



NAF 2

INTERIM FINANCIAL REPORT AS AT 30 JUNE 2021

REGISTERED OFFICE: TORTONA (AL) - CORSO ROMITA 10

Share capital Euro 50,000 fully paid-up

TAX CODE AND REGISTRATION NO. IN ALESSANDRIA COMPANIES REGISTER 11507630967

ALESSANDRIA CHAMBER OF COMMERCE -. REA NO. AL - 301474

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Introduction

Reporting criteria

The Interim Financial Report as at 30 June 2021 consists of the Management Report prepared in accordance with Article 2428 of the Italian Civil Code and the Separate Financial Statements prepared in accordance with Articles 2424 and 2425 of the Italian Civil Code.

These statements have been prepared in accordance with national accounting standards pursuant to Italian Legislative Decree 139/2015 published in the Official Gazette on 4 September 2015.

NAF 2 S.p.A.

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REPORT ON THE MAIN CONSOLIDATED FINANCIAL HIGHLIGHTS OF THE FIRST HALF OF 2021

The Interim Report as at 30 June 2021 consists of the Statement of Financial Position and this report describing the Main Consolidated Financial Highlights.

The Company, incorporated on 17 December 2020 and wholly acquired by its parent Nuova Argo Finanziaria S.p.A. on 19 February 2021, has as its exclusive purpose the holding, management and disposition, both directly and indirectly, of investments in other companies, including the exercise of related administrative and property rights.

The result for the period shows a loss of approximately € 14.5 million, essentially attributable to the primarily financial charges incurred due to the loan received for the promotion of the voluntary public tender offer for ASTM S.p.A. shares, as described below.

SIGNIFICANT EVENTS IN THE FIRST HALF OF 2021

OPA for ASTM shares

On 20 February 2021, the Company (or “NAF 2”) promoted, pursuant to and for the purposes of Article 102, paragraph 1, of the Consolidated Finance Law (TUF) and Article 37 of the Issuers' Regulations, a voluntary tender offer (“OPA” or “Offer”) aimed at: (i) acquiring all the ordinary shares (the “Shares”) of ASTM - after deducting (a) the total 60,449,417 Shares held by Nuova Argo Finanziaria S.p.A. (of which 58,501,677 directly and 1,947,740 indirectly through Nuova Codelfa S.p.A.), (b) the 2,385,650 Shares held by Mercure Investment S.à r.l. and (c) the 10,741,948 Treasury Shares held by ASTM - for a total of 66,937,880 ordinary ASTM shares, representing 47.638% of the incorporating Company’s share capital; and (ii) obtaining delisting of the shares from the Electronic Stock Market, organised and managed by Borsa Italiana S.p.A.

The acceptance period agreed upon with Borsa Italiana S.p.A. began on 13 April 2021 and ended on 24 May 2021¹.

On 27 May 2021 the definitive figures for the OPA were announced, that is the acceptance of 59,662,202 shares, representing approximately 42.460% of ASTM share capital, for a total value of € 1,670,541,656².

On 6 May 2021, the Company purchased, outside of the offer, 1,010,888 ASTM S.p.A. shares from Autostrada del Brennero for € 25.60 per share, corresponding to a total outlay of € 26,098,702.03 including commissions of € 194,090.50 and the Tobin tax of € 25,878.73. On 7 May the Company paid Autostrada del Brennero an

¹ As extended through the NAF 2 press release of 7 May 2021 (available, inter alia, on the Issuer's website at www.astm.it).

² Calculated on the basis of the per-share consideration of € 28.00 for each Share tendered, as increased through the NAF 2 press release of 7 May 2021.

additional fee of € 2.40³ per share for a total outlay of € 2,446,753, including € 18,195.67 in commissions and a Tobin tax of € 2,426.13.

Taking into account the participation held by NAF 2, Nuova Argo Finanziaria S.p.A., Nuova Codelfa S.p.A. and Mercure Investment S.à.r.l., as well as the Treasury Shares and the Shares acquired by NAF 2 outside of the Offer, NAF 2 now holds a total of 134,250,105 Shares, representing approximately 95.542% of the share capital and has consequently initiated the joint procedure for exercising squeeze-out rights pursuant to article 111 of the TUF and the simultaneous fulfilment of the sell-out obligation pursuant to article 108, paragraph 1, of the TUF, for the remaining 6,264,790 ordinary shares of ASTM still in circulation, equal to 4.458% of the share capital of ASTM (the "Residual Shares"), for a total value of € 175,414,120.

With provision 8772 of 28 May 2021, Borsa Italiana S.p.A. ordered trading of the Issuer's shares suspended on the Electronic Stock Market (MTA) (ISIN IT0000084027) for the sessions on Wednesday 2 June and Thursday 3 June 2021, and removed the listing as of 4 June 2021.

As of today, the Company directly holds 66,937,880 ASTM S.p.A. shares. (equal to 47.638% of share capital).

Other significant events

Loans received from the parent company Nuova Argo Finanziaria S.p.A. and fully repaid.

During the first half of the year, the Company received two interest-free loans from the parent, Nuova Argo Finanziaria S.p.A., amounting to € 1.75 million and € 26.1 million respectively, both of which were fully repaid on 1 June 2021. The loans shall be used to finance the purchase of shares in Nuova Argo Finanziaria S.p.A..

Merger by incorporation of NAF 2 S.p.A. and ASTM S.p.A.

As described in the Offer document approved by CONSOB with resolution 21786 of 1 April 2021 and published on ASTM's website on 2 April 2021 ("Offer Document"), NAF 2 reserved the right, subordinate to approval by the relevant company bodies, to carry out a reverse merger of NAF 2 into ASTM ("Merger"), notwithstanding the applicability of article 2501-bis of the Italian Civil Code. Hence, the Merger is part of a highly structured operation, which begun with the launching of the Offer to achieve Delisting and, further to (i) simplify the corporate structure of the Group, shortening the control chain and (ii) improve operating flexibility and reduce organisational levels to make the decision making process more rapid, among other things.

In order to obtain the funding necessary to purchase all of the Shares in the context of the Offer, NAF 2 acquired debt, stipulating a loan agreement with a pool of lender banks for an amount of up to € 1.9 billion. Following the Merger, the total residual debt weighing upon NAF 2 will fall to ASTM. Therefore, ASTM's equity will serve as a source for repaying the stated debt.

On 24 June 2021, the governing bodies of ASTM and NAF 2 approved the Merger, which was approved by the extraordinary shareholders' meetings of ASTM and NAF 2 on 5 August 2021.

³ Determined based on the increase in the OPA per-share consideration pursuant to the press release of 7 May 2021.

ANALYSIS OF THE ACCOUNTING DATA

The pre-tax revenue and expenditure items as at 30/06/2021 are summarized in the following table:

(€ '000s)	30.06.2021
Income from equity investments	0
Other financial income	0
Interest and other financial expenses	(10,491)
Tot. financial income and expenses	(10,491)
Value adjustments of financial activities	0
Other operating income	0
Other operating costs	(4,035)
Pre-tax profit (loss)	(14,526)

The most significant item is *Interest and other financial expense* for approximately € 10.5 million, consisting of nominal and notional interest expense on the loan agreement signed for a principal amount of € 1.9 billion, as well as commissions paid to the lending banks at the time the loan was obtained.

Operating costs, amounting to approximately € 4 million, include costs for services amounting to € 818 thousand (legal, notary and other professional consulting fees) and other operating expenses of € 3.2 million, mainly attributable to the Tobin Tax paid on the purchase of shares in ASTM S.p.A..

FINANCIAL MANAGEMENT

The main components of the statement of financial position as at 30 June 2021 can be summarized as follows:

(€ '000s)	30/06/2021
Net fixed assets	1,883,535
Working capital	(12,820)
Invested capital	1,870,715
Employee severance indemnity and other provisions	0
Invested capital less provisions for medium- and long-term risks and charges	1,870,715
Shareholders' equity and result	(14,476)
Net financial indebtedness	1,885,191
Equity and minority interests	1,870,715

The item *Net fixed assets* represents the participation held in ASTM S.p.A. following the completion of the public tender offer at the beginning of June, which gave the company a direct holding of 66,937,880 shares, equal to 47.638% of the company's share capital.

NET FINANCIAL INDEBTEDNESS

The main components of the statement of net financial indebtedness as at 30 June 2021 can be summarized as follows:

<i>(€ '000s)</i>	30/06/2021
A) Cash and cash equivalents	32,007
B) Securities held for trading	0
C) Liquidity (A) + (B)	32,007
D) Current financial receivables	0
E) Bank short-term borrowings	(1,917,198)
F) Current portion of medium/long-term borrowings	0
G) Other current financial liabilities	0
H) Short-term borrowings (E) + (F) + (G)	(1,917,198)
I) Current net cash (debt) (C) + (D) + (H)	(1,885,191)
J) Bank long-term borrowings	0
K) Bonds issued	0
L) Other long-term payables	0
M) Long-term borrowings (J) + (K) + (L)	(1,885,191)
N) Net cash (debt) (I) + (M)	(1,885,191)

The item *Bank short-term borrowings* represents the loan agreement entered into by NAF 2 with a pool of lending banks for an amount of € 1.9 billion in order to obtain the financial resources to acquire all the ASTM Shares in the context of the Offer promoted on the market. On 30 June 2021, the Company paid the first instalment for interest only, for an amount equal to € 1.1 million.

OTHER INFORMATION REQUIRED BY CURRENT LEGISLATION

Information on the Environment

With regard to environmental information, we can note that the Company carries out its activities in full compliance with the provisions in effect on the subject of the environment.

Research and development

We can attest that the Company did not perform research and development activity.

Intragroup transactions

The financial and economic data concerning transactions during the period with subsidiaries, associated companies, parent companies and companies under the control of these latter companies are shown below.

With regard to financial transactions with parent companies, the following should be noted:

- Payable to Nuova Argo Finanziaria S.p.A. for approximately € 73 thousand for the redebiting of legal costs.

There were no other intragroup transactions

We can note that, other than as described above, there were no further significant transactions carried out with "related parties".

Under the terms of article 2391 bis of the Italian Civil Code, we can note that related party transactions (performed directly, or through subsidiaries) are carried out on the basis of rules which ensure transparency, as well as substantial and procedural correctness. The transactions indicated above were carried out under normal market conditions.

Information pursuant to art. 2428 numbers 3) and 4) of the Italian Civil Code

The Company does not hold directly and/or through a trust company or intermediary either treasury shares or shares or quotas of parent companies. Equally, no change in the above shares or quotas occurred during the year.

Secondary offices

The Company does not have secondary offices.

Subsequent events occurring after the end of the first half of the year

Further to what has already been reported, no significant events occurred after 30 June 2021.

Business outlook

Based on resolutions thus far, the Company will be merged with ASTM S.p.A. next November.

Tortona, 22 October 2021

For the Board of Directors

The Chairman

(Mr Alberto Rubegni)

NAF 2 S.p.A. – ACCOUNTING STATEMENTS
AS AT AND FOR THE PERIOD ENDED 30 JUNE 2021

BALANCE SHEET**ASSETS**

amounts in euro	30 June 2021
A) AMOUNTS DUE FROM SHAREHOLDERS FOR OUTSTANDING PAYMENTS	
B) FIXED ASSETS, with separate indication of those leased:	
I - INTANGIBLE FIXED ASSETS	
II - TANGIBLE FIXED ASSETS	
III – FINANCIAL FIXED ASSETS	
1) corporate shareholdings:	
d) controlled by parent companies	1,883,535,408
total	<u>1,883,535,408</u>
Total.	<u>1,883,535,408</u>
Total Fixed assets	<u>1,883,535,408</u>
C) CURRENT ASSETS	
I - INVENTORIES	
II - RECEIVABLES	
III - FINANCIAL ASSETS NOT CLASSIFIED AS FIXED ASSETS	
IV – CASH AND CASH EQUIVALENTS:	
1) bank and post office deposits	32,007,483
Total.	<u>32,007,483</u>
Total current assets	<u>32,007,483</u>
D) ACCRUALS AND DEFERRALS	
TOTAL ASSETS.	<u><u>1,915,542,891</u></u>
A) SHAREHOLDERS' EQUITY:	
I - Share capital.	50,000
II - Share premium reserves.	
III - Revaluation reserves.	
IV - Legal reserves.	
V - Statutory reserves	
VI - Other reserves:	
- extraordinary reserves	
- shareholder payment in capital account	
- roundings	
VII - Reserve for unrealized exchange rate gains	
VIII - Retained earnings (accumulated losses).	
IX - Net income (loss) for the year.	(14,526,248)
X - Negative reserve for treasury shares	
Total shareholders' equity	<u>(14,476,248)</u>
B) PROVISIONS FOR RISKS AND CHARGES:	
C) EMPLOYEES' SEVERANCE SEVERANCE	
D) PAYABLES:	
4) bank payables:	
current;	1,917,198,029
non-current;	
7) payables to suppliers	
current;	8,126,901
non-current;	
12) tax payables:	
current;	453,269
non-current;	
14) other payables:	
current;	4,240,940
non-current;	
Total payables	<u>1,930,019,139</u>
E) ACCRUALS AND DEFERRALS	
TOTAL LIABILITIES	<u><u>1,915,542,891</u></u>

INCOME STATEMENT

amounts in euro	30 June 2021
A) VALUE OF PRODUCTION:	
Total.	0
B) PRODUCTION COSTS:	
6) for raw and ancillary materials, consumables and goods;	0
7) for services;	818,573
8) for leasing and rental expenses;	0
14) other operating expenses;	3,216,896
Total.	4,035,469
DIFFERENCE BETWEEN THE VALUE AND COSTS OF PRODUCTION (A-B)	(4,035,469)
C) FINANCIAL INCOME AND EXPENSE	
17) interest and other financial expenses	
from:	
- subsidiaries;	
- associated companies;	
- parent companies;	
- other companies;	
- banks;	(10,490,779)
total;	(10,490,779)
TOTAL	(10,490,779)
D) ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS	
Total adjustments	0
Earned income before taxes	(14,526,248)
20) income taxes on the income of the period	
a) current taxation;	
b) tax and advances;	
c) last years taxation;	
total;	
21) Profit (loss) for the financial period	(14,526,248)

STATEMENT OF CASH FLOWS

amounts in euro	30 June 2021
A. Financial flows from profitable operations	
Profit (loss) for year	(14,526,248)
<i>Adjustments for non monetary elements that had not offset account in net working capital:</i>	
<i>Amortisation:</i>	
- intangible fixed assets	
- tangible fixed assets	
Net change to Severance	
Allocations (utilisation) of other provisions for risks and charges	
Write-downs for permanent losses in value	
Financial asset (adjustments) write-downs	
Capitalization of financial charges	
Other adjustments for non-monetary items	
1. Financial flow before changes to net working capital	(14,526,248)
Changes to net working capital	12,821,110
2. Financial flow after changes to net working capital	(1,705,138)
<i>Other adjustments:</i>	
(Gains)/loses due to tangible and intangible asset disposals	
Net variation in deferred tax assets and liabilities	
Profitable operations financial flow (A)	(1,705,138)
B. Financial flows due to investments	
(Investments in intangible assets)	
(Investments in tangible assets)	
(Investments in non-current financial assets)	(1,883,535,408)
Capital grants collected	
Tangible asset realisable value	
Intangible asset realisable value	
Non-current financial asset disinvestments/disposals	
Acquisition or sale of subsidiaries or company branches net of cash and cash equivalents	
Investment financial flow (B)	(1,883,535,408)
C. Financial flows due to investments	
<i>Third party resources:</i>	
Increase (decrease) in short term loan payables to credit institutions	1,917,198,029
Increase/New medium/long term loan payables to credit institutions	
(Reduction)/(Reimbursement) of medium/long term loan payables to credit institutions	
(Investments in financial assets)	
Divestments / Decreases in financial assets	
Loan disbursement to parent company	
<i>Own funds:</i>	
Paid capital increase	
Sale (purchase) of treasury shares	
Dividends paid	
Shareholder payment in capital account	50,000
Lending financial flow (C)	1,917,248,029
Increase (decrease) in cash on hand (A±B±C)	32,007,483
Opening liquidity	-
Closing liquidity	32,007,483
Additional information:	
Interest collected/paid in the period	(1,132,146)
(Income taxes paid) in the period	-
Dividends collected in the period	-