On 2 October, ASPI also informed ANAS that, on the basis of the analyses and checks being carried out as part of the pre-trial investigation, the Polcevera road bridge suffered from a number of construction defects that were neither observable or predictable, reserving the right to take any action or file any claim against ANAS in relation to its then role as the contracting authority responsible for commissioning the bridge's construction, and without prejudice to any right of recourse.

On 8 October 2020, ASPI informed the MIT, the MEF and the Cabinet Office that it was willing to reach a negotiated settlement of the dispute. In this regard, "solely for the purpose of further facilitating conclusion of the Agreement", the Company expressed its willingness to sign the Settlement Agreement attached to the letter from the Government dated 23 September without any changes, with the sole exception of removal of the condition precedent contained in art. 10 for the reasons explained in previous correspondence.

On 5 November 2020, with reference to the letter of 8 October 2020 in which ASPI expressed its willingness to sign the Agreement, and noting that such Agreement, together with the revised Financial Plan and the Addendum, form three indivisible parts of any agreement settling the dispute, ASPI sent the Grantor the draft Addendum with the proposed changes previously discussed with the Grantor. The letter of 5 November also contained a request for a meeting so as to rapidly arrive at a final version of the Addendum.

Five-yearly update of ASPI's Financial Plan

In a letter dated 3 August 2020, the MIT set out its conclusions regarding the proposed Financial Plan submitted by ASPI on 23 July 2020, setting out the changes to be made.

Following further talks with the Grantor and the Government, on 14 September, ASPI again submitted the Financial Plan, containing a number of clarifications and summary tables requested by the Grantor .

On 14 October 2020, the Transport Regulator ("ART") published the opinion provided to the MIT in accordance with art. 43 of Law Decree 201 of 2011 regarding the update of the Financial Plan. The regulator's opinion expresses certain reservations regarding the Plan drawn up by ASPI which, though it substantially applies the Tariff System devised by ART, includes a number of clear differences in terms of application that could potentially be reflected in the level of the tolls charged to road users.

On 17 October 2020, ASPI sent the Grantor and the other Government departments referred to above its observations on the opinion published by ART on the proposed update of the Financial Plan. The company noted that, despite the ongoing legal dispute over introduction of the regulator's new tariff system, ASPI was willing to evaluate potential application of the new system under procedures agreed on with the Grantor, as part of the agreed settlement of the dispute over serious breaches and alongside finalisation of the Agreement and the Addendum to the Single Concession Arrangement. In view of this, ASPI invited the departments involved "*to take all the necessary steps to rapidly approve the Financial Plan submitted on 14 September 2020 on the previously agreed basis, and to quickly sign the Agreement bringing an end to the dispute, in accordance with the terms set out in the previous letter of 8 October 2020, in relation to which the company is immediately willing to reach agreement on the Addendum*".

In its letter dated 22 October 2020, the Grantor, in response to the proposed Financial Plan submitted by ASPI on 14 September 2020 and the regulator's opinion, requested ASPI to amend the proposed plan and to provide clarifications, details and documentation regarding a number of concerns raised by the Authority. In this regard, it should be noted that discussions between ASPI and the MIT aimed at finalizing the procedure for updating the Economic and Financial Plan are continuing.

Negotiations with Cassa Depositi e Prestiti and launch of the dual-track process

In parallel with the talks between ASPI and the MIT, Atlantia has held a series of talks with CDP. The talks have brought to light material difficulties in proceeding with the negotiations, not only in terms of agreeing on the methods to use in order to determine ASPI's market value, but also in relation to new and significant requests from CDP for further commitments in addition to those set out in Atlantia's letter of 14 July 2020.

For this reason, whilst the Company continued to stand by its commitment to implement the proposals in the letter of 14 July 2020, the Board of Directors decided that it was necessary to seek alternative solutions for separating the Company and ASPI. It was necessary for such solutions to provide the market with certainty, in terms of both timing and transparency, whilst also meeting the indispensable need to protect the rights of all the investors and stakeholders involved. In particular, on 4 August 2020, the Board of Directors decided to examine the possibility of proceeding with a dual-track process based on the following options:

- the outright sale via a competitive international auction – managed by independent advisors – of the Company's 88% stake in ASPI, in which CDP could participate alongside other institutional investors of its choosing, as already suggested; or alternatively
- the partial, proportional demerger of a stake of up to 88% in ASPI through the creation of a beneficiary company to be listed on the stock market, thus creating a contestable public company.

As previously reported, the MIT sent ASPI the proposed Settlement Agreement, attaching the Addendum to the Single Concession Arrangement in which effectiveness of the Settlement Agreement was made conditional on completion of the corporate restructuring in accordance with the outcome of the talks with CDP.

On 9 September 2020, believing that it was duty bound to report information on events and transactions capable of impacting on the correct functioning of the single market and, in particular, of the capital markets union, Atlantia wrote to the European Commission to report the inadmissibility of the provision unilaterally introduced into the text of the Settlement Agreement.

On 23 September, the Government then expressly requested ASPI to accept the text of the Settlement Agreement containing the condition subjecting the Agreement's effectiveness to completion of the transaction between Atlantia and CDP.

On 24 September, in view of the difficulties that had emerged during talks with CDP, and the resulting impossibility of reaching a positive conclusion to the negotiations, Atlantia's Board of

Directors decided to launch the dual-track process that would lead to the disposal of Atlantia's investment in Autostrade per l'Italia whatever the circumstances. This was in keeping with what was communicated to the Italian Government on 14 July 2020 and designed to provide market transparency, whilst also safeguarding the interests of all Atlantia's and ASPI's stakeholders. To this end, the Board approved the plan for the partial, proportional demerger of Atlantia in favour of the newly established beneficiary, Autostrade Concessioni e Costruzioni SpA, and, at the same time, launched a competitive auction, managed by independent financial advisors, with a view to the outright sale of the Company's 88% stake in ASPI.

On 29 September 2020, Atlantia wrote to the Government stating that , in line with the letter of 14 July 2020, the sale of ASPI could only be concluded under real market conditions, following the conclusion of a settlement agreement between ASPI and the MIT and agreement on a regulatory and tariff framework. Such conditions were indispensable for the bankability of the investment programme and to ensure ASPI's long-term attractiveness to investors. In addition, Atlantia repeated that the Government's request to make effectiveness of the Settlement Agreement dependent on the Company's transfer of control of ASPI to CDP is to no extent pertinent to the agreement itself and is entirely outside the authority granted to the Grantor under the Single Concession Arrangement.

On 8 October 2020, the Government and CDP sent another letter expressing their wish that Atlantia could see its way "*to reconsidering the position expressed in the latter dated 9 September, with particular regard, among other things, to the issues surrounding the process of assessing statements and guarantees*" and, in any event, expressing a hope that the talks could restart.

On 13 October 2020, Atlantia's Board of Directors, in a spirit of cooperation, agreed to examine potential proposals put forward by CDP – acting together with other Italian and international investors – for a possible agreement, as referred to in the letter of 14 July, for the outright purchase of the Company's interest in ASPI, provided that the transaction is concluded on the basis of a fair market value for the stake.

On 19 October 2020, CDP Equity SpA, The Blackstone Group International Partners and Macquarie Infrastructure and Real Assets submitted a preliminary offer to acquire the stake in ASPI. However, whilst welcoming the offer, Atlantia's Board of Directors deemed that the terms of the offer did not adequately reflect the fair market value of the stake.

On 27 October 2020, CDP Equity SpA, The Blackstone Group Partners and Macquarie Infrastructure and Reals Assets submitted a new joint offer.

Atlantia's Board of Directors then met again on 28 October 2020 to discuss this new offer. Whilst continuing to believe that the terms of the offer do not adequately reflect the fair market value of the stake, the Board decided to continue talks with CDP and its co-investors with a view to

enabling them to produce a satisfactory, binding offer by no later than 30 November 2020, without, however, granting CDP and its co-investors an exclusive period.
Also on 28 October 2020, in response to the letter unexpectedly sent by the MIT to ASPI on 22 October 2020, regarding the opinion provided to the MIT by the Transport Regulator, the Board of Directors also decided to withdraw item 3 on the agenda for the Extraordinary General Meeting of shareholders ("EGM") originally scheduled for 30 October 2020. This item regarded the partial, proportional demerger in favour of Autostrade Concessioni e Costruzioni SpA. In this letter, the MIT, on the basis of the observations made by ART, requests that "*in order to proceed with the approval process... it is necessary to amend the Financial Plan*" submitted by ASPI on 14 September 2020. This has effectively cast doubt on key aspects of the Plan previously considered to have been agreed on following lengthy negotiations between ASPI and the relevant ministries. Finalisation of the Financial Plan constitutes a key prerequisite for the conclusion of a Settlement Agreement between MIT and ASPI, and thereby for the agreed resolution of the dispute regarding serious breaches of the Concession Arrangement.

At the same meeting, the Board of Directors decided to call a new General Meeting to deliberate on the same agenda item for no later than 15 January 2021, in the expectation that in the meantime it will be possible to resolve all the related uncertainties.

Investigation by the Public Prosecutor's Office in Genoa

The collapse of a section of the Polcevera road bridge has resulted in criminal action before the Court of Genoa against 39 personnel, including executives and other people employed at Autostrade per l'Italia's Rome headquarters and the relevant area office in Genoa.
On 5 October 2020, the technical consultants appointed by ASPI and the people under investigation filed a document demonstrating that the collapse was caused by unnoticed construction defects and an external factor.
Subsequently, on 15 October, following a request from the court-appointed experts to carry out further technical examinations, the preliminary investigating magistrate further extended the deadline for completion of the expert investigation until 30 October 2020 and, as a result, the deadline for filing the expert technical report until 30 November 2020. The hearing at which the report is to be discussed is now scheduled to take place on 11 January 2021.

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

With regard to Autostrade Meridionali's appeal to the Campania Regional Administrative Court against the decision to award the SIS Consortium the new concession to operate the A3 Naples-Pompei-Salerno motorway, requesting its cancellation after suspension of the award, on 13 May

2020, the Court rejected Autostrade Meridionali's request for a provisional injunction halting the award and, at the same time, scheduled a hearing on the merits of the case to be held on 7 October 2020. Following this hearing, on 21 October 2020, the Campania Regional Administrative Court's ruling, turning down Autostrade Meridionali's appeal, was published. As a result, the appeal lodged by SIS was ruled inadmissible.

Overseas airports

ACA: application for the endorsement of tariffs

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

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

On 30 July 2020, the Transport Regulator did not endorse the proposed tariffs, merely approving the component relating to PRM (Persons with Reduced Mobility) services. French regulations provide for the option of submitting a second tariff proposal within a month, as a result of which, on 28 August 2020, ACA submitted a second proposal.

Subsequently, on 17 September 2020, the Transport Regulator endorsed the tariffs for Nice and Cannes for the period from 1 November 2020 to 31 October 2021, which envisage a 3.0% increase in the fees charged for regulated services at the airports of Nice and Cannes (landing/takeoff, passenger boarding, etc.).

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

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

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

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

Atlantia SpA's net debt

€M	30 September 2020	31 December 2019	INCREASE/ (DECREASE)
Cash	3,057	551	2,506
Cash equivalents	705	-	705
Intercompany current account receivables due from related parties	3	46	-43
Cash and cash equivalents (A)	**3,765**	**597**	**3,168**
Current financial assets (B)	**362**	**19**	**343**
Intercompany current account payables due to related parties	2	6	-4
Current portion of medium/long-term financial liabilities	76	48	28
Current derivative liabilities	-	1	-1
Other current financial liabilities	-	80	-80
Current financial liabilities (C)	**78**	**135**	**-57**
Current net debt/(net funds) (D=A+B+C)	**4,049**	**481**	**3,568**
Medium/long-term borrowings	7,244	3,986	3,258
Bond issues	1,737	1,736	1
Non-current derivative liabilities	361	246	115
Non-current financial liabilities (E)	**9,342**	**5,968**	**3,374**
Net debt/(net funds) as defined by ESMA recommendation (F=D+E)	**5,293**	**5,487**	**-194**
Non-current financial assets (G)	**757**	**686**	**71**
Net debt/(net funds) (H=F+G)	**4,536**	**4,801**	**-265**

As at 30 September 2020, Atlantia SpA has net debt of €4,536m, down €265m compared with 31 December 2019 (€4,801m).

Non-current financial liabilities of €9,342m as at 30 September 2020 are up €3,374m compared with 31 December 2019 (€5,968m), essentially due to use of the full amount available under revolving credit facilities (amounting to €3,250m) in January 2020.

Correspondingly, current net funds of €4,049m as at 30 September 2020 are up €3,568m compared with 31 December 2019 (€481m), due to the above use of revolving credit facilities, and collection of the proceeds from the assignment, completed in January 2020 for a sum of €278m, of receivables due on sterling-denominated bonds issued by Aeroporti di Roma and held by Atlantia. As at 31 December 2019, these receivables were accounted for in non-current financial assets at a value of €277m.

Atlantia Group's net debt

€M	30 September 2020	31 December 2019	INCREASE/ (DECREASE)
Cash	9,053	4,172	4,881
Cash equivalents	1,532	1,060	472
Cash and cash equivalents (A)	**10,585**	**5,232**	**5,353**
Current financial assets (B)	**1,091**	**1,308**	**-217**
Current account overdrafts repayable on demand	37	30	7
Current portion of medium/long-term financial liabilities	4,352	3,620	732
Other financial liabilities	780	570	210
Current financial liabilities (C)	**5,169**	**4,220**	**949**
Current net debt (D=A+B+C)	**6,507**	**2,320**	**4,187**
Bond issues	29,622	26,628	2,994
Medium/long-term borrowings	17,960	15,204	2,756
Other non-current borrowings	2,176	1,994	182
Non-current financial liabilities (E)	**49,758**	**43,826**	**5,932**
(Net funds) / Net debt as defined by ESMA recommendation (F=D+E)	**43,251**	**41,506**	**1,745**
Non-current financial assets (G)	**4,768**	**4,784**	**-16**
Net debt (H=F+G)	**38,483**	**36,722**	**1,761**

As at 30 September 2020, the Group has net debt of €38,483m, up €1,761m compared with 31 December 2019 (€36,722m).

Non-current financial liabilities of €49,758m are up €5,932m compared with 31 December 2019 (€43,826m). This is primarily due to the above use of revolving credit facilities by Atlantia SpA, totalling €3,250m and the non-current financial liabilities contributed following the acquisition and resulting consolidation of the Mexican group, RCO (totalling €1,903m) by the subsidiary,

Abertis Infraestructuras. The impact of these events was partially offset by reclassification to the current portion of medium/long-term borrowings of a portion of Autostrade per l'Italia's borrowings from the EIB and CDP, solely for the purposes of paragraph 69 of IAS 1, as described in greater detail in the Interim Report for the six months ended 30 June 2020, and the repayment of medium/long-term borrowings (€2,542m) and bonds (€1,712m).
Current net funds of €6,507m are up €4,187m compared with 31 December 2019 (current net funds of €2,320m), primarily reflecting the above reclassification to short-term of a portion of Autostrade per l'Italia's borrowings from the EIB and CDP, Atlantia SpA's use of the revolving credit facilities and bond issues and new medium/long-term borrowings and, to a lesser extent, operating cash flow after capital expenditure during the period.

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

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

Atlantia S.p.A.

€M	30 September 2020	*of which past due*
Financial liabilities	9,420	-
Trading liabilities	7	*1*
Tax liabilities	23	-
Amounts payable to staff	13	-
Social security contributions payable	1	-
Other liabilities	15	*3*
Total liabilities	**9,479**	***4***

No action has been taken by Atlantia SpA's creditors as at 30 September 2020 involving material amounts or items deemed critical with regard to the Company's operations.

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

Gruppo Atlantia

€M	30 September 2020	*of which past due*
Financial liabilities	54,927	-
Trading liabilities	2,030	164
Tax liabilities	191	-
Amounts payable to staff	192	-
Social security contributions payable	53	-
Other liabilities	1,057	12
Total liabilities	**58,450**	**176**

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

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

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

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

a) the above reduction of €277m in receivables due on sterling-denominated bonds issued by Aeroporti di Roma (accounted for in other non-current financial assets as at 31 December 2019) following completion of their assignment to third parties in January 2020;

b) the increase in financial assets due to the loan granted to Autostrade per l'Italia in June 2020, having a nominal value of €350m (with repayment due in December 2020) and forming part of the €900m in financial support that Atlantia committed to provide to the subsidiary in April 2020;

c) full repayment (€80m) in August 2020 of the deposit (classified in other current financial liabilities) received from Telepass;

d) partial repayment (€76m) in July 2020 of the loan (classified in non-current financial assets) granted to Autostrade dell'Atlantico (maturing in 2022).

In the Atlantia Group's case, on the other hand, there has been a reduction in trading assets due from Autogrill (€11m as at 30 September 2020) compared with 31 December 2019 (€35m), reflecting partial collection of receivables due as at 31 December 2019, in addition to the impact of the decline in turnover resulting from the restrictions on movement introduced in response to the spread of the Covid-19 pandemic.

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

With respect to compliance with covenants, negative pledge provisions and other provisions involving restrictions on the use of cash by Group companies, following the downgrade of its ratings to below investment grade by two out of three rating agencies on 8 January 2020, a number of loan agreements entered into by Autostrade per l'Italia SpA with the EIB and CDP may trigger requests for early repayment. At the date of preparation of this document, neither the EIB nor CDP has made any request for early repayment.
Furthermore, with regard to two committed lines of credit amounting to €1.3bn obtained by Autostrade per l'Italia from Cassa Depositi e Prestiti, following a request to draw down €200m from the Revolving Credit Facility, Cassa Depositi e Prestiti has so far not proceeded to make any disbursement.
Finally, as a result of the negative impact of Covid-19 on the operating results and financial position of Group companies, a number of them have entered into negotiations with their lenders in order to obtain, on a precautionary and preventive basis, covenant holidays at the measurement date of 31 December 2020 and, where suitable, at subsequent measurement dates. At the date of preparation of this document, a most of such holidays have been approved and formalised.

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

Details of the impact of the spread of the Covid-19 pandemic on traffic figures are provided in the section, "Financial review for the Atlantia Group" in this announcement. The "Outlook" reports on the sensitivity analysis conducted in order to assess the potential impact on revenue and operating cash flow after capital expenditure in 2020, compared with 2019, as previously presented in the Group's periodic results announcements published in 2020.

Events after 30 September 2020

Sale of 49% stake in Telepass to Partners Group

On 17 October 2020, Atlantia agreed to sell a 49% stake in Telepass to the global private markets investment manager, Partners Group AG.

The purchase consideration for the investment was €1,056m. The sale is subject to the normal clearance and conditions for this type of transaction and is expected to complete in the first half of 2021. Atlantia will retain control of the company which will, therefore, continue to be consolidated by the Atlantia Group.

Abertis adopts new dividend policy

On 3 November 2020, the Board of Directors of Abertis Infraestructuras decided to adopt a new dividend policy, targeting an annual dividend payout of €600m in 2021 and 2022.

On 12 November 2020, Atlantia also collected from Abertis HoldCo the remaining 50% (equal to €216m) of the dividend for 2019 received from Abertis Infraestructuras.

Abertis: acquisition of Elizabeth River Crossings in the USA

On 9 November 2020, Abertis Infraestructuras, in partnership with Manulife Investment Management, agreed to acquire a 100% interest in the holder of the concession (until 2070) for the Elizabeth River Crossings tunnel in Virginia for a total consideration of approximately €1bn.

Under the partnership agreement, Abertis will own between 51% and 68% of Elizabeth River Crossings. Abertis (and thus Atlantia) will control the company, consolidating it on a line-by-line basis in its accounts.

Events after the end of the reporting period connected with the investigation conducted by the Public Prosecutor's Office in Genoa regarding the installation of integrated safety and noise barriers on the A12

On 11 November 2020, precautionary measures were applied to four former managers of Autostrade per l'Italia, including the then Chief Executive Officer, the former Head of Operational Maintenance and Investment, the former Central Operations Director, the former Director of Genoa Area Office 1 and two engineers employed by the Company immediately suspended from their office.

The measures relate to the investigation being conducted by the Public Prosecutor's Office in Genoa regarding the installation and maintenance of "Integautos" model noise barriers on approximately 60 of the 3,000 km of network operated by Autostrade per l'Italia.

Autostrade per l'Italia became aware of the investigation following the inspections carried out on 10 December 2019. As far as the company is aware, the people under investigation, for their alleged responsibility at the time the offences were committed, are the Head of Operational Maintenance and Investment, the Central Operations Director, the Joint General Manager for New Works at Autostrade per l'Italia and the Chief Executive Officer of SPEA Engineering SpA, who are suspected of the offences in articles 110 ("aiding and abetting"), 81 ("continuing offence"), 356 ("public procurement fraud") and 432 ("violation of transport safety regulations") of the criminal code.

All of the barriers were inspected and appropriate steps taken to make them safe between the end of 2019 and January 2020, as part of a general assessment of motorway infrastructure initiated by Autostrade per l'Italia across the entire network. At the same time, at the beginning of 2020, the company agreed with the Grantor to replace the barriers.

As regards the two engineers to which the precautionary measures apply, and who are the only ones to be still employed by the company, Autostrade per l'Italia has activated the procedures provided for in the relevant contract, resulting in their immediate suspension. The company will consider further action where appropriate.

Consideration of possible strategic options for the subsidiary, Stalexport Autostrady SA

On 11 November 2020, following a number of unsolicited expressions of interest from potential international investors, Atlantia has begun to examine a number of potential strategic options for its Polish subsidiary, Stalexport Autostrady SA. This includes the start of a process leading to the partial or full sale of its 61.2% interest in the company. Any subsequent decision will be submitted for examination by the Board of Directors.

Outlook

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

It is not currently possible to predict how the situation will develop or how long it will take to return to the Group's pre-existing levels of traffic and of activity.

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

In view of a resurgence of the Covid-19 pandemic, the new restrictions on movement imposed by many governments to contain the spread and the expected negative impact this will have on the performance traffic compared with earlier estimates, we are likely to see the results for 2020 come in below those indicated by the preliminary sensitivity analysis previously reported. We therefore estimate a potential reduction in the Group's revenue of around €3.5bn (in place of the earlier estimate of €3.0bn) compared with the figure for 2019 and a reduction in operating cash flow, after capital expenditure, of €2.2bn (in place of the earlier estimate of €2.0bn), again when compared with the figures for 2019. These estimates also take into account the impact of falls in the value of South American currencies (with an estimated impact on the Group's revenue of over €200m). The assumptions underlying such a sensitivity analysis are subject to change depending on events and on a number of risk factors and uncertainties. As a result, the impacts may differ, perhaps significantly, from the above figures. The above impacts should be considered as forecasts of a purely indicative nature and based on the above assumptions. They are subject to revision based on future traffic projections as the situation evolves and, as such, do not constitute the outlook for the Group or future performance targets.

Group companies are closely monitoring developments and continue to assess the need for further efficiencies and changes to investment programmes. They are also looking at the possibility of taking advantage of government initiatives introduced in the various countries in which the Group operates, with the aim of mitigating the impact on earnings and financial strength.

Explanatory notes

Alternative performance indicators

The Group's performance is assessed on the basis of a number of alternative performance indicators ("APIs"), calculated on the same basis used in the Group's Annual Report for 2019, to which reference should be made. In application of the CONSOB Ruling of 3 December 2015, governing implementation in Italy of the guidelines for alternative performance indicators ("APIs") issued by the European Securities and Markets Authority (ESMA), the composition of each indicator and reconciliations with reported amounts are provided below:

- "Operating revenue" includes toll revenue, aviation revenue and other operating income, and differs from revenue in the statutory consolidated income statement in that revenue from construction services, recognised under IFRIC 12 on the basis of the cost of materials and external services, service costs, staff costs, other operating costs and financial expenses relating to construction services incurred, is presented in the reclassified income statement as a reduction in the respective items under operating costs and financial expenses;
- "Gross operating profit (EBITDA)" is the synthetic indicator of gross profit from operations, calculated by deducting operating costs, with the exception of amortisation, depreciation, impairment losses and reversals of impairment losses, provisions for the renewal of assets held under concession and other adjustments, from operating revenue;
- "Operating profit (EBIT)" is the indicator that measures the operating return on the capital invested in the business, calculated by deducting amortisation, depreciation, impairment losses and reversals of impairment losses, provisions for the renewal of assets held under concession and other adjustments from EBITDA. Like EBITDA, EBIT does not include the capitalised component of financial expenses relating to construction services, which is shown in a specific item under financial income and expenses in the reclassified statement. This component is, however, included in revenue in the statutory consolidated income statement, thereby representing the sole difference with respect to operating profit;
- "Net invested capital", showing the total value of non-financial assets, after deducting non-financial liabilities;
- "Net financial debt" is a synthetic indicator of the financial structure and is based on the nominal redemption value of bond issues, medium/long-term and short-term borrowings, including bank overdrafts repayable on demand, and after deducting cash;
- "Net debt", being the indicator of the portion of net invested capital funded by net financial liabilities, which consist of "Current and non-current financial liabilities" after deducting "Current and non-current financial assets" (which essentially include financial assets deriving from concession rights, totalling €3,320m as at 30 September 2020, attributable to the concessions held by the Group in Spain, Chile and Argentina and Autostrade Meridionali's takeover rights, totalling €411m as at 30 September 2020) and "Cash and cash equivalents";
- "Capital expenditure", being the indicator of the total amount invested in development of the Group's businesses, calculated as the sum of cash used in investment in property, plant and equipment, in assets held under concession and in other intangible assets, not including investments in investees;
- "Operating cash flow", being the indicator of cash generated by or used in operating activities. Operating cash flow is calculated as profit for the period + amortisation/depreciation +/- impairments/reversals of impairments of assets +/- provisions/releases of provisions in excess of requirements and uses of provisions + other adjustments + financial expenses from discounting of provisions + dividends received from investees accounted for using equity method +/- the share of profit/(loss) of investees accounted for using equity method in profit or loss +/- (losses)/gains on sale of assets +/- other non-cash items +/- deferred tax assets/liabilities recognised in profit or loss.

A number of APIs, calculated as above, are also presented after applying certain adjustments in order to provide a consistent basis for comparison over time, or in application of a different financial statement presentation deemed to be more effective in describing the financial performance of specific activities of the Group. These adjustments to APIs are linked to "Like-for-like changes", as described in greater detail below.

Operating segments

Operating revenue, EBITDA, operating cash flow and capital expenditure for each operating segment is shown below.

€M	ITALIAN MOTORWAYS		ABERTIS GROUP		OVERSEAS MOTORWAYS		ITALIAN AIRPORTS		OVERSEAS AIRPORTS		ATLANTIA AND OTHER ACTIVITIES		CONSOLIDATION ADJUSTMENTS		TOTAL ATLANTIA GROUP	
	9M		9M		9M		9M		9M		9M		9M		9M	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
REPORTED AMOUNTS																
External revenue	2,255	3,064	2,988	4,059	340	522	227	725	108	228	305	222	-	-	6,223	8,820
Intersegment revenue	42	51	-	-	1	1	1	1	-	-	320	316	-364	-369	-	-
Total operating revenue	**2,297**	**3,115**	**2,988**	**4,059**	**341**	**523**	**228**	**726**	**108**	**228**	**625**	**538**	**-364**	**-369**	**6,223**	**8,820**
EBITDA	**481**	**1,903**	**1,917**	**2,812**	**237**	**390**	**45**	**460**	**21**	**103**	**69**	**32**	**-2**	**-2**	**2,768**	**5,698**
Operating cash flow	**529**	**1,180**	**1,157**	**2,018**	**208**	**292**	**53**	**337**	**-11**	**73**	**-43**	**75**	**-1**	**-1**	**1,892**	**3,974**
Capital expenditure	**345**	**396**	**307**	**454**	**92**	**91**	**102**	**178**	**24**	**35**	**69**	**66**	**31**	**-**	**970**	**1,220**

Like-for-like changes

To provide a consistent basis for comparison of certain performance indicators for the two comparative periods, the following table shows a reconciliation of like-for-like consolidated amounts, for the two periods, for operating revenue, gross operating profit (EBITDA) and operating cash flow based on the consolidated results presented above.

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

1) Change in scope of consolidation and other minor changes: for the first nine months of 2020, the contribution of the Mexican operator, RCO, acquired in the first half of 2020; for the first nine months of 2020, the contributions of the Brazilian operator, Autovias, and the Spanish operator, Aumar, whose concession arrangements expired in July and December 2019, respectively; for both comparative periods, the contributions of the Brazilian operators, Centrovias, whose concession arrangement expired in May 2020, and Autovias, whose concession was expanded in July 2019 with the addition of the concession awarded to Via Paulista, a company that began operating in January 2019, and of Electronic Transaction Consultants (ETC), sold in July 2020;
2) Exchange rate movements and impact of hyperinflation: for the first nine months of 2020 alone, the difference between foreign currency amounts for the first nine months of 2020 for companies with functional currencies other than the euro, converted at average exchange rates for the period, and the matching amounts converted using average exchange rates for the same period of 2019; for both comparative periods, the impact of application of accounting standard IAS 29 – Financial Reporting in Hyperinflationary Economies in response to inflation in Argentina;
3) Impact connected with the collapse of a section of the Polcevera road bridge: for both comparative periods, the reduction in toll revenue and increase in operating costs resulting from the collapse of a section of the Polcevera road bridge;
4) Change in the discount rate applied to provisions: for both comparative periods, the impact of the difference in the discount rates applied to the provisions accounted for among the Atlantia Group's liabilities .

Operating revenue

9M 2020

€M	Note	Italian motorways	Abertis group	Overseas motorways	Italian airports	Overseas airports	Atlantia and other activities	Consolidation adjustments	Total
Reported amounts (A)		2,297	2,988	341	228	108	625	-364	6,223
Adjustments for non like-for-like items									
Change in scope of consolidation and other minor changes	(1)		235				58		293
Exchange rate movements and impact of hyperinflation	(2)		-158	-71			-		-229
Impact connected with collapse of a section of the Polcevera road bridge	(3)	-10							-10
Sub-total (B)		**-10**	**77**	**-71**	**-**	**-**	**58**	**-**	**54**
Like-for-like amounts (C) = (A)-(B)		2,307	2,911	412	228	108	567	-364	6,169

9M 2019

€M	Note	Italian motorways	Abertis group	Overseas motorways	Italian airports	Overseas airports	Atlantia and other activities	Consolidation adjustments	Total
Reported amounts (A)		3,115	4,059	523	726	228	538	-369	8,820
Adjustments for non like-for-like items									
Change in scope of consolidation and other minor changes	(1)		403				49		452
Impact of hyperinflation	(2)		14						14
Impact connected with collapse of a section of the Polcevera road bridge	(3)	24							24
Sub-total (B)		**24**	**417**	**-**	**-**	**-**	**49**	**-**	**490**
Like-for-like amounts (C) = (A)-(B)		3,091	3,642	523	726	228	489	-369	8,330
Like-for-like change		*-784*	*-731*	*-111*	*-498*	*-120*	*78*	*5*	*-2,161*
% like-for-like change		*-25%*	*-20%*	*-21%*	*-69%*	*-53%*	*16%*	*-1%*	*-26%*

EBITDA

9M 2020

€M	Note	Italian motorways	Abertis group	Overseas motorways	Italian airports	Overseas airports	Atlantia and other activities	Consolidation adjustments	Total
Reported amounts (A)		481	1,917	237	45	21	69	-2	2,768
Adjustments for non like-for-like items									
Change in scope of consolidation and other minor changes	*(1)*		172				28		200
Exchange rate movements and impact of hyperinflation	*(2)*		-93	-50					-143
Impact connected with collapse of a section of the Polcevera road bridge	*(3)*	-213					-3		-216
Change in discount rate applied to provisions	*(4)*	-29							-29
Sub-total (B)		**-242**	**79**	**-50**	**-**	**-**	**25**	**-**	**-188**
Like-for-like amounts (C) = (A)-(B)		723	1,838	287	45	21	44	-2	2,956

9M 2019

€M	Note	Italian motorways	Abertis group	Overseas motorways	Italian airports	Overseas airports	Atlantia and other activities	Consolidation adjustments	Total
Reported amounts (A)		1,903	2,812	390	460	103	32	-2	5,698
Adjustments for non like-for-like items									
Change in scope of consolidation and other minor changes	*(1)*		330				7		337
Impact of hyperinflation	*(2)*		-7						-7
Impact connected with collapse of a section of the Polcevera road bridge	*(3)*	18					-7		11
Change in discount rate applied to provisions	*(4)*	-47							-47
Sub-total (B)		**-29**	**323**	**-**	**-**	**-**	**-**	**-**	**294**
Like-for-like amounts (C) = (A)-(B)		1,932	2,489	390	460	103	32	-2	5,404
Like-for-like change		*-1,209*	*-651*	*-103*	*-415*	*-82*	*12*	*-*	*-2,448*
% like-for-like change		*-63%*	*-26%*	*-27%*	*-90%*	*-80%*	*38%*	*-*	*-45%*

FFO

9M 2020

€M	Note	Italian motorways	Abertis group	Overseas motorways	Italian airports	Overseas airports	Atlantia and other activities	Consolidation adjustments	Total
Reported amounts (A)		529	1,157	208	53	-11	-43	-1	1,892
Adjustments for non like-for-like items									
Change in scope of consolidation and other minor changes	*(1)*		68				20		88
Exchange rate movements and impact of hyperinflation	*(2)*		-88	-41					-129
Impact connected with collapse of a section of the Polcevera road bridge	*(3)*	-130					-3		-133
Change in discount rate applied to provisions	*(4)*	-3							-3
Sub-total (B)		**-133**	**-20**	**-41**	-	-	**17**	-	**-177**
Like-for-like amounts (C) = (A)-(B)		662	1,177	249	53	-11	-60	-1	2,069

9M 2019

€M	Note	Italian motorways	Abertis group	Overseas motorways	Italian airports	Overseas airports	Atlantia and other activities	Consolidation adjustments	Total
Reported amounts (A)		1,180	2,018	292	337	73	75	-1	3,974
Adjustments for non like-for-like items									
Change in scope of consolidation and other minor changes	*(1)*		345				4		349
Exchange rate movements and impact of hyperinflation	*(2)*								-
Impact connected with collapse of a section of the Polcevera road bridge	*(3)*	-184					-8		-192
Sub-total (B)		**-184**	**345**	**-**	**-**	**-**	**-4**	**-**	**157**
Like-for-like amounts (C) = (A)-(B)		1,364	1,673	292	337	73	79	-1	3,817
Like-for-like change		*-702*	*-496*	*-43*	*-284*	*-84*	*-139*	*-*	*-1,748*
% like-for-like change		*-51%*	*-30%*	*-15%*	*-84%*	*n.s.*	*n.s.*	*n.s.*	*-46%*

Reconciliation of net financial debt with net debt

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

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

Reconciliation of net financial debt with net debt

€M	30 September 2020	31 December 2019	INCREASE/ (DECREASE)
Bond issues (nominal value)	29,659	26,586	3,073
Bank borrowings (nominal value)	17,497	14,694	2,803
Non-current debt, gross (A)	**47,156**	**41,280**	**5,876**
Bond issues (nominal value)	1,355	1,875	-520
Bank borrowings (nominal value)	2,444	1,192	1,252
Short-term borrowings and bank overdrafts repayable on demand	474	421	53
Current debt, gross (B)	**4,273**	**3,488**	**785**
Cash (C)	**-10,585**	**-5,232**	**-5,353**
Net financial debt (D=A+B+C)	**40,844**	**39,536**	**1,308**
Amortised cost and fair value of financial liabilities included in gross debt (E)	79	208	-129
Other current and non-current financial liabilities (F)	1,542	1,331	211
Other borrowings (G)	370	396	-26
Derivative liabilities (H)	1,507	1,343	164
Derivative assets (I)	-512	-245	-267
Financial assets deriving from concession rights and other current and non-current financial assets (J)[1]	-5,347	-5,847	500
Net debt (L=D+E+F+G+H+I+J+K)	**38,483**	**36,722**	**1,761**

(1) Includes the financial statement items, "Non-current financial assets" and "Current financial assets" net of the items, "Non-current derivative assets" and "Current derivative assets". This item essentially includes financial assets deriving from concession rights (€3,320m as at 30 September 2020) attributable to the concessions held by the Group in Spain, Chile and Argentina and Autostrade Meridionali's takeover rights (€411m as at 30 September 2020). The other financial assets included in this item primarily regard term deposits and government grants to fund construction work.

Reconciliation of the reclassified and statutory financial statements

Reconciliations of the Atlantia Group's income statement, statement of financial position and statement of cash flows, as prepared under IFRS, with the corresponding reclassified financial statements presented in the "Group financial review" are shown below.

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

€M	9M 2020						9M 2019 (restated)					
Reconciliation of items	Reported basis			Reclassified basis			Reported basis			Reclassified basis		
	Ref.	Sub-items	Main entries	Ref.	Sub-items	Main entries	Ref.	Sub-items	Main entries	Ref.	Sub-items	Main entries
Toll revenue			5,132			5,132			7,049			7,049
Aviation revenue			202			202			637			637
Revenue from construction services			501						661			
Revenue from construction services - government grants and cost of materials and external services	(a)	451					(a)	606				
Capitalised staff costs - construction services for which additional economic benefits are received	(b)	31					(b)	37				
Revenue from construction services: capitalised financial expenses	(c)	19					(c)	18				
Other revenue	(d)		889				(d)		1,134			
Other operating income				(d)		889				(d)		1,134
Total revenue			**6,724**						**9,481**			
TOTAL OPERATING REVENUE						**6,223**						**8,820**
Raw and consumable materials			**-241**		-241				**-405**		-405	
Service costs			**-1,944**		-1,944				**-1,888**		-1,888	
Gain/(Loss) on sale of elements of property, plant and equipment			**1**		1				**1**		1	
Other operating costs			**-643**						**-795**			
Concession fees	(e)		-332				(e)		-469			
Lease expense			-23		-23				-25		-25	
Other			-290		-290				-301		-301	
Other capitalised operating costs			2		2				-		-	
Use of provisions for construction services required by contract				(j)	214					(j)	259	
Revenue from construction services: government grants and capitalised cost of materials and external services				(a)	451					(a)	606	
Use of provisions for renewal of airport infrastructure				(h)	28					(h)	38	
COST OF MATERIALS AND EXTERNAL SERVICES						**-1,802**						**-1,715**
CONCESSION FEES				(e)		**-332**				(e)		**-469**
Staff costs	(f)		**-1,005**				(f)		**-1,187**			
STAFF COSTS				(b+f+k)		**-926**				(b+f+k)		**-1,098**
OPERATING CHANGE IN PROVISIONS				(g+i)		**-395**				(g+i)		**160**
TOTAL OPERATING COSTS						**-3,455**						**-3,122**
GROSS OPERATING PROFIT/(LOSS) (EBITDA)						**2,768**						**5,698**
PROVISIONS FOR RENEWAL WORK AND OTHER ADJUSTMENTS						**-68**						**-80**
Operating change in provisions			**-438**						**128**			
(Provisions)/ Uses of provisions for repair and replacement of motorway infrastructure	(g)		-177				(g)		185			
(Provisions)/ Uses of provisions for renewal of assets held under concession			-43						-32			
Provisions for renewal of assets held under concession		-71			-71			-70			-70	
Use of provisions for renewal of assets held under concession	(h)	28					(h)	38				
Provisions for risks and charges	(i)		-218				(i)		-25			
(Impairment losses)/Reversals of impairment losses				(n)	3					(n)	-10	
Use of provisions for construction services required by contract			**262**						**311**			
Use of provisions for construction services required by contract	(j)	214					(j)	259				
Capitalised staff costs - construction services for which no additional economic benefits are received	(k)	48					(k)	52				
Amortisation and depreciation	(l)		**-2,680**				(l)		**-2,929**			
Depreciation of property, plant and equipment			-135						-148			
Amortisation of intangible assets deriving from concession rights			-2,450						-2,688			
Amortisation of other intangible assets			-95						-93			
(Impairment losses)/Reversals of impairment losses			**-200**						**-10**			
(Impairment losses)/Reversals of impairment losses on property, plant and equipment and intangible assets	(m)	-203					(m)	-				
(Impairment losses)/Reversals of impairment losses on other assets	(n)	3					(n)	-10				
AMORTISATION, DEPRECIATION, IMPAIRMENT LOSSES AND REVERSALS OF IMPAIRMENT LOSSES				(l+m)		**-2,883**				(l)		**-2,929**
TOTAL COSTS			**-6,888**						**-6,774**			
OPERATING PROFIT/(LOSS)			**-164**						**2,707**			
OPERATING PROFIT/(LOSS) (EBIT)						**-183**						**2,689**
Financial income			**689**						**581**			
Financial income accounted for as an increase in financial assets deriving from concession rights and government grants	(o)		199				(o)		200			
Dividends received from investees accounted for at fair value	(p)		70				(p)		70			
Other financial income	(q)		420				(q)		311			
Financial expenses			**-1,777**						**-1,548**			
Financial expenses from discounting of provisions for construction services required by contract and other provisions	(r)		-39				(r)		-64			
Other financial expenses	(s)		-1,738				(s)		-1,484			
Foreign exchange gains/(losses)	(t)		**4**				(t)		**131**			
FINANCIAL INCOME/(EXPENSES)			**-1,084**						**-836**			
Net financial expenses				(c+o+p+q+r+s+t)		**-1,065**				(c+o+p+q+r+s+t)		**-818**
Share of (profit)/loss of investees accounted for using the equity method			**-34**			**-34**			**7**			**7**
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS			**-1,282**			**-1,282**			**1,878**			**1,878**
Income tax benefit/(expense)			**318**			**318**			**-541**			**-541**
Current tax expense			-182						-806			
Differences on tax expense for previous years			-11						21			
Deferred tax income and expense			511						244			
PROFIT/(LOSS) FROM CONTINUING OPERATIONS			**-964**			**-964**			**1,337**			**1,337**
Profit/(Loss) from discontinued operations			**1**			**1**			**1**			**1**
PROFIT/(LOSS) FOR THE PERIOD			**-963**			**-963**			**1,338**			**1,338**
of which:												
Profit/(Loss) attributable to owners of the parent			**-718**			**-718**			**1,038**			**1,038**
Profit/(Loss) attributable to non-controlling interests			**-245**			**-245**			**300**			**300**

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

€M	30 September 2020				31 December 2019			
Reconciliation of items	Reported basis		Reclassified basis		Reported basis		Reclassified basis	
	Ref.	Main entries	Ref.	Main entries	Ref.	Main entries	Ref.	Main entries
Non-current non-financial assets								
Property, plant and equipment	*(a)*	758		758	*(a)*	820		820
Intangible assets	*(b)*	61,214		61,214	*(b)*	59,472		59,472
Investments	*(c)*	2,634		2,634	*(c)*	3,662		3,662
Deferred tax assets	*(d)*	2,379		2,379	*(d)*	2,113		2,113
Other non-current assets	*(e)*	36		36	*(e)*	77		77
Total non-current non-financial assets (A)				**67,021**				**66,144**
Working capital								
Trading assets	*(f)*	2,622		2,622	*(f)*	2,575		2,575
Current tax assets	*(g)*	538		538	*(g)*	1,006		1,006
Other current assets	*(h)*	620		620	*(h)*	565		565
Non-financial assets held for sale or related to discontinued operations			*(w)*	4			(w)	4
Current portion of provisions for construction services required by contract	*(i)*	-803		-803	*(i)*	-571		-571
Current provisions	*(j)*	-2,786		-2,786	*(j)*	-2,650		-2,650
Trading liabilities	*(k)*	-2,030		-2,030	*(k)*	-2,243		-2,243
Current tax liabilities	*(l)*	-191		-191	*(l)*	-283		-283
Other current liabilities	*(m)*	-995		-995	*(m)*	-1,117		-1,117
Total working capital (B)				**-3,021**				**-2,714**
Gross invested capital (C=A+B)				**64,000**				**63,430**
Non-current non-financial liabilities								
Non-current portion of provisions for construction services required by contract	*(n)*	-2,201		-2,201	*(n)*	-2,473		-2,473
Non-current provisions	*(o)*	-2,930		-2,930	*(o)*	-2,694		-2,694
Deferred tax liabilities	*(p)*	-6,773		-6,773	*(p)*	-6,280		-6,280
Other non-current liabilities	*(q)*	-307		-307	*(q)*	-358		-358
Total non-current non-financial liabilities (D)				**-12,211**				**-11,805**
Net invested capital (E=C+D)				**51,789**				**51,625**
Total equity (F)		**13,306**		**13,306**		**14,903**		**14,903**
Net debt								
Non-current net debt								
Non-current financial liabilities	*(r)*	49,758		49,758	*(r)*	43,826		43,826
Non-current financial assets	*(s)*	-4,768		-4,768	*(s)*	-4,784		-4,784
Total non-current net debt (G)				**44,990**				**39,042**
Current net debt								
Current financial liabilities	*(t)*	5,169		5,169	*(t)*	4,220		4,220
Bank overdrafts repayable on demand		*37*		*37*		*30*		*30*
Short-term borrowings		*438*		*438*		*391*		*391*
Current derivative liabilities		*61*		*61*		*42*		*42*
Current portion of medium/long-term borrowings		*4,352*		*4,352*		*3,620*		*3,620*
Other current financial liabilities		*281*		*281*		*137*		*137*
Cash and cash equivalents	*(u)*	-10,585		-10,585	*(u)*	-5,232		-5,232
Cash in hand		*-9,053*		*-9,053*		*-4,172*		*-4,172*
Cash equivalents		*-1,532*		*-1,532*		*-1,060*		*-1,060*
Current financial assets	*(v)*	-1,091		-1,091	*(v)*	-1,308		-1,308
Current financial assets deriving from concession rights		*-545*		*-545*		*-559*		*-559*
Current financial assets deriving from government grants		*-27*		*-27*		*-63*		*-63*
Current term deposits		*-250*		*-250*		*-433*		*-433*
Current portion of other medium/long-term financial assets		*-131*		*-131*		*-136*		*-136*
Other current financial assets		*-138*		*-138*		*-117*		*-117*
Total current net debt (H)				**-6,507**				**-2,320**
Total net debt (I=G+H)				**38,483**				**36,722**
Net debt and equity (L=F+I)				**51,789**				**51,625**
Assets held for sale or related to discontinued operations	*(w)*	4			*(w)*	4		
TOTAL NON-CURRENT ASSETS	*(a+b+c+d+e-s)*	**71,789**			*(a+b+c+d+e-s)*	**70,928**		
TOTAL CURRENT ASSETS	*(f+g+h-u-v+w)*	**15,460**			*(f+g+h-u-v+w)*	**10,690**		
TOTAL NON-CURRENT LIABILITIES	*(-n-o-p-q+r)*	**61,969**			*(-n-o-p-q+r)*	**55,631**		
TOTAL CURRENT LIABILITIES	*(-i-j-k-l-m+t)*	**11,974**			*(-i-j-k-l-m+t)*	**11,084**		

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

€M		9M 2020				9M 2019 (restated)			
Reconciliation of items	**Note**	**Consolidated statement of cash flows**		**Changes in consolidated net debt**		**Consolidated statement of cash flows**		**Changes in consolidated net debt**	
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES									
Profit/(Loss) for the period			**-963**	**-963**			**1,338**	**1,338**	
Adjusted by:									
Amortisation and depreciation			2,680	2,680			2,929	2,929	
Operating change in provisions(*)			428	428			-170	-170	
Financial expenses from discounting of provisions for construction services required by contract and other provisions			39	39			64	64	
Impairment losses/(Reversal of impairment losses) on financial assets and investments accounted for at cost or fair value			192	192			177	177	
Dividends received and share of (profit)/loss of investees accounted for using the equity method			35	35			34	34	
Impairment losses/(Reversal of impairment losses) and adjustments of current and non-current assets			200	200			10	10	
(Gains)/Losses on sale of investments and other non-current assets			-26	-26			-1	-1	
Net change in deferred tax (assets)/liabilities through profit or loss			-511	-511			-244	-244	
Other non-cash costs (income)			-182	-182			-163	-163	
Operating cash flow					**1,892**				**3,974**
Change in operating capital	(a)				-222				-396
Other changes in non-financial assets and liabilities	(b)				99				174
Change in trading assets and liabilities and other non-financial assets and liabilities	(a+b)		-123				-222		
Net cash generated from/(used in) operating activities (A)			**1,769**		**1,769**		**3,752**		**3,752**
NET CASH FROM/(USED IN) INVESTMENT IN NON-FINANCIAL ASSETS									
Investment in assets held under concession			-790	-790			-1,011	-1,011	
Purchases of property, plant and equipment			-100	-100			-150	-150	
Purchases of other intangible assets			-80	-80			-59	-59	
Capital expenditure					**-970**				**-1,220**
Government grants related to assets held under concession			3		3		5		5
Increase in financial assets deriving from concession rights (related to capital expenditure)			61		61		67		67
Purchase of investments			-		-		-4		-4
Cost of acquisition	(c)	*-1,530*		*-1,530*		*-11*		*-11*	
Cash and cash equivalents acquired	(d)	*283*		*283*		*58*		*58*	
Net financial liabilities assumed, excluding cash and cash equivalents acquired	(e)			*-1,935*				*-63*	
Acquisitions of additional interests and/or investments in consolidated companies, net of cash acquired	(c+d)		-1,247				47		
Purchases of interests in consolidated companies, including net debt assumed	(c+d+e)				-3,182				-16
Proceeds from sales of property, plant and equipment, intangible assets and unconsolidated investments			161		161		12		12
Sale price	(f)	24		24		-		-	
Cash and cash equivalents transferred	(g)	- 5		-5		-		-	
Net financial liabilities transferred, excluding cash and cash equivalents transferred	(h)			32				-	
Proceeds from disposals of consolidated companies, net of cash and cash equivalents transferred	(f+g)		19				-		
Proceeds from disposals of consolidated companies, including net debt transferred	(f+g+h)				51				-
Net change in other non-current assets			29		29		49		49
Net change in current and non-current financial assets	(i)		-35				-720		
Net cash from/(used in) investment in non-financial assets (B)	(j)				**-3,847**				**-1,107**
Net cash generated from/(used in) investing activities (C)	**(i+j-e-h)**		**-1,979**				**-1,764**		
NET EQUITY CASH INFLOWS/(OUTFLOWS)									
Dividends declared by Atlantia	(k)				-				-736
Dividends declared by the Group and payable to non-controlling shareholders	(l)				-24				-441
Dividends paid by Atlantia	(m)		-				-735		
Dividends paid by Group companies to non-controlling shareholders	(n)		-18				-438		
Proceeds from exercise of rights under share-based payment plans			-		-		1		1
Distribution of reserves and returns of capital to non-controlling shareholders			-229		-229		-459		-459
Net equity cash inflows/(outflows) (D)					**-253**	-			**-1,635**
Net cash (used)/generated during the period (A+B+D)					**-2,331**				**1,010**
Issuance of bonds			3,372				7,044		
Increase in medium/long term borrowings (excluding lease liabilities)			6,209				3,482		
Increase in lease liabilities			24				53		
Bond redemptions			-1,712				-1,147		
Repayments of medium/long term borrowings (excluding lease liabilities)			-2,543				-10,180		
Repayments of lease liabilities			-25				-28		
Net change in other current and non-current financial liabilities			573				-172		
Net cash generated from/(used in) financing activities (E)			**5,651**				**-2,579**		
Change in fair value of hedging derivatives	(o)				155				-801
Non-cash financial income/(expenses)	(p)				88				186
Effect of foreign exchange rate movements on net debt and other changes	(q)				327				-159
Impact of first-time adoption of IFRS 16 as at 1 January 2019					-				-137
Other changes in net debt (F)					**570**				**-911**
Net effect of foreign exchange rate movements on net cash and cash equivalents (G)			**-95**				**-18**		
Increase/(decrease) in net debt for period (A+B+D+F)					**-1,761**				**99**
Net debt at beginning of period					**36,722**				**38,791**
Net debt at end of period					**38,483**				**38,692**
Increase/(Decrease) in cash and cash equivalents during period (A+C+E+G)			**5,346**				**-609**		
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD			**5,202**				**5,073**		
NET CASH AND CASH EQUIVALENTS AT END OF PERIOD			**10,548**				**4,464**		

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

Notes:

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

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The manager responsible for financial reporting, Tiziano Ceccarani, declares, pursuant to section 2 of article 154 bis of the Consolidated Finance Act, that the accounting information contained in this release is consistent with the underlying accounting records.

In addition to the conventional financial indicators required by IFRS contained in this press release, certain alternative performance indicators have been included (e.g., EBITDA) in order to permit a better appraisal of the company's results and financial position. These indicators have been calculated in accordance with market practices.

The Group's net debt, as defined in the European Securities and Market Authority – ESMA (formerly CESR) Recommendation of 20 March 2013 (which does not entail the deduction of non-current financial assets from debt), amounts to €43,251m as at 30 September 2020 (€41,506m as at 31 December 2019).