



ASTM S.p.A.

subject to the direction and coordination of Nuova Argo Finanziaria S.p.A.
(incorporated with limited liability under the laws of the Republic of Italy)

€3,000,000,000

Euro Medium Term Note Programme

Under the €3,000,000,000 Euro Medium Term Note Programme (the “**Programme**”) described in this Base Prospectus, ASTM S.p.A. (“**ASTM**” or the “**Issuer**”), subject to the direction and coordination of Nuova Argo Finanziaria S.p.A., may, from time to time, subject to all applicable laws and regulations, issue notes (the “**Notes**”) qualifying as *obbligazioni* pursuant to Article 2410 et seq. of the Italian Civil Code in any currency agreed between the Issuer and the relevant Dealer(s) (as defined below). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €3,000,000,000 (or its equivalent in other currencies at the date of issue), save that the maximum aggregate principal amount may be increased from time to time, subject to compliance with the relevant provisions of the Programme and applicable laws and regulations in force from time to time.

Notes will be issued in Series and, in the case of Secured Notes (as defined below), will be subject to, and have the benefit of, (i) an Italian law-governed intercreditor agreement dated 8 October 2010 (as amended or supplemented from time to time, the “**Intercreditor Agreement**”) between, *inter alios*, the Issuer, Mediobanca – Banca di Credito Finanziario S.p.A. as intercreditor agent (the “**Intercreditor Agent**”), Deutsche Trustee Company Limited as trustee (the “**Trustee**”) and the other Secured Creditors (as defined below) and (ii) one or more Italian law-governed deeds of pledge over the Issuer’s receivables and monetary claims (*crediti pecuniari*) arising pursuant to the Intercompany Loans (as defined below) granted out of the proceeds of the Secured Notes (the “**Deeds of Pledge**”) to be entered into by the Issuer in favour of the holders of the relevant Series of Secured Notes and the Trustee on or about the date of issue of each Series of Secured Notes. Pursuant to the Intercreditor Agreement, proceeds from the enforcement of the Security Interests created pursuant to the Deeds of Pledge will be shared *pro rata* among the Secured Creditors who have enforced their respective Security Interests against the Issuer pursuant to the Security Documents (as defined below) (See Condition 5 “*Special Provisions of Secured Notes*” below).

Investing in Notes issued under the Programme involves certain risks. For a discussion of these risks, see “Risk Factors” beginning on page 7 below.

The Base Prospectus has been approved by the Central Bank of Ireland (the “**Central Bank**”), as competent authority under Regulation (EU) No. 2017/1129 of 14 June 2017 (the “**Prospectus Regulation**”). The Central Bank only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of either the Issuer or the quality of the Notes that are the subject of this Base Prospectus and investors should make their own assessment as to the suitability of investing in the Notes. This Base Prospectus is valid for a period of twelve months from the date of approval. Such approval relates only to the Notes which are to be admitted to trading on the regulated market of the Irish Stock Exchange plc trading as Euronext Dublin (“**Euronext Dublin**”) or other regulated markets for the purposes of Directive 2014/65/EU or which are to be offered to the public in any member state of the European Economic Area. Application has been made to Euronext Dublin for the Notes to be admitted to the Official List and trading on its regulated market. The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.

This Base Prospectus (as supplemented, if applicable) is valid for 12 months from its date in relation to Notes which are to be admitted to trading on a regulated market in the EEA. For these purposes, references(s) to the EEA include(s) the United Kingdom. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

ASTM’s long-term senior secured debt and senior unsecured debt are currently rated “Baa2” (with a stable outlook) by Moody’s Investors Service España, S.A. (“**Moody’s**”) and “BBB” (with a stable outlook) by Fitch Ratings Ireland Limited (“**Fitch**”). Each of Moody’s and Fitch is established in the European Union and registered under Regulation (EC) No. 1060/2009 (as amended) (the “**CRA Regulation**”) and as such is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the CRA Regulation. Tranches of Notes to be issued under the Programme will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the rating assigned to the Issuer or to Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not a rating in relation to any Tranche of Notes will be treated as having been issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the relevant Final Terms. **A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.**

The Notes may be issued on a continuing basis to one or more of the Dealers named below and any additional Dealer appointed under the Programme from time to time by the Issuer (each a “**Dealer**” and together the “**Dealers**”), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the “**relevant Dealer**” shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

EU BENCHMARKS REGULATION – Amounts payable under any floating rate notes issued under the Programme may be calculated by reference to either the Euro Interbank Offered Rate (“EURIBOR**”) or the London Interbank Offered Rate (“**LIBOR**”), as specified in the relevant Final Terms (as defined below). As at the date of this Base Prospectus, EURIBOR is provided and administered by the European**

Money Markets Institute (“EMMI”), and LIBOR is provided and administered by ICE Benchmark Administration Limited (“ICE”). At the date of this Base Prospectus, both EMMI and ICE are authorised as benchmark administrators and included on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (“ESMA”) pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the “BMR”).

Arrangers

Mediobanca

UniCredit Bank

Dealers

Mediobanca

UniCredit Bank

12 August 2020

IMPORTANT NOTICES

This Base Prospectus comprises a base prospectus for the purposes of Article 8 of Regulation (EU) No. 2017/1129 of 14 June 2017 (the “**Prospectus Regulation**”).

ASTM, a company subject to the direction and co-ordination of Nuova Argo Finanziaria S.p.A. in accordance with Articles 2497 et seq. of the Italian Civil Code, accepts responsibility for the information contained in this Base Prospectus and declares that, to the best of its knowledge, the information contained in this Base Prospectus is in accordance with the facts and that the Base Prospectus makes no omission likely to affect its import.

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under “*Terms and Conditions of the Notes*” (the “**Conditions**”) as completed by a document specific to such Tranche called final terms (the “**Final Terms**”) or in a separate prospectus specific to such Tranche (the “**Drawdown Prospectus**”) as described under “*Final Terms and Drawdown Prospectuses*” below.

This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “*Information Incorporated by Reference*”). This Base Prospectus must be read and construed together with any amendments or supplements hereto and, in relation to any Tranche of Notes which is the subject of Final Terms, must be read and construed together with the relevant Final Terms. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

The only persons authorised to use this Base Prospectus in connection with an issue of Notes are the persons named in Paragraph 8 (*Distribution*) of “*Part B – Other information*” of the applicable Final Terms as the relevant Dealer or the Managers, as the case may be.

The Issuer has confirmed to the Dealers named in “*General Description of the Programme*” below that this Base Prospectus contains all information which is (in the context of the Programme, the issue, offering and sale of the Notes) material to an investor for making an informed assessment of the assets and liabilities, profits and losses, financial position and prospects of the Issuer and the Group and of the rights attaching to the Notes and the reasons for the issuance and its impact on the Issuer; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Base Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue, listing, offering and sale of the Notes) not misleading in any material respect; and that all proper enquiries have been made to ascertain or verify the foregoing.

No person has been authorised by the Issuer to give any information or to make any representation not contained in this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer, the Trustee, the Agents or any Dealer.

None of the Dealers, the Trustee or the Agents, nor any of their respective affiliates have authorised the whole or any part of this Base Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer or of the Issuer and the Group (as defined below) since the date thereof or, if later, the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation, (ii) constitutes an offer or an invitation to subscribe for or purchase any Notes or (iii) should be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Base Prospectus, any Final Terms or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Any recipient of this Base Prospectus or any Final Terms and each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the Group upon advice from such financial, legal and tax advisers as it has deemed necessary.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes or shall be construed as an offer or invitation by or on behalf of the Issuer, the Trustee, the Agents or any of the Dealers to any person to subscribe for or to purchase any Notes.

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see “*Subscription and Sale*”. In particular, Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the “**Securities Act**”) and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons.

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed €3,000,000,000 (and, for this purpose, any Notes denominated in another currency shall be translated into euro at the date of the agreement to issue such Notes (calculated in accordance with the provisions of the Dealer Agreement)). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement (as defined under “*Subscription and Sale*”).

MIFID II PRODUCT GOVERNANCE / TARGET MARKET

The Final Terms or Drawdown Prospectus, as the case may be in respect of any Notes will include a legend entitled “**MiFID II Product Governance**” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (“**MiFID II**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”) or the United Kingdom (“**UK**”).

For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or the UK may be unlawful under the PRIIPs Regulation.

THE NOTES MAY NOT BE A SUITABLE INVESTMENT FOR ALL INVESTORS

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets;
- (v) consider all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency; and
- (vi) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

LEGAL INVESTMENT CONSIDERATIONS MAY RESTRICT CERTAIN INVESTMENTS

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal and tax advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal and tax advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

USE OF WEBSITES

In this Base Prospectus, references to websites are included for information purposes only. The contents of any websites (except for the documents (or portions thereof) incorporated by reference into this Base Prospectus to the extent set out on any such website) referenced in this Base Prospectus do not form part of the Base Prospectus unless that information is incorporated by reference into the Base Prospectus.

PRESENTATION OF INFORMATION

In this Base Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area, references to "**U.S.\$**", "**U.S. dollars**" or "**dollars**" are to United States dollars and references to "**€**", "**EUR**", "**euro**" or "**Euro**" are to the currency introduced at the start of the third stage of the European Economic and Monetary Union and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro, as amended.

The language of this Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

Certain figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

INDUSTRY AND MARKET DATA

Except where sourced from internal management's analysis of the Issuer's consolidated financial statements, information and statistics presented in this Base Prospectus regarding market volumes and the market share of the Issuer's motorway subsidiaries and their market share in comparison to their competitors' has been extracted from an independent source, namely AISCAT – *Associazione Italiana Società Concessionarie Autostrade e Trafori* and ISTAT – *Istituto Nazionale di Statistica*. The Issuer confirms that such information has been identified where used and accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by AISCAT – *Associazione Italiana Società Concessionarie Autostrade e Trafori* and/or ISTAT – *Istituto Nazionale di Statistica*, no facts have been omitted which would render the reproduced information inaccurate or misleading. Although the Issuer believes that the external source used is reliable, the Issuer has not independently verified the information provided by the source.

FORWARD-LOOKING STATEMENTS

This Base Prospectus, including, without limitation, any documents incorporated by reference herein, may contain forward-looking statements, including (without limitation) statements identified by the use of terminology such as "anticipates", "believes", "estimates", "expects", "intends", "may", "plans", "projects", "will", "would" or similar words. These statements are based on the Issuer's current expectations and projections about future events and involve substantial uncertainties. All statements, other than statements of historical facts, contained herein regarding the Issuer's strategy, goals, plans, future financial position, projected revenues and costs or prospects are forward-looking statements. Forward-looking statements are subject to inherent risks and uncertainties, some of which cannot be predicted or quantified. Future events or actual results could differ materially from those set forth in, contemplated by or underlying forward-looking statements. The Issuer does not undertake any obligation to publicly update or revise any forward-looking statements.

ALTERNATIVE PERFORMANCE MEASURES

This Base Prospectus, the management report (*relazione sulla gestione*) included in the audited consolidated financial statements of ASTM for the years ended 31 December 2018 and 2019 and the unaudited consolidated interim financial report of ASTM as at and for the half-year ended 30 June 2020, which are incorporated by reference in this Base Prospectus, contain certain alternative performance measures ("APMs") which are different from the IFRS financial indicators obtained directly from the audited consolidated financial statements of ASTM for the years ended 31 December 2018 and 2019 and the unaudited consolidated interim financial report of ASTM as at and for the half-year ended 30 June 2020.

On 3 December 2015, CONSOB issued Communication No. 92543/15, which gives effect to the guidelines issued on 5 October 2015 by the European Securities and Markets Authority (ESMA) concerning the presentation of APMs disclosed in regulated information and prospectuses published as from 3 July 2016. These guidelines, which update the previous CESR Recommendation (CESR/05-178b), are aimed at promoting the usefulness and transparency of APMs in order to improve their comparability, reliability and comprehensibility.

In line with the guidelines mentioned above, the criteria used to construct the APMs are as follows:

- a) "Adjusted revenues": differs from "Total revenues" in the audited consolidated financial statements of ASTM for the years ended 31 December 2018 and 2019 as it does not include (i) revenue for the planning and construction activities of non-compensated revertible assets, (ii) the fee/additional fee payable to ANAS and (iii) cost/revenues reversals for consortium companies.

- b) “Value of production”: value of production in the EPC sector refers to revenue for works and planning and changes in works to order.
- c) “Gross operating margin (EBITDA)”: is the summary indicator of profitability deriving from operating activities and is determined by subtracting from the “Total revenue” all recurring operating costs, excluding amortisation and depreciation, provisions and write-downs of intangible and tangible assets. “Gross operating margin (EBITDA)” does not include the balance of financial items and taxes.
- d) “Operating income”: measures the profitability of total capital invested in the company and is determined by subtracting the amortisation and depreciation, provisions and write-downs of intangible and tangible assets from the “Gross operating margin (EBITDA)”.
- e) “Normalised result of the Parent Company”: is the indicator that measures the consolidated profit/loss pertaining to ASTM net of the “extraordinary” components.
- f) “Net invested capital”: shows the total amount of non-financial assets, net of non-financial liabilities.
- g) “Backlog”: the orders not yet performed by the EPC sector.
- h) “Net financial indebtedness”: the net financial position prepared in compliance with the ESMA Recommendation of 20 March 2013.
- i) “Operating cash flow”: indicates the cash generated or absorbed by operating activities and is calculated by adding to the profit for the period the amortisation and depreciation, adjustment to the provision for restoration/replacement of non-compensated revertible assets, the adjustment of the employee benefits provision, the provisions for risks, the loss (profit) of companies accounted for by the equity method and the write-downs (revaluations) of financial assets, and by deducting the capitalisation of financial expenses.

The APMs presented in this Base Prospectus, in the management report (*relazione sulla gestione*) included in the audited consolidated financial statements of ASTM for the years ended 31 December 2018 and 2019 and in the unaudited consolidated interim financial report of ASTM as at and for the half-year ended 30 June 2020, which are incorporated by reference in this Base Prospectus, are considered relevant to assess the overall operating performance of the Group, the operating segments and the individual Group companies and to provide better comparability over time of the same results. Such indicators are also used by ASTM management in order to assess trends and take decisions in respect of investments, resources allocation and other management decisions.

Investors should not place undue reliance on these APMs and should consider that:

- (i) such APMs have been derived from historical financial information of the Group and are not intended to provide an indication of the future financial performance, financial position or cash flows of the Group itself;
- (ii) APMs are not provided under IFRS and, accordingly, despite being derived from information contained in the ASTM consolidated financial statements, they have not been audited by the independent auditors;
- (iii) APMs are not intended to be alternative to any measure of performance under IFRS;
- (iv) APMs presented in this Base Prospectus, in the management report (*relazione sulla gestione*) included in the audited consolidated financial statements of the Issuer for the years ended 31 December 2018 and 2019 and in the unaudited consolidated interim financial report of ASTM as at and for the half-year ended 30 June 2020, which are incorporated by reference in this Base Prospectus, should also be read in conjunction with the financial information presented or incorporated by reference in this Base Prospectus and derived from the audited consolidated financial statements for the years ended 31 December 2018 and 2019;
- (v) APMs definitions adopted by the Group may not be consistent with those adopted by other groups/companies and accordingly may not be comparable with them; and

- (vi) APMs adopted by the Group have been calculated consistently over all the periods for which financial information is presented in this Base Prospectus.

STABILISATION

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the relevant subscription agreement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. All such transactions will be carried out in accordance with all applicable laws and rules.

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GENERAL DESCRIPTION OF THE PROGRAMME

This section is a general description of the Programme as provided under Article 25(1)(b) of Commission Delegated Regulation (EU) 2019/980.

The following description does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event a supplement to the Base Prospectus, if appropriate, or a drawdown prospectus or a new base prospectus will be made available which will describe the effect of the agreement reached in relation to such Notes.

Words and expressions defined in “*Terms and Conditions of the Notes*” below or elsewhere in this Base Prospectus shall have the same meaning in this summary.

Issuer:	ASTM S.p.A. subject to the direction and coordination of Nuova Argo Finanziaria S.p.A.
Issuer’s Legal Entity Identifier (LEI)	8156003F2286CFA55E20
Arrangers:	Mediobanca – Banca di Credito Finanziario S.p.A. and UniCredit Bank AG
Dealers:	Mediobanca – Banca di Credito Finanziario S.p.A., UniCredit Bank AG and any other Dealer appointed from time to time by the Issuer either generally in respect of the Programme or in relation to a particular Tranche of Notes.
Trustee:	Deutsche Trustee Company Limited
Principal Paying Agent:	Deutsche Bank AG, London Branch
Listing Agent:	Walkers Listing Services Limited
Intercreditor Agent (relevant for the purposes of the Secured Notes):	Mediobanca – Banca di Credito Finanziario S.p.A.
Programme Amount:	Up to €3,000,000,000 (or its equivalent in other currencies) aggregate principal amount of Notes outstanding at any one time, save that the maximum aggregate principal amount may be increased from time to time, subject to compliance with the relevant provisions of the Programme and applicable laws and regulations in force from time to time.
Method of Issue:	Notes may be issued on a syndicated or non-syndicated basis.
Issuance in Series:	Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date, the issue price, the interest commencement date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects.
Forms of the Notes:	Notes may only be issued in bearer form. Each Tranche of Notes will initially be in the form of either a Temporary Global Note or a Permanent Global Note, in each case as specified in the relevant Final Terms. Each Global Note which is not intended to be issued in new global note form (a “ Classic Global Note ” or “ CGN ”), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a depositary or a common depositary for

Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and each Global Note which is intended to be issued in new global note form (a “**New Global Note**” or “**NGN**”), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Final Terms, for Definitive Notes. If the TEFRA D Rules are specified in the relevant Final Terms as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons.

The Notes will be issued pursuant to Articles 2410 to 2420 of the Italian Civil Code, as amended and supplemented from time to time.

Currencies:

Notes may be denominated in euro or in any other currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Payments in respect of Notes may, subject to such compliance, be made in and/or linked to, any currency or currencies other than the currency in which such Notes are denominated.

Unsecured Notes and Secured Notes

Each transaction relating to a Series of Notes will be structured either as a secured or an unsecured transaction (the “**Secured Notes**” and the “**Unsecured Notes**”, respectively). The proceeds of a Series of Secured Notes issued under the Programme may only be used for an Intercompany Loan made to one or more of the Subsidiaries.

Secured Notes

The Secured Notes will be secured by Italian law-governed Deeds of Pledge pursuant to which the Issuer will pledge in favour of the holders of the relevant Series of Secured Notes and the Trustee, all of the Issuer’s receivables and monetary claims (*crediti pecuniari*) arising pursuant to the Intercompany Loans granted out of the proceeds of the relevant Series of Secured Notes (*i.e.*, the Collateral, as defined under Condition 5(b) (*Pledge*) below). Furthermore, the Secured Notes are also subject to, and have the benefit of, an Italian law-governed Intercreditor Agreement.

Intercreditor Agreement

The Intercreditor Agreement contains provisions governing the rights of the Secured Noteholders and the other Secured Creditors in respect of the *pro rata* sharing and priority of application of amounts received or recovered in respect of the Collateral and the other security interests granted by the Issuer to the Secured Creditors (other than the Secured Noteholders) among the persons entitled thereto (*i.e.* the Secured Creditors who have enforced their respective security interests against the Issuer pursuant to the relevant Security Documents (as defined in the Terms and Conditions) as may be entered into from time to time).

Each Secured Noteholder by purchasing the Secured Notes shall be deemed to have acknowledged that (i) the Trustee has entered into the Intercreditor Agreement for and on its behalf, (ii) the Secured Creditors (including the Trustee) shall transfer to the Intercreditor Agent all and any proceeds (net of the costs of enforcement and any

other amounts due to the Trustee) arising from the enforcement by the Secured Creditors of the Deeds of Pledge and the other security interests granted by the Issuer to the Secured Creditors (other than the Secured Noteholders) and (iii) the Intercreditor Agent shall promptly apply and distribute any such proceeds in accordance with the priority of payment set forth in the Intercreditor Agreement.

Secured Creditors who have not enforced their security interests shall not be entitled to share in the proceeds of the enforcement of the security interests granted to and enforced by other Secured Creditors.

Conversion from Secured Notes to Unsecured Notes

Should the relevant conditions precedent (including, without limitation, the attainment of the Conversion Threshold) set forth in Condition 5(d) (*Special Provisions of Secured Notes – Conversion from Secured Notes to Unsecured Notes*) below be satisfied, the Issuer may (but shall not be obliged to) notify the Trustee that the Secured Notes are to be converted into Unsecured Notes

In the event of a Conversion which may be implemented in accordance with Condition 5(d) (*Special Provisions of Secured Notes – Conversion from Secured Notes to Unsecured Notes*) below, the Trustee shall re-assign to the Issuer, release and discharge the Security Interests constituted by or pursuant to the Deeds of Pledge and the Issuer shall then be released from all obligations under such agreements (save for those which arose prior to such release).

Status of the Unsecured Notes:

The Unsecured Notes constitute unsecured, direct, general and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for certain mandatory exceptions of applicable law.

Status of the Secured Notes:

The Secured Notes constitute secured, direct, general and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves.

Issue Price:

Notes may be issued at any price, as specified in the relevant Final Terms. The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.

Specified Denomination:

Notes will be in such denominations as may be specified in the relevant Final Terms, provided that each Note shall be in an amount not less than euro 100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes).

Maturities:

Subject to compliance with all applicable laws and regulations, Notes will have a minimum maturity of greater than 12 months.

Redemption:

Without prejudice to the optional redemption provisions and the tax redemption referred to below, the Notes will be repaid at their Final Redemption Amount on the Maturity Date specified in the relevant Final Terms.

Optional Redemption:

To the extent specified in the relevant Final Terms, Notes may be redeemed before their stated maturity:

- (i) at the option of the Issuer (a) at any time, either in whole or in part, pursuant to Condition 9(c) (*Redemption and*

Purchase – Redemption at the option of the Issuer) or (b) in the event that at least 80 per cent. of the initial aggregate principal amount of the Notes has been purchased and cancelled by the Issuer, in whole, pursuant to Condition 9(e) (*Redemption and Purchase – Clean-Up Call Option*); or

- (ii) at the option of the Noteholders (a) upon occurrence of a Material Concession Put Event as defined under Condition 9(f) (*Redemption and Purchase – Redemption at the option of the Noteholders on the occurrence of a Material Concession Put Event*) or (b) by exercising a Put Option, as defined under Condition 9(g) (*Redemption and Purchase – Redemption at the Option of Noteholders and Exercise of Noteholders' Options*).

Tax Redemption:

Except as described in “**Optional Redemption**” above, the Notes may be redeemed before their stated maturity at the option of the Issuer, at any time, in whole for tax reasons as described in Condition 9(b) (*Redemption and Purchase – Redemption for tax reasons*).

Interest:

Notes may be interest-bearing or non-interest-bearing. Interest (if any) may accrue at a fixed rate or a floating rate or other variable rate and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series.

Fixed Rate Notes:

Interest on Notes bearing interest at a fixed rate will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer(s) (and as specified in the relevant Final Terms) and will be repaid on redemption and amounts owing under the Notes will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s).

Floating Rate Notes:

Where Notes bear interest at a floating rate, such rate will be determined:

- on the same basis as the floating rate under a notional interest rate swap transaction governed by an agreement incorporating the 2006 ISDA Definitions, as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms), as published by the International Swaps and Derivatives Association, Inc.; or
- on the basis of the relevant rate appearing on the screen page of a commercial quotation service,

in each case, as may be agreed between the Issuer and the relevant Dealer(s) and as specified in the relevant Final Terms.

Zero Coupon Notes:

Zero Coupon Notes will be offered and sold at a discount on their aggregate principal amount and will not bear interest, in each case as may be agreed between the Issuer and the relevant Dealer(s) and as specified in the relevant Final Terms.

Denominations:

Notes will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements and save that the minimum denomination of each Note will be €100,000 (or, if the Notes are denominated in a currency other than euro, the

equivalent amount in such currency).

Negative Pledge:

The Notes will have the benefit of a negative pledge as described in Condition 4(c) (*Status and Negative Pledge – Negative Pledge*). Permitted Encumbrances, including Security Interests securing Limited Recourse Indebtedness (each as defined in the Conditions), will be excluded from the scope of the negative pledge.

Cross Default:

The Notes will have the benefit of a cross default as described in Condition 12 (*Events of Default*). Limited Recourse Indebtedness will be excluded from the scope of the cross default provision.

Taxation:

All payments in respect of the Notes will be made free and clear of withholding or deduction for or on account of tax of Italy or any applicable jurisdiction, unless such withholding or deduction is required by law. In that event, the Issuer will (subject as provided in Condition 11 (*Taxation*)) pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no withholding or deduction been required.

Governing Law:

English law. Condition 16 (*Meetings of Noteholders; Noteholders' Representative; Modification and Waiver*) and the provisions of the Trust Deed concerning the meetings of Noteholders and the appointment of a Noteholders' Representative in respect of the Notes are subject to compliance with Italian law. The Intercreditor Agreement, the Intercompany Loans and the Deeds of Pledge (*pegni di crediti*) and all non-contractual obligations arising out of or in connection with the Intercreditor Agreement, the Intercompany Loans and the Deeds of Pledge (*pegni di crediti*) are governed by Italian law.

Enforcement of Notes in Global Form:

In the case of Global Notes, individual investors' rights against the Issuer will be governed by a Trust Deed dated 12 August 2020, as amended, restated or supplemented from time to time, a copy of which will be available for inspection at the specified office of the Principal Paying Agent in accordance with the Conditions.

Ratings:

The rating of any Series of Notes to be issued under the Programme may be specified in the applicable Final Terms. **A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.**

A credit rating applied for, if any, in relation to a relevant Series of Notes will be (1) issued by a credit rating agency established in the EEA or the UK and registered (or has applied for registration and not been refused) under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**") or (2) issued by a credit rating agency which is not established in the EEA or the UK but will be endorsed by a credit rating agency which is established in the EEA or the UK and registered under the CRA Regulation or (3) issued by a credit rating agency which is not established in the EEA or the UK but which is certified under the CRA Regulation will be disclosed in the Final Terms.

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA or the UK and registered under

the CRA Regulation unless (1) the rating is provided by a credit rating agency operating in the EEA or the UK before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration has not been refused, or (2) the rating is provided by a credit rating agency not established in the EEA or the UK but is endorsed by a credit rating agency established in the EEA or the UK and registered under the CRA Regulation or (3) the rating is provided by a credit rating agency not established in the EEA or the UK which is certified under the CRA Regulation.

The European Securities and Markets Authority (“**ESMA**”) is obliged to maintain on its website, <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>, a list of credit rating agencies registered and certified in accordance with the CRA Regulation.

Selling Restrictions:

For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the EEA (including Italy), the UK and Japan, see “*Subscription and Sale*” below.

RISK FACTORS

Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider risk factors associated with any investment in the Notes, the business of the Issuer and the industry(ies) in which it operates together with all other information contained in this Base Prospectus, including in particular, the risk factors described below together with any document incorporated by reference herein. Words and expressions defined in “Form of Final Terms”, “Terms and Conditions of the Notes” and “Description of the Issuer” or elsewhere in this Base Prospectus have the same meaning in this section.

The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. Most of these factors are contingencies which may or may not occur. However, the inability of the Issuer to pay interest, repay principal or pay other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate.

The risks that are specific to the Issuer are presented in six categories and the risks that are specific to the Notes are presented in three categories, in each case with the most material risk factor presented first in each category and the remaining risk factors presented in an order which is not intended to be indicative either of the relative likelihood that each risk will materialize or of the magnitude of their potential impact on the business financial condition and results of operations of the Issuer and the Group.

Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus, including any document incorporated by reference herein, and reach their own views, based upon their own judgement and upon advice from such financial, legal, tax and other professional advisers as they have deemed necessary, prior to making any investment decision.

MATERIAL RISKS THAT ARE SPECIFIC TO THE ISSUER AND THAT MAY AFFECT THE ISSUER’S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE NOTES ISSUED UNDER PROGRAMME

1. Risks related to the current pandemic

1.1 Risks related to the Covid-19 pandemic

The growing and progressive spread of the Covid-19 pandemic health emergency at an international and national level and the consequent increasing restrictive measures adopted by central and local government authorities in order to prevent and contain the spread of the pandemic throughout Italy, have led the Group to adopt measures and provisions in line with its existing protocols and policies on “crisis management”. In particular, as from 21 February 2020, ASTM’s Crisis Committee was activated, which, with the help of external consultants, issued instructions to all of ASTM’s subsidiaries, coordinating communications and actions aimed at ensuring both the safety of its employees and collaborators - implemented in an initial phase through the distribution of information material, PPE and sanitising products, and sanitisation of work environments, operational and behavioural provisions within the offices, and subsequently through interventions aimed at reducing the presence of office staff (moving towards smart working and use of holidays) - and, at the same time, the continuation of corporate activities and essential services, through the adoption of the aforementioned smart working methods by all Group companies, ensuring their effective implementation through the necessary interventions and technical support.

As regards the Group’s operating activities, the various government measures aimed at curbing the spread of the virus, in particular the Ministerial Decrees of 9 March, 11 March and 22 March 2020, which initially classified the entire national territory as a “protected area” and increasingly limited and restricted the movement of individuals, had an impact on mobility with negative consequences on traffic trends along the relevant motorways, and also throughout the national motorway network, and a consequent negative impact on toll revenues. Repercussions also emerged in the EPC sector, with the suspension of the activities of the main construction sites underway in Italy for various causes, either because the clients themselves, both public

and private, requested it for safety reasons, or there were no subcontractors and suppliers available on the sites, or because there were difficulties in organising the activities of the workers (board, lodging, transport, etc.) and operations in compliance with the rules contained in the safety protocols issued at a national level. In light of the above, if the Covid-19 pandemic health emergency continues in the forthcoming months, a negative impact may be expected on the revenues generation capacity of the ASTM Group.

The gradual expansion of the pandemic worldwide means that a standstill has already developed in some areas (Europe) or is currently developing in other countries (USA) where companies in the EPC sector operate. The situation is constantly monitored in order to identify and implement all possible operational and economic-financial measures to try to contain the impact of the health crisis on the Group's economic and financial results, safeguarding in particular its financial soundness and cash funds so that they are adequate and consistent with existing commitments and foreseeable needs.

The financial markets have reacted negatively to the uncertainties and fears surrounding the possible social and economic repercussions of the current emergency situation, with drastic downward corrections to global growth estimates, particularly in the Eurozone and Italy. The prevailing expectations foresee a scenario of economic slowdown at least for the first half of the year, the quantification, duration and intensity of which, however, is difficult to determine, as this scenario is also influenced by the monetary and fiscal policy decisions to be taken within the EU and by individual national governments. Considering that the spread of the virus and its consequent economic impacts are to be considered “non-adjusting events” for the accounts closed as at 31 December 2019, since there was no evidence at that date that the pandemic was already taking place (the World Health Organisation declared the existence of an “international emergency phenomenon” only in the first months of 2020), ASTM has however revised its economic and financial estimates and forecasts for 2020 in order to assess the effects of the Covid-19 pandemic on the fundamentals of each company and of the Group as a whole.

For further information on the Covid-19 impact on the half-year results, see “*Description of the Issuer – Recent Developments – The Board of Directors of ASTM approved the interim financial report as at 30 June 2020*” and the unaudited consolidated interim financial report of ASTM as at and for the half-year ended 30 June 2020, incorporated by reference into this Base Prospectus.

In light of the evidence accrued and measurable to date, various scenarios have therefore been outlined for the Group's business segments, based on various quantitative assumptions of the impact of the crisis, the reliability of which, however, remains uncertain, given the high uncertainty regarding the intensity and - above all - the duration of the current pandemic, factors that do not make it possible to identify a precise and reliable scenario among the various potential situations that may arise.

2. Risks related to the Issuer's financial situation

2.1 Funding risks

The ASTM Group's ability to borrow from banks or in the capital markets to meet its financial requirements is dependent on favourable market conditions (see also “*Risks related to the Covid-19 pandemic*”). As at 31 December 2019, the ASTM Group had in place committed credit lines, including back up credit lines, not used for a total amount of approximately Euro 456 million, and uncommitted credit lines for a total amount of approximately Euro 506 million, used for a total amount of approximately Euro 147 million only. In addition, the ability of the Issuer to raise funding depends, *inter alia*, on the Group's credit rating assigned by the rating agencies. In fact, a material downgrade to the credit ratings assigned to the Issuer may have an adverse impact on its ability to raise capital, also through the issuance of debt, and increase the cost of such financing. If sufficient sources of financing are not available in the future for these reasons, the ASTM Group may be unable to meet its funding requirements, which could materially and adversely affect its ability to make investments as well as its results of operations and financial condition.

2.2 Interest rate risk

The ASTM Group is subject to an interest rate risk arising on its financial indebtedness, which varies depending on whether such indebtedness is fixed or floating rate. As at 31 December 2019, approximately 31 per cent. of the ASTM Group's borrowings (already taking into account the hedging policies adopted by the Group) were at floating rate. Interest rates are highly sensitive to many factors out of the Group's control, including central banks' policies, international and country specific economic and political conditions, inflationary pressures, disruption to financial markets or the availability of bank credit. Any material market changes may materially affect the Group's cost of funding and, in turn, reduce the ability of the Issuer to repay its outstanding financial indebtedness and to finance operations and future business opportunities.

2.3 Foreign exchange risk

The ASTM Group's consolidated financial statements are prepared in Euro. As at the date of this Base Prospectus, the ASTM Group conducts its business also outside the Eurozone and, therefore, part of the revenues and costs of the ASTM Group's activities are denominated in currencies other than the Euro. In particular, as at 31 December 2019, 27.6 per cent of the Group's revenues were in currencies other than the Euro, such as Dollars, Reais, DKK and AED. This exposes the ASTM Group to foreign exchange risks deriving from (i) cash flows and payments in currencies other than the Euro (the so-called economic foreign exchange risk); (ii) net investments in companies which prepare their financial statements in currencies other than the Euro (the so-called foreign currency translation risks); and (iii) financing transactions in currencies other than the Euro (the so-called foreign currency transaction risks). Negative changes in foreign exchange rates could have a material adverse effect on the ASTM Group's business, results of operations or financial condition.

3. Risks related to the Issuer's business activities and industry

3.1 Risks related to the ASTM Group's dependence on motorway concessions and performing risk

The ASTM Group is dependent on Italian Motorway Concessions (as defined in the "*Description of the Issuer*" below) that have been granted to the relevant Italian Motorway Subsidiaries (as defined in the "*Description of the Issuer*" below) to operate various toll roads. As at 31 December 2019, approximately 56 per cent. of the ASTM Group's Adjusted revenues derived from toll collections on motorways under the Italian Motorway Concessions. Most of the Italian Motorway Concessions of the Italian Motorway Subsidiaries are currently set to expire between November 2021 and February 2043. For further information on the expected duration of the Italian Motorway Concessions of the Italian Motorway Subsidiaries and on the Italian Motorway Concessions currently managed under a *prorogatio* regime, see "*Description of the Issuer – Motorway Activities – Italian Motorway Activities – Italian Motorway Subsidiaries*" below. In particular, as specified in the sub-paragraphs relating to A21 stretch and the A12 (Sestri Levante – Livorno) / A11 (Viareggio – Lucca) / A15 (Fornola – La Spezia) stretches, the proceedings for the award of the relevant concessions are underway. The ASTM Group has submitted an offer for the re-awarding of each of the abovementioned concessions and, with respect to the tender for the awarding of the A21 Turin-Alessandria-Piacenza motorway, the offer submitted by the ASTM Group is conditional upon the positive outcome of the proceedings initiated by the ASTM Group before the competent Regional Administrative Court (*Tribunale Amministrativo Regionale - TAR*) in relation to the ascertainment of the requirements of the ASTM Group for participating in the tender. Therefore, irrespective of the economic terms of the offer submitted by the ASTM Group, the A21 concessions would not be awarded to the ASTM Group should the Regional Administrative Court (*Tribunale Amministrativo Regionale - TAR*) issue a negative ruling.

In the event the ASTM Group will not be able to maintain or enter into new Italian Motorway Concessions or renew the concessions already managed by it – to be awarded through the European bidding process – after the expiry of each relevant Italian Motorway Concession or the new Italian Motorway Concessions entered into will not have terms similar to those of the current Italian Motorway Concessions, the Issuer's business and results of operation could be adversely affected.

In addition, each Italian Motorway Concession is governed by agreements which require the relevant Italian Motorway Subsidiary to comply with certain obligations (including performing regular maintenance and improvement works on the relevant motorways and operating emergency motorway rescue services). Failure by an Italian Motorway Subsidiary to fulfil its material obligations under the relevant Italian Motorway Concession could, if such failure is left unremedied, lead to the early termination of the relevant Italian Motorway Concession by the grantor (currently being the Ministry of Infrastructure and Transport). In this case, the ASTM Group would be required to transfer all of the assets relating to the operation of the relevant motorway network without consideration to the grantor. In the case of early termination of an Italian Motorway Concession due to the concessionaire, the Italian Motorway Subsidiary may be entitled to receive an amount determined in accordance with the terms of the relevant Italian Motorway Concession agreement or Italian Law (*Codice Appalti*); in this case no compensation amount, or an amount significantly lower than the relevant Italian Motorway Subsidiary's expectations, may be recognised.

3.2 Risks related to the reduction in traffic volumes and corresponding decreases in toll revenues and royalty revenues

The ASTM Group derives most of its revenues from tolls paid by users of the ASTM Group Italian Network (as defined in the “*Description of the Issuer*” below) and royalty revenues derived from sales of goods and services at service areas (including oil and non-oil services) on the ASTM Group Italian Network. As at 31 December 2019, toll net receipts represented 56 per cent. of the Group's revenues. The aggregate amount of these revenues is dependent primarily on traffic volumes, tariffs and the capacity of the ASTM Group Italian Network to absorb traffic. In turn, traffic volumes and toll revenues are dependent on a number of factors, including the quality, convenience and travel time on toll-free roads or on toll motorways operated by the ASTM Group's competitors, the quality and state of repair of the ASTM Group motorways, the economic climate and rising petrol prices, environmental legislation (including measures to restrict motor vehicle usage in order to reduce air pollution), weather and the existence of alternative means of transportation. Long haul traffic, which relates to trips of at least 300 kilometres and to the transport of commercial goods or other business-related activities, is particularly adversely impacted by negative macroeconomic trends. A decrease in traffic volumes and a corresponding decrease in toll revenues and royalty revenues may have a material adverse impact on the ASTM Group's results of operations or financial condition.

3.3 Risks related to the ASTM Group's failure to implement the investment plans required under the Italian Motorway Concessions within the expected timeframe and budget or its inability to recoup certain cost overruns

The investment plans for each Italian Motorway Concession require the relevant Italian Motorway Subsidiary to carry out a number of significant investment projects. The ASTM Group's ability to carry out timely the investment projects depends on, *inter alia*, the ASTM Group's experience in planning the works and estimating costs and on the grantor's authorization process necessary for the beginning of the works.

In addition, the ASTM Group is subject to certain risks inherent in construction projects which are outside of the Issuer's control. These risks may include (i) delays in obtaining regulatory approval for a project (including, but not limited to, environmental requirements and planning approvals at national and local government levels); (ii) delays in obtaining approvals required for tariff increases in order to fund the project; (iii) changes in general economic, business and credit conditions; (iv) the non-performance or unsatisfactory performance of contractors and subcontractors (where such work is performed by third parties); (v) the commencement of bankruptcy proceedings with respect to contractors and reopening of public tender procedures; (vi) interruptions resulting from litigation, disputes, revocation of approvals or additional requests from local authorities, inclement weather and unforeseen environmental or engineering problems; (vii) delays in expropriation procedures including, *inter alia*, protests and/or public opposition to the expropriation of land needed for such developments (also known as “not-in-my-backyard” or “NIMBY” protests); (viii) shortages of materials and labour and/or increased costs of materials and labour; (ix) claims of suppliers; (x) provisions

of the local authorities after the conclusion of the authorisation procedures, which require the operation of secondary roads; (xi) revocation of the authorisations obtained and consequent interruption of the works; (xii) limited governance of the procedures for removing technological interferences within the competence of the managing entity; (xiii) expropriation procedures. The implementation of the investment plans could also be affected by other events including, *inter alia*, those referred to in “*Risks related to industrial action, damage or destruction of sections of the ASTM Group’s motorways and/or other interruptions of services*” below.

In particular, a delay in the completion or any interruption of the construction of a motorway could affect the ability of the relevant Italian Motorway Subsidiary to generate a cash flow sufficient to finance its general corporate purposes, repay the indebtedness assumed to construct the relevant motorway (including, without limitation, the indebtedness, if any, *vis-à-vis* the Issuer under the Intercompany Loans (as defined in the “*Terms and Conditions of the Notes*” below)) and to pay dividends to its shareholders (such as the Issuer).

Furthermore, the applicable regulatory framework does not entitle the Italian Motorway Subsidiaries to recover, through the annual tariff adjustment, losses caused by delays or cost overruns unless such delays or costs are attributable to extraordinary events that can affect the economic and financial plan provisions (such as force majeure events or events that are not controlled by, or attributable to, the relevant Italian Motorway Subsidiary) and/or to the extent that the provisions set forth in the relevant Italian Motorway Subsidiary’s single concession allow the relevant Italian Motorway Subsidiary to receive a remuneration for the investments made in excess with respect to the relevant economic and financial plans provisions, *provided that* such investments made in excess are not attributable to the relevant Italian Motorway Subsidiary.

3.4 Risks related to the international activity of the ASTM Group

As at the date of this Base Prospectus, the ASTM Group operates in various countries in Europe, Africa, the Middle East, Latin America and the United States. Consolidated revenues generated abroad, mainly from the construction sector, amounted to approximately Euro 613 million as at 31 December 2019, representing 29.6% of the ASTM Group’s Adjusted revenues. In addition, the order book of the ASTM Group, amounting to approximately Euro 4.4 billion as at 31 December 2019, related to works to be carried out abroad for a share of 59% of the total (approximately Euro 2.6 billion).

The ASTM Group is therefore exposed to a range of country-specific business risks, including changes to government policies or regulations in the countries in which it operates, changes in the commercial climate, imposition of monetary and other restrictions on the movement of capital for foreign corporations, economic crises, state expropriation of assets, the absence, loss or non-renewal of favourable treaties or similar agreements with foreign tax authorities and political, social and economic instability, changes in interest rates and changes in inflation rates and any disputes with local partners with which the ASTM Group operates through partnerships and joint venture contracts. Any investment in foreign or domestic companies may result in an increased complexity of the operations of the Group. The occurrence of such events and, in general, significant changes in the macroeconomic, political, fiscal or regulatory framework of such countries, could compromise the international operations of the ASTM Group with a consequent material adverse impact on the ASTM Group’s results of operations and financial condition.

3.5 Counterparty risk

The ASTM Group uses works and services provided by specialised operators on the basis of tender contracts to carry out infrastructure works. As at 31 December 2019, these contracts represented approximately 23% of the consolidated operating costs, net of the fee payable to ANAS (approximately 18% as at 31 December 2018), for a total amount of approximately Euro 300.2 million (approximately Euro 172.8 million as at 31 December 2018). Furthermore, the ASTM Group relies on suppliers and sub-contractors for the supply of components, semi-finished products and raw materials. As at 31 December 2019, costs for raw materials were equal to approximately Euro 210.9 million, representing approximately 16% of the consolidated operating costs, net of the fee payable to ANAS (as at 31 December 2018, this item amounted to approximately Euro

128.5 million, representing approximately 13% of the consolidated operating costs, net of the fee payable to ANAS).

If a counterparty defaults on its obligations or becomes insolvent, construction delays and additional costs to replace the counterparty may arise. Any delays or discrepancies in the execution of works attributable to contractors or suppliers could result in the ASTM Group incurring liability *vis-à-vis* clients or inefficiencies in the supply chain. In addition, the risk that a counterparty may default on its obligations or become insolvent prior to maturity would leave the ASTM Group with an outstanding claim against such counterparty and/or an unhedged position with respect to commodities or interest rates.

3.6 Risks related to the performance of activities through consortia, joint ventures and co-controlling and minority interests

The ASTM Group companies operating in the construction sector carry out some of their activities through partnerships, *consortia*, joint ventures and other forms of corporate participation together with other leading operators in the sector. If the partners of the ASTM Group become insolvent or are unable to fulfil their obligations, the companies of the ASTM Group may be required to select other partners to replace the previous ones or, alternatively, to fulfil these obligations themselves, with possible increases in costs, delays in the execution of works or the payment of penalties in favour of the client.

In addition, partnerships may experience decision-making deadlocks caused by any disagreement between partners regarding certain matters in board and shareholders' meetings for which qualified majorities are required. Furthermore, in certain circumstances, the ASTM Group may not be able to maximise the profitability of the activities carried out in partnership due to various factors, such as, for example, (i) the inability of the partners to make accurate estimates and assessments during the project preparation, (ii) the weaker capacity of the ASTM Group to monitor and influence the management of the projects by the partners, (iii) the joint and several liability arising from the participation in temporary joint ventures (ATI) or other consortia in the tenders and (iv) the performance of commissions with partners that could breach their obligations *vis-à-vis* the client. The occurrence of such events could compromise the operations of the ASTM Group with a consequent material adverse impact on the ASTM Group's results of operations and financial condition.

3.7 Risks related to industrial action, damage or destruction of sections of the ASTM Group's motorways and/or other interruptions of services

Like all Italian motorway concessionaires, the Italian Motorway Subsidiaries face potential risks from industrial action, natural disasters, such as earthquakes or flooding, landslides or subsidence, collapse or destruction of sections of motorway, inclement weather conditions (such as severe snow conditions, strong wind and sleet) or man-made disasters such as fires, acts of terrorism or the spillage of hazardous substances, as well as from the interruption of service due to events beyond their control such as accidents, the breakdown of equipment, leaks of hazardous substances and the malfunctioning of control systems. The occurrence of any such events – as well as work stoppages however occurring – could lead to a significant decline in toll revenues from the ASTM Group's motorways or a significant increase in expenditures for the operation, maintenance or repair of the ASTM Italian Group Network. In addition, service malfunctions or interruptions may result in the commencement of investigations by the competent authority, the imposition of fines and penalties and could expose the ASTM Group to legal proceedings and claims for damages. If the interruptions of services are attributable to negligent conduct (including omission) of the Italian Motorway Subsidiaries, the Ministry of Infrastructures and Transports could – depending on the seriousness of the interruption and the relevant conduct of the Italian Motorway Subsidiaries – order the forfeiture of the relevant Italian Motorway Concessions, the suspension of tariff adjustments or the application of sanctions or penalties. The occurrence of such events could have a material adverse impact on the ASTM Group's results of operations and financial condition.

3.8 Risks related to the Issuer's dependence on its subsidiaries to cover its expenses

The Issuer's business is conducted through its direct and indirect subsidiaries and other non-consolidated companies in which the Issuer holds, directly or indirectly, equity interests (collectively, the "**Participated Companies**"). As a holding company, the Issuer's sources of funds include (i) dividends from any Participated Companies and (ii) payment of amounts due under Intercompany Loans granted to its Participated Companies as to principal, interest or otherwise; as a consequence, the Issuer depends on both (a) the cash flows of, and the distribution of funds from, these Participated Companies, which may be restricted by, amongst others, the financing agreements entered into by such Participated Companies and (b) the ability of these Participated Companies to meet their payment obligations under any Intercompany Loans to fulfil their debt obligations, including their obligations with respect to the Notes. The cash flows generated by the Participated Companies and, as a consequence, the ability of these Participated Companies to meet their payment obligations under any Intercompany Loans depend, *inter alia*, on the exploitation of the relevant Italian Motorway Concessions. Any reduction or delay in the payment of dividends, and any default or delay in the payment of any amount due under the Intercompany Loans, from its Participated Companies could have an adverse effect on the ASTM Group's business and results of operations, financial position and cash flows.

4. Legal and regulatory risks

4.1 Risks related to tariff adjustments and regulations

The determination of motorway tariffs – which represent one of the variables from which toll revenues derive – is based on forecasts and estimates of costs, investments and traffic volumes reported in the economic and financial plan jointly approved by the Ministry of Infrastructures and Transports and the Ministry of Economy and Finance in relation to each Italian Motorway Concession ("**EFP**"). Pursuant to CIPE Resolution No. 39/2007, each of the Italian Motorway Concessions has opted for the so-called "rebalancing" method (*riequilibrio*) or the so-called "validation" method (*convalida*) for updating the EFP. Since tariff adjustments are linked to the updating of the EFPs on a five-year basis, the Ministry of Infrastructures and Transports may not grant tariff adjustments until the expired EFPs are updated. Furthermore, the prolonged failure to update the EFPs, typically due to the inaction of the Public Administration in concluding the updating process and, consequently, the prolonged failure to adjust the tariffs, or their recognition of the tariffs at a lower amount than that proposed by the concessionaire, could have a significant negative impact on the profitability of the ASTM Group. Considering that each investment shall be adequately covered by the relevant EFP, the delayed approval of the EFPs could also result in the postponement of the investments and therefore in the non-recognition of the relevant tariff with a consequent unprofitable management of such investments and increased risk of additional costs (the so-called "cost overrun").

On 19 June 2019, the Transport Regulatory Authority (*Autorità di Regolazione dei Trasporti* – ART) adopted specific resolutions defining a new toll system, including certain amendments to the methods for determining tariffs. For further information, see "*Regulatory*" below. In September 2019, the Italian Motorway Subsidiaries challenged ART resolutions with the competent Regional Administrative Court (*Tribunale Amministrativo Regionale - TAR*). As at the date of this Base Prospectus, the competent Regional Administrative Court has not yet set the hearing (*Udienza di Merito*) to discuss ASTM's appeal. If the principles established by ART resolutions are actually applied, the two different methods for determining the tariff ("rebalancing" and "validation") would cease to apply and five-year updates of the EFPs would be applied to all the Italian Motorway Subsidiaries, with the management tariff being realigned to the level of the operating costs recorded in the "base" year and to the updated traffic volumes. In this case, there is a risk that, if the efficiency levels achievable by the Italian Motorway Subsidiaries are lower than the productivity recovery coefficient defined by ART, a full recovery of the operating costs actually incurred will not be achieved, with a consequent reduction in the profitability levels of the Issuer and the ASTM Group.

4.2 Risks related to the highly regulated environment in which the ASTM Group operates and any change in law, governmental policy and/or other governmental actions

The motorway sector is governed by a series of laws, regulations, decrees and resolutions, relating to, *inter alia*, tax laws, road safety legislation and environmental laws and regulations. Furthermore, each of the Italian Motorway Concessions granted to the Italian Motorway Subsidiaries is governed by the specific terms of such Italian Motorway Concession, together with other generally applicable laws, regulations, decrees and resolutions (see “Regulatory” below). Changes in laws and regulations which affect the concessions, the tariff formula or activities required to be performed under a concession and thereby adversely impact the economic or financial position of a concessionaire may give rise to a right of the concessionaire to renegotiate the terms of the concession with the grantor in an effort to restore the financial balance of the Italian Motorway Concession agreement in existence prior to the relevant changes or to withdraw from the Italian Motorway Concession agreement with compensation (if any) being paid to the relevant concessionaire for the works carried out. These changes in any relevant laws or regulations, including changes that may require the ASTM Group to make additional capital investments or adverse changes in the regulatory environment, such as a reduction of government appropriations, restrictions on operations and on motorway construction or other interference from government entities, will not materially adversely affect the results of operations or financial condition of the ASTM Group or that the ASTM Group shall be adequately indemnified.

4.3 Risks related to legal proceedings

As part of the ordinary course of business, companies belonging to the ASTM Group are or may be parties to a number of administrative proceedings, tax investigations, criminal proceedings and civil actions (for further information on the legal proceedings involving the Issuer or the other companies of the ASTM Group, see (a) the notes to the consolidated financial statements of the Issuer for the year ended 31 December 2019 and, in particular, Note 11 (*Provisions for risks and charges and Employee benefits*) and the paragraph headed “Other information”; and (b) the paragraph in the management report relating to the consolidated financial statements of the Issuer for the year ended 31 December 2019 headed “Risk factors and uncertainties”, each incorporated by reference into this Base Prospectus). As at 31 December 2019, the Issuer had a provision in its annual consolidated financial statements for legal proceedings which the Issuer considers to be adequate. In any case, an unfavorable material outcome in one or more proceedings could have a material adverse effect on the ASTM Group’s results of operations or financial condition.

4.4 Risks related to the extensive environmental regulation to which the ASTM Group’s operations are subject

The ASTM Group’s activities are subject to a broad range of environmental laws and regulations, which, among other things, require performance of environmental impact studies for future projects, application for, and compliance with, the terms of licenses, permits and other approvals. Environmental risks inherent to the ASTM Group’s activities include those arising from the management of residues, effluents, emissions and land on the ASTM Group’s facilities and installations, as well as waste disposal and reduction of noise pollution. These risks are subject to strict national and international regulations and regular audits by government authorities.

Any breaches of environmental legislation could lead to legal proceedings against an ASTM Group company, the imposition of criminal and/or civil penalties on those responsible, the payment of charges deriving from the fulfilment of obligations provided for by environmental laws and regulations, as well as delays in the execution of the works and their entry into operation. In particular, if environmental damage and/or other violations of environmental regulations occur and criminal proceedings are instituted, it cannot be excluded that such processes may lead to the seizure of the plants which caused the environmental damage or to which the violations of the aforesaid regulations are linked, with a consequent interruption of the operation of such plants, which could have a material adverse impact on the Group’s business, financial condition and results of operation. Furthermore, any of these risks may cause potential damage to the ASTM Group’s image and

reputation. In addition, these regulations may be subject to significant tightening or other modifications by national, European and international laws. The cost of complying with these regulations could be onerous.

During the construction of motorway sections, the ASTM Group may encounter unexpected environmental issues such as the discovery of contaminated soil not identified by the soil samples, analysis and investigations conducted during the planning phase, which may result in the violation of environmental laws and regulations. As a result, the ASTM Group may be required to commence new authorisation procedures and may be subject to lengthy legal and administrative proceedings.

5. Internal control risks

5.1 Risks related to administrative responsibility pursuant to Legislative Decree 231/2001

Legislative Decree 231/2001 provides that a company is responsible for certain offences (not only crimes) committed by its executives, directors, agents and/or employees in the interest or to the benefit of that company. The list of offences has been steadily increasing along the years and now covers, *inter alia*, health and safety, environment and computer crimes. To mitigate these risks the Issuer implemented a set of rules and procedures aimed at preventing such offences (the “**Model 231**”). However, irrespective of the implementation of the Model 231, any of such offences may determine a severe reputational damage for the Group with a consequent impact on the ability of the Group to obtain funding and make investments and, in turn, an adverse effect on its business results and financial conditions.

Furthermore, as at the date of this Base Prospectus, the foreign subsidiaries of the ASTM Group have not adopted an organisation and management model pursuant to Legislative Decree 231/2001, as such model may not be compatible with the national regulations applicable to such companies and, therefore, the ASTM Group may not be able to avoid the responsibility deriving from the activities carried out by such subsidiaries.

6. Environmental, social and governance risks

6.1 Risks related to any delays in the disbursement of the public contributions or revocation by the competent authorities

The ASTM Group has assumed that a number of projects will benefit at least in part from contributions from the Italian government. The governmental contributions are provided for by law or pursuant to the relevant Italian Motorway Concession and, following any delays in scheduled completion times of projects or project benchmarks, some delays in the payment of contributions from State authorities may occur. On the basis of general principles of Italian law, public contributions may be subject to revocation by the competent authorities for public interest reasons or due to defaults by the concessionaire to meet the obligations on which the payment of the relevant contribution is dependent. Delays in payments or revocation of public contributions may have a material adverse effect on the ASTM Group’s working capital and general financial condition and results of operations with a consequent negative impact on the Issuer’s ability to fulfil its obligations under Notes issued under the Programme.

6.2 Risks related to past and future acquisitions and business combinations, including potential increases in leverage resulting from the financing of the transactions and the integration of new companies into the ASTM Group

As further described in this Base Prospectus, ASTM has acquired a number of companies and its strategy is to consider potential new acquisitions. The acquisitions that ASTM has already carried out (including, *inter alia*, the acquisition of an equity interest in SPV Primav Infrastruttura S.A. through IGLI, as described under “*Description of the Issuer – International Motorway Activities – Motorways Activities in Brazil*” below, and the acquisition of an equity interest in Halmar International LLC through ITINERA USA CORP, as described under “*Description of the Issuer – Construction sector*”) and other integration projects already carried out, as well as any future acquisitions and other business combinations may result in a significant expansion and

increased complexity of the ASTM Group's operations. Such acquisitions and other business combinations may have adverse consequences. Acquisitions and other business combinations require the integration and combination of different management, strategies, procedures, products and services, client bases and distribution networks, with the aim of streamlining the business structure and operations of the newly enlarged group. Although the Issuer assesses each investment based on financial and market analysis, which includes certain assumptions, existing and future acquisitions and/or business combinations therefore expose ASTM and the ASTM Group to risks connected to the integration of new companies into the ASTM Group. These risks may relate to: (i) difficulties arising from having to manage a significantly broader and more complex organisation; (ii) problems resulting from the coordination and consolidation of corporate and administrative functions (including internal controls and procedures relating to accounting and financial reporting); (iii) the possible diversion of management's attention from the operation of existing businesses; (iv) substantial costs, delays or other operational or financial problems in integrating acquired businesses; (v) difficulties arising from unanticipated events, circumstances or legal liabilities; or (vi) the failure to achieve expected synergies. Furthermore, this integration process may require additional investment and expense. Failure to successfully manage one or more of the foregoing circumstances, or the need for significant further investments in order to do so could have a material adverse effect on the business, revenues, results of operations and financial condition of ASTM and the ASTM Group.

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME

1. Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common features (but is not intended to be an exhaustive description):

1.1 Notes subject to optional redemption by the Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate.

In addition, with respect to the options under Condition 9(b) (*Redemption for tax reasons*), Condition 9(c) (*Redemption at the option of the Issuer*) and Condition 9(e) (*Clean-up Call Option*), the Issuer's right to redeem at par all or, as the case may be, part of the Notes will exist notwithstanding that immediately prior to the serving of a notice in respect of the exercise of the relevant option the Notes may have been trading significantly above par, thus potentially resulting in a loss of capital invested.

If the Issuer calls and redeems the Notes in the circumstances mentioned above, the Noteholders may not be able to reinvest the redemption proceeds in securities offering a comparable yield. Potential investors should consider reinvestment risk in light of other investments available at that time.

1.2 Redemption for tax reasons

Unless, in the case of any particular Tranche of Notes, the relevant Final Terms specify otherwise, in the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Italy or certain other relevant jurisdictions or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Conditions. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

1.3 Fixed Rate Notes

Investment in Notes that bear a fixed rate of interest involves the risk that if market interest rates subsequently increase above the rate paid on such Notes, this will adversely affect the value of such Notes. While the nominal interest rate of a security with a fixed interest rate is fixed during the life of such security or during a certain period of time, market interest rates typically change on a daily basis. As market interest rates change, the price of such security changes in the opposite direction. If market interest rates increase, the price of such security typically falls, until the yield of such security is approximately equal to the prevailing market interest rate. Conversely, if market interest rates fall, the price of a security with a fixed interest rate typically increases, until the yield of such security is approximately equal to the prevailing market interest rate. Investors should be aware that the market price of such Notes may fall as a result of movements in market interest rates.

1.4 Variable rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

1.5 Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

1.6 Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

1.7 Reform of LIBOR and EURIBOR and other interest rate index and equity, commodity and foreign exchange rate index “benchmarks”

The London Interbank Offered Rate (“**LIBOR**”), the Euro Interbank Offered Rate (“**EURIBOR**”) and other indices which are deemed “benchmarks” are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such “benchmarks” to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to a “benchmark”.

Key international reforms of “benchmarks” include the International Organization of Securities Commission (“**IOSCO**”)’s proposed Principles for Financial Market Benchmarks (July 2013) (the “**IOSCO Benchmark Principles**”) and the EU’s Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the “**Benchmarks Regulation**”).

The IOSCO Benchmark Principles aim to create an overarching framework of principles for benchmarks to be used in financial markets, specifically covering governance and accountability, as well as the quality and transparency of benchmark design and methodologies. A review published in February 2015 on the status of the voluntary market adoption of the IOSCO Benchmark Principles noted that, as the benchmarks industry is in a state of change, further steps may need to be taken by IOSCO in the future, but that it is too early to determine what those steps should be. The review noted that there has been a significant market reaction to the

publication of the IOSCO Benchmark Principles, and widespread efforts being made to implement the IOSCO Benchmark Principles by the majority of administrators surveyed.

On 17 May 2016, the Council of the European Union adopted the Benchmarks Regulation. The Benchmarks Regulation was published in the Official Journal on 29 June 2016 and entered into force on 30 June 2016. Subject to various transitional provisions, the Benchmarks Regulation will apply from 1 January 2018, except that the regime for 'critical' benchmarks has applied from 30 June 2016 and certain amendments to Regulation (EU) No 596/2014 (the Market Abuse Regulation) have applied from 3 July 2016. The Benchmarks Regulation would apply to “contributors”, “administrators” and “users of” “benchmarks” in the EU, and would, among other things, (i) require benchmark administrators to be authorised (or, if non-EU-based, to be subject to an equivalent regulatory regime) and to comply with extensive requirements in relation to the administration of “benchmarks” and (ii) ban the use of “benchmarks” of unauthorised administrators. The scope of the Benchmarks Regulation is wide and, in addition to so-called “critical benchmark” indices such as EURIBOR, could also potentially apply to many other interest rate indices, as well as equity, commodity and foreign exchange rate indices and other indices (including “proprietary” indices or strategies) which are referenced in listed financial instruments (including listed Notes), financial contracts and investment funds.

The Benchmarks Regulation could also have a material impact on any listed Notes linked to a “benchmark” index, including in any of the following circumstances:

- (i) an index which is a “benchmark” could not be used as such if its administrator does not obtain appropriate EU authorisations or is based in a non-EU jurisdiction which (subject to any applicable transitional provisions) does not have equivalent regulation. In such event, depending on the particular “benchmark” and the applicable terms of the Notes, the Notes could be delisted (if listed), adjusted, redeemed or otherwise impacted;
- (ii) the methodology or other terms of the “benchmark” related to a series of Notes could be changed in order to comply with the terms of the Benchmarks Regulation, and such changes could have the effect of reducing or increasing the rate or level of the “benchmark” or of affecting the volatility of the published rate or level, and could lead to adjustments to the terms of the Notes.

Any of the international, national or other reforms (or proposals for reform), the discontinuing of or the general increased regulatory scrutiny of “benchmarks” could increase the costs and risks of administering or otherwise participating in the setting of a “benchmark” and complying with any such regulations or requirements.

An example of such proposals for benchmark reform was the announcement by the United Kingdom Financial Conduct Authority on 12 July 2018, that the London interbank offered rate (“**LIBOR**”) may cease to be a regulated benchmark under the Benchmark Regulation (the “**FCA Announcement**”). Whilst the FCA Announcement related to LIBOR, similar concerns may be applicable to EURIBOR. The potential elimination of the LIBOR “benchmark” or any other “benchmark”, or changes in the manner of administration of any “benchmark”, could require an adjustment to the terms and conditions, or result in other consequences, in respect of any Notes referencing such “benchmark”.

Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain ‘benchmarks’, trigger changes in the rules or methodologies used in certain ‘benchmarks’ or lead to the disappearance of certain ‘benchmarks’. The disappearance of a ‘benchmark’ or changes in the manner of administration of a ‘benchmark’ could result in adjustment to the terms and conditions, early redemption, delisting or other consequence in relation to Notes linked to such ‘benchmark’.

Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any such Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms in making any investment decision with respect to any Notes referencing a “benchmark”.

1.8 If the relevant Reference Rate is discontinued, the rate of interest of the affected Floating Rate Notes will be changed in ways that may be adverse to holders of such Notes, without any requirement that the consent of such holders be obtained.

The Conditions provide also for certain additional arrangements in the event that a published Original Reference Rate (including any page on which such Original Reference Rate may be published (or any successor service)) becomes unavailable, including the possibility that the rate of interest could be set by reference to a Successor Reference Rate or an Alternative Reference Rate, and that such Successor Reference Rate or Alternative Reference Rate may be adjusted (if required) by the application of an Adjustment Spread. The application of a Successor Reference Rate or an Alternative Reference Rate or an Adjustment Spread may result in the relevant Notes performing differently (which may include payment of a lower interest rate) than they would do if the relevant Original Reference Rate were to continue to apply in its current form. If no Adjustment Spread is determined, a Successor Reference Rate or Alternative Reference Rate may nonetheless be used to determine the rate of interest. In certain circumstances, the ultimate fallback of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last used for the relevant Notes or last observed on the Relevant Screen Page.

In addition, due to the uncertainty concerning the availability of Successor Reference Rates and Alternative Reference Rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time. If the Independent Adviser or, as applicable, the Issuer determines that amendments to the Conditions or the Agency Agreement are necessary to ensure the proper operation of any Successor Reference Rate or Alternative Reference Rate and/or Adjustment Spread or to comply with any applicable regulation or guidelines on the use of benchmarks or other related document issued by the competent regulatory authority, then such amendments shall be made without any requirement for the consent or approval of Noteholders, as provided by Condition 7(j).

1.9 The value of the Collateral securing the Secured Notes and the related Deeds of Pledges (*pegni di crediti*) may not be sufficient to satisfy the Issuer's obligations under the Secured Notes and the Collateral securing the Secured Notes may be reduced or diluted under certain circumstances

The Secured Notes will be secured by first priority security interests in the Collateral described in this Base Prospectus (see "*General Description of the Programme*").

Given that the value of the Collateral depends upon the cash flows generated by the relevant Material Subsidiary benefiting from the Intercompany Loan, the Collateral may be at risk or reduced if such Material Subsidiary defaults or becomes insolvent or if the Issuer ceases to own such Material Subsidiary.

In case of any reduction in the value of the Collateral securing the Secured Notes, the rights of the holders of the Secured Notes to the Collateral would be affected.

In addition, the Secured Notes are subject to, and enjoy the benefit of, an Italian law-governed Intercreditor Agreement pursuant to which proceeds derived from the enforcement of either (i) a pledge created pursuant to the Deeds of Pledge in favour of the holders of the Secured Notes and the Trustee (the "**Pledge**") or (ii) any pledge over the receivables and monetary claims arising from intercompany loans granted to the Subsidiaries of the Issuer out of the proceeds of facilities granted to the Issuer by Secured Creditors other than the holders of the Secured Notes will be shared *pro rata* among the holders of the Secured Notes and the other Secured Creditors who have enforced their respective security interests against the Issuer. In case of enforcement of such security interests following a default of the Issuer, should the proceeds recovered by the Secured Creditors (other than the holders of the Secured Notes) under the relevant security documents not be sufficient to satisfy their respective secured claims *vis-à-vis* the Issuer, pursuant to the Intercreditor Agreement such a loss will be shared *pro rata* among all the Secured Creditors including the holders of the Secured Notes (the same principle would apply in relation to the proceeds collected from the enforcement of security interests other than the Pledges which will be shared with the holders of the Secured Notes, should the Collateral not be sufficient to fully satisfy their claims under the Secured Notes). As a consequence, due to the application of the *pro rata* sharing principles set out in the Intercreditor Agreement, the holders of the Secured Notes may not be able to rely entirely on the proceeds arising from the enforcement of the Pledge in order to satisfy their monetary claims *vis-à-vis* the Issuer under the Secured Notes. In addition, Secured Creditors who have not

enforced their Security Interests shall not be entitled to share in such proceeds. Pursuant to the Trust Deed, the Trustee is entitled to enforce the relevant Security Interest for the holders of the Secured Notes.

If the Issuer ceases to own a Material Subsidiary which has received an Intercompany Loan out of the funds arising from the issue of a Series of Secured Notes, the relevant intercompany loan will be mandatorily prepaid and, as a consequence thereof, the value of the security assisting such Series of Secured Notes at the issue date will be reduced by a corresponding amount. A further negative consequence of the mandatory prepayment of an Intercompany Loan(s) upon the disposal of a Material Subsidiary would be that the holders of the relevant Series of Secured Notes would receive a lower amount from the application of the pro rata sharing principles set out in the Intercreditor Agreement (as described above) or, if there are no other Intercompany Loans securing the same Series of Secured Notes, the relevant holders would cease to be secured and would no longer benefit at all from the application of the pro rata sharing principles set out in the Intercreditor Agreement.

For further information on the above see “*General Description of the Programme*” below.

1.10 The ability of the Trustee to enforce the Security may be limited

Bankruptcy law could prevent the Trustee from enforcing the relevant Deed of Pledge upon the occurrence of an event of default if a bankruptcy proceeding is commenced by or against the Issuer before the Trustee takes action to enforce the relevant Deed of Pledge. Under Italian bankruptcy laws, secured creditors such as the Trustee or the holders of the Secured Notes are prohibited from enforcing security against a debtor, without prior approval of a bankruptcy court. It is impossible to predict how long payments under the Secured Notes could be delayed following commencement of a bankruptcy case, whether or when the Trustee could repossess or dispose of the Collateral or whether or to what extent a holder of the Secured Notes would be compensated for any delay in payment or loss of value of the Collateral.

1.11 Absence of security in favour of the holders of Unsecured Notes and Formerly Secured Notes

The Unsecured Notes shall constitute direct, unconditional and unsubordinated obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured, unsubordinated obligations of the Issuer, save for certain mandatory exceptions of applicable law.

Unlike the Secured Notes, the payment obligations of the Issuer in relation to the Unsecured Notes do not have the benefit of any security interest including, without limitation, any pledge or other security interests over the receivables and monetary claims of the Issuer *vis-à-vis* its Material Subsidiaries (as defined in the Conditions of the Notes) which have received or will receive from time to time intercompany loans from the Issuer. In case of default of the Issuer under the Unsecured Notes, the relevant holders, unlike the holders of the Secured Notes, will not have any direct claim against any subsidiaries of the Issuer (including the Motorway Subsidiaries (as defined in the “*Description of the Issuer*”)). As a consequence, in terms of access to the cash flows generated by any subsidiary of the Issuer, the holders of the Unsecured Notes will be contractually subordinated to the holders of the Secured Notes and structurally subordinated to any other creditors of the subsidiaries of the Issuer. The Conditions of the Notes neither prohibit nor limit the subsidiaries of the Issuer from incurring additional indebtedness (either secured or unsecured) from third parties, which, in any event, shall comply with the capital adequacy undertakings assumed by the Motorway Subsidiaries in the relevant Concession contracts as well as with any financial covenant undertaken by the relevant subsidiaries in the contractual documentation relating to their financial indebtedness.

The same principle also applies with respect to the Formerly Secured Notes (i.e., Secured Notes following the Conversion into Unsecured Notes pursuant to Condition 5(d) (*Special Provisions of Secured Notes – Conversion from Secured Notes to Unsecured Notes*)). As is the case for the holders of Unsecured Notes, the holders of Formerly Secured Notes, as a consequence of the release of the relevant Collateral from the Pledge(s), will no longer be entitled to the benefit of any security interest over the receivables and monetary claims of the Issuer arising from the intercompany loans granted by the Issuer to its subsidiaries with the proceeds of the issue of the Secured Notes. It should be noted, however, that the Conversion of the Secured Notes into Unsecured Notes may only occur to the extent that the Issuer Debt Ratio is at least equal to the Conversion Threshold (i.e., the ratio of the aggregate Indebtedness of the Issuer to the Indebtedness of the Group is at least equal to 85%) and, as a consequence, in circumstances where the Issuer believes that the structural subordination should not persist any longer.

2. Risks relating to the Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

2.1 The Issuer may amend the terms and conditions of the Notes without the prior consent of all holders of such Notes

The Trust Deed and the Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting, and Noteholders who voted in a manner contrary to the majority. Any such amendment to the Notes may include, without limitation, lowering the ranking of the Notes, reducing the amount of principal and interest payable on the Notes, changing the time and manner of payment, changing provisions relating to redemption, limiting remedies on the Notes and changing the amendment provisions. These and other changes may adversely impact Noteholders' rights and may adversely impact the market value of the Note.

The Conditions also provide that the Trustee may, without the consent of Noteholders, agree to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Trust Deed in the circumstances described in Condition 16 (*Meetings of Noteholders; Noteholders' Representative; Modification and Waiver*) of the Conditions of the Notes.

2.2 Risks relating to taxation regime

The tax regime in Italy and in any other relevant jurisdiction (including, without limitation, the jurisdiction in which each Noteholder is resident for tax purposes) may be relevant to the acquiring, holding and disposing of Notes and the receiving of payments of interest, principal and/or other income under the Notes. Prospective investors in the Notes should consult their own tax advisers as to which countries' tax laws could be relevant and the consequences of such actions under the tax laws of those countries.

For further information on the principal Italian tax consequences of the purchase, ownership, redemption and disposal of the Notes, see the section entitled "*Taxation*" below.

2.3 Investing in the Notes may negatively impact on the "Aiuto alla Crescita Economica" (ACE) benefit available to certain Italian resident noteholders (or Italian permanent establishments of non-resident noteholders).

Effective as of the fiscal year following the fiscal year that was current on 31 December 2015, Article 1(550) of Law No. 232 of 11 December 2016 (Finance Act 2017) added paragraph 6-*bis* to Article 1 of Law Decree No. 201 of 6 December 2011, converted into Law No. 214 of 22 December 2011. Under this new rule, the base upon which the "*Aiuto alla Crescita Economica*" benefit set forth in Article 1 of Law Decree No. 201 of 6 December 2011 (the "**ACE Benefit**") is computed is reduced by an amount equal to the positive difference (if any) between (i) the aggregate book value of securities (*titoli e valori mobiliari*) other than shares reported in the taxpayer's financial statements for the relevant fiscal year and (ii) the aggregate book value of securities (*titoli e valori mobiliari*) other than shares reported in the taxpayer's financial statements of the fiscal year that was current on 31 December 2010. The relevant securities (*titoli e valori mobiliari*) are defined in Article 1(1-bis) of Legislative Decree No. 58 of 24 February 1998. Only Italian resident persons carrying on an entrepreneurial activity (and in particular Italian resident corporations) and Italian permanent establishments of non-resident persons can enjoy the ACE Benefit. The new restrictive rule enacted by Finance Act 2017 applies only to taxpayers that do not carry out insurance or financial activities listed in Section K of the 2007 ATECOFIN Index (except for non-financial holding companies).

Because of this new rule, investment in the Notes by Italian resident noteholders (other than financial and insurance companies) might reduce the amount of the ACE Benefit that they may be able to enjoy. Noteholders are thus urged to consult their own tax advisers concerning the implications that holding the Notes may have on the ACE Benefit available to them.

2.4 Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer

Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with a common depositary or common safekeeper for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg. While the Notes are represented by one or more Global Notes, the Issuer will discharge its payment obligations under the Notes by making payments to the common depositary or common safekeeper for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes. Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

2.5 *Delisting of the Notes*

Application has been made for Notes issued under the Programme to be listed on the Official List and admitted to trading on the regulated market of Euronext Dublin and Notes issued under the Programme may also be admitted to trading, listing and/or quotation by any other listing authority, stock exchange or quotation system (each, a “**listing**”), as specified in the relevant Final Terms. Such Notes may subsequently be delisted despite the best efforts of the Issuer to maintain such listing and, although no assurance is made as to the liquidity of the Notes as a result of listing, any delisting of the Notes may have a material effect on a Noteholder’s ability to resell the Notes on the secondary market.

2.6 *Denominations and restrictions on exchange for Definitive Notes*

Notes may in certain circumstances be issued in denominations including (i) a minimum denomination of €100,000 (or its equivalent in another currency) and (ii) an amount which is greater than €100,000 (or its equivalent) but which is an integral multiple of a smaller amount (such as €1,000). Where this occurs, Notes may be traded in amounts in excess of €100,000 (or its equivalent) that are not integral multiples of €100,000 (or its equivalent). In such a case, a holder who as a result of trading such amounts, holds a principal amount of less than the minimum denomination of €100,000 will not receive a Definitive Note in respect of such holding (should Definitive Notes be printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to an integral multiple of €100,000.

2.7 *Certain relationships between one of the Dealers and the Calculation Agent may present conflicts of interest*

The Issuer may appoint a Dealer as Calculation Agent in respect of an issuance of Notes under the Programme. In such a case the Calculation Agent is likely to be a member of an international financial group that is involved, in the ordinary course of its business, in a wide range of banking activities out of which conflicting interests may arise. Whilst such a Calculation Agent will, where relevant, have information barriers and procedures in place to manage conflicts of interest, it may in its other banking activities from time to time be engaged in transactions involving an index or related derivatives which may affect amounts receivable by Noteholders during the term and on the maturity of the Notes or the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

3. Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk and credit risk:

3.1 *The secondary market generally*

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market

risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

3.2 Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) the Investor's Currency equivalent market value of the Notes. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

3.3 Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Issuer and/or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. Tranches of Notes issued under the Programme may be rated or unrated. Where a tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) assigned to ASTM from time to time or to other Notes issued under the Programme. Notwithstanding the above, any adverse change in an applicable credit rating could adversely affect the trading price for the Notes issued under the Programme.

INFORMATION INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with the sections of the documents incorporated by reference set out in the table below. The following documents which have previously been published and have been filed with Euronext Dublin and the Central Bank, shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

- (a) the audited consolidated annual financial statements (including the auditors' audit report thereon and notes thereto) and the management report of the Issuer in respect of the years ended 31 December 2018 and 2019 (available at: <https://www.astm.it/wp-content/uploads/2019/05/ASTM-Group-2018-Financial-Statements.pdf> and https://www.astm.it/wp-content/uploads/2020/05/ASTM_SpA-2019_Financial_Statements.pdf); and
- (b) the unaudited consolidated interim financial report of the Issuer in respect of the half-year ended 30 June 2020 (available at: https://www.astm.it/wp-content/uploads/2020/08/ASTM_Interim_Financial_Report_as_at_30.06.2020.pdf).

Cross-reference lists

The tables below show where the information incorporated by reference in this Base Prospectus can be found in the above-mentioned documents.

Audited Consolidated Annual Financial Statements and Management Report of the Issuer as at and for the years ended 31 December 2018 and 2019

	As at and for the year ended 31 December	
	2018	2019
Management report.....	Pages 17-76	Pages 17-82
Audited Consolidated Annual Financial Statements		
Consolidated balance sheet.....	Page 154	Page 180
Consolidated income statement	Page 155	Page 181
Consolidated other comprehensive income / Consolidated statements of comprehensive income	Page 155	Page 181
Consolidated cash flow statement.....	Page 156	Page 182
Statement of changes in shareholders' equity	Page 157	Page 183
Principles of consolidation, valuation criteria and explanatory notes	Pages 159-254	Pages 185-278
Certification of the consolidated financial statements pursuant to Article 154-bis of Legislative Decree No. 58 of 24 February 1998 ¹	Pages 255-257	Pages 279-281
Independent Auditor's Report	Pages 259-266	Pages 283-290

¹ Pursuant to Article 154-bis of Legislative Decree No. 58 of 24 February 1998, such certification is prepared by the chief executive officers and the "executive responsible for the preparation of company accounting documents" to confirm, inter alia: (i) that the documents were prepared in compliance with applicable international accounting standards; (ii) the correspondence between the documents and related bookkeeping and accounting records; and (iii) the suitability of the documents to truthfully and correctly represent the financial position of the issuer and the group of companies included in the scope of consolidation.

Unaudited Consolidated Interim Financial Report of the Issuer as at and for the half-year ended 30 June 2020

	As at and for the half-year ended 30 June 2020
Interim management report.....	Pages 11-43
Consolidated balance sheet.....	Page 46
Consolidated income statement	Page 47
Consolidated statement of comprehensive income	Page 47
Consolidated cash flow statement.....	Page 48
Statement of changes in consolidated shareholders' equity	Page 49
Principles of consolidation, valuation criteria and explanatory notes	Pages 50-124
Certification of the consolidated financial statements pursuant to Article 154-bis of Legislative Decree No. 58 of 24 February 1998 ²	Pages 125-126
Independent Auditor's Report	Pages 127-129

Any statement contained in this Base Prospectus or in any of the documents incorporated by reference in, and forming part of, this Base Prospectus shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained in any document subsequently incorporated by reference, by way of supplement prepared in accordance with Article 23 of the Prospectus Regulation, modifies or supersedes such statement.

Any information contained in any of the documents specified above which is not incorporated by reference in this Base Prospectus is either not relevant to investors or is covered elsewhere in this Base Prospectus.

Each document incorporated herein by reference is current only as at the date of such document, and the incorporation by reference herein of such documents shall not create any implication that there has been no change in the affairs of the Issuer or the Group since the date thereof or that the information contained therein is current as at any time subsequent to its date.

Copies of the documents specified above as containing information incorporated by reference in this Base Prospectus have been filed with Euronext Dublin and may be inspected, free of charge, at the specified offices of the relevant Paying Agent (upon reasonable advanced notice and during normal office hours), on the website of Euronext Dublin (www.ise.ie) and on the website of the Issuer (www.astm.it).

² Pursuant to Article 154-bis of Legislative Decree No. 58 of 24 February 1998, such certification is prepared by the chief executive officers and the "executive responsible for the preparation of company accounting documents" to confirm, inter alia: (i) that the documents were prepared in compliance with applicable international accounting standards; (ii) the correspondence between the documents and related bookkeeping and accounting records; and (iii) the suitability of the documents to truthfully and correctly represent the financial position of the issuer and the group of companies included in the scope of consolidation.

FINAL TERMS AND DRAWDOWN PROSPECTUSES

In this section the expression “**necessary information**” means, in relation to any Tranche of Notes, the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Notes. In relation to the different types of Notes which may be issued under the Programme, the Issuer has endeavoured to include in this Base Prospectus all of the necessary information except for information relating to the Notes which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Base Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained either in the relevant Final Terms or in a Drawdown Prospectus. Such information will be contained in the relevant Final Terms, unless any of such information constitutes a significant new factor relating to the information contained in this Base Prospectus. In the latter case, such information, together with all of the other necessary information in relation to the relevant series of Notes, may be contained in a supplement.

For a Tranche of Notes which is the subject of Final Terms, those Final Terms must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes which is the subject of Final Terms are the Conditions as completed by the relevant Final Terms.

The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus.

FORMS OF THE NOTES

Each Tranche of Notes will initially be in the form of either a temporary global note (the “**Temporary Global Note**”), without interest coupons, or a permanent global note (the “**Permanent Global Note**”), without interest coupons, in each case as specified in the relevant Final Terms. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a “**Global Note**”) which is not intended to be issued in new global note (“**NGN**”) form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a depositary or a common depositary for Euroclear Bank S.A./N.V. as operator of the Euroclear System (“**Euroclear**”) and/or Clearstream Banking, société anonyme, Luxembourg (“**Clearstream, Luxembourg**”) and/or any other relevant clearing system and each Global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. The clearing system will be notified prior to the Issue Date of each Tranche of Notes as to whether the Notes are to be issued in NGN form or CGN form.

On 13 June 2006, the European Central Bank (the “**ECB**”) announced that Notes in NGN form are in compliance with the “Standards for the use of EU securities settlement systems in ESCB credit operations” of the central banking system for the euro (the “**Eurosystem**”), *provided that* certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

The relevant Final Terms will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (or substantially identical successor provision) (the “**TEFRA C Rules**”) or United States Treasury Regulation §1.163 5(c)(2)(i)(D) (or substantially identical successor provision) (the “**TEFRA D Rules**”) are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

Temporary Global Note exchangeable for Permanent Global Note

If the relevant Final Terms specifies the form of Notes as being “Temporary Global Note exchangeable for a Permanent Global Note”, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the prompt delivery (free of charge to the bearer) of such Permanent Global Note to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (i) presentation and (in the case of final exchange) surrender of the Temporary Global Note to or to the order of the Principal Paying Agent; and
- (ii) receipt by the Principal Paying Agent of a certificate or certificates of non-U.S. beneficial ownership, within seven days of the bearer requesting such exchange.

The principal amount of Notes represented by the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership; *provided, however, that* in no circumstances shall the principal amount of Notes represented by the Permanent Global Note exceed the initial principal amount of Notes represented by the Temporary Global Note.

The Permanent Global Note will be exchangeable in whole, but not in part, for Notes in definitive form (“**Definitive Notes**”):

- (i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (ii) at any time, if so specified in the relevant Final Terms; or
- (iii) if the relevant Final Terms specifies “in the limited circumstances described in the Permanent Global Note”, then if (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 12 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

Temporary Global Note exchangeable for Definitive Notes

If the relevant Final Terms specifies the form of Notes as being “Temporary Global Note exchangeable for Definitive Notes” and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Final Terms specifies the form of Notes as being “Temporary Global Note exchangeable for Definitive Notes” and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

Permanent Global Note exchangeable for Definitive Notes

If the relevant Final Terms specifies the form of Notes as being “Permanent Global Note exchangeable for Definitive Notes”, then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes:

- (i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (ii) at any time, if so specified in the relevant Final Terms; or
- (iii) if the relevant Final Terms specifies “in the limited circumstances described in the Permanent Global Note”, then if (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 12 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the

principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under “*Terms and Conditions of the Notes*” below and the provisions of the relevant Final Terms which complete those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under “*Summary of Provisions Relating to the Notes while in Global Form*” below.

Legend concerning United States persons

In the case of any Tranche of Notes having a maturity of more than 365 days, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

“Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.”

The sections referred to in such legend provide that a United States person who holds a Note, Coupon or Talon will generally not be allowed to deduct any loss realised on the sale, exchange or redemption of such Note, Coupon or Talon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, as completed by the relevant Final Terms, will be endorsed on each Note in definitive form issued under the Programme. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under “Summary of Provisions Relating to the Notes while in Global Form” below.

1. Introduction

- (a) **Programme:** ASTM S.p.A. (the “**Issuer**”) has established a Euro Medium Term Note Programme (the “**Programme**”) for the issuance of up to €3,000,000,000 in aggregate principal amount of notes (the “**Notes**”) or such other maximum aggregate principal amount of Notes which may be outstanding under the Programme as may be increased from time to time, subject to compliance with the relevant provisions of the Programme and applicable laws and regulations. The Notes are issued pursuant to Articles 2410 to 2420 of the Italian Civil Code, as amended and supplemented from time to time. Notes issued under the Programme may be secured or unsecured.
- (b) **Final Terms:** Notes issued under the Programme are issued in series (each a “**Series**”) and each Series may comprise one or more tranches (each a “**Tranche**”) of Notes. Each Tranche is the subject of a final terms (the “**Final Terms**”) which completes these terms and conditions (the “**Conditions**”). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as completed by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.
- (c) **Trust Deed:** The Notes are constituted by, are subject to, and have the benefit of, a trust deed dated 12 August 2020 (as amended, restated or supplemented from time to time, the “**Trust Deed**”) between the Issuer and Deutsche Trustee Company Limited as trustee (the “**Trustee**”, which expression includes all persons for the time being trustee or trustees appointed under the Trust Deed).
- (d) **Agency Agreement:** The Notes are the subject of an issue and paying agency agreement dated 12 August 2020 (as amended, restated or supplemented from time to time, the “**Agency Agreement**”) between the Issuer, Deutsche Bank AG, London Branch as principal paying agent (the “**Principal Paying Agent**”, which expression includes any successor principal paying agent appointed from time to time in connection with the Notes) and the paying agents named therein (together with the Principal Paying Agent, the “**Paying Agents**”, which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes).
- (e) **Intercreditor Agreement and Deeds of Pledge:** The Secured Notes are subject to, and have the benefit of, (i) an Italian law governed intercreditor agreement dated 8 October 2010 (as amended or supplemented from time to time, the “**Intercreditor Agreement**”) between, *inter alios*, the Issuer (which became a party thereto following the merger by incorporation of SIAS S.p.A. into the Issuer), Mediobanca – Banca di Credito Finanziario S.p.A. as intercreditor agent (the “**Intercreditor Agent**”), the Trustee and the other Secured Creditors and (ii) one or more Italian law governed deeds of pledge over the receivables arising from intercompany loans granted to the Subsidiaries of the Issuer out of the proceeds of the Secured Notes (*pegni di crediti*) as may be entered into from time to time (the “**Deeds of Pledge**”) to be entered into by the Issuer in favour of the holders of the relevant Series of Secured Notes and the Trustee on or about the date of issue of the relevant Series of Secured Notes.
- (f) **The Notes:** All subsequent references in these Conditions to “**Notes**” are to the Notes which are the subject of the relevant Final Terms (including any Secured Notes). Copies of the relevant Final Terms are available for viewing at the Specified Office of each of the Paying Agents.
- (g) **Summaries:** Certain provisions of these Conditions are summaries of the Trust Deed, the Security Documents (as defined below) and the Agency Agreement, and are subject to their detailed provisions. The holders of the Notes (the “**Noteholders**”) and the holders of the related interest coupons, if any, (the “**Couponholders**” and the “**Coupons**”, respectively) and, where applicable, talons for further Coupons (“**Talons**”) are bound by, have the benefit of and are deemed to have notice of, all the provisions of the Trust Deed, the Security Documents and the Agency Agreement

applicable to them. Copies of the Trust Deed, the Security Documents and the Agency Agreement are available for inspection by Noteholders upon reasonable advanced notice and during normal business hours at the Specified Offices of each of the Paying Agents, the initial Specified Offices of which are set out below. Such documents may, at the option of the relevant Paying Agent, be made available electronically in lieu of physical inspection, subject to the relevant Paying Agent receiving such proof of entitlement to inspect such documents.

2. Interpretation

(a) **Definitions:** In these Conditions the following expressions have the following meanings:

“**Accrual Yield**” has the meaning given in the relevant Final Terms.

“**Additional Business Centre(s)**” means the city or cities specified as such in the relevant Final Terms.

“**Additional Financial Centre(s)**” means the city or cities specified as such in the relevant Final Terms.

“**Benchmarks Regulation**” means Regulation (EU) No. 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No. 596/2014.

“**Business Day**” means:

- (i) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and
- (ii) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre.

“**Business Day Convention**”, in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (i) “**Following Business Day Convention**” means that the relevant date shall be postponed to the first following day that is a Business Day;
- (ii) “**Modified Following Business Day Convention**” or “**Modified Business Day Convention**” means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (iii) “**Preceding Business Day Convention**” means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (iv) “**FRN Convention**”, “**Floating Rate Convention**” or “**Eurodollar Convention**” means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred *provided, however, that:*
 - (A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in

the next calendar month, in which case it will be the first preceding day which is a Business Day; and

- (C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (v) “**No Adjustment**” means that the relevant date shall not be adjusted in accordance with any Business Day Convention.

“**Calculation Agent**” means the Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms.

“**Calculation Amount**” has the meaning given in the relevant Final Terms.

“**Collateral**” has the meaning given to it in Condition 5(b).

“**Concession**” means a motorway concession, concession contract or analogous instrument.

“**Consolidated Assets**” means, with respect to any date, the consolidated total assets of the Group for such date, as reported in the most recently published audited annual consolidated financial statements of the Group.

“**Consolidated Revenues**” means, with respect to any date, the consolidated total revenues of the Group for such date, as reported in the most recently published audited annual consolidated financial statements of the Group.

“**Coupon Sheet**” means, in respect of a Note, a coupon sheet relating to the Note.

“**Day Count Fraction**” means, in respect of the calculation of an amount for any period of time (the “**Calculation Period**”), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (i) if “**Actual/Actual (ICMA)**” is so specified, means:
 - (a) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (b) where the Calculation Period is longer than one Regular Period, the sum of:
 - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (ii) if “**Actual/365**” or “**Actual/Actual (ISDA)**” is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (iii) if “**Actual/365 (Fixed)**” is so specified, means the actual number of days in the Calculation Period divided by 365;

- (iv) if “**Actual/360**” is so specified, means the actual number of days in the Calculation Period divided by 360;
- (v) if “**30/360**” is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (vi) if “**30E/360**” or “**Eurobond Basis**” is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30; and

- (vii) if “**30E/360 (ISDA)**” is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30,

provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period.

“**Deed of Pledge**” has the meaning ascribed to it under Condition 1 (*Introduction*) above.

“**Early Redemption Amount (Tax)**” means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms.

“**Extraordinary Resolution**” has the meaning given in the Trust Deed.

“**Final Redemption Amount**” means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms.

“**First Interest Payment Date**” means the date specified in the relevant Final Terms.

“**Fixed Coupon Amount**” has the meaning given in the relevant Final Terms.

“**Group**” means ASTM S.p.A. and its Subsidiaries from time to time.

“**Historical Consolidated Revenues**” means, with respect to a Material Concession Event, the consolidated total revenues of the Group as reported in the latest audited annual consolidated financial statements of the Group published prior to the Issue Date of the relevant Series of Notes.

“**Indebtedness**” means any financial indebtedness of any Person for money borrowed or raised.

“**Intercompany Loan**” means any loan made by the Issuer to any of its Subsidiaries out of the funds arising from Indebtedness incurred by the Issuer through the issue of a series of Secured Notes or otherwise, *provided that* the Issuer agrees that the receivables and monetary claims arising from such loan will be pledged in favour of the relevant Secured Creditors. For the avoidance of doubt, the proceeds of a Series of Secured Notes issued under the Programme may only be used for an Intercompany Loan made to one or more of the Subsidiaries.

“**Intercreditor Agreement**” has the meaning ascribed to it under Condition 1 (*Introduction*) above.

“**Interest Amount**” means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period.

“**Interest Commencement Date**” means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms.

“**Interest Determination Date**” has the meaning given in the relevant Final Terms.

“Interest Payment Date” means the First Interest Payment Date and any other date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (i) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case).

“Interest Period” means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date.

“ISDA Definitions” means the 2000 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.) or, if so specified in the relevant Final Terms, the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.).

“Issue Date” has the meaning given in the relevant Final Terms.

“Limited Recourse Indebtedness” means any Indebtedness incurred by one or more members of the Group to finance or refinance a Limited Recourse Transaction in respect of which the claims of the relevant creditor(s) are limited to (i) the assets of such Limited Recourse Transaction and the cash flows generated by or through it, and/or (ii) an amount equal to the proceeds deriving from the enforcement of any Security Interest taken over all or any part of the Limited Recourse Transaction to secure such Indebtedness, and/or (iii) other credit support (such as, *inter alia*, completion guarantees and contingent equity obligations) customarily provided in support of such Indebtedness. For the avoidance of doubt, in no circumstances may an Intercompany Loan qualify as Limited Recourse Indebtedness.

“Limited Recourse Transaction” means any transaction carried out by a Person relating to the ownership, acquisition, development, design, restructuring, leasing, maintenance, management and/or operation (in each case, in whole or in part) of any asset or assets (including, without limitation, Concessions) whereby any member of the Group (whether alone or together with other partners) has, directly or indirectly, an interest in the relevant Person.

“Margin” has the meaning given in the relevant Final Terms.

“Material Subsidiary” means any Subsidiary of the Issuer:

- (i) that receives an Intercompany Loan for so long as such Intercompany Loan is outstanding; or
- (ii) which accounts for 20 per cent. or more of the Consolidated Assets or Consolidated Revenues, where in the relevant calculation (a) the numerator shall be determined by multiplying the assets owned or revenues generated by such member of the Group (on a standalone basis) by the Issuer’s ownership percentage of such company and (b) the denominator shall be the relevant Consolidated Assets or Consolidated Revenues, as the case may be, *provided that* in no circumstances shall a member of the Group which has not incurred any Indebtedness other than Limited Recourse Indebtedness qualify as a Material Subsidiary.

“Maturity Date” has the meaning given in the relevant Final Terms.

“Maximum Redemption Amount” has the meaning given in the relevant Final Terms.

“**Minimum Redemption Amount**” has the meaning given in the relevant Final Terms.

“**Option Exercise Date (Put)**” has the meaning given in the relevant Final Terms.

“**Optional Redemption Amount (Call)**” means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms.

“**Optional Redemption Amount (Put)**” means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms.

“**Optional Redemption Date (Call)**” has the meaning given in the relevant Final Terms.

“**Optional Redemption Date (Put)**” has the meaning given in the relevant Final Terms.

“**Participating Member State**” means a Member State of the European Union which adopts the euro as its lawful currency in accordance with the Treaty.

“**Payment Business Day**” means:

- (i) if the currency of payment is euro, any day which is:
 - (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (B) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (ii) if the currency of payment is not euro, any day which is:
 - (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (B) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

“**Permitted Encumbrances**” means:

- (i) any Security Interest in existence on the relevant Issue Date of each Series of Notes;
- (ii) any Security Interest securing any Limited Recourse Indebtedness which falls within the definition of Relevant Indebtedness;
- (iii) any Security Interest created by a company which becomes a Material Subsidiary or any Security Interest over the shares / quotas of a company which becomes a Material Subsidiary after the date of the relevant Final Terms and where such Security Interest already exists at the time that company becomes a Material Subsidiary, *provided that* such Security Interest was not created in contemplation of that company becoming a Material Subsidiary, and the aggregate principal amount of Relevant Indebtedness secured at the time of that company becoming a Material Subsidiary is not subsequently increased;
- (iv) any Security Interest created in substitution of any security permitted under paragraphs (i) to (iii) above, *provided that* the principal amount secured by the substitute Security Interest does not exceed the principal amount secured by the initial Security Interest; and
- (v) any Security Interest other than those permitted under paragraphs (i) to (iv) above, directly or indirectly, securing Relevant Indebtedness, where the principal amount of such Relevant Indebtedness (taken on the date such Relevant Indebtedness is incurred) which is secured or is otherwise, directly or indirectly, preferred to other general unsecured financial indebtedness of the Issuer or any Material Subsidiary, as the case may be, does not exceed in aggregate 10 per cent. of the higher of Consolidated Assets and Consolidated Revenues.

“Permitted Reorganisation” means:

- (i) in the case of the Issuer, any reorganisation, amalgamation, consolidation, merger, demerger, contribution in kind, sale, assignment, disposal or restructuring whilst solvent involving the Issuer whereby all or Substantially All of its assets and undertaking are maintained or (as the case may be) transferred, sold, contributed, assigned or otherwise vested in a body corporate in good standing and such body corporate (a) assumes or maintains (as the case may be) all rights and obligations in respect of the Notes; and (b) (i) continues to carry on, directly or indirectly, all or Substantially All of the business of owning and operating infrastructure assets or businesses related thereto, incidental thereto or in furtherance thereof (such as, *inter alia*, the engineering, procurement and construction (EPC) and technology businesses) and/or (ii) benefits from a senior long term debt rating from at least two Rating Agencies which is equal to or higher than the senior long term debt rating of the Notes immediately prior to the Permitted Reorganisation; and
- (ii) in the case of a Material Subsidiary,
 - (A) any reorganisation, amalgamation, merger, demerger, consolidation, contribution in kind or restructuring whilst solvent of the relevant Material Subsidiary whereby all or Substantially All of its assets and undertaking are transferred, sold, contributed, assigned or otherwise vested in the Issuer or any other Material Subsidiary or any of their Subsidiaries; or
 - (B) a sale, demerger, contribution or other disposal of all or Substantially All of the relevant Material Subsidiary’s assets whilst solvent to any Person on commercial arm’s length terms.

“Person” means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality.

“Principal Financial Centre” means, in relation to any currency, the principal financial centre for that currency *provided, however, that*:

- (i) in relation to euro, it means the principal financial centre of such Member State of the European Union as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (ii) in relation to Australian dollars, it means either Sydney or Melbourne and, in relation to New Zealand dollars, it means either Wellington or Auckland; in each case as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent.

“Rate of Interest” means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms.

“Rating Agency” means each of Standard & Poor’s Credit Market Services Europe Limited, Moody’s Investors Service España, S.A., Moody’s Investors Services Europe Limited, Moody’s Investors Services Ltd. and Fitch Ratings Ireland Limited and/or their respective successors or affiliates and/or any other rating agency of equivalent international standing specified from time to time by the Issuer which has a current rating of the Notes at any relevant time.

“Redemption Amount” means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call) or the Optional Redemption Amount (Put).

“Reference Banks” has the meaning given in the relevant Final Terms or, if none, four major banks selected by the Issuer in the market that is most closely connected with the Reference Rate.

“Reference Price” has the meaning given in the relevant Final Terms.

“Reference Rate” means LIBOR or EURIBOR as specified in the relevant Final Terms.

“Regular Period” means:

- (i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (ii) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **“Regular Date”** means the day and month (but not the year) on which any Interest Payment Date falls; and
- (iii) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **“Regular Date”** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

“Relevant Date” means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Principal Paying Agent or the Trustee on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders.

“Relevant Financial Centre” has the meaning given in the relevant Final Terms.

“Relevant Indebtedness” means any Indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market).

“Relevant Screen Page” means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate.

“Relevant Time” has the meaning given in the relevant Final Terms.

“Reserved Matter” has the meaning ascribed to it in the Trust Deed.

“Secured Creditors” means the holders of any Series of Secured Notes and the Trustee and any further providers of Indebtedness to the Issuer whose claims are secured by a Security Interest over the receivables and monetary claims arising from relevant Intercompany Loans and who have acceded to the Intercreditor Agreement from time to time in connection with the granting of any such Security Interest over the Intercompany Loans.

“Secured Noteholders” means the holders of the Secured Notes.

“Secured Notes” means Notes that have the benefit of the Security Documents as specified in the relevant Final Terms.

“Security Documents” means, collectively, the Intercreditor Agreement and the Deeds of Pledge, *provided that*, for the purposes of Condition 5(c) (*Special Provisions of Secured Notes – Intercreditor Agreement*) below such expression shall also include the Italian law governed deeds of pledge over the receivables and monetary claims (*crediti pecuniari*) arising from Intercompany Loans granted to the Subsidiaries of the Issuer out of the funds arising from Indebtedness incurred by the Issuer (other than Indebtedness assumed through the issue of Secured Notes) as may be entered into from time to time.

“**Security Interest**” means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any applicable jurisdiction.

“**Specified Currency**” has the meaning given in the relevant Final Terms.

“**Specified Denomination(s)**” has the meaning given in the relevant Final Terms, *provided that* no Notes having a minimum denomination of less than €100,000 (or its equivalent in another currency) may be issued under the Programme.

“**Specified Office**” has the meaning given in the Agency Agreement.

“**Specified Period**” has the meaning given in the relevant Final Terms.

“**Subsidiary**” means, in relation to any Person (the “**first Person**”) at any particular time, any other Person (the “**second Person**”):

- (a) whose affairs and policies the first Person controls or has the power to control, directly or indirectly, whether by ownership of share capital, contract, the power to appoint or remove the majority of the members of the governing body of the second Person or otherwise pursuant to Article 2359 of the Italian Civil Code; and
- (b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated pursuant to the line-by-line method (*metodo integrale*) with those of the first Person.

“**Substantially All**” means a part of the whole which accounts for 80% or more.

“**TARGET2**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

“**TARGET Settlement Day**” means any day on which TARGET2 is open for the settlement of payments in euro.

“**Treaty**” means the Treaty establishing the European Union, as amended.

“**Unsecured Notes**” means Notes that either (i) are unsecured at the time of issue pursuant to the relevant Final Terms or (ii) become unsecured in accordance with the conversion mechanism described in Condition 5.

“**Zero Coupon Note**” means a Note specified as such in the relevant Final Terms.

(b) **Interpretation:** In these Conditions:

- (i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;
- (ii) if Talons are specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (iii) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (iv) any reference to principal shall be deemed to include the relevant Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 11 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 11 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;

- (vi) references to Notes being “outstanding” shall be construed in accordance with the Trust Deed;
- (vii) if an expression is stated in Condition 2(a) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is “not applicable” then such expression is not applicable to the Notes;
- (viii) any reference to the Trust Deed or the Agency Agreement shall be construed as a reference to the Trust Deed or the Agency Agreement, as the case may be, as amended and/or supplemented up to and including the Issue Date of the Notes; and
- (ix) any reference to the Issuer shall be read and construed as a reference to ASTM S.p.A. or any successors resulting from a Permitted Reorganisation.

3. **Form, Denomination and Title**

The Notes are in bearer form in the Specified Denomination(s) with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue. In the case of a Series of Notes with more than one Specified Denomination, Notes of one Specified Denomination will not be exchangeable for Notes of another Specified Denomination. Title to the Notes and the Coupons will pass by delivery. The holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such holder. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.

4. **Status and Negative Pledge**

- (a) **Status of the Unsecured Notes:** The Unsecured Notes constitute unsecured, direct, general and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for certain mandatory exceptions of applicable law.
- (b) **Status of the Secured Notes:** The Secured Notes constitute secured, direct, general and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves.
- (c) **Negative Pledge:** So long as any Note remains outstanding, the Issuer will not, and shall procure that none of the Material Subsidiaries will, create or permit to subsist any Security Interest (other than Permitted Encumbrances) upon the whole or any part of their respective present or future undertakings, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or guarantee of Relevant Indebtedness without (a) at the same time or prior thereto securing the Notes equally and rateably therewith to the satisfaction of the Trustee or (b) providing such other security for the Notes as the Trustee may in its absolute discretion consider to be not materially less beneficial to the interests of the holders of the Notes or as may be approved by an Extraordinary Resolution of Noteholders. For the avoidance of doubt, no issue of Secured Notes having the benefit of the security provisions of Condition 5 or the resulting Security Documents will constitute a breach of this Condition 4(c).

5. **Special Provisions of Secured Notes**

- (a) **Application:**
 - (i) Condition 5(b) (*Special Provisions of Secured Notes – Pledge*) and Condition 5(c) (*Special Provisions of Secured Notes – Intercreditor Agreement*) are applicable to the Notes only if the “**Secured Note Provisions**” are specified in the relevant Final Terms as being applicable; and
 - (ii) Condition 5(d) (*Special Provisions of Secured Notes – Conversion from Secured Notes to Unsecured Notes*) is applicable to the Notes only if both the “**Secured Note Provisions**” and the “**Conversion from Secured Notes to Unsecured Notes**” are specified in the relevant Final Terms as being applicable.

- (b) **Pledge:** The Secured Notes will be secured by Italian law governed Deeds of Pledge pursuant to which the Issuer will pledge in favour of the holders of the relevant Series of Secured Notes and the Trustee all of the Issuer's receivables and monetary claims (*crediti pecuniari*) arising pursuant to the Intercompany Loans granted out of the proceeds of the relevant Series of Secured Notes (the "Collateral"). In the event of a Conversion (as defined below), the Trustee shall re-assign to the Issuer, release and discharge the Security Interests constituted by or pursuant to the Deeds of Pledge and the Issuer shall then be released from all obligations under such agreements (save for those which arose prior to such release).
- (c) **Intercreditor Agreement:** The Secured Notes are also subject to, and have the benefit of, an Italian law governed Intercreditor Agreement pursuant to which proceeds from enforcement of the pledges created pursuant to the Deeds of Pledge will be shared *pro rata* among the Secured Creditors who have enforced their respective security interests against the Issuer pursuant to the relevant Security Documents (which expression shall include for the purpose of this Condition 5(c) also the Italian law governed deeds of pledge over the receivables and monetary claims (*pegni di crediti*) arising from Intercompany Loans granted to the Subsidiaries of the Issuer out of the funds arising from Indebtedness incurred by the Issuer (other than Indebtedness assumed through the issue of Secured Notes) as may be entered into from time to time). The Intercreditor Agreement contains provisions governing the rights of the Secured Noteholders and the other Secured Creditors in respect of the *pro rata* sharing and priority of application of amounts received or recovered in respect of the Collateral and the other security interests granted by the Issuer to the Secured Creditors (other than the Secured Noteholders) among the persons entitled thereto. Each Secured Noteholder shall be deemed to have acknowledged that (i) the Trustee has entered into the Intercreditor Agreement for and on its own behalf and on behalf of the Secured Noteholders, (ii) the Secured Creditors (including the Trustee) shall transfer to the Intercreditor Agent all and any proceeds (net of the costs of enforcement and any other amounts due to the Trustee) arising from the enforcement by the Secured Creditor of the Deeds of Pledge and the other security interests granted by the Issuer to the Secured Creditors (other than the Secured Noteholders) and (iii) the Intercreditor Agent shall promptly apply and distribute any such proceeds in accordance with the priority of payment set forth in the Intercreditor Agreement. Only Secured Creditors (including the holders of the Secured Notes) who have enforced their security interests shall be entitled to share in the proceeds of the enforcement of the security interests granted to and enforced by other Secured Creditors. The Trustee shall have the right under the Security Documents entered into in favour of the Secured Noteholders and the Trustee to make demands, give notices, to exercise or refrain from exercising any rights and to take or refrain from taking any action (including, without limitation, the release or substitution of security) in accordance with such Security Documents and pursuant to Condition 17 (*Enforcement*) below.
- (d) **Conversion from Secured Notes to Unsecured Notes:** When the Issuer Debt Ratio is at least equal to the Conversion Threshold, the Issuer may (but shall not be obliged to) notify the Trustee that the Secured Notes are to be converted into Unsecured Notes. Such request shall be contained in a written notice signed by two directors of the Issuer (one of whom must be the chief financial officer, the finance director or the chief executive officer of the Issuer) (a "**Conversion Notice**") attaching the following documents:
- (i) a Compliance Certificate; and
 - (ii) an Independent Auditors Certificate.

Following receipt by the Trustee of a Conversion Notice as set out above and the Trustee having found such notification satisfactory to it, the Secured Notes shall be converted into Unsecured Notes on the date of notification being given to the Noteholders by the Issuer, such notice to be given within 15 Business Days of receipt by the Trustee of the Conversion Notice and to be given pursuant to Condition 19 below ("**Conversion**"). For the purpose of this Condition 5(d), "**Business Day**" shall mean a day on which commercial banks are open for business in London.

For the purposes of this Condition 5 (*Special Provisions of Secured Notes*):

"**Compliance Certificate**" means a certificate in the form set out in the Trust Deed and upon which the Trustee may rely absolutely and without further enquiry delivered by the Issuer to the Trustee

which sets out the Issuer Debt Ratio by reference to the most recently published annual or half-yearly non-consolidated (for the purpose of calculating the aggregate Indebtedness of the Issuer) and consolidated (for the purpose of calculating the aggregate Indebtedness of the Group) financial statements of the Issuer, and which is signed by two directors of the Issuer (one of whom must be the chief financial officer, the finance director or the chief executive officer of the Issuer);

“**Conversion Threshold**” means 85 per cent;

“**Independent Auditors Certificate**” means an agreed upon procedures report of a reputable firm of independent auditors (which may be the Issuer’s independent auditors) prepared in accordance with International Standard on Related Services (ISRS) 4400 (or similar standard applicable from time to time) addressed to the Trustee stating that the numbers used in determining the Issuer Debt Ratio reported in the relevant Compliance Certificate have been properly extracted from the Issuer’s annual or half year non-consolidated or consolidated financial statements as the case may be, and that the calculations have been properly made; and

“**Issuer Debt Ratio**” means the ratio (expressed as a percentage) of the aggregate Indebtedness of the Issuer to the consolidated Indebtedness of the Group.

6. **Fixed Rate Note Provisions**

- (a) **Application:** This Condition 6 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) **Accrual of interest:** The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the relevant Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent or the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) **Fixed Coupon Amount:** The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.
- (d) **Calculation of interest amount:** The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a “**sub-unit**” means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

7. **Floating Rate Note Provisions**

- (a) **Application:** This Condition 7 (*Floating Rate Note Provisions*) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) **Accrual of interest:** The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the relevant Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note

up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent or the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

- (c) **Screen Rate Determination:** If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis, subject as provided in Condition 7(j) below:
- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
 - (ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
 - (iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable:
 - (A) the Issuer will request the principal Relevant Financial Centre office of each of the Reference Banks to provide to the Calculation Agent a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
 - (B) the Calculation Agent will determine the arithmetic mean of such quotations; and
 - (iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Issuer, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; *provided, however, that* if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

- (d) **ISDA Determination:** If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where “ISDA Rate” in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
- (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
 - (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms; and

- (iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Final Terms.
- (e) **Maximum or Minimum Rate of Interest:** If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified. Unless a higher Minimum Rate of Interest is specified in the relevant Final Terms, the Minimum Rate of Interest shall be deemed equal to zero. For the avoidance of doubt, “Minimum Rate of Interest” shall refer to the relevant rate plus any relevant margin.
- (f) **Calculation of Interest Amount:** The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a “sub-unit” means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.
- (g) **Calculation of other amounts:** If the relevant Final Terms specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Final Terms.
- (h) **Publication:** The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.
- (i) **Notifications etc:** All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.
- (j) **Benchmark Replacement:** Notwithstanding the provisions in this Condition 7, if the Issuer determines that a Benchmark Event has occurred in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the following provisions shall apply to the relevant Series of Notes:
- (i) the Issuer shall use reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Reference Rate, failing which an Alternative Reference Rate, and in each case an Adjustment Spread (if any) (in any such case, acting in good faith and in a commercially reasonable manner) no later than ten Business Days prior to

the Interest Determination Date relating to the next Interest Period (the “**IA Determination Cut-off Date**”), for the purposes of determining the Rate of Interest applicable to the Notes for such next Interest Period and for all other future Interest Periods (subject to the subsequent operation of this Condition 7(j) during any other future Interest Period(s)).

(ii) if the Independent Adviser is unable to determine an Alternative Reference Rate (as applicable) prior to the relevant IA Determination Cut-off Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine an Alternative Reference Rate and an Adjustment Spread (if any) no later than five Business Days prior to the Interest Determination Date relating to the next Interest Period (the “**Issuer Determination Cut-off Date**”), for the purposes of determining the Rate of Interest applicable to the Notes for such next Interest Period and for all other future Interest Periods (subject to the subsequent operation of this Condition 7(j) during any other future Interest Period(s)). Without prejudice to the definitions thereof, for the purposes of determining any Alternative Reference Rate and/or any Adjustment Spread, the Issuer will take into account any relevant and applicable market precedents as well as any published guidance from relevant associations involved in the establishment of market standards and/or protocols in the international debt capital markets;

(iii) if a Successor Reference Rate or, failing which, an Alternative Reference Rate (as applicable) is determined by the relevant Independent Adviser or the Issuer (as applicable) in accordance with this Condition 7(j):

(A) such Successor Reference Rate or Alternative Reference Rate (as applicable) shall replace the Original Reference Rate for all future Interest Periods (subject to the subsequent operation of, and adjustment as provided in, this Condition 7(j));

(B) if the relevant Independent Adviser or the Issuer (as applicable):

(I) determines that an Adjustment Spread is required to be applied to such Successor Reference Rate or Alternative Reference Rate (as applicable) and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to such Successor Reference Rate or Alternative Reference Rate (as applicable) for all future Interest Periods (subject to the subsequent operation of, and adjustment as provided in, this Condition 7(j)); or

(II) is unable to determine the quantum of, or a formula or methodology for determining, an Adjustment Spread, then such Successor Reference Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread for all future Interest Periods (subject to the subsequent operation of, and adjustment as provided in, this Condition 7(j)); and

(C) the relevant Independent Adviser or the Issuer (as applicable) (acting in good faith and in a commercially reasonable manner) may in its discretion specify:

(I) changes to these Conditions in order to follow market practice in relation to such Successor Reference Rate or Alternative Reference Rate (as applicable), including, but not limited to (1) any Reference Banks, Additional Business Centre(s), Business Day, Business Day Convention, Day Count Fraction, Interest Determination Date, Relevant Financial Centre and/or Relevant Screen Page (all as defined in the Final Terms) applicable to the Notes and (2) the method for determining the fallback to the Rate of Interest in relation to the Notes if such Successor Reference Rate or Alternative Reference Rate (as applicable) is not available; and

(II) any other changes which the relevant Independent Adviser or the Issuer (as applicable) determines are reasonably necessary to ensure the proper operation and comparability to the Original Reference Rate of such Successor Reference Rate or

Alternative Reference Rate (as applicable), which changes shall apply to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 7(j)); and

- (iv) promptly following the determination of (i) any Successor Reference Rate or Alternative Reference Rate (as applicable) and (ii) if applicable, any Adjustment Spread, the Issuer shall give notice thereof and of any changes (and the effective date thereof) pursuant to Condition 7(j)(iii)(C) to the Paying Agents, the Trustee, the Calculation Agent and the Noteholders in accordance with Condition 19 (*Notices*).

No consent of the Noteholders shall be required in connection with effecting the relevant Successor Reference Rate or Alternative Reference Rate (as applicable) as described in this Condition 7(j) or such other relevant changes pursuant to Condition 7(j)(iii)(C), including any changes to these Conditions and the Agency Agreement.

For the avoidance of doubt, if a Successor Reference Rate or an Alternative Reference Rate is not determined pursuant to the operation of this Condition 7(j) prior to the relevant Issuer Determination Cut-off Date, then the Rate of Interest for the next Interest Period shall be determined by reference to the fallback provisions of Condition 7(c).

- (v) Notwithstanding any other provision of this Condition 7(j):
 - (A) if in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 7(j), the Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so; and
 - (B) none of the Trustee, the Calculation Agent or the Principal Paying Agent shall be obliged to concur with the Issuer in respect of any amendments which, in the sole opinion of the Trustee, the Calculation Agent or the Principal Paying Agent would have the effect of (i) exposing the Trustee to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the rights or protections, of the Note Trustee, the Calculation Agent or the Principal Paying Agent in the Trust Deed, the Agency Agreement and/or these Conditions.

For the purposes of this Condition 7(j):

“Adjustment Spread” means a spread (which may be positive or negative) or formula or methodology for calculating a spread, in each case to be applied to a Successor Reference Rate or an Alternative Reference Rate (as applicable) as a result of the replacement of the Original Reference Rate with such Successor Reference Rate or Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

- (i) in the case of a Successor Reference Rate, is formally recommended in relation to the replacement of the Reference Rate with such Successor Reference Rate by any Relevant Nominating Body; or
- (ii) in the case of a Successor Reference Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the relevant Independent Adviser or the Issuer (as applicable) determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Original Reference

Rate, where such rate has been replaced by such Successor Reference Rate or Alternative Reference Rate (as applicable); or (if the Independent Adviser determines that no such spread is customarily applied) the Independent Adviser determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Reference Rate or the Alternative Reference Rate (as the case may be).

“**Alternative Reference Rate**” means the rate that the relevant Independent Adviser or the Issuer (as applicable) determines has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining floating rates of interest in respect of notes denominated in the Specified Currency and of a comparable duration to the relevant Interest Periods, or, if such Independent Adviser or the Issuer (as applicable) determines that there is no such rate, such other rate as such Independent Adviser or the Issuer (as applicable) determines in its discretion is most comparable to the Original Reference Rate.

“**Benchmark Event**” means, in respect of a Reference Rate:

- (i) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or
- (ii) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will, by a specified date on or prior to the next Interest Determination Date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (iii) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will, by a specified date on or prior to the next Interest Determination Date, be permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is no longer representative of its relevant underlying market; or
- (v) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes, in each case by a specific date on or prior to the next Interest Determination Date; or
- (vi) it has become unlawful (including, without limitation, under the Benchmarks Regulation, if applicable) for any Paying Agent, Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate.

“**Independent Adviser**” means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, in each case appointed by the Issuer.

“**Original Reference Rate**” means:

- (i) the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes; or
- (ii) any Successor Reference Rate or Alternative Reference Rate which has been determined in relation to such benchmark or screen rate (as applicable) pursuant to the operation of this Condition 7(j).

“**Relevant Nominating Body**” means, in respect of a reference rate:

- (i) the central bank for the currency to which such reference rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of such reference rate; or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which such reference rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of such reference rate, (c) a group of the aforementioned central banks or other supervisory authorities, or (d) the Financial Stability Board or any part thereof.

“**Successor Reference Rate**” means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

8. **Zero Coupon Note Provisions**

- (a) **Application:** This Condition 8 (*Zero Coupon Note Provisions*) is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) **Late payment on Zero Coupon Notes:** If the relevant Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, such Redemption Amount shall thereafter be an amount equal to the sum of:
 - (i) the Reference Price; and
 - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

9. **Redemption and Purchase**

- (a) **Scheduled redemption:** Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 10 (*Payments*).
- (b) **Redemption for tax reasons:** The Notes may be redeemed at the option of the Issuer in whole, but not in part:
 - (i) at any time (if neither the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable); or
 - (ii) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable),

on giving not less than 30 nor more than 60 days’ notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if immediately before giving such notice, the Issuer satisfies the Trustee that:

- (A) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 11 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of (i) Italy or (ii) the jurisdiction of residence and/or incorporation of the Issuer, any successor to the Issuer following a Permitted Reorganisation, or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the

Notes (or the date that any successor to the Issuer following a Permitted Reorganisation assumes the obligations of the Issuer hereunder); and

(B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, *provided, however, that* no such notice of redemption shall be given earlier than:

- (1) where the Notes may be redeemed at any time, 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due; or
- (2) where the Notes may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver or procure that there is delivered to the Trustee (A) a certificate signed by two authorised signatories or two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred of and (B) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment. Upon the expiry of any such notice as is referred to in this Condition 9(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 9(b).

The Trustee shall be entitled to accept (without incurring any liability for such acceptance) such certificate and opinion as sufficient evidence of the satisfaction of the circumstances set out above, in which event they shall be conclusive and binding on the holders of the Notes.

- (c) ***Redemption at the option of the Issuer:*** If the Call Option is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 15 nor more than 30 days' notice to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call), plus accrued interest (if any) to such date).

For the purposes of this Condition 9(c) only, the Optional Redemption Amount (Call) will either be the specified percentage of the nominal amount of the Notes stated in the applicable Final Terms or, if Make-Whole Amount is specified in the applicable Final Terms, will be an amount which is the higher of:

- (a) 100 per cent. of the principal amount of the Note to be redeemed; or
- (b) as determined by the Reference Dealers (as defined below), the sum of the then current values of the remaining scheduled payments of principal and interest (not including any interest accrued on the Notes to, but excluding, the Optional Redemption Date (Call)) discounted to the Optional Redemption Date (Call) on an annual basis (based on the actual number of days elapsed divided by 365 or (in the case of a leap year) by 366) at the Reference Bond Rate (as defined below) plus the Redemption Margin,

plus, in each case, any interest accrued on the Notes to, but excluding, the Optional Redemption Date (Call).

As used in this Condition 9(c):

“**Redemption Margin**” shall be as set out in the applicable Final Terms;

“**Reference Bond**” shall be as set out in the applicable Final Terms;

“**Reference Dealers**” shall be as set out in the applicable Final Terms; and

“**Reference Bond Rate**” means with respect to the Reference Dealers and the Optional Redemption Date (Call), the average of the five quotations of the mid-market annual yield to maturity of the Reference Bond or, if the Reference Bond is no longer outstanding, a similar security in the reasonable judgement of the Reference Dealers at 11.00 a.m. London time on the third business day in London preceding the Optional Redemption Date (Call) quoted in writing to the Issuer by the Reference Dealers.

- (d) **Partial redemption:** If the Notes are to be redeemed in part only on any date in accordance with Condition 9(c) (*Redemption and Purchase – Redemption at the option of the Issuer*), the Notes to be redeemed shall be selected by the drawing of lots in such place as the Principal Paying Agent approves and in such manner as the Principal Paying Agent considers appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the notice to Noteholders referred to in Condition 9(c) (*Redemption and Purchase – Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.
- (e) **Clean-Up Call Option:** If the Clean-up Call Option (defined herein) is specified in the relevant Final Terms as being applicable, in the event that at least 80 per cent. of the initial aggregate principal amount of the Notes has been purchased and cancelled by the Issuer, the Issuer may, at its option (the “**Clean-Up Call Option**”) but subject to having given not less than fifteen (15) nor more than thirty (30) days’ notice to the Noteholders, redeem all, but not some only, of the outstanding Notes. Any such redemption of Notes shall be at their principal amount together with interest accrued to the date fixed for redemption.
- (f) **Redemption at the option of Noteholders on the occurrence of a Material Concession Put Event:** If the Material Concession Event Put Option is specified in the relevant Final Terms as being applicable and at any time while any of the Notes remain outstanding, (i) a Material Concession Event occurs and (ii) within the Material Concession Event Period a Rating Downgrade in respect of such Material Concession Event occurs (a “**Material Concession Put Event**”), then each holder of a relevant Series of Notes will have the option (the “**Material Concession Event Put Option**”) (unless, prior to the giving of the Material Concession Event Put Notice (as defined below), the Issuer gives not more than 60 nor less than 30 days’ prior notice to the Noteholders in accordance with Condition 19 (*Notices*) of its intention to redeem the Notes pursuant to Condition 9(b) (*Redemption for tax reasons*) or (if specified in the relevant Final Terms as applicable) Conditions 9(c) (*Redemption at the option of the Issuer*) or 9(e) (*Clean-Up Call Option*)) to require the Issuer to redeem or, at the Issuer’s option, to procure the purchase of that Note on the Material Concession Event Put Date (as defined below) at its principal amount together with accrued and unpaid interest to but excluding the Material Concession Event Put Date.

Promptly upon the Issuer becoming aware that a Material Concession Put Event has occurred, the Issuer shall give notice (a “**Material Concession Event Put Notice**”) to the Noteholders in accordance with Condition 19 (*Notices*) (which notice shall be irrevocable) specifying the nature of the Material Concession Event, the circumstances giving rise to it, the Series of Notes affected by the Material Concession Put Event and the procedure for exercising the Material Concession Event Put Option.

In order to exercise the Material Concession Event Put Option, the Noteholder must deliver such Note at the specified office of any Paying Agent, on any day which is a day on which banks are open for business in London and in the place of the specified office falling within the period of 45 days after the date on which a Material Concession Event Put Notice is given (the “**Material Concession Event Put Period**”), accompanied by a duly signed and completed exercise notice in the form available from each office of the Paying Agents (the “**Exercise Notice**”). The Note must be delivered to the Paying Agent together with all Coupons, if any, appertaining thereto maturing after the date being the seventh day after the date of expiry of the Material Concession Event Put Period (the “**Material Concession Event Put Date**”), failing which deduction in respect of such missing unmatured

Coupons shall be made in accordance with Condition 10(e) (*Deductions for unmatured Coupons*). The Paying Agent to which such Note and Exercise Notice are delivered will issue to the Noteholder concerned a non-transferable receipt (a “**Material Concession Event Put Option Receipt**”) in respect of the Notes so delivered. Payment by the Issuer in respect of any Note so delivered shall be made, if the holder has duly specified in the Exercise Notice a bank account to which payment is to be made, by transfer to that bank account on the Material Concession Event Put Date, and in every other case, on or after the Material Concession Event Put Date against presentation and surrender of such Material Concession Event Put Option Receipt at the specified office of the Paying Agent. An Exercise Notice, once given, shall be irrevocable.

For the purposes of these Conditions and the Trust Deed, Material Concession Event Put Option Receipts issued pursuant to this Condition 9(f) shall be treated as if they were Notes.

For the purposes of this Condition 9(f):

A “**Concession Event**” shall be deemed to have occurred in respect of a Concession relating to an Italian toll road motorway if:

- (i) such Concession is revoked for public interest reasons (*revoca per ragioni di interesse pubblico*) pursuant to Italian law and the revocation becomes effective;
- (ii) such Concession is terminated (*cessazione del rapporto concessorio per risoluzione della convenzione*) pursuant to Italian law and such termination becomes effective; or
- (iii) such Concession is withdrawn (*decadenza dalla concessione*) pursuant to Italian law and the withdrawal becomes effective,

provided that, the expiry of a Concession at its originally stated termination date shall not qualify as a Concession Event.

“**Formal Material Concession Event Announcement**” means the first of any formal public announcements by the Issuer of the occurrence of the Material Concession Event.

A “**Material Concession Event**” shall be deemed to have occurred if, at any time following the Issue Date of the relevant Series of Notes, one or more Concession Events occurs with the result that there is a reduction in the quantum of business carried on by the Issuer in relation to the owning and operating of Italian toll roads such that the reduction in revenues is, or could reasonably be expected to be, more than 30% compared to whichever is the higher of the Consolidated Revenues and the Historical Consolidated Revenues.

“**Material Concession Event Period**” means the period commencing on the date of the Formal Material Concession Event Announcement and ending 90 days thereafter, or such longer period for which the relevant Notes are under consideration by the relevant Rating Agency or Agencies for rating review (such consideration having been announced publicly within the period ending 90 days after the Formal Material Concession Event Announcement), provided that in no circumstances shall the Material Concession Event Period exceed 120 days after the Formal Material Concession Event Announcement.

a “**Rating Downgrade**” shall be deemed to have occurred in respect of a Material Concession Event if within the Material Concession Event Period the rating at that time assigned to the relevant Series of Notes by the Rating Agency (where at the relevant time the Notes are rated by one Rating Agency), or any two Rating Agencies (where at the relevant time the Notes are rated by two or more Rating Agencies) is:

- (i) withdrawn; or
- (ii) changed from an investment grade rating (BBB-/Baa3, or their respective equivalents for the time being, or better) to a non-investment grade rating (BB+/Ba1, or their respective equivalents for the time being, or worse) and is not (in the case of a downgrade) subsequently upgraded to an investment grade rating within such Concession Event Period by such Rating

Agency or Agencies; or

- (iii) if the rating previously assigned to any of the Notes by the Rating Agency (where at the relevant time the Notes are rated by one Rating Agency) or any two Rating Agencies (where at the relevant time the Notes are rated by two or more Rating Agencies) was below an investment grade rating (as described above), lowered at least one full rating notch (for example, from BB+/Ba1 to BB/Ba2 or their respective equivalents) and is not subsequently upgraded to its earlier credit rating or better by such Rating Agency or Agencies,

and, in each case, the relevant Rating Agency announces publicly or confirms in writing to the Issuer that the withdrawal or downgrading resulted from the occurrence of a Material Concession Event.

- (g) **Redemption at the Option of Noteholders and Exercise of Noteholders' Options:** If Put Option (as defined below) is specified in the applicable Final Terms, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than fifteen (15) nor more than thirty (30) days' notice to the Issuer (or such other notice period as may be specified in the applicable Final Terms) redeem such Note on the Optional Redemption Date (Put) at its Optional Redemption Amount (Put) (each as specified in the applicable Final Terms) together with interest accrued to the date fixed for redemption ("**Put Option**").

To exercise such option or any other Noteholders' option that may be set out in the applicable Final Terms (which must be exercised on an Option Exercise Date (Put), as specified in the applicable Final Terms) the holder must deposit such Note (together with all unmatured Coupons and unexchanged Talons) with any Paying Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from any Paying Agent within the notice period. No Note so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

- (h) **Early redemption of Zero Coupon Notes:** Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:
 - (i) the Reference Price; and
 - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 9(h) or, if none is so specified, a Day Count Fraction of 30E/360.

- (i) **Purchase:** The Issuer or any of its Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, *provided that* all unmatured Coupons are purchased therewith. If purchases are made by tender, tenders must be available to all Noteholders alike. Where permitted by applicable law and regulation, all Notes purchased pursuant to this Condition 9(i) may be cancelled or held, reissued or resold at the discretion of the relevant purchaser.
- (j) **Cancellation:** All Notes so redeemed or purchased by the Issuer or any of its Subsidiaries and any unmatured Coupons attached to or surrendered with them may be cancelled and may not be reissued or resold, without prejudice to Condition 9(i) above in respect of Notes so purchased by the Issuer or any of its Subsidiaries.

10. Payments

- (a) **Principal:** Payments of principal shall be made only against presentation and (*provided that* payment is made in full) surrender of Notes at the Specified Office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro

may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London).

- (b) **Interest:** Payments of interest shall, subject to paragraph (g) below, be made only against presentation and (*provided that* payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) above.
- (c) **Payments in New York City:** Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.
- (d) **Payments subject to fiscal laws:** All payments in respect of the Notes are subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 11 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended, or otherwise imposed pursuant to Sections 1471 through 1474 of that Code, any regulations or agreements thereunder, official interpretations thereof, or (without prejudice to the provisions of Condition 11 (*Taxation*)) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) **Deductions for unmatured Coupons:** If the relevant Final Terms specifies that the Fixed Rate Note Provisions are applicable and a Note is presented without all unmatured Coupons relating thereto:
 - (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; *provided, however, that* if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;
 - (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
 - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the “**Relevant Coupons**”) being equal to the amount of principal due for payment; *provided, however, that* where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
 - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; *provided, however, that*, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) above against presentation and (*provided that* payment is made in full) surrender of the relevant missing Coupons.

- (f) **Unmatured Coupons void:** If the relevant Final Terms specifies that this Condition 10(f) is applicable or that the Floating Rate Note Provisions are applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition 9(b) (*Redemption and Purchase – Redemption for tax reasons*), Condition 9(c) (*Redemption and Purchase – Redemption at the option of the Issuer*), Condition 9(e) (*Redemption and Purchase – Clean-Up Call Option*), Condition 9(f) (*Redemption and Purchase – Redemption at the option of Noteholders on the occurrence of a Material Concession Put Event*), Condition 9(g) (*Redemption and Purchase – Redemption at the Option of Noteholders and Exercise of Noteholders’ Options*) or Condition 12 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.
- (g) **Payments on business days:** If the due date for payment of any amount in respect of any Note or Coupon is not a Payment Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.
- (h) **Payments other than in respect of matured Coupons:** Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by paragraph (c) above).
- (i) **Exchange of Talons:** On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Principal Paying Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 13 (*Prescription*)). Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

11. Taxation

- (a) **Gross up:** All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments, or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Italy or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the amount of the payments of principal and interest in respect of the Notes and the Coupons due by or on behalf of the Issuer shall be increased to an amount which, after applying the aforementioned withholding or deduction, leaves an amount equal to the payment which would have been due if no such withholding or deduction had been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:
 - (i) in the Republic of Italy; or
 - (ii) by or on behalf of a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the Republic of Italy, other than the mere holding of the Note or Coupon; or
 - (iii) more than 30 days after the Relevant Date except to the extent that the holder of such Note or Coupon would have been entitled to such additional amounts on presenting such Note or Coupon for payment on the last day of such period of 30 days; or
 - (iv) by or on behalf of a holder of the Notes or Coupons who would not be liable or subject to the withholding or deduction by making a declaration of non-residence or residence or other similar claim for exemption; or
 - (v) by or on behalf of a non-Italian resident, to the extent that interest or any other amounts is paid to a non-Italian resident which is resident in a tax haven country pursuant to Article 110,

paragraph 10 of Presidential Decree No. 917 of 22 December 1986 (as currently defined and listed in the Italian Ministry of Finance Decree of 23 January 2002); or

- (vi) in relation to any payment or deduction of any interest, premium or proceeds of any Notes or Coupons on account of *imposta sostitutiva* pursuant to Italian Legislative Decree No. 239 of 1 April 1996 (“**Decree 239**”) as amended and/or supplemented or any regulations implementing or complying with such Decree; or
 - (vii) where such withholding or deduction is required pursuant to Article 26 of the Italian Legislative Decree No. 600 of 29 September 1973 (“**Decree 600**”) as amended and/or supplemented or any regulations implementing or complying with such Decree; or
 - (viii) with respect to any Notes qualifying as “atypical” securities (*titoli atipici*), where such withholding or deduction is required pursuant to Italian Law Decree 30 September 1983, No. 512, converted with amendments by Law 25 November 1983, No. 649, as subsequently amended and/or supplemented; or
 - (ix) where such withholding or deduction is required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law or regulation implementing an intergovernmental approach thereto as amended from time to time.
- (b) **Taxing jurisdiction:** If the Issuer becomes subject with respect to its income at any time to any taxing jurisdiction other than Italy by reason of its tax residence or a permanent establishment maintained therein, references in these Conditions to Italy shall be construed as references to Italy and/or such other jurisdiction.

12. Events of Default

If any of the following events occurs and is continuing, then the Trustee at its discretion may, and if so requested by holders of at least one-fourth in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall, subject to (i) in the case of item (b) (*Breach of other obligations*) below only, the Trustee having certified in writing that the happening of such event is in its opinion materially prejudicial to the interests of the holders of the Notes and (ii) in all cases, the Trustee having been indemnified and/or provided with security and/or prefunded to its satisfaction, give written notice to the Issuer declaring the Notes to be immediately due and payable, whereupon the Notes shall become immediately due and payable at their principal amount outstanding together with accrued and unpaid interest (if any).

- (a) **Non-payment:** the Issuer fails to pay any amount of principal in respect of the Notes on the due date for payment thereof and such failure continues for a period of seven (7) days or fails to pay any amount of interest in respect of the Notes on the due date for payment thereof and such failure continues for a period of fourteen (14) days.
- (b) **Breach of other obligations:** the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes, pursuant to the Trust Deed and/or pursuant to the relevant Security Documents (the latter in the case of Secured Notes of the relevant Series only) and such default (i) is, in the opinion of the Trustee, incapable of remedy or (ii) being a default which is, in the opinion of the Trustee, capable of remedy, remains unremedied for sixty (60) days after the Trustee has given written notice thereof to the Issuer.
- (c) **Cross-default of Issuer or Material Subsidiaries:**
 - (i) any Indebtedness (other than Limited Recourse Indebtedness) of the Issuer or any of the Material Subsidiaries is not paid when due or (as the case may be) within any applicable grace period; or
 - (ii) any such Indebtedness (other than Limited Recourse Indebtedness) becomes due and payable prior to its stated maturity by reason of an event of default, howsoever described; or

- (iii) the Issuer or any of the Material Subsidiaries fails to pay when due any amount payable by it under any guarantee of any Indebtedness (other than Limited Recourse Indebtedness) within any applicable grace period; or

provided that the amount of the relevant Indebtedness and/or guarantees in respect of which one or more of the events referred to in sub-paragraphs (i), (ii) and/or (iii) above has occurred and is continuing, individually or in the aggregate, exceeds Euro one hundred million (€100,000,000) (or its equivalent in any other currency or currencies).

- (d) **Insolvency, etc.:** (i) the Issuer or any of the Material Subsidiaries becomes insolvent or is unable to pay its debts as they fall due, or (ii) a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer is appointed in respect of the Issuer or any of the Material Subsidiaries or any of its assets in connection with any insolvency proceedings applicable to it, *unless* such appointment and the related actions, to the extent not initiated, approved or consented to by the Issuer or any of the Material Subsidiaries, is discharged or stayed within one-hundred-and-twenty (120) days, or (iii) a composition, compromise, assignment, moratorium or arrangement with any creditor of the Issuer or any of the Material Subsidiaries in relation to any of its Indebtedness (other than Limited Recourse Indebtedness) or any guarantee of any such Indebtedness granted by it is entered into and becomes effective in accordance with its terms.
- (e) **Winding up, etc.:** any corporate action, legal proceedings or other procedure or step is taken by, or against, the Issuer or any of the Material Subsidiaries in relation to the winding-up, liquidation or dissolution of the Issuer or any of the Material Subsidiaries (otherwise than for the purposes of a Permitted Reorganisation) *unless* any such action is discharged or stayed within one-hundred-and-twenty (120) days.
- (f) **Unsatisfied judgment:** one or more judgment(s) or order(s) from which no further appeal or judicial review is permissible under applicable law for the payment of an aggregate amount in excess of Euro one hundred million (€100,000,000) (or its equivalent in any other currency or currencies) is rendered against the Issuer or any of the Material Subsidiaries (other than in relation to Limited Recourse Indebtedness) and continue(s) unsatisfied and unstayed for a period of sixty (60) days after the date(s) thereof or, if later, the date therein specified for payment.
- (g) **Security enforced:** any mortgage, charge, pledge, lien or other encumbrance created or assumed by the Issuer or any of the Material Subsidiaries in respect of all or Substantially All of the property, assets or revenues of the Issuer or any of the Material Subsidiaries to secure any Indebtedness (other than Limited Recourse Indebtedness) becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person) in respect of any Indebtedness (other than Limited Recourse Indebtedness) incurred by the Issuer or any of the Material Subsidiaries in excess of Euro one hundred million (€100,000,000) or its equivalent.
- (h) **Analogous event:** any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs (d) to (g) above.
- (i) **Change of business:** the Issuer ceases (other than as a result of (i) a Permitted Reorganisation, (ii) the expiry of any of the Concessions at its originally stated termination date or (iii) the occurrence of a Material Concession Event) to carry on, directly or indirectly, all or Substantially All of the business of owning and operating infrastructure assets or businesses related thereto, incidental thereto or in furtherance thereof (such as, *inter alia*, the engineering, procurement and construction (EPC) and technology businesses).
- (j) **Unlawfulness:** it is or becomes unlawful for the Issuer to perform any of its obligations under the Notes, the Trust Deed or, in the case of the Secured Notes of a particular Series only, the Security Documents relating to such Series, unless the matter giving rise to such unlawfulness is remedied by the Issuer within ninety (90) days.

13. **Prescription**

Claims for principal shall become void unless the relevant Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date.

14. **Replacement of Notes and Coupons**

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Trustee (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Paying Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

15. **Trustee and Agents**

Under the Trust Deed, the Trustee is entitled to be indemnified and relieved from responsibility in certain circumstances and to be paid its costs and expenses in priority to the claims of the holders of the Notes. In addition, the Trustee is entitled to enter into business transactions with the Issuer and any entity relating to the Issuer without accounting for any profit.

In the exercise of its powers and discretions under these Conditions and the Trust Deed, the Trustee will have regard to the interests of the holders of the Notes as a class and will not be responsible for any consequence for individual holders of Notes as a result of such holders being connected in any way with a particular territory or taxing jurisdiction.

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Paying Agents act solely as agents of the Issuer and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Paying Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer reserves the right (with the prior approval of the Trustee) at any time to vary or terminate the appointment of the Paying Agent and to appoint a Calculation Agent and additional or successor paying agents; *provided, however, that:*

- (a) the Issuer shall at all times maintain a Principal Paying Agent; and
- (b) if a Calculation Agent is specified in the relevant Final Terms, the Issuer shall at all times maintain a Calculation Agent; and
- (c) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Issuer shall maintain a Paying Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Paying Agents or in their Specified Offices shall promptly be given to the Noteholders.

16. **Meetings of Noteholders; Noteholders' Representative; Modification and Waiver**

- (a) **Meetings of Noteholders:** The Trust Deed contains provisions for convening meetings of Noteholders to consider matters relating to the Notes and affecting their interests, including the modification of any provision of these Conditions and the Notes. Any such modification may be made if sanctioned by an Extraordinary Resolution (as defined in the schedules of the Trust Deed).

In relation to the convening of meetings, quorums and the majorities required to pass an Extraordinary Resolution, the following provisions shall apply in respect of the Notes but are subject to compliance with mandatory laws, legislation, rules and regulations of Italy and the by-laws of the Issuer in force from time to time (including, without limitation, Legislative Decree No. 58 of 24 February 1998) and shall be deemed to be amended, replaced and supplemented to the extent that such laws, legislation, rules and regulations and the by-laws of the Issuer are amended at any time while the Notes remain outstanding:

- (i) a meeting of Noteholders may be convened by the Issuer and/or by the Noteholders' Representative (as defined below) and/or by the Trustee and shall be convened by either of them upon the request in writing of Noteholders holding not less than one-twentieth of the aggregate principal amount of the outstanding Notes;
- (ii) a meeting of Noteholders may be held depending on the relevant provisions of the by-laws of the Issuer as a single call meeting ("**Single Call Meeting**") or as a multiple-call meeting ("**Multiple Call Meeting**") and will be validly held if (1) in the case of a Single Call Meeting, there are one or more persons present, being or representing Noteholders holding at least one-fifth of the principal amount of the Notes for the time being outstanding or such higher quorum as may be provided for in the Issuer's by-laws or (2) in the case of a Multiple Call Meeting, (A) there are one or more persons present, representing or holding at least half of the aggregate principal amount of the outstanding Notes, or (B) in the case of a second meeting following adjournment of the first meeting for want of quorum, there are one or more persons present representing or holding more than one third of the aggregate principal amount of the outstanding Notes, or (C) in the case of any subsequent meeting following a further adjournment for want of quorum, there are one or more persons present representing or holding at least one fifth of the aggregate principal amount of the outstanding Notes *provided, however, that* Italian law and/or the Issuer's by-laws may in each case (to the extent permitted under applicable Italian law) provide for a higher quorum. For the avoidance of doubt, each meeting will be held as a Single Call Meeting or as a Multiple Call Meeting depending on the applicable provisions of Italian law and the Issuer's by-laws as applicable from time to time; and
- (iii) the majority required to pass an Extraordinary Resolution at any meeting (including any meeting convened following adjournment of the previous meeting for want of quorum) will be (A) for voting on any matter other than a Reserved Matter, at least two-thirds of the aggregate principal amount of the Notes represented at the meeting or (B) for voting on a Reserved Matter, the higher of (i) one half of the aggregate principal amount of the outstanding Notes, and (ii) two thirds of the aggregate principal amount of the Notes represented at the meeting, *provided, however, that* the Issuer's by-laws may in each case under (A) and (B) above (to the extent permitted under applicable Italian law) provide for a larger majority.

Extraordinary Resolutions passed at any meeting of the Noteholders shall be binding on all Noteholders, whether or not they are present at the meeting.

- (b) **Noteholders' Representative:** A representative of the Noteholders (*rappresentante comune*) (the "**Noteholders' Representative**"), subject to applicable provisions of Italian law, will be appointed pursuant to Article 2417 of the Italian Civil Code in order to represent the Noteholders' interests under these Conditions and to give effect to resolutions passed at a meeting of the Noteholders. If the Noteholders' Representative is not appointed by a meeting of such Noteholders pursuant to Article 2415 of the Italian Civil Code, the Noteholders' Representative shall be appointed by a decree of the court where the Issuer has its registered office at the request of one or more Noteholders or at the

request of the directors of the Issuer. The Noteholders' Representative shall remain appointed for a maximum period of three years but may be reappointed again thereafter and shall have the powers and duties set out in Article 2418 of the Italian Civil Code.

- (c) ***Modification and waiver:*** The Trust Deed contains provisions according to which the Trustee may, without the consent of the holders of the Notes, agree (i) to any modification of these Conditions, the Notes, the Agency Agreement or the Trust Deed (other than in respect of a Reserved Matter) which is, in the opinion of the Trustee, proper to make if, in the opinion of the Trustee, such modification will not be materially prejudicial to the interests of the holders of the Notes and (ii) to any modification of these Conditions, the Notes, the Agency Agreement or the Trust Deed which is of a formal, minor or technical nature or is to correct a manifest error. In addition, the parties to the Trust Deed may agree, without the consent of the holders of the Notes, to modify any provision thereof it is made to comply with mandatory laws, legislation, rules and regulations of Italy and the Issuer's by-laws applicable to the convening of meetings, quorums and the majorities required to pass an Extraordinary Resolution and entered into force at any time while the Notes remain outstanding.

In addition, the Trustee may, without the consent of the holders of the Notes, authorise or waive any proposed breach or breach of the Notes or the Trust Deed or determine that any Event of Default shall not be treated as such (other than a proposed breach or breach relating to the subject of a Reserved Matter) if, in the opinion of the Trustee, the interests of the holders of the Notes will not be materially prejudiced thereby.

Any such authorisation, waiver or modification shall be binding on the Noteholders and, unless the Trustee agrees otherwise, shall be notified to the holders of the Notes as soon as practicable thereafter.

Modification/Waiver in respect of Intercreditor Agreement

The Trustee may, without the consent of the holders of the Notes, agree (i) to any modification of the Intercreditor Agreement (other than in respect of a Reserved Matter) which is, in the opinion of the Trustee, proper to make if, in the opinion of the Trustee, such modification will not be materially prejudicial to the interests of holders of the Secured Notes and (ii) to any modification of the Intercreditor Agreement which is of a formal, minor or technical nature or is to correct a manifest error.

In addition, the Trustee may, without the consent of the holders of the Notes, authorise or waive any proposed breach or breach of the Intercreditor Agreement (other than a proposed breach or breach relating to the subject of a Reserved Matter) if, in the opinion of the Trustee, the interests of the holders of the Secured Notes will not be materially prejudiced thereby.

Any such authorisation, waiver or modification shall be binding on the Noteholders and, unless the Trustee agrees otherwise, shall be notified to the holders of the Secured Notes as soon as practicable thereafter.

Modification/waiver in respect of Deeds of Pledge and Intercompany Loan Agreements

The Trustee may, without the consent of the holders of the Notes, agree (i) to any modification of a Deed of Pledge or an Intercompany Loan Agreement (other than in respect of a Reserved Matter) which is, in the opinion of the Trustee, proper to make if, in the opinion of the Trustee, such modification will not be materially prejudicial to the interests of holders of the Secured Notes of the Series to which such Deed of Pledge or Intercompany Loan Agreement relates and (ii) to any modification of a Deed of Pledge or an Intercompany Loan Agreement which is of a formal, minor or technical nature or is to correct a manifest error.

In addition, the Trustee may, without the consent of the holders of the Notes, authorise or waive any proposed breach or breach of a Deed of Pledge or an Intercompany Loan Agreement (other than a proposed breach or breach relating to the subject of a Reserved Matter) if, in the opinion of the Trustee, the interests of the holders of the Secured Notes of the Series to which such Deed of Pledge or Intercompany Loan Agreement relates will not be materially prejudiced thereby.

Any such authorisation, waiver or modification shall be binding on the Noteholders and, unless the Trustee agrees otherwise, shall be notified to the holders of the relevant Secured Notes as soon as practicable thereafter.

17. **Enforcement**

The Trustee may at any time, at its discretion and without notice, institute such proceedings as it thinks fit to enforce its rights under the Trust Deed and, in the case of the Secured Notes, under the Security Documents in respect of the Notes, but it shall not be bound to do so unless:

- (a) it has been so requested in writing by the holders of at least one fifth of the aggregate principal amount of the outstanding Notes or has been so directed by an Extraordinary Resolution; and
- (b) it has been indemnified and/or provided with security and/or prefunded to its satisfaction.

No holder may proceed directly against the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable time and such failure is continuing.

18. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders and in accordance with the Trust Deed, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes. The Issuer may from time to time, with the consent of the Trustee, create and issue other series of notes having the benefit of the Trust Deed.

19. **Notices**

Notices to the Noteholders shall be valid if published in a leading English-language daily newspaper (which is expected to be the *Financial Times*) and, if the Notes are admitted to trading on Euronext Dublin, published on the website of Euronext Dublin (www.ise.ie) or in either case, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.

20. **Currency Indemnity**

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the “**first currency**”) in which the same is payable under these Conditions or such order or judgment into another currency (the “**second currency**”) for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Principal Paying Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

21. **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005

per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

22. **Governing Law and Jurisdiction**

- (a) **Governing law:** The Notes and the Trust Deed and all non-contractual obligations arising out of or in connection with the Notes and the Trust Deed are governed by English law. Condition 16 (*Meetings of Noteholders; Noteholders' Representative; Modification and Waiver*) and the provisions of the Trust Deed concerning the meetings of Noteholders and the appointment of a Noteholders' Representative in respect of the Notes are subject to compliance with Italian law.
- (b) **Jurisdiction:** The courts of England shall have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes. Furthermore, the Issuer has in the Trust Deed (i) agreed that those courts are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue that any other courts are more appropriate or convenient; (ii) designated a person in England to accept service of any process on its behalf; (iii) consented to the enforcement of any judgment; and (iv) to the extent that it may in any jurisdiction claim for itself or its assets immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process, and to the extent that in any such jurisdiction there may be attributed to itself or its assets or revenues such immunity (whether or not claimed), agreed not to claim and irrevocably waived such immunity to the full extent permitted by the laws of such jurisdiction.
- (c) **Process agent:** The Issuer agrees that the documents which start any proceedings relating to a Dispute ("**Proceedings**") and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to TMF Global Services (UK) Limited, 8th Floor, 20 Farringdon Street, London EC4A 3AB, United Kingdom or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it in accordance with Parts 34 and 37 of the Companies Act 2006. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall, on the written demand of any Noteholder addressed and delivered to the Issuer or to the Specified Office of the Principal Paying Agent appoint a further person in England to accept service of process on their behalf and, failing such appointment within 15 days, any Noteholder shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Principal Paying Agent. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

FORM OF FINAL TERMS

Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.

[PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”) or the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended (“**MiFID II**”); or (ii) a customer within the meaning of Directive Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or the UK may be unlawful under the PRIIPs Regulation.]

[MiFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in each as defined in Directive 2014/65/EU, as amended (“**MiFID II**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.]

Final Terms dated [date]

ASTM S.p.A.

[Issuer’s Legal Entity Identifier (LEI) [●]]

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

under the €[●]

Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 12 August 2020 [and the supplemental Base Prospectus dated [●] which [together] constitute[s] a base prospectus (the “**Base Prospectus**”) for the purposes of Regulation (EU) No. 2017/1129 of 14 June 2017 (the “**Prospectus Regulation**”). This document constitutes the Final Terms of the Notes described herein [for the purposes of Article 8 of the Prospectus Regulation] * and must be read in conjunction with the Base Prospectus.

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus [and the supplemental Base Prospectus] [is] [are] available for viewing at www.ise.ie [and] during normal business hours at [address] [and copies may be obtained from [address]].

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.]

1. [(i) Series Number:] [●]

* To be included only if the Notes are to be admitted to listing on the official list, and to trading on the regulated market, of Euronext Dublin or other regulated market for the purposes of the Prospectus Regulation.

- [(ii) Tranche Number: [●]
- [(iii) Date on which the Notes become fungible: [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the *[insert description of the Series]* on *[insert date/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [21] below [which is expected to occur on or about [insert date]]]*.]
- [(iv) Relevant Material Subsidiar[y/ies] [●] (*Applicable solely in the case of Secured Notes – specify the Material Subsidiary or Material Subsidiaries entering into the relevant Intercompany Loan*)
2. Specified Currency or Currencies: [●]
3. Aggregate Nominal Amount: [●]
- [(i) [Series]: [●]
- [(ii) Tranche: [●]
4. Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (*if applicable*)]
5. (i) Specified Denominations: [●] [and integral multiples of [●] in excess thereof up to and including [●]. No notes in definitive form will be issued with a denomination above [●].]
- (No Notes shall be issued that have a minimum denomination of less than €100,000 or its equivalent in another currency.)*
- [In relation to any issue of Notes which are “exchangeable to Definitive Notes” in circumstances other than “in the limited circumstances specified in the Global Note”, such Notes may only be issued in denominations equal to or greater than €100,000 (or equivalent) and multiples thereof.]*
- (ii) Calculation Amount: [●]
6. (i) Issue Date: [●]
- (ii) Interest Commencement Date: [*Specify/Issue Date/Not Applicable*]
7. Maturity Date: (*Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year.*)
8. Interest Basis: [[●] per cent. Fixed Rate]
- [[●] month [LIBOR/EURIBOR]] +/- [●] per cent. Floating Rate]
- [Zero Coupon]
- (further particulars specified below in paragraphs 13 - 15)
9. Redemption/Payment Basis: [Subject to any purchase and cancellation or early redemption the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount.]

10. Change of Interest or Redemption/Payment Basis: *[Specify the date when any fixed to floating rate change occurs or refer to paragraphs 13 and 14 below and identify there/Not Applicable]*
11. Put/Call Options: Call Option [Applicable/Not Applicable]
Clean-up Call Option [Applicable/Not Applicable]
Material Concession Event Put Option [Applicable/Not Applicable]
Put Option [Applicable/Not Applicable]
[(further particulars specified below in paragraphs 16 - 21)]
12. [(i)] [Date [Board] approval for issuance of Notes] [and Deed[s] of Pledge][and] [Board and Material Subsidiar[y/ies]] approval of the Intercompany Loan[s] obtained: [●][registered with the Companies' Registry of [Turin] on [●]] [and] [●], respectively
[Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes. In the case of Secured Notes, provide the date of the resolutions approving the relevant Deed(s) of Pledge by the Issuer and the relevant Intercompany Loan(s) by both the Issuer and the relevant Material Subsidiary or Material Subsidiaries]
- [(ii)] [Secured Note Provisions] [Not Applicable] [Applicable – the Notes are Secured Notes pursuant to Condition 5 and the Conversion mechanism pursuant to Condition 5(d) applies.]
(Only relevant in the case of Secured Notes)
[on [●]:
(I) ASTM and *[insert name of Material Subsidiary]* entered into an interest bearing intercompany loan pursuant to which ASTM will grant *[insert name of Material Subsidiary]* an intercompany loan of a principal amount of *[insert currency]* *[insert amount]* out of the proceeds of the Secured Notes;
(II) ASTM and *[insert name of Material Subsidiary]* entered into an interest bearing intercompany loan pursuant to which ASTM will grant *[insert name of Material Subsidiary]* an intercompany loan of a principal amount of *[insert currency]* *[insert amount]* out of the proceeds of the Secured Notes;]
(III) ASTM executed *[insert number]* deed[s] of pledge over any and all receivables and monetary claims (*crediti pecuniari*) arising out from the intercompany loan[s] referred to under (I) [and (II)] above in favour of the holders of the Secured Notes and the Trustee in order to secure the complete and timely fulfilment of all its obligations arising under the Secured Notes.]
- [(iii)] [Conversion from Secured Notes to Unsecured Notes] [Applicable/Not Applicable]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. Fixed Rate Note Provisions [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [●] per cent. per annum [payable] [annually/semi annually/quarterly/monthly/in arrear]
- (ii) Interest Payment Date(s): [●] in each year [adjusted in accordance with *[specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]*]/not adjusted]
- (iii) Fixed Coupon Amount[(s)]: [●] per Calculation Amount
- (iv) Broken Amount(s): [●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
- (v) Day Count Fraction: [Actual/Actual (ICMA)]/[Actual/365]/[Actual/Actual (ISDA)]/[Actual/365 (Fixed)]/[Actual/360]/[30/360]/ [30E/360]/[Eurobond Basis]/[30E/360 (ISDA)]
- (vi) [Determination Dates: [●] in each year (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA)*)]
14. Floating Rate Note Provisions [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Interest Period(s): [●], subject to adjustment in accordance with the Business Day Convention set out in (v) below/, not subject to any adjustment, as the Business Day Convention in (v) below is specified to be Not Applicable]
- (ii) Specified Period: [●]
- (Specified Period and Specified Interest Payment Dates are alternatives. A Specified Period, rather than Specified Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert "Not Applicable")*
- (iii) Specified Interest Payment Dates: [[●]in each year[, subject to adjustment in accordance with the Business Day Convention set out in (v) below/, not subject to any adjustment, as the Business Day Convention in (v) below is specified to be Not Applicable]]
- (Specified Period and Specified Interest Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable")*
- (iv) First Interest Payment Date: [●]

- (v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention] [Not Applicable]
- (vi) Additional Business Centre(s): [Not Applicable/[●]]
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Principal Paying Agent]): [[Name] shall be the Calculation Agent]
- (ix) Screen Rate Determination:
- Reference Rate: [[●] month LIBOR/EURIBOR]
 - Interest Determination Date(s): [●]
 - Relevant Screen Page: [●]
 - Relevant Time: [●]
 - Relevant Financial Centre: [●]
- (x) ISDA Determination:
- Floating Rate Option: [●]
 - Designated Maturity: [●]
 - Reset Date: [●]
 - ISDA Definitions: [2000/2006]
- (xi) Margin(s): [+/-][●] per cent. per annum
- (xii) Minimum Rate of Interest: [●] per cent. per annum
- (xiii) Maximum Rate of Interest: [●] per cent. per annum
- (xiv) Day Count Fraction: [Actual/Actual (ICMA)]/[Actual/365]/[Actual/Actual (ISDA)]/[Actual/365 (Fixed)]/[Actual/360]/[30/360]/[30E/360]/[Eurobond Basis]/[30E/360 (ISDA)]
15. Zero Coupon Note Provisions [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Accrual Yield: [●] per cent. per annum
- (ii) Reference Price: [●]
- (iii) Day Count Fraction in relation to Early Redemption Amounts: [Actual/Actual (ICMA)]/[Actual/365]/[Actual/Actual (ISDA)]/[Actual/365 (Fixed)]/[Actual/360]/[30/360]/[30E/360]/[Eurobond Basis]/[30E/360 (ISDA)]

PROVISIONS RELATING TO REDEMPTION

16. Call Option [Applicable/Not Applicable]
(If not applicable, delete the remaining sub paragraphs of this paragraph)
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of each Note: [●] per Calculation Amount
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [●] per Calculation Amount
- (b) Maximum Redemption Amount: [●] per Calculation Amount
- (iv) Notice period: [●]
17. Clean-Up Call Option [Applicable/Not Applicable]
18. Material Concession Event Put Option [Applicable/Not Applicable]
19. Put Option [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of each Note: [●] per Calculation Amount
- (iii) Notice period: [●]
20. Final Redemption Amount of each Note [●] per Calculation Amount
21. Early Redemption Amount (Tax) [Not Applicable] / [[●] per Calculation Amount]
Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22. Form of Notes: **Bearer Notes:**
- [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]
- [Temporary Global Note exchangeable for Definitive Notes on [●] days' notice]
- [Permanent Global Note exchangeable for Definitive Notes on [●] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]

[In relation to any issue of Notes which are “exchangeable to Definitive Notes” in circumstances other than “in the limited circumstances specified in the Global Note”, such Notes may only be issued in denominations equal to or greater than, €100,000 (or equivalent) and multiples thereof.]

23. New Global Note: [Yes] [No]

24. Additional Financial Centre(s): [Not Applicable/ [●]]

Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub paragraph 14(v) relates.]

25. Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [Yes] / [No]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue [and] [admission to trading on Euronext Dublin] of the Notes described herein pursuant to the €[●] Euro Medium Term Note Programme of ASTM S.p.A.

Signed on behalf of ASTM S.p.A.:

By:
Duly authorized

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing [Euronext Dublin / None]
- (ii) Admission to trading [Application [has been/is expected to be] made to Euronext Dublin by the Issuer (or on its behalf) for the Notes to be admitted to the Official List and to trading on its regulated market with effect from [●].] [Not Applicable.]
- (Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)*
- (iii) Estimate of total expenses related to admission to trading [●]

2. RATINGS

- Ratings: [Unrated]/[The Notes to be issued have been rated:
- [S & P: [●]]
- [Moody's: [●]]
- [Fitch: [●]]
- [[Other]: [●]]

The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

[Where the relevant credit rating agency is established in the EEA or the UK:]

[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA or the UK and [registered]/[has applied for registration although notification of the corresponding registration decision has not yet been provided by the relevant competent authority]/[is neither registered nor has it applied for registration] under Regulation (EU) No. 1060/2009, as amended (the “CRA Regulation”).

[Where the relevant credit rating agency is not established in the EEA or the UK:]

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA or the UK [but the rating it has given to the Notes is endorsed by [insert legal name of credit rating agency], which is established in the EEA or the UK and registered] / [but is certified] / [and is not certified under nor is the rating it has given to the Notes endorsed by a credit rating agency established in the EEA or the UK and registered] under Regulation (EU) No 1060/2009, as amended (the “CRA Regulation”).]

3. **[INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]**

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

“Save as discussed in [*“Subscription and Sale”*], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.”]

[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.)]

4. **REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS**

Reasons for the offer: [●]

Estimated net proceeds: [●]

4. **[Fixed Rate Notes only – YIELD]**

Indication of yield: [●]

Calculated as on the Issue Date.

As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

5. **[Floating Rate Notes only – HISTORIC INTEREST RATES]**

Details of historic [LIBOR/EURIBOR] rates can be obtained from [Reuters].]

6. **OPERATIONAL INFORMATION**

ISIN Code: [●]

Common Code: [●]

[FISN Code: [●]]

[CFI Code: [●]]

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

Delivery: Delivery [against/free of] payment

Names and addresses of initial Principal Paying Agent(s): [●]

Names and addresses of additional Principal Paying Agent(s) (if any): [●]

Intended to be held in a manner which would allow Eurosystem eligibility:

[Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/

[No. Whilst the designation is specified as “no” at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them, the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

7. DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated: [Not Applicable/*give names*]
 - (a) names and addresses of Managers:
 - (b) Stabilising Manager(s) (if any): [Not Applicable/*give name*]
- (iii) If non-syndicated: [Not Applicable/*give name*]
 - (a) Name and address of Dealer: [●]
- (iv) U.S. Selling Restrictions: Reg. S Compliance Category[1/2/3]:
 - [TEFRA C]
 - [TEFRA D]
 - [TEFRA not applicable]
- (v) Prohibition of Sales to EEA and UK Retail Investors: [Applicable/Not Applicable]

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Clearing System Accountholders

Each Global Note will be in bearer form. Consequently, in relation to any Tranche of Notes represented by a Global Note, references in the Terms and Conditions of the Notes to “**Noteholder**” are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary, in the case of a CGN, or a common safekeeper, in the case of an NGN for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or, as the case may be, common safekeeper.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note (each an “**Accountholder**”) must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder’s share of each payment made by the Issuer to the bearer of such Global Note and in relation to all other rights arising under the Global Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note will be determined by the respective rules and procedures of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system from time to time. For so long as the relevant Notes are represented by the Global Note, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the bearer of the Global Note.

Exchange of Temporary Global Notes

Whenever any interest in a Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure:

- (a) in the case of first exchange, the prompt delivery (free of charge to the bearer) of such Permanent Global Note, duly authenticated and, in the case of an NGN, effectuated, to the bearer of the Temporary Global Note; or
- (b) in the case of any subsequent exchange, an increase in the principal amount of such Permanent Global Note in accordance with its terms,

in each case in an aggregate principal amount equal to the aggregate of the principal amounts specified in the certificates issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and received by the Principal Paying Agent against presentation and (in the case of final exchange) surrender of the Temporary Global Note to or to the order of the Principal Paying Agent within seven days of the bearer requesting such exchange.

Whenever a Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

If:

- (a) a Permanent Global Note has not been delivered or the principal amount thereof increased by 5.00 p.m. (London time) on the seventh day after the bearer of a Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or
- (b) Definitive Notes have not been delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer of a Temporary Global Note has requested exchange of the Temporary Global Note for Definitive Notes; or
- (c) a Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of a Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued

interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver a Permanent Global Note or increase the principal amount thereof or deliver Definitive Notes, as the case may be) will become void at 5:00 p.m. (London time) on such seventh day (in the case of (a) above) or at 5:00 p.m. (London time) on such thirtieth day (in the case of (b) above) or at 5.00 p.m. (London time) on such due date (in the case of (c) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Trust Deed and/or, in the case of Secured Notes, under the Security Documents, executed by the Issuer). Under the Trust Deed, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Temporary Global Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Temporary Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Exchange of Permanent Global Notes

Whenever a Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer of a Permanent Global Note has duly requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) a Permanent Global Note (or any part of it) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Permanent Global Note in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Trust Deed. Under the Trust Deed, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Permanent Global Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Conditions applicable to Global Notes

Each Global Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the Issuer shall procure that in respect of a CGN the payment is noted in a schedule thereto and

in respect of an NGN the payment is entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg.

Exercise of put options: In order to exercise either of the options contained in Condition 9(f) (*Redemption and Purchase – Redemption at the option of Noteholders on the occurrence of a Material Concession Put Event*) and 9(g) (*Redemption and Purchase – Redemption at the Option of Noteholders and Exercise of Noteholders’ Options*) the bearer of the Permanent Global Note must, within the period specified in the Conditions for the deposit of the relevant Note and exercise notice, give written notice of such exercise to the Principal Paying Agent specifying the principal amount of Notes in respect of which the relevant option is being exercised. For so long as interests in the Global Notes are held through the Clearing Systems, the holders of the Global Note shall exercise the rights to give a Material Concession Event Put Option or a Put Option in accordance with the rules and procedures of the relevant Clearing System. Following the exercise of any such option, the Issuer shall procure that the nominal amount of the Notes recorded in the records of the relevant Clearing Systems and represented by the Permanent Global Note shall be reduced accordingly.

Partial exercise of call option: The option of the Issuer provided for in Condition 9(c) (*Redemption at the option of the Issuer*) shall be exercised by the Issuer giving notice to the Noteholders and the relevant Clearing Systems (or procuring that such notice is given on its behalf) within the time limits set out in and containing the information required by the Conditions. Following the exercise of any such option, the Issuer shall procure that the nominal amount of the Notes recorded in the records of the relevant Clearing Systems and represented by the Permanent Global Note shall be reduced accordingly. No drawing of Notes will be required under Condition 9(c) (*Redemption at the option of the Issuer*) in the event that the Issuer exercises a call option provided by such condition while the Notes are represented by the Permanent Global Note in respect of less than the aggregate principal amount of Notes outstanding. In such event, the partial redemption will be effected in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion).

Notices: Notwithstanding Condition 19 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) deposited with a depository or a common depository for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 19 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, except that, for so long as such Notes are admitted to trading on Euronext Dublin and it is a requirement of applicable law or regulations, such notices shall be published in a leading newspaper having general circulation in the Republic of Ireland or published on the website of Euronext Dublin (www.ise.ie).

Payment Business Day: Notwithstanding the definition of “Payment Business Day” in Condition 2(a) (*Interpretation*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) deposited with a depository or a common depository for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, “*Payment Business Day*” means:

- (a) if the currency of payment is Euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) additional Financial Centre; or
- (b) if the currency of payment is not Euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

USE OF PROCEEDS

The net proceeds of the issue of each tranche of Unsecured Notes are expected to be applied by the Issuer to meet part of its general financing requirements.

The net proceeds of the issue of each tranche of Secured Notes will be used for Intercompany Loans made by the Issuer to one or more of its Subsidiaries.

DESCRIPTION OF THE ISSUER

OVERVIEW

Certain corporate and other general information relating to ASTM

ASTM S.p.A. (“ASTM” or the “Issuer”) is a joint stock company limited by shares (*società per azioni*) incorporated under Italian law. Its registered office and principal place of business is at Corso Regina Margherita 165, 10144 Turin, Italy, and it is registered with the Companies’ Register of Turin under number 00488270018, Fiscal Code and VAT Number 00488270018. ASTM may be contacted by telephone on +39 0114392111, by fax on +39 0114392218 and by e-mail at astm@astm.it.

The LEI (*Legal Entity Identifier*) code of ASTM is 8156003F2286CFA55E20.

The website of ASTM is www.astm.it. The information on the website of ASTM does not form part of this Base Prospectus, unless such information is incorporated by reference into this Base Prospectus pursuant to Article 19 of the Prospectus Regulation.

Pursuant to its by-laws, ASTM’s term of incorporation shall last until 31 December 2050, subject to extension.

The corporate purpose of ASTM, as provided by its by-laws, is: (a) the acquisition of equity interests in limited liability companies; (b) the carrying out of financial activities in general, excluding movable property and real estate leasing, factoring, foreign exchange intermediation, services of collection, payment or transfer of funds (including through the issuance of credit cards), granting of consumer credit, even to its shareholders; (c) the administration and management on its own account of typical and atypical securities; (d) provision of administrative, accounting and technical services in general and commercial and advertising consultancy; (e) the granting of endorsements (*avalli*), sureties (*fideiussioni*) and personal guarantees, including collateral security (*garanzie reali*), in favour of companies or entities in which it holds an equity interest; and (f) the purchase and sale and administration of movable and immovable properties. According to its by-laws, ASTM may also carry out commercial, industrial, securities, real estate and financial transactions which are functionally connected to the implementation of its corporate purpose as identified above, excluding only those activities expressly reserved by law to special categories of entities and those activities pertaining to matters governed by special laws regulating: (i) the collection of savings from third parties (Legislative Decree No. 385 of 1 September 1993); (ii) insurance and reinsurance activities (Presidential Decree No. 449 of 13 February 1959); (iii) the activity of trusts and auditing companies (Law No. 1966 of 23 November 1939); (iv) activities relating to mutual investment funds (Article 12, Law No. 77 of 23 March 1983); (v) activities whose exercise requires the previous enrolment in a professional register (Law No. 1815 of 23 November 1939); and (vi) the activities of securities brokerage firms (*società di intermediazione mobiliare*) (Law No. 1 of 2 January 1991). Furthermore, ASTM may not engage in financial activities towards the public.

As at the date of this Base Prospectus, ASTM has a share capital of Euro 70,257,447.50 divided into 140,514,895 ordinary shares with no nominal value (*senza valore nominale*). The ordinary shares of ASTM have been listed on the *Mercato Telematico Azionario*, the screen-based market of the Italian Stock Exchange, since 1970. As at the date of this Base Prospectus, ASTM has a market capitalisation of approximately Euro 3.3 billion.

ASTM is a holding company operating in the sectors of motorway management, large infrastructure engineering and construction projects and transport and mobility technology through its subsidiaries (ASTM and its subsidiaries, the “ASTM Group”).

History and developments

Incorporation of ASTM

ASTM was established on 28 November 1928 for the construction, operation and maintenance of the motorway linking Turin and Milan under the name of Autostrada Torino-Milano S.p.A. (which was then renamed ASTM S.p.A. in January 2013). On 30 November 1929, a ministerial convention authorised the construction and operation of such motorway; on 25 October 1932, following a construction period of 30 months, the motorway linking Turin and Milan was inaugurated.

On 19 June 1969 ASTM was listed on the Turin Stock Exchange and subsequently, on 25 February 1970, also on the Milan Stock Exchange.

Partial demerger and incorporation of SIAS

On 5 February 2002, ASTM transferred a part of its business activities to its newly established subsidiary Società Iniziative Autostradali e Servizi società per azioni (“**SIAS**”) through a partial and proportional demerger (*scissione parziale e proporzionale*). On 1 January 2004, ASTM assigned to its subsidiary Società Autostrada Torino-Alessandria-Piacenza S.p.A. the business unit (*cessione di ramo d’azienda* pursuant to Italian law) which manages, under a concession regime, the Turin-Milan motorway.

Corporate reorganisation

In July 2007, ASTM and SIAS – whose ordinary shares had been listed on the *Mercato Telematico Azionario*, the Italian automated screen-based trading system managed by Borsa Italiana S.p.A., since 2002 – implemented a corporate reorganisation programme in the context of which (i) the majority interests in the motorway subsidiaries originally belonging to ASTM were assigned to SIAS and (ii) the majority interests in the companies operating in the engineering, projecting and infrastructural/maintenance sectors were assigned to ASTM. As a result of the completion of such corporate reorganisation, ASTM controlled SIAS, pursuant to Article 2359, paragraph 1, No. 1, of the Italian Civil Code.

Partnership Aurelia – Ardian

In 2018, in the context of the execution of a framework agreement entered into between Aurelia S.r.l. (a financial holding company whose corporate capital is entirely held by the Gavio family) and Mercure Investment S.à r.l. (“**Mercure Investment**”), a company entirely owned by Mercure Holding SCA (whose corporate capital is currently held by the investment funds Ardian Infrastructure Fund IV SCA, SICAR and Ardian Infrastructure Fund IV SCA, SICAR B, both managed by the General Partner Mercure Management S.à r.l., a company controlled by Ardian S.A.S.), Mercure Investment acquired a minority equity interest in Nuova Argo Finanziaria S.p.A. (the company holding a 42.6% per cent. equity interest in ASTM) equal to 40 per cent. of its share capital. Such strategic partnership was aimed at strengthening the role and competitiveness of the Gavio group as global player in the infrastructure sector, focused on growth, international expansion and value creation for all stakeholders, and able to successfully seize major opportunities in Europe, Latin America and the United States.

Merger by incorporation of SIAS into ASTM

On 13 June 2019, the Boards of Directors of ASTM and SIAS approved, each to the extent of its respective competence, an integration project to be implemented by way of a merger by incorporation of SIAS into ASTM pursuant to Articles 2501 (*Forme di fusione*) et seq. of the Italian Civil Code (the “**SIAS Merger**”). The main objectives of the SIAS Merger were to: (a) establish an industrial holding company, operating as “one company” listed on the stock exchange market, with specific capabilities in motorway concessions, construction, engineering and technological innovation; (b) shorten the chain of control with respect to the operating companies, according to national and international standard practice and market expectations, to simplify the structure of the ASTM Group, with positive effects on the access to cash flows and, consequently, to the capital market; (c) create a new industrial group able to grow in an efficient and competitive manner on domestic and foreign markets, including by resorting to the market through capital strengthening transactions in light of the new strategic plan; (d) promote the creation of a listed issuer that, thanks to its size and liquidity, may become one of the major companies in the Italian stock exchange market; and (e) streamline the Issuer’s structure and, consequently, cut down holding costs, further strengthen the industrial synergies and improve operating results.

With the aim of mitigating the dilution effects of the SIAS Merger and offering a way out to the shareholders of SIAS who did not intend to keep their investment in the company resulting from the SIAS Merger, ASTM launched a voluntary partial public tender offer over 11,377,108 ordinary shares of SIAS, equal to 5.00% of SIAS’ share capital, for a consideration in cash equal to Euro 17.50 per each SIAS share adhering to the offer (the “**VTO**”). As a consequence of the VTO, on 2 August 2019 ASTM acquired 11,376,796 SIAS shares.

On 16 October 2019, the ASTM and SIAS extraordinary shareholders’ meetings approved the SIAS Merger plan and on 17 December 2019 the deed of merger was entered into. The SIAS Merger became effective from

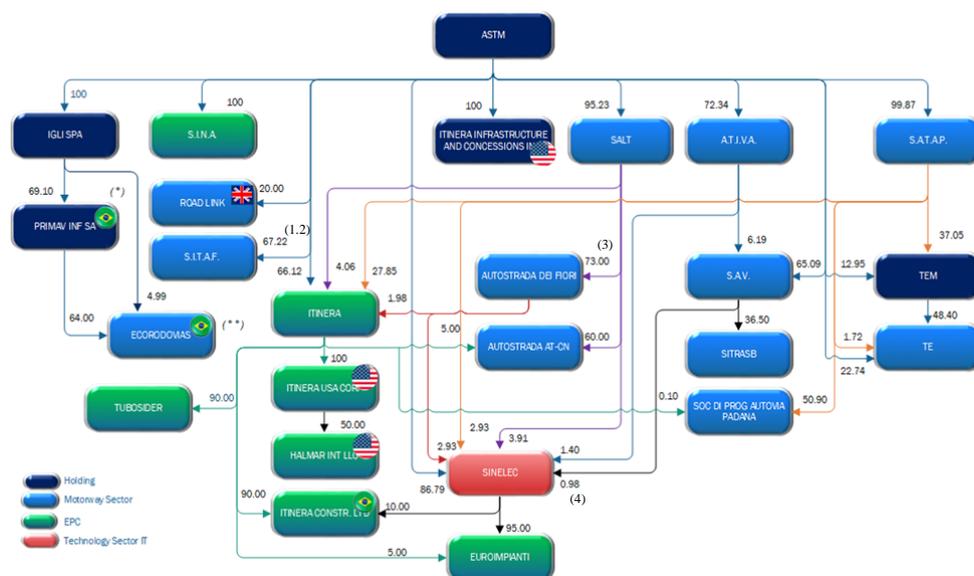
a civil law perspective on 31 December 2019 (the “SIAS Merger Effective Date”) and from an accounting and tax perspective, retroactively, on 1 January 2019. The SIAS Merger was carried out through (i) the cancellation without exchange of SIAS ordinary shares owned by ASTM on the SIAS Merger Effective Date and (ii) the cancellation of SIAS ordinary shares owned by the shareholders of SIAS (other than ASTM) on the SIAS Merger Effective Date and the simultaneous transfer to the latter, on the basis of the relevant exchange ratio, of 41,516,295 exchanged ASTM ordinary shares.

As from the SIAS Merger Effective Date, in accordance with Article 2504-bis (*Effetti della fusione*) of the Italian Civil Code, ASTM, in its capacity as incorporating company (*società incorporante*), assumed all rights and obligations (*diritti e obblighi*) of SIAS, continuing all relationships, also procedural (*processuali*), existing prior to the SIAS Merger. Furthermore, the by-laws of ASTM were amended, with effect from the SIAS Merger Effective Date, in order to, *inter alia*, include within the corporate purpose also the corporate purpose of SIAS.

For further information on the SIAS Merger and the related transactions, see the section entitled “*Merger by incorporation of SIAS S.p.A. into ASTM S.p.A.*” in the management report included in the audited consolidated financial statements of the Issuer as at 31 December 2019, incorporated by reference into this Base Prospectus (see “*Information incorporated by reference*”, above).

ASTM Group

The following diagram includes the principal consolidated subsidiaries of ASTM and the main non-consolidated companies in which ASTM holds, directly and indirectly, an equity interest as at the date of this Base Prospectus.



(1) of which 0.07% by Albenga Garessio Ceva

(2) of which 1.08% by ATIVA

(3) of which 1.86% by Albenga Garessio Ceva

(4) 1.08% by SITAF

(*) Based on the contractual agreements, this percentage corresponds to 50% of the voting rights.

(**) Brazilian holding company (listed on the Novo Mercado BOVESPA and jointly controlled), which holds companies operating in the motorway concession and logistics sectors, as detailed below.

Business of the ASTM Group

The ASTM Group operates primarily:

- in the **motorway sector** (i) in the North-West of Italy through the companies referred to under “– *Italian Motorway Activities – Overview*” below, and (ii) abroad, in Brazil and in the United Kingdom, through the companies referred to under “– *International Motorway Activities*”, below;
- in the **engineering, procurement and construction (EPC) sector** through ITINERA S.p.A. (“**ITINERA**”), a company active in the sector of large infrastructure works (roads, motorways, railways, underground railways, bridges, viaducts, tunnels) and civil and industrial construction

(hospitals, shopping centres, airports), SINA S.p.A., an engineering company, Halmar International LLC, a company that mainly operates in the metropolitan area of New York and Euroimpianti S.p.A., a company that manages installation projects (for further information, see “– *Engineering, procurement and construction (EPC) sector*”, below); and

- in the **technology sector** (including, *inter alia*, the management and monitoring of critical infrastructure) through SINELEC S.p.A., a company that specialises in the design, construction and management of advanced systems for safety, mobility information, toll collection and telecommunications (for further information, see “– *Technology sector*”, below).

As part of the process of reorganisation and efficiency improvement of the operating units of the ASTM Group (which involved, *inter alia*, the SIAS Merger), the companies operating in the sectors previously defined as “construction” sector and “engineering” sector as well as Euroimpianti S.p.A. (which was previously included among the companies operating in the “technology” sector) were concentrated into the “engineering, procurement and construction” (EPC) sector. This structure of operating segments reflects the method of representing information used by the management of ASTM in its decision-making processes. The information and data related to 2018 were consequently reclassified to allow a better comparison.

Strategy

The main strategic objective of the ASTM Group is to increase shareholder value while focusing on improving the quality and the range of services offered to its customers. In order to achieve this, the ASTM Group’s strategy, as outlined in the “*Going Global*” strategic plan for the 2017-2021 period (the “**Strategic Plan**”), is based on the following pillars:

- **growth and geographical diversification:** the ASTM Group is planning a geographical expansion in selected areas and the consolidation of the domestic market, while focusing on core businesses (Motorway concessions, Engineering, Procurement and Construction and Technology); the ASTM Group’s objective is to, *inter alia*, create a global infrastructure platform, multiply business opportunities and leverage on knowledge and skills, exporting industrial best practices;
- **efficiency and simplification:** the implementation of an integrated business model with an industrial approach will play a key role in streamlining the ASTM Group. This is intended to impact on the ASTM Group’s organisational models and corporate structure, financial discipline and savings, innovation processes, competitiveness and profitability, while reinforcing the ASTM Group’s ability to react to the changes and challenges that the international markets require and facilitate the ASTM Group’s international expansion;
- **strategic partnerships:** by exploiting the ASTM Group’s industrial expertise, the ASTM Group plans to develop stable and long term strategic partnerships with financial investors and industrial operators, with the aim of maximizing the allocation of invested capital, multiplying business opportunities and speeding up the process of international growth; in this framework, the ASTM Group also aims to strengthen its industrial role and controlling governance, maintaining a solid financial profile;
- **shareholder remuneration:** the development of sustainable growth will be associated with an increase in shareholder remuneration.

Consistently with the Strategic Plan, ASTM intends to continue to strengthen its leadership in its core business both in the domestic market as well as in international markets, particularly in Brazil, where it will participate in significant planned motorway tenders, through Ecorodovias Infraestrutura e Logistica S.A. The ASTM Group intends to strengthen its market position also in the USA, an area where the ASTM Group is tracking the development of important concessions in green field projects. In Italy, ASTM – through its subsidiaries – is currently participating in the tenders issued by the Ministry of Infrastructure and Transport for the award of new concessions for motorway stretches, which are still managed by the ASTM Group and which have expired or are about to expire.

The ASTM Group intends to continue to pursue its growth and development in the EPC sector, by consolidating its backlog in Italy and overseas, nevertheless maintaining a constant focus on the balance of the

financial structure and further reinforcing its supportive role and operating and organizational assistance in favour of the licensee companies' sector.

In the technology sector, the ASTM Group is pursuing the objective of market diversification, with a particular focus on the US market where the company Sinelec USA was established, and the development of innovative projects related to the digitalization of road transport infrastructure and new technologies.

Revenues and key financial and operating data

In 2019, the ASTM Group's revenues⁽¹⁾ were equal to Euro 2,070.6 million and its profits for the period were equal to approximately Euro 169.9 million.

The following table provides a breakdown of the ASTM Group's revenues⁽¹⁾ by area of activity for the years ended 31 December 2019 and 2018.

	Audited			
	Year ended 31 December			
	2019		2018	
	<i>€ in millions</i>	<i>% of Group revenues⁽¹⁾</i>	<i>€ in millions</i>	<i>% of Group revenues⁽¹⁾</i>
Gross toll revenues ⁽²⁾ , of which:	1,155.4	55.8%	1,135.2	66.1%
<i>Net toll revenues</i>	<i>1,123.7</i>	<i>54.3%</i>	<i>1,103.3</i>	<i>64.3%</i>
<i>Royalties from service areas⁽³⁾</i>	<i>31.7</i>	<i>1.5%</i>	<i>31.9</i>	<i>1.9%</i>
EPC activities ⁽⁴⁾	813.3	39.3%	513.2	29.9%
Technological activities ⁽⁵⁾	23.2	1.1%	20.0	1.2%
Other revenues ⁽⁶⁾	78.7	3.8%	48.7	2.8%
Total	2,070.6	100.0%	1,717.1	100.0%

- (1) With regards to motorway concession holders, IFRIC 12 provides for full recognition of revenue and costs for "construction activity" concerning non-compensated revertible assets. Therefore, the ASTM Group revenues presented here exclude the revenue portion of such non-compensated revertible assets, which are presented in the financial statements as revenues from "motorway sector – planning and construction activities" and "EPC sector – planning and construction activities".
- (2) Law Decree 78/2009, converted into Law 102/2009, has replaced the premium ("sovrapprezzo") with an extra fee ("sovraccanone") with effect from 5 August 2009. The method used to calculate the amounts to be paid to ANAS S.p.A. / Ministry of Infrastructure and Transport ("MIT") are unchanged. Therefore, the revenues from motorway tolls are shown net of the extra fee which, being a concession fee, has been classified as "other management costs". Article 15, paragraph 4 of Law Decree 78/2010 has introduced a further increase of the abovementioned "sovraccanone" (for further information, see "Regulatory – Mechanism and Procedure for the annual adjustment of the Tariffs").
- (3) "Royalties from service areas" mainly refers to tolls on the service areas of sub-concessions.
- (4) "EPC activities" refers to the aggregate amount of the production in favour of third parties not belonging to the ASTM Group executed by subsidiaries which operate in the construction industry.
- (5) "Technological activities" refers to the aggregate amount of the production in favour of third parties not belonging to the ASTM Group executed by subsidiaries which operate in the technology industry.
- (6) "Other revenues" mainly refers to compensations for damages, recovery of expenses, revenues for works executed on behalf of third parties, contributions during the fiscal year and the quota of the revenues due to the discounting of the debt with the Fondo Centrale di Garanzia.

ASTM Group's revenues / Adjusted revenues

(€ in millions)

	Year ended 31 December	
	2019	2018
Revenues	2,444.9	1,992.4
Fees and surcharges to pay to ANAS	(85.7)	(83.8)
Revenues from construction activities related to non-compensated revertible assets	(283.0)	(185.9)
Revenues related to costs reversal	(5.6)	(5.6)

Adjusted Revenues	2,070.6	1,717.1
<i>(€ in millions, except EBITDA margin and Net debt/EBITDA)</i>		
	Year ended 31 December	
	2019	2018
Adjusted Revenues⁽¹⁾	2,070.6	1,717.1
<i>of which net toll revenues</i>	<i>1,123.7</i>	<i>1,103.3</i>
EBITDA	792.4	760.9
<i>EBITDA margin⁽²⁾</i>	<i>38.3%</i>	<i>44.3%</i>
Net result assigned to the Parent Company's Shareholders	76.3	166.5
Net debt	(1,352.2)	(1,272.9)
Net debt/EBITDA	1.7x	1.7x
Operating cash flows	614.3	593.5
Motorway sector capex	265.3	148.6

(1) Adjusted Revenues is calculated excluding "Fees and surcharges to pay to ANAS", "Revenues from construction activities related to non-compensated revertible assets" and "Revenues related to costs reversal".

(2) EBITDA margin is calculated as EBITDA divided by revenues excluding revenues from "Fees and surcharges to pay to ANAS", "Revenues from construction activities related to non-compensated revertible assets" and "Revenues related to costs reversal".

The tables below provide a breakdown of, respectively, the ASTM Group's EBITDA and the ASTM Group's net debt for the years ended 31 December 2019 and 2018.

ASTM Group's EBITDA

(€ in millions)

	Year ended 31 December	
	2019	2018
Profit for the year	169.9	289.3
Income taxes	88.1	108.3
Loss/(Profit) of equity method investments	90.5	(2.1)
Financial expenses	79.2	85.8
Financial income	(39.0)	(43.4)
Amortization/depreciation and provisions	403.7	323.0
EBITDA	792.4	760.9

(€ in millions)

	Year ended 31 December	
	2019	2018
Motorway Sector	757.0	735.7
EPC Sector	45.2	32.0
Technology Sector	12.6	12.8
Services (Holdings) and eliminations	(22.4)	(19.6)
EBITDA	792.4	760.9

ASTM Group's NET DEBT

(€ in millions)

	Year ended 31 December	
	2019	2018
Cash and cash equivalents	1,197.5	1,087.6
Financial receivables ⁽¹⁾	574.2	510.4
Current financial liabilities	(1,065.7)	(501.7)
Net cash / (debt) – current portion	706.0	1,096.3

Non current financial liabilities	(2,058.2)	(2,369.2)
Net debt	(1,352.2)	(1,272.9)

(1) Includes current financial receivables and insurance policies, which are included within other non-current financial assets on the balance sheet. The insurance policies represent a temporary investment of excess liquidity and expire beyond one year; however, the agreements include an option which allows for the investment to be converted in cash in the short term

MOTORWAY SECTOR

Introduction

The ASTM Group is one of the main international players in the toll motorway management sector. As at the date of this Base Prospectus, the ASTM Group manages a motorway network of approximately 4,600 kilometres in Italy, in Brazil and in the United Kingdom. In particular, the ASTM Group is the main toll road operator in the north-west of Italy, in an area with among the highest per-capita income in Europe, with approximately 1,423 kilometres of network under concession. Through the joint control of Ecorodovias Infraestrutura e Logística. S.A., one of the largest players in the infrastructure sector in the country, the ASTM Group manages approximately 3,086 kilometres of motorways in Brazil. Through the shareholding in Road Link Holdings Limited, the ASTM Group manages approximately 84 kilometres of motorways in the United Kingdom, between Newcastle and Carlisle.

The ASTM Group derives the principal part of its revenues from its motorway activities through the collection of tolls in Italy. Revenues attributable to the ASTM Group's net toll revenues in Italy accounted for 54.3 per cent. and 64.3 per cent. of the ASTM Group's Adjusted revenues for the years ended 31 December 2019 and 31 December 2018, respectively.

Italian motorway activities – Overview

As at 31 December 2019, Italian toll and non-toll motorways, including tunnels, bridges and viaducts (the “**Italian Gross Motorway Network**”) consisted of 6,966.3 kilometres of motorways, 6,027 kilometres of which are toll motorways operated by motorway concessionaires.

ASTM currently manages – through its consolidated subsidiaries and other companies in which it holds an equity interest – a total of 1,307.2 kilometres of the Italian Gross Motorway Network, while the remaining 5,659.1 kilometres are partly managed (4,719.8 kilometres) by other motorway concessionaires and partly managed (939.3 kilometres) directly by ANAS/MIT (*source: AISCAT – Associazione Italiana Società Concessionarie Autostrade e Trafori*). As a result of an integration project that began in the latter half of the 1980s, the Italian motorway network operated by the Issuer's consolidated subsidiaries (the “**ASTM Group Italian Network**”) and the other companies in which ASTM holds an equity interest is also directly linked to the Italian motorways operated and managed by non-ASTM Group motorway concessionaires.

The ASTM Group holds the second largest concessionaire network in Italy in terms of kilometres of motorways under management, constituting approximately 22 per cent. of all Italian motorways under concession and 19 per cent. of the Italian Gross Motorway Network as at 31 December 2019 (including kilometres of motorways under management of the Italian Motorway Subsidiaries (as defined below) and of other Italian companies in which the ASTM Group holds an equity interest). The ASTM Group operates in the north-west Italian regions (namely, Piemonte, Valle d'Aosta, Lombardia, Liguria, Toscana and Emilia-Romagna) where the largest number of industries operate, close to key international motorway interconnections, such as T1 (Montebianco Tunnel), T2 (Gran San Bernardo Tunnel) and the T4 (Frejus Tunnel). For a brief discussion of competition between the ASTM Group and third-party toll roads and State-run motorways, as well as alternative modes of transportation, see “- *Competition*”, below.



In particular, in Italy, ASTM operates the toll motorway business in the north-west part of the country through the following consolidated subsidiaries: Società Autostrada Torino-Alessandria-Piacenza S.p.A., Società Autostrada Ligure Toscana S.p.A.⁽³⁾, Società Autostrade Valdostane S.p.A., Autostrada dei Fiori S.p.A.⁽⁴⁾, Autostrada Asti-Cuneo S.p.A., Società di Progetto Autovia Padana S.p.A. and Autostrada Torino Ivrea Valle d’Aosta S.p.A.⁽⁵⁾ (each an “**Italian Motorway Subsidiary**” and, together, the “**Italian Motorway Subsidiaries**”).

The right to construct, operate and maintain the relevant motorway stretch and the related tariff system (from which, *inter alia*, the revenues of the Italian Motorway Subsidiaries derive) are regulated in accordance with Italian law and the relevant concessions granted (each, an “**Italian Motorway Concession**” and, collectively, the “**Italian Motorway Concessions**”). Each Italian Motorway Subsidiary is required by the terms of the relevant Italian Motorway Concession and applicable laws and regulations to, *inter alia*, make capital investments (such as increasing the number of lanes on a motorway section or upgrading a motorway) pursuant to an investment plan approved by the competent authority.

Except as specified below, all of the Italian Motorway Concessions held by the Italian Motorway Subsidiaries are set to expire between November 2021 and February 2043 other than the Italian Motorway Concession granted to Autostrada Asti-Cuneo S.p.A. which will expire 23.5 years following the completion of the relevant infrastructure (for further information in this respect, see “– *Italian Motorway Activities – Italian Motorway Subsidiaries – Società Autostrada Torino-Alessandria-Piacenza S.p.A.*” below). Autostrada Torino Ivrea Valle d’Aosta S.p.A. manages the A5-A55 Turin-Ivrea-Quincinetto motorway section, the Ivrea-Santhià motorway section and the Turin Ring Road Motorway System (*Sistema Autostradale Tangenziale Torinese*) in a *prorogatio* regime following the expiry on 31 August 2016 of the relevant Italian Motorway Concession; Società Autostrada Torino-Alessandria-Piacenza S.p.A. manages the A21 Torino-Alessandria-Piacenza motorway section in a *prorogatio* regime following the expiry on 30 June 2017 of the relevant Italian Motorway Concession and Società Autostrada Ligure Toscana S.p.A. manages the A12 Sestri Levante-

⁽³⁾ As of 1 November 2017, the merger by incorporation of Società Autocamionale della Cisa S.p.A. into Società Autostrada Ligure Toscana S.p.A. became effective.

⁽⁴⁾ As of 1 November 2017, the merger by incorporation of Autostrada Torino Savona S.p.A. into Autostrada dei Fiori S.p.A. became effective.

⁽⁵⁾ Pursuant to the agreement entered into on 14 November 2019 by ASTM, SIAS and Mattioda Autostrade S.p.A., the ASTM Group has acquired the control of Autostrada Torino Ivrea Valle d’Aosta S.p.A. For further information, see “– *Motorway Activities – Italian Motorway Activities – Italian Motorway Subsidiaries*” below.

Livorno, A11 Viareggio-Lucca and A15 Fornola-La Spezia motorway sections in a *prorogatio* regime following the expiry on 31 July 2019 of the relevant Italian Motorway Concession (for further information, see “– Italian Motorway Activities – Italian Motorway Subsidiaries” below).

The table below sets forth a list of all the Italian Motorway Concessions held by the Italian Motorway Subsidiaries and all the motorway concessions held by the other companies in which, as at the date of this Base Prospectus, ASTM holds, either directly or indirectly, an equity interest, also indicating their original expiry date.

Motorway Company	Motorway stretch	Original expiry date of the concession
<u>Italian Motorway Subsidiaries</u>		
SATAP S.p.A.	Turin-Milan	31 December 2026
SATAP S.p.A.	Turin-Alessandria-Piacenza	30 June 2017 ⁽¹⁾
SAV S.p.A.	Quincinetto-Aosta	31 December 2032
SALT S.p.A.	Sestri Levante-Livorno, Viareggio-Lucca and Fornola-La Spezia	31 July 2019 ⁽¹⁾
SALT S.p.A.	La Spezia-Parma (and road link with Autostrada del Brennero)	31 December 2031
ADF S.p.A.	Savona-Ventimiglia	30 November 2021
ADF S.p.A.	Turin – Savona	31 December 2038
Asti-Cuneo S.p.A.	Asti-Cuneo	⁽²⁾
Società di Progetto Autovia Padana S.p.A.	Piacenza-Cremona-Brescia	28 February 2043
ATIVA S.p.A.	Tangenziale di Torino (Turin bypass), Turin-Quincinetto, Ivrea-Santhià and Turin-Pinerolo	31 August 2016 ⁽¹⁾
<u>Non consolidated companies in which ASTM holds an equity interest</u>		
SITAF S.p.A.	Turin-Bardonecchia, Frejus Tunnel	31 December 2050
Sitrasb S.p.A.	Trafo Gran San Bernardo (Great St Bernard Tunnel)	31 December 2034
Tangenziale Esterna S.p.A.	Tangenziale Est Esterna di Milano (Milan Outer Ring Road)	30 April 2065

(1) The management of such motorway section is in *prorogatio* regime until the selection of the new concessionaire.

(2) The duration of such concession is 23.5 years as from the completion of the relevant infrastructure. However, on 1 August 2019, the Italian Interministerial Committee for Economic Planning (Comitato Interministeriale per la Programmazione Economica, “CIPE”) acknowledged the economic and financial plan (PEF) related to the cross-financing transaction with SATAP A4 for the completion of the Asti-Cuneo motorway which provides, inter alia, that the expiry of the concession will occur on 31 December 2031. For further information in this respect, see “– Italian Motorway Activities – Italian Motorway Subsidiaries – Società Autostrada Torino-Alessandria-Piacenza S.p.A.” below.

The table below sets forth, by concessionaire, a list of the toll motorways included in the ASTM Group Italian Network and toll motorways managed by other companies in which, as at the date of this Base Prospectus, ASTM holds, either directly or indirectly, an equity interest and the length of each of these motorways in operation and under construction.

Company	Stretch	Kilometres			
		In operation	Under construction	% of km under motorway concession ⁽¹⁾	
SATAP	A4	Turin – Milan	130.3	-	2.2%
	A21	Turin – Alessandria – Piacenza ⁽²⁾	167.7	-	2.8%
SAV	A5	Quincinetto – Aosta	59.5	-	1.0%
SALT	A12	Sestri Levante – Livorno, Viareggio – Lucca and Fornola – La Spezia ⁽³⁾	154.9	-	2.6%
	A15	La Spezia – Parma (and road link with Autostrada del Brennero)	101.0	81.0	1.7%
ADF	A10	Savona – Ventimiglia	113.2	-	1.9%

	A6	Turin – Savona	130.9	-	2.2%
AT-CN	A33	Asti – Cuneo	55.0	23.0	0.9%
Autovia Padana	A21	Piacenza – Cremona – Brescia	100.1	11.5	1.7%
ATIVA	A5-A55	Tangenziale di Torino (Turin bypass), Turin – Quincinetto, Ivrea – Santhià and Turin-Pinerolo ⁽⁴⁾	155.8		2.6%
Total ASTM Group Italian Network			1,168.4	115.5	19.4%
SITAF	A32	Turin – Bardonecchia	81.1	-	1.3%
	T4	Fréjus Tunnel	12.9	-	0.2%
SITRASB	T2	Trafo Gran San Bernardo (Great St Bernard Tunnel)	12.8	-	0.2%
TE	A58	Tangenziale Est Esterna di Milano (Milan Outer Ring Road)	32.0	-	0.5%
Total managed by non-consolidated companies in which the ASTM Group holds an equity interest			138.8	-	2.3%
Total			1307.2	115.5	21.7%

(1) Only kilometers in operation.

(2) Following the expiry on 30 June 2017 of the relevant Italian Motorway Concession, SATAP manages the A21 Torino-Alessandria-Piacenza motorway section in a prorogatio regime.

(3) Following the expiry on 31 July 2019 of the relevant Italian Motorway Concession, SALT manages the A12 Sestri Levante – Livorno, Viareggio-Lucca, Fornola-La Spezia motorway section in a prorogatio regime.

(4) Following the expiry on 31 August 2016 of the relevant Italian Motorway Concession, ATIVA manages the Turin-Ivrea-Quincinetto motorway section, the Ivrea-Santhià, motorway section and the Turin Ring Road Motorway System (Sistema Autostradale Tangenziale Torinese) in a prorogatio regime.

Source: AISCAT — Associazione Italiana Società Concessionarie Autostrade e Trafori (“AISCAT 3-4/2018”, “AISCAT Informazioni 4/2019”) and ASTM Group’s internal data

The table below sets forth the net toll revenues of each Italian Motorway Subsidiary for the years ended 31 December 2019 and 2018.

Company ⁽¹⁾	Motorway	Year ended 31 December	
		2019	2018
(€ in millions)			
SATAP	A4 Turin - Milan	275.5	270.5
SATAP	A21 Turin - Alessandria - Piacenza	178.1	177.8
SALT	A12 Sestri Levante - Livorno, A11 Viareggio - Lucca, A15 Fornola - La Spezia	188.7	189.0
SALT	A15 Parma - La Spezia	102.8	100.1
SAV	A5 Quincinetto - Aosta	69.4	68.6
ADF	A10 Savona - Ventimiglia	157.9	156.6
ADF	A6 Turin - Savona	70.3	70.0
AT CN	A33 Asti - Cuneo	19.9	19.5
Autovia Padana	A21 Piacenza - Cremona - Brescia	61.1	51.2 ⁽²⁾
Total		1,123.7	1,103.3

(1) The table does not include data related to ATIVA whose control was acquired by the ASTM Group pursuant to the agreement entered into on 14 November 2019 by ASTM, SIAS and Mattioda Autostrade S.p.A. For further information, see “– Motorway Activities – Italian Motorway Activities – Italian Motorway Subsidiaries” below.

(2) The information relating to the year ended 31 December 2018 relates to the period 1 March 2018 – 31 December 2018, namely from the date on which the concession became effective (i.e. 1 March 2018).

The table below sets forth the EBITDA of each Italian Motorway Subsidiary for the years ended 31 December 2019 and 2018.

Company ⁽¹⁾	Motorway	Year ended 31 December	
		2019	2018
		<i>(€ in millions)</i>	
SATAP	A4 Turin - Milan	219.9	212.1
SATAP	A21 Turin - Alessandria - Piacenza	132.9	128.2
SALT	A12 Sestri Levante - Livorno, A11 Viareggio - Lucca, A15 Fornola - La Spezia	123.3	123.3
SALT	A15 Parma - La Spezia	65.8	63.8
SAV	A5 Quincinetto - Aosta	45.9	47.1
ADF	A10 Savona - Ventimiglia	102.2	98.7
ADF	A6 Turin - Savona	34.6	37.4
AT CN	A33 Asti - Cuneo	2.7	2.7
Autovia Padana	A21 Piacenza - Cremona - Brescia	29.7	22.4 ⁽²⁾
	Total	757.0	735.7

(1) The table does not include data related to ATIVA whose control was acquired by the ASTM Group pursuant to the agreement entered into on 14 November 2019 by ASTM, SIAS and Mattioda Autostrade S.p.A. For further information, see “– Motorway Activities – Italian Motorway Subsidiaries – Italian Motorway Subsidiaries” below.

(2) The information relating to the year ended 31 December 2018 relates to the period 1 March 2018 – 31 December 2018, namely from the date on which the concession became effective (i.e. 1 March 2018).

Italian motorway activities – Italian Motorway Subsidiaries

- **Società Autostrada Torino-Alessandria-Piacenza S.p.A.**

Autostrada Torino-Alessandria-Piacenza S.p.A. (“SATAP”) is a joint stock company limited by shares (*società per azioni*) incorporated under Italian law on 29 July 1970. Its registered office is at Via Bonzanigo 22, 10144, Turin, Italy, and it is registered with the Companies’ Register of Turin under number 00486040017, Fiscal Code and VAT Number 00486040017. SATAP may be contacted by telephone on +39 011 43 92 111 and by fax on +39 011 43 92 218.

Pursuant to its by-laws, SATAP’s term of incorporation shall last until 31 December 2070, subject to extension by resolution of the shareholders’ meeting.

A21 stretch

SATAP is, under a *prorogatio* regime, the concessionaire of the MIT for the construction, management and operation of the A21 Turin-Alessandria-Piacenza motorway and for certain other works linking it to the external roadways. Following expiry of such Italian Motorway Concession on 30 June 2017, the MIT requested SATAP to continue to manage the A21 Turin-Alessandria-Piacenza motorway under the terms and conditions of the original concession agreement until the take-over of the concession by the incoming concessionaire, so as to ensure continuity in the provision of motorway services.

On 20 September 2019, the MIT published the European invitation to tender for the selection of the new concessionaire specifying that the requests to participate were to be submitted by no later than 18 November 2019. In particular, the object of the invitation to tender is to award the concession for the management of the A21 Turin-Alessandria-Piacenza motorway, the A5 Turin-Ivrea-Quincinetto motorway, the A4/A5 Ivrea-Santhià link road, the Turin-Pinerolo branch road and the Turin Ring Road Motorway System (*Sistema Autostradale Tangenziale Torinese*), as well as, with respect to safety measures for the existing infrastructure, the planning, construction and management of the same.

The ASTM Group has timely submitted a request for invitation including the documentation requested in the invitation to tender for the prequalification phase. The ASTM Group has been considered by the MIT as not meeting the requirements for participating in the tender. In response to this, the ASTM Group has submitted a

claim to the competent Regional Administrative Court (*Tribunale Amministrativo Regionale - TAR*). As a consequence of such claim, the ASTM Group has been admitted to the tender procedure conditional upon the positive outcome of the abovementioned judicial proceedings.

Following the legislative and regulatory measures issued by the Italian Government in relation to the Covid-19 pandemic health emergency, the deadline for the submission of tenders, originally set for 31 March 2020, has been extended to 10 July 2020. Accordingly, on 10 July 2020, the ASTM Group submitted its offer conditional upon the positive outcome of the abovementioned judicial proceedings.

A4 stretch

Furthermore, SATAP is concessionaire of the MIT for the construction, management and operation, until 31 December 2026, of the 130.3 kilometres A4 Turin-Milan motorway and other works linking it to the external roadways.

In July 2019 – following discussions with the MIT and a series of regulatory changes and updates (also following the adoption by the Transport Regulatory Authority (*Autorità di Regolazione dei Trasporti*) of the new criteria for determining motorway tolls (Resolution No. 68/2019 relating to the A4 Turin-Milan motorway managed by SATAP)) – the ASTM Group transmitted to the MIT a new proposal of cross-financing scheme pursuant to which the investments already made and the additional investments required to be made in order to complete the AT-CN motorway (see “- *Autostrada Asti-Cuneo S.p.A.*” below) would be charged to SATAP which, for this purpose, would use the proceeds arising from the management of the A4 Turin-Milan motorway. On 1 August 2019, the CIPE acknowledged such new cross-financing scheme proposal aimed at regulating the completion of the AT-CN motorway. Should it become effective, such cross-financing scheme will result in SATAP being awarded a take-over value upon the expiry of the A4 Turin-Milan motorway concession on 31 December 2026 and AT-CN will be awarded a take-over fee upon the expiry of the AT-CN motorway concession on 31 December 2031 (in lieu of the date falling 23.5 years after the completion of the relevant infrastructure). In May 2020, the CIPE approved the update/revision of the concessions and the PEFs (*Economic and Financial Plans*) of SATAP and AT-CN, both of which will be involved in a cross-financing transaction aimed at completing the construction work on the AT-CN motorway. The procedure provides for the subsequent signing by the two companies of two new additional deeds with the MIT, which will update their respective concessions. In particular, on the basis of the new PEFs, SATAP will carry out total investments of approximately Euro 740 million, of which approximately Euro 630 million will relate to the rebalancing and completion of the AT-CN motorway.

The following table sets forth the revenues of SATAP from the above Italian Motorway Concessions for the years ended 31 December 2019 and 2018.

	Year ended 31 December			
	2019		2018	
	<i>€ in millions</i>	<i>% of total</i>	<i>€ in millions</i>	<i>% of total</i>
Net toll revenues, of which:	453.6	92.6%	448.3	94.2%
A4 Turin – Milan	275.5	56.2%	270.5	56.8%
A21 Turin – Alessandria – Piacenza	178.1	36.4%	177.8	37.4%
Royalties from service areas	15.2	3.1%	15.2	3.2%
Other revenues	21.0	4.3%	12.4	2.6%
Total	489.8	100.0%	475.9	100.0%

Source: management report of ASTM as at 31 December 2019.

The following table sets forth the items of the net financial indebtedness of SATAP for the years ended 31 December 2019 and 2018.

	Year ended 31 December	
	2019	2018
Cash and cash equivalents	683.4	604.4
Financial receivables	283.7	288.0
Current financial liabilities	(248.0)	(187.6)
Net cash / (debt) – current portion	719.1	704.8
Non current financial liabilities	(1,047.0)	(1,277.3)

The financial statements of SATAP are, in accordance with applicable law and generally accepted accounting principles, consolidated pursuant to the line-by-line method (*metodo integrale*) with those of ASTM.

- ***Società Autostrada Ligure Toscana p.a.***

Società Autostrada Ligure Toscana p.a. (“SALT”) is a joint stock company limited by shares (*società per azioni*) incorporated under Italian law on 27 May 1961. Its registered office is at Via Don Enrico Tazzoli 9, 55041 Lido di Camaione, Lucca, Italy, and it is registered with the Companies’ Register of Lucca under number 00140570466, Fiscal Code and VAT Number 00140570466. SALT may be contacted by telephone on +39 0584 90 91 and by fax on +39 0584 90 93 00.

Pursuant to its by-laws, SALT’s term of incorporation shall last until 31 December 2040, subject to extension by resolution of its shareholders.

A12 (Sestri Levante – Livorno) / A11 (Viareggio – Lucca) / A15 (Fornola – La Spezia) stretches

SALT is, under a *prorogatio* regime, the concessionaire of the MIT for the construction, management and operation of (i) the A12 motorway (from Sestri Levante to Livorno), (ii) the A11 motorway (from Viareggio to Lucca) and (iii) the A15 motorway (from Fornola to La Spezia). Following expiry of such Italian Motorway Concession on 31 July 2019, the MIT requested SALT to continue to manage such motorways under the terms and conditions of the original concession agreement until the take-over by the incoming concessionaire, so as to ensure continuity in the provision of motorway services.

In this respect, preparatory activities have started for the launch of the public tender for the reallocation of the expired motorway concession. In particular, on 13 September 2019, the Transport Regulatory Authority (*Autorità di Regolazione dei Trasporti*) published Resolution No. 119/2019 in which – at the end of the procedure initiated by Resolution No. 1/2019 – it approved certain aspects for the new definition of the concession scheme related to the A12 motorway (from Livorno to Sestri Levante), the A11 motorway (from Viareggio to Lucca), the A15 branch to La Spezia and the A10 motorway (from Ventimiglia to Savona) and the related toll system, submitting it to the MIT for its decision.

On 27 December 2019, the MIT published the European invitation to tender for the selection of the new concessionaire specifying that the requests to participate were to be submitted by no later than 20 February 2020. In particular, the object of the invitation to tender is to award the concession for the management of the A12 Sestri Levante – Livorno motorway, the A11/A12 Viareggio – Lucca motorway and the A15 fork for La Spezia motorway stretch – in respect of which the relevant Italian Motorway Concessions expired on 31 July 2019 – and the A10 Savona – Ventimiglia motorway (French border) – in respect of which the relevant Italian Motorway Concession will expire on 30 November 2021 – and the planning and execution of works aimed at improving road infrastructure safety conditions.

The ASTM Group has timely submitted a request for invitation including the documentation required in the invitation to tender for the prequalification phase.

Following the legislative and regulatory measures issued by the Italian Government in relation to the Covid-19 pandemic health emergency, the deadline for the submission of tenders, originally set for 28 May 2020, has been extended to 20 July 2020. Accordingly, on 20 July 2020, the ASTM Group submitted its offer for the selection of the new concessionaire.

A15 Parma – La Spezia stretch / Parma – Terre Verdiane section

Furthermore, since 1 November 2017 (being the date on which the merger by incorporation of Società Autocamionale della Cisa S.p.A. (“CISA”) into SALT (the “SALT/CISA Merger”) became effective (for accounting and tax purposes the SALT/CISA Merger became effective as of 1 January 2017), SALT has been the concessionaire of the MIT for (i) the construction, management and operation of the A15 Parma-La Spezia motorway and for certain other works in order to link it to Mantova and (ii) the construction of the first 15 kilometre section (*i.e.*, the Parma – Terre Verdiane section) of the motorway linking Parma to the Autostrade del Brennero motorway. Such Italian Motorway Concession expires on 31 December 2031.

The following table sets forth the revenues of SALT for the years ended 31 December 2019 and 2018.

	Year ended 31 December			
	2019		2018	
	<i>€ in millions</i>	<i>% of total</i>	<i>€ in millions</i>	<i>% of total</i>
Net toll revenues, of which:	291.5	92.0%	289.1	93.8%
A12 Livorno-Sestri Levante, A11 Viareggio-Lucca and A15 Fornola-La Spezia	188.7	59.5%	189.0	61.3%
A15 Parma-La Spezia (and connection with the Autostrade del Brennero motorway)	102.8	32.4%	100.1	32.5%
Royalties from service areas	11.3	3.6%	11.3	3.7%
Other revenues	14.1	4.4%	7.9	2.6%
Total	316.9	100.0%	308.3	100.0%

Source: management report of ASTM as at 31 December 2019.

The following table sets forth the items of the net financial indebtedness of SALT for the years ended 31 December 2019 and 2018.

(€ in millions)

	Year ended 31 December	
	2019	2018
Cash and cash equivalents	139.8	176.4
Financial receivables	302.3	266.2
Current financial liabilities	(463.3)	(13.2)
Net cash / (debt) – current portion	(21.2)	429.4
Non current financial liabilities	(150.9)	(598.9)
Net debt	(172.1)	(169.5)

The financial statements of SALT are, in accordance with applicable law and generally accepted accounting principles, consolidated pursuant to the line-by-line method (*metodo integrale*) with those of ASTM.

- ***Società Autostrade Valdostane S.p.A.***

Società Autostrade Valdostane S.p.A. (“SAV”) is a joint stock company limited by shares (*società per azioni*) incorporated under Italian law on 17 November 1962. Its registered office is at Strada Barat 13, 11024 Chatillon (Aosta), Italy, and it is registered with the Companies Register of Aosta under number 00040490070, Fiscal Code and VAT Number 00040490070. SAV may be contacted by telephone on +39 0166 56 04 11 and by fax on +39 0166 56 39 14.

Pursuant to its by-laws, SAV’s term of incorporation shall last until 31 December 2040, subject to extension by resolution of its shareholders.

SAV is the concessionaire of the MIT for the construction, management and operation of: (i) the 59.5 kilometre long A5 Quincinetto – Aosta Ovest motorway; (ii) the intersection between the A5 motorway; and (iii) the freeway in the direction of Gran San Bernardo. The above Italian Motorway Concession expires on 31 December 2032.

The following table sets forth the revenues of SAV with respect to the above Italian Motorway Concession for the years ended 31 December 2019 and 2018.

	Year ended 31 December			
	2019		2018	
	<i>€ in millions</i>	<i>% of total</i>	<i>€ in millions</i>	<i>% of total</i>
Net toll revenues	69.4	90.4%	68.6	89.9%
Royalties from service areas	0.9	1.2%	0.8	1.0%
Other revenues	6.5	8.5%	6.9	9.0%
Total	76.8	100.0%	76.3	100.0%

Source: management report of ASTM as at 31 December 2019.

The following table sets forth the items of the net financial indebtedness of SAV for the years ended 31 December 2019 and 2018.

(€ in millions)

	Year ended 31 December	
	2019	2018
Cash and cash equivalents	2.3	5.3
Financial receivables	12.3	15.1
Current financial liabilities	(16.8)	(12.2)
Net cash / (debt) – current portion	(2.2)	8.2
Non current financial liabilities	(40.1)	(46.6)
Net debt	(42.3)	(38.4)

The financial statements of SAV are, in accordance with applicable law and generally accepted accounting principles, consolidated pursuant to the line-by-line method (*metodo integrale*) with those of ASTM.

- **Autostrada dei Fiori S.p.A.**

Autostrada dei Fiori S.p.A. (“**ADF**”) is a joint stock company limited by shares (*società per azioni*) incorporated under Italian law on 30 July 1960. Its registered office is at Via della Repubblica 46, 18100 Imperia, Italy, and it is registered with the Companies’ Register of Imperia under number 00111080099, Fiscal Code and VAT Number 00111080099. ADF may be contacted by telephone on +39 0183 70 71 and by fax on +39 0183 29 56 55.

Pursuant to its by-laws, ADF’s term of incorporation shall last until 31 December 2040, subject to extension by resolution of its shareholders.

ADF is the concessionaire of the MIT for (a) the construction, management and operation of the A10 Savona-Ventimiglia French border motorway and for certain other works linking it to the external roadways until 30 November 2021⁶ and (b) since 1 November 2017 (being the date on which the merger by incorporation of Autostrada Torino Savona S.p.A. (“**ATS**”) into ADF (the “**ADF/ATS Merger**”) became effective (for accounting and tax purposes the ADF/ATS Merger became effective as of 1 January 2017)), the management and operation of approximately 130 kilometres of the A6 motorway connecting Turin to Savona on the Ligurian coastline up to 31 December 2038.

The following table sets forth the revenues of ADF for the years ended 31 December 2019 and 2018.

	Year ended 31 December			
	2019		2018	
	€ in millions	% of total	€ in millions	% of total
Net toll revenues, of which:	228.2	93.4%	226.6	93.8%
A10 Savona-Ventimiglia	157.9	64.6%	156.6	64.8%
A6 Turin-Savona	70.3	28.8%	70.0	29.0%
Royalties from service areas	6.7	2.7%	6.9	2.9%
Other revenues	9.5	3.9%	8.2	3.4%
Total	244.4	100.0%	241.7	100.0%

Source: management report of ASTM as at 31 December 2019.

⁽⁶⁾ The tender procedure provides that the effects of the concession award related to the A10 Savona-Ventimiglia motorway section will take effect from the expiry date of the current concession (i.e. 30 November 2021).

The following table sets forth the items of the net financial indebtedness of ADF for the years ended 31 December 2019 and 2018.

(€ in millions)

	Year ended 31 December	
	2019	2018
Cash and cash equivalents	64.2	84.6
Financial receivables	103.8	105.8
Current financial liabilities	(22.6)	(22.5)
Net cash / (debt) – current portion	145.4	167.9
Non current financial liabilities	(189.7)	(189.5)
Net debt	(44.3)	(21.6)

The financial statements of ADF are, in accordance with applicable law and generally accepted accounting principles, consolidated pursuant to the line-by-line method (*metodo integrale*) with those of ASTM.

- **Autostrada Asti-Cuneo S.p.A**

Autostrada Asti-Cuneo S.p.A. (“AT-CN”) is a joint stock company limited by shares (*società per azioni*) incorporated under Italian law on 23 March 2006. Its registered office is at Via XX Settembre 98/E, 00187, Rome, Italy, and it is registered with the Companies Register of Rome under number 08904401000, Fiscal Code and VAT Number 08904401000. AT-CN may be contacted by telephone on +39 011 6650400 and by fax on +39 011 6650469.

Pursuant to its by-laws, AT-CN’s term of incorporation shall last until 31 December 2050, subject to extension by resolution of its shareholders.

AT-CN is the concessionaire of the MIT for the construction, management and operation of the Autostrada delle Langhe motorway (which also includes both the Massimini-Cuneo and the Asti Est-Marene motorway sections). As at the date of this Base Prospectus, 55 kilometres are opened to traffic.

The above Italian Motorway Concession expiry date is the date falling 23.5 years following the date on which the construction works have been completed in full. However, as set out under “– Italian Motorway Activities – Italian Motorway Subsidiaries – Società Autostrada Torino-Alessandria-Piacenza S.p.A.” above, should the proposed cross-financing scheme become effective, such Italian Motorway Concession will expire on 31 December 2031.

The following table sets forth the revenues of AT-CN from the above Italian Motorway Concessions for the years ended 31 December 2019 and 2018.

	Year ended 31 December			
	2019		2018	
	€ in millions	% of total	€ in millions	% of total
Net toll revenues	19.9	94.3%	19.5	94.2%
Royalties from service areas	0.0	0.0%	0.0	0.0%
Other revenues	1.2	5.7%	1.2	5.8%
Total	21.1	100.0%	20.7	100.0%

Source: management report of ASTM as at 31 December 2019.

The following table sets forth the items of the net financial indebtedness of AT-CN for the years ended 31 December 2019 and 2018.

(€ in millions)

	Year ended 31 December	
	2019	2018
Cash and cash equivalents	1.0	1.0
Financial receivables	4.5	6.7
Current financial liabilities	(192.9)	(182.1)
Net cash / (debt) – current portion	(187.4)	(174.4)
Non current financial liabilities	(50.1)	(50.0)
Net debt	(237.5)	(224.4)

The financial statements of AT-CN are, in accordance with applicable law and generally accepted accounting principles, consolidated pursuant to the line-by-line method (*metodo integrale*) with those of ASTM.

- ***Società di Progetto Autovia Padana S.p.A.***

Società di progetto Autovia Padana S.p.A. (“**Autovia Padana**”) is a joint stock company limited by shares (*società per azioni*) incorporated under Italian law on 2 December 2015. Its registered office is at Strada Provinciale 211 della Lomellina 3/13, 15057 Tortona (AL) and it is registered with the Companies Register of Alessandria under number 02490760069, Fiscal Code and VAT Number 02490760069. Autovia Padana may be contacted by telephone on +39 0372 4731 and by fax on +39 0372 473401.

Pursuant to its by-laws, Autovia Padana’s term of incorporation shall last until 31 December 2070, subject to extension by resolution of its shareholders.

Autovia Padana was incorporated in the context of the tender process for the award of the concession for the construction, management and maintenance activities in relation to the A21 Piacenza-Cremona-Brescia motorway section and the extension to Fiorenzuola d’Arda (PC) and with effect from 2 December 2015, it replaced the temporary consortium (70 per cent. held by SATAP and 30 per cent. held by ITINERA) that participated in and won the tender process.

On 31 May 2017, Autovia Padana and the MIT entered into the concession agreement for the construction, management and maintenance activities relating to the A21 Piacenza-Cremona-Brescia motorway section and the extension to Fiorenzuola d’Arda (PC). The concession was approved by Interministerial Decree No. 453 dated 5 October 2017 which was registered with the Italian State Auditors’ Department (*Corte dei Conti*) on 22 December 2017 (for further information on the main provisions of the single concession terms, see “*Regulatory – Key Concession Terms of the Single Concessions of the Italian Motorway Subsidiaries*”, below).

On 28 February 2018, Autovia Padana and the MIT signed the resolution governing the step-in of Autovia Padana in the concession. Autovia Padana paid (i) step-in compensation (*valore di subentro*) of Euro 260 million plus Euro 55 million of VAT to the outgoing concessionaire Autostrade Centro Padane S.p.A., a joint stock company 9.5 per cent. indirectly owned by ASTM, which managed, under a *prorogatio* regime, the concession of the motorway linking Piacenza and Brescia which expired on 30 September 2011, and (ii) concession fees for Euro 41 million to the MIT, for an overall disbursement of Euro 356 million.

The Italian Motorway Concession awarded to Autovia Padana became effective as of 1 March 2018 and is due to expire on 28 February 2043.

The following table sets forth the revenues of Autovia Padana from the above Italian Motorway Concession for the year ended 31 December 2019 and 2018⁽⁷⁾.

	Year ended 31 December			
	2019		2018	
	<i>€ in millions</i>	<i>% of total</i>	<i>€ in millions</i>	<i>% of total</i>
Net toll revenues	61.1	92.3%	51.2	95.9%
Royalties from service areas	0.8	1.2%	0.7	1.3%
Other revenues	4.3	6.5%	1.5	2.8%
Total	66.2	100.0%	53.4	100.0%

Source: management report of ASTM as at 31 December 2019.

The following table sets forth the items of the net financial indebtedness of Autovia Padana for the years ended 31 December 2019 and 2018.

(*€ in millions*)

	Year ended 31 December	
	2019	2018
Cash and cash equivalents	7.7	8.5
Financial receivables	16.6	17.3

⁽⁷⁾ The information relating to the year ended 31 December 2018 refer to the period 1 March 2018 – 31 December 2018, namely from the date on which the concession became effective (i.e. 1 March 2018).

Current financial liabilities	(11.5)	(11.3)
Net cash / (debt) – current portion	12.8	14.5
Non current financial liabilities	(152.7)	(141.4)
Net debt	(139.9)	(126.9)

The financial statements of Autovia Padana are, in accordance with applicable law and generally accepted accounting principles, consolidated pursuant to the line-by-line method (*metodo integrale*) with those of ASTM.

- ***Autostrada Torino Ivrea Valle d’Aosta S.p.A.***

Autostrada Torino Ivrea Valle d’Aosta S.p.A. (“**ATIVA**”) is a joint stock company limited by shares (*società per azioni*) incorporated under Italian law on 2 August 1954. Its registered office is at Strada della Cebrosa 86, 10156 Turin, and it is registered with the Companies’ Register of Turin, Fiscal Code and VAT number 00955370010. ATIVA may be contacted by telephone on +39 011 38 14 100 and by fax on +39 011 38 14 101/102.

Pursuant to its by-laws, ATIVA’s term of incorporation shall last until 31 December 2050, subject to extension by resolution of its shareholders.

ATIVA is, under a *prorogatio regime*, the concessionaire of the MIT for the construction, management and operation of the A5 Turin-Ivrea-Valle d’Aosta motorway and of the A4/A5 Ivrea-Sanità motorway (which are in aggregate 74.8 kilometres long) as well as 56.7 kilometres of the Turin Ring Road Motorway System (*Sistema Autostradale Tangenziale Torinese*) and of the 24.3 kilometre long motorway between Turin and Pinerolo. Prior to expiry of such Italian Motorway Concession on 31 August 2016, the MIT (by a letter dated 1 August 2016) requested ATIVA to continue to manage the motorway under the terms and conditions of the original concession agreement until the take-over by the incoming concessionaire, so as to ensure continuity in the provision of motorway services.

On 20 September 2019, the MIT published the European invitation to tender for the selection of the new concessionaire specifying that the requests to participate were to be submitted by no later than 18 November 2019. In particular, the object of the invitation to tender is to award the concession for the management of the A21 Turin-Alessandria-Piacenza motorway, the A5 Turin-Ivrea-Quincinetto motorway, the A4/A5 Ivrea-Sanità link road, the Turin-Pinerolo branch road and the Turin Ring Road Motorway System (*Sistema Autostradale Tangenziale Torinese*), as well as, with respect to safety measures for the existing infrastructure, the planning, construction and management of the same.

The ASTM Group has timely submitted a request for invitation including the documentation required in the invitation to tender for the prequalification phase.

Following the legislative and regulatory measures issued by the Italian Government in relation to the Covid-19 pandemic health emergency, the deadline for the submission of tenders, originally set on 31 March 2020, has been extended to 10 July 2020.

On 14 November 2019, ASTM, SIAS and Mattioda Autostrade S.p.A. (“**Mattioda Autostrade**”), pursuant to a previous arrangement, entered into an agreement for the acquisition by the ASTM Group from Mattioda Group of an equity interest equal to (i) 10.19% of the share capital of SITAF for a consideration equal to Euro 53.6 million and (ii) 31.17% of the share capital of ATIVA for a consideration equal to Euro 48.9 million, subject to price adjustment linked to the net indemnity amount due at the time of the take-over by the new concessionaire (the “**ATIVA-SITAF Agreement**”). The completion of the acquisition by the ASTM Group of the equity interest in ATIVA was subject, *inter alia*, to the issue (or, by tacit agreement (*silenzio assenso*), to the failure to issue within the legal terms) of the authorisation of the MIT (where necessary under the ATIVA concession).

On 14 November 2019, pending the granting of the authorisation by the MIT, Mattioda Autostrade, after being paid the above-mentioned amount of Euro 48.9 million by the ASTM Group as an advance on the price (*anticipo prezzo*), registered the ATIVA shares in the name of SPAFID S.p.A., as trustee, pursuant to Law 1966/1939, conferring for this purpose an irrevocable specific fiduciary mandate pursuant to which all the corporate rights relating to the ATIVA shares (including voting rights, the right to receive dividends, reserves

or the distribution of assets upon liquidation or dissolution or other distributions, of any kind or nature) would be vested in, and would be for the benefit of, ASTM. As at 31 December 2019, the aforementioned shares were therefore held by the fiduciary company. On 3 February 2020, upon receipt of the authorisation from the MIT, the shares were definitively endorsed by SPAFID S.p.A. to ASTM.

Pursuant to the ATIVA-SITAF Agreement, the directors and statutory auditors appointed by Mattioda Autostrade in ATIVA and in the companies in which it holds an equity interest resigned from their respective offices, with effect from 14 November 2019.

The ATIVA-SITAF Agreement provides for, *inter alia*: (i) the right of Mattioda Autostrade to appoint a director and a statutory auditor of ATIVA, regardless of the equity interest held in ATIVA's share capital, or to retain a director and/or a statutory auditor (on 14 November 2019, Mattioda Autostrade decided to retain a director and a statutory auditor of ATIVA); (ii) a tag along right in favour of Mattioda Autostrade in the event of the sale to third parties, by ASTM or SIAS, of their equity interest held in ATIVA, in order to allow Mattioda Autostrade to dispose of its entire equity interest at that time; (iii) the undertaking of ASTM and Mattioda Autostrade to ensure that the shareholders' meeting of ATIVA will not resolve to put the company into liquidation until the take-over of the new concessionaire; and (iv) in the event of the award by the ASTM Group of the tender procedure referred to above launched by the MIT, (a) the granting by the ASTM Group in favour of Mattioda Autostrade of a call option to acquire a 10% equity interest in the project company that wins the tender process, for a consideration equal to the *pro quota* of the shareholders' equity, (b) the right of Mattioda Autostrade to appoint a director and a statutory auditor of the project company that wins the tender process and (c) the undertaking of the ASTM Group to ensure that, to the extent permitted by applicable law and the concession agreement, the Mattioda Group is entrusted with all the works and services relating to maintenance and the works to be carried out on the A5 section under the terms and conditions resulting from the award of the tender procedure of the A21/A5 motorways.

The following table sets forth the revenues of ATIVA from the above Italian Motorway Concession for the years ended 31 December 2019 and 2018.

	Year ended 31 December			
	2019		2018	
	<i>€ in millions</i>	<i>% of total</i>	<i>€ in millions</i>	<i>% of total</i>
Net toll revenues	128.9	93.5%	129.3	93.8%
Royalties from service areas	4.9	3.6%	5.1	3.7%
Other revenues	4.0	2.9%	3.5	2.5%
Total	137.8	100.0%	137.9	100.0%

Source: management report of ASTM as at 31 December 2019.

The following table sets forth the items of the net financial indebtedness of ATIVA for the years ended 31 December 2019 and 2018.

(*€ in millions*)

	Year ended 31 December	
	2019	2018
Cash and cash equivalents	64.9	51.6
Financial receivables	26.6	28.2
Current financial liabilities	(6.0)	(6.2)
Net cash / (debt) – current portion	85.5	73.6
Non current financial liabilities	(3.3)	-
Net debt	82.2	73.6

The 2019 financial statements of ATIVA (whose control was obtained at the end of 2019) were consolidated pursuant to the line-by-line method (*metodo integrale*) with those of ASTM limited to the balance sheet component only; the 2018 and 2019 profit and loss components were consolidated pursuant to the equity method with those of ASTM.

Italian Motorway Activities – Other equity interests

- **Tangenziale Esterna S.p.A.**

Tangenziale Esterna S.p.A. (“**TE**”) is a joint stock company (*società per azioni*) incorporated under Italian law, having its registered office at Via Fabio Filzi, 25, 20124, Milan.

TE is the company holding the concession for the design, construction and management of the A58 external eastern ring road of Milan. The ring road consists of a 32 km stretch connecting Agrate Brianza (interconnection with the A4 motorway) and Melegnano (interconnection with the A1 motorway) which is also linked to the A35 Brescia-Bergamo-Milano motorway. The first seven kilometres of the so called “Arco TEEM” connecting the A35 to the Milan area were completed in July 2014 and the remaining 25 kilometres were completed at the end of April 2015 and opened to traffic on 16 May 2015. The TE concession is due to expire on 30 April 2065.

In June 2013, TE was awarded a public grant of Euro 330 million pursuant to Law Decree No. 69/2013 (the so-called “*Decreto del Fare*”) to be disbursed subject to certain conditions being met, including without limitation, the availability to TE of a medium/long-term senior loan of approximately Euro 1 billion. On 11 November 2013, Concessioni Autostradali Lombarde S.p.A. (“**CAL**”) and TE entered into a second additional deed to the single concession (*i.e.*, the agreement documenting the terms and conditions of the concession) to which an updated version of the financial plan, prepared, *inter alia*, to take into account the above-mentioned Euro 330 million public grant, was attached. Such additional deed was approved by the MIT and as at 30 June 2019, the public grant was fully disbursed.

In accordance with the provisions of an investment agreement and a five-year shareholders’ agreement entered into in 2013 (the “**2013 Shareholders’ Agreement**”) among SIAS, SATAP and Intesa Sanpaolo S.p.A. (“**ISP**”) governing the recapitalisation and re-organisation of the corporate governance of Tangenziali Esterne di Milano S.p.A. (“**TEM**”), TE, Autostrade Lombarde S.p.A. (“**AL**”) and Società di Progetto Autostrada Diretta Brescia Milano S.p.A. (“**BreBeMi**”), TE was subject to the joint control of the ASTM Group and ISP, holding in the aggregate 61.9 per cent. of its share capital (of which 47.66 per cent. by TEM, 2.58 per cent. by ISP, 3.18 per cent. by AL, 8.47 per cent. by the ASTM Group and 10.23 per cent. by ITINERA).

On 28 July 2017, SIAS and SATAP signed an agreement with ISP to separate their respective investments in TEM, TE, AL and BreBeMi providing that (i) SIAS would focus on its investments in TEM and TE and (ii) ISP would focus on its investments in AL and BreBeMi (the “**2017 ISP Agreement**”).

Following the implementation of the divestment process in accordance with the 2017 ISP Agreement and other related transactions between SIAS and ITINERA, as at the date of this Base Prospectus the ASTM Group (a) holds, directly, 113,701,636 shares of TE representing approximately 24.45 per cent. of its share capital and, indirectly through TEM (a company 49.99 owned by the ASTM Group), 225,025,057 shares of TE representing approximately 48.40 per cent. of its share capital, and (b) no longer holds any equity interest in the share capital of AL and BreBeMi.

- **Società Italiana per il Traforo Autostradale del Fréjus S.p.A.**

SITAF is a joint stock company limited by shares (*società per azioni*) incorporated under Italian law, having its registered office at Fr. S. Giuliano, 2, 10059 Susa (Turin).

SITAF is the concessionaire of the 81.1 kilometre long A32 motorway between Turin and Bardonecchia and of the motorway Fréjus Tunnel (T4) linking the Republic of Italy to the Republic of France. The above concession expires on 31 December 2050.

Following the implementation of the acquisition pursuant to the ATIVA-SITAF Agreement, the ASTM Group purchased from Mattioda Group an equity interest equal to 10.19% of the share capital of SITAF (for further information, see “– *Italian Motorway Activities – Italian Motorway Subsidiaries – Autostrada Torino Ivrea Valle d’Aosta S.p.A.*” above).

On 21 February 2020, Finanziaria Città di Torino Holding S.p.A., a financial company of the Municipality of Turin, published a public tender notice concerning the sale of the shareholding held by the same (equal to

10.653%) in the share capital of SITAF pursuant to Council of State (*Consiglio di Stato*) Judgment No. 7393/2019. The basic tender amount for the aforementioned total quota was fixed at Euro 86 million, with the expectation that only equal or higher bids will be admitted. ASTM, having the necessary participation requirements, submitted its expression of interest on 11 March 2020. On the same date (with publication on 13 March 2020), Finanziaria Città di Torino Holding S.p.A. issued a further notice through which it informed the interested parties that the sale would also involve the shares of the Metropolitan City (former Province) of Turin, increasing from a 10.653% shareholding in the share capital of SITAF to an aggregate shareholding of 19.347%, with a new basic tender price set at Euro 156 million. The deadline for submitting applications to participate in the invitation to tender expired on 23 July 2020. On 23 July 2020, ASTM was provisionally awarded the public tender for the acquisition of the 19.347% equity interest in the share capital of SITAF. The effectiveness of the award is subject to satisfaction of certain conditions precedent (for further information in this respect, see “Recent Developments – ASTM acquires absolute majority equity interest in SITAF with 67% of the share capital” below).

- **Società Italiana Traforo del Gran San Bernardo S.p.A.**

Società Italiana Traforo del Gran San Bernardo S.p.A. (“SITRASB”) is a joint stock company limited by shares (*società per azioni*) incorporated under Italian law in 1957, having its registered office at Via Chambery 51, 11100 Aosta.

SITRASB administers 50 per cent. of the Gran San Bernardo Tunnel linking the Republic of Italy to Switzerland, plus the highway links leading to the tunnel entrance on the Italian side. The above concession expires on 31 December 2034.

The Issuer indirectly owns a number of shares equal to 36.5 per cent. of the share capital of SITRASB. SITRASB’s reference shareholder is Regione Autonoma Valle d’Aosta, which owns 63.5 per cent. of its share capital.

Other information on Italian Motorway Activities

Traffic

The table below sets forth traffic volumes (measured by the number of kilometres travelled) of the ASTM Group Italian Network (which, for this purpose, does not include Autovia Padana and ATIVA traffic volumes) both for light vehicles and heavy vehicles, and the percentage variation from year to year for each of the foregoing categories, for the period 2007-2019.

As at 31 December						
Light Vehicles	Annual % Increase / (Decrease)	Heavy Vehicles	Annual % Increase / (Decrease)	Total Vehicles	Annual % Increase / (Decrease) of traffic	
<i>(in % and in millions of kilometres)</i>						
2007	7,594	2.30%	2,537	1.70%	10,131	2.20%
2008	7,574	-0.30%	2,492	-1.80%	10,066	-0.60%
2009	7,734	2.10%	2,294	-7.90%	10,027	-0.40%
2010	7,721	-0.20%	2,387	4.10%	10,108	0.80%
2011	7,620	-1.30%	2,379	-0.30%	9,999	-1.10%
2012	7,042	-7.60%	2,205	-7.30%	9,247	-7.50%
2013	6,869	-2.50%	2,148	-2.60%	9,017	-2.50%
2014	6,933	0.90%	2,162	0.70%	9,095	0.90%
2015	7,150	3.10%	2,233	3.30%	9,383	3.20%
2016	7,264	1.59%	2,293	2.67%	9,557	1.85%
2017	7,370	1.46%	2,371	3.41%	9,741	1.93%
2018	7,301	-0.95%	2,418	2.00%	9,719	-0.23%
2019	7,290	-0.09%	2,450	1.39%	9,740	0.29%

Source: ASTM Group’s internal data.

The composition of the traffic volumes in the period 2007-2019 is represented by “light vehicles” for approximately 76 per cent. of the number of kilometres travelled and by “heavy vehicles” for the remaining approximately 24 per cent.

The table below sets forth traffic volumes on the ASTM Group Italian Network for the years ended 31 December 2019 and 31 December 2018.

Company	Motorway	Year ended 31 December				Total	
		2019		2018		2019	2018
		Light Vehicles	Heavy Vehicles	Light Vehicles	Heavy Vehicles		
<i>(in millions of kilometres)</i>							
SATAP	A4 Torino-Milano	1,734	599	1,703	588	2,333	2,291
SATAP	A21 Torino-Alessandria-Piacenza	1,339	680	1,348	674	2,019	2,021
SALT	A12 Livorno-Sestri Levante, A11 Viareggio-Lucca, A15 Fornola-La Spezia	1,511	379	1,520	373	1,890	1,893
SALT	A15 Parma-La Spezia	654	197	652	195	851	847
SAV	A5 Quincinetto-Aosta, Raccordo A5-SS27 del Gran San Bernardo	275	81	272	80	356	351
ADF	A10 Savona-Ventimiglia-Confini Francese	914	307	928	302	1,221	1,230
ADF	A6 Torino-Savona	744	168	761	169	912	930
AT-CN	A33 Asti-Cuneo	119	39	117	38	158	156
	Sub Total	7,290	2,450	7,301	2,418	9,740	9,719
Autovia (from 1 st 2018)	Padana March A21 Piacenza-Brescia	659	352	563	292	1,011	855
	Total ASTM Group Italian Network	7,949	2,802	7,864	2,710	10,751	10,574

Source: management report of ASTM as at 31 December 2019.

The intensity and levels of traffic flows vary across the different sections of the ASTM Group Italian Network, depending on a number of factors, including both the geography and the level of economic activity in which the particular section of motorway is located as well as the weather conditions. In particular, the highest levels of traffic flows are recorded for motorways close to metropolitan or urban areas. Furthermore, during peak periods, on a given day or as a result of seasonal factors, traffic can vary significantly from the average daily traffic.

Tariffs

Historically, net toll revenues have constituted the principal source of the ASTM Group’s revenues, representing approximately 54.3 per cent. and 64.3 per cent of the ASTM Group’s Adjusted revenues for the years ended 31 December 2019 and 31 December 2018, respectively. Toll revenues are a function of traffic volumes and tariffs charged. In general, the toll rates applied to the ASTM Group Italian Network are proportionally linked to the distance travelled, the type of vehicle used and the characteristics of the infrastructure (for example, tolls on mountain motorways, which have greater construction and maintenance costs, are higher than those on level ground motorways). A vehicle classification system is applied to most of the motorways in the ASTM Group Italian Network for the purpose of determining toll rates.

Toll collections are subject to a surcharge that is remitted to the MIT and the Ministry of Economy and Finance (the “**Surcharge**”). The Surcharge was set in the 2008 “budget law” with a charge per kilometre for cars that from 2011 is Euro 0.0060, and a charge per kilometre for trucks that from 2011 is Euro 0.018. At the date of this Base Prospectus, all tolls charged on the ASTM Group Italian Network are additionally subject to 22 per cent. value-added-tax (“**VAT**”). For further information, see “*Regulatory – Concession Fees and Surcharges*”.

The following table sets forth tariffs (excluding VAT and Surcharges) charged by each Italian Motorway Subsidiary indicated below in the relevant vehicle classes from 1 January 2020.

Tariff by Vehicle Class
charged from 1/1/2020

Company	Motorway	Light Vehicles		Heavy Vehicles		
		A	B	3	4	5
				<i>(€/Kilometres)</i>		
SATAP	A4 Turin – Novara Est.....	0.09886	0.10141	0.11657	0.19267	0.23319
	A4 Novara Est – Milan	0.10159	0.10420	0.11981	0.19799	0.23960
	A21 Turin – Alessandria – Piacenza (Level Ground).....	0.06534	0.06705	0.07708	0.12740	0.15421
SAV	A21 Turin – Alessandria – Piacenza (Mountain)	0.07843	0.08470	0.09251	0.15285	0.18506
	A5 Quincinetto-Aosta	0.16469	0.16889	0.21951	0.35464	0.41379
SALT	A12 Livorno – Sestri Levante, A11 Viareggio – Lucca, A15 Fornola – La Spezia (Level Ground).....	0.07368	0.07554	0.09822	0.15864	0.18509
	A12 Livorno – Sestri Levante, A11 Viareggio – Lucca, A15 Fornola – La Spezia (Mountain).....	0.11049	0.11333	0.14731	0.23796	0.27762
	A15 Parma –La Spezia.....	0.09907	0.10164	0.13209	0.21337	0.24895
ADF	A10 Savona – Ventimiglia.....	0.09951	0.11735	0.18365	0.24491	0.28570
	A6 Turin – Savona.....	0.06846	0.07020	0.09127	0.14741	0.17205
AT CN	A33 Asti – Cuneo.....	0.09694	0.12222	0.19130	0.25505	0.29760
AUTOVIA	A21 Piacenza – Brescia.....	0.04791	0.04914	0.05651	0.09339	0.11301

The following table shows the weighted average tariff increases for 2017, 2018, 2019 and 2020.

%	2017	2018	2019	2020
Weighted average tariffs increases	1.54%	3.09%	0.42%	0.20%

Toll Collection

The Italian motorway network is an “interconnected” network, which allows the user to cover several motorway sections – managed by different concessionaires – and to pay the total toll in a single transaction. The company that collects the toll then allocates the portion due to each concessionaire, on the basis of the provisions of the interconnection agreement signed between the motorway companies on 12 November 1992.

The ASTM Group is increasing the introduction of automated payment points on the ASTM Group Italian Network in order to shorten payment and waiting times at toll stations and thereby increase traffic flows, as well as to reduce the number of personnel required for toll collection. Each toll station is currently equipped for both automated and manual payment.

Users of the ASTM Group Italian Network are permitted to choose between a wide range of automated payment systems, including:

- “Telepass” system, a technology by which an on-board piece of equipment rented by motorway users communicates via radio signals to Telepass toll booths, allowing non-stop transit and toll collection which is tied to an account holder’s current account or to a co-branded credit card;
- “Viacard” payments, which permit users to charge tolls either through (i) the “Prepaid Viacard” system, whereby users purchase Viacards that contain varying amounts of prepaid credits for the payment of tolls, or (ii) the “Current Account Viacard” or “Viacard Plus”, both of which are deferred payment systems in which account holders’ current accounts are directly debited on a periodic basis for payment by the account holder for tolls and other services provided in the service areas;
- “Fast Pay”, which permits toll charges to be debited from personal banking cards;
- credit card payments, which have been accepted on the entire ASTM Group Italian Network since 1998; and
- note and coin machines, which accept automated cash toll payments without an attendant.

The ASTM Group remotely manages its automated toll booths by providing motorway users with the ability to call for assistance at a toll booth and by using computer systems designed to monitor the functioning of automated toll collection equipment.

The table below sets forth the number and proportion (expressed as percentages) of transits on the ASTM Group Italian Network categorised by payment method for the years ended 31 December 2019 and 31 December 2018.

	Year ended 31 December			
	2019		2018	
	<i>(in millions, except percentage)</i>			
Motorway				
Automated non-cash and cash payment methods, of which:				
Telepass	728.5	64.8%	708.8	64.3%
ViaCard	43.3	3.9%	40.5	3.7%
Credit Card	125.8	11.2%	120.7	10.9%
Total automated non cash and cash payment method	897.7	79.9%	870.0	78.9%
Cash manually	221.1	19.7%	228.3	20.7%
Other	4.9	0.4%	4.9	0.4%
Total	1,123.7	100.0%	1,103.3	100.0%

Motorway Police

The ASTM Group's motorway management responsibilities include user assistance which it provides through various agreements with the Italian Ministry of Internal Affairs, whereby the Italian national motorway police monitor the ASTM Group Italian Network 24 hours a day and organise emergency assistance in response to any disruption to traffic flows. These agreements also provide that the relevant Italian Motorway Subsidiary is responsible for paying the expenses of the police incurred in connection with the provision of traffic assistance services and providing infrastructure, such as police barracks near the ASTM Group Italian Network, and police vehicles. A force of auxiliary traffic personnel also assists the police in monitoring the ASTM Group Italian Network, including monitoring traffic, preventing traffic congestion, managing accident scenes where no injuries have occurred and generally supporting motorway police in their activities.

Traffic Assistance

In order to facilitate monitoring activities and assistance to the users in transit 24 hours a day and to ensure prompt intervention when necessary, the Italian Motorway Subsidiaries use variable message signs as well as radio equipment to link their motorway operations centres to remote traffic, weather and toll collection monitoring units as well as distress call points for motorway users. Distress call points – from which it is possible to request the intervention of the auxiliaries to the road system – are located at intervals (approximately one to two kilometres) along the ASTM Group Italian Network.

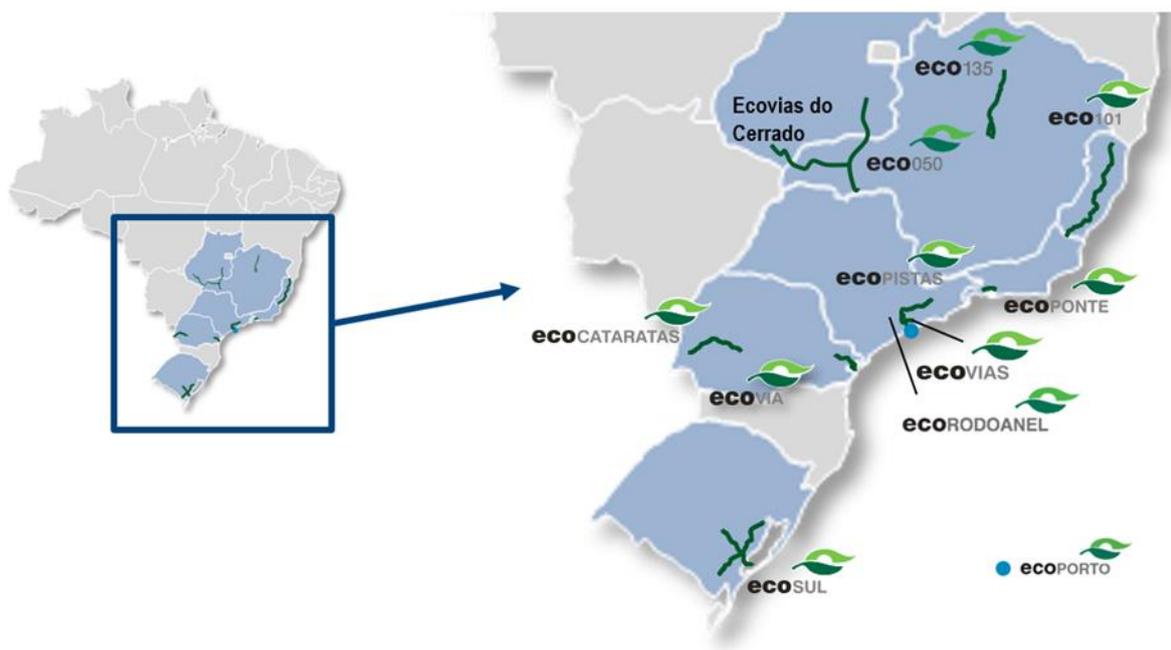
International Motorway Activities

The ASTM Group's principal international motorway activities are described below.

Motorway activities in Brazil

As at the date of this Base Prospectus, the ASTM Group operates in one of the most strategic and economically strongest areas of Brazil, in the middle of the trade corridor between the South and South-East of the country through the jointly controlled company Primav Infraestrutura S.A., which in turn controls the listed sub-holding company Ecorodovias Infraestrutura e Logística. S.A.

The chart below shows the ASTM Group's presence in Brazil related to the motorway sector management as at the date of this Prospectus.



The investment agreements relating to Primav Infraestrutura S.A. / Ecorodovias Infraestrutura e Logística S.A.

On 18 December 2015, ASTM and SIAS, on one side, and CR Almeida S.A. Engenharia e Construções (“**CR Almeida**”) on the other side, entered into an agreement for the acquisition of joint control, together with Primav Construções e Comércio S.A. (“**Primav**”), a company entirely owned by CR Almeida, of the Brazilian law incorporated SPV Primav Infraestrutura S.A. (“**Primav Infraestrutura**”) in which, with effect from 4 May 2016, the following assets and liabilities were contributed: (i) 64 per cent. of the share capital of Ecorodovias Infraestrutura e Logística S.A. (“**Ecorodovias**”); (ii) 55 per cent. of the share capital of Concessionária Monotrilho Linha 18 – Bronze S.A. (“**VEM ABC**”); and (iii) a debt of approximately BRL 2,571 million as at 31 December 2015, in addition to interest thereon accruing from 1 January 2016 to 4 May 2016.

ASTM and SIAS entered into an investment agreement and a shareholders’ agreement to regulate their respective investments in Primav Infraestrutura carried out through IGLI S.p.A. (“**IGLI**”), a company which was under the joint control (*controllo congiunto*) of ASTM and SIAS, holding 60 per cent. and 40 per cent., respectively, of its share capital.

Following completion of Primav Infraestrutura’s reserved capital increase subscribed for by IGLI, the share capital of Primav Infraestrutura was divided into ordinary shares, representing 61.8 per cent. of its share capital, and preferred shares, without voting rights, representing 38.2 per cent. of its share capital.

ASTM, SIAS and CR Almeida entered into a shareholders’ agreement governing the joint control of Primav Infraestrutura as well as the equity investments held by Primav Infraestrutura in Ecorodovias and VEM ABC (the “**Primav Infraestrutura Shareholders’ Agreement**”). Pursuant to the Primav Infraestrutura Shareholders’ Agreement, ASTM and SIAS, on one side, and CR Almeida, on the other side, had the right to appoint an equal number of directors in all of the above companies.

The term of the Primav Infraestrutura Shareholders’ Agreement is ten years and, if it is not renewed upon expiration, the shares of Ecorodovias and VEM will be assigned in proportion to the financial interest held by each shareholder in Primav Infraestrutura.

IGLI’s current equity interests in Primav Infraestrutura and Ecorodovias

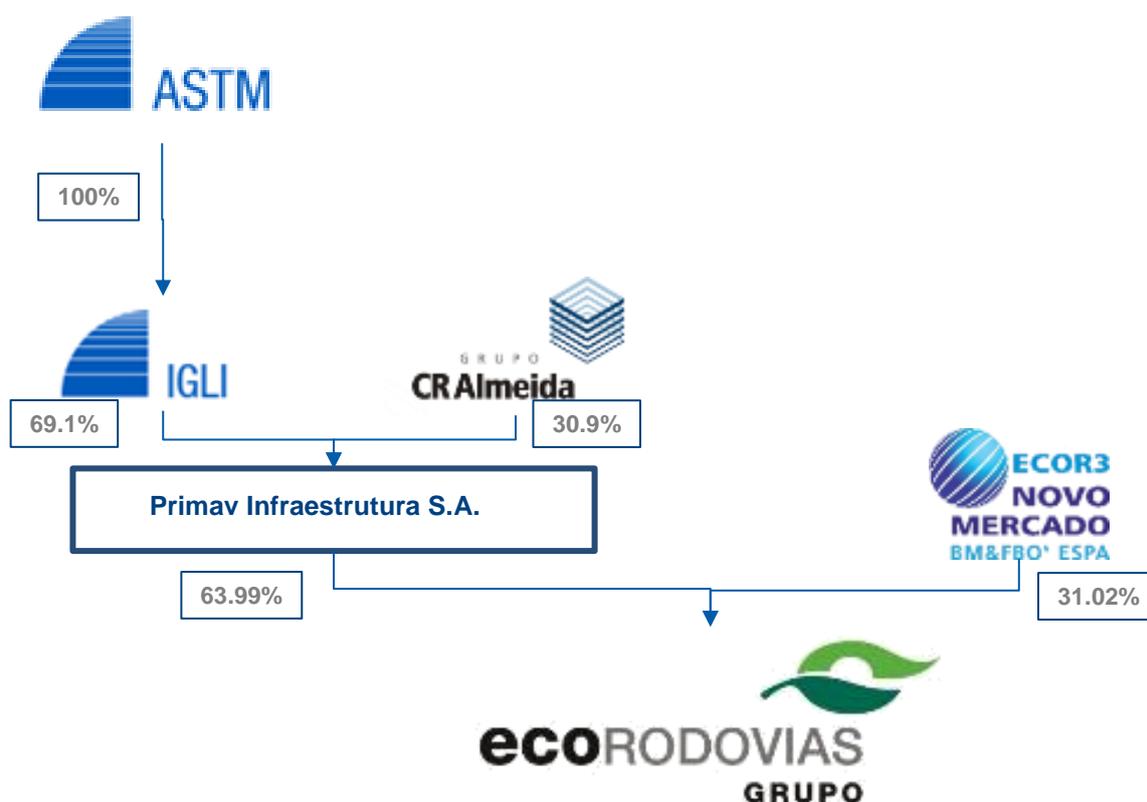
As a result of the acquisition of additional Primav Infraestrutura preferred shares, as at the date of this Base Prospectus, IGLI holds 100 per cent. of Primav Infraestrutura preferred shares, which, together with the 50 per cent. of Primav Infraestrutura’s ordinary shares already held, results in IGLI holding 69.1 per cent. of Primav Infraestrutura’s share capital. Since there were no changes to the Primav Infraestrutura Shareholders’

Agreement, following the SIAS Merger Effective Date ASTM continues to hold the joint control of Primav Infraestrutura.

On 29 March 2017, the Board of Directors of IGLI approved the purchase on the stock exchange of a number of Ecorodovias shares representing up to 5 per cent. of its share capital in order to increase the direct and indirect shareholding in Ecorodovias to approximately 49.2 per cent. of the share capital. Between 2017 and 2018 IGLI acquired a total of 27,879,084 Ecorodovias shares, equal to approximately 5 per cent. of its share capital, which are not syndicated to the Primav Infraestrutura Shareholders' Agreement.

As a result of such purchase of Ecorodovias shares, together with the acquisition of Primav Infraestrutura's preferred shares, as at the date of this Base Prospectus IGLI holds, directly and indirectly, on a look-through basis 49.21 per cent. of Ecorodovias' share capital.

The chart below shows the shareholding structure of Ecorodovias as at the date of this Base Prospectus.



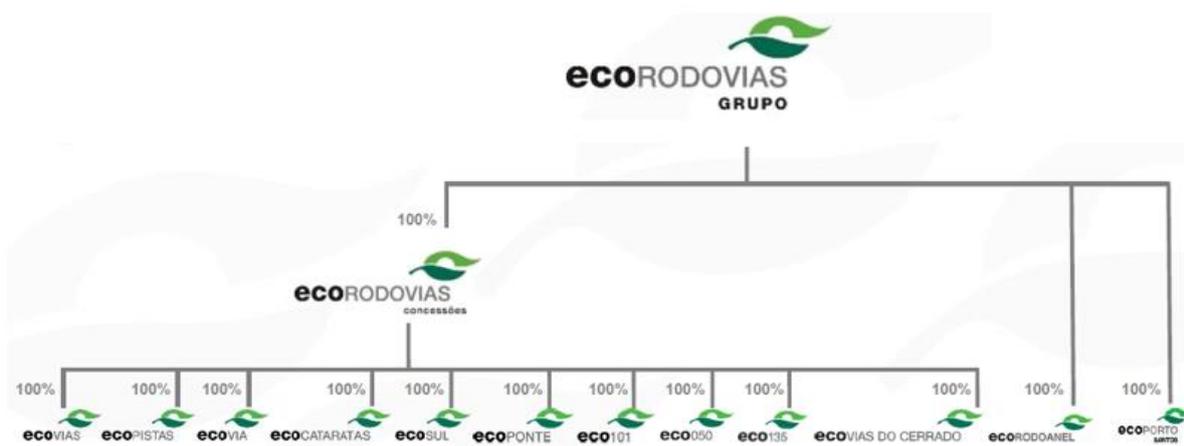
Consolidation of ASTM control over Ecorodovias

On 31 July 2020, IGLI, a wholly-owned subsidiary of ASTM, and ASTM – as guarantor – entered into a dissociation agreement with Primav, Primav Infraestrutura, Participare – Administrações Ltda and Ecorodovias to reorganise their equity stake in Ecorodovias and to ultimately capitalise Ecorodovias. For further information, see “–Recent Developments – ASTM Group enters into an agreement to capitalise and, as a consequence, consolidate the control over Ecorodovias” below.

Ecorodovias Infraestrutura e Logística S.A.

Ecorodovias is a holding company listed on the *Novo Mercado* managed by BM&FBOVESPA and is the third largest motorway operator in Brazil.

The chart below shows the subsidiaries of Ecorodovias as at the date of this Base Prospectus.



As at the date of this Base Prospectus, Ecorodovias manages a motorway network of approximately 3,086 km (representing approximately 14.7 per cent. of the Brazilian motorway network) which is located in one of the wealthiest areas of Brazil with a high population density and in the middle of the trade corridor between the South and South-East of the country and is close to the country's main commercial hubs and ports. Such motorway network is managed by Ecorodovias through the concessionaire companies listed in the chart below.

Motorway Company	Stretch	Original maturity date
Ecovia Caminho do Mar ⁽¹⁾	Curitiba metropolitan area – Port of Paranaguá	November 2021
Ecocataratas ⁽¹⁾	Paraná – “triple border” (Brazil, Argentina and Paraguay)	November 2021
Ecovias dos Imigrantes ⁽¹⁾	Sao Paulo metropolitan area – Port of Santos	June 2026
Ecosul ⁽¹⁾	Pelotas – Porto Alegre and Rio Grande Port	March 2026
Eco 101 ⁽¹⁾	Macuri/BA Rio de Janeiro border	May 2038
Ecopistas ⁽¹⁾	Sao Paulo metropolitan area – industrial region of Vale do Rio Paraiba	June 2039
Ecoponte ⁽¹⁾	Rio de Janeiro Niteroi – State of Rio de Janeiro	May 2045
Ecorodoanel ⁽¹⁾⁽²⁾	San Paolo Northern Ring Road	December 2050 ⁽³⁾
ECO 050 - MGO ⁽¹⁾⁽⁴⁾	Cristalina (Goias) - Delta (Minas Gerais)	January 2044
Eco 135 ⁽¹⁾⁽⁵⁾	Montes Claros (Minas Gerais)	June 2048
Ecovias do Cerrado ⁽¹⁾⁽⁶⁾	Jatai (Goias) – Uberlandia (Minas Gerais)	December 2049

(1) Investee via IGLI S.p.A.

(2) Company not yet operational as the concession agreement has not yet been signed. On 6 June 2019, the granting authority announced the suspension of the bidding procedure until 30 June 2020.

(3) The expiry date is subject to review based on the start date of the activities.

(4) On 30 May 2019 the transfer of the “Eco 050 (MGO)” concession to the Ecorodovias group was completed; the figures of said licensee were therefore consolidated as of 1 June 2019.

(5) In June 2018, an agreement was signed with the authorities for the concession of the Montes Claros (Minas Gerais) stretch, which became operational on 1 July 2018 and tolled on 1 April 2019.

(6) On 27 September 2019, EcoRodovias won the tender for the 30-year management of the “BR – 364 / BR – 365” motorway system, which links the states of Goias and Minas Gerais. The concession agreement was signed on 19 December 2019 and the assets were transferred on 20 January 2020. The 30-year concession will expire on 19 January 2050.

The table below sets forth the traffic volumes of each Brazilian concessionaire companies for the years ended 31 December 2019 and 31 December 2018.

<i>(thousands of equivalent paying vehicles)⁽¹⁾</i>	2019			2018		
	Light	Heavy	Total	Light	Heavy	Total
Ecovia Caminho Do Mar	4,752	11,495	16,247	4,658	12,206	16,864
Ecocataratas	10,603	16,365	26,968	10,335	16,338	26,673
Ecovias dos Imigrantes S.A.	35,924	25,064	60,988	35,340	25,831	61,171
Ecopistas	61,582	25,874	87,457	58,694	25,328	84,022
Ecoponte	25,129	4,260	29,389	25,239	4,212	29,452
Ecosul	6,838	19,573	26,412	6,658	19,815	26,473
Eco 101	15,831	31,158	46,989	15,527	31,449	46,975
Eco135 ⁽²⁾	5,090	20,196	25,286	-	-	-
Eco050 (MGO) ⁽³⁾	7,874	18,994	26,868	-	-	-
Total	173,624	172,979	346,602	156,449	135,179	291,630
Adjusted total ⁽⁴⁾	155,305	128,541	283,846	152,450	130,206	282,656

(1) Traffic volumes are expressed in “equivalent paying vehicles”, the basic reference unit used for toll statistics on the Brazilian market. Light vehicles (such as cars) correspond to one equivalent vehicle unit. Heavy vehicles (such as lorries and buses) are converted to equivalent vehicles using a multiplier that is applied to the number of vehicle axles and is established in the terms of each concession contract.

(2) 1 April – 30 June.

(3) 1 June – 30 June.

(4) Percentage calculated with the exception of (i) “suspended axles” with reference to the licensees Ecovia Caminho do Mar and Ecocataratas (as of 29 May 2018) and Ecovias dos Imigrantes and Ecopistas (as of 31 May 2018) and (ii) the traffic of the licensees Eco135 and Eco050 (MGO), subject to tolls since 1 April 2019 and 1 June 2019 respectively.

The following table sets forth the revenues broken down by each Brazilian concessionaire company for the years ended 31 December 2019 and 31 December 2018.

<i>(amounts in millions of Reais)</i>	Year ended 31 December	
	2019	2018
Ecovia Caminho Do Mar	302.9	290.9
Ecocataratas	348.0	320.2
Ecovias dos Imigrantes S.A.	1,002.9	983.6
Ecopistas	321.8	294.9
Ecoponte	126.5	124.2
Ecosul	337.8	311.8
Eco 101	192.2	203.1
Eco 135	182.3	-
Eco 050 (MGO)	138.0	-
Other motorway sector revenue	80.5	88.2
TOTAL	3,032.7	2,616.8
<i>Total in EUR (*)</i>	<i>671.6</i>	<i>579.5</i>

(*) Based on the Euro/Reais exchange rate of 4.5157 as at 31 December 2019.

The tables below show the main data relating to the income trend and the financial position of the Ecorodovias group for the years ended 31 December 2019 and 31 December 2018.

<i>(amounts in millions of Euro) (*)</i>	Year ended 31 December	
	2019	2018
Net Revenues	652.2	557.2
EBITDA	450.2	390.0
EBITDA Margin	70.0%	70.0%
Net Result for the period ⁽¹⁾	64.3	87.0

(1) Amount adjusted for the effects of the so called “leniency agreement” signed with the Public Federal Ministry of the State of Paraná, which envisions the closure of the investigations involving Ecorodovias and its subsidiaries following the payment by the companies of an overall indemnity equal to BRL 400 million, of which BRL 30 million is to be paid as a penalty and the remaining amount of BRL 370 million in the form of works and a toll reduction.

(*) Based on the Euro/Reais exchange rate of 4.5157 as at 31 December 2019.

Source: Press release headed “4Q19 Earnings Release” published by Ecorodovias and available at <https://apicatalog.mziq.com/filemanager/v2/d/7c109ecb-88c9-441f-91cb-66a8db417120/0304ea18-54e8-0a45-c57c-fef92f60e4e1?origin=2>.

<i>(amounts in millions of Euro) (*)</i>	2019	2018
Cash and cash equivalents	458	604
<i>short-term</i>	(730)	(332)
<i>long-term</i>	(1,192)	(1,331)
Financial indebtedness	(1,922)	(1,663)
Net financial indebtedness	(1,464)	(1,059)

(*) Based on the Euro/Reais exchange rate of 4.5157 as at 31 December 2019.

Source: Press release headed “4Q19 Earnings Release” published by Ecorodovias and available at <https://apicatalog.mziq.com/filemanager/v2/d/7c109ecb-88c9-441f-91cb-66a8db417120/0304ea18-54e8-0a45-c57c-fef92f60e4e1?origin=2>.

Ecorodovias also controls Ecoporto Santos S.A., a company managing the logistics/port terminal located inside the Port of Santos.

Motorway activities in United Kingdom – Road Link Holdings Limited

Road Link Holdings Limited (a company 20 per cent. directly owned by ASTM) holds 100 per cent. of the share capital of Road Link (A69) Limited which, on behalf of the “Secretary for Transport and the Highway Agency”, manages the A69 motorway between Newcastle and Carlisle in the United Kingdom. The relevant concession will expire on 31 March 2026. During the financial year ended on 31 December 2019, Road Link Holdings Limited contributed approximately Euro 1.1 million to the ASTM Group’s profit.



Ancillary business activities in the motorway sector – Service Areas

The ASTM Group has also developed ancillary businesses to service its core toll motorway business.

As at 31 December 2019, royalties from the management of service areas on the ASTM Group Italian Network amounted to Euro 31.7 millions. All service areas include full-service petrol stations and most include self-service minimarkets and food and beverage points. Some service areas include additional accessory services such as motels, repair garages, shops and information services.

The ASTM Group does not directly manage any of the service areas but instead grants, on the basis of specific bidding procedures, subcontracts (each a “**Subcontract**” and jointly the “**Subcontracts**”) to third parties (the “**Subcontractors**”) for the management of various services in the service areas. In order to guarantee a regular and adequate level of service, potential Subcontractors are selected by the ASTM Group on the basis of their specific technical, organisational and economic skills. Bids are evaluated on the basis of quality, efficiency, and diversity of services and investments, in line with the duration of the activities entrusted to them.

The Subcontracts generally grant to each Subcontractor the right to perform one or more services in one or more service areas. Pursuant to the Subcontracts, the Subcontractor is typically required to build the structures necessary to provide the service and, subsequently, to manage and maintain those services either directly or through management contracts with third parties. Upon the expiration of a Subcontract, the land on which the service area is located and the buildings and infrastructure built by the Subcontractor must, in instances where the ASTM Group owns the land, be returned to the ASTM Group in a good state and condition with no compensation to the Subcontractor. In relation to service areas built on land owned by Subcontractors, upon the expiration of the Subcontract, the right of access to the motorway shall be subject to renegotiation. Under a Subcontract, the Subcontractor typically undertakes to pay to the relevant motorway subsidiary a percentage of the revenues in the form of a royalty generated from sales for both restaurants/shops and petrol services, based upon a relevant fixed component. The ASTM Group monitors the quality of the services offered by the Subcontractors at the service areas through periodic inspections of such areas.

Upon the expiration of a Subcontract, a new Subcontract may be granted only upon competitive bidding procedures. The expiry date of the Subcontracts differs for each Italian Motorway Subsidiary.

The total consolidated income from service areas of the ASTM Group derived from royalty payments from Subcontractors for the year ended 31 December 2019 was equal to approximately Euro 30.2 million, compared to approximately Euro 30.1 million for the year ended 31 December 2018. At the end of 2019, the largest petrol station subcontractor of the ASTM Group was ENI S.p.A.

In 2019, the largest food, beverage and retail subcontractor of the ASTM Group was Autogrill S.p.A. The second largest food, beverage and retail Subcontractor was Maglione S.r.l.

ENGINEERING, PROCUREMENT AND CONSTRUCTION (EPC) SECTOR

The ASTM Group operates worldwide through its subsidiaries in the construction of major infrastructure works (roads, motorways, railways, subways, bridges, viaducts, dams, civil and industrial construction works). In particular, the ASTM Group operates through ITINERA, a company established in 1938 whose share capital is entirely held by ASTM and other companies of the ASTM Group, and its subsidiaries (jointly the “**ITINERA Group**”).

The ITINERA Group operates in the EPC sector, and its main activities are the construction and the maintenance of road, motorway and railway infrastructure, building works (hospitals and shopping centres), maritime works and works for the construction of tunnels and underground railways. The ITINERA Group is one of the leading Italian groups in the EPC sector in terms of size, revenues, order book, expertise and know-how, and is a global player in the development of public-private partnership (PPP) projects. The foreign business development plan of the ITINERA Group has continued in recent years in terms of participation in tenders, the opening of new branches and secondary offices, the establishment of new companies and direct investments in companies already active in the EPC sector.

ITINERA operates mainly in the Republic of Italy, central and northern Europe (Denmark, Romania, Austria, Sweden), USA, Brazil, Gulf countries (UAE, Kuwait, Oman, Saudi Arabia) and southern Africa (Kenya, Botswana).

In the first half of 2017, ITINERA incorporated under Brazilian law Itinera Construcoes LTDA, a company expected to carry out works for Ecorodovias. In addition, on 5 July 2017, ITINERA acquired 50 per cent. of the share capital of Halmar International LLC (“**Halmar**”), one of the leading construction companies operating in the metropolitan area of New York in the construction of transport infrastructure (roads, motorways, railways, subways, airports, bridges and elevated roads). Based on the governance agreements signed by the shareholders, Halmar is controlled by the ITINERA Group. The transaction was carried out by establishing the US subsidiary ITINERA USA CORP, a company wholly owned by the ITINERA Group. On 4 July 2018 ITINERA purchased all the shares of SEA Segnaletica Stradale S.p.A. and Interstrade S.p.A. which was merged by incorporation into ITINERA on 1 December 2018.

In 2018, the ITINERA Group posted a “value of production” of Euro 632.8 million (Euro 400 million in 2017); foreign production amounted to Euro 317.6 million (of which Euro 192.4 million relating to the Halmar group), while Euro 315.2 million was produced in Italy.

The table below provides a breakdown of the main economic and financial data of the ITINERA Group⁽⁸⁾ for the years ended 31 December 2019 and 2018.

<i>(€ in millions)</i>	Year ended 31 December	
	2019	2018
Net Revenue	985.2	632.8
EBITDA	34.0	33.6
EBIT	7.1	23.7
Earning before taxes	0.4	13.5
Net Result for the period	1.0	9.0

The table below provides a breakdown of the ITINERA Group’s revenues split by geographic area for the years ended 31 December 2019 and 2018.

<i>(€ in millions)</i>	Year ended 31 December	
	2019	2018
Italy	372.7	312.5
Europe	123.6	43.0
Middle East	102.5	55.9

⁽⁸⁾ The data included in the table only relates to the ITINERA Group and therefore includes the amount towards the other companies of the ASTM Group which are deleted in the consolidation process.

Africa	32.0	21.4
Brazil	33.1	7.6
USA	321.3	192.4
Total	985.2	632.8

The table below provides a breakdown of the ITINERA Group’s “backlog” split by geographic area for the years ended 31 December 2019 and 2018.

	Year ended 31 December	
	2019	2018
Italy	41%	35%
Europe	28%	27%
Middle East	14%	10%
Africa	1%	7%
South America	1%	1%
USA	15%	20%
Total	100%	100%

The following table sets forth the items of the net financial indebtedness of ITINERA for the years ended 31 December 2019 and 2018.

(€ in millions)

	Year ended 31 December	
	2019	2018
Cash and cash equivalents	137.3	110.2
Financial receivables	36.7	16.4
Current financial liabilities	(147.2)	(89.0)
Net cash / (debt) – current portion	26.8	37.6
Non current financial liabilities	(91.8)	(39.0)
Net debt	(65.0)	(1.4)

The ASTM Group operates in the EPC sector also through the subsidiary SINA S.p.A. (“SINA”), a company which operates in the study, planning and works management areas for railway and motorway works and carries out infrastructure control and inspection activities, as well as environmental monitoring activities. In addition, SINA operates in the verification of tunnel safety and surveillance systems.

As at the date of this Base Prospectus, ASTM owns 100 per cent. of the share capital of SINA.

SINA holds 100 per cent. of the share capital of Siteco Informatica S.r.l., a company operating in the development of technological software (in particular, application software managing road databases) and in the engineering and integration of technologies and instruments to carry out high-performance tools for photogrammic, geometric and topographic surveys of infrastructure.

The following table sets forth the revenues of SINA for the years ended 31 December 2019 and 2018.

	Year ended 31 December			
	2019		2018	
	€ in millions	% of total	€ in millions	% of total
EPC sector revenues	51.2	99.8%	36.9	99.5%
Other revenues	0.1	0.2%	0.2	0.5%
Total	51.3	100.0%	37.1	100.0%

Source: management report of ASTM as at 31 December 2019.

The financial statements of SINA are, in accordance with applicable law and generally accepted accounting principles, consolidated pursuant to the line-by-line method (*metodo integrale*) with those of ASTM.

The ASTM Group operates in the EPC sector also through the subsidiary Euroimpianti S.p.A. (“**Euroimpianti**”), a company that operates in the areas of planning and production of electrical, telephone and electronic systems for motorway companies.

As at the date of this Base Prospectus, ASTM owns, directly and indirectly, 100 per cent. of the share capital of Euroimpianti.

The following table sets forth the revenues of Euroimpianti for the years ended 31 December 2019 and 2018.

	Year ended 31 December			
	2019		2018	
	<i>€ in millions</i>	<i>% of total</i>	<i>€ in millions</i>	<i>% of total</i>
EPC sector revenues	73.7	99.5%	33.1	97.4%
Other revenues	0.4	0.5%	0.9	2.6%
Total	74.1	100.0%	34.0	100.0%

Source: management report of ASTM as at 31 December 2019.

The financial statements of Euroimpianti are, in accordance with applicable law and generally accepted accounting principles, consolidated pursuant to the line-by-line method (*metodo integrale*) with those of ASTM.

TECHNOLOGY SECTOR

The ASTM Group operates in the technology sector (including optical fibres, advanced mobility management systems and traffic management software) principally through the subsidiary SINELEC S.p.A. (“**SINELEC**”), a company resulting from the merger by incorporation of SINELEC in Sistemi e Servizi per Autostrade e Trasporti S.p.A. in 2008 (which was then renamed SINELEC).

SINELEC is active in the field of technological services both on behalf of the motorway concessionaires of the ASTM Group and on behalf of third-party companies and operates in the following business areas:

- (i) motorway equipment: in particular, SINELEC is involved in the planning, installation, maintenance and technological adjustment of the collecting tools systems (both software and hardware), technological systems to manage motorway mobility (special equipment including, *inter alia*, equipment for traffic monitoring, equipment for weather reporting, operation headquarters, road services and automatic accident monitoring) and electrical and lighting systems of tunnels;
- (ii) motorway information systems: in particular, SINELEC is involved in the planning, installation and maintenance of software controlling all of the technological motorway equipment, as well as in the monitoring and communication of traffic information. The above business also includes activities related to data processing software for operative, technical and administrative purposes (including, *inter alia*, transit recording, non-payment of tolls, management of accidents, disaster recovery, telepass recording, internet connectivity and data processing for personnel departments);
- (iii) information technology business: in particular, SINELEC is involved in the design and implementation of IT infrastructure, management of data centres, design, installation and management of optical fiber network, mobile radio systems, services of IT outsourcing and maintenance of a data processing asset, as well as cybersecurity management; and
- (iv) European motorway projects: in particular, SINELEC participates in European projects and initiatives relating to the application of new technologies to the motorway mobility (*i.e.*, GPS (Global Positioning System) position tracking and special transports optimisation).

As at the date of this Base Prospectus, ASTM holds, directly and indirectly, an equity interest of approximately 98.92 per cent. in SINELEC.

The following table sets forth the revenues of SINELEC for the years ended 31 December 2019 and 2018.

	Year ended 31 December			
	2019		2018	
	<i>€ in millions</i>	<i>% of total</i>	<i>€ in millions</i>	<i>% of total</i>
Technology sector revenues	73.6	98.5%	55.8	99.1%
Other revenues	1.1	1.5%	0.5	0.9%
Total	74.7	100.0%	56.3	100.0%

Source: management report of ASTM as at 31 December 2019.

The financial statements of SINELEC are, in accordance with applicable law and generally accepted accounting principles, consolidated pursuant to the line-by-line method (*metodo integrale*) with those of ASTM

Capital Expenditure

Capex incurred

The ASTM Group's capital expenditures primarily relate to its Italian motorway activities, specifically costs for upgrading the ASTM Group Italian Network. The following table provides a breakdown of such capital expenditure for each of the Italian Motorway Subsidiaries for the years ended 31 December 2019 and 31 December 2018.

	Year ended 31 December	
	2019	2018
	<i>(€ in millions)</i>	
Italian Motorway Concession Holder		
SATAP A4	9.5	11.5
SATAP A21	20.2	3.3
SALT A12	39.5	13.3
SALT A15	65.9	66.9
ADF A10	20.8	4.9
ADF A6	63.3	25.2
SAV A5	12.5	4.6
AT-CN	10.2	4.7
Autovia Padana	23.4	14.2
Total	265.3	148.6

The other ASTM Group's capital expenditures relate to equity investments, such as those related to the VTO and the ATIVA-SITAF Agreement.

Currently underway and expected capex

The following table provides a breakdown of the main investments currently underway in Italy and to be carried out in the future by the ASTM Group in accordance with the current financial plans of each Italian Motorway Subsidiary.

Italian Motorway Subsidiary (€ in millions)	Capex Plan			
	From the 1 st July 2019 until the date of this Base Prospectus	From the 1 st July 2019-2020	2021-2023	Total from the 1 st July 2019 - 2023
SATAP A4	4.5	45.8	38.3	88.6
SATAP A21 ⁽¹⁾	6.3	53.0	-	59.3
SALT A12	5.3	56.4	58.2	119.9
SALT A15	12.7	110.3	128.9	251.9
ADF A10	4.5	43.6	50.9	99.0
ADF A6	16.0	64.1	138.4	218.5
SAV A5	4.5	34.4	97.5	136.4
ATCN A33 ⁽²⁾	1.0	39.6	291.1	331.7
AP A21	6.9	52.6	100.3	159.8
ATIVA ⁽¹⁾	-	20.6	-	20.6
Total	61.7	520.4	903.6	1,485.7

(1) Investments for the 2021-2023 period are not indicated for SATAP A21 and ATIVA since the forecast for these companies will depend on the outcome of the tender for the award of the relevant concessions launched by the MIT in September 2019.

(2) Investments for the completion of the Asti-Cuneo motorway link depend on the update of the PEF in relation to cross-financing (for further information in this respect, see “– Italian Motorway Activities – Italian Motorway Subsidiaries – Società Autostrada Torino Alessandria Piacenza S.p.A.” above).

The table above has been prepared on the basis of the current financial plans of the Italian Motorway Subsidiaries that may be subject to review by the competent ministerial bodies.

With respect to the EPC sector, the expected capex of the ASTM Group for the period 2019-2020, aimed at supporting investments for tangible fixed assets, amounts to approximately Euro 77 million.

The table below provides a breakdown of the “backlog” in the EPC sector for the period 2020-2023.

Year	Total (Euro in billions)
2020	4.4
2021	4.4
2022	4.7
2023	4.9
Total	18.4

Maintenance Costs

The ASTM Group’s maintenance activities are focused on maintaining adequate levels of safety and the proper functioning of the motorways, paving surfaces, bridges, tunnels, viaducts and drainage systems while complying with current and expected environmental laws. The ASTM Group believes that monitoring its motorways is important in order to adequately maintain its infrastructure.

Maintenance activities include the cleaning of ditches, landscaping, lawn mowing, general cleaning projects and the reconstruction of road signs, as well as minor repairs of structures such as crash barriers that have been damaged by accidents. Also included in recurring maintenance activities is the maintenance of the buildings located on the ASTM Group Italian Network, including structures located at exit junctions, and the treatment of roads to counter ice and snow and other adverse weather conditions.

The following table sets forth a breakdown of the ASTM Group’s maintenance expenditures for the years ended 31 December 2019 and 31 December 2018.

€ in millions

	Year ended 31 December	
	2019	2018
Maintenance of non-compensated revertible assets	141.9	132.3
Snow and winter services	12.7	13.2
Highway cleaning	8.1	6.1
Toll stations cleaning	1.8	2.2
Other Costs	9.7	10.0
Total	174.2	163.8

EMPLOYEES

As at 31 December 2019, the ASTM Group had 5,709 employees.

The ASTM Group is subject to the following collective bargaining agreements:

- with respect to the motorway sector, the collective bargaining agreement covering motorway concessionaires;
- with respect to the engineering, procurement and construction (EPC) sector, the collective bargaining agreement for builders and industry sector workers (*contrattazione nazionale lavoratori edili ed industria*); and
- with respect to the technology sector, the collective bargaining agreement for metal mechanics and plant installation sector workers (*contrattazione nazionale metalmeccanica e della installazione di impianti*).

COMPETITION

The ASTM Group faces limited competition from third-party concessionaires and State-run motorways as well as competition from alternative forms of transportation. The ASTM Group believes that competition from toll motorways operated by third-party concessionaires, such as Autostrade per l'Italia S.p.A., and State-run motorways is limited as these motorways usually serve different locations from those in the ASTM Group Italian Network.

The ASTM Group regards rail and air travel as the principal alternative modes of transportation to motorways.

However, the Issuer believes that these alternative modes of transportation provide competition primarily for long-distance travel point to point or the transportation of goods for distances greater than 400 kilometres.

In the short term, the ASTM Group believes that it is unlikely that other forms of transportation will be able to take significant shares of the Italian transportation market from road transportation. The ongoing expansion of a high-speed rail network in Italy has resulted in increased competition in the transportation of both goods and passengers, but this increased competition has been concentrated on long distance transportation, which represents only a limited percentage of the revenue of the ASTM Group.

The ASTM Group may also face increased competition in its efforts to obtain new concessions. This is due to recent European Union legislation which requires all awards of motorway concessions (including renewals of old concessions) to be granted pursuant to an open bid process on a European-wide basis (for further information, see “*Risk Factors – Risks related to the Issuer’s business activities and industry – Risks related to the ASTM Group’s dependence on motorway concessions and performing risk*”, above).

INSURANCE

The ASTM Group maintains various insurance policies as protection against certain risks associated with operating and maintaining the ASTM Group Italian Network and associated infrastructure as well as in relation to the activities of its subsidiaries and thefts, robberies and extortions (including during the transportation of valuables). In particular, the ASTM Group maintains “all risk” policies with leading insurance companies⁹ by which the motorways have been insured against any damage or operating loss caused

⁽⁹⁾ The ASTM Group maintains insurance policies with Generali Italia S.p.A., UnipolSai Assicurazioni S.p.A., HDI Global SE and Società Cattolica di Assicurazione Soc. Coop.

by natural phenomena (such as earthquakes, floods and landslides), electrical phenomena, socio-political events and terrorist acts, including consequential damages, demolition, clearance and reconstruction costs. Such insurance policies also provide for the reimbursement of the non-collection of motorway tolls caused by the inactivity of the motorway following the damage caused by the abovementioned events (“business interruption”). The ASTM Group’s policies, however, do not cover industrial action and the ASTM Group does not carry business interruption insurance to cover operating losses it may experience, such as reduced toll revenues resulting from work stoppages, strikes or similar industrial actions.

In addition, all construction companies hired by the ASTM Group are required by Italian law to have in place specific all risks insurance coverage, employee insurance and liability insurance covering all damages arising from the given project.

LEGAL PROCEEDINGS

As part of the ordinary course of business, companies within the ASTM Group are subject to a number of administrative, civil, arbitration and tax proceedings. ASTM has conducted a review of its ongoing litigation and has made provisions in its consolidated financial statements where the disputes were likely to result in a negative outcome and a reasonable estimate of the loss could be made, in accordance with applicable accounting principles. The total provisions for litigation as at 31 December 2019 amounted to approximately Euro 241 million, of which Euro 216 million refers to the provisions for the concession risk (see “*Risk Factors – Legal and regulatory risks – Risks related to legal proceedings*”, above). Such provisions amounted to Euro 22.1 million as at 31 December 2018. Notwithstanding the foregoing, it cannot be excluded that the occurrence of new developments that, as at the date of this Base Prospectus are not predictable, may result in such provisions being inadequate.

In other cases, where the adverse outcome of a given litigation was merely possible or remote or the dispute could be resolved in a satisfactory manner and without significant impact, no specific provisions were made in its consolidated financial statements. In such cases, in the event of losing the dispute, the ASTM Group could suffer negative, even significant, effects on its economic, equity and/or financial position.

For further information on legal proceedings involving the companies belonging to the ASTM Group, see: (a) the notes to the consolidated financial statements of the Issuer for the year ended 31 December 2019 and, in particular, Note 11 (*Provisions for risks and charges and Employee benefits*) and the paragraph headed “*Other information*”; and (b) the paragraph in the management report relating to the consolidated financial statements of the Issuer for the year ended 31 December 2019 headed “*Risk factors and uncertainties*”, each incorporated by reference into this Base Prospectus (see “*Information incorporated by reference*”, above).

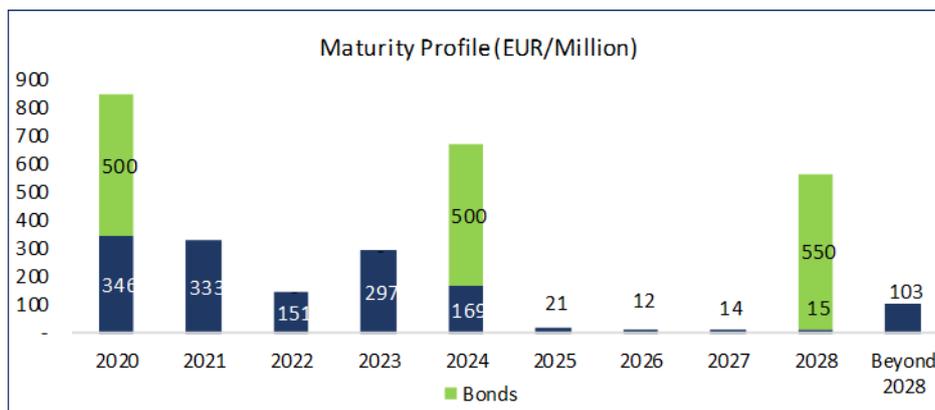
FINANCIAL STRUCTURE

ASTM Group’s financial debt and maturity profile

As at 31 December 2019, the ASTM Group’s long term financial debt⁽¹⁰⁾ was equal to Euro 2.855 billion with an average maturity of 4 years and 5 months. As at the same date, 69 per cent. of the ASTM Group’s debt was repayable at a fixed rate of interest.

The chart below sets forth the ASTM Group’s maturity profile as at 31 December 2019.

⁽¹⁰⁾ Excluding (i) NPV of non financial debt due to *Fondo Centrale di Garanzia*, (ii) fair value of derivatives and (iii) bank overdrafts.



Financing – Issue of notes

- SIAS was the issuer and primary obligor under the “Euro 500,000,000 4.5 per cent. Senior Secured Notes due 26 October 2020” (ISIN Code: XS0552569005) issued in October 2010 under SIAS’s EMTN programme (the “**2010 Secured Notes**”) to fund SALT and SATAP through intercompany loans. The 2010 Secured Notes are currently listed on Euronext Dublin. The holders of the 2010 Secured Notes (acting through the Trustee) are parties to the Intercreditor Agreement and have assumed all rights and obligations arising thereunder with effect from the issue date of the 2010 Secured Notes.
- SIAS was the issuer and primary obligor under the “Euro 500,000,000 3.375 per cent. Senior Secured Notes due 13 February 2024” (ISIN Code: XS1032529205) issued in February 2014 under SIAS’s EMTN programme (the “**2014 Secured Notes**”) to fund SAV, SATAP, ADF, ATS (currently ADF) and CISA (currently SALT) through intercompany loans. The 2014 Secured Notes are currently listed on Euronext Dublin. The holders of the 2014 Secured Notes (acting through the Trustee) are parties to the Intercreditor Agreement and have assumed all rights and obligations arising thereunder with effect from the issue date of the 2014 Secured Notes.
- SIAS was the issuer and primary obligor under the “Euro 550,000,000 1.625 per cent. Senior Secured Notes due 8 February 2028” (ISIN Code: XS1765875718) issued in February 2018 under SIAS’s EMTN programme (the “**2018 Secured Notes**”) to fund SATAP through an intercompany loan. The 2018 Secured Notes are currently listed on Euronext Dublin. The holders of the 2018 Secured Notes (acting through the Trustee) are parties to the Intercreditor Agreement and have assumed all rights and obligations arising thereunder with effect from the issue date of the 2018 Secured Notes.

As from the SIAS Merger Effective Date, ASTM has assumed, *inter alia*, the rights and liabilities of SIAS arising under the 2010 Secured Notes, 2014 Secured Notes and 2018 Secured Notes currently listed on the regulated market of Euronext Dublin.

Financing – Financing agreements

- In May 2011, SIAS entered into separate loan agreements for a total amount of up to Euro 500,000,000 to fund, through intercompany loans, the investments of SATAP, SALT, ADF and SAV. In particular: (i) facilities up to an aggregate amount of Euro 300,000,000 were granted by Mediobanca – Banca di Credito Finanziario S.p.A. (“**Mediobanca**”), UniCredit S.p.A. (“**UniCredit**”) and CentroBanca Banca di Credito Finanziario e Mobiliare S.p.A. (“**Centrobanca**”, which is now UBI Banca S.p.A. (“**UBI**”), acting as intermediaries with regard to the funds made available by the European Investment Bank (the “**EIB**”) and (ii) further facilities up to an aggregate amount of Euro 200,000,000 were made available to the Issuer directly by the EIB and guaranteed by SACE S.p.A. (“**SACE**”). In May 2014, SIAS voluntarily cancelled from the facilities under (i) above an undrawn amount equal to Euro 20,000,000, thus reducing the total aggregate amount available under such facilities to Euro 280,000,000. The facilities under (i) and (ii) above are amortising facilities and their final repayment date falls in December 2024. In October 2017, SIAS sent to the above mentioned intermediary banks and to EIB two voluntary prepayment notices amounting to, respectively, Euro 115.500.000 and Euro 28.000.000 with settlement date 15 December 2017. Upon such further prepayment, the amount outstanding under the above facilities will be equal to 57,357,142.86 and 93,071,428.60, respectively. The outstanding payment obligations of SIAS *vis-à-vis* the financial institutions named under (i) and (ii) above are

secured by pledges over, and/or assignment by way of security of, the receivables and monetary claims of SIAS arising from the intercompany loans granted to SATAP, SALT, ADF and SAV. Mediobanca, UniCredit, Centrobanca (now UBI), the EIB and SACE acceded to the Intercreditor Agreement and assumed all rights and obligations arising thereunder with effect from 24 May 2011.

- In December 2015, SIAS entered into a loan agreement for a total amount of up to Euro 270,000,000 to fund the investments of Autovia Padana through an intercompany loan. The facility was granted by UniCredit, Intesa Sanpaolo S.p.A. (“**Intesa**”) and Cassa di Risparmio di Parma e Piacenza S.p.A. (“**Cariparma**”). The facility is an amortising facility and its final repayment date falls in December 2031. The payment obligations of SIAS *vis-à-vis* the above financial institutions are secured by pledges over, and/or assignment by way of security of, the receivables and monetary claims of SIAS arising from the intercompany loans granted to Autovia Padana. UniCredit, Intesa and Cariparma, acceded to the Intercreditor Agreement and assumed all rights and obligations arising thereunder with effect from 15 December 2015. In September 2017, the parties agreed on, *inter alios*, (i) the extension of the availability period up to 31 March 2018 and (ii) the extension of the final repayment date to December 2033. As at 31 December 2019, the facility was outstanding for an amount equal to Euro 154,000,000. Considered the low level of fixed interest rate and the long duration of Tranche A (10-year plus), in December 2019 Autovia Padana entered into an interest rate swap agreement for a total amount of Euro 137,000,000 with UniCredit, Intesa and Crédit Agricole Italia.
- In February 2016, in order to have more efficient cash management at the level of the SIAS group, SIAS and SATAP entered into an intercompany loan agreement pursuant to which SATAP agreed to grant to SIAS an Euro 160.000.000 financing. The intercompany loan agreement has a duration of one year with the possibility, on a yearly basis, of automatic renewal (*rinnovo tacito*).
- In March 2017, in order to have more efficient cash management at the level of the SIAS group, SIAS and ADF entered into an intercompany loan agreement pursuant to which ADF agreed to grant to SIAS an Euro 50.000.000 financing. The intercompany loan agreement has a duration of one year with the possibility, on a yearly basis, of automatic renewal (*rinnovo tacito*).
- In October 2017, SIAS and Mediobanca, UniCredit and UBI (together the “**Financing Parties**”) entered into a loan agreement pursuant to which the Financing Parties agreed to grant to SIAS a loan up to a maximum principal amount of Euro 143,500,000 (the “**Financing Parties Loan**”). Pursuant to the terms of the loan agreement, the proceeds of the Financing Parties Loan have been lent by SIAS to SATAP through an intercompany loan to fund SATAP’s financial needs. The facility is an amortizing facility and its final repayment date falls in December 2024. The payment obligations of SIAS *vis-à-vis* the above Financing Parties are secured by pledges over, and/or assignment by way of security of, the receivables and monetary claims of SIAS arising from the intercompany loans granted to SATAP. UniCredit, Mediobanca and UBI, acceded to the Intercreditor Agreement and assumed all rights and obligations arising thereunder with effect from 20 October 2017. As at 31 December 2019, the facility was outstanding for an amount equal to Euro 102,500,000.
- In October 2018, SIAS and CaixaBank (“**CAIXA**”) entered into a facility agreement pursuant to which CAIXA agreed to grant to SIAS a revolving back-up facility line up to a maximum principal amount of Euro 50,000,000 (the “**CAIXA RCF**”). Pursuant to the terms of the CAIXA RCF agreement, the proceeds of the CAIXA RCF will be used by SIAS for corporate finance needs. As at 31 December 2019, the CAIXA RCF was undrawn.
- In October 2018, SIAS and CAIXA entered into a loan agreement pursuant to which CAIXA agreed to grant to SIAS a loan up to a maximum principal amount of Euro 50,000,000 (the “**CAIXA Loan**”). Pursuant to the terms of the CAIXA Loan agreement, the proceeds of the CAIXA Loan have been lent by SIAS to AT-CN through an intercompany loan to fund AT-CN’s investments. The CAIXA Loan agreement provides for a bullet repayment in November 2020. The payment obligations of SIAS *vis-à-vis* CAIXA under the CAIXA Loan are secured by a pledge over the receivables and monetary claims of SIAS arising from the intercompany loan granted to AT-CN. CAIXA acceded to the Intercreditor Agreement and assumed all rights and obligations arising thereunder with effect from 26 October 2019. As at 31 December 2019, the CAIXA Loan is outstanding for an amount equal to Euro 50,000,000.

- In December 2018, SIAS and Banca Nazionale del Lavoro S.p.A. (“**BNL**”) entered into a loan agreement pursuant to which BNL agreed to grant to SIAS a loan up to a maximum principal amount of Euro 50,000,000 (the “**BNL Loan**”). Pursuant to the terms of the BNL Loan agreement, the proceeds of the BNL Loan have been lent by SIAS to AT-CN through an intercompany loan to fund AT-CN’s investments. The BNL Loan agreement provides for a bullet repayment on 16 June 2020. The payment obligations of SIAS *vis-à-vis* BNL under the BNL Loan are secured by a pledge over the receivables and monetary claims of SIAS arising from the intercompany loan granted to AT-CN out of the proceeds of the BNL Loan. BNL acceded to the Intercreditor Agreement and assumed all rights and obligations arising thereunder with effect from 17 December 2018. As at 31 December 2019, the BNL Loan is outstanding for an amount equal to Euro 50,000,000.
- In April 2019, SIAS and Banco BPM S.p.A. (“**BPM**”) entered into a loan agreement pursuant to which BPM agreed to grant to SIAS a loan up to a maximum principal amount of Euro 50,000,000 (the “**BPM Loan**”). Pursuant to the terms of the BPM Loan agreement, the proceeds of the BPM Loan have been lent by SIAS to AT-CN through an intercompany loan to fund AT-CN’s investments. The BPM Loan agreement provides for a bullet repayment in April 2021. The payment obligations of SIAS *vis-à-vis* BPM under the BPM Loan are secured by a pledge over the receivables and monetary claims of SIAS arising from the intercompany loan granted to AT-CN. BPM acceded to the Intercreditor Agreement and assumed all rights and obligations arising thereunder with effect from 23 April 2019. As at 31 December 2019, the BPM Loan is outstanding for an amount equal to Euro 50,000,000.
- In June 2019, SIAS and UBI entered into a loan agreement pursuant to which UBI agreed to grant to SIAS a loan up to a maximum principal amount of Euro 50,000,000 (the “**UBI Loan**”). Pursuant to the terms of the UBI Loan agreement, the proceeds of the UBI Loan have been lent by SIAS to AT-CN through an intercompany loan to fund AT-CN’s investments. The UBI Loan agreement provides for a bullet repayment in June 2020. The payment obligations of SIAS *vis-à-vis* UBI under the UBI Loan are secured by a pledge over the receivables and monetary claims of SIAS arising from the intercompany loan granted to AT-CN. UBI entered into the Intercreditor Agreement and assumed all rights and obligations arising thereunder with effect from 5 June 2019. As at 31 December 2019, the UBI Loan is outstanding for an amount equal to Euro 50,000,000.
- In June 2019, ASTM, UniCredit and a pool of banks (UniCredit and such latter banks, together the “**Financing Parties**”) entered into an unsecured senior facilities agreement governing (i) an up to Euro 265,000,000 term facility to be used (a) for the issuance by UniCredit of a cash confirmation letter covering the payment obligations of ASTM under the VTO (*garanzia di esatto adempimento dell’offerta*) (the “**Cash Confirmation Letter**”), as required by Legislative Decree No. 58 of 24 February 1998, as amended and supplemented (the “**Financial Services Act**”) and the CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time (“**Regulation No. 11971**”), (b) in order to fund the proposed acquisition of the shares of SIAS in the context of the VTO on the date of settlement of such VTO, (c) to support the issuance of the Cash Confirmation Letter, and (d) to partially fund the consideration due to any shareholder of ASTM in the context of the perspective exercise by the shareholders of ASTM of their withdrawal right in the context of the SIAS Merger; and (ii) an up to Euro 35,000,000 term facility, to be used in order to refinance certain outstanding indebtedness of ASTM.
- In November 2019, ASTM, SIAS and BPM entered into an unsecured senior facilities agreement pursuant to which BPM agreed to grant to ASTM and SIAS a Euro 100,000,000 term facility to be used for the acquisition of some minorities stakes in ATIVA S.p.A. and SITAF S.p.A. by ASTM and SIAS (the “**Minorities Financing**”). The Minorities Financing agreement provides for an amortizing repayment from June 2022 and the maturity date falls in November 2024. As at 31 December 2019, the Minorities Financing is outstanding for an amount equal to Euro 100,000,000.
- In March 2020, ASTM, Banca IMI S.p.A. (“**BIMI**”, acting as arranger) and Intesa Sanpaolo S.p.A. (“**ISP**”, acting as lender) entered into a loan agreement pursuant to which ISP agreed to grant to ASTM a loan up to a maximum principal amount of Euro 150,000,000 (the “**ISP Loan**”). Pursuant to the terms of the ISP Loan agreement, the proceeds of the ISP Loan have been lent by ASTM to SALT through an intercompany loan to fund SALT’s investments. The ISP Loan agreement provides for a bullet repayment and the relevant maturity date falls in March 2023. The payment obligations of ASTM *vis-à-*

vis BIMI and ISP under the ISP Loan are secured by a deed of pledge over the receivables and monetary claims of ASTM arising from the intercompany loan granted to SALT out of the proceeds of the ISP Loan. BIMI and ISP acceded to the Intercreditor Agreement and assumed all rights and obligations arising thereunder with effect from 6 March 2020. As at the date of this Base Prospectus, the ISP Loan is outstanding for an amount equal to Euro 150 million.

- In April 2020, ASTM and Cassa depositi e prestiti S.p.A. (“**CDP**”) entered into a loan agreement pursuant to which CDP agreed to grant to ASTM a loan up to a maximum principal amount of Euro 350,000,000 (the “**CDP Loan**”). Pursuant to the terms of the CDP Loan agreement, the proceeds of the CDP Loan will be lent by ASTM to SATAP through an intercompany loan to fund SATAP’s investments. The CDP Loan agreement provides for an amortizing repayment from 30 June 2022 and the maturity date falls in December 2026. The payment obligations of ASTM *vis-à-vis* CDP under the CDP Loan are secured by a deed of assignment of the receivables and monetary claims of ASTM arising from the intercompany loan granted to SATAP out of the proceeds of the CDP Loan. CDP acceded to the Intercreditor Agreement and assumed all rights and obligations arising thereunder with effect from 30 April 2020. As at the date of this Base Prospectus, the CDP Loan is undrawn.
- In May 2020, ASTM, UBI and UniCredit entered into a loan agreement pursuant to which UBI and UniCredit agreed to grant to ASTM a revolving credit facility up to a maximum principal amount of Euro 200,000,000 (the “**2020 RCF**”). Pursuant to the terms of the 2020 RCF agreement, the proceeds of the 2020 RCF Loan shall be used by ASTM to fund its general financing needs and may be lent by ASTM to its subsidiaries (through intercompany loans) in order to fund the general financing needs of such entities. The maturity date falls in May 2023. As per the terms of the 2020 RCF Agreement, ASTM shall grant a pledge in favour of UBI and UniCredit over the receivables and monetary claims of ASTM arising from any perspective intercompany loan granted by ASTM to its subsidiaries out of the proceeds of the 2020 RCF. As at the date of this Base Prospectus, the 2020 RCF is undrawn.

As from the SIAS Merger Effective Date, ASTM has assumed, *inter alia*, the rights and liabilities arising under the financing agreements entered into by SIAS mentioned above.

For further information on the Intercreditor Agreement and the *pro rata* recovery sharing mechanism among the Secured Creditors of ASTM, to be applied in the event of enforcement of the relevant security interests upon the occurrence of an enforcement event, see “*General description of the Programme – Structural Overview*” and “*Condition 5 (Special Provisions of Secured Notes), paragraph (c) (Intercreditor Agreement)*”.

SHAREHOLDERS

According to communications provided pursuant to Article 120 of the Financial Services Act and available information, as at the date of this Base Prospectus, shareholders which own a significant shareholding of ASTM’s voting capital are as follows:

Declarer	Direct Shareholder	Type of possession	Percentage of voting capital ^(*)
	Aurelia S.r.l.	Owner	6.343%
Aurelia S.r.l.	Nuova Argo Finanziaria S.p.A. ⁽¹⁾	Owner	41.634%
	Nuova Codelfa S.p.A.	Owner	1.386%
ASTM S.p.A.	SINA S.p.A.	Owner	1.530%
	A.T.I.V.A. S.p.A.	Owner	0.015%
	Treasury shares ⁽²⁾	Owner	5.547%
Lazard Asset Management LLC	Lazard Asset Management LLC	Owner	5.494%
Norges Bank	Norges Bank Investment	Owner	2.628%
	Total		64.577%

(*) Pursuant to Consob Resolution No. 21434 of 8 July 2020, any shareholding higher than 1% of the voting capital shall be communicated to Consob pursuant to Article 120 of the Financial Services Act.

(1) Company controlled by Aurelia S.r.l. (60%), the holding company of the Gavio Group, and co-owned with Mercure Investment S.à r.l. (40%), which is controlled by Ardian.

(2) ASTM owns directly No. 7.794.028 treasury shares.

The remaining percentage of shares is owned by the market.

ASTM is controlled pursuant to Article 2359 of the Italian Civil Code and Article 93 of the Financial Services Act by Nuova Argo Finanziaria S.p.A., which in turn is controlled by Aurelia S.r.l.

ASTM is subject to the direction and coordination of Nuova Argo Finanziaria S.p.A. in accordance with Articles 2497 and following of the Italian Civil Code.

Shareholders' agreement

Shareholders' agreement entered into on 27 September 2018

On 27 September 2018 Aurelia S.r.l. (a financial holding company whose corporate capital is entirely held by the Gavio family) (“**Aurelia**”) and Mercure Investment entered into a three-year shareholders' agreement (containing a tacit renewal clause) pursuant to Article 122, paragraphs 1 and 5, of the Financial Services Act, aimed at regulating the terms and conditions of their relationship as shareholders of Nuova Argo Finanziaria S.p.A. (“**Nuova Argo**”) and concerning, *inter alia*, certain aspects of the corporate governance of each of Nuova Argo, ASTM and SIAS and the transfer and sale of Nuova Argo, ASTM and SIAS shares. Such shareholders' agreement has been amended pursuant to an amendment agreement entered into on 13 June 2019 by Aurelia and Mercure Investment (such shareholders' agreement as amended by the amendment agreement, the “**Shareholders' Agreement**”) which, except for certain provisions related to the exercise of voting rights in the context of the SIAS Merger which became effective on the date of execution of the amendment agreement, became effective on the SIAS Merger Effective Date.

From the SIAS Merger Effective Date, the Shareholders' Agreement has related to the following shares:

- No. 30,000,000 Nuova Argo shares representing its entire share capital, of which 18,000,000 “class A” shares held by Aurelia and 12,000,000 “class B” shares held by Mercure Investment; and
- No. 68,776,663 ASTM shares representing 48.946 per cent. of its share capital.

Below is a brief summary of the main provisions of the Shareholders' Agreement related to ASTM.

Board of Directors of ASTM

Pursuant to the Shareholders' Agreement, Aurelia shall procure that Nuova Argo exercises its voting rights so that: (a) the Board of Directors of ASTM is composed by 15 members to be appointed through a voting list system in accordance with the provisions of the relevant by-laws; and (b) Nuova Argo submits and votes for a list of which at least 3 candidates, without executive powers, are appointed by Mercure Investment (of which one candidate to hold the office of Deputy Chairman and one candidate meeting the independence requirements provided under applicable law and the provisions of the Corporate Governance Code adopted by the Corporate Governance Committee of listed companies) whilst the remaining candidates are appointed by Aurelia, subject to compliance with the requirements provided by applicable law and the Corporate Governance Code.

If Aurelia and/or Mercure Investment fail to exercise their respective appointment rights by the fifth business day prior to the deadline for filing the list of candidates as set out under the by-laws of ASTM, the Board of Directors of Nuova Argo, by a resolution adopted with the majorities required by law and with the favourable vote of at least one director appointed by Aurelia, shall either draw up the list or complete it with the names of the missing directors.

Internal Committees of ASTM

Aurelia shall procure that a director(s) meeting the independence requirements appointed by Mercure Investment:

- a) is/are a member(s) of the Audit, Risk and Sustainability Committee of ASTM¹¹; and
- b) is the Chairman of the Appointment and Remuneration Committee of ASTM.

¹¹ As at the date of this Base Prospectus, the Audit and Risk Committee. On 18 February 2020 the Board of Directors of ASTM set up the Sustainability Committee as a separate and autonomous committee.

Upon the request of any of the parties, Aurelia and Nuova Argo shall procure that ASTM sets up a consultation committee expected to examine the proposals to be submitted to the Board of Directors of ASTM relating to participation to tender awards, acquisitions and other tender procedures for the award of projects or motorway concessions, as well as the terms and conditions of such tenders. Mercure Investment shall be entitled to appoint one member of such committee.

Chief financial officer of ASTM

Pursuant to the Shareholders' Agreement, if the current chief financial officer of ASTM ceases to hold office, the new chief financial officer shall be appointed by the Board of Directors of ASTM (a) within the top management of ASTM or Nuova Argo with the favourable vote of at least one director designated by Mercure Investment or (b) should no favourable vote be given, within a list of candidates prepared by a recruiting company with international reputation appointed by the Board of Directors with the favourable vote of at least one director designated by Mercure Investment.

Board of Statutory Auditors of ASTM

Upon renewal of the Board of Statutory Auditors of ASTM, or if one of the current members of the Board of Statutory Auditors ceases to hold office, Aurelia shall procure that Nuova Argo exercises its voting rights at the relevant shareholders' meeting of ASTM, so that one statutory auditor and one alternate auditor will be appointed by Mercure Investment.

If, for any reason, one or more statutory auditors appointed by Mercure Investment cease to hold office, Aurelia shall procure that, to the extent permitted by applicable law and the by-laws, the new statutory auditor will be appointed by Mercure Investment.

Resolutions of the Board of Directors of ASTM

Aurelia shall procure that certain matters shall fall within the exclusive powers of the Board of Directors of ASTM and may not be delegated. Such matters include *inter alia*: (i) the approval and amendment of the budget and business plan and of the capital expenditures or tariff plan provided under the motorway concession agreements entered into by the companies of the ASMT Group; (ii) the acquisition of new motorway concessions and termination or amendment of the existing motorway concessions as well as any new concession directly held by the subsidiaries of Nuova Argo; (iii) the acquisition or transfer of companies or businesses as well as equity interests in joint ventures, whose value exceeds certain thresholds set out under the Shareholders' Agreement; (iv) capital expenditures that are not included in the budget of ASTM or in the Strategic Plan exceeding certain thresholds set out under the Shareholders' Agreement; (v) the appointment of the new chief financial officer; (vi) the determination of the criteria for the appointment of the chief executive officer of ASTM.

Veto rights of Mercure Investment in ASTM

Aurelia shall procure that the resolutions of the Board of Directors of ASTM concerning, *inter alia*, the following matters may not be approved without the favourable vote of at least one director appointed by Mercure Investment (other than the independent director): (i) any proposal to the shareholders' meeting concerning certain matters set forth under the Shareholders' Agreement; (ii) any transfer or acquisition of the shares of Primav Infrastruttura and/or Ecorodovias which determines the termination of the joint control over Ecorodovias (or of the control over Ecorodovias if ASTM has acquired the sole control over Ecorodovias) and/or which may determine the obligation to make a tender offer over the shares of Ecorodovias under applicable law; (iii) the formulation of voting instructions to the representatives of IGLI in the shareholders' meeting of Primav Infrastruttura or Ecorodovias, concerning certain matters set forth under the Shareholders' Agreement; (iv) related party transactions and certain thresholds set out under the Shareholders' Agreement, except for, if certain conditions are met, transactions carried out between ASTM subsidiaries or between ASTM and its subsidiaries; (v) subject to certain conditions set out under the Shareholders' Agreement being met, the issue of notes or guarantees or the incurrence of new financial indebtedness that are not provided under the Strategic Plan; (vi) the acquisition or transfer of companies or businesses and equity interests in joint ventures, whose value exceeds certain thresholds set out under the Shareholders' Agreement; (vii) the entering into or amendment of shareholders' agreements relating to subsidiaries or associated companies whose shares are listed; (viii) capital expenditures that are not included in the budget of ASTM or in the Strategic Plan exceeding certain thresholds set out under the Shareholders' Agreement.

Right of first offer of Mercure Investment on the transfer of ASTM shares

Mercure Investment will have a right of first offer on the ASTM shares held by Nuova Argo which may be exercised: (i) after the fifth anniversary of the signing date of the Shareholders' Agreement, (a) if Nuova Argo intends to transfer such shares and, as a result of such transfers, Nuova Argo will hold an equity interest in ASTM lower than 50 per cent. plus one share of ASTM's share capital or (b) if Nuova Argo does not hold an equity interest in ASTM of at least 50 per cent. plus one share of ASTM's share capital, if Nuova Argo intends to transfer such shares, and (ii) at any time, if Nuova Argo intends to transfer such shares and still holds at least 50 per cent. plus one share of ASTM share capital.

Transfer of a minority equity interest in ASTM

Aurelia shall procure that, before the second anniversary of the signing date of the Shareholders' Agreement, Nuova Argo does not transfer any ASTM shares. In the period between the second and fifth anniversary of the signing date of the Shareholders' Agreement, Nuova Argo shall be entitled to transfer the equity interest held in ASTM provided that it continues to hold an equity interest equal to 50 per cent. plus one share of the ASTM share capital, exclusively in accordance with certain procedures.

In the period between the second and the fifth year following the signing date of the Shareholders' Agreement, Nuova Argo will be entitled to transfer the ASTM minority equity interest to the extent that (i) it holds an equity interest equal to at least 50 per cent. plus one share of ASTM's share capital and (ii) the number of ASTM shares thus transferred does not exceed 2 per cent. of ASTM's issued share capital (such limit may be exceeded only if the transfer is made at a certain price as provided under the Shareholders' Agreement and provided that Nuova Argo continues to hold an equity interest equal to at least 50 per cent. plus one share of ASTM's share capital).

Transfer of the equity interest held in ASTM

After the fifth anniversary of the signing date of the Shareholders' Agreement, without prejudice to Mercure Investment's right of first offer on the transfer of the ASTM shares mentioned above, Nuova Argo will be entitled to transfer the equity interests held in ASTM without any restriction.

Undertakings relating to the transfer of the equity interest held directly by Aurelia in ASTM after the expiry of the New Shareholders' Agreement

Following the expiry of the New Shareholders' Agreement (as defined below), (i) Aurelia shall inform Nuova Argo in advance of its intention to transfer to third parties (other than (a) members of the Gavio family, (b) one or more companies wholly owned by members of the Gavio family, and/or (c) trustees of a trust whose beneficiaries are exclusively members of the Gavio family) the ASTM shares directly held by the same and (ii) Aurelia and Mercure Investment shall procure that Nuova Argo informs Aurelia in advance of its intention to acquire ASTM shares from third parties. Pursuant to the Shareholders' Agreement, such information undertakings shall not be interpreted in such a way as to guarantee a right of first offer or a right of first refusal in favour of Nuova Argo or Aurelia, as the case may be.

Standstill undertaking

The Shareholders' Agreement includes a standstill clause pursuant to which, if the parties intend to purchase new ASTM shares, they shall proceed with the acquisition exclusively through Nuova Argo. In particular, Aurelia and Mercure Investment, directly or indirectly, individually or with parties acting in concert (other than Nuova Argo): (a) shall not purchase or bid for, or cause another party to purchase or bid for, ASTM shares without the prior written consent of the other party; (b) shall not enter into any agreements, contracts or acts, or perform or omit to perform any act by virtue of which the parties or any other party acquires or is bound to acquire a direct or indirect equity interest in ASTM, without the prior written consent of the other party. Mercure Investment and/or its controlling shareholder may purchase (i) from Aurelia a part of the ASTM shares directly held by it in accordance with the New Shareholders' Agreement or (ii) on the market, in whole or in part, the ASTM shares directly held by Aurelia and/or (iii) ASTM shares only in the event of exercise of the right of first offer mentioned above.

Dividends' policy

The parties shall ensure that, until the maturity date of the Shareholders' Agreement, ASTM, without prejudice to applicable law, distributes to its shareholders, for each financial year, the lower of (a) the

available cash and (b) at least 60 per cent. of the net profits resulting from the consolidated financial statements (net of the quotas attributable to minorities of ASTM consolidated subsidiaries).

Shareholders' agreement entered into on 13 June 2019

On 13 June 2019 Aurelia, Mercure Investment and Nuova Argo entered into a three-year shareholders' agreement (the "**New Shareholders' Agreement**") pursuant to Article 122, paragraphs 1 and 5, of the Financial Services Act, aimed at regulating (i) the transfer of ASTM shares and the exercise of the corporate rights (other than pecuniary rights) relating to a number of ASTM shares directly held by Aurelia such that, by adding this number to the total ASTM shares directly and indirectly held by Nuova Argo, 50 per cent. plus one share of the voting share capital is represented from time to time (therefore excluding the treasury shares held from time to time by ASTM) (the "**Significant Shareholding**") and (ii) the transfer of ASTM shares directly held by Aurelia which, from time to time, exceed the Significant Shareholding (the "**Available Shareholding**").

The New Shareholders' Agreement became effective as at the SIAS Merger Effective Date and shall be deemed to be automatically terminated if (i) Aurelia ceases to hold any equity interest in Nuova Argo or (ii) Nuova Argo ceases to hold any equity interest in ASTM. If Mercure Investment ceases to hold any equity interest in Nuova Argo, the New Shareholders' Agreement will cease to be effective only *vis-à-vis* the Mercure Investment.

The New Shareholders' Agreement concerns all the ASTM shares directly held by Aurelia as at the SIAS Merger Effective Date, namely 8,912,271 ASTM shares representing 6.343 per cent. of ASTM share capital.

Below is a brief summary of the main provisions of the New Shareholders' Agreement.

Exercise of voting rights relating to the Significant Shareholding

Aurelia shall exercise the voting rights and other corporate rights (other than pecuniary rights) relating to the Significant Shareholding in accordance with the voting rights and other corporate rights (other than pecuniary rights) exercised by Nuova Argo.

To this purpose, Nuova Argo shall notify Aurelia and Mercure Investment, by the business day before each ASTM shareholders' meeting, of its intentions with regard to the exercise of voting rights and other corporate rights (other than pecuniary rights) related to the ASTM shares held by it. Failing such communication, the representative of Aurelia who will attend the ASTM shareholders' meeting shall exercise the voting rights related to the Significant Shareholding in accordance with the votes cast by Nuova Argo.

Lock-Up Period of the Significant Shareholding

Until the maturity date of the New Shareholders' Agreement, Aurelia shall not transfer, in whole or in part, the Significant Shareholding.

Right of first offer of the Available Shareholding

Pursuant to the New Shareholders' Agreement, Aurelia has granted Nuova Argo a right of first offer which may be exercised – under the terms and conditions set out in the New Shareholders' Agreement – if Aurelia intends to transfer, in whole or in part, the ASTM shares representing the Available Shareholding.

Notwithstanding the above restrictions, Aurelia may transfer, in whole or in part, the Available Shareholding in favour of members of the Gavio family, companies wholly owned by them and/or trusts whose beneficiaries are, exclusively, members of the Gavio family.

CORPORATE GOVERNANCE

Corporate governance rules for Italian companies whose shares are listed on the Italian Stock Exchange, such as ASTM, are set out in the Italian Civil Code, in the Financial Services Act, in Regulation No. 11971, and in the voluntary code of corporate governance issued by Borsa Italiana S.p.A., as amended from time to time (the "**Corporate Governance Code**").

ASTM has adopted a traditional system of corporate governance, based on a conventional organisational model involving the shareholders' meeting, a board of directors, a board of statutory auditors and independent auditors.

With particular reference to the minority shareholders, the corporate governance system implemented by ASTM provides for, *inter alia*, the right of the minority shareholders to appoint a certain number of directors which are also appointed in the Board of Directors' Internal Committees and to appoint the Chairman of the Board of Statutory Auditors and the obligation of the majority shareholder (Nuova Argo Finanziaria S.p.A.) to appoint some independent directors.

Board of Directors, internal committees, independent directors, senior management and general remuneration policy

The Board of Directors and its members

Pursuant to its by-laws, the management of ASTM is entrusted to a collegial body made up of no fewer than seven and no more than fifteen members (including the independent directors in accordance with applicable laws and regulations), appointed by the shareholders' meeting (collectively the “**Board of Directors**”, each a “**Director**”).

Directors are appointed for the period established by the shareholders' meeting that appoints them which shall not exceed three financial years. Directors can be reappointed. The by-laws of ASTM provide for a voting list system for the appointment of all members of the Board of Directors.

The Board of Directors has the widest possible powers to perform the ordinary and extraordinary tasks involved in managing ASTM. It is authorised to take all the steps that it deems appropriate in order to achieve the aims and corporate objectives of ASTM, with the sole exception of the powers expressly reserved by law or the by-laws of ASTM to the shareholders' meeting. In addition, the by-laws of ASTM vest the Board of Directors with the power to, *inter alia*, resolve upon the following matters: (a) adjustment of the by-laws to applicable laws pursuant to Article 2365, Paragraph 2, of the Italian Civil Code; and (b) merger by incorporation of companies fully owned by ASTM and/or companies in which ASTM holds at least a 90 per cent. equity interest pursuant to Articles 2505 and 2505-*bis*, respectively, of the Italian Civil Code.

The Issuer's by-laws complies with applicable laws and regulations aimed at ensuring the gender balance within the Board of Directors.

The shareholders' meeting held on 12 February 2020 appointed the Board of Directors of ASTM for a period of three financial years. Unless their office is terminated early, all the members will remain in office until the shareholders' meeting called to approve the financial statements of ASTM for the financial year ending on 31 December 2022.

The following table sets out the current members of the Board of Directors of ASTM.

Name	Position
Alberto Rubegni ⁽¹⁾⁽³⁾	Chairman
Franco Moscetti ⁽¹⁾⁽⁴⁾	Deputy Chairman
Umberto Tosoni ⁽¹⁾⁽⁵⁾	Chief Executive Officer
Caterina Bima ⁽¹⁾	Director
Giulio Gallazzi ⁽²⁾	Director
Giuseppe Gatto ⁽¹⁾	Director
Patrizia Michela Giangualano ⁽¹⁾	Director
Venanzio Iacozzilli ⁽²⁾	Director
Fabiola Mascardi ⁽²⁾	Director
Rosario Mazza ⁽¹⁾	Director
Valentina Mele ⁽¹⁾	Director
Andrea Giovanni Francesco Pellegrini ⁽¹⁾	Director
Barbara Poggiali ⁽¹⁾	Director
Giovanni Quaglia ⁽¹⁾	Director
Micaela Vescia ⁽¹⁾	Director

(1) Director appointed in the list presented by the majority shareholder of ASTM (e.g. Nuova Argo Finanziaria S.p.A. holding, at the time of presentation of the list, an equity interest equal to 41.24% of the corporate capital of ASTM).

(2) Director appointed in the list presented by asset management companies and institutional investors, holding, collectively, at the

time of presentation of the list, an equity interest equal to 2.63% of the corporate capital of ASTM.

- (3) Mr. Alberto Rubegni has been appointed as Chairman of the Board of Directors by the Board of Directors' meeting held on 18 February 2020.
- (4) Mr. Franco Moschetti has been appointed as Deputy Chairman of the Board of Directors by the Board of Directors' meeting held on 18 February 2020.
- (5) Mr. Umberto Tosoni has been appointed as Chief Executive Officer by the Board of Directors' meeting held on 18 February 2020

The business address of the members of the Board of Directors is the Issuer's registered office at Corso Regina Margherita 165, 10144 Turin, Italy.

Other offices held by members of the Board of Directors

The table below lists the offices in boards of directors, boards of statutory auditors, supervisory committees or other positions outside ASTM held by the members of the Board of Directors of ASTM.

Name	Position	Main positions held by Directors outside ASTM
Alberto Rubegni	Chairman	Argo Finanziaria S.p.A. Unipersonale – Chief Executive Officer Baglietto S.p.A. – Director Ecorodovias Infrastruttura e Logistica S.A. – Director Federici Stirling Batco LLC – Director IGLI S.p.A. – Chairman Itinera Infrastructure and Concessions Inc. – Director Nuova Argo Finanziaria S.p.A. – Director Nuova Codelfa S.p.A. – Sole Director Primav Infrastruttura S.A. – Director Rail Hub Europe S.p.A. – Director SINA S.p.A. – Chairman of the Board of Directors SINELEC S.p.A. – Director Tangenziale Esterna S.p.A. – Director Tangenziali Esterne di Milano S.p.A. – Managing Director
Franco Moschetti	Deputy Chairman	OVS S.p.A. – Chairman Diasorin S.p.A. – Director Zignago Vetro S.p.A. – Director Fideuram Investimenti SGR S.p.A. – Director Pellegrini S.p.A. – Deputy Chairman
Umberto Tosoni	Chief Executive Officer	Ecorodovias Infrastruttura e Logistica S.A. – Alternate Director IGLI S.p.A. – Director Itinera Infrastructure and Concessions Inc. – Director SINELEC S.p.A. – Director Tangenziale Esterna S.p.A. – Director Tangenziali Esterne di Milano S.p.A. – Director
Caterina Bima	Director	–
Giulio Gallazzi	Director	Mediaset S.p.A. - Director
Giuseppe Gatto	Director	Itinera S.p.A. – Director
Patrizia Michela Giangualano	Director	Mondadori S.p.A. – Director EPTA S.p.A. – Director SEA Aeroporti S.p.A. – Director
Venanzio Iacozzilli	Director	–
Fabiola Mascardi	Director	Ansaldo Energia S.p.A. – Director ENAV S.p.A. – Director
Rosario Mazza	Director	Nuova Argo Finanziaria S.p.A. - Director
Valentina Mele	Director	–
Andrea Giovanni Francesco Pellegrini	Director	Maire Tecnimont S.p.A. – Director DeA Capital A.F. SGR S.p.A. – Director

<u>Name</u>	<u>Position</u>	<u>Main positions held by Directors outside ASTM</u>
		SIA S.p.A.
Barbara Poggiali	Director	Banca Farmafactoring S.p.A. – Direttore Falck Renewables S.p.A. – Director Elica S.p.A. – Director
Giovanni Quaglia	Director	Autostrada Asti – Cuneo S.p.A. – Chairman SATAP S.p.A. - Chairman
Micaela Vescia	Director	–

Internal Committees

Under the authority conferred on it by the by-laws of ASTM, the Board of Directors has deemed it appropriate to establish specific committees consisting of some of its members in order to increase the efficiency and the effectiveness of its activities. Such committees have a consultative and advisory role and, in accordance with Consob Regulation No. 20249 of 28 December 2017, as amended from time to time, are made up of non-executive and independent Directors.

As at the date of this Base Prospectus, the Board of Directors has set up the following committees:

- the **Appointment and Remuneration Committee**, having the task of, *inter alia*: (i) submitting proposals to the Board of Directors on the remuneration policy of Directors and key management personnel; (ii) assessing on a periodical basis the adequacy, consistency and implementation of such policies; (iii) submitting proposals or expressing opinions to the Board of Directors on the remuneration of executive directors and other directors holding specific offices, as well as on the performance targets related to the variable portion of this remuneration; (iv) monitoring the implementation of the decisions adopted by the Board of Directors by assessing, in particular, the actual achievement of performance targets; (v) expressing opinions to the Board of Directors regarding its size and composition and recommendations with regard to the professional skills necessary within the Board of Directors; and (vi) submitting proposals to the Board of Directors candidates for directors offices on a co-optation in the event that it is necessary to replace independent directors;
- the **Audit and Risk Committee**, performing advisory and informative functions as listed in the Corporate Governance Code. The Audit and Risk Committee also carries out a preliminary review of related parties transactions in order to support the Board of Directors’ decisions; and
- the **Sustainability Committee**, performing proposal and consultative functions on corporate social responsibility, including without limitation the assessment of the sustainability plan, the monitoring of its implementation and the assessment of the sustainability report.

Independent Directors

The current Board of Directors includes eleven Directors who meet requirements of independence and qualify as independent Directors in accordance with the guidelines provided for by the Corporate Governance Code. As at the date of this Base Prospectus, the independent Directors are Mr. Franco Moschetti, Ms. Caterina Bima, Mr. Giulio Gallazzi, Mr. Giuseppe Gatto, Ms. Patrizia Michela Gianguialano, Mr. Venanzio Iacozzilli, Ms. Fabiola Mascardi, Ms. Valentina Mele, Mr. Andrea Pellegrini, Ms. Barbara Poggiali and Ms. Micaela Vescia.

The Board of Directors has chosen not to designate a lead independent director since, having considered the current structure and composition of the Board of Directors whereby the Chairman is not vested with managing powers, it does not consider that the Corporate Governance Code’s requirements for such a designation apply as at the date of this Base Prospectus.

General remuneration policy

In compliance with regulations governing transparency of the remuneration set forth under Article 123-ter of the Financial Services Act, the Board of Directors in the meeting held on 24 April 2020 – having considered the valuations made by the Appointment and Remuneration Committee and the Board of Statutory Auditors – approved ASTM’s policy on the remuneration of the members of the administrative bodies, general managers and other executives with strategic responsibilities – envisaged in paragraph 3, letter a), of the above-mentioned Article 123-ter of the Financial Services Act – for 2020.

Board of Statutory Auditors

The Board of Statutory Auditors and its members

Pursuant to ASTM’s by-laws, the board of statutory auditors is composed of three auditors and three alternate auditors, each of which shall meet the requirements provided for by applicable law and the by-laws of ASTM (collectively the “**Board of Statutory Auditors**”, each a “**Statutory Auditor**”). All members of the Board of Statutory Auditors are appointed by the shareholders’ meeting for three financial years and can be reappointed. The by-laws of ASTM provide for a voting list system for the appointment of all members of the Board of Statutory Auditors. The alternate auditors will replace any statutory auditor who resigns or is otherwise unable to serve as a Statutory Auditor in accordance with the by-laws of ASTM.

The Board of Statutory Auditors is the corporate body that verifies that administrative matters are in good order and, in particular, whether the organisational, administrative and accounting structure adopted by the Board of Directors is appropriate and operating as it should.

The Issuer’s by-laws complies with applicable laws and regulations aimed at ensuring the gender balance within the Board of Statutory Auditors.

The shareholders’ meeting held on 25 May 2020 appointed the Board of Statutory Auditors of ASTM for a period of three financial years, until the shareholders’ meeting called to approve the financial statements of ASTM for the financial year ending on 31 December 2022.

The following table sets out the current members of the Board of Statutory Auditors of ASTM.

Name	Position
Paola Camagni ⁽¹⁾	Chairman
Piera Braja ⁽²⁾	Member
Pellegrino Libroia ⁽²⁾	Member
Andrea Bonelli ⁽¹⁾	Alternate Auditor
Roberto Coda ⁽²⁾	Alternate Auditor
Gasparino Ferrari ⁽²⁾	Alternate Auditor

(1) Auditor appointed in the list presented by asset management companies and institutional investors, holding, collectively, at the time of presentation of the list, an equity interest equal to 2.72% of the corporate capital of ASTM.

(2) Auditor appointed in the list presented by the majority shareholder of ASTM (i.e. Nuova Argo Finanziaria S.p.A. holding, at the time of presentation of the list, an equity interest equal to 41.28% of the corporate capital of ASTM).

The business address of the members of the Board of Statutory Auditors is the Issuer’s registered office at Corso Regina Margherita 165, 10144 Turin, Italy.

Other offices held by members of the Board of Statutory Auditors

The table below lists the offices in boards of directors, boards of statutory auditors, supervisory committees or other positions outside ASTM held by the members of the Board of Statutory Auditors of ASTM.

Name	Position	Main positions held by Statutory Auditors outside ASTM
Paola Camagni	Chairman	ENI S.p.A. – Standing Statutory Auditor

Name	Position	Main positions held by Statutory Auditors outside ASTM
Piera Braja	Member	<p>ENI Rewind S.p.A. – Standing Statutory Auditor Mozambique Rovuma Venture S.p.A. – Chairwoman of the Board of Directors ENI Angola S.p.A. – Standing Statutory Auditor A.G.I. Agenzia Giornalistica Italia S.p.A. – Chairwoman of the Board of Directors CNP Unicredit Vita S.p.A. – Standing Statutory Auditor Oracle Italia S.r.l. – Standing Statutory Auditor Capitolventidue S.p.A. – Standing Statutory Auditor CellularLine S.p.A. – Director Unicredit Vita S.p.A. – Member of the Supervisory Board</p> <p>Praxi S.p.A. – Chairwoman of the Board of Statutory Auditors SAIT Finanziaria S.p.A. – Chairwoman of the Board of Statutory Auditors SAIT Abrasivi S.p.A. – Chairwoman of the Board of Statutory Auditors FARID Industrie S.p.A. – Chairwoman of the Board of Statutory Auditors Ca.Nova S.p.A. – Chairwoman of the Board of Statutory Auditors Cerrato S.r.l. – Chairwoman of the Board of Statutory Auditors CONSEPI S.p.A. – Standing Statutory Auditor Feg Brivio S.p.A. – Standing Statutory Auditor Finpat S.p.A. – Standing Statutory Auditor Jacobacci & Partners S.p.A. Standing Statutory Auditor Manifattura Tessile di Nole S.p.A. Standing Statutory Auditor O.M.T. S.p.A. – Standing Statutory Auditor S.I.T.A.F. S.p.A. – Standing Statutory Auditor SAGAT S.p.A. – Standing Statutory Auditor Centrale del Latte d'Italia S.p.A. – Director Planco Finanziaria S.r.l. – Director ASTA S.p.A. – Alternate Statutory Auditor CIE – Compagnia Italiana Energie S.p.A. – Alternate Statutory Auditor Ghisalba S.p.A. – Alternate Statutory Auditor SITALFA S.p.A. – Alternate Statutory Auditor Terna Interconnector S.p.A. – Alternate Statutory Auditor ASTM S.p.A. – Member of the Supervisory Board Co.ge.fa. S.r.l. – Member of the Supervisory Board SAIT Abravisi S.p.A. – Member of the Supervisory Board Danfoss Power Solution S.r.l. – Member of the Supervisory Board</p>
Pellegrino Libroia	Member	<p>Ethica Corporate Finance S.p.A. – Chairman of the Board of Statutory Auditors Fininvest Finanziaria di Investimento S.p.A. – Chairman of the Board of Statutory Auditors Il Sole 24 Ore S.p.A. – Chairman of the Board of Statutory Auditors Prysmian S.p.A. – Chairman of the Board of Statutory Auditors</p>
Andrea Bonelli	Alternate Auditor	<p>Tecnimont S.p.A. – Standing Statutory Auditor Neosia S.p.A. – Chairman of the Board of Statutory Auditors Neosia Renewables S.p.A. – Chairman of the Board of Statutory Auditors Maire Investments S.p.A. – Standing Statutory Auditor MET Gas Processing Technologies – Standing Statutory Auditor Cefalù S.r.l. – Standing Statutory Auditor Birillo 2007 Scarl – Standing Statutory Auditor MST S.r.l. – Standing Statutory Auditor KT S.p.A. – Chairman of the Board of Statutory Auditors MGR Verduno S.p.A. – Standing Statutory Auditor Esperia Aviation S.p.A. – Standing Statutory Auditor MET Development S.p.A. – Chairman of the Board of Statutory Auditors U-Coat S.p.A. – Chairman of the Board of Statutory Auditors MyRe Plast S.r.l. – Standing Statutory Auditor Palexpo Azienda Speciali – Chairman of the Board of Statutory Auditors</p>
Roberto Coda	Alternate Auditor	<p>Aurora Uno S.p.A. – Standing Statutory Auditor ATIVA Engineering S.p.A. – Standing Statutory Auditor ATIVA Immobiliare S.p.A. – Alternate Statutory Auditor CIAC S.c.ar.l. – Sole Statutory Auditor Chieppa S.p.A. – Chairman of the Board of Statutory Auditors Claudiana S.p.A. – Alternate Statutory Auditor Fast Loc S.p.A. – Standing Statutory Auditor</p>

Name	Position	Main positions held by Statutory Auditors outside ASTM
		Immobiliare Ropa S.p.A. – Standing Statutory Auditor Immobiliare San Giovanni L.2 S.r.l. – Standing Statutory Auditor Itinera S.p.A. – Standing Statutory Auditor IREN S.p.A. – Director Logico S.r.l. – Director New Bravo Seven – Director Nord Ovest Servizi S.p.A. – Alternate Statutory Auditor Prima Electro S.p.A. – Chairman of the Board of Director Rovadello S.r.l. Risorse Idriche S.p.A. – Chairman of the Board of Statutory Auditor S.A.T.A.P. S.p.A. – Alternate Statutory Auditor Segreto Fiduciaria S.p.A. – Alternate Statutory Auditor SICOGEN S.r.l. – Standing Statutory Auditor S.I.I. S.p.A. – Standing Statutory Auditor
Gasparino Ferrari	Alternate Auditor	Argo Finanziaria S.p.A. Unipersonale – Alternate Statutory Auditor ASG Scarl – Standing Statutory Auditor ASTA S.p.A. – Standing Statutory Auditor Aurelia S.r.l. – Alternate Statutory Auditor Cargo Clay Logistics S.r.l. – Sole Statutory Auditor Codelfa S.p.A. – Standing Statutory Auditor Codel.ma S.r.l. – Standing Statutory Auditor Darsene Nord Civitavecchia S.c.ar.l. – Standing Statutory Auditor Gale S.r.l. – Alternate Statutory Auditor L.T.G. S.p.A. – Alternate Statutory Auditor Nuova Codelfa S.p.A. – Chairman of the Board of Statutory Auditors Ponte Nord S.p.A. – Standing Statutory Auditor Rail Hub Europe S.p.A. – Standing Statutory Auditor Rivalta Terminal Europa S.p.A. – Standing Statutory Auditor Società Attività Marittime S.p.A. – Alternate Statutory Auditor Sviluppo Cotorossi S.p.A. – Alternate Statutory Auditor Tangenziali Esterne di Milano S.p.A. – Alternate Statutory Auditor Taranto Logistica S.p.A. – Chairman of the Board of Statutory Auditors Tomato Farm S.p.A. – Standing Statutory Auditor Transpe S.p.A. – Standing Statutory Auditor Tubosider S.p.A. – Chairman of the Board of Statutory Auditors

Conflicts of Interest

There are no potential or existing conflicts of interest between the duties of the members of the Board of Directors and the Board of Statutory Auditors owed to ASTM and their private interests or other duties.

Internal Audit and Risk Management systems

The internal audit system (the “**Internal Audit**”) implemented by ASTM was last updated on 20 January 2020, following the implementation of the new corporate structure resulting from the SIAS Merger, and was focused on the segregation between the financial and compliance risks relating to the holding, which are managed by ASTM, and the risks pertaining to the specific businesses of the subsidiaries.

The Internal Audit’s structure is aimed at achieving the strategic objectives of the Issuer and the ASTM Group. In particular it ensures, *inter alia*, the effectiveness of corporate transactions, the reliability of financial information, the compliance with current applicable law and the safeguard of corporate assets.

The Board of Directors, having the responsibility for the Internal Audit, identifies its policies and regularly assesses its suitability and effectiveness. Furthermore, the Board of Directors has appointed an Internal Audit manager, who reports to the Board of Directors and periodically provides the results of his assessment to the Chairman of the Board of Statutory Auditors, the Audit and Risk Committee and the Chairman of the Board of Directors.

Transactions with related parties

On 26 November 2010, the Board of Directors of the Issuer approved – in accordance with the provisions of Article 2391-*bis* of the Italian Civil Code and the implementing CONSOB Regulation No. 17221 of 12 March 2010 (as subsequently amended and integrated) – a new procedure that regulates the approval and execution of transactions with related parties entered into by ASTM, directly or through its subsidiaries. Such procedure was subsequently amended on 9 November 2012, 6 March 2014 and 23 January 2017 following the favourable opinion of the Audit and Risk Committee.

Code of Ethics and Model pursuant to Legislative Decree No. 231/2001

The Issuer has also adopted a code of ethics (the “**Code of Ethics**”), which was last updated on 10 February 2020. A copy of the Italian version of the Code of Ethics is available on the website of the Issuer at <https://www.astm.it/codice-etico/>.

In addition, the Issuer has also adopted an Organisation Management and Supervision Model (the “**Model**”) to ensure conditions of fairness and transparency in the conduct of its business and corporate activities, pursuant to Italian Legislative Decree No. 231/2001 (“*Disciplina della responsabilità amministrativa delle persone giuridiche, delle società e delle associazioni anche prive di personalità giuridica, a norma dell’articolo 11 della legge 29 settembre 2000, n. 300*”), which was last updated on 2 August 2019. The Model provides guidelines to prevent management and employees committing offences which may cause the company to become liable pursuant to the above-mentioned legislative decree.

On 16 May 2019, the Issuer also appointed the Supervisory Body (“*Organismo di Vigilanza*”) as the collective body responsible for monitoring the operation, effectiveness and compliance with the Model and for proposing updates to the Model. The current members of the Supervisory Body are Ms. Caterina Bima (Chairman), Ms. Anna Chiara Svelto and Ms. Piera Braja.

Sustainability report

On 14 April 2020, the Board of Directors of the Issuer approved the sustainability report. This document includes the consolidated non-financial statement of the Issuer for the year ending 31 December 2019 in compliance with Legislative Decree No. 254/2016 and describes the main initiatives and results in terms of sustainability performance of the ASTM Group. The sustainability report has been prepared in accordance with the “*GRI Sustainability Reporting Standards*” published in 2016 by the Global Reporting Initiative (GRI), based on the “in accordance-core” option; for the preparation of the sustainability report, reference has also been made to the “Ten Principles” of the United Nations Global Compact (UNGC), ISO 26000:2010 (International Organization for Standardization) and Guidelines on Non-Financial Reporting of the European Commission.

Independent Auditors

The Issuer’s current independent auditors are PricewaterhouseCoopers S.p.A., with registered office in Via Monte Rosa, 91, Milan, Italy (“**PwC**” or the “**Independent Auditors**”). PwC is registered under No. 119644 in the register of independent auditors held by the Ministry of Economy and Finance and is also a member of ASSIREVI (*Associazione Nazionale Revisori Contabili*), the Italian association of auditing firms.

The Independent Auditors’ current appointment was conferred for the period 2017–2025 by the shareholders’ meeting held on 28 April 2017 and will expire on the date of the shareholders’ meeting convened to approve the financial statements of ASTM for the financial year ending 31 December 2025.

RECENT DEVELOPMENTS

Fitch Ratings: completion of SIAS Merger is rating neutral

On 7 January 2020, Fitch Ratings announced that the completion of the SIAS Merger (see “*Overview – History and developments – Merger by incorporation of SIAS into ASTM*” above) had no impact on the “BBB+” rating and that the outlook remained “negative”.

Covid-19 pandemic: donations by the ASTM Group

In the first months of 2020, in order to offer its support in the context of the Covid-19 pandemic health emergency and show its closeness to all the communities and to everyone working daily to fight the Covid-19 pandemic, the ASTM Group donated Euro 3 million to the Piedmont region and two ambulances to the Italian Red Cross. At the same time, the shareholder Gavio donated around Euro 2.9 million to the Piedmont region, the Covid Hospital in Tortona and for the purchase of medical equipment, vehicles and personal protective equipment.

Purchase of treasury shares – 19-20 March 2020

On 23 March 2020, ASTM announced that, as a result of the authorisation to purchase and dispose of treasury shares granted at the shareholders’ meeting held on 16 May 2019, it purchased from 19 to 20 March 2020 (included) 137,772 treasury shares (equal to 0,09805% of the share capital of ASTM) on the *Mercato Telematico Azionario* at an average price of Euro 13,0586 per share, for a total value of approximately Euro 1,799 thousand.

Fitch’s rating confirmation

As a result of the Covid-19 pandemic health emergency and its impact on the global economic system and mobility, Fitch Ratings launched an extraordinary review of its analysis in respect of the main companies covered by it. In the context of this analysis, on 26 March 2020 Fitch confirmed that ASTM’s Long-Term Issuer Default Rating (IDR) was “BBB+” with the same “negative” outlook. In its press release published on 26 March 2020, Fitch Ratings stated, *inter alia*, that, notwithstanding the cash flow generation and results of the ASTM Group will be impacted in 2020 by a significant traffic drop due to the recent measures implemented in Italy in order to limit the spread of the Covid-19 pandemic, the credit metrics of the ASTM Group were, according to short and medium-term analysis adopted by Fitch Ratings, in line with the current rating assigned to the company. In particular, Fitch Ratings highlighted: (a) ASTM’s flexibility to offset the impact of the expected significant revenue shortfall in 2020, assuming a partial cutback on operating expenses as well as a re-profiling of planned capex; (b) the possibility for the concessionaires of the ASTM Group, according to the current concession agreements, to recover the traffic shortfall; (c) the financial strength of the ASTM Group which will allow it to cover debt maturities until the end of 2022. Furthermore, Fitch Ratings confirmed that it will monitor the sector development and the impact of the Covid-19 pandemic on the ASTM Group, on account of its severity and duration.

Purchase of treasury shares – 23-27 March 2020

On 30 March 2020, ASTM announced that, as a result of the authorisation to purchase and dispose of treasury shares granted at the shareholders’ meeting held on 16 May 2019, it purchased from 23 to 27 March 2020 (included) 137,321 treasury shares (equal to 0,09773% of the share capital) on the *Mercato Telematico Azionario*, at an average price of Euro 13,9230 per share, for a total value of approximately Euro 1,912 thousand.

Purchase of treasury shares – 30 March-3 April 2020

On 6 April 2020, ASTM announced that, as a result of the authorisation to purchase and dispose of treasury shares granted at the shareholders’ meeting held on 16 May 2019, it purchased from 30 March to 3 April 2020 (included) 144,217 treasury shares (equal to 0,10263% of the share capital) on the *Mercato Telematico*

Azionario, at an average price of Euro 15,9021 per share, for a total value of approximately Euro 2,293 thousand.

Moody's rating confirmation

As a result of the Covid-19 pandemic health emergency and its impact on the global economic system and mobility, Moody's initiated an extraordinary review of the analysis in respect of the main companies covered by it. In the context of this analysis, on 9 April 2020 Moody's confirmed that ASTM's senior secured and senior unsecured MTN rating was "Baa2" level with a "stable" outlook. In particular, Moody's, highlighted how, despite a predictable significant reduction in 2020 in operating cash-flow caused by the restrictions introduced by the Italian authorities in order to prevent and contain the Covid-19 pandemic, ASTM remained one of the leading Italian operators in the transport infrastructure sector with a clear ability to recover its operating performance once the pandemic and its effects have been contained. More generally, Moody's highlighted, *inter alia*, that ASTM's "Baa2" rating continued to be supported by: (a) the characteristics and size of the motorway network under management, which represents an essential transport infrastructure in one of the most economically and industrially developed areas of the country; (b) the particularly resilient profile of the ASTM Group's operating cash-flow; (c) the balanced and disciplined financial policy of the ASTM Group, which is also reflected in a moderate leverage position, strong liquidity profile and lack of material funding and refinancing needs; (d) the company's commitment to a prudent development of activities outside the core motorway operations.

Purchase of treasury shares – 6-9 April 2020

On 14 April 2020 ASTM announced that, as a result of the authorisations to purchase and dispose of treasury shares granted at the shareholders' meeting held on 16 May 2019, it purchased from 6 April 2020 to 9 April 2020 (included) 221,049 treasury shares (equal to 0,15731% of the share capital of ASTM) on the *Mercato Telematico Azionario*, at an average price of Euro 16,2246 per share for a total value approximately of Euro 3,586 thousands.

Approval of ASTM's 2019 financial statements

On 14 April 2020, the Board of Directors of ASTM approved the consolidated annual financial statements of ASTM as at and for the year ended on 31 December 2019 (incorporated by reference in this Base Prospectus (see "*Information Incorporated by Reference*" above)) and the draft standalone annual financial statements of ASTM as at and for the year ended on 31 December 2019.

In this context, the Board of Directors, taking into account the economic scenario resulting from the Covid-19 pandemic health emergency, resolved upon, *inter alia*, the allocation of the entire profits (*utili*) equal to Euro 167,771,412, to reinforce the equity structure of ASTM, as follows:

- Euro 3,513,640.96 to the "Legal reserve" (*Riserva legale*) pursuant to article 29 of the by-laws of ASTM and article 2430 of the Italian Civil Code, equal to the limit of one fifth of the share capital as set out by law;
- Euro 164,257,771.53, equal to the amount that remains following the allocation proposed above, to the "Retained earnings" (*Utili portati a nuovo*) reserve.

The Board of Directors reserved the right to convene a shareholders' meeting, to be held by the end of the 2020 financial year, in order to propose a potential distribution of reserves in light of further changes in the economic scenario resulting from the Covid-19 pandemic health emergency.

On the same date, the Board of Directors resolved to call on 25 May 2020 the ordinary shareholders' meeting to resolve, *inter alia*, upon: (i) the approval of the standalone annual financial statements of ASTM for the year ended on 31 December 2019; (ii) the approval of the proposal for the allocation of the profits (*utili*); (iii) the approval of the report on the remuneration policy and fees paid; (iv) the adjustment of the Independent Auditors' fee for the financial years 2019-2025; (v) the appointment of the Board of Statutory Auditors; and (vi) the approval of the request for authorisation for the purchase and disposal of treasury shares.

Furthermore, on the same date, the Board of Directors also approved the sustainability report (see also "*Corporate Governance – Sustainability report*" above).

Purchase of treasury shares – 14 April 2020

On 20 April 2020 announced that, as a result of the authorisations to purchase and dispose of treasury shares granted at the shareholders' meeting held on 16 May 2019, on 14 April 2020 it purchased 54,157 treasury shares (equal to 0,03854% of the share capital of ASTM) on the *Mercato Telematico Azionario*, at an average price of Euro 15,9333 per share for a total value approximately of Euro 863 thousands.

Purchase of treasury shares – 21 April 2020

On 27 April 2020 announced that, as a result of the authorisations to purchase and dispose of treasury shares granted at the shareholders' meeting held on 16 May 2019, on 21 April 2020 it purchased 82,496 treasury shares (equal to 0,05871% of the share capital of ASTM) on the *Mercato Telematico Azionario*, at an average price of Euro 14,527 per share for a total value approximately of Euro 1,198 thousands.

Fitch's rating downgrade

Following the rating confirmation announced by Fitch on 26 March 2020 (see "*Recent Developments – Fitch's rating confirmation (26 March 2020)*" above), on 30 April 2020, Fitch Ratings announced ASTM's rating downgrade to "BBB" from "BBB+", with a "stable" outlook. Such rating action followed the downgrade of Italy's sovereign rating to "BBB-" from "BBB". In its press release published on 30 April 2020, Fitch Ratings noted that ASTM can be rated above the sovereign as its rating does not factor in any central government support. The maximum one-notch difference with the sovereign's rating reflects ASTM's exposure to the domestic economy and the group's growing but still moderately frequent issuance on capital markets.

Approval of the 2019 standalone financial statements of ASTM by the shareholders' meeting and appointment of the new Board of Statutory Auditors

On 25 May 2020, the shareholders' meeting of ASTM resolved, inter alia, upon:

- (i) the approval of the standalone annual financial statements of ASTM as at and for the year ended on 31 December 2019;
- (ii) the allocation of the entire profits (*utili*) equal to Euro 167,771,412, in order to reinforce the equity structure of ASTM, as follows: (a) Euro 3,513,640.96 to the "Legal reserve" (*Riserva legale*) pursuant to article 29 of the by-laws of ASTM and article 2430 of the Italian Civil Code, equal to the limit of one fifth of the share capital as set out by law; (b) Euro 164,257,771.53, equal to the amount that remains following the allocation mentioned above, to the "Retained earnings" (*Utili portati a nuovo*) reserve;
- (iii) the approval of the the report on the remuneration policy and fees paid;
- (iv) the appointment of the Board of Statutory Auditors (see also "*Corporate Governance – Board of Statutory Auditors*" above);
- (v) the adjustment of the Independent Auditors fee for financial years 2019-2025;
- (vi) the authorisation for the purchase and disposal of treasury shares, which expired with the approval of the 2019 consolidated financial statements of ASTM, until the approval of the consolidated financial statements as at 31 December 2020 and, in any case, for a maximum period of 18 months from 25 May 2020.

ASTM joins the FAI – Fondo Ambientale Italiano

On 29 May 2020, ASTM announced that the ASTM Group had joined the "200 of FAI" – *Fondo Ambientale Italiano*, a group of generous patrons and companies founded in 1987 and animated by great ideals, sensitive to the values of culture, art and nature, which support the FAI foundation.

ASTM Group pre-qualifies in the US for the "SR 400 Express Lane" PPP highway project in the State of Georgia

On 29 June 2020, ASTM announced that, as part of its international growth plan, the ASTM Group has pre-qualified in the United States for a project worth around USD 1.3 billion for the construction and operation of

a highway stretch in the state of Georgia called “*SR 400 Express Lane*”, part of the road system around the city of Atlanta. Of the five groups initially competing for the project, two other international consortia have been admitted to the final stage.

The project involves modernising the highway with the addition of two toll lanes for each direction of travel, for a distance of around 25 km. The initiative is a Public-Private Partnership (PPP) in which the client, the Georgia Department of Transportation, pays an availability fee to build, maintain and operate the highway stretch for 35 years.

For the purpose of the transaction ASTM has formed a joint venture with ACS and the BBGI fund.

The American PPP project market is in constant growth and the ASTM Group is monitoring all important opportunities being put forward in the motorway infrastructure sector. As part of this plan, the ASTM Group also submitted a pre-qualification proposal for another PPP in the State of Maryland for the modernisation, construction and operation of new additional toll lanes for an initial 60 km section of the Capital Beltway, a highway system which connects the city of Washington D.C.

ASTM has also pre-qualified for a Norwegian tender on a 25-year concession project to plan, build and manage a motorway stretch of approximately 10 km, which will involve building a 900 metre long suspension bridge in the south of the country near the city of Bergen.

ASTM’s sustainability rating upgraded to “EE”

On 14 July 2020, the independent rating agency Standard Ethics upgraded ASTM’s rating from “EE-” (*Adequate*) to “EE” (*Strong*). The new opinion on the ASTM Group’s responsible and sustainable behaviour is considered fully “investment grade” by investors and was motivated by the fact that, in the last few months, the industrial and market transaction, which led ASTM to incorporate the subsidiary SIAS, was successfully completed. According to Standard Ethics, this transaction led to greater efficiency in governance, more effective management of ESG (*Environmental, Social and Governance*) risks, better coordination of controls on activities relating to motorway concessions and related industrial activities (additional improvements that will be implemented during 2020). ASTM has also strengthened its strategy to fight climate change on the basis of the TCFD (*Task Force on Climate-related Financial Disclosures*) recommendations.

Standard Ethics also reaffirmed the positive outlook assigned to ASTM, forecasting a Long-Term Expected SER over 3-5 years of “EE+” (*Very strong*).

ASTM acquires absolute majority equity interest in SITAF with 67% of the share capital

On 23 July 2020, ASTM announced that it had provisionally been awarded the public tender for the acquisition of the 19.347% equity interest in the share capital of SITAF, bringing it to a 67.22 % total, direct and indirect, shareholding. The effectiveness of the award is subject to satisfaction of certain conditions precedent (see also “*Motorway Sector – Italian Motorway Activities – Other equity interests – Società Italiana per il Traforo Autostradale del Fréjus S.p.A.*” above).

ASTM submitted the best offer in the public tender promoted by Finanziaria Città di Torino Holding S.p.A., a financial company of the Municipality of Turin, and the Metropolitan City (former Province) of Turin for the sale of their respective equity interests held in SITAF equal to, respectively, 10.653% and 8.694%.

Following the acquisition, which took place for a consideration equal to Euro 272 million, the book value of the equity investment will be around Euro 463 million for the 67.22% stake (the entire share capital is valued Euro 690 million).

The acquisition demonstrates the ASTM Group’s ability to win new tenders, creating value for its shareholders in a competitive environment where it has always been able to convey its skills and know-how (as evidenced by the ASTM Group’s successes in the AT-CN, TEM, BreBeMi and Autovia Padana tenders, where it was rewarded for its efficiency, industrial capacity and financial stability).

In particular, this award enables the implementation of important leverage for value creation through:

- the extension of the ASTM Group's *pro-forma* average concession duration by 11 years, also following CIPE's approvals to the AT-CN cross-financing;
- the inclusion of SITAF in ASTM's "One Company" business model, which will allow the development of significant potential synergies, using the ASTM Group's expertise in the EPC and technology sectors;
- the opening of the second carriageway of the Frejus tunnel in 2021, making it the only Alpine twin tunnel to connect Italy and France, which will mean a significant competitive advantage compared to alternative motorway routes, with particular regard to heavy traffic;
- the potential strengthening of relationships with the French institutions controlling the French portion of the Frejus Tunnel, also with a view to the potential relaunch of the privatisation of SFTRF (Société Française du Tunnel Routier du Fréjus), the company that manages the French stretch of the Frejus Tunnel; and
- the potential future integration of the Alpine tunnel system.

SITAF closed 2019 with Euro 221 million consolidated revenues and Euro 125 million consolidated EBITDA.

ASTM consolidates its presence in PPP motorway projects in the USA

On 24 July 2020, ASTM announced that, as part of its international growth plan, the ASTM Group had pre-qualified in the United States for a Public-Private Partnership (PPP) project in the State of Maryland for the modernisation, construction and related 50-year operation of additional new toll lanes on an initial 60 km section of the "Capital Beltway", a motorway system which connects the city of Washington D.C.

Three other international consortia were admitted to the final phase. The final stage of the tender was very selective, rewarding groups for their technical skills, expertise in managing PPP initiatives, as well as their financial capacity. Access to the final stage of two significant infrastructure projects in the USA PPP motorway sector, where ASTM is the only Italian player, demonstrates the direction the ASTM Group took some years ago with the acquisition of Halmar, one of the leading transport infrastructure companies in the New York metropolitan area, which enabled the entry into the American market and the creation of a platform to study and assess, based on the experience gained, the main projects underway.

The American PPP project market is in constant growth and the ASTM Group is monitoring all important opportunities being put forward in the motorway infrastructure sector.

ASTM Group has pre-qualified in Norway

On 24 July 2020, ASTM announced that, in the context of its international growth plan, the ASTM Group had also pre-qualified for a Norwegian tender on a 25-year concession project to plan, build and manage a motorway stretch of approximately 10 km, which will involve building a 900 m long suspension bridge in the south of the country near the city of Bergen.

Two other international consortia were admitted to the final phase.

Acquisition of Tubosider S.p.A.

On 27 July 2020, ITINERA acquired a 90 per cent. stake in the share capital of Tubosider S.p.A. ("**Tubosider**"), a company in which the ASTM Group and ITINERA itself already held minority stakes. The value of the transaction was equal to Euro 11.9 million, almost entirely financially offset by receivables of the same value due from the relevant seller. Tubosider produces, installs and sells items for use in road, rail, civil and industrial construction, including road barriers, pipes, tanks and other items, mainly made of steel.

The acquisition of control represented the completion of an in-depth process to restore health to the investee which began in 2019, involving the restructuring of bank debt (reducing the amount by around 60% through renunciation by the relevant banks), covering previous losses with control being transferred from the previous majority shareholder (Ruscalla S.p.A. Group) to the Aurelia Group and, above all, by beginning an operational restructuring process intended to rationalise the production cycle by making significant

investments to replace old systems with up to date ones, centralising production in a single location and fully revising personnel organisation, from production to office workers.

The decision to acquire control over Tubosider was reached after analysing the situation of the market segment which represents the company's core business, the production of safety barriers, in which at present there are few competitors, and a context in which there is heavy growth in demand due to the need for large safety investments by all infrastructure operators, whether public or private.

The acquisition of control over Tubosider therefore allowed the ASTM Group to further expand its operations and increase its knowledge in the O&M sector, covering an area which at present is reserved for third party operators, with Tubosider assisting ASTM Group companies already active in these areas, such as ITINERA, SEA Segnaletica Stradale S.p.A., Euroimpianti and SINELEC.

ASTM sells its equity interest in Milano Serravalle – Milano Tangenziali

On 29 July 2020, ASTM entered into an agreement with Fnm S.p.A. for the disposal of the entire stake held directly and indirectly in the Milano Serravalle – Milano Tangenziali concessionaire. The sale, which occurred simultaneously with the signing of the relevant agreement, was carried out at the price of Euro 3.50 per share for a total consideration of approximately Euro 86 million, 7.3 million of which will be paid by 31 January 2021.

ASTM Group enters into an agreement to capitalise and, as a consequence, consolidate the control over Ecorodovias

On 31 July 2020, ASTM announced that IGLI, a wholly-owned subsidiary of ASTM, and ASTM itself – as guarantor – had entered into a dissociation agreement (the “**Ecorodovias Agreement**”) with Primav, Primav Infraestrutura, Participare – Administrações Ltda and Ecorodovias to reorganise their equity stake in Ecorodovias and, ultimately, to capitalise Ecorodovias. As a consequence of the transaction contemplated by the Ecorodovias Agreement – depending on the final Ecorodovias share issue price and the participation of other shareholders in Ecorodovias' capitalisation and subject to the fulfilment of certain customary conditions precedent for similar transactions, including the obtaining of necessary authorisations from antitrust authorities and government entities which granted concessions to Ecorodovias – it is expected that IGLI will consolidate the control over Ecorodovias, whether in the context of its capitalisation or, in any case, through successive transactions on the capital market.

Rationale of the transaction

- The transaction is in line with the growth and internationalisation process promoted by the ASTM Group, which has accelerated considerably since 2017 following the presentation of the Strategic Plan, and which, as at the date of this Base Prospectus, sees the Group operating in Italy, Europe, Brazil and the United States, where recently, as the only Italian player, it has qualified in two important PPP motorway projects.
- Since 2016, ASTM has developed an in-depth knowledge of the Brazilian infrastructure market and particularly of Ecorodovias, which over the years has enabled it, among other things, to successfully support Ecorodovias' growth through the award of important new concessions.
- Ecorodovias is a strategic platform for the growth of the Group activities in Brazil and Latin America, and the successful closing of the transaction will improve ASTM's role among the main infrastructure operators in Italy and worldwide.
- The Brazilian market is characterized by significant privatisation programmes, specifically in the motorway sector, involving expected¹² investments of around R\$ 147 billion for the period 2020-2022. The envisaged Ecorodovias capital increase, a majority of which will be subscribed by ASTM, will allow the company to maximise the necessary funding to participate in upcoming tenders and to seize market opportunities.

¹² Source: infra PROBRASIL, Ministerio da Infraestrutura, May 2020.

- It is expected that IGLI will consolidate the control over Ecorodovias in the context of its capitalisation or, in any case, through successive transactions on the capital market, consolidating the results and contributing to extend the average duration of the Group's concessions by a further 25 years¹³, in addition to the current residual life of 22 years, which includes the acquisition of SITAF and the Asti-Cuneo cross-financing. Such expected consolidation – if calculated on the 2019 results of ASTM and Ecorodovias – would have resulted in a 2019 *pro-forma* aggregate EBITDA of ASTM and Ecorodovias equal to € 1,242.6 million.
- The successful closing of the transaction will also allow the further integration of Ecorodovias with the other companies of the Group, improving its operational efficiency and effectiveness in growth phases from a “One Company” perspective.
- The Ecorodovias transaction and the recent acquisition of the majority shareholding in SITAF demonstrate both ASTM's intention to strengthen its role in Brazil and abroad and, at the same time, ASTM's commitment to continue to invest in Italy and its infrastructure system, deemed to be a driving force for the country's economic development.

In particular, the Ecorodovias Agreement provides the following transactions to be completed in two main phases.

Phase 1 – Capitalisation and Spin-Off of Primav Infraestrutura

The Ecorodovias Agreement provides that Primav shall approve a share capital increase entirely reserved to IGLI (or, at IGLI's election, to a Brazilian company wholly-owned by IGLI, "**IGLI Brazil**"), and that the proceeds of such capital increase shall be used to repay Primav Infraestrutura's financial debt amounting, as of the signing date of the Ecorodovias Agreement, to approximately R\$ 850 million (approximately € 1414 million).

It is envisaged that, immediately following the completion of the aforementioned share capital increase, Primav Infraestrutura shall approve a partial spin-off through which it will transfer to IGLI (or IGLI Brazil) a total of 232,504,226 shares of Ecorodovias and a total of 135,923,941 shares of Vem ABC - Monotrilho Linha 18 - Bronze S.A., a company engaged in the urban mobility sector. Upon completion of the spin-off, IGLI will no longer hold any shares of Primav Infraestrutura, but will hold (directly or through IGLI Brazil) exclusively shares of Ecorodovias and Vem ABC.

Phase 2 – Capitalisation of Ecorodovias

The Ecorodovias Agreement also provides that, after the completion of the Primav Infraestrutura's spin-off, Ecorodovias' shareholders shall resolve on a share capital increase for a total base amount comprised between R\$ 1,200 million (approximately € 2004 million) and R\$ 1,800 million (approximately € 3,004 million), aimed at strengthening Ecorodovias' equity structure, including in view of the new investment opportunities expected by the market. The share capital increase will be carried out through a public offer called "*follow-on public offer with restricted distribution efforts*" or, should it not be possible to complete the public offer by 30 September 2021 due to market conditions, through a private share capital increase to be resolved by no later than 31 December 2021. The share issue price of such capital increase will be determined as a result of a customary bookbuilding process (in the case of a follow-on public offer) or by the board of Ecorodovias based on the 90-day VWAP of the Ecorodovias shares on the market (in the case of a private capital increase). Depending ultimately on the final Ecorodovias share issue price and the participation of other shareholders in Ecorodovias' capitalisation, it is expected that IGLI will consolidate the control over Ecorodovias.

Under the terms of the Ecorodovias Agreement, IGLI has undertaken to subscribe the new shares resulting from Ecorodovias' share capital increase for a total amount of at least R\$ 1,200 million (approximately €2,004 million) out of R\$ 1,800 million (approximately €3,004 million), provided that, if a private share capital increase is to be carried out and a material adverse effect relating to certain macroeconomic events occurs, the total amount of the private share capital increase would be reduced to R\$ 1,200 million (approximately €2,004 million) and IGLI's minimum commitment would be reduced to a *pro-rata* subscription only. Primav

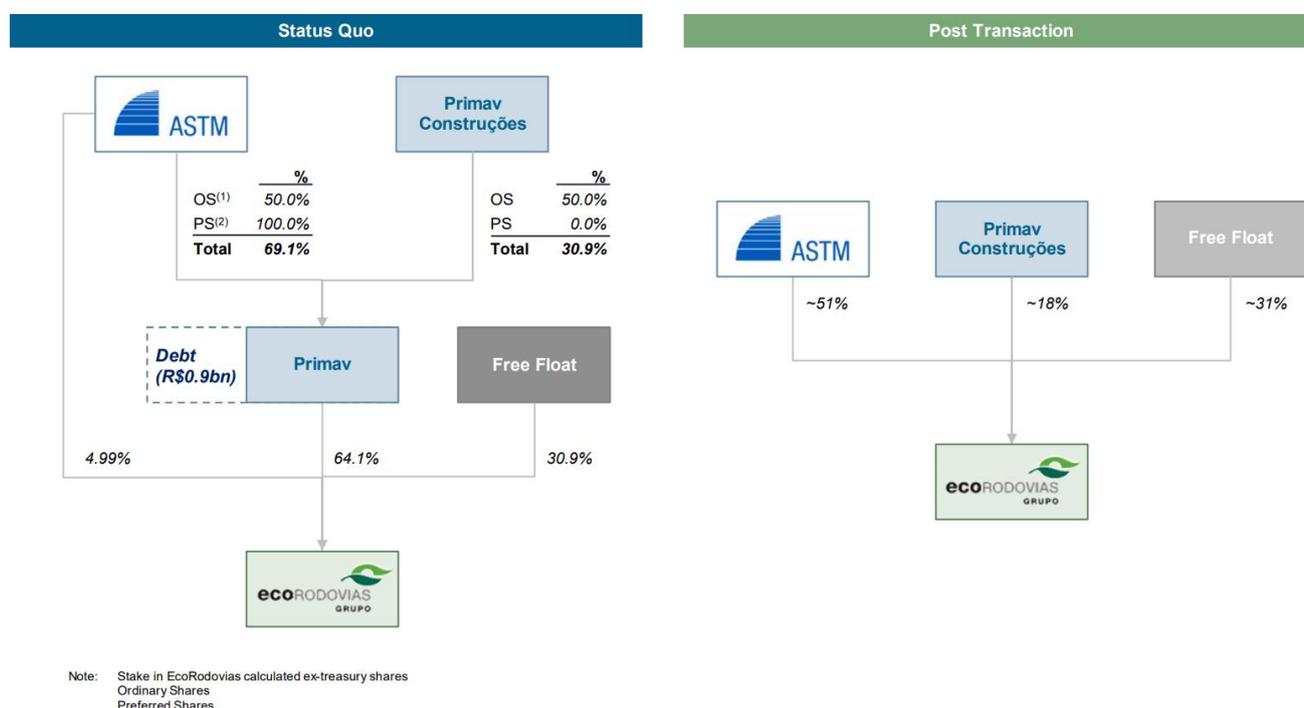
¹³ Calculated as a multiplier of EBITDA of the concessions sector for the ASTM Group as of 31 December 2019.

Infraestrutura, on the other hand, has undertaken not to exercise or assign its pre-emptive or priority rights in relation to the capital increase, it being understood that other shareholders of Ecorodovias may subscribe the abovementioned share capital increase.

Corporate governance

The Ecorodovias Agreement provides that, simultaneously with the implementation of the spin-off of Primav Infraestrutura, the existing shareholders' agreement between IGLI and Primav shall be amended in order to maintain the existing co-control structure in Ecorodovias until the earliest of (i) the execution date of Ecorodovias' capital increase, (ii) 31 December 2021, if such increase does not take place and certain conditions precedent envisaged in the Ecorodovias Agreement are not verified by then or (iii) 4 May 2026, the termination date of the shareholders' agreement between IGLI and Primav.

Below is a chart showing the estimated change in the structure of the Group as a result of the transactions provided for in the Ecorodovias Agreement. As mentioned above, depending on the final Ecorodovias share issue price and the level of participation of other shareholders in Ecorodovias' share capital increase, it is expected that IGLI will consolidate the control over EcoRodovias.



Ecorodovias closed the 2019 financial year with pro-forma consolidated net revenues of R\$ 2,945 million (equal to € 652¹⁴ million), pro-forma consolidated EBITDA of R\$ 2,033.1 million (equal to € 450.2¹⁵ million), and normalised net profit of R\$ 290.4 million (equal to € 64.3¹⁶ million).

The Board of Directors of ASTM approved the interim financial report as at 30 June 2020

On 3 August 2020, the Board of Directors examined and approved the unaudited consolidated interim financial report as at 30 June 2020. During the first half of 2020, despite the extremely complex international economic context created as a result of the Covid-19 pandemic, ASTM achieved significant industrial objectives as part of the growth and geographic diversification set out in the Strategic Plan, which further reinforced its leading role in the sector of industrial motorway concessions.

The results for the half-year ended 30 June 2020 reflect the impacts deriving from the Covid-19 pandemic. The decline in traffic on the motorways and, consequently, in revenues, reflects mobility restrictions adopted by the national and local governments, starting from the end of February, in order to limit the spread of the

¹⁴ Currency exchange rate as of 31 December 2019, equal to 4.5157 €/R\$

¹⁵ Currency exchange rate as of 31 December 2019, equal to 4.5157 €/R\$

¹⁶ Currency exchange rate as of 31 December 2019, equal to 4.5157 €/R\$

epidemic, which led to a decrease in motorway traffic for both light vehicles and, to a lesser extent, heavy vehicles. Due to the loosening of virus containment measures beginning in May (the so-called Phase 2), a recovery of traffic volumes was seen, which became even larger after the restrictions on movements outside of the region of residence and between Schengen countries were lifted. Repercussions were also seen in the EPC sector, which experienced major slowdowns or even full blockage of activity for certain projects underway domestically, while abroad the decrease in volumes with respect to the budget was more limited. In fact, all construction continued activity without stoppages, although some slowdowns were seen. In this difficult situation, the actions implemented demonstrated the Group's ability and promptness in dealing with the existing situation and in limiting, as much as possible, the impacts of the pandemic on its results for the half-year. Also from a financial point of view, during the initial months of 2020, funding and refinancing projects were carried out to further strengthen the financial structure and extend average maturity.

For further information, see the unaudited consolidated interim financial report for the half-year ended 30 June 2020, incorporated by reference into this Base Prospectus.

CAPITALISATION

The following table sets out the capitalisation on a consolidated basis of ASTM as at 31 December 2019. This information has been extracted from, and should be read in conjunction with, and is qualified in its entirety by reference to, the audited consolidated financial statements of ASTM as at and for the year ended 31 December 2019, which are incorporated by reference into this Base Prospectus. See also “*Information Incorporated by Reference*”.

	Audited
	As at 31 December 2019
	<i>(€ in thousands)</i>
Cash, cash equivalents and financial receivables	(2,313,762)
Current financial liabilities	1,905,260
Total	(408,502)
Non-current financial liabilities (a)	2,733,019
Equity (b)	
(i) attributable to non-controlling interests	357,016
(ii) attributable to owners of the parent	2,602,861
<i>of which:</i>	
<i>Issued capital</i>	65,274
<i>Reserves and retained earnings</i>	2,537,587
Total (b)	2,959,877
Total capitalisation (a+b)	5,692,896

There has been no material change in the capitalisation of the ASTM Group since 31 December 2019.

SUMMARY FINANCIAL INFORMATION

Set out below is a summary of certain financial information of ASTM derived from the audited consolidated annual financial statements of ASTM as at and for the years ended 31 December 2018 and 31 December 2019 prepared in accordance with IFRS. The consolidated financial statements for the years ended 31 December 2018 and 31 December 2019, together with the audit reports of PricewaterhouseCoopers S.p.A. thereon and the accompanying notes are incorporated by reference into this Base Prospectus.

The financial information below should be read in conjunction with, and is qualified in its entirety by reference to, such financial statements, reports and the notes thereto. See also “*Information Incorporated by Reference*”.

Consolidated income statement

	Audited	
	Year ended 31 December	
	2018	2019
	<i>(€ in thousands)</i>	
Revenue		
Motorway sector - operating activities	1,218,972	1,241,062
Motorway sector - planning and construction activities IFRIC 12	148,601	265,278
EPC sector	513,240	813,349
EPC sector - planning and construction activities IFRIC 12	37,365	17,751
Technology sector	19,985	23,154
Other	54,255	84,349
Total revenues	1,992,418	2,444,943
Payroll costs	(302,444)	(386,272)
Costs for services	(647,461)	(895,736)
Costs for raw materials	(128,538)	(210,862)
Other costs	(154,453)	(160,745)
Capitalised costs on fixed assets	1,379	1,071
Amortisation, depreciation and write-downs	(319,125)	(325,177)
Adjustment of the provision for restoration/replacement of non-compensated revertible assets	(3,218)	13,528
Other provisions for risks and charges	(675)	(92,052)
Financial income:		
<i>from unconsolidated investments</i>	29,248	1,771
<i>other</i>	14,132	37,174
Financial expenses:		
<i>interest expense</i>	(80,529)	(75,560)
<i>other</i>	(5,288)	(3,606)
Profit (loss) of companies accounted for by the equity method	2,159	(90,504)
Profit (loss) before Taxes	397,605	257,973
Taxes		
Current taxes	(110,285)	(121,641)
Deferred taxes	1,938	33,560
Profit (loss) for the period	289,258	169,892
<i>share attributed to minority interests</i>	122,714	93,613
<i>share attributable to Parent Company's Shareholders</i>	166,544	76,279
Earnings per share		
Earnings (euro per share)	1.809	0.835

Consolidated other comprehensive income

	Audited	
	Year ended 31 December	
	2018	2019
	<i>(€ in thousands)</i>	
Profit (loss) for the period (a)	289,258	169,892
Actuarial profit (loss) on employee benefits	349	(1,628)
Actuarial profit (loss) on employee benefits - companies accounted for by the equity method	(34)	41
Profit (loss) allocated to "reserves for revaluation at fair value"	(5,028)	5,551
Tax effect on profit (loss) that will not be subsequently reclassified in the Income Statement	39	80
Profit (loss) that will not be subsequently reclassified in the Income Statement (b)	(4,674)	4,044
Profit (loss) allocated to "cash flow hedge reserve" (interest rate swaps)	40,483	15,017
Profit (loss) allocated to "cash flow hedge reserve" (foreign exchange hedge)	3,094	1,089
Share of other profit/(loss) of companies accounted for by the equity method (reserve for foreign exchange translations)	(64,734)	(7,727)
Tax effect on profit (loss) that will be subsequently reclassified in the Income Statement when certain conditions are met	(3,871)	(3,525)
Profit (loss) that will be subsequently reclassified in the Income Statement when certain conditions are met (c)	(25,028)	4,854
Comprehensive income (a) + (b) + (c)	259,556	178,790
<i>share attributed to minority interests</i>	124,693	98,089
<i>share attributable to Parent Company's Shareholders</i>	134,863	80,701

Consolidated balance sheet

	Audited	
	Year ended 31 December 2018	Year ended 31 December 2019
	<i>(€ in thousands)</i>	
Non-current assets		
intangible assets		
goodwill	86,026	121,492
other intangible assets	16,853	21,518
concessions – non-compensated revertible assets	3,080,281	2,810,379
Total intangible assets	3,183,160	2,953,389
Tangible assets		
property, plant, machinery and other assets	124,094	142,889
rights of use	5,925	62,769
Total tangible assets	130,019	205,658
non-current financial assets		
equity accounted investments	973,323	887,135
other equity investments	112,800	114,820
other non-current financial assets	543,989	947,956
Total non-current financial assets	1,630,112	1,949,911
Deferred tax credits	146,504	175,436
Total non-current assets	5,089,795	5,284,394
Current assets		
Inventories and contract assets	234,225	286,096
Trade receivables	244,765	284,840
Current tax assets	36,170	30,459
Other receivables	189,695	125,555
Current financial assets	293,871	389,275
Total	998,726	1,116,225
Cash and cash equivalents	1,087,633	1,197,537
Total current assets	2,086,359	2,313,762
Total assets	7,176,154	7,598,156
Shareholders' equity and liabilities		
Shareholders' equity		
Shareholders' equity attributed to owners of the parent company		
Share capital	45,704	65,274
Reserves and earnings	1,880,051	2,537,587
Total	1,925,755	2,602,861
Shareholders' equity attributed to minority interests	1,151,140	357,016
Total shareholders' equity	3,076,895	2,959,877
Liabilities		
Non-current liabilities		
Provisions for risks and charges and employee benefits	214,397	418,432
Trade payables	-	-
Other payables and contract liabilities	205,212	205,823
Bank debt	793,691	952,502
Hedging derivatives	35,730	20,729
Other financial liabilities	1,539,790	1,084,980
Deferred tax liabilities	54,209	50,553
Total non-current liabilities	2,843,029	2,733,019
Current liabilities		
Trade payables	350,500	447,864
Other payables and contract liabilities	388,817	345,213
Bank debt	438,926	494,655
Other financial liabilities	62,761	571,062
Current tax liabilities	15,226	46,466
Total current liabilities	1,256,230	1,905,260
Total liabilities	4,099,259	4,638,279
Total shareholders' equity and liabilities	7,176,154	7,598,156

Consolidated cash flow statement

	Audited	
	Year ended 31 December	
	2018	2019
	<i>(€ in thousands)</i>	
Cash and cash equivalents - opening balance	554,936	1,087,633
Change in the scope of consolidation	4,346	65,574
Cash and cash equivalents, adjusted - opening balance (a)	559,282	1,153,207
Profit (loss) Adjustments	289,258	169,892
Amortisation, depreciation and write-downs	319,225	325,178
Adjustment to the provision for restoration/replacement of non-compensated revertible assets	3,218	(13,528)
Adjustment to the provision for employee benefits	1,503	1,666
Provisions for risks	675	92,052
Profit (loss) of companies accounted for by the equity method (net of dividends collected)	27,886	102,672
Other non-cash (income)/expenses	-	(15,961)
Other financial (income)/expenses	(34,142)	(32,532)
Capitalisation of financial expenses	(14,085)	(15,164)
<i>Operating Cash Flow (I)</i>	<i>593,538</i>	<i>614,275</i>
Net change in deferred tax credits and liabilities	956	(35,989)
Change in net working capital	7,986	67,851
Other changes from operating activities	(2,690)	(14,131)
<i>Change in net working capital and other changes (II)</i>	<i>6,251</i>	<i>17,731</i>
Cash generated (absorbed) by operating activities (I+II) (b)	599,789	632,006
Investments in revertible assets	(190,806)	(301,930)
A21 Piacenza - Cremona - Brescia concession - takeover	(301,000)	-
Divestiture of revertible assets	-	-
Grants related to revertible assets	28,847	18,640
<i>Net investments in revertible assets (III)</i>	<i>(462,959)</i>	<i>(283,290)</i>
Net investments in property, plant, machinery and other assets	(17,375)	(31,630)
Net investments in intangible assets	(6,547)	(3,474)
Net divestiture of property, plant, machinery and other assets	3,064	1,228
Net divestiture of intangible assets	651	1,751
<i>Net investments in intangible and tangible assets (IV)</i>	<i>(20,207)</i>	<i>(32,125)</i>
(Investments)/divestiture in non-current financial assets - equity investments	930	(88,376)
(Investments)/divestiture in non-current financial assets	(19,051)	(3,416)
<i>Loans purchased TE</i>	-	(11,277)
<i>Shares purchased TE/TEM</i>	-	(22,779)
<i>Purchase of Primav Infrastruttura SA and Ecorodovias Infrastruttura e Logistica SA shares</i>	(30,150)	-
<i>Purchase of SEA and Interstrade</i>	(5,278)	-
<i>Net investments in non-current financial assets (V)</i>	<i>(53,549)</i>	<i>(125,847)</i>
Cash generated (absorbed) by investment activity (III+IV+V) (c)	(536,715)	(441,262)
Net change in bank debt	(35,651)	214,556
Issue/(Reimbursement) of bond loans	541,023	-
Change in financial assets	(45,795)	(59,874)
(Investments)/Divestiture of capitalisation insurance policies	28,454	34,708
(Investments)/Divestiture in other financial assets	1,527	(8,927)
Change in other financial liabilities (including payable due to ANAS - Central Insurance Fund)	20,726	(13,689)
Changes in shareholders' equity attributed to minority interests	69,498	804
(Purchase)/sale of treasury shares	(19,428)	(5,268)
Public Tender Offer (OPA)	-	(199,732)
Changes in shareholders' equity attributed to the owners of the Parent Company	-	(13,124)
Dividends (and interim dividends) distributed by the Parent Company	(44,634)	(27,593)
Dividends (and interim dividends) distributed by subsidiaries to minority interests	(50,443)	(68,275)
Cash generated (absorbed) by financial activity (d)	465,277	(146,414)
Cash and cash equivalents - closing balance (a+b+c+d)	1,087,633	1,197,537

Additional information:		
• Taxes paid during the period	128,878	93,560
• Financial expenses paid during the period		
• Operating free cash flow	79,598	81,662
Operating cash flow	593,538	614,275
Change in net working capital and other changes	6,251	17,731
Net investments in revertible assets	(161,959)	(283,290)
A21 Piacenza-Cremona-Brescia Concession takeover	(301,000)	-
<i>Operating free cash flow</i>	<i>136,830</i>	<i>348,716</i>

Consolidated income statement

	Unaudited	
	Period ended 30 June	
	2019	2020
	<i>(€ in thousands)</i>	
Revenue		
motorway sector - operating activities	597,563	439,958
motorway sector - planning and construction activities IFRIC 12	115,692	142,315
EPC sector	391,157	416,637
EPC sector - planning and construction activities IFRIC 12	10,453	4,039
technology sector	12,604	8,231
Other	29,406	27,726
Total revenues	1,156,875	1,038,906
Payroll costs	(187,190)	(215,077)
Costs for services	(429,703)	(475,891)
Costs for raw materials	(101,829)	(95,190)
Other costs	(76,156)	(67,759)
Capitalised costs on fixed assets	196	520
Amortisation, depreciation and write-downs	(164,631)	(89,070)
Adjustment of the provision for restoration/replacement of non-compensated revertible assets	13,249	(1,499)
Other provisions for risks and charges	(28,000)	(12,504)
Financial income:		
<i>from unconsolidated investments</i>	1,482	359
<i>Other</i>	8,893	8,192
Financial expenses:		
<i>interest expense</i>	(37,192)	(35,761)
<i>Other</i>	(1,321)	(7,804)
Profit (loss) of companies accounted for by the equity method	(5,494)	17,489
Profit (loss) before taxes	177,151	64,911
Taxes		
Current taxes	(38,840)	(14,604)
Deferred taxes	(4,573)	(9,954)
Profit (loss) for the period	133,738	40,353
• <i>share attributed to minority interests</i>	58,368	6,667
• <i>share attributable to Parent Company's Shareholders</i>	75,370	33,686
Earnings per share		
Earnings (euro per share)	0.819	0.255

Consolidated other comprehensive income

	Unaudited	
	Period ended 30 June	
	2019	2020
	<i>(€ in thousands)</i>	
Profit (loss) for the period (a)	133,738	40,353
Profit (loss) allocated to "reserves for revaluation at fair value"	7,254	(6,278)
Tax effect on profit (loss) that will not be subsequently reclassified in the Income Statement	(163)	291
Profit (loss) that will not be subsequently reclassified in the Income Statement (b)	7,091	(5,987)
Profit (loss) allocated to "cash flow hedge reserve" (interest rate swaps)	508	(3,898)
Share of other profit/(loss) of companies accounted for by the equity method (reserve for foreign exchange translations)	12,671	(124,553)
Tax effect on profit (loss) that will be subsequently reclassified in the Income Statement when certain conditions are met	(1,646)	1,595
Profit (loss) that will be subsequently reclassified in the Income Statement when certain conditions are met (c)	11,533	(126,856)
Comprehensive income (a) + (b) + (c)	152,362	(92,490)
• <i>share attributed to minority interests</i>	61,944	4,062
• <i>share attributable to Parent Company's Shareholders</i>	90,418	(96,552)

Consolidated balance sheet

	Unaudited	
	Period ended	
	31 December 2019	30 June 2020
	<i>(€ in thousands)</i>	
Assets		
Non-current assets		
Intangible assets		
goodwill	121,492	121,623
other intangible assets	21,518	21,578
concessions – non-compensated revertible assets	2,810,379	2,846,715
Total intangible assets	2,953,389	2,989,916
Tangible assets		
property, plant, machinery and other assets	142,889	141,311
rights of use	62,769	68,672
Total tangible assets	205,658	209,983
Non-current financial assets		
equity accounted investments	887,135	781,713
other equity investments	114,82	108,506
other non-current financial assets	947,956	360,425
Total non-current financial assets	1,949,911	1,250,644
Deferred tax credits	175,436	174,621
Total non-current assets	5,284,394	4,625,164
Current assets		
Inventories and contract assets	286,096	331,219
Trade receivables	284,840	271,046
Current tax assets	30,459	39,254
Other receivables	125,555	134,810
Current financial assets	389,275	920,909
Total	1,116,225	1,697,238
Cash and cash equivalents	1,197,537	1,262,919
Total current assets	2,313,762	2,960,157
Total assets	7,598,156	7,585,321
Shareholders' equity and liabilities		
Shareholders' equity		
<i>Shareholders' equity attributed to owners of the parent company</i>		
<i>share capital</i>	65,274	64,886
reserves and earnings	2,537,587	2,431,443
Total	2,602,861	2,496,329
Shareholders' equity attributed to minority interests	357,016	360,812
Total shareholders' equity	2,959,877	2,857,141
Liabilities		
Non-current liabilities		
Provisions for risks and charges and employee benefits	418,432	431,028
Trade payables	-	362
Other payables and contract liabilities	205,823	204,299
Bank debt	952,502	898,625
Hedging derivatives	20,729	21,069
Other financial liabilities	1,084,980	1,088,680
Deferred tax liabilities	50,553	57,936
Total non-current liabilities	2,733,019	2,701,999
Current liabilities		
Trade payables	447,864	444,547
Other payables and contract liabilities	345,213	364,231
Bank debt	494,655	604,656
Other financial liabilities	571,062	572,967
Current tax liabilities	46,466	39,780
Total current liabilities	1,905,260	2,026,181
Total liabilities	4,638,279	4,728,180
Total shareholders' equity and liabilities	7,598,156	7,585,321

Consolidated cash flow statement

	Unaudited	
	Period ended 30 June	
	2019	2020
	<i>(€ in thousands)</i>	
Cash and cash equivalents – opening balance	1,087,633	1,197,537
Change in the scope of consolidation	(226)	-
Cash and cash equivalents, “adj”– opening balance (a)	1,087,407	1,197,537
Profit (loss)	133,738	40,353
Adjustments		
Amortisation, depreciation and write-downs	164,631	89,070
Adjustment to the provision for restoration/replacement of non-compensated revertible assets	(13,249)	1,499
Adjustment to the provision for employee benefits	589	614,000
Provisions for risks	28	12,504
Profit (loss) of companies accounted for by the equity method (net of dividends collected)	17,187	(17,100)
Other financial expenses (income)	(6,814)	(3,232)
Capitalisation of financial expenses	(7,782)	(8,124)
<i>Operating Cash Flow (I)</i>	288,328	115,584
Net change in deferred tax assets and liabilities	3,569	10,084
Change in net working capital	39,767	(41,404)
Other changes from operating activities	(3,448)	(612)
<i>Change in net working capital and other changes (II)</i>	39,888	(31,932)
Cash generated (absorbed) by operating activities (I+II) (b)	328,216	83,652
Investments in revertible assets	(143,383)	(159,376)
Divestiture of revertible assets	-	-
Grants related to revertible assets	9,933	1,391
<i>Net investments in revertible assets (III)</i>	(133,450)	(157,985)
Net investments in property, plant, machinery and other assets	(21,889)	(6,695)
Net investments in intangible assets	(2,132)	(1,449)
<i>Net investments in intangible and tangible assets (IV)</i>	(24,021)	(8,144)
(Investments)/Divestiture in non-current financial assets - equity investments	8,388	(62,000)
(Investments)/Divestiture in non-current financial assets	(4,235)	(3,658)
<i>Loans purchased TE</i>	(11,277)	-
<i>Shares purchased TE/TEM</i>	(22,779)	-
<i>Net investments in non-current financial assets (V)</i>	(29,903)	(3,720)
Cash generated (absorbed) by investment activity (III+IV+V) (c)	(187,374)	(169,849)
Net change in bank debt	(49,659)	53,384
Change in financial assets	(66,830)	81,315
(Investments) Divestiture of capitalisation insurance policies	34,708	32,695
(Investments) Divestiture in other financial assets	(9,124)	7,198
Change in other financial liabilities (including payable due to ANAS - Central Insurance Fund)	(6,123)	(11,122)
Changes in shareholders' equity attributed to minority interests	(4,816)	-
(Purchase) sale of treasury shares	(746)	(11,658)
Changes in shareholders' equity attributed to the owners of the parent company	-	-
Dividends (and interim dividends) distributed by the Parent Company	(27,593)	-
Dividends (and interim dividends) distributed by Subsidiaries to minority interests	(68,363)	(233)
Cash generated (absorbed) by financial activity (d)	(198,546)	151,579
Cash and cash equivalents – closing balance (a+b+c+d)	1,029,703	1,262,919
• Taxes paid during the period	1,702	15,856
• Financial expenses paid during the period	40,842	32,900

REGULATORY

The ASTM Group's core business is heavily regulated under EU and Italian law and this may affect the ASTM Group's operating profit or the way it conducts business.

Although this summary contains all the information that the Issuer considers material in the context of the issue of the Notes, it is not an exhaustive account of all applicable laws and regulations. Prospective investors and/or their advisers should make their own analysis of the legislation and regulations applicable to the ASTM Group and of the impact they may have on the ASTM Group and any investment in the Notes and should not rely on this summary only.

Introduction

The Italian motorway sector is governed by a series of laws, ministerial decrees and resolutions of the Italian Interministerial Committee for Economic Planning (“**CIPE**”), as well as by generally applicable laws and special legislation, including environmental laws and regulations. In turn, such laws must comply with, and are subject to, EU laws and regulations applicable either during the award/renewal phase of the concessions or during the life of the concessions. Italian Motorway concessionaires must operate within this regulatory framework and in compliance with the provisions of the relevant concession agreements entered into with ANAS or the MIT (Ministry of Infrastructures and Transport), as the case may be (see “– *Reorganisation of ANAS*”, below).

Reorganisation of ANAS

Article 36 of Law Decree No. 98 of 6 July 2011 (“**Law Decree 98/2011**”), converted into law with amendments by Law No. 111 of 15 July 2011, and subsequent pieces of legislation provided for the reorganisation of ANAS. As of 1 October 2012, the activities and functions previously falling within the competences of ANAS have been transferred to the MIT. As a consequence, with effect from 1 October 2012, the MIT has stepped into the motorway concessions (including, without limitation, the Motorway Concessions) in force as at that date as grantor. Accordingly, all rights, powers and obligations arising from the concessions (originally entered into with ANAS as grantor) were transferred to the MIT.

As a result of such reorganisation process, the competences of ANAS will be basically limited to the construction and management of road and state motorway infrastructures.

In order to manage the new tasks transferred to it, the MIT set up an internal body named “*Direzione generale per la Vigilanza sulle concessionarie Autostradali*” entrusted (by Ministerial Decree No. 341 of 1 October 2012) with all the functions transferred to the MIT under Article 36, Paragraph 2 of Law Decree 98/2011.

Article 25, paragraph 4, of Law Decree 69/2013 (converted into Law 98/2013), provided, *inter alia*, that the MIT will take on debts and receivables relating to the functions transferred to it under Article 36, Paragraph 2 of Law Decree 98/2011 and Article 11, Paragraph 5, of Law Decree 216/2011 (converted with amendments into Law 214/2012) as well as any possible litigation as of 1 October 2012. Therefore, the MIT's step-in (i) does not refer to rights and obligations that have arisen pursuant to the motorway concessions before 1 October 2012 (so called *ex nunc* effectiveness) and (ii) does not affect the judicial proceedings commenced by (or against) ANAS before such date.

New Regulatory Authority in the infrastructure and transport sectors

In the context of the reorganisation of ANAS summarised above, without prejudice to the competences of the MIT and of other public authorities (such as the National Anticorruption Authority, ANAC, which has replaced the Authority for the Vigilance on the Public Contracts, Antitrust Authority) in infrastructures and transport sector, Article 37 of Law Decree 201/2011 (converted, with amendments, into Law 214/2011) set up a new governmental body operating in the sector of infrastructures and transport (the so called *Autorità di Regolazione dei Trasporti*, “**Regulatory Authority**”).

The Regulatory Authority is entrusted, *inter alia*, with regulatory and inspection powers also in the motorway sector. In particular, the Regulatory Authority is entitled to: (i) fix, for new concessions, tariff systems based on the price cap mechanism by defining the X parameter (so called productivity factor) every 5 years;

(ii) define the concession agreement schemes to be attached to the call for tender and the schemes of the call for tenders to be awarded by the concessionaires; and (iii) define the optimal ambit for the management of the motorway sections.

The Regulatory Authority started its activity on 17 September 2013.

Regulatory Framework – Single Concession(s)

Law Decree No. 262 of 3 October 2006, converted into Law No. 286 of 24 November 2006, as subsequently amended (as so amended, “**Law Decree 262/2006**”) established a new regime for motorway concessions.

Law Decree 262/2006 provided that each motorway concessionaire shall enter into a comprehensive new single concession agreement (each a “**Single Concession**”) including both the conditions of the previous concession agreements in force at that time and the new specific binding provisions set forth by Law Decree 262/2006. In respect of timing, all motorway concessionaires are required to enter into the Single Concessions when the first update to the relevant concession’s financial plan (such financial plan, the “**FP**”) or the first revision of the relevant concession agreement is requested.

General

According to the provisions of Law Decree 262/2006, the Single Concessions shall provide, among other things:

- (i) for the rate to be used in calculating annual tariff adjustments based on traffic and cost trends and the concessionaire’s efficiency and service quality;
- (ii) for the allocation to the grantor of a percentage of the profits generated by the commercial use of motorway areas;
- (iii) for the recognition of tariff adjustments in return for investments included in the investment plan only after the related investments have been verified by the grantor of the concession to have been effectively carried out;
- (iv) for the definition by the grantor of general levels of quality standards, as well as more specific standards regarding individual services provided by concessionaires;
- (v) for the definition of the situations that may lead to the lapse, revocation, withdrawal or termination of the concession, with explicit reference to the payment of pre-determined damages;
- (vi) that concessionaires must meet the capital adequacy requirements set forth in the relevant concession;
- (vii) that concessionaires must have their financial statements audited; and
- (viii) for a system of sanctions and penalties in the event of material breach of obligations arising from the Single Concessions.

CIPE issued a directive in July 2013 (“**Directive 30/2013**”) that sets out the capital adequacy requirements of the motorway concessionaires companies applicable to new concessions whose award / notice are published following its entry into force.

“Standard” approval process

Pursuant to Law Decree 262/2006, each scheme of Single Concession (as agreed between the grantor and the relevant concessionaire) is (i) subject to a technical opinion given by the *Nucleo di consulenza per l’Attuazione delle linee guida sulla regolazione dei Servizi di pubblica utilità* (“**NARS**”) and to the opinion of the associations of the concessionaires, consumers and users (ii) then examined by the CIPE. Afterwards, such scheme, together with the CIPE’s remarks, shall be submitted to the relevant Parliamentary Commissions for the relevant advice.

Following the advice of the competent Parliamentary Commissions, the scheme of the Single Concession shall be approved by a Ministerial Decree to be issued by the MIT in agreement with the MEF (Ministry of Economy and Finance). Such Ministerial Decree is required to be registered, after a legitimacy control

(*controllo di legittimità*), by the Italian Court of Auditors (*Corte dei Conti*). The Single Concession will become effective after the registration of the relevant approval decree by the Italian Court of Auditors and the subsequent communication of such decree to the relevant concessionaire.

Each Single Concession, once it has become effective, replaces and supersedes the preceding agreements entered into between the grantor and the relevant concessionaire.

Derogation to the “standard” approval process

Law No. 101 of 6 June 2008 (“**Law 101/2008**”) and Law No. 191 of 23 December 2009 (“**Law 191/2009**”) provided for a derogation from the “standard” approval process of the Single Concessions. In particular:

- Initially, Law 101/2008, which converted Law Decree No. 59 of 8 April 2008 (“**Law Decree 59/2008**”) into law, provided that all the schemes of Single Concessions already signed at the date of the entry into force of Law Decree 59/2008 (*i.e.*, 9 April 2008) are approved by the same law regardless of the status of the standard approval procedure of the signed schemes of Single Concession.
- Subsequently, without prejudice to the concession schemes already approved by Law 101/2008, Article 2, paragraph 202, of Law 191/2009 provided that all the schemes of Single Concessions already signed by ANAS and the relevant concessionaires as at 31 December 2009 are approved by the same law, *provided that* such schemes comply with the CIPE approval resolution, whether or not subject to prescriptions,. Furthermore, Law Decree No. 78 of 31 May 2010 (converted into law, with amendments, by Law No. 122 of 30 July 2010) (“**Law Decree 78/2010**”) amended the relevant provisions of Law 191/2009, by replacing the date of 31 December 2009 with the date 31 July 2010. As a result of this amendment, all the schemes of Single Concessions already signed by ANAS and the relevant concessionaires as at 31 July 2010 are approved by the same law, provided that such schemes comply with the CIPE approval resolution , whether or not subject to prescriptions,.

For the purposes of the effectiveness of the schemes of Single Concession approved by Law 191/2009 and Law Decree 78/2010, the issuance and the registration of a ministerial decree is no longer required, provided that such schemes are modified by the grantor and the relevant concessionaire according to the CIPE’s prescriptions.

Before the implementation of the CIPE’s prescriptions – which may significantly impact the terms and conditions of the relevant Single Concession – the CIPE approval resolutions are required to be registered by the Italian Court of Auditors and published in the Italian Official Gazette.

Should the concessionaires not implement the CIPE’s prescriptions, the Single Concessions shall be regarded as “not approved” and shall be required to follow the steps of the standard approval procedure set by Law Decree 262/2006. (See “– *Single Concession(s)* – “*Standard*” approval process”, above).

Each Single Concession, once it has become effective, replaces and supersedes the preceding agreements entered into between the grantor and the relevant concessionaire.

Legislative Decree No. 50/2016 and provisions impacting motorway concessionaires

Starting from 19 April 2016 the legal framework governing the concessions and public contracts has been significantly reformed. By means of Legislative Decree No. 50/2016 the Italian Government has adopted the new code of public contracts, implementing European Directives 2014/23/EU, 2014/24/EU and 2014/25/EU, concerning the award of concession and public contracts as well as the awarding procedure by entities operating in the water, energy, transport and postal services sectors (as amended, including by Legislative Decree No. 56/2017, the “**Public Contracts Code**”).

The Public Contracts Code – which replaces Legislative Decree No. 163/2006 – is effective from its publication in the Italian Gazette (*i.e.*, 19 April 2016).

In general terms, the Public Contracts Code has significantly changed the regime of the concessions, affecting the revision of the financial and economic plans, the risk allocation between grantor and concessionaire, early

termination events and termination payments, step-in-right, conditions for contractual changes, variations and additional works, regime of works, services and supplies subcontracted by the concessionaires, designs etc.

Notwithstanding the above, Article 216, paragraph 1, of the Public Contracts Code provided a specific provisional regime whereby, without prejudice to the provisions under Article 216 or to specific provisions set forth under the Public Contracts Code, the latter shall apply:

- (i) to tenders and contracts whose calls for tender or tender notice have been published after its entry into force (i.e. 19 April 2016); or
- (ii) in case of contracts awarded without any publication of call for tender or public notice, to the tenders and contracts in relation to which invitations to submit bids have not been sent to the candidates at the date of entry into force of the Public Contracts Code,

Therefore, based on this provisional regime, the Public Contracts Code shall not apply to existing concessions at the date of entry into force of the Public Contracts Code save for specific provisions stating their applicability to concession agreements existing at the date of entry into force of the Public Contracts Code.

Article 177 of the Public Contracts Code – directly applicable to concessions in force as at 19 April 2016 – introduced provisions increasing the percentages of works, services and supplies to be awarded to third parties by the concessionaires compared to the percentages provided under Article 256, paragraph 25, of Legislative Decree No. 163/2006 (as amended by articles 51, par. 1, of Legislative Decree No. 1/2012 and 4, par. 1, lett. a) of Legislative Decree No. 83/2012 converted into Law no. 134/2012).

In particular, Article 177 of the Code states the obligation of any private concessionaires to award to third parties, through public tender procedure, a percentage equal to 80 per cent. of the works, services and supply contracts related to concessions having a value equal to or exceeding €150,000. The remaining quota of 20 per cent. may be awarded by private concessionaires to directly or indirectly controlled or affiliated companies or to operators selected through simplified competitive procedures. The Anticorruption Authority (“ANAC”) is entitled to verify annually that the concessionaires comply with the above mentioned percentages according to procedures to be defined through specific guidelines. In case of repeated imbalance found by ANAC, specific penalties may be applied by ANAC. The concessionaires shall implement the provisions under Article 177 within a transitional period until 31 December 2020, as set forth by Article 1, paragraph 20, letter bb), Law No. 55/2019.

Although Article 177 is applicable to concessions in force at the date of 19 April 2016, the relevant provisions are not applicable to concessions formerly awarded through the project financing formula or through public competitive procedures compliant with the European laws and regulations.

Moreover, Article 178 of the Public Contracts Code introduced (i) an *interim* regime of the motorway concessions close to expiration intended to prohibit the extension of the term of concessions and (ii) specific provisions for new concessions to be awarded.

In case of motorway concessions expiring within 24 months from the entry into force of the Public Contracts Code, the grantor shall call the competitive procedures for the award of the new concessions at least 24 months before the expiry date of the concessions in force and, in any case, as soon as possible so to ensure continuity between concession regimes. Should said competitive procedures not be completed within the expiry date of the concessions in force, the outgoing concessionaires shall continue to operate (so called *amministrazione ordinaria*) the motorway until the transfer of the operation to the incoming concessionaires at the conditions set forth under the concession agreements in force. However, Article 178 also provides that, at the expiration of the concession in force, the grantor may decide to operate the motorway in-house pursuant to article 5 of the Public Contracts Code. Furthermore, according to Article 178, paragraph 8, the grantor may request to the Regulatory Authority a prior opinion on the scheme of the concessions to be awarded. In relation to the new concessions to be awarded, Article 178 provides, *inter alia*, that:

- (i) the competitive procedures for the award of the new motorway concessions should comply with Part III of the Public Contracts Code;
- (ii) the motorway concessions cannot be granted through a project finance procedure provided for in Article 183 of Public Contracts Code;

- (iii) public-private-partnerships (where concessions are included) generally funded through availability fee (*canone di disponibilità*) may be used for any type of concession including motorway concessions. With respect to the latter, by derogation from the ordinary rule, as provided for in Article 178 of the Public Contracts Code, traffic risk should be allocated on the grantor;
- (iv) motorway concessions relating to highways concerning one or more regions may be granted by the MIT to in-house companies owned by others public administrations specifically set up for these purposes. In this case, the MIT can exercise a control, similar to that it exercises over its own departments, on the aforementioned in-house companies through a committee governed by a special agreement pursuant to Article 15 of Law No. 241/1990. Such committee exercises on the in-house company the powers envisaged in Article 5 of Public Contracts Code;
- (v) the operational risk set forth in Article 3, paragraph.1, lett. zz) of the Public Contracts Code shall include the “traffic risk” which, except for PPP referred to under (iii) above, is borne by the concessionaire; and
- (vi) the outgoing concessionaire will be entitled to receive from the incoming concessionaire a compensation for the investments made and not amortized yet equal to the cost effectively borne, net of amortization, of the reversible assets (*beni reversibili*) resulting from the balance sheet at the date of the year of expiration of the concession, taking into account the variations occurred for regulatory purposes.

Single Concessions of the Italian Motorway Subsidiaries

The following table lists the concessions held by the Italian Motorway Subsidiaries, specifying the expiry date of each concession.

Concession Holder	Concession/Motorway	Current Expiry Date
SATAP	A4 Turin – Milan.....	31/12/2026
	A21 Turin-Alessandria-Piacenza.....	30/06/2017 ⁽¹⁾
SAV	A5 Quincinetto-Aosta, Racc. A5-SS27 del G. S. Bernardo.....	31/12/2032
SALT	A12 Livorno-Sestri Levante, A11 Viareggio-Lucca, A15 Fornola-La Spezia	31/07/2019 ⁽¹⁾
	A15 Parma-La Spezia.....	31/12/2031
ADF	A10 Savona-Ventimiglia	30/11/2021
	A6 Turin - Savona	31/12/2038
AT-CN	A33 Asti-Cuneo.....	⁽²⁾
Autovia Padana	A21 Piacenza-Cremona-Brescia.....	28/02/2043
ATIVA	A5-A55 Turin-Ivrea-Quincinetto, Ivrea-Santhià and Turin Ring Road Motorway System (<i>Sistema Autostradale Tangenziale Torinese</i>)	31/08/2016 ⁽¹⁾

⁽¹⁾ Upon MIT request, SATAP manages the A21 Turin-Alessandria-Piacenza motorway, ATIVA manages the A5-A55 Turin-Ivrea-Quincinetto motorway section, the Ivrea-Santhià motorway section and the Turin Ring Road Motorway System (*Sistema Autostradale Tangenziale Torinese*) and SALT manages the A12 Livorno-Sestri Levante, A11 Viareggio-Lucca, A15 Fornola-La Spezia motorway sections, each under a *prorogatio* regime until the selection of the new concessionaire. For further information, see “*Description of the Issuer – Motorway Activities – Italian Motorway Activities – Italian Motorway Subsidiaries*” above..

⁽²⁾ The duration of such concession is 23.5 years as from the completion of the relevant infrastructure. However, on 1 August 2019 the CIPE acknowledged the economic and financial plan (PEF) related to the cross-financing transaction with SATAP A4 for the completion of the Asti-Cuneo motorway which provides, *inter alia*, that the expiry of the concession will occur on 31 December 2031. For further information in this respect, see “*Description of the Issuer – Italian Motorway Activities – Italian Motorway Subsidiaries – Società Autostrada Torino-Alessandria-Piacenza S.p.A.*” above.

The Group’s motorway concessions are governed by Single Concessions entered into between the relevant concessionaire and the grantor.

The key terms of Single Concessions of the Italian Motorway Subsidiaries are summarised under “- *Key Concession Terms of the Single Concessions of the Italian Motorway Subsidiaries*”, below.

Adjustment and revision of the motorway concessions and the related schemes/agreements

Article 43, Paragraphs 1-3, of Law Decree 201/2011 (converted with amendments into Law 214/2011) introduced changes to the approval procedure for the adjustment and revision of the terms of the motorway concessions. In particular:

- the adjustments and the revisions of the motorway concessions in force as at 6 December 2011 relating to changes to the investment plan or regulatory aspects aimed at safeguarding the public accounts shall be subject to the prior opinion of the CIPE (to be delivered within 30 days) and shall be approved by ministerial decree (MIT, in agreement with the MEF, agreement that shall be issued within 30 days from the sending of the concession agreement by the grantor);
- the adjustments and the revisions of the motorway concessions in force as at 6 December 2011 not relating to the changes described above shall be approved by ministerial decree (MIT, in agreement with the MEF, agreement that shall be issued within 30 days from the sending of the concession agreement by the grantor) and do not require the prior opinion of the CIPE;
- the adjustments and the revisions reflected into schemes of additional deeds already submitted to the CIPE's opinion as at 6 December 2011 shall be only approved by Ministerial Decree (MIT in agreement with the MEF, to be issued within 30 days from the sending of the concession agreement by the grantor) and do not require a further CIPE's opinion.

Accordingly, Article 43, Paragraph 4, of Law Decree 201/2011 abrogated the provisions set forth by Article 8-*duodecies*, Paragraph 2, last section, of Law Decree 59/2008 and Article 21, Paragraph 4, of Law Decree 355/2003¹⁷.

Update of the FPs

By resolution No. 27 of 21 March 2013, as amended by Resolution No. 68 of 7 August 2017 (“**Resolution 27/2013**”) the CIPE has adopted a ‘technical document’ setting the (economic) criteria and procedures for the five-yearly adjustments of the FPs¹⁸ with reference to both concessionaires which requested the “re-adjustment” of the FP and those which have requested the “confirmation” of the relevant FP. In accordance with applicable law provisions, the relevant adjustments shall be carried out by 30 June of the first financial year (*esercizio*) of the new regulatory period.

Mechanism and procedure for the annual adjustment of the Tariffs

Tariffs formula

In accordance with Law Decree 262/2006, CIPE issued a directive in June 2007 (“**Directive 39/07**”) that introduced specific criteria and parameters for determining motorway tariffs. Directive 39/07 is applicable to all new concessions and existing concessions where the concessionaire requests a re-alignment of the FP (as defined above), as well as to new investments under existing concessions which were not yet approved as at 3 October 2006, or which were approved but not included in the relevant investment plans at such date. In particular, Directive 39/07 introduced a new tariff formula and provided for a re-alignment of tariffs every five years to reflect traffic and cost trends and investment costs in an effort to provide the concessionaire with a proper rate of return.

According to the provisions of Directive 39/07, the new tariff formula, defined according to the price cap method, results to be the following: $\Delta T = \Delta P - X + K$

where:

¹⁷ Article 8-*duodecies*, Paragraph 2, last section, of Law Decree 59/2008 provided that any changes or integrations of the Single Concessions following their entrance into full force and effect shall be subject to the ordinary approval procedure set forth by Law Decree 262/2006 while Article 21, Paragraph 4, of Law Decree 355/2003 provided that any change of the concessions in force, even deriving from variations of the investment plan and the X parameter of the tariff adjustment are approved by decree of the MIT in agreement with the MEF.

¹⁸ Pursuant to Directive 39/07, the financial plan contained in the concession agreements must be updated every five years (each five-year period is referred to as a “regulatory period”).

- ΔT is the annual percentage ratio of the tariff;
- ΔP is the annual rate of projected inflation in Italy established by the Government in its Economic and Financial Plan;
- X is the factor (expressed as a percentage) of annual adjustment of the tariff determined at the beginning of any regulatory period (5 years) and unchanged during such period so that in the next regulatory period, without any further investments, the discounted value of the expected incomes shall be equal to the discounted value of the admitted costs, considering the increase in efficiency for the concessionaires and discounting the amounts at the fair remuneration rate;
- K is the annual percentage *ratio* of the tariffs determined every year in order to remunerate the investments performed during the previous year; therefore, it is calculated so that the discounted value of the increased incomes expected at the end of the regulatory period shall be equal to the discounted value of the increased admitted costs, discounting the amounts at the fair remuneration rate.

Finally, to be added or deducted to the tariff components listed above is a coefficient $\beta\Delta Q$ related to the quality factor connected with the *status* of road surface and the accident rate.

The table below shows the tariff formula applicable for each Italian Motorway Concession as at the date of the Base Prospectus.

Concession Holder	Tariff Formula
Companies which requested a “re-alignment” of the Financial Plan¹	
SATAP A4	$\Delta T = \Delta P - Xr^4 + K \pm \beta\Delta Q$
SATAP A21)	$\Delta T = \Delta P - Xr^4 + K \pm \beta\Delta Q$
Autovia Padana	$\Delta T = \Delta P - Xr^4 + K \pm \beta\Delta Q$
SAV ³	$\Delta T = 70\%*CPI$ (to be added to the factors Xr and K)
SALT (A15) ³	$\Delta T = 70\%*CPI$ (to be added to the factors Xr and K)
Companies which requested a “confirmation” of the Financial Plan²	
SALT (A12) ³	$\Delta T = 70\%*CPI + K$
ADF (A10) ³	$\Delta T = 70\%*CPI + K$
ADF (A6) ³	$\Delta T = 70\%*CPI + K$
ATIVA	$\Delta T = \Delta P + K \pm \beta\Delta Q$

In this formula:

- ΔT is the annual percentage ratio of the tariff;
- ΔP is the annual rate of projected inflation in Italy established by the Government in its Economic and Financial Plan;
- Xr is the percentage coefficient of annual adjustment of the tariff determined at the beginning of any regulatory period (5 years) and unchanged during such period so that in the next regulatory period, without any further investments, the discounted value of the expected incomes shall be equal to the discounted value of the admitted costs, considering the increase in efficiency for the Italian Motorway Concessionaires and discounting the amounts at the fair remuneration rate;
- K is the annual percentage ratio of the tariffs determined every year in order to remunerate the investments performed during the previous year; therefore, it is calculated so that the discounted value of the increased incomes expected at the end of the regulatory period shall be equal to the discounted value of the increased admitted costs, discounting the amounts at the fair remuneration rate;
- $\beta\Delta Q$ is the coefficient related to the quality factor connected with the *status* of road surface and the accident rate;

- **Xp** is the coefficient related to the productivity as determined by the grantor, according to the provisions of the relevant Single Concession; and
- **CPI** represents the actual rate of inflation for the previous twelve-month period from 1 July to 30 June as measured by Italian Institute of Statistics (*Istituto Nazionale di Statistica*, or ISTAT).

Further information for determining motorway tariffs are provided in the technical document attached to Resolution 27/2013. For further information, see “- *Update of the FP*”, above.

Amendments to the tariffs adjustments

The procedure for the annual tariff adjustment regulated by Article 21, Paragraph 5, of Law Decree No. 355 of 24 December 2003 was amended by Article 27 of Law Decree No. 69 of 21 June 2013 in order to comply with the occurred substitution of the MIT, as grantor, in the Single Concessions (for further information, see “- *Introduction – Reorganisation of ANAS*”, above).

According to the new procedure, the tariff adjustment proposal will no longer be subject to both ANAS and MIT approval. In particular:

- by 15 October of each year the concessionaires must provide only the grantor (*i.e.*, the MIT) with a proposal of tariff adjustment based on the formulas provided by the Single Concessions as well as the value of the K factor (*i.e.*, the tariff component, as defined above, representing the investments carried out by the motorway concessionaire) to be remunerated through the tariff formula and the X factor relating to each additional intervention;
- by 15 December the MIT, in agreement with the MEF, shall approve or reject the tariff proposal by means of a reasoned decree. The rejection of the tariff proposal may concern only irregularities of the values included in the tariff formula and material breaches of the obligations set forth by the Concession agreement and contested by the grantor¹⁹ by June 30 of the previous year.
- in the event the tariff proposal is approved, the annual tariff increases become effective by 1 January of the following year.

Italian Motorway Subsidiaries – Tariffs formula adjustments for 2020

Based on the applicable legislation, the ASTM group’s proposal for the annual tariff adjustment for 2020 was filed with the grantor by 15 October 2019.

Except for Autovia Padana, no tariffs adjustments have been recognized by the MIT to the relevant Italian Motorway Concessionaires for 2020

Regulatory Authority – Tariff Resolution

With specific regard to the motorway sector, the Regulatory Authority is responsible, among other tasks, for the establishing, with respect to existing and new concessions, of the tariff systems based on the price cap mechanism by defining the X parameter (so called productivity factor) every 5 years for each concession.

For such purposes, the Regulatory Authority issued the resolution No. 16/2019 (“**Resolution No. 16/2019**”), by means of which (i) described the tariff system based on the price cap mechanism and defined the “X productivity factor” and (ii) commenced the procedure to establish the tariff systems for the Single Concessions, after specific public consultations. Such procedure has been completed by means of several resolutions defining the tariff system applicable to the Single Concessions.

The Annex A to the Resolution No. 16/2019 (“**Annex A**”) sets forth the following principles on which the tariff system is based:

¹⁹ It must be noted that Article 21, Paragraph 5, of Law Decree No. 355 of 24 December 2003 makes reference to material breaches of the contractual obligations challenged “by the concessionaire”, but it is reasonable to deem that such contestation shall come by the grantor.

- a) definition of five-year regulatory period at the end of which both the business plan and the regulatory financial plan shall be updated, in compliance with the principles and criteria set out in the Resolution No. 16/2019, also with regard to the revision of the price cap parameters (including costs referred to base year, traffic forecasts and productivity factor X) and of the WACC;
- b) differentiation of activities between (i) motorway activities which are directly subject to tariff regulation, related to design, construction, operation, ordinary and extraordinary maintenance of motorway sections; (ii) ancillary activities which are not directly subject to tariff regulation, but are relevant for the purpose of allocating the extra profitability deriving from their performance, related to the commercial exploitation of motorway areas and related appurtenances (e.g., fuel and lubricant distribution services and commercial and catering services in rest areas, ducts, road signs and information boards, technology and information services); (iii) activities which are not relevant for the tariff system related to activities different from the activities sub (i) and (ii); in this respect, the tariff system relates to motorway activities only, without prejudice to the takeover of extra-profits from ancillary activities;
- c) definition of the methods for determination of tariffs through (i) the identification of the perimeter of the concessionaire's eligible costs, (ii) the identification of an initial maximum tariff level in relation to each tariff component and related traffic forecast (iii) the application of the price cap method with determination of the productivity factor X as established by Regulatory Authority;
- d) provision of effective safeguarding systems aimed at directly transferring, in terms of tariff reduction, any "extra-profits" resulting from final traffic volumes disproportionately higher than the (potentially underestimated) traffic forecasts;
- e) provision of a reward/penalty system for the quality of the services offered allowing the grantor to (i) identify the indicators and the quality targets, (ii) monitor their achievement and the motorway concessionaire's performance, and consequently (iii) immediately apply penalty/reward mechanisms directly impacting the tariffs applied to the user;
- f) accounting separation obligations for the concessionaire and provision of the related regulatory accounting system.

On the basis of such principles, the tariff system defined by the Regulatory Authority pursues two pivotal purposes.

On one side, it is intended to ensure annual dynamics of the operational tariff component based on the price cap method and consistent with the achievement of the productivity recovery target.

On the other side, it is aimed to allow the concessionaire, with reference to the concession term and in accordance with the cost-orientation principle set forth by Regulatory Authority, a return on invested capital equal to the pre-tax rate of return referred to under paragraph 16 of the Annex A, with respect to the investments:

- made on (reversible) assets provided in concession, including the termination value (*valore di subentro*) actually paid to the out-coming concessionaire, consisting of the value of approved works, that have already been already executed and have not been not yet amortized upon expiry of the previous concession, net of: (i) pre-established reserves for late investments, subject to assessments of the grantor; (ii) "debt from imputed value" (*debito da poste figurative*), allocated to the risks and charges funds, consisting of toll revenues exceeding the costs eligible as remuneration by the grantor;
- made on the concessionaire's (non-reversible) operating assets, where relevant and efficient.

With regard to the concessions held by the Italian Motorway Subsidiaries, the Regulatory Authority issued the following resolutions:

- resolution No. 68/2019, referred to SATAP;
- resolution No. 72/2019, referred to AT CN;
- resolution No. 74/2019, referred to ADF for motorway A10 Savona Ventimiglia;

- resolution No. 75/2019, referred to ADF for motorway A6 Turin - Savona;
- resolution No. 76/2019, referred to SALT;
- resolution No. 77/2019, referred to SAV.

Upon the entering into by the relevant Italian Motorway Concessionaires with the MIT of *ad hoc* additional deeds to the relevant Italian Motorway Concessions, the above provisions should apply in lieu of those under “*Tariffs formula*” above.

Concession Fees and Surcharges

Pursuant to Article 1, Paragraph 1020, of Law No. 296 of 27 December 2006 (“**Law 296/2006**”) the motorway concessionaires must pay to the grantor, as of 1 January 2007, a concession fee equal to 2.4 per cent of the net revenues of toll fees²⁰.

Law No. 102 of 3 August 2009 (“**Law 102/2009**”) converting into law (with amendments) Law Decree 78 of 1 July 2009, introduced an increase of the concession fee charged to the motorway concessionaire (the “**Surcharge**”) to be remitted to the MIT and the Ministry of Economy and Finance and to be calculated on the basis of the distance in kilometres covered by each vehicle using the motorway (the Surcharge is equal to Euro 0.003 per kilometre for vehicles in classes A and B and to Euro 0.009 per kilometre for vehicles in classes 3, 4 and 5).

Law Decree 78/2010 has introduced a further increase of the Surcharge due to the grantor by the motorway concessionaires. In particular, Article 15, paragraph 4, of Law Decree 78/2010 set forth that the motorway concessionaires shall pay to the grantor the following extra charges:

- (a) Euro 0.001 per kilometre for vehicles in classes A and B and Euro 0.003 per kilometre for vehicles in classes 3,4 and 5. Such amounts shall be paid starting from the first day following the second month from the entrance into force of the Stabilisation Law Decree; and
- (b) Euro 0.002 per kilometre for vehicles in classes A and B and Euro 0.006 per kilometre for vehicles in classes 3,4 and 5 starting from 1 January 2011.

In any event, the concessionaire recovers the greater fee to be paid to the grantor (*i.e.* the Surcharge) by proportionally increasing the relative toll tariffs.

As of 1 January 2011, the total amount of extra charges is equal to Euro 0.006 per kilometre for vehicles in classes A and B and Euro 0.018 per kilometre for vehicles in classes 3, 4 and 5.

Key Concession Terms of the Single Concessions of the Italian Motorway Subsidiaries

The Single Concessions awarded to SATAP, ATS (currently ADF), SAV, SALT, ADF, CISA (currently SALT), AT-CN, ATIVA and Autovia Padana (the “**Italian Motorway Concessionaires**”) contain a set of key common provisions concerning, *inter alia*, (i) the list of the obligations to be fulfilled by the Italian Motorway Concessionaires; (ii) the procedures for the approval of any changes of the Italian Motorway Concessionaire’s share capital; (iii) the sanctions and penalties applicable by the grantor (originally being ANAS and as at the date hereof the MIT) in the event of material breach of obligations undertaken by the Italian Motorway Concessionaires; (iv) the concession fees due to the grantor for the possession of the motorway infrastructures; (v) the specific formulas and procedures for the annual tariff adjustment; (vi) the procedure applicable in case of early termination of the Single Concessions and the compensation to which the Italian Motorway Concessionaires are entitled; (vii) the procedure for the revision of the financial plan; and (viii) the award of the sub-concessions.

(a) Italian Motorway Subsidiaries Obligations

The Italian Motorway Concessionaires’ main obligations include, *inter alia*, the duty to:

- (i) manage and maintain the motorway infrastructure;

²⁰ Currently, a percentage of 42% is destined to ANAS. Pursuant to Article. 1, paragraph 362, of Legislative Decree No. 90/2014, starting from 2017 such percentage will be reduced to 21%.

- (ii) organise, maintain and promote motorist assistance services;
- (iii) design and carry out the works provided in each Single Concession;
- (iv) annually provide the grantor with the plan for the ordinary maintenance activities of the motorway infrastructure, to be carried out over the next year;
- (v) provide the grantor, for its approval, with the plans for the extra-ordinary maintenance activity of the motorway infrastructures (*i.e.* any and all maintenance services not included in the ordinary maintenance services under (iv) above);
- (vi) submit to the grantor the final and executive projects of the works provided in the Single Concessions for the relevant approval;
- (vii) keep detailed financial accounts, including traffic data, for each section of the motorway;
- (viii) provide the grantor quarterly with specific and detailed accounting reports to allow it to carry out its regulatory activity in accordance with CIPE resolution No. 39 of 15 June 2007;
- (ix) have the financial accounts audited by an auditing firm to be selected in compliance with the applicable laws;
- (x) assign any works, services and supply in accordance with any applicable laws and regulations;
- (xi) submit the public notice relating to the competitive tender procedure called for the award to third parties of the works provided for in each Single Concession to the grantor;
- (xii) request and obtain any guarantee and insurance required by the Public Contracts Code;
- (xiii) provide and maintain in its by-laws (a) appropriate provisions to avoid any conflict of interests of the relevant directors, and (b) integrity and professional requirements of the directors — and, for at least some of them, also independence requirements – pursuant to Article 2387 of the Italian Civil Code;
- (xiv) maintain in its by-laws provisions pursuant to which (a) the Chairman of the Board of Statutory Auditors (or, in any case, of the relevant supervisory board) shall be an officer of the Italian Ministry of Economy and Finance and (b) a member of the Board of Statutory Auditors (or, in any case, of the relevant supervisory board) shall be an officer of the grantor;
- (xv) register in a specific reserve fund (*Fondo rischi ed oneri*) the amounts deriving from the benefit from the delay or default in the realisation of the planned new investments²¹; and
- (xvi) meet specific capital adequacy requirements indicated in the relevant Single Concessions.

In addition to the obligations set out under items (i) to (xvi) above (excluding items (xi) and (xv) above) Autovia Padana’s main obligations include, *inter alia*, the duty to:

- (i) assign any works, services and supply to third parties in accordance with any applicable laws and regulations and, in case of award to third parties of the Lot 2 Works (as defined below), the relevant agreements shall provide for the concessionaire’s right of withdrawal in the event that, *inter alia*, the concessionaire does not raise funds needed for the realisation of the Lot 2 works within the first regulatory period;
- (ii) require the MIT to nominate commission related to the competitive tender procedure called for the award to third parties, without prejudice to the powers of ANAC;

²¹ According to the principle of “economic neutrality” (*neutralità economica*) the recovery of the amounts related to investments planned and not executed is carried out so that the relevant Italian Motorway Concessionaire cannot receive any economic or financial benefit from the failure or the delay in the realisation of such investments.

- (iii) submit to the Supreme Counsel of Public Works (*Consiglio Superiore dei Lavori Pubblici*), for its technical and economic evaluation, the works' projects in the cases provided for by Ministerial Decree No. 399/2009;
- (iv) require to CIPE the Unique Project's Code ("CUP") for each intervention;
- (v) comply with the provision of Law No.136/2010;
- (vi) draft and yearly update the *Carta dei Servizi* (service charter), specifying the details of the quality standards for each relevant service, as provided by applicable laws. Its results shall be submitted every year to the grantor;
- (vii) hand over, upon expiry of the concession, the motorway together with all the appurtenances (*pertinenze*) in good state of maintenance taking into account the normal wear of the motorway.

(b) **Extraordinary Transactions and change of control clauses**

The Single Concessions provide that any transaction involving the merger, demerger, transfer of business, transfer of the headquarter, liquidation and changes in the corporate objects as well as any transfer of the controlling shareholdings of the Italian Motorway Concessionaires or disposal of real estate reversible assets construed (*beni immobili reversibili accatastati*) by any Italian Motorway Subsidiary shall be previously authorised by the grantor.

Should the Italian Motorway Concessionaire carry out any of the above mentioned transactions without the relevant prior authorisation by the grantor, the relevant Single Concessions could be subject to the early termination procedure.

(c) **Penalties and sanctions**

The Italian Motorway Concessionaires may be required by the grantor to pay penalties and sanctions in case of material breach or default of certain specified obligations arising from the Single Concessions.

Penalties range from a minimum amount of Euro 10,000 up to a maximum amount of Euro 1 million and the highest penalty applies in case of breach of the obligation to provide the motorist assistance service.

Sanctions range from a minimum amount of Euro 25,000 up to a maximum amount of Euro 5 million and the highest sanction applies in case of breach of the obligation to seek the previous authorisation of the grantor to execute any transaction set forth under letter b) above. The maximum amount of sanctions in any reference year of the Single Concession cannot exceed 10 per cent. of revenues for that year, up to a maximum of Euro 150 million.

Should the maximum amount of the sanctions applicable in each reference year be exceeded for two consecutive years, the Single Concession could be subject to the early termination procedure.

With reference to the Autovia Padana, by way of a non exhaustive listing, a penalty shall be applied in case of any delay in the activities of design provided by the Single Concession or works, as established in the timeline approved by the grantor. In the latter case, the grantor may apply a penalty equal to Euro 25,000 for every month of delay (rounded down) concerning the starting and the completion of the interventions, unless the delay arises from a cause not attributable to the concessionaire or depends on any fact relating to a third party. In the event of (i) application of ten penalties in the maximum amount; or (ii) delay in payment of penalties greater than 20 days, the Single Concession could be subject to the early termination procedure.

Sanctions shall be applied according to the provisions of Law No. 689/1981 and their range start from a minimum amount of Euro 25,000 up to a maximum amount of Euro 150 million.

(d) **Concession Fees**

Under the Single Concessions, the Italian Motorway Concessionaires are required to pay to the grantor an annual fee equal to 2.4 per cent. of the net toll revenues for the occupation of the motorway infrastructure.

The concession fee shall be further integrated with a surcharge to be paid by the Italian Motorway Concessionaire to the grantor in compliance with Law 102/2009. For further details, see “*Regulatory – Concession Fees and Surcharges*”, above.

In addition to the above, the Italian Motorway Concessionaires are required to pay to the grantor a percentage ranging from 5 per cent and 20 per cent (as the case may be) of the revenues deriving from any sub-concessions or sub-contracts awarded for the refuelling and catering activities²² including fees related to the commercial use of the telecommunications networks.

(e) **Expiration or Early Termination of Single Concessions**

Expiration of the Single Concessions

Upon the expiration date of each Single Concession, the relevant Italian Motorway Concessionaire is required to transfer the motorways and related infrastructure to the grantor without any compensation due to it and in a good state of repair. In any event, each Italian Motorway Concessionaire shall continue to manage the motorway infrastructure granted by virtue of the Single Concession until the succession by the new incoming concessionaire selected through competitive procedures.

Operation of the motorway in case of early termination

Pursuant to Article 35 of the Law Decree No. 162 of 30 December 2019, as converted with amendments by Law No. 8 of 28 February 2020 (“**Law Decree No. 162/2019**”), should the Single Concessions be early terminated, ANAS may operate and maintain the relevant motorway infrastructures until the grantor will award the concession to a new concessionaire.

ANAS shall perform such temporary operation in compliance with a Ministerial Decree that shall be issued by the MIT in agreement with the MEF and MEF.

Moreover, Law Decree No. 162/2019 also sets forth the validity of Single Concessions clauses excluding the Italian Motorway Concessionaire from any compensation in case of early termination.

Early termination due to the acts of the Italian Motorway Concessionaires

Each Single Concession sets out specific procedures for the early termination of the Concession in case of material (and not remedied) breach by the relevant Italian Motorway Concessionaire of the obligations arising from each Single Concession.

In case of material breach by the Italian Motorway Concessionaire of any of the obligations set forth in the relevant Single Concession, the grantor shall deliver to the relevant Italian Motorway Concessionaire a notice requiring it to remedy such breach within a specified and reasonable timeframe or to provide the grantor with the reasons for the breach.

Should the unfulfilled obligations not be performed by the Italian Motorway Concessionaire within the timeframe fixed by the grantor or the reasons provided to the grantor in relation to such breach not be satisfactory, then the grantor may initiate the procedure to terminate the relevant Single Concession, which is as follows:

- (i) the grantor shall notify the Italian Motorway Concessionaire of the breach of a specific contractual obligation and shall require the Italian Motorway Concessionaire to remedy the contested breach within a set time period, which cannot be less than 90 days from the notification. Within this timeframe, the Italian Motorway Concessionaire is entitled to submit defences and objections to support its own position to the grantor;

²² Pursuant to Article 13 of the AT-CN Single Convention, the percentage of the revenues deriving from any sub-concessions to be paid by the Italian Motorway Concessionaire amounts to 90 per cent.

- (ii) Should the obligations of the Italian Motorway Concessionaire not be fulfilled within the timeframe under point (i) above, or the defences submitted by the Italian Motorway Concessionaire be rejected by the grantor, this latter shall set a further timeframe, which cannot be less than 60 days, to allow the Italian Motorway Concessionaire to perform the unfulfilled obligations; and
- (iii) in the event that the Italian Motorway Concessionaire does not remedy the contested breach within the timeframe provided in point (ii), within 90 days from the expiry of the timeframe under point (ii), the grantor may request that the Ministry of Infrastructure and Transport, jointly with the Ministry of Economy and Finance, issue a decree declaring the early termination of the relevant Single Concession. In such event, the Italian Motorway Concessionaire is obliged to continue managing the concession until such concession is transferred to a new incoming concessionaire.

Should the decree declaring the early termination of the Single Concession be adopted, the grantor will step into the role of the relevant Italian Motorway Concessionaire, undertaking all its obligations and benefits arising from the Single Concession.

Law Decree No. 162/2019 provides a new regulation for the amount that Italian Motorway Concessionaires are entitled to receive from the grantor in case of early termination due to their acts. In particular, should the Single Concessions be terminated due to material breach by the Italian Motorway Concessionaire of any of the obligations set forth in the same, the latter is entitled to receive only (a) the value of the works realised plus additional charge (including the takes over costs) less any amortisation, according to any applicable law; or (b) in case of missed testing (*collaudo*) of the relevant motorway infrastructure, the effective costs incurred by the concessionaire.

Any Single Concession clause providing a different regulation of the termination value is to be considered null and void and, as a consequence, automatically replaced by the above reported provision. In such respect, the concessionaire is not entitled to exercise any termination in law of the concession.

Moreover, the decree declaring the early termination of the Single Concession shall be effective even before the payment of the amounts due to the concessionaire.

Early Termination, revocation and withdrawal due to the grantor

In the event that the early termination of the Single Concessions is due to the breach by ANAS/MIT of any of its obligations, or should the Single Concessions be revoked by ANAS/MIT for reasons of public interest, the Italian Motorway Concessionaire is entitled to receive a compensation equal to (i) the value of the works executed, free from any amortisation cost, or – in the event that the works have not been tested (*collaudo*) – the costs borne by the Italian Motorway Concessionaire, (ii) the penalties and any other costs borne or to be borne due to the early termination, (iii) an indemnity fee, as compensation for the loss of income, equal to 10 per cent, (10.0%) of the value of the works still to be executed or of the portion of the service still to be carried out, appraised on the basis of the financial plan.

With regard to the Single Concessions of CISA (currently SALT), AT-CN, SATAP and Autovia Padana, the amounts so determined shall be applied in priority to satisfy the payment obligations undertaken by the Italian Motorway Concessionaires *vis-à-vis* any relevant lender and shall not be used until such payment obligations have been fully satisfied, without prejudice to any further amendment of the applicable laws and regulations. In any event, the early termination of the Single Concession shall become effective upon any and all payments related to the indemnity fees due to the Italian Motorway Concessionaires by the grantor being fully satisfied.

(f) Financial Plan

The financial plan attached to the Single Concessions is subject to revision/adjournment every five years according to the provisions of the CIPE Resolution No. 39/2007.

In addition, the grantor or the Italian Motorway Concessionaires are entitled to request, also in the

course of each regulatory period, a revision of the Financial plan and the terms of the Single Concessions in case of a *force majeure* (or any extraordinary event) or (only with regard to the Italian Motorway Concessionaire) submission of a new investment plan which impacts the economic and financial balance of the Single Concessions. The specific procedures for the adjournment and the revision of the financial plan are detailed in the relevant Single Concessions.

When adjourning or reviewing the FP, the risk of construction is borne by the Italian Motorway Concessionaire once the final project of the works has been approved by the grantor, unless the increase of costs is due to *force majeure* or to facts dependent on third parties and out of the responsibility of the Italian Motorway Concessionaire.

(g) **Sub-concessions for Services on the Motorways**

Sub-concessions for carrying out food and beverage and mini-market and refuelling services in the motorway service areas are awarded to third parties through competitive procedures in compliance with the principles set forth by Article 11, paragraph 5-ter, of Law No. 498/1992, as amended by Law 296/2006 and with any indication provided by the Antitrust Authority.

In order to guarantee an adequate level and regularity of the service, the candidates are selected based on their technical, organisational and economic skills. The bids are evaluated based on the efficiency, quality and diversity of services and investments consistently with the duration of the activities entrusted to them.

In addition to the requirements set out in the above paragraph, the Autovia Padana Single Concession provides that candidates shall be selected also on the basis of (i) the analysis of the offers taking mainly into account the technical and commercial project and (ii) contractual models aimed to guarantee competitiveness with particular regard to the quality, the availability of the service and the price of the products.

According to the sub-concessions, the sub-concessionaire is typically required to build the structures necessary to provide the service and, subsequently, to manage and maintain those services. Upon the expiration of the Single Concession the infrastructure built by the sub-concessionaires shall be transferred to the grantor in a good state and condition with no compensation due to the sub-concessionaire.

Under a sub-concession, the sub-concessionaire undertakes to pay to the relevant Italian Motorway Concessionaire a fixed amount plus a royalty based on the revenues generated from sales.

Official guidelines were adopted by the MIT, as required by the Ministry of Economic Development (the “MED”), on 13 March 2013 on the criteria for the award of sub-concessions for fuel distribution services and commercial/retail activities in service stations. Moreover, on 30 January 2015, additional official guidelines were issued by the MIT and the MED on how to support concessionaires in drafting plans for the general reorganization/rationalization of service stations located along motorways managed by them.

Recent events in the relationship between the MIT and certain Italian Motorway Subsidiaries

Alleged “material breach”

The MIT has alleged a “material breach” by certain Italian Motorway Subsidiaries of the relevant concession agreements due to their delay in implementing their investment plans. The relevant Italian Motorway Subsidiaries submitted the clarifications within the prescribed period and affirmed that the material breach alleged by the MIT was groundless. Considering the discussions subsequently held with the MIT, as at the date of this Base Prospectus, no sanctions are expected to be comminated.

Consequences of breaches

For information on (i) the sanctions which would apply if the relevant Italian Motorway Subsidiaries were found to be responsible for delays in performing their investment plans, see “– Key Concession Terms of the Single Concessions of the Italian Motorway Subsidiaries” above and (ii) the impacts that the foregoing may

have on future annual tariff adjustments, see “– *Mechanism and procedure for the annual adjustment of the Tariffs – Amendments to the tariffs adjustments*” above).

TAXATION

The statements herein regarding taxation summarise the principal Italian tax consequences of the purchase, ownership, redemption and disposal of the Notes.

This is a general summary that does not apply to certain categories of investors and does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes. It does not discuss every aspect of Italian taxation that may be relevant to a Noteholder if such Noteholder is subject to special circumstances or if such Noteholder is subject to special treatment under applicable law.

This summary also assumes that the Issuer is resident in the Republic of Italy for tax purposes, is structured and conducts its business in the manner outlined in this Base Prospectus. Changes in the Issuer's organisational structure, tax residence or the manner in which it conducts its business may invalidate this summary. This summary also assumes that each transaction with respect to the Notes is at arm's length.

Where in this summary English terms and expressions are used to refer to Italian concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Italian concepts under Italian tax law.

The statements herein regarding taxation are based on the laws in force in the Republic of Italy as of the date of this Base Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The Issuer will not update this summary to reflect changes in laws and if such a change occurs the information in this summary could become invalid.

Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences under Italian tax law, under the tax laws of the country in which they are resident for tax purposes and of any other potentially relevant jurisdiction of acquiring, holding and disposing of the Notes and receiving payments of interest, principal and/or other amounts under the Notes, including in particular the effect of any state, regional or local tax laws.

Interest on the Notes

Notes qualifying as bonds or securities similar to bonds

Decree 239 regulates the income tax treatment of interest, premium and other income (including any difference between the redemption amount and the issue price, hereinafter, collectively, referred to as “**Interest**”) from notes issued, *inter alia*, by Italian resident companies listed in an Italian regulated market, falling within the category of bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*).

For this purpose, securities similar to bonds are securities that incorporate an unconditional obligation to pay, at maturity, an amount not lower than their nominal value and that do not allow any direct or indirect participation either in the management of the issuer or in the business in connection with which they have been issued, nor any control on such management.

Italian resident Noteholders

Where an Italian resident Noteholder is (i) an individual not engaged in a business activity to which the Notes are effectively connected (unless he has opted for the application of the “*risparmio gestito*” regime – see “*Capital Gain Tax*” below), (ii) a non commercial partnership, pursuant to Article 5 of the Italian Tax Code (“**ITC**”) (with the exception of general partnership, a limited partnership and similar entities), (iii) a non commercial private or public institution or trust (except for a company or Italian resident investment fund), (iv) an investor exempt from Italian corporate income taxation, Interest payments relating to the Notes, accrued during the relevant holding period, are subject to a substitutive tax, referred to as “***imposta sostitutiva***”, levied at the rate of 26% (either when the Interest is paid by the Issuer, or when payment thereof is obtained by the Noteholder on a sale of the relevant Notes).

In the event that the Noteholders described under (i) to (iii) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax.

The *imposta sostitutiva* may not be recovered by the Noteholder as a deduction from the income tax due.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity, or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 (“**Decree No. 509**”) and Legislative Decree No. 103 of 10 February 1996 (“**Decree No. 103**”), may be exempt from any income taxation, including the *imposta sostitutiva*, on interest, premium and other income relating to the Notes if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of Law No. 232 of 11 December 2016 (the “**Finance Act 2017**”), in Article 1 (210-215) of Law No. 145 of 30 December 2018 (the “**Finance Act 2019**”), and in Article 136 of Law Decree No. 34 of 19 May 2020.

If the Notes are held by an investor engaged in a business activity and are effectively connected with the same business activity, the Interest is subject to the *imposta sostitutiva* and is included in the relevant income tax return. As a consequence, the Interest is subject to the ordinary income tax and the *imposta sostitutiva* may be recovered as a deduction from the income tax due.

Pursuant to the Decree 239, *imposta sostitutiva* is levied by banks, *società di intermediazione mobiliare* (“**SIMs**”), *società di gestione del risparmio* (“**SGRs**”), fiduciary companies, stock exchange agents and other entities identified by the relevant Decrees of the Ministry of Economy and Finance, as subsequently amended and integrated, (the “**Intermediaries**”).

An Intermediary, to be entitled to apply the *imposta sostitutiva*, must satisfy the following conditions:

- (i) it must be: (a) resident in Italy; or (b) a permanent establishment in Italy of an intermediary resident outside of Italy; or (c) an organisation or company non-resident in Italy, acting through a system of centralised administration of securities and directly connected with the Department of Revenue of the Ministry of Economy and Finance (which includes Euroclear and Clearstream) having appointed an Italian representative for the purposes of Decree 239; and
- (ii) intervene, in any way, in the collection of Interest or in the transfer of the Notes. For the purpose of the application of *imposta sostitutiva*, a transfer of the Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes or in a change of the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary, *imposta sostitutiva* is applicable and withheld by any Italian bank or any Italian intermediary paying Interest to a Noteholder. If Interest on the Notes is not collected through an Intermediary or any entity paying interest and as such no *imposta sostitutiva* is levied, the Italian resident Noteholders listed above under (i) to (iv) will be required to include Interest in their annual income tax return and subject them to a final substitute tax at a rate of 26%.

The *imposta sostitutiva* regime described herein does not apply in cases where the Notes are held in a discretionary investment portfolio managed by an authorised intermediary pursuant to the so-called discretionary investment portfolio regime (“**Risparmio Gestito**” regime as defined and described in “*Capital Gains*”, below). In such a case, Interest is not subject to *imposta sostitutiva* but contributes to determine the annual net accrued result of the portfolio, which is subject to an ad-hoc substitutive tax at 26% on the results.

The *imposta sostitutiva* also does not apply to the following subjects, to the extent that the Notes and the relevant coupons are deposited in a timely manner, directly or indirectly, with an Intermediary:

- (i) *Corporate investors* – Where an Italian resident Noteholder is a corporation or a similar commercial entity (including a permanent establishment in Italy of a foreign entity to which the Notes are effectively connected), Interest accrued on the Notes must be included in: (I) the relevant Noteholder’s yearly taxable income for the purposes of corporate income tax (“**TRES**”), generally applying at the current ordinary rate of 24%; and (II) in certain circumstances, depending on the status of the Noteholder, also in its net value of production for the purposes of regional tax on productive activities (“**IRAP**”), generally applying at the rate of 3.9%. (certain categories of taxpayers, including banks, financial entities and insurance companies, are subject to higher IRAP rates). The IRAP rate can be increased by regional laws up to 0.92%. Said Interest is therefore subject to general Italian corporate taxation according to the ordinary rules;

- (ii) *Investment funds* – Interest paid to Italian investment funds (including a *Fondo Comune d’Investimento*, a SICAV or a SICAF, as defined below, collectively, the “**Funds**”) are subject neither to the *imposta sostitutiva* nor to any other income tax in the hands of the Funds. Proceeds paid by the Funds to their unitholders are generally subject to a 26% withholding tax;
- (iii) *Pension funds* – Pension funds (subject to the tax regime set forth by Article 17 of Legislative Decree No. 252 of 5 December 2005, the “**Pension Funds**”) are subject to a 20% substitutive tax on their annual net accrued result. Interest on the Notes is included in the calculation of such annual net accrued result. Subject to certain conditions (including minimum holding period requirement) and limitations, Interest relating to the Notes may be excluded from the taxable base of the 20% substitute tax if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1 (100-114) of the Finance Act 2017, in Article 1 (210-215) of the Finance Act 2019 and in Article 136 of Law Decree No. 34 of 19 May 2020, as amended from time to time; and
- (iv) *Real estate investment funds* – Interest payments in respect of the Notes to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998 (the “**Real Estate Investment Funds**”) and to Italian resident “*società di investimento a capitale fisso*” (“**SICAFs**”) are generally subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the same Real Estate Investment Funds. Unitholders are generally subject to a 26% withholding tax on distributions from the Real Estate Funds. Law Decree No. 70 of 13 May 2011 (converted with amendments by Law No. 106 of 12 July 2011) has introduced certain changes to the tax treatment of the unitholders of Real Estate Investment Funds, including a direct imputation system (tax transparency) for certain non-qualifying unitholders (e.g. Italian resident individuals) holding more than 5% of the units of the Real Estate Fund.

Non-Italian resident Noteholders

An exemption from *imposta sostitutiva* on Interest on the Notes is provided with respect to certain beneficial owners resident outside of Italy, not having a permanent establishment in Italy to which the Notes are effectively connected. In particular, pursuant to the Decree 239 the aforesaid exemption applies to any beneficial owner of an Interest payment relating to the Notes who: (i) is resident, for tax purposes, in a country which allows for a satisfactory exchange of information with the Republic of Italy; or (ii) is an international body or entity set up in accordance with international agreements which have entered into force in the Republic of Italy; or (iii) is the Central Bank or an entity also authorised to manage the official reserves of a country; or (iv) is an institutional investor which is established in a country which allows for a satisfactory exchange of information with the Republic of Italy, even if it does not possess the status of taxpayer in its own country of establishment (each, a “**Qualified Noteholder**”).

The countries which allow for a satisfactory exchange of information with Italy are listed in the Ministerial Decree dated 4 September 1996, as amended by Ministerial Decree of 23 March 2017 and possibly further amended by any future decree issued pursuant to Article 11(4)(c) of Decree 239 (as amended by Legislative Decree No. 147 of 14 September 2015) (the “**White List Country**”).

The exemption procedure for Noteholders who are non-resident in Italy and are resident in a White List Country identifies two categories of intermediaries:

- (a) an Italian or foreign bank or financial institution (there is no requirement for the bank or financial institution to be EU resident) (the “**First Level Bank**”), acting as intermediary in the deposit of the Notes held, directly or indirectly, by the Noteholder with a Second Level Bank (as defined below); and
- (b) an Italian resident bank or SIM, or a permanent establishment in Italy of a non-resident bank or SIM, acting as depositary or sub-depositary of the Notes appointed to maintain direct relationships, via electronic link, with the Italian tax authorities (the “**Second Level Bank**”). Organisations and companies non-resident in Italy, acting through a system of centralised administration of securities and directly connected with the Department of Revenue of the Ministry of Economy and Finance (which include Euroclear and Clearstream) are treated as Second Level Banks, provided that they appoint an Italian representative (an Italian resident bank or SIM, or permanent establishment in Italy

of a non-resident bank or SIM, or a central depository of financial instruments pursuant to Article 80 of Legislative Decree No. 58 of 24 February 1998) for the purposes of the application of Decree 239.

In the event that a non-Italian resident Noteholder deposits the Notes directly with a Second Level Bank, the latter shall be treated both as a First Level Bank and a Second Level Bank.

The exemption from the *imposta sostitutiva* for the Noteholders who are non-resident in Italy is conditional upon:

- (a) the deposit of the Notes, either directly or indirectly, with an institution which qualifies as a Second Level Bank; and
- (b) the submission to the First Level Bank or the Second Level Bank of a statement of the relevant Noteholder (*autocertificazione*), to be provided only once, in which it declares that it is eligible to benefit from the exemption from *imposta sostitutiva*. Such statement must comply with the requirements set forth by a Ministerial Decree dated 12 December 2001, is valid until withdrawn or revoked and needs not to be submitted where a certificate, declaration or other similar document for the same or equivalent purposes was previously submitted to the same depository. The above statement is not required for non-Italian resident investors that are international bodies or entities set up in accordance with international agreements entered into force in the Republic of Italy or Central Banks or entities also authorised to manage the official reserves of a State.

Additional requirements are provided for “institutional investors”.

Failure of a non-resident holder of the Notes to comply in due time with the procedures set forth in Legislative Decree No. 239 and in the relevant implementing rules will result in the application of the *imposta sostitutiva* on interest payments to a non-resident holder of the Notes.

In the case of non-Italian resident Noteholders not having a permanent establishment in Italy to which the Notes are effectively connected, the *imposta sostitutiva* may be reduced (generally to 10%) or eliminated under certain applicable tax treaties entered into by Italy, if more favourable, subject to timely filing of the required documentation.

Notes qualifying as atypical securities (titoli atipici)

Interest payments relating to Notes that are neither deemed to fall within the category of bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*) nor in the category of shares (*azioni*) or securities similar to shares (*titoli similari alle azioni*) are subject to a withholding tax levied at the rate of 26%.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity may be exempt from any income taxation, including the *imposta sostitutiva*, on interest, premium and other income relating to the Notes if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of the Finance Act 2017, in Article 1 (210-215) of the Finance Act 2019 and in Article 136 of Law Decree No. 34 of 19 May 2020, as amended from time to time.

Where the Noteholder is (i) a non-Italian resident person, (ii) an Italian resident individual not holding the Notes for the purpose of carrying out a business activity, (iii) an Italian resident non-commercial partnership, (iv) an Italian resident non-commercial private or public institution, (v) a Fund, (vi) a Real Estate Investment Fund, (vii) a Pension Fund, (viii) an Italian resident investor exempt from Italian corporate income taxation, such withholding tax is a final withholding tax.

Where the Noteholder is (i) an Italian resident individual carrying out a business activity to which the Notes are effectively connected, or (ii) an Italian resident corporation or a similar Italian commercial entity (including a permanent establishment in Italy of a foreign entity to which the Notes are effectively connected), such withholding tax is an advance withholding tax.

In the case of non-Italian resident Noteholders, without a permanent establishment in Italy to which the Notes are effectively connected, the above-mentioned withholding tax rate may be reduced (generally to 10%) or

eliminated under certain applicable tax treaties entered into by Italy, if more favourable, subject to timely filing of the required documentation.

Fungible issues

Pursuant to Article 11(2) of Decree No. 239, where the Issuer issues a new Tranche forming part of a single series with a previous Tranche, for the purposes of calculating the amount of Interest subject to *imposta sostitutiva* (if any), the issue price of the new Tranche will be deemed to be the same as the issue price of the original Tranche. This rule applies where (a) the new Tranche is issued within 12 months from the issue date of the previous Tranche and (b) the difference between the issue price of the new Tranche and that of the original Tranche does not exceed 1% of the nominal value of the Notes multiplied by the number of years of the duration of the Notes.

Capital Gains

Italian resident Noteholders

Pursuant to Legislative Decree No. 461 of 21 November 1997 (“**Decree No. 461**”), as amended, a 26% capital gains tax (the “**CGT**”) is applicable to capital gains realised on any sale or transfer of the Notes for consideration by Italian resident individuals (not engaged in a business activity to which the Notes are effectively connected), regardless of whether the Notes are held outside of Italy.

For the purposes of determining the taxable capital gain, any Interest on the Notes accrued and unpaid up to the time of the purchase and the sale of the Notes must be deducted from the purchase price and the sale price, respectively.

With regard to the CGT application, taxpayers may opt for one of the three following regimes:

- (a) “Tax declaration” regime (“**Regime della Dichiarazione**”) – The Noteholder must assess the overall capital gains realised in a certain fiscal year, net of any incurred capital losses, in his annual income tax return and pay the CGT so assessed together with the income tax due for the same fiscal year. Losses exceeding gains can be carried forward into following fiscal years up to the fourth following fiscal year. Since this regime constitutes the ordinary regime, the taxpayer must apply it to the extent that the same does not opt for either of the two other regimes;
- (b) “Non-discretionary investment portfolio” regime (“**Risparmio Amministrato**”) – The Noteholder may elect to pay the CGT separately on capital gains realised on each sale or transfer of the Notes. Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with banks, SIMs or other authorised intermediaries and (ii) an express election for the *Risparmio Amministrato* regime being made in writing by the relevant Noteholder. The *Risparmio Amministrato* lasts for the entire fiscal year and unless revoked prior to the end of such year will be deemed valid also for the subsequent one. The intermediary is responsible for accounting for the CGT in respect of capital gains realised on each sale or transfer of the Notes, as well as in respect of capital gains realised at the revocation of its mandate. Where a particular sale or transfer of the Notes results in a net loss, the intermediary is entitled to deduct such loss from gains subsequently realised on assets held by the Noteholder with the same intermediary and within the same deposit relationship, in the same fiscal year or in the following fiscal years up to the fourth following fiscal year. The Noteholder is not required to declare the gains in his annual income tax return; and
- (c) “Discretionary investment portfolio” regime (“**Risparmio Gestito**”) – If the Notes are part of a portfolio managed by an Italian asset management company, capital gains are not subject to the CGT, but contribute to determine the annual net accrued result of the portfolio. Such annual net accrued result of the portfolio, even if not realised, is subject to an ad-hoc 26% substitutive tax, which the asset management company is required to levy on behalf of the Noteholder. Any losses of the investment portfolio accrued at year end may be carried forward against net profits accrued in each of the following fiscal years, up to the fourth following fiscal year. Under such regime the Noteholder is not required to declare the gains in his annual income tax return.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not engaged in an entrepreneurial activity, or social security entities pursuant to Decree No. 509

and Decree No. 103, may be exempt from Italian capital gain taxes, including the GGT, on capital gains realised upon sale or redemption of the Notes if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of the Finance Act 2017, in Article 1(210-2015) of the Finance Act 2019, and in Article 136 of Law Decree No. 34 of 19 May 2020, as amended from time to time.

The CGT does not apply to the following subjects:

- (A) *Corporate investors* – Capital gains realised on the Notes by Italian resident corporate entities (including a permanent establishment in Italy of a foreign entity to which the Notes are effectively connected) form part of their aggregate income subject to IRES. In certain cases, capital gains may also be included in the taxable net value of production of such entities for IRAP purposes. The capital gains are calculated as the difference between the sale price and the relevant tax basis of the Notes. Upon fulfilment of certain conditions, the gains may be taxed in equal instalments over up to five fiscal years.
- (B) *Funds* – Capital gains realised by the Funds on the Notes are subject neither to CGT nor to any other income tax in the hands of the Funds (see “*Italian Resident Noteholders*”, above).
- (C) *Pension Funds* – Capital gains realised by Pension Funds on the Notes contribute to determine their annual net accrued result, which is subject to an 20% substitutive tax (see “*Italian Resident Noteholders*”, above).
- (D) *Real Estate Investment Funds* – Capital gains realised by Real Estate Investment Funds and by SICAFs to which the provisions of Article 9 of Legislative Decree No. 44 of 4 March 2014 apply on the Notes are not taxable at the level of same Real Estate Investment Funds (see “*Italian Resident Noteholders*”, above).

Non Italian resident Noteholders

Capital gains realised by non-resident Noteholders (not having permanent establishment in Italy to which the Notes are effectively connected) on the disposal of the Notes are not subject to tax in Italy, regardless of whether the Notes are held in Italy, subject to the condition that the Notes are listed in a regulated market in Italy or abroad (*e.g.* Euronext Dublin).

Should the Notes not be listed in a regulated market as indicated above, the aforesaid capital gains would be subject to tax in Italy, if the Notes are held by the non-resident Noteholder therein. Pursuant to Article 5 of Decree 461, an exemption, however, would apply with respect to beneficial owners of the Notes, which are Qualified Noteholders.

In any event, non-Italian resident Noteholders without a permanent establishment in Italy to which the Notes are effectively connected that may benefit from a tax treaty with Italy providing that capital gains realised upon sale or transfer of Notes are taxed only in the country of tax residence of the recipient, will not be subject to tax in Italy on any capital gains realised upon any such sale or transfer.

Registration tax

Contracts relating to the transfer of securities are subject to the registration tax as follows: (i) public deeds and notarised deeds (*atti pubblici e scritture private autenticate*) executed in Italy should be subject to a fixed registration tax (Euro 200); (ii) private deeds (*scritture private non autenticate*) should be subject to registration tax only in “case of use” or voluntary registration at a fixed amount (Euro 200).

Stamp duty

Pursuant to Article 19(1) of Decree No. 201 of 6 December 2011 (the “**Decree 201**”), as subsequently amended and supplemented by Law No. 147 of 27 December 2013, a proportional stamp duty applies on an annual basis to any periodical reporting communications which may be sent by a financial intermediary to a Noteholder in respect of any Notes which may be deposited with such financial intermediary. The stamp duty is collected by banks and other financial intermediaries and applies, on a yearly basis, at a rate of 0.2%; this stamp duty is determined on the basis of the market value or – if no market value figure is available – the

nominal value or redemption amount of the Notes held. The stamp duty cannot exceed €14,000 for taxpayers other than individuals.

The proportional stamp duty does not apply to communications sent by Italian financial intermediaries to subjects not qualifying as clients, as defined by the Provision of the Governor of the Bank of Italy of 20 June 2012. Communications and reports sent to this type of investors are subject to the ordinary €2.00 stamp duty for each copy. Moreover, the proportional stamp duty does not apply to communications sent to Pension Funds.

Periodical communications to clients are presumed to be sent at least once a year, even though the intermediary is not required to send any communications. In this case, the stamp duty is to be applied on 31 December of each year or in any case at the end of the relationship with the client. At any rate, where no specific exemption applies, a minimum stamp tax of Euro 34.20 is due on a yearly basis for individuals and Euro 100.00 for taxpayers other than individuals.

Wealth tax on securities deposited abroad

Pursuant to Article 19(18) and (18-*bis*) of Decree 201, individuals, non-profit entities and certain partnerships (*società semplici* or similar partnerships in accordance with Article 5 of ITC) resident in Italy for tax purposes, holding the Notes outside the Italian territory are required to pay a wealth tax at a rate of 0.2%. For taxpayers different from individuals, IVAFE cannot exceed Euro 14,000 per year.

This tax is calculated on the market value of the Notes at the end of the relevant year or – if no market value figure is available – the nominal value or the redemption value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the country where the financial assets are held (up to an amount equal to the Italian wealth tax due).

Inheritance and gift tax

Inheritance and gift taxes apply on the overall net value of the relevant transferred assets, at the following rates, depending on the relationship between the testate (or donor) and the beneficiary (or donee):

- (a) 4% on the net asset value exceeding, for each person, Euro 1 million, if the beneficiary (or donee) is the spouse or a direct ascendant or descendant;
- (b) 6% on the net asset value exceeding, for each person, Euro 100,000, if the beneficiary (or donee) is a brother or sister;
- (c) 6% on the net asset value, if the beneficiary (or donee) is a relative within the fourth degree or a direct relative-in-law as well an indirect relative-in-law within the third degree;
- (d) 8% on the net asset value, if the beneficiary (or donee) is a person, other than those mentioned under (a), (b) and (c) above.

In case the beneficiary has a serious disability recognised by law, inheritance and gift taxes apply on its portion of the net asset value exceeding Euro 1.5 million.

The *mortis causa* transfer of financial instruments included in a long-term savings account (*piano di risparmio a lungo termine*) – that meets the requirements set forth in Article 1 (100-114) of the Finance Act 2017, as amended from time to time – is exempt from inheritance tax.

Tax monitoring

Pursuant to Law Decree No. 167 of 28 June 1990, converted by Law No. 227 of 4 August 1990, as amended, individuals, non-profit entities and certain partnerships (*società semplici* or similar partnerships in accordance with Article 5 of ITC) resident in Italy for tax purposes who, at the end of the fiscal year, hold investments abroad or have financial activities abroad must, in certain circumstances, disclose the aforesaid and related transactions to the Italian tax authorities in their income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time as prescribed for the income tax return).

The requirement also applies where the abovementioned persons, being not the direct holders of the financial instruments, are the actual owners of the instruments.

In relation to the Notes, such reporting obligation shall not apply if the Notes are not held abroad and, in any case, if the Notes are deposited with an Italian intermediary that intervenes in the collection of the relevant income and the intermediary applied withholding or substitute tax on income derived from the Notes.

US Foreign Account Tax Compliance Withholding

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (“**FATCA**”) impose a reporting regime and potentially a withholding tax with respect to certain payments to any non-U.S. financial institution (a “**FFI**”) that does not enter into an agreement with the U.S. Internal Revenue Service (“**IRS**”) to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA.

According to the intergovernmental agreement (“**IGA Italy**”) signed by the United States of America and the Republic of Italy on 10 January 2014 and implemented in Italy by Law No. 95 of 18 June 2015, a FFI is not generally subject to withholding under FATCA on any payments it receives. Furthermore, a FFI is not required to withhold from payments it makes (unless it has agreed to do so under the U.S. “qualified intermediary” regime, according to which, in certain cases, a 30% withholding tax is applied on the payments from sources within the United States).

Certain aspects of the application of these rules to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

The Proposed Financial Transactions Tax (“FTT”)

On 14 February 2013, the European Commission has published a proposal for a Directive for a common FTT in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovenia, Slovakia and Spain (the “**FTT Member States**”). Such proposal was approved by the European Parliament on 3 July 2013. However, Estonia has since stated that it will not participate.

The proposed FTT has very broad scope and, if introduced in its current form, could apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under the current proposals the FTT could apply in certain circumstances to persons both within and outside of the FTT Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a FTT Member State. A financial institution may be, or be deemed to be, “established” in a FTT Member State in a broad range of circumstances, including (a) by transacting with a person established in a FTT Member State or (b) where the financial instrument which is subject to the dealings is issued in a FTT Member State.

However, the FTT proposal remains subject to negotiation between the FTT Member States and may be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to any one or more of Mediobanca – Banca di Credito Finanziario S.p.A., UniCredit Bank AG (jointly, the “**Arrangers**”) and any other Dealer appointed from time to time by the Issuer (together with the Arrangers, the “**Dealers**”). The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in a Dealer Agreement dated 12 August 2020 (the “**Dealer Agreement**”) and made between the Issuer and the Dealers. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

United States of America: *Regulation S Category 2; TEFRA D or TEFRA C as specified in the relevant Final Terms or neither if TEFRA is specified as not applicable in the relevant Final Terms.*

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Dealer has agreed that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche, as certified to the Principal Paying Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to the Notes of such Tranche purchased by or through it, in which case the Principal Paying Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Prohibition of sales to EEA and UK Retail Investors

Unless the Final Terms in respect of any Notes specifies “Prohibition of Sales to EEA and UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area or the United Kingdom. For the purposes of this provision:

- (a) the expression **retail investor** means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
 - (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; and

- (b) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

If the Final Terms in respect of any Notes specifies “Prohibition of Sales to EEA and UK Retail Investors” as “Not Applicable”, in relation to each Member State of the European Economic Area or the United Kingdom (each, a “**Relevant State**”), each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto (or are the subject of the offering contemplated by a Drawdown Prospectus, as the case may be) to the public in that Relevant State except that it may make an offer of such Notes to the public in that Relevant State:

- (a) *Qualified investors*: at any time to any legal entity or person which is a qualified investor as defined in the Prospectus Regulation;
- (b) *Fewer than 150 offerees*: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) *Other exempt offers*: at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

Italy

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* (“**CONSOB**”) pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this Base Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (a) to qualified investors (*investitori qualificati*) as defined in Article 2, letter e) of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”), pursuant to Article 1, fourth paragraph, letter a) of the Prospectus Regulation and in Article 100 of Legislative Decree No. 58 of 24 February 1998; or
- (b) subject as provided under “*Prohibition of sales to EEA and UK Retail Investors*” above, in any other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation and any other applicable Italian laws and regulations.

Any such offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus or any other document relating to the Notes in the Republic of Italy must be in compliance with the selling restriction under (a) and (b) above and:

- (a) be made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the relevant provisions of Legislative Decree No. 58 of 24 February 1998, CONSOB Regulation No. 20307 of 15 February 2018 and Legislative Decree No. 385 of 1 September 1993 (the “**Banking Act**”) (in each case, as amended from time to time) and any other applicable laws or regulations;
- (b) comply with Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the offering or issue of securities in Italy or by Italian persons outside of Italy; and

- (c) be made in compliance with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy and/or any other competent Authority.

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that any offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus or any other document relating to the Notes in the Republic of Italy will be made in accordance with all Italian securities, tax and exchange control and other applicable laws and regulations.

United Kingdom

Each Dealer has represented, warranted and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

France

Each of the Dealers and the Issuer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that:

- (i) Offer to the public in France:

it has only made and will only make an offer of Notes to the public in France in the period beginning on the date of notification to the *Autorité des Marchés Financiers* (“AMF”) of the approval of the prospectus relating to those Notes by the competent authority of a Member State of the European Economic Area, other than the AMF, all in accordance with articles L.412-1 and L.621-8 of the French Code *monétaire et financier* and the *Règlement général* of the AMF and ending at the latest on the date which is 12 months after the date of the approval of this Base Prospectus; or

- (ii) Private placement in France:

it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d’investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account, and/or (c) a limited circle of investors (*cercle restreint*) acting for their own account, as defined in, and in accordance with, Articles L. 411-1, L. 411-2, D. 411-1 and D. 411-4 of the French *Code monétaire et financier*.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended), accordingly, each Dealer has undertaken that it will not offer or sell any Notes directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, “**Japanese Person**” shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

General

Each Dealer has represented, warranted and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed “*General*” above.

None of the Issuer and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification may be set out in a supplement to this Base Prospectus.

GENERAL INFORMATION

Listing and admission to trading

This Base Prospectus has been approved as a base prospectus issued in compliance with the Prospectus Regulation by the Central Bank in its capacity as competent authority in the Republic of Ireland for the purposes of the Prospectus Regulation. Application has been made for Notes issued under the Programme to be listed on the official list of Euronext Dublin and admitted to trading on the regulated market of Euronext Dublin.

For the purposes of admitting Notes to trading on a regulated market in a member state of the European Economic Area other than the Republic of Ireland, the Central Bank may, at the request of the Issuer, send to the competent authority of another Member State: (i) a copy of this Base Prospectus; (ii) a certificate of approval attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Regulation; and (iii) if so required by the competent authority of such Member State, a translation into the official language(s) of such Member State of a summary of this Base Prospectus.

Authorisation

The establishment of the Programme was authorised by resolution of the board of directors of the Issuer dated 20 January 2020. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes and the entering into of the relevant Intercompany Loans and related Deeds of Pledge relating to the Secured Notes in accordance with applicable provisions of Italian law and its By-Laws (*statuto*).

Foreign languages used in the Base Prospectus

The language of this Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

Legal and Arbitration Proceedings

Save as disclosed in the section headed “*Description of the Issuer – Legal proceedings*”, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of this Base Prospectus, a significant effect on the financial position or profitability of the Issuer or the Group.

Material Adverse Change / Significant Change

Except for the impacts of the Covid-19 pandemic (see “*Risk Factors – Risks related to the current pandemic – Risks related to the Covid-19 pandemic*”, above) and the disclosure in the section headed “*Description of the Issuer – Recent Developments*” above, there has been no material adverse change in the prospects of the Issuer or the Group since 31 December 2019 (the end of the last financial period for which audited financial information has been published) and there has been no significant change in the financial performance or financial position of the Issuer or the Group since 30 June 2020 (the end of the last financial period for which interim financial information has been published).

Auditors

The consolidated annual financial statements of the Issuer as at and for the years ended 31 December 2018 and 2019 were audited without qualification by PricewaterhouseCoopers S.p.A., independent registered public accounting firm, as set forth in their reports thereon, and are incorporated by reference herein.

PricewaterhouseCoopers S.p.A. is registered under No. 119644 in the Register of Accountancy Auditors (Registro dei Revisori Legali), held by the Ministry of Economy and Finance, in compliance with the provisions of the Legislative Decree of 27 January 2010, No. 39. PricewaterhouseCoopers S.p.A., which is located at Via Monte Rosa 91, 20149, Milan, Italy, is also a member of ASSIREVI, the Italian association of auditing firms.

Documents available for inspection

For so long as the Programme remains in effect or any Notes shall be outstanding, copies and, where appropriate, English translations of the following documents will, when published, be available for inspection on the website of the Issuer at www.astm.it/en/emtn-programme/:

- (a) copy of this Base Prospectus along with any supplements to this Base Prospectus;
- (b) the By-Laws (*statuto*) of the Issuer;
- (c) the Agency Agreement;
- (d) the Trust Deed (which contains the forms of the Notes in global and definitive form);
- (e) the Programme Manual; and
- (f) any Final Terms relating to Notes which are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system (save that, in the case of any Notes which are not admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, copies of the relevant Final Terms will only be available for inspection by the relevant Noteholders).

Financial statements available

For so long as the Programme remains in effect or any Notes are outstanding, electronic copies and, where appropriate, English translations of the latest annual consolidated financial statements of the Issuer and consolidated interim financial statements of the Issuer (if published) may be obtained during normal business hours at the specified office of the Principal Paying Agent and will be available on the website of the Issuer at www.astm.it/en/financial-reports/.

Clearing of the Notes

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and the International Securities Identification Number in relation to the Notes of each Tranche will be specified in the relevant Final Terms. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1 855 Luxembourg.

Dealers transacting with the Issuer – Potential conflicts of interest

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions (including, without limitation, the provision of loan facilities) with, and may perform services to the Issuer and its affiliates in the ordinary course of business.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the issuer's affiliates. Certain of the Dealers and their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Issuer's securities, including potentially the Notes offered hereby. Any such short positions could adversely affect future trading prices of the Notes offered hereby. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. For the avoidance of doubt, the term '*affiliates*' includes also parent companies.

Post-issuance Information

The Issuer will not provide any post-issuance information, unless required to do so by any applicable laws and regulations.

REGISTERED OFFICE OF THE ISSUER

ASTM S.p.A.
Corso Regina Margherita, 165
10144 Turin
Italy

ARRANGERS

**Mediobanca – Banca di Credito
Finanziario S.p.A.**
Piazzetta E. Cuccia, 1
20121 Milan
Italy

UniCredit Bank AG
Arabellastrasse 12
81925 Munich
Germany

DEALERS

**Mediobanca – Banca di Credito
Finanziario S.p.A.**
Piazzetta E. Cuccia, 1
20121 Milan
Italy

UniCredit Bank AG
Arabellastrasse 12
81925 Munich
Germany

TRUSTEE

Deutsche Trustee Company Limited
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

PRINCIPAL PAYING AGENT

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

LISTING AGENT

Walkers Listing Services Limited
5th Floor, The Exchange, George's Dock, IFSC
Dublin 1, D01 W3P9
Ireland

LEGAL ADVISERS

To the Issuer as to Italian law:

Legance Avvocati Associati
Via Broletto, 20
20121 Milan
Italy

To the Dealers as to English and Italian law:

White & Case LLP
Piazza Diaz, 2
20122 Milan
Italy

AUDITORS TO THE ISSUER

PricewaterhouseCoopers S.p.A.
Via Monte Rosa
91 – 20149 Milan
Italy