



ASTALDI Società per Azioni  
Registered Office Via Giulio Vincenzo Bona 65, 00156, Roma  
Share Capital Euro 196,849,800.00 – fully paid up  
Enrolled in the Companies' Register of Rome  
Tax Code 00398970582  
R.E.A. n. 152353  
VAT Number no. 00880281001

**ILLUSTRATIVE REPORT**  
**OF THE BOARD OF DIRECTORS OF ASTALDI S.P.A.**  
**TO THE NOTEHOLDERS' MEETING**  
**OF THE NOTES DENOMINATED "€140,000,000 4.875 PER CENT. EQUITY-LINKED NOTES DUE 2024"**  
**ISIN: XS1634544248**

This report (the "**Illustrative Report**" or the "**Report**") has been prepared by the Board of Directors of Astaldi S.p.A. ("**Astaldi**" or the "**Company**" or the "**Issuer**") for the purposes of the meeting (the "**Noteholders' Meeting**" or the "**Meeting**") of the holders of the notes (the "**Noteholders**") related to the loan denominated "€140,000,000 4,875 per cent. Equity-Linked Notes due 2024" (ISIN Code: XS1634544248) issued by Astaldi (the "**Notes**"), convened:

- (i) on first call on Tuesday February 25, 2020, at 10:00 CET; and, if necessary,
- (ii) on second call, on Tuesday March 10, 2020, at 10:00 CET; and, if necessary,
- (iii) on third call, on Tuesday March 24, 2020, at 10:00 CET;

and in any case at the Convention Center (*Centro Congressi*) of the Hotel Cristoforo Colombo, Via Cristoforo Colombo, 710, 00144, Rome, Italy, with the following:

**AGENDA**

- *Proposal for composition with creditors on a going concern basis (concordato preventivo in continuità aziendale) of Astaldi S.p.A.; related and consequent resolutions.*

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**1. Background and reasons for the Noteholders' Meeting**

The proposal subject to approval by the Noteholders' Meeting, pursuant to article 2415, para. 1, no. 3), of the Civil Code, refers to the approval of the proposal for composition with creditors on a going concern basis (*concordato preventivo in continuità aziendale*) of Astaldi.

In particular, it is proposed to the Noteholders' Meeting to approve the proposed resolution indicated below (the "**Resolution**") in the form of an Extraordinary Resolution under the trust deed signed on June 21, 2017 (the "**Trust Deed**") between the Company, in its capacity as issuer of the Notes, and BNP Paribas Trust Corporation UK Limited, in its capacity as trustee of the Noteholders (the "**Trustee**"), pursuant to which the Notes were issued.

On September 28, 2018, Astaldi filed an application (identified by No. 63/2018) with the Bankruptcy Section of the Court of Rome for the admission to the composition with creditors proceeding pursuant to Article 161, paragraph 6 of the Royal Decree no. 267 of 16 March 1942, as subsequently amended (the "**Italian**

**Bankruptcy Law**”), aimed at the presentation of the *concordato* proposal, pursuant to Article 186-*bis* of the Italian Bankruptcy Law.

Subsequently, on October 17, 2018, the Court of Rome granted a sixty (60) day term to file the final *concordato* proposal and the final *concordato* plan.

On December 18, 2018, this deadline was then extended by the Court of Rome for a further sixty (60) day period upon request of the Company, pursuant to Article 161, paragraph 6, of the Italian Bankruptcy Law, in view of the complexity of the activities to be carried out under the Concordato Plan and the Concordato Proposal, and the deadline for filing the plan and the proposal pursuant to Article 160 et seq. of the Italian Bankruptcy Law was therefore set at February 14, 2019.

On February 14, 2019, Astaldi filed with the Court of Rome the concordato proposal (the “**Concordato Proposal**”) and the related concordato plan (the “**Concordato Plan**” or the “**Plan**”) pursuant to Article 160, 161 and 186-*bis* of the Italian Bankruptcy Law, as resolved upon by the Board of Directors on the same date.

The Court of Rome then formulated specific supplement and clarification requests and, for purposes of clarity and ease of reference, expressly requested that the supplements and clarifications be provided through the submission of a new version of the Concordato Proposal and the related Concordato Plan.

On June 19, 2019, following to requests for clarification formulated by the Court of Rome pursuant to article 162 of the Italian Bankruptcy Law with respect to the Concordato Proposal originally filed by the Company - together with Concordato Plan and the relevant certification (*attestazione*) - on February 14, 2019, Astaldi has filed with the Court of Rome a new version of the Concordato Proposal, together with the updated Concordato Plan and the certification (*attestazione*). The documentation was subsequently supplemented respectively on July 16, July 20 and August 2, 2019.

On August 5, 2019 the Court of Rome, pursuant to Article 171, paragraphs 2 and 3, of the Italian Bankruptcy Law admitted Astaldi to the Concordato Procedure (the “**Procedure**”), delegating to the procedure Angela Coluccio and appointing as judicial commissioners Vincenzo Ioffredi, Stefano Ambrosini, and Francesco Rocchi. Following the revocation of the appointment of Stefano Ambrosini by the Court of Rome, which occurred on November 20, 2019, and the resignation of Francesco Rocchi, the Court of Rome with decree filed on November 21, 2019 and December 3, 2019, has appointed three new judicial commissioners, namely Vincenzo Mascolo, Piergiorgio Zampetti and Enrico Proia (the “**Judicial Commissioners**”) as communicated by the Company on November 25, 2019 and December 4, 2019.

Over the last few years, the most significant factors which have affected Astaldi’s results of operations and financial condition are:

- (i) the deterioration of the general macro-economic conditions and the crisis affecting the various sectors in which the Group operates. In recent years Astaldi has been affected by:
  - (a) the increase in the number of days required to obtain payment of receivables by public administrations
  - (b) the failure to collect the aforementioned receivables accrued;
  - (c) more stringent criteria applied by banks for the granting of financial support to businesses;
  - (d) an increase in operating costs, in particular service costs following greater recourse to sub contracting, which translated into a significant deterioration of operating margins;
  - (e) a general crisis of the large constructions sector in Italy; and
- (ii) the political and economic instability of certain countries.

The political and economic instability of certain countries in which the Group carries out its construction and concession activities, and its major projects, including Venezuela and Turkey, translated into a progressive deterioration of its liquidity profile. Moreover, following the application by the United States of America of new sanctions against Venezuela with effect from November 2017 (source: U.S. Department of the Treasury's website <https://www.treasury.gov/>), later in November, Astaldi formally acknowledged the significant deterioration of the economic and financial condition of the country (where the Group had three major ongoing railway projects), and Astaldi, consequently carried out a €230 million write down of the value of its assets in Venezuela (as accounted as of December 31, 2017). Overall, these events combined with the political and economic instability of Turkey and the unavailability of the necessary credit lines and guarantees to support its activities, prevented Astaldi from completing its planned capital strengthening measures (including a capital increase), and the sale of the Third Bridge over the Bosphorus, in 2018.

The Court of Rome ordered the summoning of creditors to vote on the Concordato Proposal at the Creditors' Meeting on March 26, 2020, at 10:30 CET, before the Delegated Judge, Angela Coluccio, at the Court of Rome - Bankruptcy Section, in Rome, Viale delle Milizie, n. 3/E.

**Pursuant to applicable Italian law, the outcome of the vote at each of the Noteholders' Meetings will be expressed at the Creditors' Meeting on the Concordato Proposal of Astaldi by the common representative of the Noteholders pursuant to articles 2417 and 2418 of the Italian Civil Code – Mr. Tiziano Onesti, appointed by decree of the Court of Rome No. 1339/2019 of February 20, 2019 for three consecutive fiscal years, whose appointment has been registered with the Companies' Register of Rome on March 27, 2019 (the "Common Representative") – who will be delegated by each of the Noteholders' Meetings to vote at the Creditors' Meeting in accordance with the outcome of each Noteholders' Meetings' resolution.**

The Common Representative may express the vote at the Creditors' Meeting or within twenty days thereafter, as permitted under Article 178 of the Italian Bankruptcy Law.

Pursuant to Article 177 of the Italian Bankruptcy Law, Concordato Proposal and the related Concordato Plan will be considered approved if it receives the favourable vote of the creditors representing more than 50% of the principal amount of the liabilities admitted to vote.

For any further detail on the reasons that led Astaldi's Board of Directors to resort to the Procedure, and the modalities for fulfilling the obligations towards creditors provided for in the Concordato Proposal and the Concordato Plan, please refer to the documentation relating to the Concordato Proposal that the Issuer has made available on its website [www.astaldi.com](http://www.astaldi.com), in the section "*Investor Relations – Composition with Creditors*", and to the Information Document (as defined below). The documents made available by the Company are precisely:

- (a) Admission decree to the composition with creditors with direct business continuity (*concordato preventivo in continuità aziendale*) of August 5, 2019 (only in Italian);
- (b) Concordato Proposal filed on June 19, 2019 (in Italian and a courtesy translation in English) and related annexes (all in Italian; and for the annexes "*DOC. K - Guidelines on the liquidation of the dedicated assets*" and "*DOC.Q - New Concordato Plan dated June 19, 2019 - signed*", also a courtesy translation in English);
- (c) Concordato Proposal – Additional brief filed on July 16, 2019 (in Italian and a courtesy translation in English) and related annexes (all in Italian; and for the annexes "*DOC. A - Supplement to the Concordato Plan dated July 16, 2019 – signed*", and "*DOC. K - PFIs' Regulation*", also a courtesy translation in English);

- (d) Concordato Proposal – Additional brief filed on July 20, 2019 (in Italian and a courtesy translation in English) and related annexes (all in Italian; and for the annex “*DOC. 1 - Further supplement to the Concordato Plan*” also a courtesy translation in English);
- (e) Concordato Proposal – Additional brief filed on August 2, 2019 (in Italian; and for the annex named “*Update supplementing the Concordato Plan - August 2 - final signed*” included under the annex named “*DOC. A - Supplement and update of the Concordato Plan and Salini notice*”, also a courtesy translation in English);
- (f) List of creditors, with indication of causes of pre-emption (only in Italian);
- (g) Notice to creditors pursuant to Article 171, paragraph 2 and paragraph 3, Italian Bankruptcy Law (in Italian and courtesy translation in English);
- (h) Concordato Proposal – Executive Summary (in Italian and courtesy translation in English); and
- (i) a list of Frequently Asked Questions (in Italian and courtesy translation in English).

(jointly, the “**Concordato Documents**”).

Noteholders are encouraged to read and examine carefully the Concordato Documents.

The Judicial Commissioners will file with the Court of Rome a detailed report on the causes of the financial distress, the debtor's conduct, the Concordato Proposal and the guarantees offered to creditors pursuant to Article 172 of the Italian Bankruptcy Law (the “**Judicial Commissioners' Report**”).

The deadline for filing the Report of the Judicial Commissioners at the registry of the Court of Rome and the related communication to creditors (pursuant to Article 171, paragraph 2, of the Italian Bankruptcy Law) is set at 45 days before the Creditors' Meeting. Therefore, the Report of the Judicial Commissioners will be completed by February 10, 2020.

The Company will disclose the filing of the Judicial Commissioners' Report by a specific press release, and will make available the relevant text on its website [www.astaldi.com](http://www.astaldi.com), under Sections “*Investor Relations – Composition with Creditors*” and “*Governance – Shareholders / Bondholders Meetings*”.

**Noteholders are advised to read the Report of the Judicial Commissioners (as defined below), once available, before voting on the Resolution.**

**Votes on the Resolution may be cast only following the publication of the full Report of the Judicial Commissioners in Italian.**

In addition, the Company will voluntarily provide a courtesy English translation of the conclusions of the Judicial Commissioners' Report (but not of the full Judicial Commissioners' Report), it being understood that the Italian version of the full Judicial Commissioners' Report will prevail, and the Company will make it available on the website [www.astaldi.com](http://www.astaldi.com), under Sections “*Investor Relations – Composition with Creditors*” and “*Governance – Shareholders/Bondholders Meetings*”, and will disclose the relevant publication by an *ad hoc* press release on its website [www.astaldi.com](http://www.astaldi.com), under Section “*Media – Press Releases*”.

For any information regarding the procedures and terms for exercising the vote in the Noteholders' Meeting, please refer to Section III, paragraph IV, of the Information Document (as defined below), and to the notice of call of the Noteholders' Meeting published today (the “**Call Notice**”) made available to the public, in accordance with the law, at the registered office of Astaldi, on the Company's website [www.astaldi.com](http://www.astaldi.com), in the Section “*Governance - Shareholders / Bondholders Meetings*”, as well as at the centralized storage mechanism, called “1Info”, available at the address [www.1Info.it](http://www.1Info.it), managed by

Computershare S.p.A. authorised by CONSOB with resolution no. 18852 of 9 April 2014 ("1Info"), and also published as an excerpt, in Italian language, on "MF Milano Finanza" and "Il Sole24Ore", and distributed to Noteholders through the Euroclear Bank SA/NV and Clearstream Banking S.A. Luxembourg.

In relation to the Noteholders' Meeting, the Issuer, together with the Call Notice and this Report, has promoted a consent and proxy solicitation (the "**Solicitation**") on a voluntary basis, in accordance with Articles 136 *et seq.* of Italian Legislative Decree No. 58 of February 24, 1998, as amended and supplemented from time to time (the "**TUF**"), as well as Articles 135 *et seq.* of Consob Regulation No. 11971 of May 14, 1999, as amended and supplemented from time to time (the "**Issuers' Regulation**") as applicable.

Astaldi promotes the Solicitation, with the assistance of Morrow Sodali S.p.A., which will act as an agent for the collection of voting proxies, for the purposes of collecting proxies and exercise voting rights (the "**Delegated Party**").

In relation to the Solicitation, the Issuer, together with this Illustrative Report, has made available to Noteholders the following documentation, in Italian and English:

- 1) a notice of consent and proxy solicitation (*avviso di sollecitazione di deleghe di voto*);
- 2) a consent and proxy solicitation information document (the "**Information Document**") in Italian and in English (named "*Prospetto di Sollecitazione*" in Italian language); and
- 3) a form for solicitation of proxies.

(the "**Solicitation Documents**").

The Solicitation Documents have been simultaneously delivered to Consob, the Vienna Stock Exchange (*Wiener Börse AG*), the Luxembourg Stock Exchange, to Euroclear Bank SA/NV, to Clearstream Banking S.A. Luxembourg and Monte Titoli S.p.A. and made available to the public, in accordance with the applicable regulations, *inter alia*, at the Issuer's registered office (in Rome, Via Giulio Vincenzo Bona 65), as well as on the website [www.astaldi.com](http://www.astaldi.com), in the Section "*Governance - Shareholders / Bondholders Meetings*", on the website of the Luxembourg Stock Exchange, available at [www.bourse.lu](http://www.bourse.lu), as well as at the centralized storage mechanism 1Info.

## 2. Implications for the Noteholders

Pursuant to article 2415, para. 1, no. 3, of the Civil Code, the Noteholders' meeting is competent to resolve "*upon the proposal of composition with creditors*".

The Resolution subject to approval by the Noteholders' Meeting is, therefore, related to the Concordato Proposal.

Please note that, pursuant to the applicable Italian law, the outcome of the Noteholders' Meeting with respect to the Resolution will be expressed by the Common Representative, which will be delegated by the Noteholders' Meeting to express the outcome of the vote to the Creditors' Meeting or in the following twenty days, as applicable pursuant to Article 178 of the Italian Bankruptcy Law.

The Concordato Plan attached to the Concordato Proposal is set out in accordance with the scheme of pre-bankruptcy composition with creditors with business continuity (*concordato preventivo in continuità aziendale*) set forth in Article 186-*bis* of the Italian Bankruptcy Law, with, *inter alia*, the following main features:

- (i) the continuation of Astaldi's business activities;

- (ii) the funds arising from an outstanding super senior secured bond pursuant to article 111 of the Italian Bankruptcy Law, subscribed by a special purpose vehicle owned by Salini Impregilo (which financed this investment through a dedicated bank loan) and Illimity Bank up to a total of approximately €190 million to support the business continuity of Astaldi up until the homologation of the Concordato Proposal;
- (iii) a capital and financial strengthening transaction through: (a) a €225 million non-divisible (*inscindibile*) capital increase that cannot be split up, with the exclusion of the option rights pursuant to Article 2441, paragraph 5, of the Italian Civil Code reserved to Salini Impregilo S.p.A. ("**Salini Impregilo**"), which will be subscribed and paid in cash (the "**Salini Impregilo Capital Increase**"), in accordance with the provisions of the binding offer by Salini Impregilo dated February 13, 2019, confirmed by letter dated June 18, 2019 and subsequent letter dated July 15, 2019, subject, *inter alia*, to the condition of the admission and final homologation of the Concordato Proposal by March 31, 2020 (the "**Salini Impregilo Offer**"), and, in particular, through the issuance of No. 978.260.870,00 new ordinary shares (at a price of €0.23 each), with regular dividend rights and the same rights and characteristics as Astaldi's outstanding ordinary shares; (b) a further capital increase up to a maximum nominal amount of €98.65 million, that can be split up, with the exclusion of the option rights pursuant to Article 2441, paragraph 5, of the Italian Civil Code, reserved to Astaldi's unsecured creditors, to service the conversion of the unsecured debts into equity through the issuance of a maximum of No. 428,929,766 new ordinary shares (at a price of €0.23 each), with regular dividend rights and the same rights and characteristics as Astaldi's ordinary shares (the "**Capital Increase for Unsecured Creditors**"); and (c) the granting of a revolving credit line for an overall amount of Euro 200,000,000.00 - and whose proceeds will be used to repay the super senior loan mentioned under point (ii) above - and (d) further additional unsecured credit lines up to Euro 384,000,000.00;
- (iv) the segregation, through the creation of dedicated assets pursuant to Article 2447-*bis et seq.* of the Italian Civil Code (the "**Dedicated Assets**"), of a number of non-core assets directly and indirectly held by the Company and to be liquidated and sold on the market – in certain cases after the implementation of the relevant projects – the net cash proceeds deriving from the disposal of which will be allocated exclusively to unsecured creditors, including Noteholders, through the allocation of participating financial instruments incorporating the right to receive such net cash proceeds (the "**PFIs**") after the deduction of certain amounts expressly indicated in the PFIs' regulation attached to the Concordato Proposal. These non-core assets for the Dedicated Assets include (x) the concession business with projects relating to the so called Third Bridge over the Bosphorus, the Gebze-Orhangazi-Izmir Highway and the Etlik Integrated Health Campus in Ankara, Turkey, the Arturo Merino Benitez International Airport and the Western Metropolitan Hospital (former Felix Bulnes) in Santiago, Chile, (y) the Venezuelan receivables, and (z) the Company's headquarters in Rome to be progressively liquidated and sold on the market; and
- (v) a 5-year implementation timeframe (2019-2023), out of which 4 years following the date of homologation of the Concordato Proposal.

For further information on the contents of the Concordato Proposal, on the Dedicated Assets, on the Salini Impregilo Capital Increase, on the Capital Increase for Unsecured Creditors and on PFIs, please see the Concordato Documents and the Information Document, Section III, paragraphs 2.1 e 2.2.

In accordance with the Concordato Plan, Astaldi intends to fulfill its obligations towards creditors by:

- (a) the financial proceeds arising from the Salini Impregilo Capital Increase, which will be used, in part, to support business continuity (including the investments necessary for the completion of the works covered by the concession contracts, which will be progressively disposed by the Company) and, in

part, to the payment of super senior and preferred receivables for approximately Euro 165,000,000.00;

- (b) the net proceeds arising from the disposal of the Dedicated Assets, which will be allocated exclusively to unsecured creditors, including Noteholders, through the allocation of PFIs; and
- (c) the allocation to the unsecured creditors, including Noteholders, of Astaldi's ordinary newly-issued shares related to the Capital Increase for Unsecured Creditors.

In particular, the Concordato Plan will allow Astaldi to find the resources necessary to provide:

- 1) the payment in full of the super senior creditors and the costs and fees incurred in connection with the Procedure (including, Judicial Commissioners, industrial, financial, legal, fiscal and accounting advisors);
- 2) preferred creditors will be satisfied in full (and with respect to secured claims, within the limits of the value of the collateral) within 12 months from the final homologation of the Concordato Proposal, in accordance with article 186-*bis* of the Italian Bankruptcy Law, including the preferred component of the tax and social security receivables, as specified under the settlement proposals submitted to the competent authorities;
- 3) the partial payment of the unsecured creditors, including Noteholders, by way of the allocation of:
  - (A) Astaldi's ordinary newly issued shares in relation to the Capital Increase for Unsecured Creditors, allocated to the unsecured creditors in an amount equal to 12.493 shares for each 100 Euro receivable <sup>(1)</sup>;
  - (B) PFIs, which will entitle each owner to the right to be allocated a portion of the net proceeds arising from the liquidation of the assets comprised in the Dedicated Assets and will be allocated to the unsecured creditors in the number of 1 PFI for each Euro 1 (one) claimed. Please note that in the event that subsequently other super senior or preferred liabilities not included in the Concordato Plan arise, such debts shall be reimbursed in priority also by means of the proceeds of the sale of the assets included in the Dedicated Assets prior to the distribution of such receivables to the unsecured creditors holding PFIs, including the Noteholders.

The allotment of the newly-issued shares related to the Capital Increase for Unsecured Creditors and PFIs will be completed within 120 days from the final homologation of the Concordato Proposal by the Court of Rome.

After the Salini Impregilo Capital Increase and the Capital Increase for Unsecured Creditors, Salini will acquire a controlling stake in Astaldi. The Concordato Proposal, indeed, provides for the following, in summary:

- A. Salini Impregilo will be the majority shareholder of the Company, with 65% of Astaldi's share capital;
- B. Astaldi's unsecured creditors, including Noteholders, will become shareholders of the Company, converting their claims into ordinary shares of Astaldi, by owning a total percentage of 28.5% of Astaldi's share capital;
- C. the current shareholders of the Company, upon completion of the planned capital increases

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<sup>1</sup> Liabilities below €100 will be satisfied through the implementation of a mechanism for the negotiation of fractional amounts (*meccanismi di negoziazione dei resti*).

described above, will hold 6.5% of Astaldi's share capital.

Please note that the Concordato Plan provides also for an additional, and in any event potential, third capital increase of the Company (further to the Salini Impregilo Capital Increase and to the Capital Increase for Unsecured Creditors), with the exclusion of the option rights pursuant to Article 2441, paragraph 5, of the Italian Civil Code, up to a maximum amount (to be subsequently determined) that is sufficient to satisfy further unsecured creditors, not included in the Concordato Plan, that will file a late claim, provided that the amounts claimed exceed the unsecured risk provisions indicated in the Concordato Plan (the "**Potential Capital Increase**"), with the right to receive No. 12.493 ordinary shares for each €100 of recognized or potential unsecured credit claimed.

The Salini Impregilo Capital Increase and the Capital Increase for Unsecured Creditors will be resolved by Astaldi's Extraordinary Shareholders' Meeting after the approval of the Concordato Proposal by the Creditors' Meeting, pending the homologation of the Concordato Proposal, and the validity of such resolutions will be subject to the condition precedent of the final homologation by no later than March 31, 2021. The execution of the aforementioned capital increases will be completed after CONSOB has provided its consent (*nulla osta*).

The Concordato Proposal provides that the allotment of the New Shares and PFIs to unsecured creditors of the Concordato Proposal will occur within 120 days from the final homologation.

The Potential Capital Increase will be resolved by Astaldi's Extraordinary Shareholders' Meeting after the approval of the Concordato Proposal by the Creditors' Meeting, pending the homologation of the Concordato Proposal, subject to the condition precedent of the final homologation by no later than March 31, 2021, and will be delegated to the Board of Directors, that, after the homologation, will have to exercise every six months such delegation to the extent necessary to satisfy the unsecured creditors that have filed a claim after the adoption of the resolution and whose claims are not challenged and/or have been recognized with a final judicial order. The execution of the aforementioned Potential Capital Increases will be completed after CONSOB has provided its consent (*nulla osta*) to the publication of the relevant prospectus, to the extent required by applicable national and EU laws and regulations

For further information on the Salini Impregilo Capital Increase, the Capital Increase for Unsecured Creditors and the Potential Capital Increase, please refer to the Concordato Documents and in particular Section III, paragraphs 2.1 e 2.2, of the Information Document.

Moreover, the Concordato Plan provides for the allocation of:

- (i) so called premium warrants in favour of the banks financing the business continuity of Astaldi by granting unsecured credit lines (partially already granted by those banks) or by credit lines by cash, which will grant the right to subscribe a number of Astaldi's ordinary shares, at a strike price of Euro 0.23 for each share, corresponding to up to a total amount equal to 5% of the Astaldi's share capital calculated on a fully-diluted basis following the projected capital increases (*i.e.*, calculated on the amount of share capital resulting from the execution of the Salini Impregilo Capital Increase and the Capital Increase for Unsecured Creditors and the issuance of the shares to service the so called premium warrants), to be exercised pursuant to the terms and conditions of the relevant regulation, attached to the Concordato Plan; and
- (ii) so called anti-dilutive warrants in favour of Salini Impregilo, which will give Salini Impregilo the right to subscribe and receive a number of ordinary shares, free of charge, to ensure that it maintains its 65% stake in the event that additional debt subsequently arises in an amount higher than the provision for risks for unsecured creditors provided for under the Concordato Plan and to be satisfied by the issuance of further ordinary shares of Astaldi, in order to ensure that Salini Impregilo's stake in the



share capital of Astaldi is not diluted.

If the so called premium warrants were fully exercised by the banks, the dilution effect would be borne by all the shareholders (including Salini Impregilo) and, therefore, Salini Impregilo would hold 61.7% of the share capital, the unsecured creditors would hold 27.1% of the share capital, the current shareholders of Astaldi would hold 6.2% of the share capital and the banks subscribing to the Premium Warrants would hold 5% of the share capital.

For further information on the premium warrants and the anti-dilutive warrants, please refer to the Concordato Documents and to Information Document, Section III, paragraph 2.1.

The Dedicated Assets will be set up by a resolution of the Company's Board of Directors that will be adopted after the approval of the Concordato Proposal and before homologation.

The Concordato Plan shall be deemed to have been fulfilled upon the payment in cash of super senior and preferred creditors and by the assignment to unsecured creditors, including Noteholders, of newly issued shares pursuant to the Capital Increase for Unsecured Creditors as well as PFIs, under the terms set forth in the Concordato Proposal.

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Please note that, if the Concordato Proposal is approved by the creditors with the majorities required by Article 177 of the Italian Bankruptcy Law (i.e., by creditors representing more than 50% of the principal amount of the liabilities admitted to vote), it will then be submitted to the Court of Rome for homologation. If, however, the Concordato Proposal will not be approved by creditors and homologated by the Court of Rome, the Company's Board of Directors must immediately assess the significant losses incurred pursuant to Article 2447 of the Italian Civil Code and take the appropriate measures, in which case, a different insolvency proceeding (alternative to the *concordato* procedure), such as extraordinary administration of large group (*amministrazione straordinaria dei grandi gruppi in crisi*) or another bankruptcy liquidation procedure, may be commenced.

The Company believes that the adoption of the Concordato Proposal, by focusing on the continuity of business operations and on the intervention of Salini Impregilo (subject to the homologation of the Concordato Proposal), will allow the Company to fulfill, even if only partially, a greater portion of the receivables towards unsecured creditors and to do so in a quicker and more efficient manner. In fact, a different insolvency proceeding (alternative to the *concordato* procedure), such as extraordinary administration of large groups (*amministrazione straordinaria dei grandi gruppi in crisi*) or other bankruptcy liquidation procedures may have disruptive effects on the Company's business and affect its ability to timely and efficiently manage its backlog.

In particular, please note that:

- (i) the Concordato Plan, part of the Concordato Proposal, will offer greater protection of creditors' interests as the business continuity will allow the Company to safeguard its goodwill (which would otherwise be negatively impacted) and the creditors will become owners of listed shares, and they will indirectly benefit from the Company's continued operations and of the cash flows generated therefrom;
- (ii) the Concordato Plan, through the continuity of operations that will allow Astaldi to complete the construction works under concessions, is expected to enhance the value of Astaldi's non-strategic assets to be sold, which should result possibly in greater proceeds from the sale thereof. The achievement of such value enhancement may not be possible in the context of other insolvency proceedings; such as extraordinary administration of large groups (*amministrazione straordinaria dei grandi gruppi in crisi*) or

other bankruptcy liquidation procedures, because in those contexts Astaldi most likely would not have sufficient financial resources to complete the relevant works;

(iii) in addition, the capital injection that will be made by Salini Impregilo S.p.A. as part of the Salini Impregilo Capital Increase, will allow the Company to benefit from financial resources that will be used to the benefit of creditors and that otherwise would not become available to the Company, and

(iv) finally, bankruptcy procedures different from the currently proposed *concordato* procedure may require a longer execution period, which could result in greater uncertainty for creditors.

Therefore, the Company believes it is likely that Noteholders would incur further significant losses (or a significant reduction of the recovery rate compared to the recovery achievable in a going concern scenario) if the Concordato Plan were not consummated or the Company were forced to commence other bankruptcy liquidation procedure.

A different insolvency proceeding (alternative to the *concordato* procedure) could have a significant negative impact on the Company's activities and assets (and therefore on the satisfaction of the creditors), given, among other things, the risks associated with (i) the potential loss of the requirements necessary for the continuation and completion of the outstanding pending contracts and/or for the participation to new tender or procurement processes (in particular with respect to foreign projects); (ii) the impact on the production and the continuity of the business; (iii) lower cash inflows and higher potential liabilities resulting from potential claims from customers for the inability to deliver the projects or the required services within the expected timeframe; (iv) enforcement of the guarantees granted to the banks in connection with the enforcement of performance bonds or letters of credit.

The proposal for a composition does not commence a phase of negotiation with creditors on an individual basis. Pursuant to Italian Bankruptcy Law, creditors are required to vote on the proposal made to them by the Company. Pursuant to Article 163 of the Italian Bankruptcy Law, the law also regulates cases in which parties other than the Company can make a competing proposal.

For any further detail in relation to the Procedure, please make reference to the Concordato Documents and the Information Document.

As to the intervention rights and right to vote in the Noteholders' Meeting, please make reference to the information made available in the Call Notice, and in Section III, paragraph 5, of the Information Document.

**Please note that, pursuant to the applicable Italian law, the outcome of the vote at each of the Noteholders' Meetings will be expressed at the Creditors' Meeting (or within twenty days thereafter, as permitted under Article 178 of the Italian Bankruptcy Law) by the Common Representative of the Noteholders pursuant to articles 2417 and 2418 of the Italian Civil Code – Mr. Tiziano Onesti, appointed by decree of the Court of Rome No. 1339/2019 of February 20, 2019.**

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### 3. Resolution

In light of the above, the Issuer hereby proposes to the Noteholders' Meeting the following

#### **RESOLUTION**

*"The meeting of the holders of the "€140,000,000 4.875 per cent. Equity-Linked Notes due 2024" (ISIN Code: XS1634544248) (the "Notes"), issued by Astaldi S.p.A. pursuant to the Trust Deed executed on June 21,*

2017 (the “**Trust Deed**”) by Astaldi S.p.A., as issuer, and BNP Paribas Trust Corporation UK Limited, as trustee of the noteholders (the “**Trustee**”),

- having reviewed the report prepared by the Board of Directors of Astaldi S.p.A.;
- having regard to the decree pursuant to Article 163 of Royal Decree No. 267 of March 16, 1942, dated August 5, 2019, by which the Court of Rome admitted Astaldi S.p.A. to the procedure of composition with creditors under Articles 160 et seq. of Royal Decree No. 267 of March 16, 1942 (Court of Rome - Bankruptcy Section - Delegated Judge Mrs Angela Coluccio - C.P. No. 63/2018);
- having reviewed the proposal for a composition with creditors on a direct going concern basis of Astaldi S.p.A. (Court of Rome - Bankruptcy Section - Delegated Judge Mrs Angela Coluccio - C.P. No. 63/2018);
- having regard to the report prepared by the Judicial Commissioners pursuant to Article 172 of Royal Decree No. 267 of March 16, 1942;
- by virtue of the provisions of Article 2415, first paragraph, No. 3, of the Italian Civil Code;

#### RESOLVES

1. to approve the proposal for a composition with creditors on a direct going concern basis (“concordato preventivo in continuità aziendale diretta”) of Astaldi S.p.A. (Court of Rome - Bankruptcy Section - Delegated Judge Mrs Angela Coluccio - C.P. No. 63/2018) for all intents and purposes, including, by way of example but not limited to, for all the purposes required by Italian law and/or connected with the Trust Deed relating to the Notes executed on June 21, 2017 and the Terms and Conditions of the Notes attached thereto;
2. to grant to the joint representative of the holders of the Notes – Mr. Tiziano Onesti, appointed by decree of the Court of Rome No. 1339/2019 of February 20, 2019 – any and all powers in order to do everything necessary to fully implement the resolution referred to in point 1 above, none excluded and excepted, including, without any limitation, that of (i) completing the formalities required by law and make any amendments and/or integrations and/or non-substantial corrections to the noteholders' resolution which are deemed appropriate for the purpose and/or requested by the competent authorities, or at the time of registration, and (ii) representing the holders of the Notes at the meeting of the creditors of Astaldi S.p.A. to be held on March 26, 2020 – or on the different date which may be set by the Court of Rome – to approve the proposal for a composition with creditors referred to in point 1 above, expressing the vote in the name and on behalf of the holders themselves during the creditors' meeting, or within twenty days thereafter, as permitted under Article 178 of Royal Decree No. 267 of 16 March 1942;
3. in the event that the proposal for a composition with creditors on a direct going concern basis of Astaldi S.p.A. is approved by the creditors' meeting, to authorize, direct, request and empower Astaldi S.p.A., the Trustee and BNP Paribas Securities Services, Luxembourg Branch, acting as Paying, Transfer and Conversion Agent (the “**Agents**”) to carry out, produce and/or execute any activity, deed, document and/or formality which may be necessary and/or appropriate in order to give effect to the proposal for a composition with creditors on a direct going concern basis of Astaldi S.p.A. for the purposes of the Notes, provided however, that no Agent shall be under any obligation to perform any activity that it determines, in its sole judgment, to fall outside of the duties required to be performed by it under the Trust Deed and the Notes, and the Trustee shall be indemnified pursuant to and in accordance with the Trust Deed, as applicable; and
4. to discharge and exonerate the Agents from all liability for which it may have become or may become responsible under the Notes or the related Trust Deed in respect of any act or omission in connection with the approval and implementation of this proposed resolution.”

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This Illustrative Report is made available to the public, in accordance with the applicable law, at the Company's registered office, on the Company's website [www.astaldi.com](http://www.astaldi.com), in "Governance – Shareholders / Bondholders Meeting" section, at 1Info, as well as through the other means set forth under Chapter I, Title II, Part III of the Issuers' Regulation.

Roma, January 16, 2020

**Astaldi S.p.A.**  
The Chairman of the Board of Directors  
Mr. Paolo Astaldi