

## Extraordinary Shareholders' Meeting of Autogrill S.p.A.

### Report of the Board of Directors on proposals concerning the sole item on the agenda

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Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements as a prediction of actual results. The company's ability to achieve its projected objectives or results is dependent on many factors which are outside management's control. Actual results may differ materially from (and be more negative than) those projected or implied in the forward-looking statements. Such forward-looking information involves risks and uncertainties that could significantly affect expected results and is based on certain key assumptions.

All forward-looking statements included herein are based on information available as of the date hereof. No undertaking or obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as may be required by applicable law is accepted.

Single call: 25 February 2021



## PREAMBLE

Article 125-*ter*, first paragraph, of the Legislative Decree no. 58 of 24 February 1998 provides that, unless already required by other provisions of law, within the deadline for publishing the notice of call of the shareholders' meeting provided for in respect of each of the items on the agenda, the administrative body of a listed company must make available to the public, at the company's registered office, on its website and in the other ways provided for by regulations issued by the Commissione Nazionale per le Società e la Borsa ("**Consob**"), a report on each of the items on the agenda.

This report (the "**Report**") therefore describes the sole item on the agenda of the Shareholders' Meeting of Autogrill S.p.A. ("**Autogrill**" or the "**Company**") convened in extraordinary session in Rozzano (MI), Centro Direzionale Milanofiori, Strada 5, Palazzo Z, on 25 February 2021 at 11.00 a.m., in a single call (the "**Meeting**").

This Report is made available at the 1Info authorized storage facility ([www.1info.it](http://www.1info.it)) and, deposited at the Company's registered office within the terms of the law; a copy of the Report is available on the Company's website at [www.autogrill.com](http://www.autogrill.com), *Governance* - Shareholders' Meeting section.

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## SOLE ITEM ON THE AGENDA OF THE EXTRAORDINARY SHAREHOLDERS' MEETING

**Proposal to grant the Board of Directors a mandate, pursuant to Article 2443 of the Italian Civil Code, to be exercised no later than 23 February 2026, to increase the share capital, in one or more times and in divisible form, for cash, for a maximum amount of Euro 600 million, including any share premium, through the issuance of ordinary shares, with no par value, with the same characteristics as those already issued, to be offered on a pre-emptive right basis to the persons entitled to the option rights pursuant to Article 2441, paragraph 1 of the Italian Civil Code. Subsequent amendment of Article 5 of the Articles of Association. Related and consequential resolutions**

Dear Shareholders,

The Board of Directors has convened the Shareholders' Meeting to submit to your approval the proposal to grant the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, a mandate (the "**Mandate**"), to be exercised no later than 23 February 2026, to increase the share capital, also in one or more times, on a divisible form, for cash, by a maximum total amount of Euro 600,000,000.00, including any share premium, by issuing ordinary shares, with no express nominal value, the issue price of which may also be lower than the accounting par value of the pre-existing shares, with regular dividend rights and the same characteristics as the ordinary shares in circulation at the issue date, to be offered on a pre-emptive right basis to those entitled under article 2441(1) of the Italian Civil Code (the "**Capital Increase**").

This Report, drawn up pursuant to article 125-*ter* of the Legislative Decree no. 58 of 24 February 1998, as subsequently amended and supplemented (the "**Consolidated Law on Finance**") and pursuant to article 72 of the Regulations adopted by CONSOB resolution no. 11971 of 14 May 1999, as subsequently amended and supplemented (the "**Issuers' Regulation**"), aims to provide you with an explanation of the proposed resolution relating to the aforementioned sole item on the agenda and the related reasons and also to present, in comparative form in two adjacent columns, the current text of article 5 of the Articles of Association and the proposed amendment thereto.



## A. Reasons for the Mandate to increase the share capital

The Capital Increase is part of the activities that the Board of Directors intends to implement in order to achieve the strategic objectives of the group headed by Autogrill (the "**Group**" or the "**Autogrill Group**"), as identified by the Board of Directors, aimed at consolidating and strengthening its international leadership position.

To this end, it is essential to strengthen the Group's capital structure, with the consequent availability of additional resources to finance future investments, to continue the Group's path of growth and innovation and to be ready to take advantage of potential market opportunities.

In addition, in light of the current context of persistent uncertainty, the granting of the Mandate would limit the risk of possible further negative impacts of the COVID-19 pandemic on the Group's strategic goals.

## Analysis of the composition of net financial debt

The following tables provide a breakdown of the Company's and the Group's short-term and medium/long-term net financial debt<sup>1</sup>:

### Autogrill Group

(amount in €/000)

	30/09/2020	30/06/2020	31/12/2019
Bank loans and borrowings	1,147,707	1,201,881	588,423
Finance lease liabilities	0	0	2,102
Other financial liabilities	9,746	11,060	10,403
Bonds	286,738	318,767	313,435
<b>Total</b>	<b>1,444,191</b>	<b>1,531,708</b>	<b>914,363</b>
Cash and cash equivalents	(393,809)	(468,359)	(284,091)
Other financial assets	(55,705)	(63,289)	(71,703)
Finance lease receivables	0	0	0
<b>Net Financial Position</b>	<b>994,677</b>	<b>1,000,061</b>	<b>558,569</b>

### Autogrill S.p.A.

(amount in €/000)

	30/09/2020	30/06/2020	31/12/2019
Bank loans and borrowings	706,742	748,531	417,620
Finance lease liabilities	0	0	0
Other financial liabilities	1,413	1,667	848
Bonds	0	0	0
<b>Total</b>	<b>708,154</b>	<b>750,197</b>	<b>418,468</b>
Cash and cash equivalents	(124,513)	(166,033)	(420)
Other financial assets	(232,619)	(234,991)	(72,598)
Finance lease receivables	0	0	0
<b>Net Financial Position</b>	<b>351,023</b>	<b>349,173</b>	<b>345,450</b>

- Total Net Financial Position: means the sum of net debt, determined in accordance with CONSOB Communication of 28 July 2006 and the ESMA/2011/81 Guidelines, non-current "Finance lease receivables" and "Other financial assets", excluding "Guarantee deposits" and "Interest-bearing sums with third parties";
- Net Financial Position: means the Total Net Financial Position less non-current and current finance lease assets and liabilities recognized following the introduction of IFRS 16 accounting principle.

<sup>1</sup> Group figures as at 30/09/2020 not audited. Autogrill S.p.A. figures as at 30/06/2020 and 30/09/2020 not audited.



In this regard, it should also be noted that in 2020 Autogrill has executed certain agreements with its lending banks - UniCredit S.p.A., Banca IMI S.p.A., Intesa Sanpaolo S.p.A., Mediobanca - Banca di Credito Finanziario S.p.A. and Banco BPM S.p.A. - for the temporary waiver ("covenant holiday") of the testing of the financial parameters (Leverage Ratio and Consolidated EBITDA/Consolidated Net Finance Charges). The covenant holiday period runs for 15 months beginning 30 June 2020 (inclusive) and may be extended to 31 December 2021 if specific conditions are met.

Similar covenant holiday agreements have also been entered into in 2020 by the US subsidiary HMSHost Corporation with its lending banks - Bank of America N.A., Intesa Sanpaolo S.p.A., New York Branch, Coöperatieve Rabobank U.A., New York Branch and UniCredit Bank AG, New York Branch - as well as with the bondholders of the outstanding US Private Placement bonds.

It should also be noted that on 27 November 2020 Autogrill entered into a medium-long term non-revolving cash loan agreement for a maximum aggregate principal amount of Euro 300 million, with a five-year term, with UniCredit S.p.A., Intesa Sanpaolo S.p.A., Banco BPM S.p.A., Banca Nazionale del Lavoro S.p.A., Crédit Agricole Corporate and Investment Bank, Milan Branch, Mediobanca - Banca di Credito Finanziario S.p.A. and Unione di Banche Italiane S.p.A.

The abovementioned loan is guaranteed by SACE S.p.A. pursuant to article 1 of Decree-Law no. 23/2020 converted, with amendments, into law no. 40/2020 (the "**Liquidity Decree**").

Finally, it should be noted that as at 31 December 2020, the Group's liquidity - which is the sum of cash and available credit facilities - amounted to approximately €0.6 billion<sup>2</sup>.

## **B. Economic, equity and financial effects of the transaction**

The proceeds of the Capital Increase, net of transaction costs, will largely be used to strengthen the Group's capital structure, by reducing the net debt and increasing the liquidity.

As already noted, the increase in the Group's capital resources for a maximum amount equal to the Capital Increase is aimed at finding the necessary resources, on the one hand, to allow the strengthening of the Group's equity and financial position in the current economic and financial context still characterized by great uncertainty, and, on the other hand, to support its development in order to continue the Group's growth and innovation path and to seize, as quickly as possible, any opportunities offered by the market.

## **C. Business outlook for the current year**

The expected evolution of the health crisis relating to the COVID-19 pandemic remains uncertain.

For the second half of 2020 the global economic uncertainty continued to be high and the Group top line remained significantly impacted by the traffic disruption caused by COVID-19:

- airport traffic was materially below 2019 level throughout 2020. Domestic air travel sector is expected to recover more quickly than the international segment;
- motorway traffic was the most resilient in the pandemic and it is expected to recover more quickly than air traffic due to a shift in personal car use and reluctance to return to public transport; and
- COVID-19 is hitting hard other channels, such as railway stations and malls.

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<sup>2</sup> Preliminary not audited data



Autogrill implemented a comprehensive set of measures to mitigate the impacts of the pandemic on the Group's operational and financial aspects.

The Group took all the necessary actions to protect the health and safety of its associates and customers and focused on quickly reducing expenses, pro-actively managing financial position as well as maintaining the continuity of its operations where allowed.

The measures listed above allowed the Group to minimize the negative impact of the reduction in revenues on EBITDA and EBIT, as well as the cash burn.

Finally, the Group's long-term fundamentals and strategy remain unchanged:

- top line growth in the channels at the core of Autogrill's strategy, whilst also expanding footprint in adjacent market segments;
- profitability enhancement through new concepts, innovation and targeted actions on all the P&L lines; and
- disciplined capital allocation focused on strategic priorities.

**D. Terms and conditions, including the criteria for determining the issue price of the new shares, of the Capital Increase and of the Mandate**

The proposal to include the Mandate in the Articles of Association is motivated by the opportunity to grant the Board of Directors the necessary flexibility in the completion of the Capital Increase, so as to take advantage of the most favourable conditions for the implementation of the transaction and also to set terms and conditions of execution consistent with the market situation in proximity to the implementation of the Capital Increase. This need for flexibility is particularly relevant in view of the high degree of uncertainty and volatility that characterizes the financial markets in the current macroeconomic context.

With the same goal of ensuring an adequate degree of flexibility in the ways of carrying out the Capital Increase, it was also considered appropriate that the Mandate be exercisable by 23 February 2026, it being understood that, at present, subject to the granting of the Mandate by the Shareholders' Meeting, if market conditions permit and subject to the issue of the necessary authorisations by the competent authorities, it is envisaged that the Mandate may be exercised by the end of the first half of 2021.

Pursuant to the Mandate, the Board of Directors shall have the power to determine the terms, conditions and modalities of the Capital Increase and its completion, in accordance with the limits set forth below, and shall therefore have the ability to determine, also in proximity to the launch of the pre-emptive rights' offering:

- the exact amount of the capital increase, in any event not exceeding a maximum of Euro 600 million, to be carried out also in several times, also taking into account the share premium (if any) and therefore any portion of the issue price to be allocated to the share premium reserve;
- the issue price of the shares, including any share premium, taking into account, among other things, the market conditions prevailing at the time of determining the terms of the Capital Increase, the stock market price of Autogrill shares, the Company's income, operating, capital and financial performance, and market practice for similar transactions. The Board of Directors may also apply a discount on the Theoretical Ex-Right Price ("TERP") of Autogrill's shares, to the extent that will be determined by the Board of Directors prior to the launch of the pre-emptive rights' offering; and
- the number of shares to be issued and the relevant pre-emption ratio, it being understood that the newly issued shares will have the same characteristics - including in terms of accrual - as the outstanding shares and will be offered to shareholders in proportion to their shareholding.



It should be noted that the Capital Increase is divisible; therefore, any resolution to exercise the Mandate passed by the Board of Directors will provide that, should the Capital Increase resolved upon from time to time be not fully subscribed within the correspondingly set deadline, the share capital will be increased by an amount equal to the subscriptions collected within the expiry of such deadline.

**E. Authorisations from the competent authorities**

The implementation of the Capital Increase will require, pursuant to articles 93-*bis et seq.* and 113 of the Consolidated Law on Finance, the European regulations governing the matter and the relevant implementing provisions, the publication of an offering prospectus and, where applicable, in consideration of the number of shares to be issued, a listing prospectus for the shares to be issued in implementation of the Capital Increase, subject to Consob's approval.

**F. Underwriting syndicate**

In the context of the Capital Increase, Citigroup Global Markets Limited, Credit Suisse Securities, Sociedad de Valores, S.A. and Mediobanca - Banca di Credito Finanziario S.p.A. will act as Joint Global Coordinators and Joint Bookrunners on the basis of a pre-underwriting agreement signed with Autogrill on 22 January 2021, concerning an undertaking (at conditions in line with market practice for similar transactions) to enter into an underwriting agreement for the subscription and release of any newly issued shares not subscribed following the auction of the unexercised pre-emptive rights, up to a maximum amount of Euro 600 million.

On 28 January 2021, Intesa Sanpaolo S.p.A. and UniCredit Bank AG, Milan Branch became parties to the pre-underwriting agreement.

It is envisaged that the underwriting agreement relating to the Capital Increase will be entered into, subject to the occurrence of the conditions set forth in the aforementioned pre-underwriting agreement, shortly before the launch of the pre-emptive rights' offering, as soon as the Board of Directors will have determined the final terms of the Capital Increase.

**G. Other forms of placement provided**

The newly issued shares resulting from the Capital Increase will be pre-emptively offered to shareholders pursuant to article 2441, paragraph 1, of the Italian Civil Code. No other form of placement is envisaged.

**H. Shareholders who have expressed their willingness to subscribe the newly issued shares and any unexercised pre-emptive rights**

At the date of drafting of this Report, the Company had not received any expressions of willingness from shareholders to subscribe the newly issued shares.

Without prejudice to the fact that, as of today, no subscription commitment has been undertaken, for the sake of full disclosure it should be noted that, on 21 January 2021, Edizione S.r.l., which indirectly exercises control over the Company through Schematrentaquattro S.p.A. pursuant to articles 2359, paragraph 1, no. 1 and 93 of the Consolidated Law on Finance, announced the following through a press release:

*"With reference to the press release issued today by Autogrill S.p.A. concerning the call of the extraordinary shareholders' meeting to resolve on the mandate to increase the share capital for cash, on pre-emptive basis, by a maximum amount of Euro 600,000,000, Edizione S.r.l. expresses its appreciation for the resolution adopted by*



*Autogrill S.p.A., whose strategic motivations appear to be fully shareable and, consequently, intends to provide its subsidiary Schematrentaquattro S.p.A. with the necessary financial resources.*

*Edizione S.r.l. controls 100% of Schematrentaquattro S.p.A., which in turn holds 50.1% of Autogrill S.p.A."*

**I. Expected period for the implementation of the Capital Increase**

In the context of the exercise of the Mandate, the Board of Directors will establish the period of completion of the Capital Increase, taking into account the conditions of the financial markets, it being understood that the Mandate granted pursuant to article 2443 of the Italian Civil Code may also be exercised in several times.

Should the Shareholders' Meeting resolve to grant the Mandate and if the Board of Directors deems it appropriate, also taking into account market conditions, it is currently expected that the Board of Directors will exercise the Mandate to carry out the Capital Increase within the first half of 2021. In any event, the market will be provided with adequate information on the expected timing of the Capital Increase.

**J. Accrual of newly issued shares**

The shares to be issued in execution of the Capital Increase will have regular dividend rights and, therefore, will grant their holders equal rights as the shares outstanding at the time of issuance.

**K. Further information**

The subscription of the newly issued shares in exercise of the pre-emptive rights relating to the Capital Increase shall take place in accordance with the operating procedures set out in the prospectus to be published in connection with the Capital Increase.

As this is a capital increase to be pre-emptively offered to the Company's Shareholders, the Capital Increase will involve the separate negotiation of pre-emption rights.

**L. Economic, equity and financial effects of the transaction and dilutive effects of the Capital Increase**

*Economic, equity and financial effects of the Capital Increase*

The Company will provide adequate information to the market, within the terms required by law, on the economic, equity and financial effects of the Capital Increase resolved in exercise of the Mandate, as well as the effects on the unit value of the shares.

*Dilutive effects of the Capital Increase*

Given that the Capital Increase will be offered on a pre-emptive right basis, there will be no dilutive effects in terms of shares in the total share capital for the Company's Shareholders who will decide to subscribe.

Shareholders who will not exercise their pre-emptive rights will suffer dilution of their shareholding following the issue of the shares.

As the issue price of the new shares, the number of shares to be issued and the pre-emptive ratio have not been determined yet, being elements which will only be determined when the Mandate is exercised, it is not possible at the moment to formulate an estimate of any dilutive effects.



**M. Amendment of article 5 of the Articles of Association**

Should the proposal to grant the Mandate relating to the Capital Increase be approved by the Shareholders' Meeting, it will be necessary to proceed with the related amendment of article 5 of the Articles of Association, by inserting a new paragraph which will account for the passing of the resolution and the granting of the Mandate by the Shareholders' Meeting, as better specified in the table of comparison between the current wording and the proposed wording below.

CURRENT WORDING	PROPOSED WORDING
Article 5 - Share Capital	Article 5 - Share Capital
The share capital is equal to Euro 68,688,000 (sixty-eight million six hundred and eighty-eight thousand) divided into 254,400,000 (two hundred and fifty four million four hundred thousand) shares with no nominal value and may be increased by a resolution of the Shareholders' Meeting, including by contributions in kind or receivables.	( <i>unchanged</i> )
The Shareholders' Meeting may grant the Board of Directors the power to increase the share capital, also in several tranches, up to a determined amount and for a maximum period of 5 (five) years from the date of the resolution, as well as the power to issue convertible bonds, also in several tranches, up to a determined amount and for a maximum period of 5 (five) years from the date of the resolution.	( <i>unchanged</i> )
	On 25 February 2021, the Extraordinary Shareholders' Meeting of Autogrill S.p.A. resolved to grant the Board of Directors, pursuant to article 2443 of the Italian Civil Code, the mandate to increase the share capital for cash, in one or more times, by 23 February 2026, for a maximum aggregate amount of Euro 600 million, including any share premium, by issuing ordinary shares with no nominal value and with the same characteristics as those outstanding, to be pre-emptively offered to shareholders, with the Board of Directors having the broadest power to establish, from time to time, in compliance with the above limits, the terms, conditions and modalities of the capital increase, including the number of shares to be issued, the issue price of the shares (including any share premium) and dividend rights, it being understood that in determining the issue price of the shares, which may also be lower than the accounting par value of the pre-existing shares, the Board of Directors will have to take into account, <i>inter alia</i> , the market conditions prevailing at the time of determining the terms of the increase, the stock market price of the ordinary share, the



	company's income, operating performance, assets and liabilities and financial position, as well as market practices for similar transactions.
It is allowed, in the modalities and form provided for by law, to allocate profits /or profit reserves to the employees of the Company's subsidiaries by issuing shares pursuant to the first paragraph of article 2349 of the Civil Code.	(unchanged)

## N. Assessment of the right of withdrawal

The proposed amendment to Autogrill's Articles of Association does not fall within any of the cases of withdrawal neither under the Articles of Association nor under applicable legal and regulatory provisions.

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## PROPOSAL FOR A RESOLUTION ON THE SOLE ITEM ON THE EXTRAORDINARY AGENDA

*"The Shareholders' Meeting of the "Autogrill S.p.A.", meeting in extraordinary session:*

- *having examined the report of the Board of Directors,*
- *acknowledged that the share capital of Euro 68,688,000 (sixty-eight million six hundred and eighty-eight thousand) is fully subscribed and paid up and that the company has no convertible bonds outstanding, nor has it issued any special classes of shares,*
- *having regard to the provisions of articles 2438 and 2443 of the Italian Civil Code, and*
- *acknowledged the company's interest in resolving on this matter for the reasons explained by the Board of Directors,*

## RESOLVES

1. *to grant the Board of Directors, pursuant to article 2443 of the Italian Civil Code, the mandate to increase the share capital for cash, in one or more times, by a maximum aggregate amount of Euro 600 million, including any share premium, within 23 February 2026, by issuing ordinary shares with no nominal value and with the same characteristics as the outstanding shares, to be pre-emptively offered to shareholders, with the broadest possible powers for the Board of Directors to establish, from time to time, in accordance with the above limits, the terms, conditions and modalities of the capital increase, including the number of shares to be issued, the issue price of the shares (including any share premium) and dividend rights, without prejudice to the fact that in establishing the issue price of the shares, which may be lower than the accounting par value of the pre-existing shares, the Board of Directors must take into account, inter alia, the market conditions prevailing at the time of determining the terms of the increase, the stock market price of the ordinary share, the company's income, operating performance, assets and liabilities and financial position, as well as market practices for similar transactions;*
2. *to amend article 5 of the Articles of Association accordingly by inserting the following new paragraph:*  
  
*"On 25 February 2021, the Extraordinary Shareholders' Meeting of Autogrill S.p.A. resolved to grant the Board of Directors, pursuant to article 2443 of the Italian Civil Code, the mandate to increase the share capital for cash, in one or more times, by 23 February 2026, for a maximum aggregate amount of Euro 600 million, including any share premium, by issuing ordinary shares with no nominal value and with the same characteristics as those outstanding, to be pre-emptively offered to shareholders, with the Board of Directors having the broadest power to establish, from time to time, in compliance with the above limits, the terms, conditions and modalities of the capital increase, including the number of shares to be issued, the issue price of the shares (including any share premium) and dividend rights, it being understood that in determining the issue price of the shares, which may also*



*be lower than the accounting par value of the pre-existing shares, the Board of Directors will have to take into account, inter alia, the market conditions prevailing at the time of determining the terms of the increase, the stock market price of the ordinary share, the company's income, operating performance, assets and liabilities and financial position, as well as market practices for similar transactions.”*

3. *to grant the Board of Directors and, on its behalf, the pro-tempore Chairman and the pro-tempore Managing Director, also severally and with the right to sub-delegate, where permitted, without prejudice to the collective nature of the exercise of the delegation pursuant to article 2443 of the Italian Civil Code, any and all powers, without exclusion of any kind, necessary, useful or appropriate for the implementation of the above resolution, as well as to comply with the relevant and necessary formalities, including the submission of any petition, document or prospectus to the competent Authorities, the registration of the resolutions in the Companies' Register, with the power to make any non-substantial amendments to the resolutions that may be required by the competent Authorities or during registration, and in general all that is necessary for their complete implementation, in compliance with the applicable regulations.”*

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Milan, 29 January 2021

**For the Board of Directors**

**The Chairman**

**Paolo Zannoni**