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Oggetto : ASTM GROUP ENTERS INTO AN  
AGREEMENT TO CAPITALIZE AND, AS A  
CONSEQUENCE, CONSOLIDATE THE  
CONTROL OVER ECORODOVIAS

*Testo del comunicato*

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**ASTM GROUP ENTERS INTO AN AGREEMENT TO CAPITALIZE AND, AS A CONSEQUENCE,  
CONSOLIDATE THE CONTROL OVER ECORODOVIAS**

*Tortona (AI), July 31, 2020.* IGLI S.p.A. ("**IGLI**"), a wholly-owned subsidiary of ASTM S.p.A. ("**ASTM**"), and ASTM itself – as guarantor – entered into a certain dissociation agreement (the "**Agreement**") with Primav Construções, Primav (each as defined below), Participare - Administração e Participações Ltda and EcoRodovias Infraestrutura e Logística S.A. ("**EcoRodovias**") to reorganize their equity stake held in EcoRodovias and, ultimately, to capitalize EcoRodovias. As a consequence of the transactions contemplated by the Agreement—depending on the final EcoRodovias' share issue price and the participation of other shareholders in EcoRodovias' capitalization—it is expected that IGLI will consolidate the control over EcoRodovias, whether in the context of its capitalization or, in any case, through successive transactions on the capital market.

EcoRodovias is a company listed on the Stock Exchange of São Paulo – B3 and one of the main Brazilian operators in the field of construction and management of motorway infrastructure, with a network of 3,087 km under management along the main commercial corridors in the wealthy South and South-East regions of Brazil.

**Rationale of the transaction**

- The transaction is in line with the growth and internationalization process promoted by ASTM Group, which has accelerated considerably since 2017 following the presentation of the strategic plan, and which today sees the Group operating in Italy, Europe, Brazil and the United States, where recently, the only Italian player, has qualified in two important PPP motorway projects;
- Since 2016, ASTM has developed an in-depth knowledge of the Brazilian infrastructure market and particularly of EcoRodovias, which over the years has enabled it, among other things, to successfully support EcoRodovias growth through the award of important new concessions;
- EcoRodovias is a strategic platform for the growth of the Group activities in Brazil and Latin America, and the successful closing of the transaction will improve ASTM's role among the main infrastructure operators in Italy and worldwide;
- The Brazilian market is characterized by significant privatization programmes, specifically in the motorway sector, involving expected <sup>1</sup> investments of around R\$ 147 billion for the period 2020-2022. The envisaged EcoRodovias' capital increase, a majority of which will be subscribed by ASTM, will allow the company to maximize the necessary funding to participate in upcoming tenders and to seize market opportunities;
- It is expected that IGLI will consolidate the control over EcoRodovias in the context of its capitalization or, in any case, through successive transactions on the capital market, consolidating the results and contributing to extend the average duration of the Group's concessions by further 25 years <sup>2</sup>, in addition to the current residual life of 22 years, which includes the acquisition of Sitaf and the Asti-Cuneo *cross-financing*. Such expected consolidation – if calculated on the 2019 results of ASTM and EcoRodovias – would have resulted in a 2019 pro-forma aggregate EBITDA of ASTM and EcoRodovias equal to € 1,242.6 million;
- The successful closing of the transaction will also allow the further integration of EcoRodovias with the other companies of the Group, improving its operational efficiency and effectiveness in growth phases from a "One Company" perspective;
- The EcoRodovias transaction and the recent acquisition of the majority shareholding in Sitaf demonstrate both ASTM's intention to strengthen its role in Brazil and abroad and, at the same time, ASTM's commitment to continue to invest in Italy and its infrastructure system, deemed to be a driving force for the country's economic development.

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<sup>(1)</sup> Source: Infra PROBRASIL, Ministerio da Infraestrutura, May 2020.

<sup>(2)</sup> Calculated as a multiplier of EBITDA of the concessions sector for the ASTM Group as of 31 December 2019.

## The transaction

Currently, IGLI holds (a) 50% of the common shares and 100% of the non-voting preferred shares of Primav Infraestrutura S.A. ("**Primav**"), representing 69.1% of Primav's share capital, which, in turn, holds 64.1%<sup>3</sup> of EcoRodovias and (b) directly, 4.99%<sup>3</sup> of EcoRodovias' outstanding shares. The remaining 50% of the common shares, representing the remaining 30.9% of Primav's share capital, is held by Primav Construções e Comércio S.A. ("**Primav Construções**"), which in turn is owned by Participare - Administração e Participações Ltda. Primav and, consequently, EcoRodovias are currently under the co-control of IGLI and Primav Construções.

Upon the successful closing of the transactions contemplated in the Agreement – subject to the fulfilment of certain customary conditions precedent for similar transactions, including the obtaining of necessary authorizations from antitrust authorities and government entities which granted concessions to EcoRodovias – it is expected that IGLI will consolidate the control over EcoRodovias in the context of its capitalization or, in any case, through successive transactions on the capital market.

In particular, the Agreement provides the following transactions to be completed in two main phases.

### Phase 1 – Capitalization and Spin-Off of Primav

The Agreement provides that Primav shall approve a share capital increase entirely reserved to IGLI (or, at IGLI's election, to a Brazilian company wholly-owned by IGLI, "**IGLI Brazil**"), and that the proceeds of such capital increase shall be used to repay Primav's financial debt amounting, as of the signing date of the Agreement, to approximately R\$ 850 million (approximately € 141<sup>4</sup> million).

It is envisaged that, immediately following the completion of the aforementioned share capital increase, Primav shall approve a partial spin-off through which it will transfer to IGLI (or IGLI Brazil) a total of 232,504,226 shares of EcoRodovias and a total of 135,923,941 shares of Vem ABC - Monotrilho Linha 18 - Bronze S.A., a company engaged in the urban mobility sector. Upon completion of the spin-off, IGLI will no longer hold any shares of Primav, but will hold (directly or through IGLI Brazil) exclusively shares of EcoRodovias and Vem ABC.

### Phase 2 – Capitalization of EcoRodovias

The Agreement also provides that, after the completion of the Primav's spin-off, EcoRodovias' shareholders shall resolve on a share capital increase for a total base amount comprised between R\$ 1,200 million (approximately € 200<sup>4</sup> million) and R\$ 1,800 million (approximately € 300<sup>4</sup> million), aimed at strengthening EcoRodovias' equity structure, including in view of the new investment opportunities expected by the market. The share capital increase will be carried out through a public offer called "*follow-on public offer with restricted distribution efforts*" or, should not be possible to complete the public offer by 30 September 2021 due to market conditions, through a private share capital increase to be resolved by no later than 31 December 2021. The share issue price of such capital increase will be determined as a result of a customary bookbuilding process (in the case of a follow-on public offer) or by the board of EcoRodovias based on the 90-day VWAP of the EcoRodovias shares on the market (in the case of a private capital increase). Depending ultimately on the final EcoRodovias share issue price and the participation of other shareholders in EcoRodovias' capitalization, it is expected that IGLI will consolidate the control over EcoRodovias.

Under the terms of the Agreement, IGLI has undertaken to subscribe the new shares resulting from EcoRodovias' share capital increase for a total amount of at least R\$ 1,200 million (approximately € 200<sup>4</sup> million) out of R\$ 1,800 million (approximately € 300<sup>4</sup> million), provided that, if a private share capital increase is to be carried out and a material adverse effect relating to certain macroeconomic events occurs, the total amount of the private share capital increase would be reduced to R\$ 1,200 million (approximately € 200<sup>4</sup> million) and IGLI's minimum commitment would be reduced to a pro-rata subscription only. Primav, on the other hand, has undertaken not to exercise or assign its pre-emptive or priority rights in relation to

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<sup>(3)</sup> Calculated ex-treasury shares

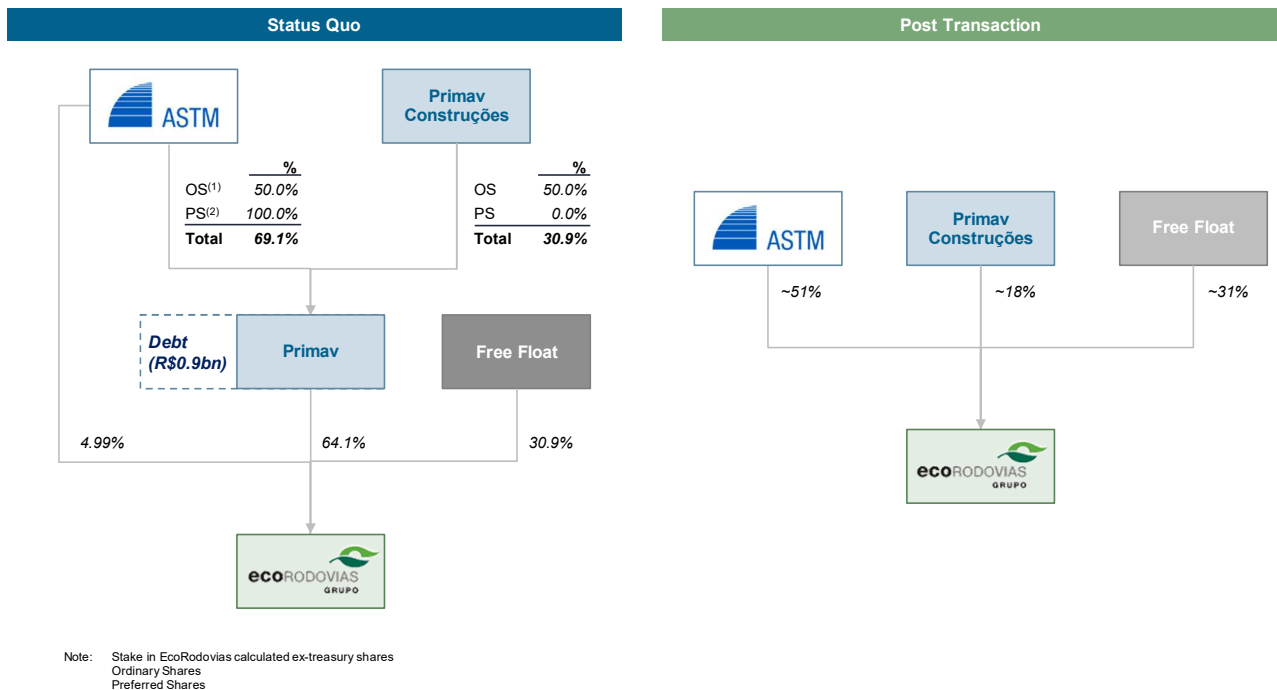
<sup>(4)</sup> Currency exchange rate as of 29 July 2020, equal to 6,0149 €/R\$.

the capital increase, it being understood that other shareholders of EcoRodovias may subscribe the abovementioned share capital increase.

Corporate governance

The Agreement provides that, simultaneously with the implementation of the spin-off of Primav, the existing shareholders' agreement between IGLI and Primav Construções shall be amended in order to maintain the existing co-control structure in EcoRodovias until the earliest of (i) the execution date of EcoRodovias' capital increase, (ii) 31 December 2021, if such increase does not take place and certain conditions precedent envisaged in the Agreement are not verified by then; or (iii) 4 May 2026, the termination date of the shareholders' agreement between IGLI and Primav Construções.

Below is a chart showing the estimated change in the structure of the Group as a result of the transactions provided for in the Agreement. As mentioned above, depending on the final EcoRodovias share issue price and the level of participation of other shareholders in EcoRodovias' share capital increase, it is expected that IGLI will consolidate the control over EcoRodovias.



EcoRodovias closed the 2019 financial year with pro-forma consolidated net revenues of R\$ 2,945 million (equal to € 652<sup>5</sup> million), pro-forma consolidated EBITDA of R\$ 2,033.1 million (equal to € 450.2<sup>5</sup> million), and normalized net profit of R\$ 290.4 million (equal to € 64.3<sup>5</sup> million).

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On August 4<sup>th</sup>, 2020, at 11.30 CET, the Company will hold a conference call to present the transaction to the financial community. The presentation will be available for download shortly before the conference call from the website [www.astm.it/section\\_investor\\_relations/presentations](http://www.astm.it/section_investor_relations/presentations).

<sup>(5)</sup> Currency exchange rate as of 31 December 2019, equal to 4.5157 €/R\$



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