Atlantia

Press Release

ATLANTIA: CLARIFICATIONS ON TODAY'S ARTICLE BY AFFARI & FINANZA BY LA REPUBBLICA

Rome, 22 March 2021 – With reference to the article "*Autostrade, it is not only a matter of price*" by Sergio Rizzo, published today by Affari & Finanza, supplement of La Repubblica, Atlantia considers it is necessary to correct certain assertions that are not grounded in fact.

Since the tragic event in Genoa "950 days" have not passed in vain ("*so far nothing has happened*", as affirmed in the article): the bridge over the Polcevera river has been completely rebuilt and paid for by Autostrade per l'Italia (ASPI), the damaged businesses have been compensated and everything possible has been done to speed up compensation to substantially all the families of the victims, without waiting for insurance payments (with a total cost of about € 600 million). This even before establishing the responsibilities for and the causes of the accident.

In this regard, it should be remembered that the viaduct was built in the 1960s by the Italian State, which then proceeded in 1999 with the privatisation of Autostrade, without providing any guarantee to the buyers on the state of the infrastructure handed over under the concession arrangement. This was a true case of "sold as seen", as the author would say.

Since then, ASPI has invested almost €12 billion in new infrastructure in order to upgrade the network. More recently, the company has implemented a veritable Transformation Plan, adapting

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and changing its entire organisation and management, redefining, in agreement with the Ministry of Infrastructure and Transport and in consultation with leading Italian universities, the standards of control and maintenance of the key components of the network, starting from bridges, viaducts, tunnels. As part of this plan, ASPI also proposed to the Italian Government a plan of an additional €14 billion in investment and €7 billion in maintenance, including many non-routine maintenance activities.

This is the backdrop against which what Rizzo calls "*an exercise in futility*" should be set. In July 2020, as part of the extraordinary investment plan proposed, ASPI, following repeated discussions with the Grantor, once again indicated that it was totally willing to settle the dispute over alleged serious breaches initiated by the Italian Government immediately after the Genoa accident and not yet concluded 30 months later. ASPI undertook to allocate €3.4 billion for additional measures for the community of Genoa, to reduce tolls and to perform additional works. Furthermore, Atlantia even indicated its availability to transfer control of ASPI, provided, obviously, that the transfer took place as part of a market-based transaction.

Following this proposal in September 2020, the Italian Government sent ASPI its own draft settlement agreement. The company accepted in full the terms and conditions laid down by the Government and prepared, as requested, the related Economic Financial Plan, which reflected the investment the company had offered to make. ASPI and Atlantia balked only at the unusual clause imposed by the Government, which set as a condition precedent for the settlement agreement that control should be transferred to Cassa Depositi e Prestiti (CDP). In fact, this would obviously affect any market-based approach, forcing the seller (Atlantia) to accept any price set by the designated buyer (CDP), in a situation where the State is both the grantor/regulator, on one side, and the controlling shareholder of the only buyer, on the other.

The article does not report that, regarding the conduct of the Italian Government in the matter, also the European Commission has stepped in recently, when it announced on 31 January 2021 that it had "*initiated an administrative dialogue*" with Italy "*on certain aspects of the new regulation on motorway concession arrangements, introduced with Law Decree 162 of 31 December 2019*" which, as everyone knows, has unilaterally amended the concession arrangements in Italy, placing heavy burdens on Autostrade per l'Italia.

In the meantime, after all these months, inexplicably, the Economic Financial Plan prepared by ASPI, which - as noted - could have activated substantial investment, even though defined with the Grantor in mid November 2020, has not even begun its formal authorisation process, with obvious repercussions on employment levels and Italy's economic growth. This is even more serious at a time when the pandemic has left the economy stagnating.

Meanwhile, CDP, in a consortium with other investors, contrary to what the article says ("*according to the seller the buyer should buy sight unseen. Without due diligence*") has been able to carry out an in-depth due diligence on the company's infrastructure, as it had access to a data room with over 59,000 documents and the possibility to visit over 150 assets on the network. Since October 2020 the CDP consortium, benefiting from different extensions requested to Atlantia along the way, submitted multiple bids, however, all deemed inadequate by Atlantia's Board of Directors. The economic terms of the offers were totally unsatisfactory not so much for the methodology indicated in the article ("with the maximum margin calculated in a rather peculiar way. Through a simple subtraction"), but in light of valuations carried out by market analysts and independent advisors called upon to perform an appraisal of the company. Moreover, the terms and conditions required indemnifications for certain potential disputes with no reliable ground.

In view of the concerns raised in the article ("*can you imagine asking savers to pay for such a thing? Even if it were just one euro …*"), it should be remembered that Atlantia has shown a willingness to sell, but there is no obligation on CDP to buy.

Furthermore, as evidence of how disruptive the conditions imposed by the Government are for a market sale process, it should be noted that Atlantia has not received alternative offers or concrete expressions of interest from any other investor.

The Board of Directors of Atlantia, a listed company with over 50,000 shareholders, including large Italian and international financial institutions, but also many private savers, has the responsibility to ensure a transparent market process for the valuation of its main equity interest out of respect for all the stakeholders involved. It should be remembered that the alternative exit of ASPI from the Atlantia Group, i.e., the demerger, received the explicit consent of almost all the shareholders at the Extraordinary General Meeting (99.7% of the votes).

It is therefore surprising the account given in the article of the letter received recently (on 10 March 2021) from the shareholder Edizione. Typically, Atlantia receives and replies to letters from multiple shareholders, which obviously express their different opinions. The company replied to Edizione's letter (on 15 March) summarizing the depth of the complexities arising from the negotiation and valuation process carried out so far and recalling that "*all the decisions of the Board of Directors of Atlantia have been guided by the obligatory principle of independence of judgment*" and that "*all our decisions have always been taken in a fully and totally transparent and rigorous manner, and immediately announced to the market through the prompt publication of press releases*".