

SOCIETÀ INIZIATIVE AUTOSTRADALI E SERVIZI S.P.A.



EXPLANATORY REPORT OF THE BOARD OF DIRECTORS ON THE ITEM ON THE AGENDA OF THE EXTRAORDINARY SHAREHOLDERS' MEETING OF SOCIETÀ INIZIATIVE AUTOSTRADALI E SERVIZI S.P.A CALLED ON 16 OCTOBER 2019 IN A SINGLE CALL

(drafted pursuant to Article 2501-*quinquies* of the Italian Civil Code and to Article 70 of the regulation adopted by CONSOB with resolution 14 May 1999 no. 11971, as subsequently amended and supplemented)

12 September 2019

Explanatory report available on the website www.grupposias.it

THIS IS AN ENGLISH COURTESY TRANSLATION OF THE ORIGINAL DOCUMENT PREPARED IN ITALIAN LANGUAGE. IN THE EVENT OF INCONSISTENCIES, THE ORIGINAL ITALIAN VERSION OF THE REPORT SHALL PREVAIL OVER THIS ENGLISH COURTESY TRANSLATION.

PREAMBLE	3
1. ILLUSTRATION OF THE TRANSACTION	3
1.1 Reasons for the transaction	3
1.2 Structure of the transaction	4
1.2.1 <i>Description of the transaction</i>	4
1.2.2 <i>Conditions for the Completion and Effectiveness of the Merger</i>	6
1.2.3 <i>Nature of the Merger's Transaction with Related Parties</i>	8
1.3 Companies taking part in the Merger	9
1.3.1 <i>Surviving Company</i>	9
1.3.2 <i>Merging Company</i>	15
2. REFERENCE BALANCE SHEET SITUATIONS	21
3. EXCHANGE RATIO AND CRITERIA ADOPTED TO DETERMINE IT. VALUES ATTRIBUTED TO THE COMPANIES FOR THE PURPOSES OF DETERMINING THE EXCHANGE RATIO	21
3.1 Introduction	21
3.2 Criteria adopted to determine the Exchange Ratio	23
3.3 Values attributed to the Companies	26
3.4 Determination of the Exchange Ratio	27
3.5 Difficulties and limitations encountered in assessing the Exchange Ratio	27
4. PROCEDURES FOR THE ASSIGNMENT OF SHARES OF THE SURVIVING COMPANY	28
5. EFFECTIVE DATE OF THE MERGER FROM WHICH THE OPERATIONS OF THE COMPANY ARE RECOGNISED IN THE ACCOUNTS OF ASTM	29
6. TAX PROFILES	30
7. COMPANY RESULTING FROM THE MERGER	30
7.1 Composition of the relevant shareholding structure of the Surviving Company	30
7.2 Composition of the relevant shareholding structure of the Merging Company	31
7.3 Capital Increase of the Surviving Company to service the Merger	32
7.4 Forecasts on the composition of the relevant shareholding structure of the Surviving Company after the Merger	32
7.5 Economic, Equity and Financial Effects on the Surviving Company of the Capital Increase to Service the Merger	34
7.5.1 <i>Introduction</i>	34
7.5.2 <i>Pro-forma Consolidated Financial Statements as at 31 December 2018</i>	35
7.5.3 <i>Pro-forma Consolidated Financial Statements as at 30 June 2019</i>	37

7.6	Amendments to the Surviving Company's articles of association in the context of the Merger	39
8.	EFFECTS OF THE MERGER ON SHAREHOLDERS' AGREEMENTS, RELEVANT PURSUANT TO ARTICLE 122 OF THE CONSOLIDATED LAW ON FINANCE	47
9.	BOARD OF DIRECTORS' ASSESSMENT OF THE RECURRENCE OF THE RIGHT OF WITHDRAWAL	48
10.	RESOLUTION PROPOSAL ON THE FIRST ITEM ON THE AGENDA OF THE EXTRAORDINARY SHAREHOLDERS' MEETING	49

PREAMBLE

Dear Shareholders,

you have been called to an Extraordinary Shareholders' Meeting on 16 October 2019, in a single call, to resolve upon the following item on the agenda:

“Approval of the merger plan by incorporation of Società Iniziative Autostradali e Servizi S.p.A. in ASTM S.p.A. Resolutions pertaining to and resulting from the same.”

The Board of Directors of Società Iniziative Autostradali e Servizi S.p.A. (“**SIAS**” or the “**Merging Company**”) has prepared this explanatory report (the “**Report**”) for the purpose of illustrating, to the SIAS shareholders, the proposed resolution upon the item on the agenda.

In particular, this Report has been drafted pursuant to Article 2501-*quinquies* of the Italian Civil Code, Article 125-*ter* of Italian Legislative Decree 24 February 1998, no. 58, as subsequently amended and supplemented (the “**Consolidated Law on Finance**” or the “**CLF**”), and Article 70, Paragraph 2, of the Regulation adopted by Consob with resolution 14 May 1999 no. 11971, as subsequently amended and supplemented (the “**Issuers Regulation**”), and in compliance with schedule no. 1 of “Annex 3A” to the Issuers Regulation, for the purpose of explaining and justifying, from a legal and economic point of view, the merger plan (the “**Merger Plan**”) by incorporation of SIAS into ASTM S.p.A. (“**ASTM**” or the “**Surviving Company**” and, considered jointly with SIAS, the “**Companies Participating in the Merger**” or the “**Companies**”) and, in particular, the criteria for determining the Exchange Ratio (as defined below) between SIAS shares and ASTM shares.

This Report is made available to the public in accordance with the terms and conditions set out in the applicable laws and regulations and is available on the SIAS's website (www.grupposias.it) at least 30 (thirty) days prior to the date of the SIAS Shareholders' Meeting called to approve the Merger Plan, attached to this Report as Annex A.

It should also be noted that – although the Merger is a “*significant*” transaction, pursuant to and for the purposes of Article 70, Paragraph 6, of the Issuers Regulation – SIAS has adopted the so-called opt-out arrangement and therefore, according to Article 70, Paragraph 8, of the Issuers Regulation, SIAS is not required to draw up and publish an information document relating to the Merger pursuant to Article 70, Paragraph 6, of the Issuers Regulation.

1. ILLUSTRATION OF THE TRANSACTION

1.1 Reasons for the transaction

The merger of SIAS into ASTM (the “**Merger**”) is part of a project to streamline of the group headed by Nuova Argo Finanziaria S.p.A. (“**Nuova Argo**”), of which ASTM and SIAS are members (the “**Group**”), in order to simplify its shareholding structure.

In particular, the Merger is intended to achieve the following principal aims, in the interest of both Companies:

- (i) establishing a single listed industrial holding company which, operating as a “*one company*”, is able to express specific capabilities in the sectors of motorway concessions, construction, engineering and technological innovation;
- (ii) shortening the chain of control with respect to the operating companies, according to national and international standard practices and to market expectations, to simplify the group’s corporate structure, with positive effects on the access to cash flows and consequently to the capital markets;
- (iii) creating a new industrial group able to grow in an efficient and competitive manner both on domestic and foreign markets, including by resorting to the market through capital strengthening transactions in the light of the new strategic plan to be submitted to the Board of Directors following the Merger;
- (iv) promoting the creation of a listed issuer that, for its size and liquidity, may become one of the major companies on the Italian stock exchange;
- (v) streamlining the corporate structure, and consequently cutting down holding costs and further strengthening industrial synergies and improving operating results.

On 13 June 2019, Nuova Argo, acting in its capacity as the company exercising management and coordinating activity over ASTM and SIAS, examined and approved, pursuant to the Group’s regulations, the information provided by the Chief Executive Officers of both Companies concerning the terms and conditions of the proposed transaction, as indicated below, and consequently resolved to support the transaction on the condition that ASTM, as a result of the Merger, comes to hold a direct and indirect interest in SIAS such that, following the Merger, the stake held by Nuova Argo in ASTM post-Merger will be, at least, equal to 45% plus one share of its share capital represented by voting shares.

1.2 Structure of the transaction

1.2.1 Description of the transaction

The current transaction, to be submitted to the approval of the Extraordinary Shareholders' Meeting of SIAS, consists in the Merger of SIAS into ASTM. The Merger will result in the extinction of the Merging Company.

As a result of the Merger, moreover, the 3 (three) non-convertible bonds, with a duration of ten years, issued by SIAS, regulated by English law and traded on the Irish Stock Exchange, will be transferred to ASTM as a new issuer. In particular, the following bonds will be transferred to ASTM: (i) the SIAS 2010-2020 bond loan (“*prestito obbligazionario SLAS 2010-2020*”), for an amount of Euro 500 million, with a coupon equal to 4.50% gross per annum and with a single repayment expected at the maturity date (i.e. 26 October 2020); (ii) the SIAS 2014-2024 bond loan (“*prestito obbligazionario SLAS 2014-2024*”), for an amount of Euro 500 million, with a coupon equal to 3.375% gross per annum and with a single repayment expected at the maturity date (i.e. 13 February 2024); and (iii) the SIAS 2018-2028 bond loan (“*prestito obbligazionario*

SIAS 2018-2028”), for an amount of Euro 550 million, with a coupon equal to 1.625% gross per annum and with a single repayment expected at the maturity date (i.e. 8 February 2028).

On 13 June 2019, the Boards of Directors of ASTM and SIAS, with the favourable opinion issued by their respective Committees responsible for transactions with related parties, approved, each within their own competence, the Merger Plan and also resolved to submit the approval of the Merger Plan to their respective Extraordinary Shareholders’ Meetings, with the clarification that the notices of call of both Shareholders’ Meetings specifically require that the Boards of Directors of ASTM and SIAS, as the case may be, shall: (i) revoke the call of their respective Shareholders’ Meetings with reference to the item on the agenda concerning the approval of the Merger Plan and related resolutions or (ii) convene their respective Shareholders’ Meetings to resolve upon the revocation of the resolution of the Shareholders’ Meeting approving the Merger Plan and related resolutions if just one of the conditions subsequent indicated in Paragraph 1.2.2 below occurs (or, where applicable, is not waived) or even one of the conditions precedent referred to in Paragraph 1.2.2 below does not occur (or, where applicable, is not waived) (for more details about the decision-making process followed by the Board of Directors of SIAS for the approval of the Exchange Ratio (as defined below) and the Merger Plan, see Paragraph 3.4 below).

In order to determine the economic terms of the Merger, the Boards of Directors of the Companies have been assisted by financial advisors having a proven professional expertise.

On the same date, the Board of Directors of ASTM also approved the decision to launch, pursuant to Article 102 of the CLF, a the voluntary partial public tender offer (the “**VTO**”), concerning no. 11,377,108 SIAS shares, representing 5.00% of the share capital of SIAS. The completion of the VTO was subject to the following conditions:

- the “**VTO Threshold Condition**”: i.e. the condition, which could be waived by the bidder ASTM, that ASTM would come to hold, as a result of the VTO and/or any purchases made outside the VTO in compliance with the applicable law and regulations, a total shareholding of at least no. 151,755,294 SIAS shares, representing 66.693% of the share capital of SIAS (the “**Shareholding**”);
- the “**MAC Condition**”: i.e. the condition, which could be waived by the bidder ASTM subject to written consent from UniCredit S.p.A. (in its capacity as bank granting ASTM a loan intended, *inter alia*, to finance the VTO¹), that there were no facts, events or circumstances, outside the control of ASTM and SIAS and unforeseeable as at 13 June 2019 (i.e. the date of the announcement of the VTO to the public pursuant to Article 102, Paragraph 1, of the CLF and Article 37 of the Issuers Regulation), that would have a significant negative impact on the legal relationships, the economic, equity and financial conditions set out in the most recent accounting document approved by each Company and/or the future income of one of the aforesaid Companies and were likely to materially distort the valuations underpinning the determination of the Exchange Ratio (as defined below), as determined by the administrative bodies of SIAS and ASTM.

¹ UniCredit S.p.A. granted ASTM a loan for a maximum amount of Euro 300,000,000.00 for the purpose of financing, *inter alia*, the costs related to the transaction and, in particular, the purchase of SIAS shares in the context of the VTO and the payment of the liquidation value of ASTM shares subject to possible exercising of the Right of Withdrawal (as defined below).

Also on 13 June 2019, the Companies entered into a framework agreement governing, among other things, the preliminary and preparatory activities for the completion of the aforementioned rationalisation transaction, as well as its timeline, the interim management of the Companies, certain governance aspects relating to the company resulting from the Merger and the terms and conditions for the execution of the transaction (the “**Framework Agreement**”).

The Merger Plan, drafted according to Article 2501-*quater* of the Italian Civil Code, was filed for registration by the Companies with the Companies’ Registrar of Turin pursuant to Article 2501-*ter*, Paragraph 3, of the Italian Civil Code on 17 June 2019 and subsequently registered with the Companies’ Registrar of Turin on 19 June 2019.

On 19 June 2019, the Court of Turin – on the basis of the joint application filed on 14 June 2019 – appointed KPMG S.p.A. as the joint expert responsible for preparing the report on the fairness of the Exchange Ratio (as defined below) pursuant to and for the purposes of Article 2501-*sexies* of the Italian Civil Code. This report, to be prepared by KPMG S.p.A., will be made available to the public in compliance with the terms and procedures prescribed by the applicable laws and regulations.

The tender period of the VTO lasted from 8 July 2019 to 26 July 2019, inclusive. On 1 August 2019, ASTM published the final results of the VTO, pursuant to Article 41, Paragraph 6, of the Issuers Regulation, in which it was acknowledged that no. 24,356,361 SIAS shares – equal to approximately 214.082% of the shares object of the VTO and representing 10.704% of the share capital of SIAS – were tendered to the VTO. The number of SIAS shares tendered to the VTO was higher than 11,377,108 (i.e. the number of shares object of the VTO) and, therefore, the pro-rata allocation mechanism was applied to the tendered SIAS shares, by virtue of which ASTM acquired from all shareholders the same proportion of the shares tendered by them to the VTO. Therefore, ASTM, in light of the above, purchased no. 11,376,796 SIAS shares (taking into account the rounding down due to the application of the allocation coefficient) on the date of payment of the consideration (i.e. 2 August 2019).

It should be noted that ASTM, in the period between 13 June 2019 and the date of this Report, purchased no. 303,000 SIAS shares outside the VTO in compliance with the applicable law and regulations and, therefore – taking into account the no. 11,376,796 SIAS shares purchased as a result of the VTO and the total of no. 140,378,186 SIAS shares already held, directly and indirectly, at the date of publication of the offeror's notice pursuant to Article 102 of the CLF – ASTM holds, directly and indirectly, a total shareholding of no. 155,965,998 SIAS shares, representing 68.544% of the Issuer’s share capital.

1.2.2 Conditions for the Completion and Effectiveness of the Merger

In accordance with the Framework Agreement, completion of the Merger is subject to non-occurrence (or, where applicable, to the waiver) of the following conditions subsequent:

- (i) the joint expert appointed pursuant to Article 2501-*sexies* of the Italian Civil Code issues a negative opinion regarding the fairness of the Exchange Ratio (as defined below); or
- (ii) the Merger Plan is not approved by even just one of the Shareholders' Meetings of ASTM and SIAS by 28 February 2020; or

- (iii) the total outlay which ASTM would be required to make as a result of exercising of the Right of Withdrawal (as defined below) exceeds Euro 50,000,000 million (the “**Maximum Outlay**”); or
- (iv) ASTM does not come to hold, as a result of the VTO and/or purchases made outside of the VTO in compliance with the applicable law and regulations, the Shareholding by the day before the date of signing of the Merger deed; or
- (v) one of the Companies withdraws from the Framework Agreement due to the occurrence of a Major Prejudicial Event (as defined below); or
- (vi) the signing of the Merger deed does not take place within 31 May 2020.

It is also envisaged that the signing of the Merger deed is subject to the occurrence (or, where applicable, the waiver), by 31 May 2020, of the following conditions:

- (a) where required under the legislation in force at the time, issuance of an equivalence opinion or similar measure by CONSOB with reference to the information document relating to the Merger referred to in Article 1, Paragraph 5, letter f), of Regulation (EU) 2017/1129;
- (b) issuance by Borsa Italiana S.p.A. of the measure allowing ASTM shares issued to service the Merger to be traded on *Mercato Telematico Azionario* (MTA – Italian Stock Exchange);
- (c) granting of the consent to the Merger by the counterparties of some contracts relating to bank loans agreements and hedging derivatives, to which the Companies are parties;

It should be noted that, pursuant to the Framework Agreement, (1) the conditions set out in this Paragraph 1.2.2 points (iv) and (vi) and (c) may be waived by ASTM and SIAS only with the prior written consent of both Companies and (2) the condition set out in this Paragraph 1.2.2 point (iii) may be waived by ASTM. Any proposal to waive the condition set forth in this Paragraph 1.2.2 point (iii) and/or the condition set forth in this Paragraph 1.2.2 point (iv) will be notified in advance to Nuova Argo to ensure that the latter passes resolutions regarding its own support to the transaction.

With reference to the condition subsequent set out in this Paragraph 1.2.2 point (iv), it should be noted that, as at the date of this Report, ASTM – as a result of the VTO and of purchases made outside the VTO in compliance with the applicable law and regulations – holds a direct shareholding in SIAS representing 66.826% of the share capital of the Issuer which, therefore, is greater than the Shareholding.

It should be noted that, pursuant to the Framework Agreement, ASTM and SIAS are entitled to withdraw from the above-mentioned agreement if, in the period between the date of signing of the Framework Agreement and the completion of the last of the registrations of the Merger deed envisaged in Article 2504 of the Italian Civil Code, any fact, event or circumstance occurs in connection with ASTM and/or SIAS, outside the control of both Companies and which has a material adverse and unforeseeable effect at the date of signing of the Framework Agreement, on the legal relationships, on the economic, equity, financial situation and/or earnings potential of one of the Companies and is capable to materially affect the valuations underpinning the determination of the Exchange Ratio (as defined below) (“**Major Prejudicial Event**”).

In the event that even only one of the aforesaid conditions subsequent occurs (or, where applicable, is not waived) or even only one of the aforesaid conditions precedent does not occur (or, where applicable, is not waived), the Boards of Directors of ASTM and SIAS, as the case may be, shall (i) revoke the convening of their respective Shareholders' Meetings with reference to the item on the agenda concerning the approval of the Merger Plan and related resolutions or (ii) call their respective Shareholders' Meetings to resolve upon the revocation of the resolution of the Shareholders' Meeting approving the Merger Plan and the related resolutions.

1.2.3 Nature of the Merger's Transaction with Related Parties

In light of the structure of the transaction and the parties involved, the Merger has been qualified as a “significant related parties transaction” pursuant to Article 3 of the Related Parties Transaction Regulation adopted by CONSOB with resolution 12 March 2010 no. 17221, as subsequently amended and supplemented (the “**Related Parties Regulation**”) and the “Annex 3” of the Related Parties Regulation.

Therefore, the activities relating to the determination of the Exchange Ratio (as defined below) and the further legal and economic elements of the Merger were carried out in compliance with the provisions of the Related Parties Regulation, as well as the procedures for related parties' transactions adopted by SIAS and ASTM (the “**Related Parties Procedure**”).

In particular, the Related Parties Transactions Committee of SIAS was involved in the negotiation and preliminary activities of the Merger through a complete and timely flow of information, which enabled the Committee to be continuously updated on the developments of the activities carried out in the context of the Merger, and appointed Prof. Enrico Laghi as independent financial advisor of the Committee. The Committee was called upon to express, and on 13 June 2019 unanimously expressed, a favourable reasoned opinion, pursuant to the Related Parties Regulation and the Related Parties Procedure, on SIAS' interest in the completion of the Merger, as well as on the advantages and the fairness, on a procedural and substantial point of view, of the integration transaction.

It was also drafted an information document in compliance with Article 5 of the Related Parties Regulation and in accordance with the “Annex 4” of the Related Parties Regulation, which was made available to the public on 20 June 2019 on the Company's website (www.grupposias.it), “Investor Relations” section, “ASTM-SIAS Merger”, as well as in compliance with other applicable laws and regulations. Please refer to the above-mentioned information document, prepared by SIAS, for a more analytical description of the procedure carried out by the Merging Company for the purpose of approving the Merger Plan.

With regard to ASTM, the Related Parties Transactions Committee of the Surviving Company issued its opinion in favour of the transaction, in accordance with the provisions for transactions with related parties of “greater importance”, in accordance with the Related Parties Regulation and the Related Parties Procedure. The ASTM Committee appointed Prof. Alberto Dello Strologo as an independent financial advisor. For a more analytical description of the procedure carried out by the Surviving Company for the purpose of approving the Merger Plan, please refer to the information document drawn up by ASTM, pursuant to and for the purposes of Article 5 of the Related Parties Regulation and made available to the public on 20 June 2019 on its website (www.astm.it), as well as in compliance with the other applicable legal and regulatory procedures.

1.3 Companies taking part in the Merger

1.3.1 Surviving Company

The Surviving Company is ASTM S.p.A., a company incorporated in 1928, with registered office at Corso Regina Margherita 165, Turin, Italy, registration number with the Turin Companies Register, tax code and VAT number 00488270018. ASTM is subject to the management and coordination activity of Nuova Argo.

ASTM shares are traded on the *Mercato Telematico Azionario* (MTA – Italian Stock Exchange), organised and managed by Borsa Italiana S.p.A., and are subject to the dematerialisation and centralised management system managed by Monte Titoli S.p.A., pursuant to Articles 83-*bis et seq.* of the Consolidated Law on Finance.

COMPANY'S PURPOSE

Pursuant to Article 3 of ASTM's articles of association, the Surviving Company's main purpose, "*both in Italy and abroad, directly or through subsidiary or associate companies is:*

- a) the construction and operation of motorways sections that may be granted under licence or awarded through procedures permitted by applicable laws, as well as business activities that are similar or instrumental or auxiliary to the motorways service;*
- b) the activity of computing, data transmission, telecommunications, payment system and mobility services sectors;*
- c) the construction and execution of public and private works and the commitment and operation of works also in concession;*
- d) the development, construction or maintenance of plants, terminals and infrastructures for the operation, also in concession, of port and airports;*
- e) the activity in the logistics and transportation sector;*
- f) the activity in the dockyard sector, also naval;*
- g) the shipping and transportation of both goods and passengers;*
- h) the research, production, transmission, transportation and marketing of electric and thermic electricity, gas and, in general, energy sources and materials;*
- i) the activity in the real estate sector;*
- j) the acquisition, management and disposal of interests and investments in other companies or consortia which carry on business activities also in sectors different from the above-mentioned ones.*

The Company can coordinate and provide financial, technical and administrative services in favour of the controlled, associated or participated companies, included the granting of collateral or personal security also in favour of third parties.

Moreover, the Company may implement all the commercial, industrial, financial, security and real estate transactions that the Board of Directors shall consider necessary or useful to pursuit of the corporate purposes as identified above, including the granting of collateral or personal security also in favour and in the interest of third parties.

*Financial activities toward the public and financial and securities brokerage activities that are not permitted by the law or that require specific formalities and authorisations shall be strictly excluded.*²

SHARE CAPITAL AND OWNERSHIP STRUCTURES

As at the date of this Report, ASTM's share capital amounts to Euro 49,499,300.00 fully paid in, divided into no. 98,998,600 ordinary shares with no indication of par value.

Based on the latest communications of relevant equity interests pursuant to applicable legislation, the ASTM's share capital structure is illustrated below:

- (i) No. 58,179,722 shares, representing 58.768% of the share capital of ASTM, are held directly and indirectly by Nuova Argo²;
- (ii) No. 7,631,328 shares, representing 7.709% of the share capital of ASTM, are held directly by ASTM and 21,500 shares, representing 0.022% of the share capital of ASTM, are held by the jointly controlled company Ativa S.p.A. Overall, therefore, ASTM holds, directly and indirectly, no. 7,652,828 treasury shares, representing a total of 7.730% of the share capital of the Company.

For further information on the ownership structures of the Surviving Company, please refer to Paragraph 7.1 below.

COMPANY BODIES

As at the date of this Report, the Board of Directors of ASTM, appointed by the Shareholders' Meeting of 16 May 2019 for a period of 3 (three) financial years, and therefore, until the date of approval of the financial statements for the financial year ending on 31 December 2021, is composed of the following members:

Position	Name and Surname	Place and Date of Birth
Chairman (*)	Gian Maria Gros-Pietro	Turin, 4 February 1942
Chief Executive Officer	Alberto Rubegni	Pisa, 15 March 1951
Deputy Chairman	Daniela Gavio	Alessandria, 16 February 1958
Deputy Chairman (**)	Roberto Testore	Turin, 17 October 1952
Director	Juan Angoitia	Basauri (Spain), 29 November 1970
Director (**)	Caterina Bima	Borgo San Dalmazzo (CN), 30 January 1960

² The share capital of Nuova Argo Finanziaria S.p.A. is (i) 60% held by Aurelia and (ii) the remaining 40% held by Mercure Investment S.à r.l., a company incorporated under Luxembourg law, entirely owned by Mercure Holding SCA, in turn controlled by the investment funds Ardian Infrastructure Fund IV SCA, SICAR, and Ardian Infrastructure Fund IV SCA, SICAR B, both managed by the General Partner Ardian Infrastructure IV S.à r.l., a company incorporated under Luxembourg law, controlled by Ardian S.A.S. Therefore, at the date of this Report, Aurelia, through Nuova Argo, exercises the sole control over ASTM, pursuant to Article 2359 of the Italian Civil Code and Article 93 of the Consolidated Law on Finance.

Director (**)	Arabella Caporello	Ortona (CH), 20 September 1972
Director (**)	Giulio Gallazzi	Bologna, 8 January 1964
Director (**)	Giuseppe Gatto	Murazzano (CN), 17 October 1941
Director	Beniamino Gavio	Alessandria, 13 October 1965
Director	Marcello Gavio	Alessandria, 8 October 1967
Director (**)	Venanzio Iacozzilli	Rome, 27 July 1957
Director (**)	Fabiola Mascardi	Genoa, 4 December 1962
Director (**)	Barbara Poggiali	Milan, 4 March 1963
Director (**)	Luigi Roth	Milan, 15 September 1940

(*) Director who has declared that he/she meets the independence requirements set forth in Article 148, Paragraph 3, of the Consolidated Law on Finance.

(**) Director who has declared that he/she meets the independence requirements set out in Article 148, Paragraph 3, of the Consolidated Law on Finance and Article 3 of the Corporate Governance Code.

As at the date of this Explanatory Report, the Board of Statutory Auditors of ASTM, appointed by the Shareholders' Meeting of 28 April 2017 for a period of 3 (three) financial years, and therefore until the date of approval of the financial statements for the financial year ending on 31 December 2019, is composed of the following members:

Position	Name and Surname	Place and Date of Birth
Chairman	Marco Fazzini	Florence, 12 October 1974
Effective Statutory Auditor	Piera Braja	Turin, 15 June 1964
Effective Statutory Auditor	Ernesto Ramojno	Turin, 5 July 1949
Alternate Statutory Auditor	Massimo Berni	Florence, 13 September 1949
Alternate Statutory Auditor	Roberto Coda	Turin, 3 September 1959
Alternate Statutory Auditor	Annalisa Donesana	Treviglio (BG), 9 June 1966

ACTIVITIES OF THE ASTM GROUP

The Surviving Company is a holding company operating, both directly and through subsidiaries, in the management of motorway in concession regime, in the planning and construction of large infrastructure projects and in the technology applied to the mobility in transports.

Through its subsidiary SIAS (second largest Italian motorway operator with approximately 23% of the national network under management) and its co-owned subsidiary Ecorodovias Infrastruttura e Logistica S.A. (one of the main Brazilian players in the motorway sector), the ASTM group is the third largest

operator in the world in the sector of motorway management in concession, with 4,156 km of network managed.

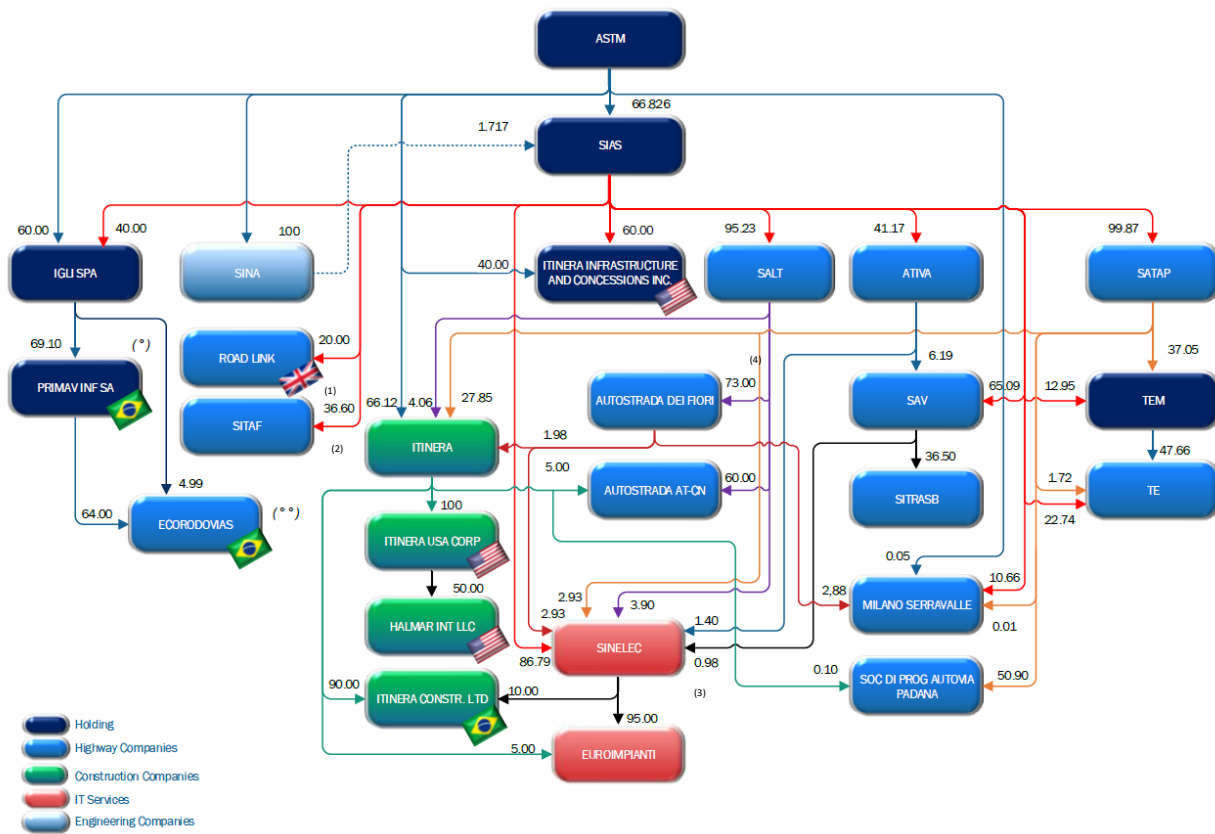
In the sectors of construction of large infrastructure projects and of civil and industrial construction projects, ASTM operates through its subsidiaries Itinera S.p.A. (one of the most important national operators of the sector in terms of size, revenues and portfolio of works) and Halmar International LCC (one of the leading companies in the New York metropolitan area in the construction of transport infrastructures).

In the engineering sector, ASTM operates through its wholly-owned subsidiary SINA S.p.A., which operates both in the designs of transport and mobility works and monitors and correctly maintains the infrastructure life cycle.

In the technology sector, the Surviving Company operates through its subsidiary Sinelec S.p.A., one of the main Italian players in the design and implementation of advanced systems for the management and monitoring of infrastructures in the transport sector.

STRUCTURE OF THE ASTM GROUP

The following chart illustrates the structure of the group headed by the Surviving Company.



- (1) of which 0.07% by Albenga Garesio Ceva
- (2) by ATTIVA 1.08%
- (3) by SITAF 1.08%

(4) of which 1.86% by Albenga Garessio Ceva

(°) According to the contractual agreements, this percentage of participation corresponds to 50% of the voting rights.

(°°) Brazilian Holding (listed on the Novo Mercado BOVESPA, under joint control) of companies operating in the motorway concessions and logistics sector, as detailed below.

MAIN ECONOMIC AND FINANCIAL DATA

The main ASTM figures, taken from the financial statements as at 31 December 2018 and 31 December 2017, are shown below.

Summary balance sheet of ASTM S.p.A.

(amounts in thousands of Euro)	31.12.2018	31.12.2017
Activities		
Total intangible assets	5	41
Total tangible assets	6,194	6,412
Total non-current financial assets	1,871,553	1,862,059
Deferred tax assets	3,226	2,757
Total non-current assets	1,880,978	1,871,269
Total current assets	4,392	8,538
Total assets	1,885,370	1,879,807
Shareholders' equity and liabilities		
Total shareholders' equity	1,824,299	1,840,985
Total non-current liabilities	36,569	35,861
Total current liabilities	24,502	2,961
Total shareholders' equity and liabilities	1,885,370	1,879,807

Summary income statement of ASTM S.p.A.

(amounts in thousands of Euro)	2018	2017
Income from equity interests	55,473	48,732
Other financial income	8	3,173
Interest and other financial charges	(232)	(1,290)
Total financial income and charges (A)	55,249	50,615
Total value adjustments of financial assets (B)	-	(897)
Other operating income (C)	3,028	2,553
Other operating costs		
personnel costs	(2,809)	(1,762)
costs for services	(6,545)	(7,288)
costs for raw materials	(3)	(3)
other costs	(975)	(774)
amortisation, depreciation	(268)	(262)
Total other operating costs (D)	(10,600)	(10,089)
Profit (loss) before taxes (A+B+C+D)	47,677	42,182
Taxes	1,027	1,233

Profit for the period	48,704	43,415
------------------------------	---------------	---------------

ASTM, as the parent company of SIAS, prepares consolidated financial statements which also include the group headed by SIAS.

The main figures of the ASTM group, taken from the consolidated financial statements as at 31 December 2018 and 31 December 2017 and from the consolidated half-yearly financial report as at 30 June 2019, are shown below.

Summary consolidated balance sheet of the ASTM group

(in thousands of Euro)	30.06.2019	31.12.2018	31.12.2017
Activities			
Total intangible assets	3,170,468	3,183,160	3,006,969
Total tangible assets	177,339	130,019	110,699
Total non-current financial assets	1,598,233	1,630,112	1,607,839
Deferred tax assets	141,378	146,504	151,079
Total non-current assets	5,087,418	5,089,795	4,876,586
Total current assets	2,161,433	2,086,359	1,253,865
Discontinued assets/Non-current assets held for sale	-	-	46,942
Total assets	7,248,851	7,176,154	6,177,393
Shareholders' equity and liabilities			
Shareholders' equity attributed to the shareholders of the parent company	1,986,004	1,925,755	1,859,086
Shareholders' equity attributed to minority interests	1,141,718	1,151,140	1,006,954
Total shareholders' equity	3,127,722	3,076,895	2,866,040
Total non-current liabilities	2,761,988	2,843,029	2,476,884
Total current liabilities	1,359,141	1,256,230	834,469
Liabilities directly associated with Discontinued assets/Non-current assets held for sale	-	-	-
Total shareholders' equity and liabilities	7,248,851	7,176,154	6,177,393

Summary consolidated income statement of the ASTM group

(amounts in thousands of Euro)	1 st half of 2019	2018	2017
Revenues			
Motorway sector - operational activities	597,563	1,218,972	1,123,298
Motorway sector - planning and construction	115,692	148,601	190,032
Construction sector - planning and construction	10,453	37,365	37,381
Construction sector	376,783	490,527	286,900
Engineering sector	3,561	6,244	8,093
Technology sector	23,417	36,454	39,449
Other	29,406	54,255	59,708
Total Revenues	1,156,875	1,992,418	1,744,861
Personnel costs	(187,190)	(302,444)	(253,170)
Costs for services	(429,703)	(647,461)	(570,127)
Costs for raw materials	(101,829)	(128,538)	(79,211)
Other costs	(76,156)	(154,453)	(137,230)
Capitalised costs on fixed assets	196	1,379	1,182
Amortisation, depreciation	(164,631)	(319,125)	(336,282)

Adjustment of the provision for restoration/replacement of revertible assets	13,249	(3,218)	9,948
Other provisions for risks and charges	(28)	(675)	(7,594)
Financial income	10,375	43,380	57,499
Financial expenses	(38,513)	(85,817)	(86,222)
Profit (loss) of companies accounted by the equity method	(5,494)	2,159	10,992
Profit before taxes	177,151	397,605	354,646
Taxes	(43,413)	(108,347)	(91,689)
Profit for the year from continued operations	133,738	289,258	262,957
Profit from "assets held for sale" net of taxes (Discontinued Operation)	-	-	516
Profit for the period	133,738	289,258	263,473
· share attributable to minorities (Continued Operation)	58,368	122,714	113,353
· share attributable to the Group (Continued Operation)	75,370	166,544	149,604
· share attributable to minorities (Discontinued Operation)	-	-	192
· share attributable to the Group (Discontinued Operation)	-	-	324

1.3.2 *Merging Company*

The Merging Company is Società Iniziative Autostradali e Servizi S.p.A., with registered office at via Bonzanigo 22, Turin, Italy, registration number with the Turin Companies Register, tax code and VAT number 08381620015. SIAS is subject to the management and coordination activity of Nuova Argo.

SIAS was incorporated in 2002 following the demerger by ASTM of a compendium consisting of equity interests held by the latter in concessionary companies located mainly along the Tyrrhenian corridor. In 2012, a corporate reorganisation of the ASTM and SIAS groups, which led to the concentration in the SIAS group of all the equity interests held in the motorways companies sector was completed.

SIAS shares are traded on the *Mercato Telematico Azionario* (MTA – Italia Stock Exchange), organised and managed by Borsa Italiana S.p.A., and are subject to the dematerialisation and centralised management system managed by Monte Titoli S.p.A., pursuant to Articles 83-*bis et seq.* of the Consolidated Law on Finance.

COMPANY'S OBJECTS

According to Article 3 of the articles of association of SIAS, the Surviving Company's purpose "*shall be the following*:"

- *Acquisition of equity investments in joint-stock companies;*
- *Financial activity in general, with the exclusion of movable and immovable property leasing, factoring, foreign exchange brokerage, services involving collection, payment and transfer of funds including through the issue of credit cards, provision of consumer credit even to Shareholders;*
- *Own account administration and management of typical and atypical securities;*
- *Provision of administration, accounting and technical services in general and commercial and advertising consulting;*

- *Provision of endorsement, sureties and guarantees, including collateral security, in the interest of investee companies or entities;*
- *Purchase and sale and administration of movable and immovable property.*

It may also carry out commercial, industrial, security, real estate and financial transactions, functionally linked to the aforesaid corporate purpose, excluding only those activities expressly reserved by law for special categories of persons and those activities pertaining to matters regulated by special laws governing:

- *Collection of savings from third parties (Legislative Decree no. 385 of 1 September 1993);*
- *Insurance and re-insurance business (Presidential Decree no. 449 of 13 February 1959);*
- *Activity of trust and auditing companies (Law no. 1966 of 23 November 1939);*
- *Activity concerning mutual investment funds (Article 12 of Law no. 77 of 23 March 1983);*
- *Activities for the exercise of which enrolment in a professional register is required (Law no. 1815 of 23 November 1939);*
- *Activities of stock brokerage companies (Law no. 1 of 2 January 1991).*

The company may not perform financial activities for the benefit of the public."

SHARE CAPITAL AND OWNERSHIP STRUCTURES

As at the date of this Report, the share capital of SIAS amounts to Euro 113,771,078.00, divided into no. 227,542,156 ordinary shares with a par value of Euro 0.50 each.

Based on the latest communications of significant equity interests pursuant to applicable legislation, SIAS's share capital structure is illustrated below:

- (i) No. 152,057,982 shares, representing 66.826% of the share capital of SIAS³, are held directly by ASTM⁴;
- (ii) No. 3,908,016 shares, representing 1.717% of the share capital of SIAS, are indirectly held by ASTM through its entirely-owned subsidiary SINA - Società Iniziative Nazionali Autostradali S.p.A.;
- (iii) No. 15,571,998 shares, representing 6.844% of the share capital of SIAS, are held directly by Aurelia;

³ ASTM's equity investment in SIAS indicated therein includes no. 11,376,796 SIAS shares purchased by ASTM in the context of the VTO and no. 303,000 SIAS shares purchased by ASTM outside the VTO after the date of the publication of bidder's notice pursuant to Article 102 of the Consolidated Law on Finance (of which no. 110,000 purchased on 14 June 2019, no. 151,000 purchased on 19 June 2019, no. 10,000 purchased on 21 June 2019, no. 20,000 purchased on 24 June 2019 and no. 12,000 purchased on 25 June 2019), with notification provided to the market in accordance with the provisions of Article 41, Paragraph 2, letter c), of the Issuers Regulation.

⁴ 58.768% of the share capital of ASTM is held directly and indirectly by Nuova Argo. The share capital of Nuova Argo is (i) 60% held by Aurelia and (ii) the remaining 40% held by Mercure Investment S.à r.l., a company incorporated under Luxembourg law, entirely owned by Mercure Holding SCA, in turn controlled by the investment funds Ardian Infrastructure Fund IV SCA, SICAR, and Ardian Infrastructure Fund IV SCA, SICAR B, both managed by the General Partner Ardian Infrastructure IV S.à r.l., a company incorporated under Luxembourg law, controlled by Ardian S.A.S. Therefore, at the date of this Report, Aurelia, through Nuova Argo and ASTM, exercises the sole control over SIAS, pursuant to Article 2359 of the Italian Civil Code and Article 93 of the Consolidated Law on Finance.

- (iv) No. 1,506,477 shares, representing 0.662% of the share capital of SIAS, are held directly by Nuova Argo⁵.

SIAS does not hold any treasury shares.

For further information on the ownership structures of the Merging Company, please refer to Paragraph 7.2 below.

COMPANY BODIES

As at the date of this Explanatory Report, the Board of Directors of SIAS, appointed by the Shareholders' Meeting of 27 April 2017 for a period of 3 (three) financial years, and therefore until the date of approval of the financial statements for the financial year ending on 31 December 2019, is composed of the following members:

Position	Name and Surname	Place and Date of Birth
Chairman	Paolo Pierantoni	Genoa, 9 December 1956
Chief Executive Officer	Umberto Tosoni ⁽²⁾	Varese, 4 March 1975
Deputy Chairman (*)	Franco Moschetti ⁽²⁾	Tarquinia (VI), 9 October 1951
Deputy Chairman	Stefania Bariatti	Milan, 28 October 1956
Director (*)	Stefano Caselli	Chiavari (GE), 14 June 1969
Director (*)	Sergio De Luca	Zungoli (AV), 3 September 1950
Director (*)	Giuseppe Garofano ⁽³⁾	Nereto (TE), 25 January 1944
Director (*)	Saskia Elisabeth Kunst	Rotterdam (Netherlands), 26 July 1966
Director	Rosario Mazza ⁽¹⁾	Lamezia Terme (CZ), 27 October 1983
Director (*)	Frances Vyvyen Ouseley ⁽²⁾	Milan, 13 May 1964
Director (*)	Andrea Pellegrini	Milan, 10 October 1964
Director (*)	Valentina Mele ⁽³⁾	Bergamo, 11 December 1973
Director (*)	Antonio Segni	Genoa, 11 May 1965
Director (*)	Paolo Simioni	Valdobbiadene (TV), 19 December 1960

⁵The share capital of Nuova Argo is (i) 60% held by Aurelia and (ii) the remaining 40% held by Mercure Investment S.à r.l., a company incorporated under Luxembourg law, entirely owned by Mercure Holding SCA, in turn controlled by the investment funds Ardian Infrastructure Fund IV SCA, SICAR, and Ardian Infrastructure Fund IV SCA, SICAR B, both managed by the General Partner Ardian Infrastructure IV S.à r.l., a company incorporated under Luxembourg law, controlled by Ardian S.A.S. Therefore, at the date of this Report, Aurelia, through Nuova Argo and ASTM, exercises the sole control over SIAS, pursuant to Article 2359 of the Italian Civil Code and Article 93 of the Consolidated Law on Finance.

Director (*)	Micaela Vescia ⁽²⁾	Rome, 6 December 1973
--------------	-------------------------------	-----------------------

⁽¹⁾ Eng. Rosario Mazza was co-opted as Director of SIAS by the Board of Directors of the Merging Company on 27 September 2018 pursuant to Article 2386 of the Italian Civil Code and subsequently confirmed by the Shareholders' Meeting of SIAS on 15 May 2019.

⁽²⁾ Mr Franco Moschetti, Mrs Frances V. Ouseley, Eng. Umberto Tosoni and Mrs Micaela Vescia were co-opted as Directors of SIAS by the Board of Directors of the Merging Company on 14 November 2018 pursuant to Article 2386 of the Italian Civil Code and subsequently confirmed by the Shareholders' Meeting of SIAS on 15 May 2019.

⁽³⁾ Eng. Giuseppe Garofano and Mrs Valentina Mele were appointed as Directors of SIAS by the Shareholders' Meeting of the Merging Company on 15 May 2019.

(*) Director who has declared that he/she meets the independence requirements set out in Article 148, Paragraph 3, of the Consolidated Law on Finance and Article 3 of the Corporate Governance Code.

As at the date of this Explanatory Report, the Board of Statutory Auditors of ASTM, appointed by the Shareholders' Meeting of 27 April 2017 for a period of 3 (three) financial years, and therefore until the date of approval of the financial statements for the financial year ending on 31 December 2019, is composed of the following members:

Position	Name and Surname	Place and Date of Birth
Chairman	Daniela Elvira Bruno	Bollate (MI), 1 October 1969
Effective Statutory Auditor	Pasquale Formica	Avellino, 3 June 1979
Effective Statutory Auditor	Annalisa Donesana	Treviglio (BG), 9 June 1966
Alternate Statutory Auditor	Luisella Bergero	Savona, 5 September 1971
Alternate Statutory Auditor	Riccardo Bolla	Savona, 26 February 1966
Alternate Statutory Auditor	Alessandra Pederzoli	Mirandola (MO), 8 July 1974

ACTIVITIES OF THE SIAS GROUP

SIAS is a holding company operating in the management of motorways in concession regime - an activity that constitutes its core business - and in technology applied to the mobility in transports.

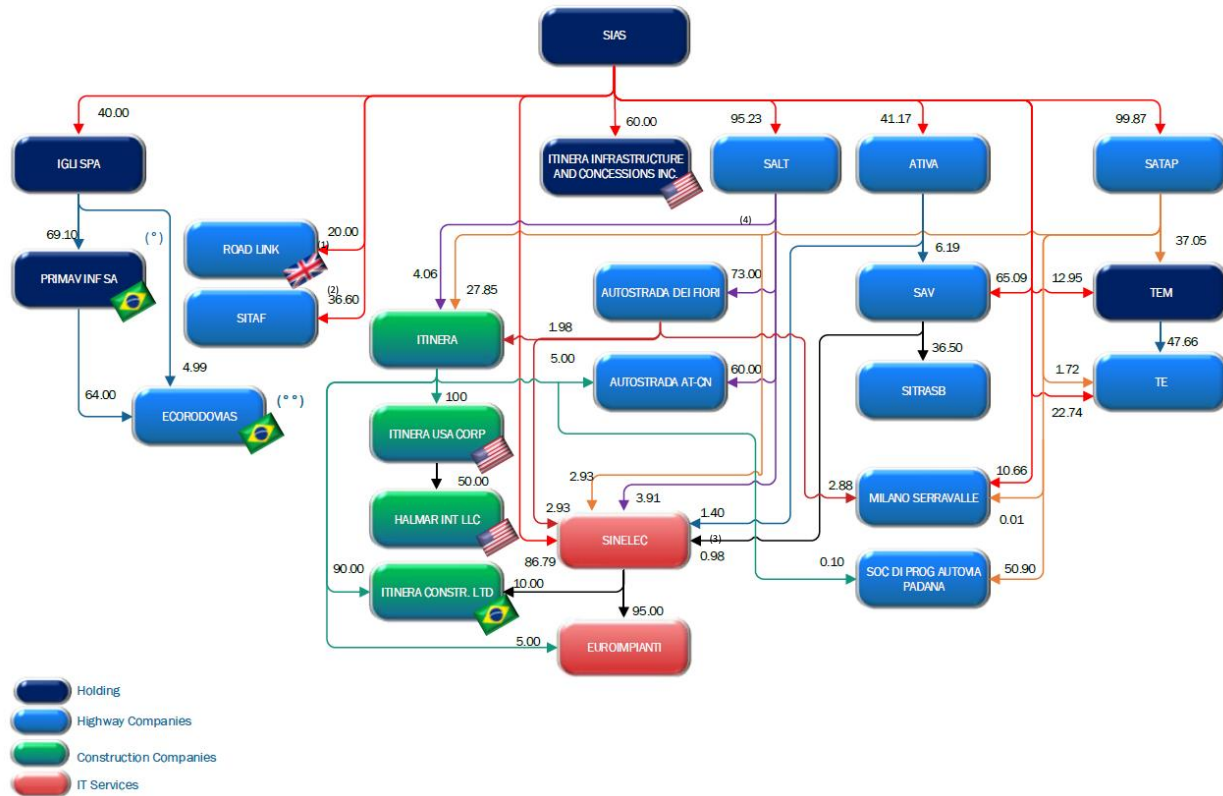
The SIAS group is the third largest operator in the world in the management of motorways in concession regime with a network of approximately 4,156 km. In particular, through concessionary companies controlled or jointly controlled and associated, the SIAS group is the second largest Italian motorway operator with approximately 23% of the network under management, located mainly in the North-West of the country along the main European infrastructure corridors and the strategic directions identified by the European Union for the development of passenger and freight traffic. The SIAS group also operates in Brazil through its co-owned subsidiary Ecorodovias Infraestrutura e Logistica S.A., one of the country's main motorway players, with a motorway network managed in seven different Brazilian states along the commercial corridors in the South and South-East of the country.

In the technology sector, the SIAS group operates through its subsidiary Sinelec S.p.A., one of the main Italian players in the design and implementation of advanced systems for the management and monitoring of infrastructures in the transport sector (motorways, railways, logistics), as well as a leader in the study,

design, installation and maintenance of advanced systems for the management of data on mobility and transport.

STRUCTURE OF THE SIAS GROUP

The following chart illustrates the structure of the group headed by the Merging Company.



- (1) of which 0.07% by Albenga Garesio Ceva
- (2) by ATIVA 1.08%
- (3) by SITAF 1.08%
- (4) of which 1.86% by Albenga Garesio Ceva

(^o) According to the contractual agreements, this percentage of shareholding corresponds to 50% of the voting rights.

(^{oo}) Brazilian Holding (listed on the Novo Mercado BOVESPA, under joint control) of companies operating in the motorway concessions and logistics sector, as detailed below.

MAIN ECONOMIC AND FINANCIAL DATA

The main figures of the SIAS group, taken from the consolidated financial statements as at 31 December 2018 and 31 December 2017 and from the consolidated half-yearly financial report as at 30 June 2019, are shown below.

Summary consolidated balance sheet of the SIAS group

(in thousands of Euro)	30.06.2019	31.12.2018	31.12.2017
Activities			
Total intangible assets	3,075,654	3,088,751	2,924,409
Total tangible assets	67,983	56,715	60,260
Total non-current financial assets	1,289,271	1,312,390	1,255,083
Deferred tax assets	125,498	131,075	136,521
Total non-current assets	4,558,406	4,588,931	4,376,273
Total current assets	1,424,532	1,483,956	824,732
Discontinued assets/Non-current assets held for sale	-	-	45,012
Total assets	5,982,938	6,072,887	5,246,017
Shareholders' equity and liabilities			
Shareholders' equity attributed to the shareholders of the parent company	2,276,192	2,264,031	2,072,512
Shareholders' equity attributed to minority interests	307,195	319,316	260,512
Total shareholders' equity	2,583,387	2,583,347	2,333,024
Total non-current liabilities	2,679,541	2,728,095	2,356,308
Total current liabilities	720,010	761,445	556,685
Liabilities directly related to Discontinued assets/Non-current assets held for sale	-	-	-
Total shareholders' equity and liabilities	5,982,938	6,072,887	5,246,017

Summary consolidated income statement of the SIAS group

(amounts in thousands of Euro)	1 st half of 2019	2018	2017
Revenues			
motorway sector - operational activities	597,567	1,218,972	1,123,298
motorway sector - planning and construction	115,692	148,601	190,032
technology sector	36,763	45,641	44,605
Other	22,878	41,362	50,145
Total Revenues	772,900	1,454,576	1,408,080
Personnel costs	(98,989)	(178,518)	(164,084)
Costs for services	(235,395)	(372,565)	(400,364)
Costs for raw materials	(24,790)	(27,530)	(28,217)
Other costs	(66,780)	(137,179)	(123,492)
Capitalised costs on fixed assets	25	598	715
Amortisation, depreciation	(156,155)	(308,616)	(328,144)
Adjustment of the provision for restoration/replacement of revertible assets	13,249	(3,218)	9,948
Other provisions for risks and charges	(10)	(284)	(6,052)
Financial income	7,806	35,743	51,201
Financial charges	(37,060)	(82,891)	(83,125)
Profit (loss) of companies valued by the equity method	1,004	15,489	14,357
Profit before taxes	175,805	395,605	350,823
Taxes	(40,210)	(106,227)	(89,459)
Profit for the year from continued operations	135,595	289,378	261,364
Profit from "assets held for sale" after tax (Discontinued Operation)	-	-	516
Profit for the period	135,595	289,378	261,880
· share attributable to minorities (Continued Operation)	10,960	24,876	23,603
· share attributable to the Group (Continued Operation)	124,635	264,502	237,761

· share attributable to minorities (Discontinued Operation)	-	-	5
· share attributable to the Group (Discontinued Operation)	-	-	511

2. REFERENCE BALANCE SHEET SITUATIONS

The Merger Plan was prepared using as reference balance sheets, pursuant to and for the purposes of Article 2501-*quater*, paragraph 2, of the Italian Civil Code, (i) as regards the Surviving Company: the financial statements as at 31 December 2018, approved by the Shareholders' Meeting of ASTM on 16 May 2019, and (ii) as regards the Merging Company: the financial statements as at 31 December 2018, approved by the Shareholders' Meeting of SIAS on 15 May 2019.

These documents were made available to the public in compliance with the terms and the procedures required by the applicable laws and regulations.

3. EXCHANGE RATIO AND CRITERIA ADOPTED TO DETERMINE IT. VALUES ATTRIBUTED TO THE COMPANIES FOR THE PURPOSES OF DETERMINING THE EXCHANGE RATIO

3.1 Introduction

In order to determine the economic terms of the Merger, the Boards of Directors of the Companies availed themselves of financial advisors with a proven professional expertise and in particular:

- SIAS: Mediobanca - Banca di Credito Finanziario S.p.A. and Société Générale - Milan Branch;
- ASTM: JPMorgan and UniCredit.

Moreover, for purpose of preparing its opinion, the Related Parties Transactions Committee of SIAS decided that it was appropriate to avail itself of the support of Prof. Enrico Laghi, who was appointed as independent financial advisor to the aforesaid Committee for the Merger, in regard to the financial aspects of the transaction.

The advisors who have assisted the Board of Directors and the Committee of SIAS have been selected on the basis of their requirements of proven capacity, professional expertise and experience in this kind of transaction, suitable for carrying out the task and supporting the Merging Company in assessing the fairness of the Exchange Ratio (as defined below) and the convenience and fairness, from a procedural and substantial point of view, of the Merger, *inter alia*, in light of the complex structure of the transaction.

When they accepted their mandated, Mediobanca - Banca di Credito Finanziario S.p.A. and Société Générale – Milan Branch undertook to apply appropriate organisational measures to guarantee the confidentiality of information and to identify, monitor and manage any potential conflicts of interest.

The Boards of Directors of the Companies examined and adopted the valuations of their financial advisors and consequently determined the exchange ratio as follows: 0.55 (nought point five five) ordinary shares of the Surviving Company without indication of par value, with a dividend date identical to that of the ASTM ordinary shares outstanding on the effective date of the Merger, for each 1 (one) ordinary share of

SIAS, with a par value of Euro 0.50 each. (“**Exchange Ratio**”). The Exchange Ratio is not subject to adjustments or cash payments.

On 13 June 2019, the Related Parties Transactions Committees of ASTM and SIAS deemed that the Exchange Ratio reasonably reflected the relationship between the economic capital values of ASTM and SIAS, and expressed unanimously a binding favourable opinion on the interest of the Companies in the completion of the transaction and on the advantages and the fairness, from a procedural and substantial point of view, of the Merger.

To determine the Exchange Ratio, reference was made to publicly available information deemed relevant for the application of the various valuation methods selected, as well as to documents, data and information provided by SIAS and ASTM on expected developments in the Group’s business and the related economic and financial results (jointly referred to as the “**Information**”), including the following documentation (the “**Relevant Documentation**”):

- a) economic and financial projections prepared by the management of SIAS and ASTM, concerning in particular the Italian motorway concessionaires, the Brazilian motorway concessionaires and the companies operating in the engineering and construction, technology and plant engineering businesses;
- b) the statutory and consolidated financial statements of SIAS and ASTM and Grupo Ecorodovias for the financial year 2018;
- c) details of the net financial position and of the value of other non-consolidated interests for each company in the respective group as at 31 December 2018;
- d) details of the holding costs of SIAS and ASTM for the years 2017-2019;
- e) an update, at the most recent available date, of the shareholding structure of SIAS and ASTM and evidence of the number of treasury shares held by ASTM (these treasury shares have been deducted from the total number of shares in order to apply the valuation methods);
- f) result of the impairment test relating to Ecoporto and VEM;
- g) publicly available documentation relating to SIAS and ASTM and their respective assets and equity interests (including market prices) obtained from public sources such as FactSet, CapitalIQ, Bloomberg, Mergermarket, Thomson Reuters, IMF World Economic Outlook, World Bank, Damodaran database, KPMG tax rates database, annual and periodic financial reports, financial presentations, press releases and press articles, websites and equity research reports.

The valuations refer to the consolidated economic and financial statements of SIAS and ASTM as at 31 December 2018. Given the criteria for the valuations used, as defined below, the valuations refer to the economic and market conditions on 12 June 2019 (the “**Reference Date**”), as regards the stock exchange prices and the amount of treasury shares in the portfolio, i.e. the final day of trading of ASTM and SIAS shares before 13 June 2019, the date on which the Boards of Directors of the Companies met to approve the terms and conditions of the Merger.

3.2 Criteria adopted to determine the Exchange Ratio

In a merger between companies, the valuation aims to determine the values of their economic capital and the consequent exchange ratio (i.e. the proportion between the number of shares of the merging company and the number of shares that the surviving company assigns to the shareholders of the merging company). The main purpose of the valuation of the companies involved in mergers, therefore, is – rather than to estimate of the absolute values of the economic capital – to obtain comparable values for the purpose of determining the exchange ratio. The companies involved in the transaction must therefore be valued on the basis of homogeneous criteria, so that the results of the valuation analyses will be fully comparable.

It should also be noted that ASTM and SIAS have been valued, as separate entities, on a going concern basis regardless of any evaluation of the potential effects of the Merger on the resulting entity (stand-alone perspective) and assuming that they are capable of achieving the economic and financial projections prepared by the management.

In light of the foregoing, and taking into account the purposes of the valuation in question, the valuation practice according to national and international standards, with particular reference to holding companies, the characteristics of SIAS and ASTM, as well as their status as listed companies, the following methods have been identified:

- a) Stock Exchange Price Trend Method;
- b) Net Asset Value (“NAV”) Method.

Lastly, the target prices published by research analysts in the period between 27 March 2019 and the Reference Date (the “**Target Prices**”) were considered. However, the Target Prices were not used as an independent valuation method mainly because ASTM is only covered by a limited number of analysts.

a) Stock Exchange Price Trend Method

In the case of companies listed on the Stock Exchange, practice suggests that market prices should be considered as relevant information for estimating the economic value of companies, by using market capitalisations calculated on the basis of prices recorded at time intervals deemed to be significant.

Using the Stock Exchange Price Trend Method, the value per share of a listed company is calculated as the average of the prices per share over a specific time frame. This method is based on the assumption of efficiency of the financial market on which the company’s securities are listed. Since the prices of listed shares are the result of systematic trading activities that take into account the risks and returns of listed companies, such prices usually provide reliable indications of value.

Economic theory and professional practice suggest taking into account the results, inter alia, through the calculation of averages over different time frames in order to neutralise any short-term fluctuations potentially occurring in the prices of the securities of the companies taking part in the merger, and at the same time giving adequate prominence to the most recent trading prices and, therefore, the most recent market conditions and positions of the companies to be valued.

In this specific case, it was deemed appropriate to apply this methodology by adopting the following criteria: (i) use of arithmetic averages of official prices weighted by volumes; (ii) use reference periods of 1 month, 3 months and 6 months prior to the Reference Date.

On the other hand, the 12- and 9-month periods averages were excluded because they were materially impacted by the events following the collapse of the Morandi bridge occurred on 14 August 2018, both in terms of volatility and share price trends.

The table below illustrates the results obtained through the application of the Stock Exchange Price Trend Method.

	Exchange Ratios
1-month weighted average	0.66x
3-month weighted average	0.65x
6-month weighted average	0.64x
Midpoint (between minimum and maximum)	0.65x

b) NAV Method

The NAV Method is particularly common for estimating the intrinsic value of holding companies, such as those involved in the Merger, whose main activity is the management of a portfolio of equity interests in third-party companies. This method consists in estimating the value of the economic capital of the companies to be valued as the sum of the assets and equity interests held by the same, net of their net financial position and any other significant liabilities, including the current value of the holding costs.

In order to assess the NAV of the various assets and equity interests of SIAS and ASTM, the methods considered most appropriate to the specific situation have been adopted. In particular, where a prospective financial plan is available, the Discounted Cash Flow (the “**DCF**”) method has been applied.

The DCF method is an analytical method and belongs to the family of financial valuation methods. This method makes it possible to assess the specific medium-/long-term growth prospects of the company to be valued independently of stock market sentiment but taking into account the company’s development plan and the growth prospects of the business in which it operates. This method is particularly appropriate for regulated businesses, such as motorways business, or in the context of long-term industrial plans.

According to the DCF method, the value of the economic capital of a company (the “**Equity Value**”) is equal to the difference between the Enterprise Value (the “**EV**”), the net financial position (the “**NFP**”) and any minority shareholders’ equity (the “**Minority Interests**”). Lastly, the values of the shareholdings not consolidated on a line-by-line basis must be added to the above value.

The EV is equal to the sum of:

- The value of expected net cash flows from operating activities (the “**Unlevered Free Cash Flows**” or “**FCFun**”) for the explicit period, discounted at the weighted average cost of capital (the “**WACC**”).

In order to determine the Exchange Ratio, the period identified in the economic/financial plans drafted by the management was used as explicit period;

- Terminal value (the “**Terminal Value**” or “**TV**”). TV represents, depending on the case: (i) the residual value of the fixed assets at the end of the concession, in case of a takeover by a new concessionaire; or (ii) the unlimited capitalisation of the FCFun expected for the n-th year, on the basis of the Gordon formula, in the event that there is no concession.

$$EV = \left[\sum_{t=1}^n \frac{FCF_{un_t}}{(1+WACC)^t} + \frac{TV}{(1+WACC)^n} \right]$$

The WACC was calculated on the basis of the financial formula that considers the cost of debt, the cost of equity and the reference financial structure as parameters; where the cost of equity was calculated on the basis of the usual formula of the Capital Asset Pricing Model.

Where applicable, a sensitivity of the growth rate envisaged by the Gordon and WACC formula was subsequently analysed in order to define a valuation range.

For the assets and equity interests which no prospective financial plan was available for, the book value method at the most recent available date, the market multipliers method or, where available, appraisal values method were applied.

More specifically, for the purpose of the valuation of SIAS, the NAV was calculated by adding up the assets and equity interests held by SIAS, net of the net financial position and current value of the holding costs.

In particular, the equity interests held in Italian motorway concessionaires were valued using the DCF method.

The equity interests held in ATIVA, Road Link and Milano Serravalle, given the unavailability of the prospective financial plan, were valued on the basis of the book value as at 31 December 2018.

The other SIAS' equity interests were valued as following described: (i) IGLI using the NAV, on the basis of a valuation of Ecorodovias using the DCF; (ii) Itinera using the DCF, (iii) SINELEC and Euroimpianti using the DCF; (iv) unlisted minority equity interests using the book value; (v) listed equity interests using the market value.

For the purpose of the valuation of ASTM, the NAV was calculated by adding up the assets and equity interests held by ASTM, net of the net financial position and current value of the holding costs.

In particular, the following methods were applied: (i) for SIAS, held directly by ASTM and, partly, through SINA, the NAV method as described above; (ii) for IGLI, the NAV method based on a valuation of Ecorodovias using the DCF; (iii) for Itinera, the DCF; (iv) for SINA, the market multiples method (EV/EBITDA); (v) for unlisted minority interests, the DCF or the book value, and for listed equity interests, the market value.

Sensitivity scenarios were applied to the parameters of the DCF (growth rate envisaged by the Gordon formula and discount rate) and also to the valuation of the various equity interests of ASTM and SIAS.

The net financial position of the Companies as at 31 December 2018 has been adjusted taking into account the dividends distributed by ASTM and SIAS and the financial flows connected with the execution of the transaction concerning Autostrade Lombarde/BrebeMi and TEM/TE.

The table below shows the results obtained through the application of the NAV Method.

	Exchange Ratios
Minimum	0.46x
Average	0.49x
Maximum	0.52x

3.3 Values attributed to the Companies

The Exchange Ratio was determined by applying a “mixed” valuation methodology that takes into account both the NAV Method and the Stock Exchange Price Method.

By applying this mixed methodology, the following exchange ratio ranges have been identified:

- a wide exchange ratio range, between the minimum value of 0.49x (observed in the NAV Method as the average of the range given by the minimum value and the maximum value resulting from the application of that method) and the maximum value of 0.65x (observed in the Stock Exchange Price Method as the average of the range given by the minimum value and the maximum value resulting from the application of that method); and
- a narrow exchange ratio range, between the minimum value of 0.54x and the maximum value of 0.59x. This range was determined by applying a weighting to the respective minimum and maximum values of the previous range that would allow greater importance to be given to the NAV Method, in identifying the minimum, and to the Stock Exchange Price Trend Method, in identifying the maximum. In particular, in identifying the narrow exchange ratio range, a weight of one third (1/3) and two thirds (2/3), respectively, was attributed to the average values identified using the above NAV Method and Stock Exchange Price Trends Method and, consequently, the following weighted average was used:
 - o maximum range: $0.49 \times 33\% + 0.65 \times 67\% = 0.59$ (rounded-off values);
 - o minimum range: $0.49 \times 67\% + 0.65 \times 33\% = 0.54$ (rounded-off values).

The resulting range stands at around +/-5% in relation to the central value. For the purpose of checking this narrow range, a range was also calculated between a minimum value identified as the average of the minimum exchange ratios identified by the NAV Method and Stock Exchange Price Trend Method and a maximum value as the average of the maximum exchange ratios identified by the same methods (0.55x - 0.59x).

The table below shows the values of the wide and narrow ranges.

Exchange Ratios	Wide range	Narrow range
Minimum	0.49x	0.54x
Maximum	0.65x	0.59x

3.4 Determination of the Exchange Ratio

On 12 June 2019, on the basis of the available information and the valuations prepared by the financial advisors, the Board of Directors of SIAS delegated the Merging Company's Chief Executive Officer to negotiate the exchange ratio within the narrow range defined during the same Board meeting. At the same time, the Board of Directors of ASTM granted a mandate to the Surviving Company's Chief Executive Officer to negotiate the punctual amount of the exchange ratio with the Chief Executive Officer of SIAS.

Following the negotiations between the respective Chief Executive Officer, on 13 June 2019, the Boards of Directors of the Companies, on the basis of the results of the valuation activities described above and of the fairness opinions issued by their financial advisors, and with the favourable opinion of their respective Related Parties Transactions Committees, agreed on the Exchange Ratio between ASTM ordinary shares without indication of par value and SIAS ordinary shares with a par value of Euro 0.50 each.

In particular, the Directors identified, according with the results of the application of the methods considered, the Exchange Ratio to be submitted to the respective Shareholders' Meetings, described below:

0.55 (zero point five five) ASTM ordinary shares without indication of par value for each 1 (one) SIAS ordinary share with a par value of Euro 0.50 each.

The Exchange Ratio is not subject to adjustments or cash adjustments. For a description of the procedures for the assignment of ASTM ordinary shares in exchange, please see Paragraph 4 below.

In any case, the Exchange Ratio is rounded to the fourth decimal place included.

The fairness of the Exchange Ratio was submitted, for evaluation purposes, to the independent auditors KPMG S.p.A., as joint expert appointed by the Court of Turin by decree of 19 June 2019 according to the joint application submitted by the Companies on 14 June 2019. The fairness opinion on the Exchange Ratio, pursuant to Article 2501-*sexies* of the Italian Civil Code, to be prepared by KPMG S.p.A., will be made available to the public within the terms and according to the procedures provided for by the applicable laws and regulations.

3.5 Difficulties and limitations encountered in assessing the Exchange Ratio

The valuations of the Board of Directors for determining the Exchange Ratio must be considered in light of certain limits and criticalities, typical in this area of analysis, as well as the specific characteristics of ASTM and SIAS. In particular:

- the activity of SIAS and ASTM is largely based on concession contracts with a predefined expiration date, which thus has an impact on the time frame of the Companies' economic and financial

projections. It also assumed that the currently existing regulatory context and tariff schemes would remain in force;

- the valuation analyses take into account the particular characteristics of the Companies and the valuation methods adopted. In particular:
 - a) for the analysis of Stock Exchange Price Trends: (i) the liquidity of securities on the market may be limited and therefore prices may not correctly represent the intrinsic value of the Companies; (ii) market volatility induced by exogenous elements (such as changes in the macroeconomic context) may temporarily affect Stock Exchange prices, thus limiting their representativeness in reflecting intrinsic values;
 - b) for the analysis of the NAV: (i) it was assumed that, in the period between the economic and financial statements available as at 31 December 2018 and the Reference Date, no substantial changes had occurred in the economic and financial profile of ASTM and SIAS, in addition to the adjustments specifically referring to the dividends paid by ASTM and SIAS and the cash flows connected with the execution of the transaction concerning Autostrade Lombarde/BrebeMi and TEM/TE; (ii) the method selected required a complex allocation of certain economic, financial and equity variables to the individual assets to be evaluated; (iii) the application of the DCF method required the use of certain hypotheses and economic and financial forecasts prepared by the management of the Companies; by their nature, such figures entail elements of uncertainty. Changes in the assumptions underlying the forecast data could also have a significant impact on the results of the analysis.

4. PROCEDURES FOR THE ASSIGNMENT OF SHARES OF THE SURVIVING COMPANY

The Merger will be implemented through: (i) the cancellation without exchange of the ordinary SIAS shares that will be owned by ASTM at the effective date of the Merger and (ii) the cancellation of the ordinary SIAS shares that will be owned by SIAS' shareholders other than ASTM at the effective date of the Merger and the simultaneous assignment to the latter, on the basis of the Exchange Ratio, of ordinary ASTM shares in exchange.

As described into the Merger Plan, to service the assignment of ordinary ASTM shares in exchange, the Surviving Company shall increase its share capital by a maximum of Euro 23,970,091.50 (twenty-three million nine hundred and seventy thousand and ninety-one Euros and 50 cents), by issuing a maximum of 47,940,183 (forty-seven million nine hundred and forty thousand one hundred and eighty-three) new ordinary ASTM shares, without indication of par value (the "**Capital Increase**"). This maximum amount of the Capital Increase was determined by assuming that, at the effective date of the Merger, ASTM (i) had not acquired in the context of the VTO, and/or outside it, any SIAS share (and, therefore, the condition relating to ASTM's attainment of the Shareholding has been waived) and (ii) held the same shareholding in SIAS as the one owns on 13 June 2019 (i.e. the date of approval of the Merger Plan by the Board of Directors of ASTM and SIAS)⁶.

⁶ In this regard, it should also be noted that, between the date of approval of the Merger Plan and the date of this Report, ASTM purchased no. 11,376,796 SIAS shares, representing 5.00% of the share capital of SIAS, as a result of the VTO and no. 303,000 SIAS

The newly issued shares of the Surviving Company assigned in exchange to SIAS' shareholders will be listed on the *Mercato Telematico Azionario* (MTA – Italian Stock Exchange), organised and managed by Borsa Italiana S.p.A., as the ordinary ASTM shares already outstanding, and will be subject to the dematerialisation and centralised management system organized by Monte Titoli S.p.A., pursuant to Articles 83-*bis et seq.* of the CLF.

A service will be made available to the shareholders of the Merging Company in order to round up to the next lower or higher unit the number of shares due for the purpose of the Exchange Ratio, without any additional expenses, stamp duty or fees. Alternatively, different modes can be activated to ensure the overall successful outcome of the transaction.

The newly issued ASTM ordinary shares serving the Exchange Ratio will be made available to SIAS shareholders other than ASTM, in accordance with the specific forms applicable to securities dematerialised and centralised at Monte Titoli S.p.A., starting from the effective date of the Merger, if such date is a trading day, or on the first following trading day.

The exchange transaction will be carried out through authorised intermediaries, without any cost, expense or fee charged to the shareholders of SIAS.

5. EFFECTIVE DATE OF THE MERGER FROM WHICH THE OPERATIONS OF THE COMPANY ARE RECOGNISED IN THE ACCOUNTS OF ASTM

Subject to the non-occurrence of (or, where applicable, to the waive of) the conditions subsequent and the occurrence of (or, where applicable, to the waive of) the conditions precedent referred to in Paragraph 1.2.2 above, the Merger will be effective under civil law starting from the last of the registrations with the Companies' Registrar of Turin pursuant to Article 2504-*bis* of the Italian Civil Code, or from the later date that may be indicated in the Merger deed.

As from the effective date of the Merger, the Surviving Company will take over, with full rights, all the assets and liabilities of the Merging Company and all the reasons, actions and rights, as well as all the obligations, undertakings and duties of any kind pertaining to it, in accordance with the provisions of Article 2504-*bis*, Paragraph 1, of the Italian Civil Code.

For accounting purposes, the transactions carried out by the Merging Company will be accounted in the financial statements of the Surviving Company as from 1^o January of the financial year in which the Merger takes effects under civil law. The tax effects will also commence from the same date.

shares, representing 0.133% of the share capital of SIAS, outside the VTO in accordance with the applicable law and regulations. Hence, assuming that, on the effective date of the Merger, ASTM will hold the same equity interest in SIAS that it held as at the date of this Report, the theoretical maximum amount of the Capital Increase will be equal to Euro 20,758,148.00 and, consequently, the theoretical maximum number of new ASTM ordinary shares resulting from the Capital Increase will be equal to 41,516,296 (for further information on this, please refer to Paragraph 7.3 below).

6. TAX PROFILES

DIRECT TAXES

The Merger transaction, pursuant to Article 172, paragraph 1, of Italian Presidential Decree 22 December 1986, no. 917 (Consolidated Law on Income Tax - “**TUIR**”) is a tax-neutral transaction. In particular, the Merger does not constitute the realisation of capital gains or losses on the assets of the Companies, including those relating to inventories and goodwill. Moreover, pursuant to Article 172, paragraph 3, of the TUIR, the exchange of the original shareholdings of the shareholders of the Companies does not constitute the realisation or distribution of capital gains or the attainment of revenues, unless an adjustment is provided for.

ASTM’s tax assets (i.e. the tax losses for tax year 2016 reallocated following ASTM’s exit from the Aurelia tax consolidation, the tax losses for tax year 2018, the excess of interest expense that can be carried forward and the excess of ACE that can be carried forward recorded in relation to previous years) may be used by it following the Merger, provided that the conditions set out in Article 172, paragraph 7 of the TUIR are met.

Any exchange and/or cancellation differences accounted as a result of the Merger will not be recognised for income tax purposes. Pursuant to Article 172, paragraph 5, of the TUIR, any surplus from the Merger must be allocated as a priority to the replenishment of the reserves in suspension of tax (if any).

The Merger is also neutral for IRAP purposes.

For income tax purposes, the Merger will take effect on 1° January of the year in which its effects under civil law occur. Such backdating of the tax effects must be expressly provided for in the Merger deed.

From the effective date of the Merger, the Surviving Company will be required to comply with all obligations arising from tax regulations.

INDIRECT TAXES

The Merger is a transaction that is not relevant for VAT purposes. The Merger is subject to registration, mortgage and cadastral fees at a fixed rate of Euro 200 each.

EFFECTS OF THE MERGER ON THE SIAS TAX CONSOLIDATION

Following the Merger, the group taxation regime currently in force for SIAS may continue for ASTM, as the company resulting from the Merger, provided that the requirements set out in Articles 117 *et seq.* of the TUIR, provided for the purposes of access to that regime, continue to be met. On 24 July 2019, ASTM filed a tax clearance application pursuant to Article 11, Paragraph 1, letter b), of the Italian Law 27 July 2000 no. 212 in order to prove the existence of the above requirements.

7. COMPANY RESULTING FROM THE MERGER

7.1 Composition of the relevant shareholding structure of the Surviving Company

As at the date of this Report, the shareholders of the Surviving Company who, according to the shareholders’ registrar, supplemented by the communications of the relevant equity interests pursuant to Article 120 of the CLF and by the publicly available information, hold more than 3% of the share capital of ASTM, are indicated in the following table:

Declarant	Direct shareholder	% of share capital	% of share capital (net of treasury shares)
Aurelia S.r.l.	Aurelia S.r.l.	0.351	0.381
	Nuova Argo Finanziaria S.p.A. (*)	56.801	61.669
	Nuova Codelfa S.p.A. (**)	1.967	2.136
	Total Aurelia S.r.l.	59.119	64.187
ASTM S.p.A.	ASTM S.p.A.	7.873 (voting right suspended pursuant to Article 2357-ter of the Italian Civil Code)	-
	ATIVA S.p.A.	0.022 (voting right suspended pursuant to Article 2359-bis of the Italian Civil Code)	-
	Total own shares	7.895	-

(*) The share capital of Nuova Argo Finanziaria S.p.A. is (i) 60% held by Aurelia and (ii) the remaining 40% held by Mercure Investment S.à r.l., a company incorporated under Luxembourg law, entirely owned by Mercure Holding SCA, in turn controlled by the investment funds Ardian Infrastructure Fund IV SCA, SICAR, and Ardian Infrastructure Fund IV SCA, SICAR B, both managed by the General Partner Ardian Infrastructure IV S.à r.l., a company incorporated under Luxembourg law, controlled by Ardian S.A.S.

(**) 83.577% of the share capital of Nuova Codelfa S.p.A. is owned by Nuova Argo.

At the date of this Report, therefore, Aurelia, through Nuova Argo, has the sole control of ASTM, pursuant to Article 2359 of the Italian Civil Code and Article 93 of the CLF.

The Surviving Company is also subject to management and coordination activity of Nuova Argo, pursuant to Articles 2497 *et seq.* of the Italian Civil Code.

7.2 Composition of the relevant shareholding structure of the Merging Company

As at the date of this Report, the shareholders of the Merging Company who, according to the shareholders' registrar, supplemented by the communications of the relevant equity interests pursuant to Article 120 of the CLF and by the publicly available information, hold more than 3% of the share capital of SIAS, are indicated in the following table:

Declarant	Direct shareholder	% of share capital
Aurelia S.r.l.	Aurelia S.r.l.	6.844
	Nuova Argo Finanziaria S.p.A. (*)	0.662
	ASTM S.p.A. (**)	66.826
	SINA - Società Iniziative Nazionali Autostradali S.p.A. (***)	1.717
	Total Aurelia S.r.l.	76.049

(*) The share capital of Nuova Argo Finanziaria S.p.A. is (i) 60% held by Aurelia and (ii) the remaining 40% held by Mercure Investment S.à r.l., a company incorporated under Luxembourg law, entirely owned by Mercure Holding SCA, in turn controlled by the investment

funds Ardian Infrastructure Fund IV SCA, SICAR, and Ardian Infrastructure Fund IV SCA, SICAR B, both managed by the General Partner Ardian Infrastructure IV S.à r.l., a company incorporated under Luxembourg law, controlled by Ardian S.A.S.

(**) The equity interest in SIAS held by ASTM includes no. 11,376,796 SIAS shares purchased by ASTM in the context of the VTO, as well as no. 303,000 SIAS shares purchased by ASTM outside the VTO after the date of the bidder's notice pursuant to Article 102 of the CLF (of which no. 110,000 purchased on 14 June 2019, no. 151,000 purchased on 19 June 2019, no. 10,000 purchased on 21 June 2019, no. 20,000 purchased on 24 June 2019 and no. 12,000 purchased on 25 June 2019), as made available to the market in accordance with the provisions of Article 41, Paragraph 2, letter. c), of the Issuers Regulation.

(***) The share capital of SINA - Società Iniziative Nazionali Autostradali S.p.A. is entirely owned by ASTM.

At the date of this Report, therefore, Aurelia, through Nuova Argo and ASTM, has the sole control of SIAS pursuant to Article 2359 of the Italian Civil Code and Article 93 of the CLF (for more information on the stake in the share capital of Nuova Argo owned by Aurelia, see Paragraph 7.1 above).

The Merging Company is also subject to management and coordination activity of Nuova Argo, pursuant to Articles 2497 *et seq.* of the Italian Civil Code.

7.3 Capital Increase of the Surviving Company to service the Merger

As described into the Merger Plan, to service the assignment of ordinary ASTM shares in exchange, the Surviving Company shall increase its share capital by a maximum of Euro 23,970,091.50, by issuing a maximum of 47,940,183 new ordinary ASTM shares, without indication of par value. In accordance with the indications in the Merger Plan, therefore, after the Merger takes effect, the share capital of ASTM will be increased from the current Euro 49,499,300.00 to a maximum of Euro 73,469,391.50.

However, as already illustrated in Paragraph 4 above, the maximum amount of the Capital Increase indicated above was determined assuming that, on the effective date of the Merger, ASTM (i) had not acquired, in the context of the VTO, and/or outside of it, any SIAS share (and, therefore, the condition relating to ASTM's attainment of the Shareholding has been waived) and (ii) held the same shareholding in SIAS as the one owned on 13 June 2019 (i.e. the date of approval of the Merger Plan by the Boards of Directors of ASTM and SIAS).

Since ASTM, between the date of approval of the Merger Plan and the date of this Report, purchased no. 11,376,796 SIAS shares (representing 5% of its share capital), as a result of the VTO and no. 303,000 SIAS shares (representing 0.133% of its share capital) outside the VTO, in accordance with the applicable law and regulations, the theoretical maximum amount of the Capital Increase and the theoretical maximum number of new ASTM ordinary shares arising from the Capital Increase, calculated by assuming that, at the effective date of the Merger, ASTM should hold the same equity investment in SIAS as at the date of this Report, will be equal to Euro 20,758,148.00 and 41,516,296 respectively.

7.4 Forecasts on the composition of the relevant shareholding structure of the Surviving Company after the Merger

In light of the information included in Paragraph 7.3 above and on the basis of the Exchange Ratio detailed in Paragraph 3.4 above, 2 (two) potential scenarios representing the composition of the relevant share capital of the Surviving Company following the effectiveness of the Merger are illustrated below.

The percentages shown in the following scenarios have been calculated on the assumption that, between the date of this Report and the date of signing of the Merger deed: (i) ASTM holds the same shareholding

in SIAS as at the date of this Report; (ii) there are no changes in the significant equity interest in ASTM and SIAS pursuant to Article 120 of the CLF and (iii) ASTM does not carry out transactions on its treasury shares.

In the first scenario below, it is assumed that no ASTM shareholder exercises the Right of Withdrawal or, in the event that the Right of Withdrawal is exercised, no ASTM shares subject to the Right of Withdrawal are acquired by ASTM.

SCENARIO 1 - No exercising of the Right of Withdrawal or, in the event of exercising of the Right of Withdrawal by ASTM's shareholders, no ASTM shares subject to the Right of Withdrawal acquired by ASTM		
Shareholder	% of share capital	% of share capital (net of treasury shares)
Total Aurelia S.r.l.	48.337%	52.027%
Aurelia S.r.l.	6.343%	6.827%
Nuova Argo Finanziaria S.p.A. (*)	40.608%	43.708%
Nuova Codelfa S.p.A. (**)	1.386%	1.492%
Treasury shares (***)	7.092%	-
Free float	44.571%	47.973%

(*) The share capital of Nuova Argo Finanziaria S.p.A. is (i) 60% held by Aurelia and (ii) the remaining 40% held by Mercure Investment S.à r.l., a company incorporated under Luxembourg law, entirely owned by Mercure Holding SCA, in turn controlled by the investment funds Ardian Infrastructure Fund IV SCA, SICAR, and Ardian Infrastructure Fund IV SCA, SICAR B, both managed by the General Partner Ardian Infrastructure IV S.à r.l., a company incorporated under Luxembourg law, controlled by Ardian S.A.S.

(**) 83.577% of the share capital of Nuova Codelfa S.p.A. is owned by Nuova Argo.

(***) The number of treasury shares includes ASTM shares held by S.I.N.A. S.p.A. and Ativa S.p.A.

In the second scenario below, it is assumed that, upon the exercising of the Right of Withdrawal by the shareholders of ASTM, the Surviving Company will purchase 2,297,794 ASTM shares, for a total consideration equal to the Maximum Outlay (i.e. EUR 50 million).

SCENARIO 2 - Upon the exercising of the Right of Withdrawal, purchase of ASTM shares by ASTM for a disbursement equal to the Maximum Outlay		
Shareholder	% of share capital	% of share capital (net of treasury shares)
Total Aurelia S.r.l.	48.337%	52.959%
Aurelia S.r.l.	6.343%	6.949%
Nuova Argo Finanziaria S.p.A. (*)	40.608%	44.491%
Nuova Codelfa S.p.A. (**)	1.386%	1.519%
Treasury shares (***)	8.727%	-
Free float	42.936%	47.041%

(*) The share capital of Nuova Argo Finanziaria S.p.A. is (i) 60% held by Aurelia and (ii) the remaining 40% held by Mercure Investment S.à r.l., a company incorporated under Luxembourg law, entirely owned by Mercure Holding SCA, in turn controlled by the investment funds Ardian Infrastructure Fund IV SCA, SICAR, and Ardian Infrastructure Fund IV SCA, SICAR B, both managed by the General Partner Ardian Infrastructure IV S.à r.l., a company incorporated under Luxembourg law, controlled by Ardian S.A.S.

(**) 83.577% of the share capital of Nuova Codelfa S.p.A. is owned by Nuova Argo.

(***) The number of treasury shares includes ASTM shares held by S.I.N.A. S.p.A. and Ativa S.p.A.

It should be noted that, in all the above scenarios, on the effective date of the Merger, Aurelia, through Nuova Argo, will maintain the sole control over the Surviving Company after the Merger, pursuant to Article 2359 of the Italian Civil Code and Article 93 of the CLF.

7.5 Economic, Equity and Financial Effects on the Surviving Company of the Capital Increase to Service the Merger

7.5.1 Introduction

In order to understand the economic and financial impacts of the Merger, the consolidated balance sheet and income statement of ASTM as at 31 December 2018 and 30 June 2019 have been prepared, as if the Merger had taken place in the period to which the *pro-forma* data presented refer (the “**Pro-forma Consolidated Financial Statements**”).

The *Pro-forma* Consolidated Financial Statements of the Surviving Company have therefore been prepared on the basis of ASTM’s annual consolidated financial statements as at 31 December 2018 and consolidated half-yearly financial report as at 30 June 2019, respectively, and by applying - on the basis of the information available - the *pro-forma* adjustments relating to the Merger transaction as illustrated below.

The consolidated financial statements of ASTM as at 31 December 2018 were approved by the Board of Directors of the Surviving Company on 27 March 2019 and were audited by PricewaterhouseCoopers S.p.A., which issued its unqualified report on 24 April 2019. The consolidated half-yearly financial report as at 30 June 2019 was approved by the Board of Directors of ASTM on 2 August 2019 and was subject to a limited audit by PricewaterhouseCoopers S.p.A. which, on the same date, issued the related unqualified report.

Since these are representations based on assumptions, the *Pro-forma* Consolidated Financial Statements do not necessarily coincide with those that would have actually been determined if the Merger and the related economic and financial effects had actually taken place at the dates used as reference for their preparation, as described below. Moreover, the *Pro-forma* Consolidated Financial Statements do not reflect prospective data and are not intended to represent a forecast of the future results of the ASTM group, as they have been prepared in such a way as to represent only the effects of the Merger, which can be isolated and objectively measured, applied to historical data.

With reference to the consolidated financial statements of ASTM *post*-Merger, given that, as at the date of this Explanatory Report, the Surviving Company controls and consolidates SIAS in its financial statements, the Merger will have substantially neutral impacts on the economic, equity and financial aspects of the group headed by ASTM.

With reference to the separate financial statements, on the other hand, the profile of the entity resulting from the Merger will substantially reflect the aggregation of the data of the two Companies; from an income point of view, there are, however, potential lower operating costs and greater management efficiency thanks, among other things, to the elimination of double listing costs.

In this regard, it should be noted that, as a result of the Merger, the 3 (three) non-convertible bonds, with a duration of ten years, issued by SIAS, regulated by English law and traded on the Irish Stock Exchange, will be transferred to ASTM as a new issuer. In particular, the following bonds will be transferred to ASTM: (i) the SIAS 2010-2020 bond loan (“*prestito obbligazionario SLAS 2010-2020*”), for an amount of Euro 500 million, with a coupon equal to 4.50% gross per annum and with a single repayment expected at the maturity date (i.e. 26 October 2020); (ii) the SIAS 2014-2024 bond loan (“*prestito obbligazionario SLAS 2014-2024*”), for an amount of Euro 500 million, with a coupon equal to 3.375% gross per annum and with a single repayment expected at the maturity date (i.e. 13 February 2024); and (iii) the SIAS 2018-2028 bond loan (“*prestito obbligazionario SLAS 2018-2028*”), for an amount of Euro 550 million, with a coupon equal to 1.625% gross per annum and with a single repayment expected at the maturity date (i.e. 8 February 2028).

7.5.2 Pro-forma Consolidated Financial Statements as at 31 December 2018

The tables below show: (i) in the first column, the consolidated balance sheet and income statement of SIAS, (ii) in the second column, the consolidated balance sheet and income statement of ASTM, (iii) in the third column, the *pro-forma* adjustments that make it possible to obtain the *pro-forma* balance sheet and income statement of ASTM, i.e. as if the Merger had taken place respectively on 31 December 2018 for the purpose of the *pro-forma* consolidated balance sheet and on 1 January 2018 for the purposes of the *pro-forma* consolidated income statement.

Consolidated balance sheet of SIAS, ASTM and ASTM *pro-forma* as at 31 December 2018

(in thousands of Euro)	SIAS 31.12.2018	ASTM 31.12.2018	<i>Pro-forma</i> adjustments	ASTM <i>pro-forma</i> 31.12.2018
Assets				
Total intangible assets	3,088,751	3,183,160	-	3,183,160
Total tangible assets	56,715	130,019	-	130,019
Total non-current financial assets	1,312,390	1,630,112	-	1,630,112
Deferred tax assets	131,075	146,504	-	146,504
Total non-current assets	4,588,931	5,089,795	-	5,089,795
Total current assets	1,483,956	2,086,359	(10.060)	2,076,299
Total assets	6,072,887	7,176,154	(10.060)	7,166,094
Shareholders' equity and liabilities				
Shareholders' equity attributed to the shareholders of the parent company	2,264,031	1,925,755	604,771	2,530,526
Shareholders' equity attributed to minority interests	319,316	1,151,140	(822,681)	328,459
Total shareholders' equity	2,583,347	3,076,895	(217,910)	2,858,985
Total non-current liabilities	2,728,095	2,843,029	199,094	3,042,123
Total current liabilities	761,445	1,256,230	8,756	1,264,986
Total shareholders' equity and liabilities	6,072,887	7,176,154	(10,060)	7,166,094

The *pro-forma* adjustments made to ASTM's consolidated balance sheet in order to obtain the *pro-forma* financial statements are illustrated below⁷:

- purchases of SIAS shares in the context of the VTO through the use of part of the resources deriving from specific financing;
- purchases of SIAS and ASTM shares made on the market in 2019 through the use of available resources;
- reclassification of part of ASTM's minority shareholders' equity to group shareholders' equity, as the shareholders' equity attributed to current SIAS shareholders other than ASTM shareholders no longer constitutes minority shareholders' equity to the extent that SIAS shareholders become shareholders of ASTM (minority shareholders' equity remains solely that attributed to minority shareholders of the subsidiaries);
- adjustments to take account of costs arising from the transaction (financial and legal advice, appraisals, notary fees, auditing and others), net of the related tax effect.

Consolidated income statement of SIAS, ASTM and ASTM *pro-forma* for 2018

(in thousands of Euro)	SIAS 2018	ASTM 2018	<i>Pro-forma</i> adjustments	ASTM <i>pro-forma</i> 2018
Revenues				
Motorway sector - operational activities	1,218,972	1,218,972	-	1,218,972
Motorway sector – planning and construction	148,601	148,601	-	148,601
Construction sector - planning and construction	-	37,365	-	37,365
Construction sector	-	490,527	-	490,527
Engineering sector	-	6,244	-	6,244
Technology sector	45,641	36,454	-	36,454
Other	41,362	54,255	-	54,255
Total Revenues	1,454,576	1,992,418	-	1,992,418
Personnel costs	(178,518)	(302,444)	-	(302,444)
Costs for services	(372,565)	(647,461)	-	(647,461)
Costs for raw materials	(27,530)	(128,538)	-	(128,538)
Other costs	(137,179)	(154,453)	-	(154,453)
Capitalised costs on fixed assets	598	1,379	-	1,379
Amortisation, depreciation	(308,616)	(319,125)	-	(319,125)
Adjustment of the provision for restoration/replacement of revertible assets	(3,218)	(3,218)	-	(3,218)
Other provisions for risks and charges	(284)	(675)	-	(675)
Financial income	35,743	43,380	-	43,380
Financial charges	(82,891)	(85,817)	(1,328)	(87,145)
Profit (loss) of companies valued by the equity method	15,489	2,159	-	2,159

⁷ The *pro-forma* statements do not take into account any effects arising from the exercising of the right of withdrawal by the shareholders of ASTM.

Profit before taxes	395,605	397,605	(1,328)	396,277
Taxes	(106,227)	(108,347)	319	(108,028)
Profit for the period	289,378	289,258	(1,009)	288,249
· share attributable to minorities	24,876	122,714	(96,776)	25,938
· share attributable to the Group	264,502	166,544	95,766	262,310

The *pro-forma* adjustments made to the consolidated income statement of ASTM are illustrated below⁸:

- adjustment to take into account the financial charges attributable to the financing used in the context of the VTO (net of the related tax effect);
- reclassification of part of the result attributable to minority equity interests of ASTM to the group result, as the result attributed to the current shareholders of SIAS other than the shareholders of ASTM no longer constitutes the result of minority equity interests to the extent that the shareholders of SIAS become shareholders of ASTM (the result attributable to minority equity interests remains solely that attributed to the minority equity interests of the subsidiaries).

7.5.3 *Pro-forma Consolidated Financial Statements as at 30 June 2019*

The tables below show: (i) in the first column, the consolidated balance sheet and income statement of SIAS, (ii) in the second column, the consolidated balance sheet and income statement of ASTM, (iii) in the third column, the *pro-forma* adjustments that make it possible to obtain the *pro-forma* balance sheet and income statement of ASTM, i.e. as if the Merger had taken place respectively on 30 June 2019 for the purpose of the *pro-forma* consolidated balance sheet and on 1 January 2019 for the purpose of the *pro-forma* consolidated income statement.

Consolidated balance sheet of SIAS, ASTM and ASTM *pro-forma* as at 30 June 2019

(in thousands of Euro)	SIAS 30.6.2019	ASTM 30.6.2019	<i>Pro-forma</i> adjustments	ASTM <i>pro-forma</i> 30.6.2019
Activities				
Total intangible assets	3,075,654	3,170,468	-	3,170,468
Total tangible assets	67,983	177,339	-	177,339
Total non-current financial assets	1,289,271	1,598,233	-	1,598,233
Deferred tax assets	125,498	141,378	-	141,378
Total non-current assets	4,558,406	5,087,418	-	5,087,418
Total current assets	1,424,532	2,161,433	(4,523)	2,156,910
Total assets	5,982,938	7,248,851	(4,523)	7,244,328
Shareholders' equity and liabilities				
Shareholders' equity attributed to the shareholders of the parent company	2,276,192	1,986,004	611,797	2,597,801
Shareholders' equity attributed to minority interests	307,195	1,141,718	(824,169)	317,549
Total shareholders' equity	2,583,387	3,127,722	(212,373)	2,915,349

⁸ The *pro-forma* statements do not take into account any effects arising from the exercising of the right of withdrawal by the shareholders of ASTM.

Total non-current liabilities	2,679,541	2,761,988	199,094	2,961,082
Total current liabilities	720,010	1,359,141	8,756	1,367,897
Total shareholders' equity and liabilities	5,982,938	7,248,851	(4,523)	7,244,328

The *pro-forma* adjustments made to ASTM's consolidated interim balance sheet are illustrated below:

- purchase of SIAS shares in the context of the VTO through the use of part of the resources deriving from specific financing;
- purchases of ASTM shares made on the market through the use of available resources;
- reclassification of part of ASTM's minority shareholders' equity to group shareholders' equity, as the shareholders' equity attributed to current SIAS shareholders other than ASTM shareholders no longer constitutes minority shareholders' equity to the extent that SIAS shareholders become shareholders of ASTM (minority shareholders' equity remains solely that attributed to minority shareholders of the subsidiaries);
- adjustments to take account of costs arising from the transaction (financial and legal advice, appraisals, notary fees, auditing and others), net of the related tax effect.

Consolidated income statement of SIAS, ASTM and ASTM *pro-forma* for 1st half of 2019

(in thousands of Euro)	SIAS 1st half of 2019	ASTM 1st half of 2019	<i>Pro-forma</i> adjustments	ASTM <i>pro-forma</i> 1st half of 2019
Revenues				
Motorway sector - operational management	597,567	597,563	-	597,563
Motorway sector - design and construction	115,692	115,692	-	115,692
Construction sector - design and construction	-	10,453	-	10,453
Construction sector	-	376,783	-	376,783
Engineering sector	-	3,561	-	3,561
Technology sector	36,763	23,417	-	23,417
Other	22,878	29,406	-	29,406
Total Revenues	772,900	1,156,875	-	1,156,875
Personnel costs	(98,989)	(187,190)	-	(187,190)
Costs for services	(235,395)	(429,703)	-	(429,703)
Costs for raw materials	(24,790)	(101,829)	-	(101,829)
Other costs	(66,780)	(76,156)	-	(76,156)
Capitalised costs on fixed assets	25	196	-	196
Amortisation, depreciation	(156,155)	(164,631)	-	(164,631)
Adjustment of the provision for restoration/replacement of revertible assets	13,249	13,249	-	13,249
Other provisions for risks and charges	(10)	(28)	-	(28)
Financial income	7,806	10,375	-	10,375
Financial charges	(37,060)	(38,513)	(655)	(39,168)
Profit (loss) of companies valued by the equity method	1,004	(5,494)	-	(5,494)

Profit before taxes	175,805	177,151	(655)	176,496
Taxes	(40,210)	(43,413)	157	(43,256)
Profit for the period	135,595	133,738	(498)	133,240
· share attributable to minorities	10,960	58,368	(45,439)	12,929
· share attributable to the Group	124,635	75,370	44,942	120,312

The *pro-forma* adjustments made to ASTM's consolidated half-yearly income statement are illustrated below:

- adjustment to take into account the financial charges attributable to the financing used in the context of the VTO (net of the related tax effect);
- reclassification of part of the result attributable to minority equity interests of ASTM to the group result, as the result attributed to the current shareholders of SIAS other than the shareholders of ASTM no longer constitutes the result of minority equity interests to the extent that the shareholders of SIAS become shareholders of ASTM (the result attributable to minority interests remains solely that attributed to the minority equity interests of the subsidiaries).

7.6 Amendments to the Surviving Company's articles of association in the context of the Merger

As a result of the Merger, starting from the effective date of the Merger, the articles of association of the Surviving Company will be amended, among other things, as follows:

- (i) amendment of Article 3 of the articles of association ("*Purpose*"), in order to modify the corporate purpose of ASTM by including the corporate purpose of the Merging Company;
- (ii) amendment of Article 5 of the articles of association ("*Amount of Share Capital*") to reflect the Capital Increase to service the Exchange Ratio;
- (iii) amendment of Article 16 of the articles of association ("*Board of Directors*") in order to: (aa) ensure that at least one third of the Board of Directors is composed of Directors of the less represented gender and, thereby, supersede the transitional provisions introduced by Italian Law 12 July 2011 no. 120 on gender equality, and (bb) provide that when an independent director no longer meets the independence requirements, such director shall not cease from its office if the Board of Directors still has the minimum number of independent directors under current law;
- (iv) amendment of Article 19 of the articles of association ("*Board Meetings*") to allow the Board of Directors to be deemed duly constituted, even in the absence of a formal call, if all the Directors in office and all the Effective Statutory Auditors are present at the meeting;
- (v) amendment of Article 27 of the articles of association ("*Appointments*") in order to ensure that at least one third of the Board of Statutory Auditors is composed of members of the less represented gender and, thereby, to supersede the transitional provisions introduced by Italian Law 12 July 2011 no. 120 on gender equality;

- (vi) addition of a transitional clause pursuant to which the Merger will determine the early termination of the Board of Directors of ASTM in office on the effective date of the Merger, thus allowing the new shareholder structure to determine the composition of the administrative body of ASTM after the Merger. The termination of the mandates of the Directors will take effect from the time the new Board of Directors will be appointed by the Shareholders' Meeting, which will resolve according to the voting slate mechanism and in compliance with the principle of the necessary representation of minorities.

Pursuant to schedule no. 3 of “Annex 3A” of the Issuers Regulation, it is set out below a comparison between (i) the text of ASTM's articles of association currently in force and (ii) the text of ASTM's articles of association including the amendments that may be approved by the Extraordinary Shareholders' Meeting of Surviving Company's.

Current text	Modified text
<p style="text-align: center;">Article 3 (Purpose)</p> <p>The company has main purpose, both in Italy and abroad, directly or through subsidiary or associate companies is:</p> <p>a) The construction and operation of motorways sections that may be granted under licence or awarded through procedures permitted by applicable laws, as well as business activities that are similar or instrumental or auxiliary to the motorways service;</p> <p>b) The activity of computing, data transmission, telecommunications, payment system and mobility services sectors;</p> <p>c) The construction and execution of public and private works and the commitment and operation of works also in concession;</p> <p>d) The development, construction or maintenance of plants, terminals and infrastructures for the operation, also in concession, of ports and airports;</p> <p>e) The activity in the logistics and transportation sector;</p> <p>f) The activity in the dockyard sector, also naval;</p> <p>g) The shipping and transportation of both goods and passengers;</p> <p>h) The research, production, transformation, transmission, transportation and marketing of electric and thermic electricity, gas and, in general, energy sources and materials;</p> <p>i) The activity in the real estate sector;</p> <p>j) The acquisition, management and disposal of interests and investments in other companies or consortia which carry on business activities also in sectors different from the above mentioned ones.</p> <p>The company can coordinate and provide financial, technical and administrative services in favour of the controlled, associated or participated companies, included the granting of collateral or personal security also in favour of third parties.</p> <p>Moreover the Company may implement all the commercial, industrial, financial, security and real estate transactions that the Board of Directors shall consider necessary or useful to pursuit of the corporate purposes as identified above, including the granting of collateral or personal security also in favour and in the interest of third parties.</p>	<p style="text-align: center;">Article 3 (Purpose)</p> <p>The company's purpose shall be the following:</p> <ul style="list-style-type: none"> - acquisition of equity investments in joint-stock companies; - financial activity in general, with the exclusion of movable and immovable property leasing, factoring, foreign exchange brokerage, services involving collection, payment and transfer of funds including through the issue of credit cards, provision of consumer credit even to Shareholders; - own account administration and management of typical and atypical securities; - provision of administration, accounting and technical services in general and commercial and advertising consulting; - provision of endorsement, sureties and guarantees, including collateral security, in the interest of investee companies or entities; - purchase and sale and administration of movable and immovable property. <p>It may also carry out commercial, industrial, security, real estate and financial transactions, functionally linked to the aforesaid corporate purpose, excluding only those activities expressly reserved by law for special categories of persons and those activities pertaining to matters regulated by special laws governing:</p> <ul style="list-style-type: none"> - collection of savings from third parties (Legislative Decree no. 385 of 1 September 1993); - insurance and re-insurance business (Presidential Decree no. 449 of 13 February 1959); - activity of trust and auditing companies (Law no. 1966 of 23 November 1939); - activity concerning mutual investment funds (Article 12 Law no. 77 of 23 March 1983);

<p>Financial activities toward the public and financial and securities brokerage activities that are not permitted by the law or that require specific formalities and authorisations shall be strictly excluded.</p>	<ul style="list-style-type: none"> - activities for the exercise of which enrolment in a professional register is required (Law no. 1815 of 23 November 1939); - Activities of stock brokerage companies (Law no. 1 of 2 January 1991). <p>The company may not perform financial activities for the benefit of the public.</p>
<p>Art. 5 (Amount of Capital)</p>	<p>Art. 5 (Amount of Capital)</p>
<p>The share capital shall be of Euro 49,499,300.00 (forty nine million four hundred and ninety nine thousand three hundred point zero zero) divided into 98,998,600 (ninety eight million nine hundred and ninety eight thousand six hundred) shares without nominal value.</p>	<p>The share capital shall be of Euro [●] ([●]) divided into [●] ([●]) shares without nominal value.</p>
<p>Art. 16 (Board of Directors)</p>	<p>Art. 16 (Board of Directors)</p>
<p>The Company shall be administered by a Board made up of a number of members ranging from seven to fifteen, as decided by the Shareholders' Meeting, and ensuring the presence of a number of independent directors and gender balance as provided by law.</p> <p>The entire Board of Directors shall be appointed on the basis of lists submitted by Shareholders in which the candidates, listed by consecutive number, must meet the requirements of integrity established by applicable legislation.</p> <p>The lists submitted by shareholders must be filed at the corporate office within the terms and according to the procedures established by applicable legislation.</p> <p>Each shareholder may submit or contribute to the submission of one list only.</p> <p>Each list must contain a number of candidates no higher than the maximum number of Directors stated in the first paragraph of this article and, when filed at the corporate office, must be accompanied by i) an information note concerning the candidates' personal and professional characteristics; ii) written acceptance of the nomination and declaration that they do not appear on other lists and iii) the further documentation prescribed by applicable legislation. Each list must include at least two candidates who meet the independence requirements provided by applicable legislation, indicating them separately and placing one of them at the top of the list. Lists containing a number of candidates equal to or higher than three must also include, as indicated in the notice of call, candidates of different gender, so as to ensure compliance with the rules in force from time to time on gender balance.</p>	<p>The Company shall be administered by a Board made up of a number of members ranging from seven to fifteen, as decided by the Shareholders' Meeting, and ensuring the presence of a number of independent directors and gender equality as provided by law and these articles of association.</p> <p>The entire Board of Directors shall be appointed on the basis of lists submitted by Shareholders in which the candidates, listed by consecutive number, must meet the requirements of integrity established by applicable legislation.</p> <p>The lists submitted by shareholders must be filed at the corporate office within the terms and according to the procedures established by applicable legislation.</p> <p>Each shareholder may submit or contribute to the submission of one list only.</p> <p>Each list must contain a number of candidates no higher than the maximum number of Directors stated in the first paragraph of this article and, when filed at the corporate office, must be accompanied by i) an information note concerning the candidates' personal and professional characteristics; ii) written acceptance of the nomination and declaration that they do not appear on other lists and iii) the further documentation prescribed by applicable legislation. Each list must include at least two candidates who meet the independence requirements provided by applicable legislation, indicating them separately and placing one of them at the top of the list. Lists containing a number of candidates equal to or higher than three must also include, as indicated in the notice of call, candidates of different gender, so as to ensure that at least one third of the members of the Board belongs to the less represented gender (or any higher quota established by legislation, where applicable, on gender equality) with rounding up, in case of a fractional number, to the next full unit.</p>

Lists may only be submitted by shareholders who alone or together with other shareholders hold shares representing the shareholding established by applicable legislation. Ownership of the aforesaid shareholding must be proven according to the terms and procedures established by applicable legislation.

Lists that do not comply with the aforesaid provisions shall be considered as not submitted.

Each shareholder entitled to vote may vote for one list only.

The members of the Board of Directors shall be elected as follows: a) Four fifths of the Directors to be elected, with round-down if the number is a fraction of a single unit, shall be taken, in the progressive order in which they are listed, from the list obtaining the highest number of votes cast by those entitled to vote; b) The remaining Directors shall be taken from the other lists. For this purpose, the votes obtained by said lists shall be subsequently divided by one, two, three, according to the number of Directors to be elected. The quotients obtained in this way shall be progressively assigned to the candidates of each of said lists, in the order in which they appear on the lists. The quotients assigned in this way to the candidates of the various lists shall be placed in a single decreasing ranking and those obtaining the highest quotients shall be elected.

If several candidates obtain the same quotient, the candidate from the list which has not yet elected any Directors or which has elected the lowest number of Directors shall be elected. In the event of list votes being equal, and therefore quotients being equal, the Shareholders' Meeting shall vote once again and the candidate obtaining the simple majority of votes shall be elected.

If at the end of the procedure referred to in the previous paragraphs the composition of the Board of Directors does not allow compliance with gender balance criteria, the candidates that should be elected in the various lists shall be placed in a single decreasing ranking, formed according to the quotient system indicated in letter b) above. The candidate of the more represented gender with the lowest quotient of the candidates taken from all the lists shall be replaced, without prejudice to observance of the minimum number of independent directors, by the first non-elected candidate belonging to the less represented gender indicated in the same list as the replaced candidate.

If candidates from different lists have obtained the same quotient, the candidate of the list from which the highest number of directors has been taken shall be replaced.

If replacement of the candidate of the more represented gender with the lowest quotient in the ranking does not however allow ~~achievement~~ of the minimum threshold established by regulations in force governing gender balance, the above replacement operation shall also be carried out with regard to the candidate of the more represented gender with

Lists may only be submitted by shareholders who alone or together with other shareholders hold shares representing the shareholding established by applicable legislation. Ownership of the aforesaid shareholding must be proven according to the terms and procedures established by applicable legislation.

Lists that do not comply with the aforesaid provisions shall be considered as not submitted.

Each shareholder entitled to vote may vote for one list only.

Considering that lists do not obtain a percentage of votes equal, at least, to half of the percentage required under the articles of association or the law, in force from time to time, for the submission of the lists will not be considered for the purpose of appointment of new directors, the members of the Board of Directors shall be elected as follows: a) four fifths of the Directors to be elected, with round-down if the number is a fraction of a single unit, shall be taken, in the progressive order in which they are listed, from the list obtaining the highest number of votes cast by those entitled to vote; b) the remaining Directors shall be taken from the other lists. For this purpose, the votes obtained by said lists shall be subsequently divided by one, two, three, according to the number of Directors to be elected. The quotients obtained in this way shall be progressively assigned to the candidates of each of said lists, in the order in which they appear on the lists. The quotients assigned in this way to the candidates of the various lists shall be placed in a single decreasing ranking and those obtaining the highest quotients shall be elected.

If several candidates obtain the same quotient, the candidate from the list which has not yet elected any Directors or which has elected the lowest number of Directors shall be elected. In the event of list votes being equal, and therefore quotients being equal, the Shareholders' Meeting shall vote once again and the candidate obtaining the simple majority of votes shall be elected.

If at the end of the procedure referred to in the previous paragraphs the composition of the Board of Directors does not allow compliance with gender equality criteria, the candidates that should be elected in the various lists shall be placed in a single decreasing ranking, formed according to the quotient system indicated in letter b) above. The candidate of the more represented gender with the lowest quotient of the candidates taken from all the lists shall be replaced, without prejudice to observance of the minimum number of independent directors, by the first non-elected candidate belonging to the less represented gender indicated in the same list as the replaced candidate.

If candidates from different lists have obtained the same quotient, the candidate of the list from which the highest number of directors has been taken shall be replaced.

*If replacement of the candidate of the more represented gender with the lowest quotient in the ranking does not however allow **to have one third of the members of the Board belonging to the less represented gender (or any higher quota established by legislation, where applicable, on***

the penultimate quotient and so on, rising from the bottom of the ranking. In all cases in which the aforesaid procedure is not applicable, replacement shall be made by the Shareholders' Meeting with the legal majorities, in compliance with the principle of proportional representation of minorities within the Board of Directors.

If no lists are submitted or admitted or if, for any reason, the appointment of one or more Directors cannot occur according to the provisions of this article, the Shareholders' Meeting shall deliberate with the legal majorities, so as to ensure, pursuant to applicable regulations, the presence of the number of Directors meeting the independence requirements and compliance with the rules in force from time to time on gender balance.

If during the year one or more Directors can no longer fulfil office the company shall act according to applicable provisions of the law, appointing, in consecutive order, candidates taken from the list to which the Director to be replaced belonged who are still eligible and willing to accept the office and in any case ensuring, pursuant to applicable regulations, the presence of the necessary number of independent directors and gender balance.

If, owing to resignations or other causes, the majority of Directors appointed by the Shareholders' Meeting should be unable to fulfil office, the entire Board shall be considered to resign and its termination shall be effective from the time the Board of Directors is re-established following appointment by the Shareholders' Meeting, which must be called as soon as possible.

Directors shall remain in office for the time established by the Shareholders' Meeting and for no longer than three financial years and may be re-elected. Those appointed during this period shall expire along with those already in office at the time of their appointment.

The Shareholders' Meeting shall decide the annual fee due to the members of the Board of Directors. Said fee shall also be valid for the years following the one for which it was decided, until the Shareholders' Meeting decides otherwise.

Remuneration of directors entrusted with specific offices shall be determined on a time by time basis by the Board of Directors, after having consulted the Board of Statutory Auditors, pursuant to Article 2389 of the Italian Civil Code.

gender equality), the above replacement operation shall also be carried out with regard to the candidate of the more represented gender with the penultimate quotient and so on, rising from the bottom of the ranking. In all cases in which the aforesaid procedure is not applicable, replacement shall be made by the Shareholders' Meeting with the legal majorities, in compliance with the principle of proportional representation of minorities within the Board of Directors.

If no lists are submitted or admitted or if, for any reason, the appointment of one or more Directors cannot occur according to the provisions of this article, the Shareholders' Meeting shall deliberate with the legal majorities, so as to ensure, pursuant to applicable regulations, the presence of the number of Directors meeting the independence requirements and compliance with **the articles of association and/or** rules in force from time to time on gender equality.

If during the year one or more Directors can no longer fulfil office the company shall act according to applicable provisions of the law, appointing, in consecutive order, candidates taken from the list to which the Director to be replaced belonged who are still eligible and willing to accept the office and in any case ensuring, pursuant to applicable regulations, the presence of the necessary number of independent directors and gender balance **in accordance with the provisions of the articles of association and/or the rules in force from time to time.**

When an independent director no longer meets the independence requirements, the independent director shall not cease from his/her office if a number of members who meet the independence requirement pursuant to current legislation remain in office on the Board of Directors.

If, owing to resignations or other causes, the majority of Directors appointed by the Shareholders' Meeting should be unable to fulfil office, the entire Board shall be considered to resign and its termination shall be effective from the time the Board of Directors is re-established following appointment by the Shareholders' Meeting, which must be called as soon as possible.

Directors shall remain in office for the time established by the Shareholders' Meeting and for no longer than three financial years and may be re-elected. Those appointed during this period shall expire along with those already in office at the time of their appointment.

The Shareholders' Meeting shall decide the annual fee due to the members of the Board of Directors. Said fee shall also be valid for the years following the one for which it was decided, until the Shareholders' Meeting decides otherwise.

Remuneration of directors entrusted with specific offices shall be determined on a time by time basis by the Board of Directors, after having consulted the Board of Statutory Auditors, pursuant to Article 2389 of the Italian Civil Code.

Members of the Board of Directors shall be entitled to refund of the expenses incurred in performance of their office.	Members of the Board of Directors shall be entitled to refund of the expenses incurred in performance of their office.
Art. 19 (Board Meetings)	Art. 19 (Board Meetings)
<p>The Board of Directors shall meet whenever the Chairman, or his deputy, deems necessary, or upon request from the majority of its members.</p> <p>The meeting shall be called by invitation transmitted to the domicile of each Director and Statutory Auditor at least three days prior to the date set for the meeting, by letter, telegram, fax or email, excepting in urgent circumstances when one day's notice shall suffice.</p> <p>Board meetings may even be held outside the corporate office. It is possible for those participating in the Board meeting to attend at a distance through the use of teleconference or televideo conference systems.</p> <p>In this case:</p> <ul style="list-style-type: none"> - The following must be ensured: <ol style="list-style-type: none"> 1. The identification of all the participants in each connection point; 2. The possibility for each participant to intervene, to express his opinion orally, to view, receive or transmit all the documentation, as well as the simultaneous nature of examination and decision; - The meeting of the Board of Directors shall be considered to have taken place at the venue at which both the Chairman and Secretary must be present at the same time. 	<p>The Board of Directors shall meet whenever the Chairman, or his deputy, deems necessary, or upon request from the majority of its members.</p> <p>The meeting shall be called by invitation transmitted, by any means guaranteeing proof of receipt, to the domicile of each Director and Statutory Auditor at least three days prior to the date set for the meeting, excepting in urgent circumstances when one day's notice shall suffice.</p> <p>Even in absence of formal call of meeting, the Board of Directors of the Company is deemed to be regularly constituted if all Directors in office and all Standing Auditors are present at the meeting. Nevertheless, in this case each Director may object to discussion of the items on the agenda about which he/she does not consider himself/herself sufficiently informed.</p> <p>Board meetings may even be held outside the corporate office. It is possible for those participating in the Board meeting to attend at a distance through the use of teleconference or televideo conference systems.</p> <p>In this case:</p> <ul style="list-style-type: none"> - the following must be ensured: <ol style="list-style-type: none"> 1. the identification of all the participants in each connection point; 2. the possibility for each participant to intervene, to express his opinion orally, to view, receive or transmit all the documentation, as well as the simultaneous nature of examination and decision; - the meeting of the Board of Directors shall be considered to have taken place at the venue at which both the Chairman and Secretary must be present at the same time.
Art. 23 (Directors)	Art. 23 (General Directors)
In compliance with legal procedures, the Board may appoint one or more Directors, establishing their powers, authorities and possibly their fees.	In compliance with legal procedures, the Board may appoint one or more General Directors, establishing their powers, authorities and possibly their fees.
Art. 27 (Appointments)	Art. 27 (Appointments)
<p>The Statutory Auditors shall be appointed for three financial years and, at the time of their appointment, the Shareholders' Meeting shall determine their fees for said period.</p> <p>In order to ensure that the minority elects one Standing Auditor and one Substitute Auditor, the Board of Statutory Auditors shall be appointed on the basis of lists submitted by shareholders, in which the candidates are listed and distinguished by a consecutive number.</p> <p>Lists shall consist of two sections: one for candidates to the office of Standing Auditor, the other for candidates to the office of Substitute Auditor. In order to comply with applicable legislation on gender</p>	<p>Statutory Auditors shall be appointed for three financial years and, at the time of their appointment, the Shareholders' Meeting shall determine their fees for said period.</p> <p>In order to ensure that the minority elects one Standing Auditor and one Substitute Auditor, the Board of Statutory Auditors shall be appointed on the basis of lists submitted by shareholders, in which the candidates are listed and distinguished by a consecutive number.</p> <p>Lists shall consist of two sections: one for candidates to the office of Standing Auditor, the other for candidates to the office of Substitute Auditor. The lists which, considering both sections, have a number</p>

<p>balance, the lists which, considering both sections, have a number of candidates equal to or higher than three must include candidates of different gender in the first two places both in the section relating to Standing Auditors and in the section relating to Substitute Auditors.</p> <p><i>Lists may only be submitted by shareholders who alone or together with other shareholders hold shares representing the shareholding established by applicable legislation. Ownership of the aforesaid shareholding must be proven according to the terms and procedures established by applicable legislation.</i></p> <p><i>Each shareholder, and the shareholders belonging to the same group and those adhering to a shareholding agreement regarding Company shares, cannot submit or vote for more than one list, not even through a third party or trust company.</i></p> <p><i>Each candidate may only appear on one list, otherwise he shall be ineligible.</i></p> <p><i>The lists cannot include candidates who do not meet the requirements of integrity and professionalism established by applicable legislation.</i></p> <p><i>At least one of the Standing Auditors and at least one of the Substitute Auditors shall be chosen from among statutory auditors enrolled in the special register who have exercised legal auditing activity for no less than three years.</i></p> <p><i>The Statutory Auditors who not do meet the aforesaid requirement shall be chosen from among those who have gained at least three years' experience in: a) Administration or control activities or management duties in joint-stock companies which have a share capital of no less than two million euro; or b) Professional activities or permanent university teaching posts in legal, economic, financial and technical-scientific subjects, in industrial, banking, transport services, logistics, technological and computer sectors; or c) Senior management functions in public entities or public authorities operating in the credit, financial, insurance, industrial, transport services, logistics, technological and computer sectors.</i></p> <p><i>Outgoing Statutory Auditors may be re-elected.</i></p> <p><i>The lists submitted must be filed at the Company's head office within the terms and according to the procedures established by applicable legislation, mention of which shall be given in the notice of call.</i></p> <p><i>Each list filed shall be accompanied by statements with which each candidate accepts his nomination and certifies, under his own responsibility, that there are no reasons for which he is ineligible or incompatible, that he meets the requisites prescribed by regulations and by the by-laws, and also by any further documentation required by applicable legislation.</i></p> <p><i>Lists that do not comply with the aforesaid provisions shall be considered as not submitted.</i></p>	<p>of candidates equal to or higher than three must include candidates of different gender in the first two places both in the section relating to Standing Auditors and in the section relating to Substitute Auditors to ensure that at least one third of the members of the Board belong to the less represented gender (or any higher quota established by legislation, where applicable, on gender equality).</p> <p><i>Lists may only be submitted by shareholders who alone or together with other shareholders hold shares representing the shareholding established by applicable legislation. Ownership of the aforesaid shareholding must be proven according to the terms and procedures established by applicable legislation.</i></p> <p><i>Each shareholder, and the shareholders belonging to the same group and those adhering to a shareholding agreement regarding Company shares, cannot submit or vote for more than one list, not even through a third party or trust company.</i></p> <p><i>Each candidate may only appear on one list, otherwise he/she shall be ineligible.</i></p> <p><i>The lists cannot include candidates who do not meet the requirements of integrity and professionalism established by applicable legislation.</i></p> <p><i>At least one of the Standing Auditors and at least one of the Substitute Auditors shall be chosen from among statutory auditors enrolled in the special register who have exercised legal auditing activity for no less than three years.</i></p> <p><i>The Statutory Auditors who not do meet the aforesaid requirement shall be chosen from among those who have gained at least three years' experience in: a) administration or control activities or management duties in joint-stock companies which have a share capital of no less than two million euro; or b) professional activities or permanent university teaching posts in legal, economic, financial and technical-scientific subjects, in industrial, banking, transport services, logistics, technological and computer sectors; or c) senior management functions in public entities or public authorities operating in the credit, financial, insurance, industrial, transport services, logistics, technological and computer sectors.</i></p> <p><i>Outgoing Statutory Auditors may be re-elected.</i></p> <p><i>The lists submitted must be filed at the Company's head office within the terms and according to the procedures established by applicable legislation, mention of which shall be given in the notice of call.</i></p> <p><i>Each list filed shall be accompanied by statements with which each candidate accepts his nomination and certifies, under his own responsibility, that there are no reasons for which he/she is ineligible or incompatible, that he/she meets the requisites prescribed by regulations and by the by-laws, and also by any further documentation required by applicable legislation.</i></p> <p><i>Lists that do not comply with the aforesaid provisions shall be considered as not submitted.</i></p>
---	---

Statutory Auditors shall be elected as follows: 1. Two standing members and two substitute members shall be taken from the list obtaining the highest number of votes in the Shareholders' Meeting, according to the progressive order in which they are listed; 2. The other standing member and the other substitute member shall be taken from the second list obtaining the highest number of votes in the Shareholders' Meeting, according to the progressive order in which they are listed.

If two or more lists obtain equal votes, the most senior candidates in age shall be elected Statutory Auditors until the posts to be assigned have been filled.

The candidate taken from the second list obtaining the highest number of votes in the Shareholders' Meeting shall be entitled to Chairmanship of the Board of Statutory Auditors.

If two or more lists obtain equal votes, the provisions of the above paragraph shall apply.

If application of the above procedure does not allow, for the Standing Auditors, compliance ~~of gender-balance regulations~~, the quotient of votes to be assigned to each candidate taken from the Standing Auditors sections of the various lists shall be calculated, by dividing the number of votes obtained by each list by the progressive number of each of said candidates. The candidate of the more represented gender with the lowest quotient of the candidates taken from all the lists shall be replaced by the candidate belonging to the less represented gender that may be indicated, with the next highest progressive number, in the same Standing Auditors section of the list of the replaced candidate or, alternatively, in the Substitute Auditors section of the same list of the replaced candidate (who in this case shall succeed to the position of the replacing substitute auditor). If candidates of different lists have obtained the same quotient, the candidate of the list from which the highest number of statutory auditors have been taken shall be replaced, or alternatively, the candidate from the list that obtained less votes. For the appointment of auditors who, for whatsoever reason, are not appointed according to the procedures established above, the Shareholders' Meeting shall deliberate with the legal majorities and in compliance with the provisions of the ~~rules in force from time to time on~~ gender balance.

If a Statutory Auditor should lose the requirements established by regulations and by the by-laws, he shall fall from office.

In the case of replacement of a Statutory Auditor, he shall be succeeded by the substitute auditor belonging to the same list as the terminated auditor, in such a way as to comply with the provisions of the ~~rules in force from time to time on~~ gender balance, ~~with regard to~~ composition of the board. If the aforesaid replacement does not allow compliance with ~~applicable regulations~~ on gender balance, the Shareholders' Meeting must be called as soon as possible to ensure compliance with ~~said regulations~~.

Statutory Auditors shall be elected as follows: 1. two standing members and two substitute members shall be taken from the list obtaining the highest number of votes in the Shareholders' Meeting, according to the progressive order in which they are listed; 2) the other standing member and the other substitute member shall be taken from the second list obtaining the highest number of votes in the Shareholders' Meeting, according to the progressive order in which they are listed.

If two or more lists obtain equal votes, the most senior candidates in age shall be elected Statutory Auditors until the posts to be assigned have been filled.

The candidate taken from the second list obtaining the highest number of votes in the Shareholders' Meeting shall be entitled to Chairmanship of the Board of Statutory Auditors.

If two or more lists obtain equal votes, the provisions of the above paragraph shall apply.

If application of the above procedure does not allow, for the Standing Auditors, compliance **with the provisions of the articles of association and/or current legislation on** gender equality, the quotient of votes to be assigned to each candidate taken from the Standing Auditors sections of the various lists shall be calculated, by dividing the number of votes obtained by each list by the progressive number of each of said candidates. The candidate of the more represented gender with the lowest quotient of the candidates taken from all the lists shall be replaced by the candidate belonging to the less represented gender that may be indicated, with the next highest progressive number, in the same Standing Auditors section of the list of the replaced candidate or, alternatively, in the Substitute Auditors section of the same list of the replaced candidate (who in this case shall succeed to the position of the replacing substitute auditor). If candidates of different lists have obtained the same quotient, the candidate of the list from which the highest number of statutory auditors have been taken shall be replaced, or alternatively, the candidate from the list that obtained less votes. For the appointment of auditors who, for whatsoever reason, are not appointed according to the procedures established above, the Shareholders' Meeting shall deliberate with the legal majorities and in compliance with the provisions of the **articles of association and/or current** gender equality **legislation**.

If a Statutory Auditor should lose the requirements established by regulations and by the by-laws, he/ she shall fall from office.

In the case of replacement of a Statutory Auditor, he/ she shall be succeeded by the substitute auditor belonging to the same list as the terminated auditor, in such a way as to comply with the provisions of the **articles of association and/or current** gender equality **legislation for the** composition of the board. If the aforesaid replacement does not allow compliance with **the preceding provisions** on gender equality, the Shareholders' Meeting must be called as soon as possible to ensure compliance with **the articles of association and/or current legislation**.

<p><i>To reintegrate the Board of Statutory Auditors following termination of one of its members for any reason, the Shareholders' Meeting shall deliberate by relative majority, ensuring in any case that the minority is represented in the Board as provided by the second paragraph and compliance with applicable regulations on gender balance.</i></p>	<p><i>To reintegrate the Board of Statutory Auditors, following termination of one of its members for any reason, the Shareholders' Meeting shall deliberate by relative majority, ensuring in any case that the minority is represented in the Board as provided by the second paragraph and compliance with the articles of association and/or current gender equality legislation.</i></p> <p><i>The Board may meet via video or teleconference, on condition that all participants can be identified and they can follow and participate in real time in the discussion of the matters being addressed. The meeting shall be considered held at the place where the Chairman and secretary are present.</i></p>
<p>Art. 36 (Transitional Clause)</p>	<p>Art. 36 (Transitional Clause)</p>
<p><i>The provisions of Articles 16 and 27 designed to guarantee compliance with applicable regulations on gender balance shall apply to the first three renewals of the Board of Directors and of the Board of Statutory Auditors after the provisions of Article 1 of Italian Law 120 of 12 July 2011, published in the Official Journal no. 174 of 28 July 2011, enter into force and acquire effectiveness (that is, after 12 August 2012). At the time of the first renewal, after said date, of the Board of Directors and of the Board of Statutory Auditors the quota to be reserved to the less represented gender shall be limited to one fifth of the total, with round up if the number is a fraction of a single unit.</i></p>	<p><i>When these articles of association come into force, the Directors in office at that time shall cease to their offices and they shall call the Shareholders' Meeting without delay to appoint the new Board of Directors. The termination of the Directors shall be effective from the time the new Board of Directors is appointed by the Shareholders' Meeting in accordance with the procedures set out in these articles of association.</i></p>

The text of the articles of association of the Surviving Company, which will enter into force on the effective date of the Merger, is attached to this Report as Annex B. It should be noted, however, that the final amount of the share capital, included into Article 5 of ASTM's articles of association, will be specified in the Merger deed.

Until the effective date of the Merger, the current articles of association of ASTM will be in force and applicable, in the text available on the website of the Surviving Company (www.astm.it).

8. EFFECTS OF THE MERGER ON SHAREHOLDERS' AGREEMENTS, RELEVANT PURSUANT TO ARTICLE 122 OF THE CONSOLIDATED LAW ON FINANCE

On 13 June 2019, in order to take into account the effects of the Merger, Aurelia and Mercure Investment S.à r.l. signed an agreement amending the shareholders' agreement originally signed by the aforementioned parties on 27 September 2018 and concerning the equity interests held directly and indirectly by the aforesaid companies in Nuova Argo, ASTM and SIAS. As described in the extract from the shareholders' agreement published on the website of the Companies on 18 June 2019, the amendments made to the said shareholders' agreement will enter into force only subject to and from the effective date of the Merger, with the exception of certain limited provisions that came into force on 13 June 2019.

In addition, subject to and from the effective date of the Merger, the new shareholders' agreement, signed on 13 June 2019 by Aurelia, Nuova Argo and Mercure Investment S.à r.l. ("**New Shareholders' Agreement**"), will come into force, whose contents are described in the extract from the New Shareholders' Agreement published on ASTM's website on 18 June 2019. The New Shareholders'

Agreement governs (i) the transfer of ASTM shares and the exercise of corporate rights (other than patrimonial rights) relating to a number of ASTM shares directly held by Aurelia such that, when this number is added to the ASTM shares held directly and indirectly by Nuova Argo, it represents, from time to time, 50% plus one share of the share capital consisting of shares with voting rights (and therefore excluding the treasury shares held by ASTM from time to time) (the “*Significant Shareholding*”) and (ii) the transfer of the ASTM shares held directly by Aurelia which, from time to time, exceed the “*Significant Shareholding*” (the “*Available Shareholding*”).

9. BOARD OF DIRECTORS' ASSESSMENT OF THE RECURRENCE OF THE RIGHT OF WITHDRAWAL

Holders of ASTM ordinary shares who did not take part in the approval of the Merger Plan and, therefore, in the amendment of the corporate purpose of ASTM, will be entitled to withdraw pursuant to Article 2437, Paragraph 1, letter a), of the Italian Civil Code, for the change in the clause of the corporate purposes of ASTM (the “**Right of Withdrawal**”). Any approval of the Merger Plan will not give rise to any right of withdrawal in favour of SIAS shareholders, since none of the conditions set out in Article 2437 of the Italian Civil Code or in other legal provisions have been met.

Furthermore, there is no withdrawal right pursuant to Article 2437-*quinques* of the Italian Civil Code.

The entitled shareholders may exercise the Right of Withdrawal, for all or part of the shares held, within 15 (fifteen) days after the registration with the Companies’ Registrar of Turin of the resolution authorising it, upon payment of the liquidation value of Euro 21.76 (twenty-one Euro and seventy-six cents) per ASTM share, as determined by the meeting of the ASTM Board of Directors held on 13 June 2019, after the prior favourable opinion of the Board of Statutory Auditors and the external auditor, in compliance with the provisions of Article 2437-*ter* of the Italian Civil Code, i.e. referring exclusively to the arithmetic mean of the Stock Exchange closing prices during the 6 (six) months preceding the date of publication date of the notice of call of the Extraordinary Shareholders’ Meeting of the Surviving Company called to approve the Merger Plan.

The effectiveness of the Right of Withdrawal is subject to the completion of the Merger and to the circumstance, which may be waived by ASTM, that the total disbursement that ASTM would be required to make upon the exercise of the Right of Withdrawal does not exceed the Maximum Outlay (i.e. Euro 50,000,000).

Without prejudice to the fact that further details on the terms and procedures for exercising the Right of Withdrawal will be made known to ASTM’s shareholders, also pursuant to and for the purposes of Article 84 of the Issuers Regulation, by the date of registration with the Companies’ Registrar of Turin of the shareholders’ meeting resolution that may approve the Merger Plan, the main steps, as governed by Articles 2437-*bis* et seq. of the Italian Civil Code, are set forth below:

- (a) the declaration of withdrawal must be made by the individual shareholder by registered letter sent to ASTM within 15 (fifteen) days from the registration with the Companies’ Registrar of Turin of the resolution that shall approve the Merger Plan;
- (b) following the end of the period for exercising the Right of Withdrawal, the Directors must file with the Companies’ Registrar of Turin the option offer of the ASTM ordinary shares of the withdrawing

shareholders to the other shareholders in proportion to the shares held by each (the “**Option Offer**”). The period for the Option Offer will last at least 30 (thirty) days from the filing of the offer with the Companies’ Registrar of Turin. At the same time as exercising the option, shareholders will also have the right to exercise their pre-emption right to purchase any ASTM ordinary shares that remain not optioned (the “**Pre-emption Offer**”);

- (c) if, as a result of the Option Offer and the Pre-emption Offer, the ASTM ordinary shares remained not optioned and for which the pre-emption right has not been exercised by the shareholders, ASTM, on the basis of the outcome of the above, will assess the opportunity of place these shares on the market to third parties (the “**Third Party Offering**”);
- (d) in the event that the ASTM shares for which the Right of Withdrawal has been exercised have not been fully placed as a result of the Option Offer and the Pre-emption Offer or any Third-Party Offering, the remaining shares will be directly purchased by ASTM using available reserves, until the Maximum Outlay is reached. Pursuant to Article 2437-*quater*, paragraph 5, of the Italian Civil Code, the purchase by ASTM may also take place in derogation of Article 2357, Paragraph 3, of the Italian Civil Code, and may therefore exceed the limit of one fifth of the share capital.

10. RESOLUTION PROPOSAL ON THE FIRST ITEM ON THE AGENDA OF THE EXTRAORDINARY SHAREHOLDERS’ MEETING

Dear Shareholders,

in light of the above, the Board of Directors invites the Extraordinary Shareholders' Meeting of SIAS to approve the following resolution proposal:

“The Shareholders’ Meeting of Società Iniziativa Autostradali e Servizi S.p.A.:

- *considered the plan for merger by incorporation of Società Iniziativa Autostradali e Servizi S.p.A. into ASTM S.p.A., approved by the respective Boards of Directors on 13 June 2019, registered with the Companies’ Registrar of Turin pursuant to Article 2501-ter, Paragraph 3, of the Italian Civil Code on 19 June 2019, made available at the registered office of Società Iniziativa Autostradali e Servizi S.p.A. and published on its website, pursuant to Article 2501-septies of the Italian Civil Code;*
- *examined the explanatory report prepared by the Board of Directors on the above-mentioned merger plan, pursuant to Article 2501-quinquies of the Italian Civil Code and Article 70 of the Regulation adopted by CONSOB with resolution 14 May 1999 no. 11971;*
- *taken into account the reference balance sheets situations of the companies taking part in the merger, represented by the financial statements as at 31 December 2018;*
- *acknowledged to the report on the fairness of the exchange ratio prepared by KPMG S.p.A., as the joint expert appointed pursuant to Article 2501-sexies of the Italian Civil Code by the Court of Turin on 19 June 2019;*
- *taken into account that the current share capital of Società Iniziativa Autostradali e Servizi S.p.A. is equal to Euro 113,771,078.00, divided into no. 227,542,156 ordinary shares with a par value of Euro 0.50 each, and is fully subscribed and paid-in; and*

- *considered that all these documents have been published and made available to the public in accordance with the applicable laws and regulations;*

RESOLVED

- 1) *to approve, on the basis of the reference balance sheets situation as at 31 December 2018, the plan for the merger by incorporation of Società Iniziative Autostradali e Servizi S.p.A. into ASTM S.p.A., already approved by the respective Boards of Directors on 13 June 2019, under the terms and conditions set out therein, and consequently:*
 - (a) *to acknowledge that the legal effects of the merger, pursuant to Article 2504-bis, Paragraph 2, of the Italian Civil Code, will take effect from the last of the registrations of the merger deed or from the later date that may be indicated in the merger deed; the accounting and fiscal effects will also start from that date;*
 - (b) *to acknowledge that, starting from the effective date of the merger, ASTM S.p.A. will take over the assets and liabilities of Società Iniziative Autostradali e Servizi S.p.A. and all reasons, actions and rights, as well as all obligations, undertakings and duties of any kind pertaining to the same, in accordance with the provisions of Article 2504-bis, Paragraph 1, of the Italian Civil Code; and*
 - (c) *to acknowledge that the completion and effectiveness of the merger are subject to the occurrence of the legal requirements and the non-occurrence of each the conditions subsequent provided for in the merger plan.*
- 2) *to grant the Board of Directors and, on its behalf, the Chairman of the Board of Directors and the Chief Executive Officer, severally and also by means of special attorneys, within the limits of the law, the widest possible powers to implement the approved merger, and therefore, inter alia: (i) to fulfil any requested formality in order to register the shareholders' meeting resolution with the Companies' Registrar of Turin, with the power - in particular - to make any non-substantial amendments, deletions or additions to the resolution that may be required by the competent Authorities or for the purposes of the registration, (ii) to enter into and sign, in compliance with the laws and regulations, the merger deed, establishing its conditions, methods and clauses, determining in them the effective date within the limits allowed by law and in compliance with the merger plan, allowing any necessary transfers and transcriptions in relation to the assets and liabilities included in the assets of Società Iniziative Autostradali e Servizi S.p.A., to enter into any implementing, reconnaissance, supplemental and/or rectifying acts that may be necessary or appropriate for the purposes of the completion of this resolution upon the merger, establishing clauses, terms and conditions in compliance with the merger plan, and carrying out all that is necessary or even only appropriate for the successful completion of the transaction, and (iii) to carry out all the publicity obligations connected with the merger deed and to carry out any other act and/or activity that is necessary or useful for the purposes of the completion of the merger."*

* * *

It should be noted that the Boards of Directors of ASTM and SIAS, as the case may be, will (i) revoke the call of their respective Shareholders' Meetings with reference to the item on the agenda concerning the approval of the Merger Plan and related resolutions or (ii) convene their respective Shareholders' Meetings to resolve on the revocation of the shareholders' meeting resolution approving the Merger Plan and related resolutions in the event of occurrence (or, where applicable, no waive) of even one of the conditions subsequent or non-occurrence (or, where applicable, no waive) of even one of the conditions precedent referred to in Paragraph 1.2.2 below.

* * *

Attachment A Merger Plan

Attachment B Articles of association of ASTM S.p.A. which will enter into force on the effective date of the Merger

* * *

Turin, 12 September 2019

*The Chief Executive Officer
Of
Società Iniziative Autostradali e Servizi S.p.A.
(Umberto Tosoni)*