



# SPAFID CONNECT

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Oggetto : The Board of Directors of ASTM approves the Annual Financial Statements and the Consolidated Financial Statements as at 31 December 2019

## *Testo del comunicato*

The Board of Directors of ASTM approves the Annual Financial Statements and the Consolidated Financial Statements as at 31 December 2019

PRESS RELEASE

The Board of Directors of ASTM approves the Annual Financial Statements and the Consolidated Financial Statements as at 31 December 2019

- **Growth in all Group economic indicators:**
  - normalised net profit net of extraordinary components +2.3%
  - turnover +20.6%
  - EBITDA +4.1%
- Strong growth for motorway network investments (+78.5%) and revenues of Itinera, a player in major works construction (+55.7%).
- Proposal to allocate the entire profit for the year to reserve. Possible call for a Shareholders' Meeting, within the end of the financial year, to propose a potential reserves distribution in light of the changing economic scenario due to the COVID-19 emergency.
- Target 2020. Maintain a solid financial profile as a prerequisite for overcoming the current crisis and seizing new investment and business development opportunities that are likely to emerge in the current difficult global environment.
- Ordinary Shareholders' Meeting scheduled for 25 May 2020.

**Key highlights of consolidated economic and financial results:**

- **Turnover:** €2,070.6 million (€1,717.0 million in the previous financial year)
- **EBITDA:** €792.4 million (€760.9 million in the previous financial year)
- **Normalised net profit<sup>1</sup>:** €170.4 million (€166.5 million in the previous financial year)
- **Net financial indebtedness:** €1,352.2 million +6.2% (€1,098 million -13.8%, adjusted for significant net investments in financial fixed assets)

**Key highlights – motorway concessions sector:**

- **ITALY**
  - Revenues €1,155 million (+1.8%)
  - Motorway sector EBITDA: €757 million (+2.9%)
  - Traffic performance: +1.68%<sup>2</sup> ("light vehicles" +1.09%, "heavy vehicles" +3.41%)
  - Motorway network investments €265.3 (+78.5%)
- **BRAZIL (Ecorodovias)<sup>3</sup>**
  - Revenues BRL 3,033 million (+15.9%)
  - Proforma EBITDA: 2,033 million reais (+15.5%)
  - Traffic performance: +18.9%<sup>4</sup>
  - Normalised net profit<sup>5</sup> BRL 290.4 million

**Key highlights of the EPC sector:**

- **Itinera**
  - Growth in value of production: €985.2<sup>6</sup> million (+55.7%)
  - Backlog: €4.4 billion of which 60% abroad

<sup>1</sup> The 2019 financial year closed with "profit assigned to the owners of the parent company" totalling around EUR 76.3 million; this result, net of the "extraordinary" items (higher provisions, difference in the results of the Brazilian investee companies following sanctions, difference in the capital gains of the financial income and taxes) is reflected in a "normalised" profit improving by around EUR 3.9 million (+2.3%) compared to the same figure from 2018 (EUR 166.5 million).

<sup>2</sup> +0.29% on a like-for-like basis (+1.39% heavy vehicles, -0.09% light vehicles), net of changes in traffic in January-February 2018 on the Piacenza-Brescia stretch, whose concession managed by the subsidiary Autovia Padana became effective on 1 March 2018.

<sup>3</sup> The group operates on the Brazilian market through its jointly-held subsidiary Ecorodovias Infraestrutura e Logística SA.

<sup>4</sup> This increase totalled 0.4% on a comparable basis calculated with the exception of (i) the traffic of the licensees Eco135 and Eco050 (MGO), subject to tolls since 1 April and 1 June 2019 respectively, and (ii) the effects of "suspended axles" and including the effects - for 2018 - of the truck drivers' strikes that affected the period between 21 May and 3 June 2018.

<sup>5</sup> Amount excluding the effects of the "Leniency Agreement"; the 2019 profit/loss inclusive of these expenses shows a loss of BRL 185.5 million.

<sup>6</sup> Amount including intergroup eliminations.

Tortona, 14 April 2020. The Board of Directors of ASTM, in today's meeting chaired by Alberto Rubegni, examined and approved the Annual Financial Statements and the Consolidated Financial Statements as at 31 December 2019.

## ANALYSIS OF ECONOMIC AND FINANCIAL HIGHLIGHTS

### CONSOLIDATED GROUP ECONOMIC DATA

In the 2019 financial year the **"Turnover"** was **greater than EUR 2 billion and showed a 20.6% growth**; in particular, the **net toll revenue exceeded EUR 1.1 billion (+1.85%)**, while the **"EPC" sector revenue<sup>1</sup> totalled an amount equal to EUR 0.8 billion (+58.5%)**.

**"Motorway sector revenues"** totalled EUR 1,155.4 million (EUR 1,135.1 million in 2018) and break down as follows:

- "net toll revenue" equal to EUR 1,123.7 million, up by EUR 20.4 million (+1.85%) due to the higher revenues (EUR +9.9 million) of the licensee Autovia Padana (whose concession took effect on 1 March 2018 and whose motorway revenues in 2018 were therefore limited to the 1 March-31 December period), to the growth in "light vehicles" and "heavy vehicles" traffic volumes mix (EUR +5.9 million) and to the recognition of toll adjustments (EUR +4.6 million) as of 1 January 2019;
- "rental income and other accessory revenues" equal to EUR 31.7 million.

**"EPC sector revenues"** totalled EUR 813.3 million with a positive change of EUR 300.1 million mainly due to the considerable growth in volumes of activities carried out overseas, which now represent around 60% of the sector's overall production.

**"Technology sector revenue"** was equal to EUR 23.2 million.

**"Operating costs"**, totalling EUR 1,278.2 million, increased by EUR 322.1 million mainly due to higher production achieved by companies operating in the EPC and technology sectors.

With regard to the above, the **"gross operating margin (EBITDA)"** was equal to EUR 792.4 million and shows an **increase of EUR 31.5 million** that reflects the changes in the Group's business segments. In particular, this result reflects the growth in the gross operating margin (EBITDA) of the "motorway sector" (EUR +21.3 million) and the "EPC sector" (EUR +13.2 million), which is offset by the decrease in the "technology sector" (EUR -0.2 million) and the "services sector" (EUR -2.8 million).

**"Net amortisation/depreciation and provisions"** totalled EUR 403.7 million (EUR 323 million in 2018); the change is mainly attributable to the provisions made by some motorway companies with reference to the risk related to pending lawsuits or that might arise with the Granting Body mainly with reference to the management of motorway stretches expired, for the period between the expiry date of the individual concessions and the reporting date ("concession risk").

**Net financial income and expenses** (equal to EUR -40.2 million) showed an improvement of EUR 2.2 million compared to the previous financial year.

The item **"profit of companies accounted for by the equity method"** included the share of profits from jointly controlled and associated companies. The change compared to the previous financial year is substantially attributable to the worsening of the profit/loss of the Brazilian equity investments (EUR -91.5 million), essentially as a consequence of the sanctions and other "extraordinary" expenses established as part of the agreements signed with the authorities of the States of Paraná and São Paulo, providing the closure of the investigations involving Ecorodovias Infraestrutura e Logística S.A. and its subsidiaries related to offences committed before the entry of the ASTM Group into the share capital of the Brazilian company.

In view of the above, the portion attributable to the Group of the **"profit for the period"** – net of taxes (including the effect of the additional 3.5% corporate income tax (IRES)<sup>2</sup> for licensee companies for EUR 7.6 million) and the profit assigned to non-controlling interests – was equal to EUR 76.3 million (EUR 166.5 million in the 2018 financial year). By normalising the "provisions" and the "financial income" of the "extraordinary" components that led to the decrease in profit for the year 2019, a **"normalised result of the Parent Company for the period" is achieved equal to EUR 170.4 million<sup>3</sup>, up by 2.3%** compared to the same figure from the previous year.

<sup>1</sup> As part of the operating reorganisation of the ASTM Group following the merger by incorporation of SIAS into ASTM, the companies operating in the "construction" and "engineering" sectors and the company Euroimpianti S.p.A., operating in the sector of electrical and electronic systems previously included with the companies in the "technology" sector, were concentrated into one single sector (the Engineering, Procurement and Construction ("EPC") sector). This structure of operating segments reflects the method of representing information used by Management in its decision-making processes. The data related to 2018 were therefore reclassified to allow for better comparison.

<sup>2</sup> Additional corporate income tax (IRES) of 3.5% on the income deriving from activities carried out on the basis of motorway concessions provided by Law no. 160 of 27.12.2019.

<sup>3</sup> The following table shows the reconciliation between the result of the Parent Company for the period under review and the corresponding "normalised" value of the "extraordinary" entries.

## Summary table of consolidated earnings data

<i>(amounts in thousands of EUR)</i>	2019	2018	Changes
Motorway sector revenue – operating activities <sup>(1) (2)</sup>	1,155,380	1,135,149	20,231
“EPC” sector revenue <sup>(2)</sup>	813,349	513,240	300,109
Technology sector revenue	23,154	19,985	3,169
Other revenues <sup>(3)</sup>	78,714	48,671	30,043
<b>Total turnover</b>	<b>2,070,597</b>	<b>1,717,045</b>	<b>353,552</b>
Operating costs <sup>(1)(2)(3)</sup>	(1,278,198)	(956,144)	(322,054)
<b>Gross operating margin (EBITDA)</b>	<b>792,399</b>	<b>760,901</b>	<b>31,498</b>
Net amortisation/depreciation and provisions	(403,701)	(323,018)	(80,683)
<b>Operating result</b>	<b>388,698</b>	<b>437,883</b>	<b>(49,185)</b>
Financial income	38,945	43,380	(4,435)
Financial expenses	(94,330)	(99,902)	5,572
Capitalised financial expenses	15,164	14,085	1,079
Profit (loss) of companies accounted for by the equity method	(90,504)	2,159	(92,663)
<b>Net financial income (expense)</b>	<b>(130,725)</b>	<b>(40,278)</b>	<b>(90,447)</b>
<b>Profit before tax</b>	<b>257,973</b>	<b>397,605</b>	<b>(139,632)</b>
Income taxes (current and deferred)	(88,081)	(108,347)	20,266
<b>Profit (loss) for the period</b>	<b>169,892</b>	<b>289,258</b>	<b>(119,366)</b>
▪ Profit assigned to Non-Controlling Interests	93,613	122,714	(29,101)
▪ <b>Profit assigned to the owners of the Parent Company</b>	<b>76,279</b>	<b>166,544</b>	<b>(90,265)</b>
▪ <b>Profit assigned to the owners of the Parent Company – normalised<sup>2-</sup></b>	<b>170,367</b>	<b>166,544</b>	<b>3,823</b>

(1) Amounts net of the fee/additional fee payable to ANAS (EUR 85.7 million in 2019 and EUR 83.8 million in 2018).

(2) With regard to licensees, the IFRIC 12 sets out full recognition in the income statement of costs and revenues for “construction activity” concerning non-compensated revertible assets. In order to provide a clearer representation in the table above, these components – amounting to EUR 283 million in 2019 and EUR 186 million in 2018 respectively – were reversed for the same amount from the corresponding revenue/cost items.

(3) Amounts net of cost/revenues reversals of EUR 5.6 million in 2019 (EUR 5.6 million in 2018).

### Result of the Parent Company for the period

	<i>(amounts in millions of EUR)</i>
Higher provisions, “concession risk”	76.3
Issue of Provision for restoration and replacement of non-compensated revertible assets for concession end	39.4
Equity investments in Brazil – Agreements with the Brazilian authorities	(7.5)
Difference in financial income capital gains	71.5
Difference in taxes – ACE tax clearance application and higher rate	(2.7)
	(6.6)
<b>“Normalised” result of the Parent Company for the period</b>	<b>170.4</b>

## GROUP CONSOLIDATED FINANCIAL DATA

As at 31 December 2019, the “*net financial indebtedness*” totalled EUR **1,352.2** million (EUR 1,272.9 million as at 31 December 2018). The increase in debt includes the effects deriving from the significant investments in financial fixed assets, and in particular the purchase of shares and the SIAS public tender offer (EUR 212.4 million) and net acquisition of equity investments, minorities and loans (for an overall EUR 41.8 million, including the purchase of ATIVA and SITAF shares); the **net financial indebtedness adjusted for these effects** would be equal to EUR **1,098** million, an improvement of around 14%.

In detail, the change during the year to the “*net financial indebtedness*” was mainly due to: (i) the purchase of shares in SIAS S.p.A. and the auxiliary costs of the merger by incorporation of that company (totalling EUR 212.4 million), (ii) the acquisition of equity investments, minorities and loans (EUR 150.3 million), (iii) the payment of dividends (EUR 95.9 million) and (iv) investments in tangible and intangible assets (EUR 365.1 million)<sup>1</sup>. These outflows were offset by: (i) “Operating Cash Flow” (EUR 614.3 million), (ii) the sale of equity investments and related loans (EUR 25 million), (iii) the change in net working capital and other minor changes (EUR 6.4 million) and (iv) the net cash funds deriving from the consolidation of ATIVA S.p.A. and its subsidiaries (EUR 83.9 million).

### Summary table of consolidated financial data<sup>2</sup>

<i>(amounts in thousands of EUR)</i>	<b>31/12/2019</b>	<b>31/12/2018</b>	<b>Changes</b>
A) Cash and cash equivalents	1,197,537	1,087,633	109,904
B) Securities held for trading	-	-	-
<b>C) Liquidity (A) + (B)</b>	<b>1,197,537</b>	<b>1,087,633</b>	<b>109,904</b>
<b>D) Financial receivables</b>	<b>574,161</b>	<b>510,362</b>	<b>63,799</b>
E) Bank short-term borrowings	(147,038)	(100,191)	(46,847)
F) Current portion of medium/long-term borrowings	(347,617)	(338,735)	(8,882)
G) Other current financial liabilities	(571,062)	(62,761)	(508,301)
<b>H) Short-term borrowings (E) + (F) + (G)</b>	<b>(1,065,717)</b>	<b>(501,687)</b>	<b>(564,030)</b>
<b>I) Current net cash (C) + (D) + (H)</b>	<b>705,981</b>	<b>1,096,308</b>	<b>(390,327)</b>
J) Bank long-term borrowings	(952,502)	(793,691)	(158,811)
K) Hedging derivatives	(20,729)	(35,730)	15,001
L) Bonds issued	(1,040,228)	(1,537,183)	496,955
M) Other long-term payables	(44,752)	(2,607)	(42,145)
<b>N) Long-term borrowings (J) + (K) + (L) + (M)</b>	<b>(2,058,211)</b>	<b>(2,369,211)</b>	<b>311,000</b>
<b>O) Net financial indebtedness (I) + (N)</b>	<b>(1,352,230)</b>	<b>(1,272,903)</b>	<b>(79,327)</b>

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“Net financial indebtedness” does not include (i) the financial receivable related to the “*takeover receivables*” totalling EUR 561.6 million, (ii) the fair value of the “*investment funds*” subscribed as a cash investment in previous financial years (EUR 19.4 million), (iii) the discounted value of the medium/long-term receivables for “minimum guaranteed amounts” (EUR 2.3 million) and (iv) the discounted value of the “*payable due to ANAS - Central Insurance Fund*” equal to EUR 129.2 million.

Financial resources available as at 31 December 2019 totalled EUR 2,753 million.

## BOND LOANS

No bond loans were issued in the 1 January-31 December 2019 period.

In the 18 months following 31 December 2019, a capital repayment is expected for EUR 500 million related to the “2010-2020 bond loan” (issued in October 2010 by SIAS S.p.A., now merged into ASTM S.p.A.). In particular, the bonds will be redeemed on 26 October 2020 in a lump sum at their nominal value.

<sup>1</sup> Amount includes effects of adoption of IFRS 16. From 1 January 2019, the “IFRS 16 - Leases” international accounting standard has applied; the standard establishes a single model for the recognition and measurement of lease contracts for the lessee, which calls for the leased asset, including operating assets, to be recognised as an asset but with a balancing entry under financial payables. When transitioning to the new standard, the Group choose to apply the “simplified retrospective method”, recognising in shareholders’ equity the cumulative effect of applying the standard as at 1 January 2019 and, therefore, not amending the comparative data relating to the previous period. The application of this standard resulted in the recognition in net financial indebtedness as at 1 January 2019 (under “Other current financial liabilities” and “Other long-term payables”) of financial debt increased by around EUR 22.8 million.

<sup>2</sup> Net financial indebtedness of the ASTM Group, as at 31 December 2019, prepared according to the schedule included in ESMA Recommendation 2013/319.

## **RESULTS OF THE PARENT COMPANY – ASTM S.p.A.**

*The economic and financial data of the Parent Company were affected by the merger by incorporation of SIAS S.p.A. taking legal effect on 31 December 2019, the accounting effects of which were applied retroactively to 1 January 2019.*

The income statement of the Parent Company reflects – through the entries it contains – the industrial holding activity that it carries out in addition to the centralisation function of the financial funding activities performed by ASTM S.p.A. following the aforementioned merger of SIAS S.p.A., with subsequent transfer of resources to the operating companies through specific intercompany loans. In particular, the income statement shows “income from equity investments” (totalling EUR 151.2 million) attributable to the dividends paid, over the year, by the subsidiaries SATAP S.p.A. (EUR 57.8 million), SALT p.A. (EUR 53.9 million), Sinelec S.p.A. (EUR 15.6 million), ATIVA S.p.A. (EUR 11.1 million), SAV S.p.A. (EUR 9.1 million) and SINA S.p.A. (EUR 2.2 million), as well as the associated company Road Link Holdings Ltd (EUR 1 million) and the investee Assicurazioni Generali S.p.A. (EUR 0.5 million).

The main **revenue and expenditure and financial items** of the Company may be summarised as follows:

<i>(amounts in thousands of EUR)</i>	<b>2019</b>	<b>2018</b>	<b>Changes</b>
Income from equity investments	151,221	55,473	95,748
Other financial income	89,881	8	89,873
Interest and other financial expenses	(68,350)	(232)	(68,118)
<b>Financial income and expenses</b>	<b>172,752</b>	<b>55,249</b>	<b>117,503</b>
<b>Value adjustments of financial assets</b>	<b>(71)</b>	<b>-</b>	<b>(71)</b>
<b>Other operating income</b>	<b>8,925</b>	<b>3,028</b>	<b>5,897</b>
<b>Other operating costs</b>	<b>(27,670)</b>	<b>(10,600)</b>	<b>(17,070)</b>
<b>Pre-tax profit (loss)</b>	<b>153,936</b>	<b>47,677</b>	<b>106,259</b>
Income taxes	13,835	1,027	12,808
<b>Profit for the year</b>	<b>167,771</b>	<b>48,704</b>	<b>119,067</b>

The “**net financial indebtedness**” as at 31 December 2019 showed a balance equal to EUR 2,036.9 million (EUR 55 million as at 31 December 2018); this amount does not include the non-current receivables related to the “intercompany loans” granted – as part of the financial structure defined at holding level – to the investee companies SALT p.A., SATAP S.p.A., SAV S.p.A., Autostrada dei Fiori S.p.A., Autostrada Asti-Cuneo S.p.A., Società di Progetto Autovia Padana S.p.A., Tangenziale Esterna S.p.A. and IGLI S.p.A. totalling EUR 1,714 million<sup>1</sup> (EUR 2,183 million as at 31 December 2018 from the acquire SIAS S.p.A.). The change to the composition of the net financial indebtedness is attributable, for an amount equal to EUR 2,219.8 million, to the aforementioned merger by incorporation of SIAS S.p.A. into ASTM S.p.A.

## **MOTORWAY CONCESSIONS SECTOR**

### **Motorway traffic performance – Italy**

Overall traffic performance in 2019 **grew** by **1.68%** compared to 2018, benefiting from the calculation – for the entire period – of the data related to the licensee Autovia Padana. The like-for-like comparison (net of the changes in traffic in January-February 2018 on the Piacenza-Cremona-Brescia stretch, the concession for which took effect on 1 March 2018) showed a growth in traffic equal to approximately 0.29% (+1.39% for “heavy vehicles” and -0.09% for “light vehicles”).

<sup>1</sup> Includes the short-term portion of the financial receivables due from the subsidiary Autostrada Asti-Cuneo S.p.A..

## Investments

Motorway network investments made during the year were equal to **EUR 265.3 million** with a **growth of 78.5%** and break down as follows:

<i>(amounts in millions of EUR)</i>	Stretch	2019	2018
SATAP S.p.A.	A4 Torino-Milano	9.5	11.5
SATAP S.p.A.	A21 Torino-Piacenza	20.2	3.3
SALT p.A.	A15 La Spezia-Parma	65.9	66.9
SALT p.A.	A12 Sestri Levante-Viareggio-Lucca and Fornola-La Spezia	39.5	13.3
Autostrada Asti-Cuneo S.p.A.	A33 Asti-Cuneo	10.2	4.7
Autostrada dei Fiori S.p.A.	A10 Savona-Ventimiglia	20.8	4.9
Autostrada dei Fiori S.p.A.	A6 Torino-Savona	63.3	25.2
SAV S.p.A.	A5 Quincinetto-Aosta	12.5	4.6
Autovia Padana S.p.A	A21 Piacenza-Cremona-Brescia	23.4	14.2
<b>Total motorway network investments<sup>1</sup></b>		<b>265.3</b>	<b>148.6</b>

The Group's licensees continue investing constantly in their own motorway network, with particular attention to improving quality and safety standards, in compliance not only with conventional obligations but, mostly, with the industrial approach to business that has always distinguished the Group.

In general, despite the uncertainty arising from the lack of the Granting Body's approval of the Economic Financial Plans – with the sole exception of Autovia Padana – as previously reported, the licensee companies, in addition to having nevertheless pursued execution of the interventions approved by the Granting Body, have also developed and implemented interventions still under approval, in order to further increase the safety standards of the managed stretches. The main investments involved seismic improvement works to viaducts, noise abatement works, upgrading tunnels in compliance with the European Union directive and upgrading safety barriers.

## Regulatory framework – Italy

### ART Resolution 16/2019 –

As reported in previous communications, with Resolution no. 16 of 18 February 2019, the Transport Regulatory Authority (hereinafter also referred to as ART) decided to initiate the consultation procedure intended to define a **new toll rate system**. Following investigations, on 19 June 2019 ART adopted specific resolutions on the toll rates related – inter alia – to the Group's licensee companies SATAP (A4 Stretch), Asti-Cuneo, SALT (A15 Stretch and A12 Stretch), Autostrada dei Fiori (A10 Stretch and A6 Stretch) and SAV, in addition to the associated company SITAF as regards the A32 motorway only. Initially, the licensees of the ASTM Group appealed this resolution, highlighting ART's inability to determine new rate systems for the motorway concessions already in place, then contested various additional aspects of unlawfulness of the resolutions adopted by ART in order to define the rate system in detail, specifically referring to the individual concessions. Currently, the hearing dates are yet to be scheduled. It is noted that the validity of the amendments proposed by ART is subject to their recognition in specific additional acts to be signed jointly by the licensee and by the Granting Body, the Ministry of Infrastructures and Transport ("MIT"), and submitted for approval according to the administrative procedure in force, which requires – among other things – their registration by the Court of Auditors ("Corte dei Conti").

### CIPE Resolution 38/2019 –

With Resolution no. 38/2019 of 24 July 2019 (published in the Official Journal of 30 October 2019), the Italian Interministerial Committee for Economic Planning ("CIPE") approved the "general criterion to ascertain and define the economic relationships pertaining to the motorway licensee companies limited to the period between the date of expiry of the concession and the date of effective takeover by the new licensee (transition period)", as presented by the MIT. The above criterion affects the position of the licensee companies SALT (A12), SATAP (A21) and ATIVA (A5), whose concessions expired on 31 July 2019, 30 June 2017 and 31 August 2016 respectively. The criterion established by the MIT and approved by CIPE affects and amends the regulatory regime applicable to the transition period, already disciplined by the agreements and said law (Art. 178 of Italian Legislative Decree no. 50/2016). In particular, both regimes require that, upon expiry of the concession, the licensee company continues

<sup>1</sup> This amount does not include the EUR 26.4 million of investments made during 2019 by the licensee ATIVA S.p.A., control of which was acquired by the Group at the end of the 2019 financial year. The data of the aforementioned company were consolidated into the 2019 financial statements limited to the balance sheet components only.

managing the motorway until transfer of its management to the new licensee company. Nevertheless, the criterion approved by CIPE unilaterally amends the regulation, providing – without prejudice to any pre-existing contractual agreements – that the temporary continuation of the management shall be governed by an Economic Financial Plan (EFP) in which the amortisation and depreciation of the investments not yet amortised continue (though recognising for them a lower rate than the rate agreed for the ordinary regime) and that, at the end of the transition period, the difference between the revenues made by the licensee company through toll collection and the eligible costs for that period be determined<sup>1</sup>. Following publication of this resolution, the MIT requested, through specific missives, that the aforementioned licensee companies prepare the Transitional Financial Plan envisaged by the resolution. The companies reacted negatively to the requests of the MIT and before the Regional Administrative Court of Lazio, as regards SATAP S.p.A. and SALT p.A., and before the Regional Administrative Court of Piedmont, as regards ATIVA S.p.A., appealed both Resolution 38 and the missives of the MIT, claiming that the adoption of the new regime established by the CIPE resolution was unlawful under several aspects, resulting substantially in the unilateral imposition on the outgoing licensee company of conditions other than those set out in existing agreements and by law. Currently, the hearing dates are yet to be scheduled.

#### Toll adjustments –

As regards the toll **adjustments for 2020**, it is noted that the “Milleproroghe” Decree suspended rate increases for motorway stretches whose EFPs are being updated. With regard to the above, the Interministerial Decrees approving the toll rate increases issued on 31 December 2019 recognised – with reference to the companies of the ASTM Group – a rate increase of 4.88%, limited to the stretch managed by Autovia Padana S.p.A. The Group’s motorway companies which were not granted with toll adjustments due have appealed against these provisions, contesting their lawfulness in order to protection the companies’ rights and interests. The “Milleproroghe” Decree also provided that for the licensee companies whose Regulatory Plan had expired, the deadline for the motorway toll adjustments related to 2020 would be deferred until the definition of the procedure to update the economic financial plans, for which the final submission date is 30 March 2020. This date was then pushed back to 20 May 2020 and new deferment are subject to changes in the COVID-19 health emergency.

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#### **Ecorodovias - Brazil**

In **2019**, Ecorodovias Infraestrutura e Logística S.A., a company listed on the Novo Mercado Bovespa (“Ecorodovias”), one of the main Brazilian motorway operators over which the group exercises joint control, recorded:

- **traffic volume growth of 18.9%**<sup>2</sup>;
- **revenues from motorway management** equal to BRL **3,032.7** million (EUR 671.6 million<sup>3</sup>), **up by 15.9%**;
- a proforma **EBITDA** equal to BRL **2,033.1** million (EUR 450.2 million<sup>2</sup>), **up by 15.5%**;
- **normalised net profit**<sup>4</sup> of BRL **290.4** million (EUR 64.3 million<sup>2</sup>).

#### Agreements with the Brazilian authorities – State of Paraná and State of São Paulo

State of Paraná - As reported in previous communications, Ecorodovias informed the market and its shareholders of the successful signing – on 12 August 2019 – of a leniency agreement (“acordo de leniência”) with the Public Federal Ministry of the State of Paraná, which envisages the closure of the investigations regarding offences committed before the entry of the

<sup>1</sup> In greater detail, Resolution 38 requires that in the “transition period”:

- (i) the expired motorway company must continue to ensure “the continuation of the ordinary management of the service and the execution of the infrastructure maintenance and development interventions that are necessary for the purposes of user safety. The expired licensee company must act with the functions and tasks of a road owner, envisaged by Art. 14 of the Italian Highway Code” and
- (ii) “for the sole purposes of calculating any net benefits” that accrued, a “Transitional Financial Plan” must be prepared according to the schedule of CIPE Resolution 39/2007 and approved with ministerial decree.  
When preparing this Transitional Financial Plan, the net invested capital (NIC) at the Expiry Date must be subject to amortisation and depreciation and remunerated at the “ECB rate increased by 1%”.  
Resolution 38 has also required that:
  - (a) the “difference, positive or negative, between the revenues and eligible costs for the transitional period (balance of figurative entries) [be] capitalised at the ECB rate (interest rate on the main refinancing operations) increased by 1%” and
  - (b) the investments made during the transitional period must be “remunerated through the weighted average cost of capital (WACC) parameter, determined by applying entirely the criteria set out by CIPE resolution no. 39 of 2007, as amended, to be adopted *ratione temporis*. For these investments, the construction risk is still borne by the expired licensee company”.

<sup>2</sup> This increase totalled 0.4% on a comparable basis calculated with the exception of (i) the traffic of the licensees Eco135 and Eco050 (MGO), subject to tolls since 1 April and 1 June 2019 respectively, and (ii) the effects of “suspended axles” and including the effects (for 2018) of the truck drivers’ strikes that affected the period between 21 May and 3 June 2018.

<sup>3</sup> Based on the EUR/BRL exchange rate of 4.5157 as at 31 December 2019.

<sup>4</sup> Amount excluding the effects of the “Leniency Agreement”; the 2019 profit/loss inclusive of these expenses shows a loss of BRL 185.5 million (EUR 41.1 million)



ASTM Group into the share capital of the Brazilian investee company by some former managers and executives of Ecorodovias and of its subsidiaries Ecovia Caminho do Mar and Rodovia das Cataratas – Ecocataratas following the payment by those companies of an overall indemnity equal to BRL 400 million<sup>1</sup>, of which BRL 30 million<sup>2</sup> shall be paid as a penalty and the remaining amount of BRL 370 million<sup>3</sup> in the form of works and a toll reduction. The amount of the aforementioned indemnity and the related expenses has been reflected in the Ecorodovias financial statements for the year ended 31 December 2019.

State of São Paulo - On 6 April 2020 – and after the approval of the 2019 financial statements by the governing bodies of Ecorodovias – the company published a Material Fact with which it informed the market and its shareholders that, on the same date, Ecorodovias, ECS and the subsidiary Concessionária Ecovias dos Imigrantes S.A. (“Ecovias”) had signed a civil Non-Prosecution Agreement (“*acordo de não persecução cível*”, also referred to as “NPA”) with the MP-SP, which envisages the closures of the investigations involving Ecovias and other Ecorodovias group companies following the payment by Ecovias of an overall amount equal to R\$ 638 million<sup>4</sup>. Following negotiations between the MP-SP, the São Paulo State Secretariat of Logistics and Transportation and Ecovias, the overall amount shall be paid as follows: (a) R\$ 450 million<sup>5</sup> will be invested in public utility works not originally planned in the Ecovias concession agreement which will involve the construction, within eight years, possibly reduced to five, of a 2-km avenue near the Mackenzie Engineering School Road Complex in São Paulo and improvement works on the *Anchieta* motorway; (b) R\$ 150 million<sup>6</sup> through rate reductions equal to 10% in favour of users of the *Anchieta* and *Imigrantes* motorways, which will be applied to the toll booths managed by Ecovias situated in Riacho Grande and Piratininga between 21:00 and 05:00; (c) R\$ 36 million<sup>7</sup>, divided into six instalments, will be paid to the São Paulo Treasury; (d) R\$ 2 million<sup>8</sup> will be paid to the FID. These amounts will also include R\$ 12 million<sup>9</sup> deriving from other commitments. Ecorodovias has estimated that the average annual outlay for Ecovias to pay off the obligations assumed pursuant to the NPA will be R\$ 48 million<sup>10</sup> – net of taxes. In order to allow for the continuation of the activities of Ecovias and support the public’s interest, pursuant to the NPA, the MP-SP undertakes to suspend all administrative or criminal proceedings and investigations – including proceedings pursuant to the Administrative Improbability Act – involving Ecovias and the other Ecorodovias Group companies, in order to avoid imposing further sanctions on those companies in relation to the same illegal events based on the NPA and other information received from the MP-SP. Estimates of the effects of the above agreements have been reflected – for the relevant pro-rata share – in the 2019 financial statements of the ASTM Group on the basis of an assessment prepared by Ecorodovias.

## EPC SECTOR

### **Itinera Group**

The companies belonging to the Itinera Group operate in the construction of major infrastructure works for transport and in the civil and industrial building sector.

In 2019, the Itinera Group considerably increased its activity volumes, particularly overseas, which now accounts for more than 60% of its total production. The main operating areas, besides Italy, cover central and northern Europe (Denmark, Romania and Austria), the USA, Brazil, the Gulf nations (UAE, Kuwait, Oman and Saudi Arabia) and Southern Africa (Kenya and Botswana).

In 2019, the Itinera Group posted a **value of production** equal to approximately EUR **985.2** million with a **55.7% growth** (EUR 632.8 million in 2018); overseas production totalled EUR 612.5 million (of which EUR 321.3 million related to the Halmar Group, up by 67% compared to 2018), compared to the figure of EUR 320.3 million in 2018, while an amount of EUR 372.7 million was made in Italy (EUR 312.5 million in 2018).

The “**net financial indebtedness**” as at 31 December 2019 totalled EUR **64.9** million (EUR 1.4 million as at 31 December 2018); the change is essentially due to the resources absorbed by operating activities and investment activity.

The “**backlog**” of the Group as at 31 December 2019, which is given by updating the investment plans referring to the individual investments, totalled approximately EUR **4.4 billion**<sup>11</sup>, relating for around **60%** to **overseas** projects.

<sup>1</sup> EUR 88.6 million at the exchange rate as at 31 December 2019: 4.5157 EUR/R\$

<sup>2</sup> EUR 6.7 million at the exchange rate as at 31 December 2019: 4.5157 EUR/R\$.

<sup>3</sup> EUR 81.9 at the exchange rate as at 31 December 2019: 4.5157 EUR/R\$

<sup>4</sup> EUR 141.3 million at the exchange rate as at 31 December 2019: EUR 4.5157/R\$

<sup>5</sup> EUR 99.7 million at the exchange rate as at 31 December 2019: EUR 4.5157/R\$

<sup>6</sup> EUR 33.2 million at the exchange rate as at 31 December 2019: € 4.5157/R\$

<sup>7</sup> EUR 8 million at the exchange rate as at 31 December 2019: € 4.5157/R\$

<sup>8</sup> EUR 0.4 million at the exchange rate as at 31 December 2019: € 4.5157/R\$

<sup>9</sup> EUR 2.7 million at the exchange rate as at 31 December 2019: € 4.5157/R\$

<sup>10</sup> EUR 10.6 million at the exchange rate as at 31 December 2019: € 4.5157/R\$

<sup>11</sup> Data resulting from the conversion exchange rates as at 31 December 2019 for contracts in currencies other than the euro



The company's overall **pipeline** of activities, covering pre-qualifications carried out and tenders under preparation or awaiting completion, totalled approximately EUR 4.7 billion, of which around 33% in the United States, 16% in Europe, 47% in Italy and 4% in Africa.

## **BUSINESS OUTLOOK**

In line with its identified strategic objectives, ASTM intends to continue to strengthen its leadership in the area of motorway concessions both in the domestic market, where it seeks to become a benchmark in terms of management expertise, as well as in international markets and, particularly, in Brazil, where it shall participate in significant envisaged motorway tenders, through its jointly held subsidiary Ecorodovias Infraestrutura e Logística S.A. It is also aiming at the USA, an area where the group is tracking the development of important concessions in green field projects.

In Italy, through its subsidiaries and licensee companies, ASTM is operative in the EPC sector, is participating in tenders published by the MIT for new concessions related to the motorway stretches currently managed by the Group, which have expired or are near to expiring<sup>1</sup>, and is evaluating to participate in the public auction for the sale of shares held by FCT Holding S.p.A., a financial company from the Municipality of Turin, and by the Metropolitan City of Turin, in the share capital of SITAF S.p.A., representing around 19.347% of the share capital.

In the EPC sector, the Group intends to continue its pursuit of growth and development by consolidating its backlog in Italy and overseas, nevertheless maintaining constant focus on the balance of the financial structure and further reinforcing its supportive role and operating and organisational assistance in favour of the licensee companies' sector.

In the technology sector, it is pursuing the objective of market diversification, entering into US market, where Sinelec USA was incorporated, and developing innovative projects related to the digitalisation of road transport infrastructure (smart roads, dynamic weighing and V2X) and new technologies (Artificial Intelligence and Edge Computing).

As regards the management of its own infrastructures, the Group intends to continue to invest in improving the service offered to its customers, further raising the reliability and safety standards of its network.

These processes may be more effective during the year, especially now that the industrial and financial synergies have been reinforced by the successful merger of SIAS S.p.A. into ASTM S.p.A. The merger created an integrated Group that operates according to the "One Company" model, capable of expressing specific expertise in the motorway concession, EPC and technological innovation sectors.

Nevertheless, these operating scenarios will undoubtedly be affected by the effects of the COVID-19 epidemiological crisis on the markets and on national and international production.

As regards ASTM, the repercussions related to the health crisis will be presumably significant at least in the first two quarters of the year, as shown by the final data as at 31 March 2020 that highlight, compared to the same periods from the previous year, in the 1 January-31 March 2020 quarter, an average decrease of around 20.4%, and in March, an average reduction of around 61.0%.

It should also be noted that traffic volumes on the Group's motorways could benefit from the possible changes in mobility dynamics in favour of individual means of transport which makes it possible to implement social distancing measures more easily than could be done for collective passenger transport.

From an operational point of view, the Group has undertaken actions to reduce the effects of the consequent decrease expected in the revenues in economic and financial terms, paying particular attention to costs, with a view to guarantee nevertheless the same levels of absolute efficiency of the service provided to users and the safety of the infrastructure managed, and to reschedule the investments programme as a result of the operating difficulties faced by contractors.

In any case, ASTM constantly monitors the evolution of the situation in order to promptly adopt the most appropriate measures to contain the impact of the crisis on its business areas.

The financial stability of the ASTM Group, alongside the possibility for the motorway companies of the ASTM Group to initiate rebalancing mechanisms envisaged by current concession contracts, lead to careful optimism even in the short to medium term, considering that the long-term forecasts, for the same kind of considerations, *i.e.* the stability of the revenues and related cash flows of the assets under concession – which gives rise to most of the Group's operating margins and cash generation – remain surely positive.

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<sup>1</sup> These are tenders related to the stretches: (i) A21 Torino-Alessandria-Piacenza and A5 Torino-Ivrea-Quincinetto, A4/A5 Ivrea-Santhià link road, Torino-Pinerolo fork and Sistema Autostradale Tangenziale Torinese and (ii) A12 Sestri Levante-Livorno, A11/A12 Viareggio-Lucca, A15 fork for La Spezia and A10 Ventimiglia-Savona.

To that end, it is noted that an additional reinforcement of the financial structure took place at the start of the year thanks to funding and refinancing actions completed as of the present date; the cash and available bank lines make it possible to satisfy the maturities on the payables for around the next 3-4 years.

Confirmation of the Group's financial stability is also given by the recent decisions adopted by Fitch Ratings and Moody's to affirm ASTM's rating:

- on 26 March 2020, Fitch noted that it would not change ASTM's BBB+ Long-Term Issuer Default Rating (IDR) nor its prospective outlook.
- on 6 April, Moody's noted that the senior secured and senior unsecured MTN rating of ASTM remained unchanged at Baa2, also maintaining its stable-outlook status.

Holding and maintaining a stable financial position in the current national and international economic scenario in sharp recession, are a necessary prerequisite to overcome the current crisis phase and make it possible to seize business investment and development opportunities that will presumably arise from the current difficult international context.

#### PROPOSAL FOR DESTINATION OF PROFITS

In consideration of the economic scenario created by the COVID-19 epidemiological crisis, the Board of Directors has proposed to devote the entire profit for the year of EUR 167,771,412.49 to reinforcing the equity structure, allocating it as follows:

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

The Board of Directors retains the right to evaluate the possible call for a Shareholders' Meeting, to be held within the end of the financial year, in order to propose a potential distribution of reserves in the light of further changes in the economic scenario due to the COVID-19 emergency.

#### CALL FOR ORDINARY SHAREHOLDERS' MEETING

At today's meeting, the Board of Directors, resolved to convene the Ordinary Shareholders' Meeting in a single session on 25 May 2020 to resolve on:

- 1) the approval of the annual financial statements as at 31 December 2019,
- 2) the approval of the proposal for destination of profits,
- 3) the approval of the Report on the remuneration policy and fees paid,
- 4) the adjustment of the Independent Auditors fee for financial years 2019-2025,
- 5) the appointment of the Board of Statutory Auditors,
- 6) the approval of the request for authorisation for the purchase and disposal of treasury shares.

#### 2019 CONSOLIDATED NON-FINANCIAL DISCLOSURE (2019 SUSTAINABILITY REPORT)

The Board of Directors has also approved the 4th Sustainability Report of the ASTM Group, which qualifies as a non-financial statement pursuant to Legislative Decree no. 254/2016.

Of the Group's numerous aspects of sustainability, the document also highlights the analysis of the impact of the activities on the local area, which in 2019 led to an overall economic contribution totalling over EUR 4.2 billion and an overall effect on the creation of employment estimated at over 148,000 workers.

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**Annual financial statements** and the **consolidated financial statements** (alongside the related reports of Independent Auditors and Board of Statutory Auditors), the "**Report on Corporate Governance and ownership structure**" and the **consolidated non-financial disclosure** shall be made publicly available on the company's website ([www.astm.it](http://www.astm.it)), according to the terms established by the law.



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*The manager in charge of drawing up the corporate accounting documentation, Mr Alberto Pernigotti, hereby declares – pursuant to Paragraph 2, Article 154 bis of the Legislative Decree no. 58 of 24 February 1998 – that the accounting disclosure contained in this press release corresponds to the Company's documentary records, books and accounting entries.*

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*It is noted that at the date thereof, the auditing activities of the financial statements included in this press release are not yet completed.*

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On 15 April 2020, at 11:00 CET, the Company will hold a conference call to present the 2019 economic and financial data to the financial community. The presentation will be available for download shortly before the conference call from the website [www.astm.it](http://www.astm.it).

Att.: - Separate financial statements  
- Consolidated financial statements

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## ALTERNATIVE PERFORMANCE MEASURES - APM

Pursuant to Consob Communication of 3 December 2015 implementing in Italy the guidelines on Alternative Performance Measures (hereinafter also “APM”) issued by the European Securities and Markets Authority (ESMA), which are mandatory when publishing regulated information or prospectuses after 3 July 2016, the criteria used to develop the main APMs published by the ASTM Group are described below. The APMs presented in the “Management Report” are considered relevant for assessing the overall operating performance of the Group, the operating segments and the individual Group companies. In addition, the APMs are considered to provide better comparability over time of the same results, although they are not a replacement or an alternative to the results provided in the “Consolidated Financial Statements” according to the IAS/IFRS (official or reported data).

With reference to the APMs relating to the consolidated results, it should be noted that, in the “Economic, equity and financial data” section, the ASTM Group presents reclassified separate financial statements that differ from those envisaged by the IAS/IFRS included in the Consolidated Financial Statements; therefore, the restated consolidated income statement, consolidated financial position and net financial indebtedness contain, in addition to the economic-financial and equity data governed by the IAS/IFRS, certain indicators and items derived therefrom, although not required by said standards and therefore called “APMs”.

The main APMs presented in the Management Report and a summary description of their composition, as well as a reconciliation with the corresponding official data, are provided below:

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

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**ASTM S.p.A.  
Separate financial statements  
as at 31 December 2019**

## Statement of Financial Position

<i>(amounts in thousands of EUR)</i>	31 December 2019	31 December 2018
<b>Assets</b>		
<b>Non-current assets</b>		
Intangible assets	-	5
Tangible assets		
property, plant, machinery and other assets	6,052	6,194
rights of use	1,249	-
Non-current financial assets		
equity investments in subsidiaries	2,537,631	1,815,196
equity investments in jointly controlled entities and associated companies	336,545	9,547
equity investments in other businesses	58,940	3,804
Other non-current financial assets	1,578,597	43,006
<b>Total non-current financial assets</b>	<b>4,511,713</b>	<b>1,871,553</b>
Deferred tax credits	5,900	3,226
<b>Total non-current assets</b>	<b>4,524,914</b>	<b>1,880,978</b>
<b>Current assets</b>		
Inventories	-	-
Trade receivables	3,532	2,187
Current tax assets	10,441	225
Other receivables	16,717	1,449
Other current financial assets	733,380	-
<b>Total</b>	<b>764,070</b>	<b>3,861</b>
Cash and cash equivalents	38,057	531
<b>Total current assets</b>	<b>802,127</b>	<b>4,392</b>
<b>Total assets</b>	<b>5,327,041</b>	<b>1,885,370</b>
<b>Shareholders' equity and liabilities</b>		
<b>Shareholders' equity</b>		
Shareholders' equity		
share capital	66,360	45,704
reserves and earnings	2,568,395	1,778,595
<b>Total shareholders' equity</b>	<b>2,634,755</b>	<b>1,824,299</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Provisions for risks and charges and employee benefits	2,693	1,576
Trade payables	-	-
Other payables	-	-
Bank debt	673,069	34,991
Hedging derivatives	-	-
Other financial liabilities	1,041,270	-
Deferred tax liabilities	2	2
<b>Total non-current liabilities</b>	<b>1,717,034</b>	<b>36,569</b>
<b>Current liabilities</b>		
Trade payables	11,486	1,673
Other payables	19,379	1,525
Bank debt	191,557	20,569
Other financial liabilities	751,406	-
Current tax liabilities	1,424	735
<b>Total current liabilities</b>	<b>975,252</b>	<b>24,502</b>
<b>Total liabilities</b>	<b>2,692,286</b>	<b>61,071</b>
<b>Total shareholders' equity and liabilities</b>	<b>5,327,041</b>	<b>1,885,370</b>

## Income Statement

<i>(amounts in thousands of EUR)</i>	FY 2019	FY 2018
<b>Financial income and expenses</b>		
Income from equity investments:		
from subsidiaries	149,682	55,294
from associated companies	1,043	-
from other businesses	496	179
Total income from equity investments	<b>151,221</b>	<b>55,473</b>
Other financial income	89,881	8
Interest and other financial expenses	(68,350)	(232)
<b>Total financial income and expenses (A)</b>	<b>172,752</b>	<b>55,249</b>
<b>Value adjustments of financial assets</b>		
Revaluations	-	-
Write-downs	(71)	-
<b>Total value adjustments of financial assets (B)</b>	<b>(71)</b>	<b>-</b>
<b>Other operating income (C)</b>	<b>8,925</b>	<b>3,028</b>
<b>Other operating costs</b>		
payroll costs	(8,885)	(2,809)
costs for services	(13,639)	(6,545)
costs for raw materials	(18)	(3)
other costs	(4,655)	(975)
amortisation, depreciation and write-downs	(473)	(268)
other provisions for risks and charges	-	-
<b>Total other operating costs (D)</b>	<b>(27,670)</b>	<b>(10,600)</b>
<b>Profit (loss) before taxes (A+B+C+D)</b>	<b>153,936</b>	<b>47,677</b>
Taxes	13,835	1,027
<b>Profit for the year</b>	<b>167,771</b>	<b>48,704</b>

Note: in consideration of the industrial holding activity undertaken by ASTM S.p.A., the schedule included in Consob Communication no. 94001437 of 23 February 1994 for this type of Company was used. For these reasons, it differs from the one used for the ASTM Group.

## Statement of other comprehensive income

<i>(amounts in thousands of EUR)</i>	FY 2019	FY 2018
<b>Profit (loss) for the period (a)</b>	<b>167,771</b>	<b>48,704</b>
Actuarial profit (loss) on employee benefits	(77)	26
Profit (loss) allocated to "reserves for revaluation at fair value"	700	52
Tax effect on profit (loss) that will not be subsequently reclassified in the Income Statement	-	2
<b>Profit (loss) that will not be subsequently reclassified in the Income Statement (b)</b>	<b>623</b>	<b>80</b>
<b>Comprehensive income (a) + (b)</b>	<b>168,394</b>	<b>48,784</b>



## Cash flow statement

<i>(amounts in thousands of EUR)</i>	FY 2019	FY 2018
<b>Cash and cash equivalents – opening balance</b>	<b>531</b>	<b>6,255</b>
Merger contribution	44,609	-
<b>Cash and cash equivalents – opening balance (a)</b>	<b>45,140</b>	<b>6,255</b>
<b>Business operations:</b>		
<b>Profit</b>	<b>167,771</b>	<b>48,704</b>
<b>Adjustments</b>		
Amortisation and depreciation	473	268
Provisions	1,988	1,236
Financial expenses (income)	(2,583)	-
<i>Operating Cash Flow (I)</i>	<i>167,649</i>	<i>50,208</i>
Net change in deferred tax credits and liabilities	(2,254)	(471)
Change in net working capital	(40,229)	(403)
Other changes from operating activities	(2,355)	(456)
<i>Change in net working capital and other changes (II)</i>	<i>(44,838)</i>	<i>(1,330)</i>
<b>Cash generated (absorbed) by operating activities (I+II) (b)</b>	<b>122,811</b>	<b>48,878</b>
<b>Investment activity:</b>		
Investments in intangible assets	-	(9)
Investments in property, plant, machinery and other assets	(273)	(5)
Net (Investments)/Divestiture in non-current financial assets - equity investments	(308,382)	5,508
Net (Investments)/Divestiture in non-current financial assets	(20,913)	(15,000)
Net divestiture of property, plant, machinery and other assets	-	-
Divestiture of non-current financial assets	-	-
<b>Cash generated (absorbed) by investment activity (c)</b>	<b>(329,568)</b>	<b>(9,506)</b>
<b>Financial activity:</b>		
Change in bank debt	247,864	20,566
Change in other financial liabilities	(2,779)	(192)
Net (Investments)/Divestiture in current financial assets	41,667	-
Expenses related to capital increase	(7,342)	-
Purchase of treasury shares	(5,268)	(20,836)
Dividend distribution	(74,468)	(44,634)
<b>Cash generated (absorbed) by financial activity (d)</b>	<b>199,674</b>	<b>(45,096)</b>
<b>Cash and cash equivalents – closing balance (a+b+c+d)</b>	<b>38,057</b>	<b>531</b>



**ASTM S.p.A.**  
**Consolidated financial statements**  
**as at 31 December 2019**

## Consolidated balance sheet

<i>(amounts in thousands of EUR)</i>	31 December 2019	31 December 2018
<b>Assets</b>		
<b>Non-current assets</b>		
Intangible assets		
goodwill	121,492	86,026
other intangible assets	21,518	16,853
concessions – non-compensated revertible assets	2,810,379	3,080,281
<b>Total intangible assets</b>	<b>2,953,389</b>	<b>3,183,160</b>
Tangible assets		
property, plant, machinery and other assets	142,889	124,094
rights of use	62,769	5,925
<b>Total tangible assets</b>	<b>205,658</b>	<b>130,019</b>
Non-current financial assets		
equity accounted investments	887,135	973,323
other equity investments	114,820	112,800
other non-current financial assets	947,956	543,989
<b>Total non-current financial assets</b>	<b>1,949,911</b>	<b>1,630,112</b>
Deferred tax credits	175,436	146,504
<b>Total non-current assets</b>	<b>5,284,394</b>	<b>5,089,795</b>
<b>Current assets</b>		
Inventories and contract assets	286,096	234,225
Trade receivables	284,840	244,765
Current tax assets	30,459	36,170
Other receivables	125,555	189,695
Current financial assets	389,275	293,871
<b>Total</b>	<b>1,116,225</b>	<b>998,726</b>
Cash and cash equivalents	1,197,537	1,087,633
<b>Total current assets</b>	<b>2,313,762</b>	<b>2,086,359</b>
<b>Total assets</b>	<b>7,598,156</b>	<b>7,176,154</b>
<b>Shareholders' equity and liabilities</b>		
<b>Shareholders' equity</b>		
Shareholders' equity attributed to owners of the parent company		
share capital	65,274	45,704
reserves and earnings	2,537,587	1,880,051
<b>Total</b>	<b>2,602,861</b>	<b>1,925,755</b>
Shareholders' equity attributed to minority interests	357,016	1,151,140
<b>Total shareholders' equity</b>	<b>2,959,877</b>	<b>3,076,895</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Provisions for risks and charges and employee benefits	418,432	214,397
Trade payables	-	-
Other payables and contract liabilities	205,823	205,212
Bank debt	952,502	793,691
Hedging derivatives	20,729	35,730
Other financial liabilities	1,084,980	1,539,790
Deferred tax liabilities	50,553	54,209
<b>Total non-current liabilities</b>	<b>2,733,019</b>	<b>2,843,029</b>
<b>Current liabilities</b>		
Trade payables	447,864	350,500
Other payables and contract liabilities	345,213	388,817
Bank debt	494,655	438,926
Other financial liabilities	571,062	62,761
Current tax liabilities	46,466	15,226
<b>Total current liabilities</b>	<b>1,905,260</b>	<b>1,256,230</b>
<b>Total liabilities</b>	<b>4,638,279</b>	<b>4,099,259</b>
<b>Total shareholders' equity and liabilities</b>	<b>7,598,156</b>	<b>7,176,154</b>

## Consolidated income statement

<i>(amounts in thousands of EUR)</i>	FY 2019	FY 2018 <sup>1</sup>
<b>Revenue</b>		
motorway sector - operating activities	1,241,062	1,218,972
motorway sector - planning and construction activities IFRIC 12	265,278	148,601
EPC sector	813,349	513,240
EPC sector - planning and construction activities IFRIC 12	17,751	37,365
technology sector	23,154	19,985
Other	84,349	54,255
<b>Total Revenues</b>	<b>2,444,943</b>	<b>1,992,418</b>
Payroll costs	(386,272)	(302,444)
Costs for services	(895,736)	(647,461)
Costs for raw materials	(210,862)	(128,538)
Other costs	(160,745)	(154,453)
Capitalised costs on fixed assets	1,071	1,379
Amortisation, depreciation and write-downs	(325,177)	(319,125)
Adjustment of the provision for restoration/replacement of non-compensated revertible assets	13,528	(3,218)
Other provisions for risks and charges	(92,052)	(675)
Financial income:		
from unconsolidated investments	1,771	29,248
other	37,174	14,132
Financial expenses:		
interest expense	(75,560)	(80,529)
other	(3,606)	(5,288)
Profit (loss) of companies accounted for by the equity method	(90,504)	2,159
<b>Profit (loss) before taxes</b>	<b>257,973</b>	<b>397,605</b>
Taxes		
Current taxes	(121,641)	(110,285)
Deferred taxes	33,560	1,938
<b>Profit (loss) for the period</b>	<b>169,892</b>	<b>289,258</b>
• share attributed to minority interests	93,613	122,714
• <b>share attributable to Parent Company's Shareholders</b>	<b>76,279</b>	<b>166,544</b>
<b>Earnings per share</b>		
Earnings (euro per share)	0.835	1.809

## Consolidated statement of other comprehensive income

<i>(amounts in thousands of EUR)</i>	FY 2019	FY 2018
<b>Profit (loss) for the period (a)</b>	<b>169,892</b>	<b>289,258</b>
Actuarial profit (loss) on employee benefits	(1,628)	349
Actuarial profit (loss) on employee benefits – companies accounted for by the equity method	41	(34)
Profit (loss) allocated to "reserves for revaluation at fair value"	5,551	(5,028)
Tax effect on profit (loss) that will not be subsequently reclassified in the Income Statement	80	39
<b>Profit (loss) that will not be subsequently reclassified in the Income Statement (b)</b>	<b>4,044</b>	<b>(4,674)</b>
Profit (loss) allocated to "cash flow hedge reserve" (interest rate swaps)	15,017	40,483
Profit (loss) allocated to "cash flow hedge reserve" (foreign exchange hedge)	1,089	3,094
Share of other profit/(loss) of companies accounted for by the equity method (reserve for foreign exchange translations)	(7,727)	(64,734)
Tax effect on profit (loss) that will be subsequently reclassified in the Income Statement when certain conditions are met	(3,525)	(3,871)
<b>Profit (loss) that will be subsequently reclassified in the Income Statement when certain conditions are met (c)</b>	<b>4,854</b>	<b>(25,028)</b>
<b>Comprehensive income (a) + (b) + (c)</b>	<b>178,790</b>	<b>259,556</b>
• share attributed to minority interests	98,089	124,693
• <b>share attributable to Parent Company's Shareholders</b>	<b>80,701</b>	<b>134,863</b>

<sup>1</sup> As part of the operating reorganisation of the ASTM Group following the merger by incorporation of SIAS S.p.A. into ASTM S.p.A., the companies operating in the "construction" and "engineering" sectors and the company Euroimpianti S.p.A., operating in the sector of electrical and electronic systems, previously included with the companies in the "technology" sector, were concentrated into one single sector the engineering, procurement and construction ("EPC") sector. In order to allow for better comparison between the data, the figures related to the 2018 financial year have been reclassified.

## Consolidated cash flow statement

<i>(amounts in thousands of EUR)</i>	2019	2018
<b>Cash and cash equivalents – opening balance</b>	<b>1,087,633</b>	<b>554,936</b>
Change in the scope of consolidation	65,574	4,346
<b>Cash and cash equivalents, adjusted – opening balance (a)</b>	<b>1,153,207</b>	<b>559,282</b>
<b>Profit (loss)</b>	<b>169,892</b>	<b>289,258</b>
<b>Adjustments</b>		
Amortisation, depreciation and write-downs	325,178	319,225
Adjustment to the provision for restoration/replacement of non-compensated revertible assets	(13,528)	3,218
Adjustment to the provision for employee benefits	1,666	1,503
Provisions for risks	92,052	675
Profit (loss) of companies accounted for by the equity method (net of dividends collected)	102,672	27,886
Other non-cash (income)/expenses	(15,961)	-
Other financial expenses (income)	(32,532)	(34,142)
Capitalisation of financial expenses	(15,164)	(14,085)
<i>Operating Cash Flow (I)</i>	<b>614,275</b>	<b>593,538</b>
Net change in deferred tax credits and liabilities	(35,989)	956
Change in net working capital	67,851	7,986
Other changes from operating activities	(14,131)	(2,690)
<i>Change in net working capital and other changes (II)</i>	<b>17,731</b>	<b>6,251</b>
<b>Cash generated (absorbed) by operating activities (I+II) (b)</b>	<b>632,006</b>	<b>599,789</b>
Investments in revertible assets	(301,930)	(190,806)
A21 Piacenza-Cremona-Brescia concession – takeover	-	(301,000)
Divestiture of revertible assets	-	-
Grants related to revertible assets	18,640	28,847
<i>Net investments in revertible assets (III)</i>	<b>(283,290)</b>	<b>(462,959)</b>
Net investments in property, plant, machinery and other assets	(31,630)	(17,375)
Net investments in intangible assets	(3,474)	(6,547)
Net divestiture of property, plant, machinery and other assets	1,228	3,064
Net divestiture of intangible assets	1,751	651
<i>Net investments in intangible and tangible assets (IV)</i>	<b>(32,125)</b>	<b>(20,207)</b>
(Investments)/Divestiture in non-current financial assets - equity investments	(88,376)	930
(Investments)/Divestiture in non-current financial assets	(3,416)	(19,051)
<i>Loans purchased TE</i>	(11,277)	-
<i>Shares purchased TE/TEM</i>	(22,779)	-
<i>Purchase of Primav Infrastruttura SA and Ecorodovias Infrastruttura e Logistica SA shares</i>	-	(30,150)
<i>Purchase of SEA and Interstrade</i>	-	(5,278)
<i>Net investments in non-current financial assets (V)</i>	<b>(125,847)</b>	<b>(53,549)</b>
<b>Cash generated (absorbed) by investment activity (III+IV+V) (c)</b>	<b>(441,262)</b>	<b>(536,715)</b>
Net change in bank debt	214,556	(35,651)
Issue/(Reimbursement) of bond loans	-	541,023
Change in financial assets	(59,874)	(45,795)
(Investments)/Divestiture of capitalisation insurance policies	34,708	28,454
(Investments)/Divestiture in other financial assets	(8,927)	1,527
Change in other financial liabilities (including payable due to ANAS - Central Insurance Fund)	(13,689)	20,726
Changes in shareholders' equity attributed to minority interests	804	69,498
(Purchase)/sale of treasury shares	(5,268)	(19,428)
Public Tender Offer ("OPA")	(199,732)	-
Changes in shareholders' equity attributed to the owners of the parent company	(13,124)	-
Dividends (and interim dividends) distributed by the Parent Company	(27,593)	(44,634)
Dividends (and interim dividends) distributed by Subsidiaries to minority interests	(68,275)	(50,443)
<b>Cash generated (absorbed) by financial activity (d)</b>	<b>(146,414)</b>	<b>465,277</b>
<b>Cash and cash equivalents – closing balance (a+b+c+d)</b>	<b>1,197,537</b>	<b>1,087,633</b>

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