

ORDINARY SHAREHOLDERS' MEETING

DIRECTORS' REPORT

1) **Annual financial statements as at 31 December 2019. Reports of the Board of Directors, the Board of Statutory Auditors and the Independent Auditors: related and consequent resolutions.**

Presentation of the consolidated financial statements as at 31 December 2019 and the consolidated non-financial disclosure for financial year 2019.

2) **Destination of profits.**

Dear Shareholders,

ASTM S.p.A.'s Board of Directors ("**ASTM**" or the "**Company**") has called this Ordinary Shareholders' Meeting to reach a decision, amongst other things, on the following items:

1. Annual financial statements as at 31 December 2019. Reports of the Board of Directors, the Board of Statutory Auditors and the Independent Auditors: related and consequent resolutions. Presentation of the consolidated financial statements as at 31 December 2019 and the consolidated non-financial disclosure for financial year 2019.
2. Destination of profits.

This Report illustrates:

- in Section I, point 1 of the Shareholders' Meeting Agenda; and
- in Section II, point 2 of the Shareholders' Meeting Agenda.

The Annual Financial Report at 31 December 2019, the consolidated financial statements at 31 December 2019 (together with the relative reports of the Independent Auditors and the Board of Statutory Auditors), the "Report on Corporate Governance and Ownership Structure", as well as the consolidated non-financial disclosure at 31 December 2019, will be available to the public under the

terms defined by law on the Company website www.astm.it and on the authorised storage platform "eMarket STORAGE" at the address www.emarketstorage.com. o

Section I

Report relative to point 1 on the agenda

The Board of Directors of the Company has called this Ordinary Shareholders' Meeting to submit the financial statements of ASTM at 31 December 2019 for your approval.

The financial statements at 31 December 2019, approved by the Board of Directors of the Company on 14 April 2020, recorded profits for the year of EUR 167,771,412.49. Regarding this point, you are referred to the details provided in the Management Report prepared by the Board of Directors of the Company, which will be made available to the Shareholders as defined by law and regulations.

On the same date, the Board of Directors also approved the consolidated financial statements at 31 December 2019 and the 4th Sustainability Report of the ASTM Group, which qualifies as a non-financial statement pursuant to Legislative Decree no. 254/2016.

Dear Shareholders, considering the above, you are invited to adopt the following resolution:

"The Ordinary Shareholders' Meeting of ASTM S.p.A.:

- *having acknowledged the contents of the Management Report;*
- *having acknowledged the contents of the Reports of the Board of Statutory Auditors and the Independent Auditors on the Financial Statements of ASTM S.p.A. at 31 December 2019, as well as the Consolidated Financial Statements at 31 December 2019 and relative reports,*

resolves

to approve the Financial Statements of ASTM S.p.A. at 31 December 2019, closed with profits for the year of EUR 167,771,412.49, as well as the relative Management Report of the Board of Directors, for all sections and all results."

Section II

Report relative to point 2 on the agenda

As communicated to the market on 14 April 2020, in consideration of the economic scenario created by the COVID-19 epidemiological crisis, the Board of Directors has called this Ordinary Shareholders' Meeting to propose allocation of the entire profit for the year of EUR 167,771,412.49 to reinforcing the equity structure, distributing it as follows:

- EUR 3,513,640.96 to the "Legal reserve" pursuant to Article 29 of the Articles of Association and Article 2430 of the Italian Civil Code, equal to the quota corresponding to the limit of one fifth of the share capital as set out by law;
- EUR 164,257,771.53, equal to the amount that remains following the distribution proposed above, to the "Retained earnings" reserve.

The Board of Directors reserves the right to assess the possible call a Shareholders' Meeting, to be held by the end of the year, to propose possible distribution of reserves in light of changes in the economic scenario due to the COVID-19 emergency, as specified in the Management Report prepared by the Board of Director's of the Company, which will be made available to the Shareholders' as defined by law and regulations.

Dear Shareholders, considering the above, you are invited to adopt the following resolution:

"The Ordinary Shareholders' Meeting of ASTM S.p.A., having acknowledged the contents of the Directors' Report,

resolves

to approve the allocation of profits as follows:

- *EUR 3,513,640.96 to the "Legal reserve" pursuant to Article 29 of the Articles of Association and Article 2430 of the Italian Civil Code, equal to the quota corresponding to the limit of one fifth of the share capital as set out by law;*
- *EUR 164,257,771.53, equal to the amount that remains following the above allocation, to the "Retained earnings" reserve.*

