



Società per Azioni Esercizi Aeroportuali S.E.A.

(incorporated as a società per azioni under the laws of the Republic of Italy)

€300,000,000 3.500 per cent. Notes due 9 October 2025

The issue price of the €300,000,000 3.500 per cent. Notes due 9 October 2025 (the “Notes”) of Società per Azioni Esercizi Aeroportuali S.E.A. (the “Issuer” or “SEA”) is 100 per cent. of their principal amount. The Notes will bear interest from and including the Closing Date (as defined below) at the rate of 3.500 per cent. per annum, payable in arrear on 9 October in each year, commencing on 9 October 2021, all as more fully described in “Terms and Conditions of the Notes – Interest”.

Unless previously redeemed, repurchased or cancelled, the Notes will be redeemed at one hundred per cent. (100%) of their principal amount on 9 October 2025. The Notes may be redeemed in whole, but not in part, (i) at one hundred per cent. (100%) of their principal amount plus interest, if any, to the date fixed for redemption at the option of the Issuer in the event of certain changes affecting taxation in the Republic of Italy; (ii) at the option of the Issuer at any time at an amount calculated on a “make-whole” basis; (iii) at the option of the Issuer pursuant to the 3 Month Par Call; or (iv) at any time at the option of the Issuer in the event that 85 per cent. or more in principal amount of the Notes then outstanding have been redeemed or purchased (Clean-up Call). See “Terms and Conditions of the Notes – Redemption and Purchase”. Noteholders will be entitled, following the occurrence of a Relevant Event (as defined in the Terms and Conditions of the Notes (the “Conditions”)) to request the Issuer to redeem such Notes at one hundred per cent. (100%) of their principal amount together with any accrued and unpaid interest (if any), all as more fully described in “Terms and Conditions of the Notes – Redemption and Purchase – Redemption at the option of the Noteholders upon the Occurrence of a Relevant Event”.

The prospectus (the “Prospectus”) has been approved by the Central Bank of Ireland (the “Central Bank”), as competent authority under the Prospectus Regulation (as defined below). The Central Bank only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and the European Union (Prospectus) Regulations 2019 (as defined below). Such approval should not be considered as an endorsement of the Issuer or of the quality of the Notes. Investors should make their own assessment as to the suitability of investing in the Notes. Such approval relates only to the Notes which are to be admitted to trading on the regulated market (the “Regulated Market of Euronext Dublin”) of the Irish Stock Exchange plc trading as Euronext Dublin (“Euronext Dublin”) for the purposes of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments (as amended, “MiFID II”) and/or that are to be offered to the public in any member state of the European Economic Area (which, for these purposes includes the United Kingdom) in circumstances that require the publication of a prospectus. Application has been made to Euronext Dublin for the Notes to be admitted to its official list (the “Official List”) and trading on the Regulated Market of Euronext Dublin. This Prospectus is valid until the date of admission of the Notes to trading on the Regulated Market of Euronext Dublin. The obligation to prepare a supplement to this Prospectus in the event of any significant new factor, material mistake or inaccuracy does not apply when the Prospectus is no longer valid.

Investing in the Notes involves risks. For a discussion of these risks, see “Risk Factors” beginning on page 1.

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “Securities Act”), or any state securities laws and are subject to United States tax law requirements. The Notes are being offered only outside the United States by the Joint Lead Managers (as defined herein) in accordance with Regulation S under the Securities Act (“Regulation S”), and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, “U.S. persons”, as defined in Regulation S under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. For a description of further restrictions on offers and sales of the Securities, see “Subscription and Sale”.

The Notes will be in bearer form and in the denomination of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000 and will initially be in the form of a temporary global note (the “Temporary Global Note”), without interest coupons, which will be deposited on or around 9 October 2020 (the “Closing Date”) with a common safekeeper (the “Common Safekeeper”) for Euroclear Bank SA/NV (“Euroclear”) and Clearstream Banking, société anonyme (“Clearstream, Luxembourg”) and, together with Euroclear, the “Clearing Systems”). Interests in the Temporary Global Note will be exchangeable for interests in a permanent global note (the “Permanent Global Note”), without interest coupons, not earlier than forty (40) days after the Closing Date upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification. The Temporary Global Note and the Permanent Global Note, each a “Global Note”, will be issued in new global note (“NGN”) form. Ownership of the beneficial interests in the Notes will be shown on, and transfers thereof will be effected through, records maintained in book-entry form by the Clearing Systems and their respective participants. The Permanent Global Note will be exchangeable in certain limited circumstances in whole, but not in part, for Notes in definitive form in the denomination of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000 with interest coupons attached. See “Summary of Provisions Relating to the Notes in Global Form”. Subject to the provisions contained in this Prospectus, the Notes are freely transferable.

Global Coordinators

BNP PARIBAS

UniCredit Bank

Joint Lead Managers

BNP PARIBAS

Goldman Sachs International

IMI – Intesa Sanpaolo

UniCredit Bank

The date of this Prospectus is 7 October 2020.

IMPORTANT INFORMATION

This Prospectus constitutes a prospectus for the purposes of Article 8 of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”) and for the purposes of the European Union (Prospectus) Regulations 2019 (SI 380/2019) of the Republic of Ireland (the “**European Union (Prospectus) Regulations 2019**”).

The Issuer has confirmed that this Prospectus contains all information regarding the Issuer and its subsidiaries (together with the Issuer, the “**Group**”) and the Notes which is (in the context of the issue of the Notes) material; such information is true and accurate in all material respects and is not misleading in any material respect; any opinions, predictions or intentions expressed in this Prospectus on the part of the Issuer are honestly held or made and are not misleading in any material respect; this Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in such context) not misleading in any material respect. The Issuer accepts responsibility for the information contained in this Prospectus and declares that the information contained in this Prospectus to the best of their knowledge is in accordance with the facts and contains no omission likely to affect its import.

The Issuer has not authorised the making or provision of any representation or information regarding the Issuer or the Notes other than as contained in this Prospectus or as approved for such purpose by the Issuer. Any such representation or information should not be relied upon as having been authorised by the Issuer, the Trustee (as defined herein) or any of BNP Paribas and UniCredit Bank AG (the “**Global Coordinators**”), and Goldman Sachs International and Intesa Sanpaolo S.p.A. (together with the Global Coordinators, the “**Joint Lead Managers**”).

Neither the Issuer nor the Joint Lead Managers have authorised, nor do they authorise, the making of any offer of the Notes through any financial intermediary, other than offers made by the Joint Lead Managers which constitute the final placement of the Notes contemplated in this Prospectus.

The distribution of this Prospectus and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions. This Prospectus may only be used for the purposes for which it has been published. For a description of certain restrictions on offers, sales and deliveries of the Notes and on distribution of this Prospectus and other offering material relating to the Notes, see “*Subscription and Sale*”.

In particular, the Notes have not been and will not be registered under the Securities Act and are subject to United States tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered in the United States or to U.S. persons. The Notes are subject to restrictions on transferability and resale and may not be transferred or resold in the United States or to U.S. persons except as permitted under applicable U.S. federal and state securities laws pursuant to a registration statement or an exemption from registration.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Note shall in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer or the Group since the date of this Prospectus.

None of the Joint Lead Managers, the Principal Paying Agent or the Trustee makes any representation or warranty, expressed or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Prospectus. This Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer or any of the Joint Lead Managers or the Trustee that any recipient of this Prospectus should purchase the Notes. In making an investment decision, prospective investors must rely on their own examination of the Issuer’s business and the terms of the offering. Prospective investors should not consider any information contained in this Prospectus to be investment, legal, business or tax advice.

Each prospective investor should consult its own counsel, business advisor, accountant, tax advisor and other advisors for legal, financial, business, tax and related advice regarding an investment in the Notes.

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated in it by reference (see “*Documents Incorporated by Reference*”). This Prospectus should be read and construed on the basis that those documents are incorporated in and form part of this Prospectus.

Prospective investors should understand that they may have to bear the financial risks of their investment for an indefinite period of time.

The information set out in the sections of this Prospectus describing clearing arrangements is subject to any change or reinterpretation of the rules, regulations and procedures of Euroclear and Clearstream, Luxembourg, in each case as currently in effect. The information in such sections concerning the Clearing Systems has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy of such information. If prospective investors wish to use the facilities of any of the Clearing Systems, they should confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. The Issuer will not be responsible or liable for any aspect of the records relating to, or payments made on account of, book-entry interests held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such book-entry interests.

The language of this Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- (d) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it; (ii) Notes can be used as collateral for various types of borrowing; and (iii) other restrictions apply to the purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the “**EEA**”) or in the United Kingdom (the “**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2016/97/EU (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

MIFID II PRODUCT GOVERNANCE/TARGET MARKET

Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

Certain figures included in this Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

MARKET SHARE INFORMATION AND STATISTICS

This Prospectus contains information and statistics which are derived from, or are based upon, the Issuer’s analysis of data obtained from the sources indicated in the section “*Business Description of the Group*” below. To the extent that such source is not indicated, such data derives from the Issuer’s internal market data. Such information has been reproduced accurately in this Prospectus and, as far as the Issuer is aware, no facts have been omitted which would render such reproduced information inaccurate or misleading.

NON-IFRS FINANCIAL MEASURES

This Prospectus contains non-IFRS measures and ratios, including EBITDA, EBIT, Indebtedness and Net Financial Position that are not required by, or presented in accordance with, IFRS. We present non-IFRS measures because the Issuer believes that they, and similar measures, are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. The non-IFRS measures may not be comparable to similarly titled measures of other companies, have limitations as analytical tools and should not be considered in isolation or as a substitute for an analysis of the Issuer’s operating results as reported under IFRS. Non-IFRS measures and ratios such as EBITDA, EBIT, Indebtedness and Net Financial Position are not measurements of our performance or liquidity under IFRS or any other generally accepted accounting principles. Other companies in the Group’s industry may calculate these measures differently and, consequently, the Issuer’s presentation may not be readily comparable to other companies’ figures. In particular, you should not consider non-IFRS measures and ratios, including EBITDA, EBIT, Indebtedness and Net

Financial Position, as an alternative to (a) operating income or income for the period (as determined in accordance with IFRS) as a measure of the Group's operating performance, (b) cash flows from operating, investing and financing activities as a measure of the Group's ability to meet its cash needs or (c) any other measures of performance under generally accepted accounting principles. Non-IFRS measures and ratios, including EBITDA, EBIT, Indebtedness and Net Financial Position, have limitations as analytical tools, and you should not consider them in isolation, or as a substitute for an analysis of the Group's results as reported under IFRS.

Other Data

Certain numerical figures set out in this Prospectus, including financial data presented in millions or thousands of Euro, certain operating data, percentages and rates, have been subject to rounding adjustments and, as a result, the totals of the data included in this Prospectus may vary slightly from the actual arithmetic totals of such information.

CERTAIN DEFINED TERMS

References to the "**Issuer**" are to Società per Azioni Esercizi Aeroportuali S.E.A.; references to the "**Group**" or to "**SEA Group**" are to the Issuer and its Subsidiaries taken as a whole; and "**Subsidiaries**" has the meaning given to it in "*Terms and Conditions of the Notes*".

Reference to the "**Milan Airports**" are to the airport system managed by SEA Group, composed by Milan Linate and Malpensa Airports.

References to "**ENAC**" are to *Ente Nazionale Aviazione Civile*, the Italian regulatory authority for civil aviation; references to "**ENAV**" are to *ENAV S.p.A.—Società nazionale per l'assistenza al volo*, which is responsible for air traffic control in Italy.

References to "**ENAC-SEA Program Agreement**" are to the program agreement (*Contratto di Programma*) submitted by the Issuer and ENAC for the Milan Airports, which sets forth the regulated airport fee schedule, a dual-till RAB-based price cap model, to be applied by SEA, in relation to the investments to be carried out in the Milan Airports and the environmental quality and protection targets to be met by the Milan Airports. See "*Regulatory Framework*".

References to "**Masterplan**" are to the planning tool representing the airport's vision of how the ultimate development potential of the airport could be realized in the long term (20+ years), through a physical representation of the airport capital investment supporting airport management in making decisions.

References to "**Investment Plan**" are to the multi-year investment plan, approved by ENAC, through which each airport operator identifies the infrastructure and facilities to be built, expanded or refurbished on the airport grounds in accordance with the requirements and guidelines set forth in the Masterplan, but within a shorter time frame than the Masterplan (usually in connection with the regulatory period). See "Regulatory Framework".

References to the "**Global Coordinators**" are to BNP Paribas and UniCredit Bank AG.

References to the "**Joint Lead Managers**" are to BNP Paribas, Goldman Sachs International, Intesa Sanpaolo S.p.A. and UniCredit Bank AG.

References to the "**Trust Deed**" are to the trust deed constituting the Notes dated on or about the Closing Date (as defined herein) between the Issuer and BNP Paribas Trust Corporation UK Limited in its capacity as trustee, and references to the "**Trustee**" are to BNP Paribas Trust Corporation UK Limited.

References to "**U.S. dollars**", "**U.S.\$**" and "**\$**" refer to United States dollars, to "**€**" or "**Euro**" are to the single currency introduced at the start of the third stage of the European Economic and Monetary

Union pursuant to the Treaty on the functioning of the European Union, as amended, and to “**Sterling**” and “**£**” refer to pounds sterling.

References to “**EBITDA**” are to *Earnings Before Interest, Taxation Depreciation, and Amortisation* which is calculated as the difference between total revenues and total costs, excluding provisions and write-downs. The criteria for determination of EBITDA applied by the Group might not be the same as that adopted by other groups and, therefore, the figures presented by the Group might not be comparable with that determined by such other Group. See “*Non-IFRS Financial Measures*”.

References to “**EBIT**” are to *Earnings Before Interest* which is calculated as the difference between total revenues and total costs, including depreciation and amortisation, provisions and write-downs. The criteria for determination of EBIT applied by the Group might not be the same as that adopted by other groups and, therefore, the figures presented by the Group might not be comparable with that determined by such other groups. See “*Non-IFRS Financial Measures*”.

References to “**Net financial position**” mean liquidity, financial receivables and current securities, net of financial payables (current and non-current) and the fair value of financial debt hedging derivatives. The criteria for determination of Net financial position applied by the Group might not be the same as that adopted by other groups and, therefore, the figures presented by the Group might not be comparable with that determined by such other groups. See “*Non-IFRS Financial Measures*”.

Except where indicated, references to “**IFRS**” in this Prospectus are to International Financial Reporting Standards as adopted by the European Union.

FORWARD-LOOKING STATEMENTS

This Prospectus contains certain statements that are, or may be deemed to be, forward-looking, including statements with respect to the Issuer’s and the Group’s business strategies, expansion of operations, trends in their business and their competitive advantage, information on technological and regulatory changes and information on exchange rate risk and generally includes all statements preceded by, followed by or that include the words “believe”, “expect”, “project”, “anticipate”, “seek”, “estimate”, “aim”, “intend”, “plan”, “continue” or similar expressions. By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward-looking statements as a result of various factors. Potential investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof.

Any forward-looking statements are only made as of the date of this Prospectus, and the Issuer does not intend, and does not assume any obligation, to update forward-looking statements set forth in this Prospectus. Many factors may cause the Issuer’s or the Group’s results of operations, financial condition, liquidity and the development of the industries in which they compete to differ materially from those expressed or implied by the forward-looking statements contained in this Prospectus.

The risks described under “*Risk Factors*” in this Prospectus are not exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision. New risks can emerge from time to time, and it is not possible for the Issuer to predict all such risks, nor can the Issuer assess the impact of all such risks on their business or the extent to which any risks, or combination of risks and other factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, investors should not rely on forward looking statements as a prediction of actual results.

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RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. Most of these factors are contingencies which may or may not occur. In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are also described below.

An investment in the Notes involves risks. The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate.

The Issuers may face a number of these risks described below simultaneously and some risks described below may be interdependent. While the risk factors below have been divided into categories, some risk factors could belong in more than one category, provided that the risk factors have not been duplicated in this section, and prospective investors should carefully consider all of the risk factors set out in this section.

Prospective investors should also read the detailed information set out elsewhere in this Prospectus and carefully assess whether an investment in the Notes is suitable for them in light of the information in this Prospectus and their personal circumstances, based upon their own judgment and upon advice from such financial, legal and tax advisers as they consider necessary.

Words and expressions defined in “Terms And Conditions Of The Notes” or elsewhere in this Prospectus have the same meaning in this section. References to a “Condition” are to such numbered conditions in the Terms and Conditions of the Notes. Prospective investors should read the whole Prospectus, including the information incorporated by reference.

FACTORS THAT MAY AFFECT THE ISSUER’S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE NOTES

A. Risk related to the external context

Risks related to the Regulatory Framework

SEA Group is subject to a regulation of airport charges

The activities of SEA Group are subject to charges pursuant to the Italian Transport Authority (*Autorità di Regolazione dei Trasporti*) (the “ART”). In July 2020 the ART published two new regulatory models (Model A for airports above 1 million passengers; Model B for airports below 1 million passengers), to be enforced by 1 July 2021.

SEA will apply the new Model A, which is similar to the provisions set forth in the ENAC-SEA Program Agreement between SEA and the Italian Civil Aviation Authority (which includes RAB-based models, a dual till regime, admitted costs calculated on traffic forecast, obligations regarding the level of quality services and environmental targets, and compulsory consultations with airlines). See “Regulatory Framework – The new ART tariff models”.

The airport charges calculation provided by SEA in compliance with ART guidelines is subject to approvals by the Airport’s Users (Airlines) by vote. The ability to charge these fees also depends upon the continuation of such approvals. These restrictions of commercial independence could have a material adverse effect on SEA Group’s business activity, financial condition and results of operations.

On the other hand, airport charges could increase leading to a less attractive competitive position of Milan Airports. This may in turn have a negative impact on the volumes of operations of the SEA Group.

Considering that the level of airport charges depend on some factors not under SEA control (see “Regulatory Framework – Tariff rates/formula” and “Regulatory Framework – The new ART tariff models” paragraphs) the volatility of these factors may have a material effect on SEA Group’s financial conditions and results.

Factors outside SEA control could reduce SEA Group income

Income generated by SEA Group derives from airport fees and air tariff charges levied from airlines, which are almost totally based on the number of passengers and maximum total aircraft weight, and from non-aeronautical revenues derived primarily from royalties from retail and food and beverage concessions royalties and car parking. The amount of both types of revenues primarily depends on air traffic volumes, and therefore reduced air traffic would affect both tariffs and royalties.

Air traffic volumes, both passengers and cargo, may be affected by several factors, many of which SEA has no control over such as general economic conditions (including trends in GDP and employment rates), both in Italy and internationally. In addition, inter alia, global macroeconomic dynamics, demographic and geopolitical/socio-economic developments (growing nationalism, protectionism), the spread of infectious diseases and pandemics highly influence passengers’ propensity to fly and international trade volumes.

The Covid-19 pandemic has and will have, for a yet unknown period, an adverse effect on passenger demand for air travel around the world and at SEA’s airports consequently.

In 2019, the year before the pandemic spread, the Milan Airports served a total of 35.3 million passengers, up 1.5 million in 2018 (+4.4%), with operating revenues of Euro 706.9 million and EBITDA of Euro 274.7 million. Because of the Covid-19 outbreak, SEA Group will not be able to reach in 2020 the 2019 results also considering first half 2020 results, with revenues at Euro 141.1 million (-202.4 million on the same period of the previous year, -59%) and a loss of EBITDA of Euro 2.0 million (-138.1 million on first half 2019 level).

As there is no precedent for an outbreak deriving from a pandemic on this scale, and since it is unclear how the Covid-19 virus will develop, at the date of this Prospectus the eventual further impact of the Covid-19 pandemic on SEA Group’s business, operations, economic and financial condition is unpredictable. For more details see “Covid- 19 Impact” and “Recent Developments”.

With reference to geopolitical developments, from 31 January 2020, the United Kingdom (“UK”) is no longer EU member state. Since then a transition period has commenced which will last until 31 December 2020. During this period, most EU rules and regulations will continue to apply to and in the UK, and negotiations with EU in relation to a free trade agreement will be ongoing. During the transition period, the UK and the EU may not reach agreement on the future relationship between them, or may reach a significantly narrower agreement than that envisaged by the political declaration of the European Commission and the UK Government. In particular, the UK’s exit from the EU (the so-called “Brexit”) may compromise the rights of airlines to travel freely between the UK and the EU after 2020. All European airlines currently enjoy this freedom, and British airlines can operate from Italy to any destination in the EU. Due to the uncertainty about the outcome of the UK and EU negotiation, it is not clear the strategies that will be implemented by the European airlines, with a not precise impact on the business of Group. (see “Regulatory Framework – The United Kingdom’s exit from the European Union”).

Moreover, restrictions to international trade, also for the so-called “duty war”, may lead to a shrinking market and consequent reduction in general cargo movements.

There can be no assurance that future passenger numbers and aircraft movements at Milan Airports will be at levels comparable to those achieved in the past.

Risk related to airlines strategies

The reviewing of strategies by airlines, also linked to macro-economic issues, can lead to changes in flights at the Group's airports. Any reduction or interruption to flights by one or more airlines operating out of SEA Group-managed airports may result in a reduction in such traffic, with consequent negative impacts on activities and Group results.

The unprecedented crisis generated by the global spread of Covid-19 which caused the temporary interruption of air transport and whose evolution is not predictable as of the date of this Prospectus, has already affected the financial position of several airlines. More than one European carriers has publicly declared an additional liquidity need in the course of 2020, generating the involvement of the respective governments that have committed themselves to providing state aid to support their flag carriers.

The Group's business depends to a significant extent on the relationships with the principal carriers that operate at the Milan Airports, including, among, others easyJet and Alitalia. A decision to restructure their route network or otherwise place less emphasis on Milan Airports, a material deterioration of their financial position, a restructuring or even an insolvency of one of them, or a substantial reduction in flight or commercial activity, could adversely affect passenger and cargo throughout and the number of air transport movements at Milan Airports, as well as the number of destinations served from the airports with a negative impact on the Group's business.

Passengers' preferences evolution

The climate of increasing general hostility towards air transport, particularly in terms of the "flight shame" movement discussed in the media as one of the main contributors to climate change, may lead to reductions in general air transport demand and intra-EU air traffic due to changes in passengers' short-to-medium-term travel preferences, which in turn could negatively affect the Group's business, financial condition and results of operations.

Competition

Notwithstanding Milan Airports are located in one of the wealthiest European catchment areas, with strong connectivity thanks to a supportive intermodal network and no-capacity constraints to accommodate new traffic (for more details see "*Business description*"), Milan Airports compete with other international airports, located both in Italy and in Europe, to attract origin and destination passengers and cargo activity.

With reference to domestic travels, some routes operated by some carriers at Milan Airports compete also with other modes of transportation, in particular the high speed trains, as already suffered at Milan Linate after the completion of the Milan-Rome new high speed rail line.

In this environment, there can be no assurance that Milan Airports' competitive position will not be negatively impacted in the future.

The Group's ordinary business operations are subject to extensive laws and regulations that are subject to change, which may impact the SEA Group's business

The Group's activities are subject to a broad range of environmental, health, safety and planning laws.

Any new law and/or regulation, either at European or Italian level, that could impact the Issuer's or its clients costs would have a material effect on the Group's business, results of operations, financial condition and prospects.

In particular, new binding provisions concerning environmental policies in application of the "Green Deal" adopted by the European Commission could impact the costs of the air transport industry (SEA, passengers, airlines and handlers), and could cause a decrease of traffic and/or profitability, which in turn could negatively affect the Group's business, financial condition and results of operations. (See "*Regulatory Framework – Green Deal*")

Technological developments in the air transport industry may adversely impact the Group's business

The ongoing technological developments in the air transport industry in recent years have contributed to the use of new aircraft models that require the availability of airport infrastructure that is adequate to accommodate such aircraft, in particular for the phases of take-off and landing and embarking and disembarking passengers, may in the future require further modernisation and expansion of the existing airport infrastructure that are not currently envisaged in the Group's plans.

In the event that the Issuer is required to make such investments in the infrastructure and facilities as well as the operations of the Milan Airports, the allocation of the necessary funds for these purposes could have a material adverse effect on the Group's results of operations, financial condition and prospects.

B. Risks related to the business and operations of the SEA Group

The Group's business is exposed to operational risks that may result in airport operations interruption

The Milan Airports operations are subject to large number of operational risks that may compromise the ability of the Group to guarantee the continuity of service.

Such risks include, among others, extreme weather events, natural disasters (earthquakes, volcanic eruptions), interruption of power supply leading to inability to operate at full capacity, fires involving airports' critical infrastructures, outbreaks of contagious diseases, terrorist attacks and disruption caused by unauthorised drones flying in the airports' surroundings.

Some of these events may cause severe damages to infrastructure, properties and the environment and could possibly lead to a situation where the Issuer is not able to guarantee that the Milan Airports can operate at full capacity. Business interruptions could continue while the occurred event is properly investigated and possible damage is repaired. Some of these events could also trigger death of passengers or employees.

The Group could also be required to undertake unplanned maintenance or repairs to infrastructures including runways and taxiways that could cause operational interruptions while the reparations are carried out.

In the first half of 2020 due to the Covid-19 global pandemic outbreak, many airports, both Italian and international, have experienced severe service interruptions, as Governmental Authorities have implemented some temporary measures such as their closing to reduce chances of virus contagion. In the event of a "second-wave" of the pandemic occurring in the future, with the virus spreading locally or globally, temporary closure of the airports may be imposed by Governmental Authorities.

Service interruption may result in severe reduction in revenue or increase in operating costs, as well as the emergence of new costs related to the mentioned events, or both.

In any case, all the above-mentioned events could have a material adverse effect on SEA Group's results of operations, financial condition and prospects.

For further details on Covid-19 impact on Milan Airports see "*Focus on Covid-19*" and "*Recent Developments*")

The Group may be severely affected by cyber-attacks and information security incidents

The Issuer's business activities increasingly depend on digital technology and information systems, both proprietary and of its third-party service providers. The risk of cyber-attacks is particularly relevant considering that infiltrating technology is becoming more sophisticated. In addition, technology is becoming more pervasive in every aspect of airport operations. The air transport sector is witnessing a

shift towards the adoption of technology at every step of the passenger journey, aimed at turning the journey into a more seamless experience.

The Group is subject to the risk of business interruption caused by a cyber-attack, unauthorised access to data, virus infection of information systems.

A cyber-attack could be launched against a critical system or infrastructure, resulting in the Group being unable to carry out airport operations as normal. These events may also damage the Group's reputation and lead to regulatory penalties and financial losses by the Issuer.

There can be no assurance that SEA Group will be able to successfully identify and neutralise all emerging cyber threats before they become effective.

All such events, should they materialise, could have a material adverse effect on the Group's results of operations, financial conditions and prospects.

The Group's business is exposed to operational risks related to the safety of airport operations

In carrying out business activities the Group could face the occurrence of safety-related negative events. These may include incidents occurring airside at Milan Airports due to different issues such as human error and technical failures.

The Issuer has adopted structures and processes aimed at addressing aviation safety issues, ensuring that airport airside activities are carried out under proper safety conditions, such as: (i) a Safety Management System; (ii) a Safety Board consisting of an accountable manager, a safety manager for specific matters and a general safety manager; and (iii) a Safety Committee.

Although the Group has adopted the Safety Management System since 2006 and operates following the top standards seeking excellence in every process, an accident may take place at Milan Airports, adversely affecting passengers, local communities and employees.

This could have a material adverse effect on the Group's results of operations, financial conditions and prospects.

The Group may be unable to pursue its further long term infrastructure development

Infrastructural development is greatly dependent on the airports Masterplans which constitute the long-term planning frameworks of the airports' grounds. The masterplans' approval process requires the involvement of a number of parties and stakeholders to be brought to fruition, including public entities, regulators and local communities, with specific focus on environmental issues.

With reference to the new Masterplan relating to Malpensa for a period lasting until 2035 (the "**Malpensa Masterplan 2035**"), ENAC approved the technical report relating to the Malpensa Masterplan 2035, in December 2019. Afterwards the *Valutazione d'Impatto Ambientale* ("**VIA**") approval procedure, which is a mandatory step in order to obtain Masterplan's approval, has been started on 26 June 2020. Given the complexity of the process and the number of actors involved, Malpensa Masterplan's approval could take a longer period than expected, causing delays in the starting of projects or even their cancellation.

This could have a material adverse effect on the Group's results of operations, financial conditions and prospects.

In carrying out airport operations, the Group relies on a number of counterparties and third-party service providers. Failure of counterparties or work stoppages may affect the Group's reliability and quality of service.

While performing its business activities the Group relies on counterparties and third-party service providers to fully perform its operation and provide services to its customers. Such counterparties

include air traffic control providers, handlers, utilities providers, cleaning companies, custom agencies, catering companies, cargo service providers and public transport service providers.

Some business counterparties may have difficulty in dealing with traffic volumes, be unable to operate at the necessary levels of service or experience financial difficulty, providing an inadequate quality of service to airport passengers. In the latter case, the negative effect on the Group's operation could be compounded if the counterparty is a leader of its sector or has particular and specific know-how that could make the counterparty difficult to replace.

Moreover, strikes of work stoppages could undermine counterparties' ability to operate at full capacity, severely impacting airport processes. In fact, the Milan Airports operations may be severely affected in the event of one such counterparty ceasing to provide an adequate level of service. Depending on the severity of the operating failure, this may result in flight delays, cancellation of airport services or reputational damage for the Group.

Concerning traffic control providers, the Group is dependent, among other things, on the activities carried out by Eurocontrol, the intergovernmental organisation managing air traffic control and working on sky harmonisation at a European level. In fact, without significant increase in flight capacity over the European sky, delays and sub-optimal flights paths are expected to take place in the future, negatively impacting air carriers and the Group's business, causing a negative impact on passenger experience.

Any of these events or a combination of events could have a material adverse effect on the Group's results of operations, financial condition and prospects.

The Group may face the necessity of unplanned repairs

The Group performs regular and planned maintenance activities of the airports' infrastructures. Nevertheless, SEA is exposed to the risk of inevitable repair of its assets, that will include terminals, runways and taxiways, caused by both damages and ageing of the facilities, impacting the airports' daily operations. In fact, during such interventions, the Group may be forced to temporarily shut or slow down part of its activities, resulting in the inability to operate at full capacity.

Eventually this could cause a material adverse effect on the Group's business, financial conditions, results of operations and prospects.

The Group may not be able to implement the Investment Plan required under the Regulatory Framework within the agreed timeframe and expected costs

The Group Investment Plan requires the Group to carry out a number of significant investment projects to expand and improve the managed airports.

The Group is subject to certain risks inherent in construction projects, which may include, inter alia: delays in obtaining regulatory approvals (including, but not limited to, environmental requirements and planning approvals at a national and local governmental level); the non-performance or unsatisfactory performance by contractors and subcontractors (whether such work is performed by the Group or by third parties); the commencement of bankruptcy proceedings involving contractors and subcontractors and reopening of public tender procedures; interruption resulting from litigation, bad weather, revocation of approvals or additional requests from local authorities; and interruption and delays resulting from unforeseen environmental or engineering problems.

Such events may undermine the Group's ability to implement the Investment Plan within the agreed timeframe and budget and to obtain the expected regulated charges and this could cause a material adverse effect on the Group's business, financial conditions, results of operations and prospects.

The Group may be required to make significant payments for damages and its insurance coverage might not be available in all circumstances

The Issuer has entered insurance policies in order to cover all predictable and reasonable risks, including the risk of operational business interruption and terrorism. There is no assurance that its insurance policies in place are able to provide sufficient coverage for all types of events that may affect Milan Airports' operations.

Insurance policies may not fully apply if a specific event is not covered or is excluded, exposing the Group to the risk of unpredicted outflows. Also, replacement or extension of existing insurance policies may be difficult in the future, due to realised events or different market conditions, resulting in reduced coverage, less favourable terms or higher premiums.

Any of these events may result in a material adverse effect on the Group's business, financial conditions, results of operations and prospects.

Disruptions on the infrastructures or public transport services connecting the Milan Airports could restrict passengers' access to the Milan Airports

Access to the Milan Airports largely depends on infrastructures as well as public transportation services. Any malfunctioning or occasional interruption on roads or railways, caused for instance by train or car accidents, unplanned and extensive maintenance work and extreme weather events, could make it more difficult for the Milan Airports to be reached. Moreover, with reference to public transportation services, any form of reduction in service, for example as a result of strikes or other forms of absence from work, could make access to the Milan Airports more difficult and, as a result, have a material adverse effect on the Group's results of operations, financial condition and prospects.

C. Financial risks

The Group is exposed to credit risk as commercial counterparties may not be in the position to fulfil their obligations

In conducting its activities, the Issuer is exposed to the risk that its commercial business counterparties may not be able to promptly and/or fully discharge their obligations. These counterparties include air carriers operating at Milan Airports and counterparties performing non-regulated and commercial activities inside and outside the terminals. The Group has already taken measures to deal with credit risk and has a fully operating credit risk management policy in place, concerning both aviation and non-aviation counterparties. In any case, a significant counterparty failing to discharge its obligation would result in a material adverse effect on the Group's business, financial conditions, results of operations and prospects.

The Group's level of indebtedness and the terms of its indebtedness may adversely affect its business and liquidity position

As at 31 December 2019, the Issuer had Euro 520.8 million of incurred credit facilities (with a net financial position of Euro 450.9 million) and an aggregate availability of a further Euro 390 million under its committed credit facilities. See "*Business description of the Group – Financing Arrangements*". SEA Group net debt as at 30 June 2020 was Euro 510.6 million (+59.7 million on 31 December 2019), nonetheless Covid-19 impact. During 2020 SEA Group further strengthened its financial structure, signing new credit lines worth Euro 475 million, of which Euro 350 million disbursed at the date of this Prospectus, with an aggregate availability of Euro 515 million of committed credit facilities.

The Group's indebtedness might increase from time to time in the future for a variety of reasons including, among other things, to enable the Issuer to refinance Notes and other debt and to finance future working capital, capital expenditure, investment plans, strategic acquisitions, business opportunities and other corporate requirements. The incurrence of additional indebtedness might have

an adverse effect on the Issuer's ability to satisfy its debt obligations, including its obligations under the Notes.

There can be no assurance that the Group will be able to raise future finance on terms that are economically viable or at all. See also "*Terms and condition of the Notes – Limitation on indebtedness*". An inability to raise future finance in order to, amongst other things, finance future capital expenditure and refinance its indebtedness (including the Notes) could have a material adverse effect on the Group's results of operations, financial condition and prospects. See "*Business description of the Group – Financing Arrangements*" and "*Use of Proceeds*".

The Group is subject to interest rate risk

SEA Group is exposed to the risk of changes in interest rates in relation to the necessity of financing its operating activities and the use of available liquidity. The fluctuations in interest rates may impact positively or negatively on the results of the SEA Group, changing the amount of interest due on specific debts or the interest received on cash deposits in place, in each case modifying the costs and returns on financial and investment operations. SEA Group manages this risk through an appropriate mixture of fixed and variable rate loans, with the objective to mitigate the economic effect of the volatility of the rates. Nevertheless, there can be no assurance that fluctuations in interest rates will not result in an increase in the Group's interest expense.

Any increase in costs related to the Issuer's interest expense could have a material adverse effect on the Group's business, financial conditions, results of operations and prospects.

D. Legal and compliance risks

The Group faces litigation risks arising from civil, tax and administrative proceedings that may have an adverse effect on its reputation, financial position or results of operations

In the ordinary course of business, companies within the Group are party to civil (including employment), tax and administrative proceedings, which may result in indemnity obligations and other liabilities. See "*Business Description of the Group – Legal, Administrative and Other Proceedings*". Provisions have been made for risks and charges in the Group's consolidated financial statements intended to cover, among other things, liabilities that may arise from litigation and other matters at dispute. The total amount of the provisions and the amounts of the annual provisions are determined by the Issuer on the basis of the assessment by its in-house and external legal counsels, who consider whether the proceedings might have an unfavourable outcome for the Group. As of 31 December 2019, the Group set aside provisions in its Consolidated Financial Statements for Euro 27.7 million and, as of 30 June 2020, for Euro 25.2 million, to cover the risk of civil, tax, legal and administrative proceedings. However, some proceedings to which companies within the Group are a party and for which a remote or non-quantifiable unfavourable outcome can be expected are not included in the Group's provisions for litigation. Accordingly, the Group may be exposed to liability arising from litigation that is not covered by such provisions, including in the event of the possible occurrence of repeat disputes, which could have a material adverse effect on the Group's results of operations, financial condition and prospects. In addition, as a consequence of the unpredictable impact of Covid-19 pandemic, SEA Group could not exclude that some proceedings could arise in the future, with a possible material adverse effect on the Group's business, financial conditions, results of operations and prospects.

The commencement of judicial or arbitration proceedings against SEA or the other companies of the Group could also result in significant damage to the Group's image and reputation regardless of the merits of the actions being brought against companies within the Group. The occurrence of such events may be magnified compared to the actual adverse effects on its business due to the significant sensitivity of the mass media towards the airport sector and more generally the air transport industry, which could in turn have a material adverse effect on the Group's results of operations, financial condition and prospects. See "*Business Description of the Group – Legal, Administrative and Other Proceedings*".

The 2001 Agreement, which sets forth the regulatory framework for the operation of the Milan Airports by the Group, may be terminated or may not be renewed

The Group is dependent on the exclusive regulatory agreement (*convenzione*) (the “**2001 Agreement**”) signed on 4 September 2001 between ENAC and SEA to manage and operate the Milan Airports. The 2001 Agreement replaced agreement No. 191/1962 and confirmed the status of the Milan Airports as privately operated airports. The 2001 Agreement should have expired on 4 May 2041. However, according to Article 202 paragraph 1-bis of Law Decree No.34 of 19 May 2020 (“**Decreto Rilancio**”) as subsequently converted with amendments into Law No.77 of 17 July 2020, the duration of all Italian airport concessions has been extended for two years, and consequently the duration of the 2001 Agreement has been extended until 4 May 2043.

The 2001 Agreement governs the relationship between SEA and ENAC relating to the management and development of airport activities at the Milan Airports, regulates the planning, construction, upgrading, maintenance and use of the airport infrastructure and other facilities that are instrumental to the operation of such airports, and recognises the legal status of the Milan Airports and the Issuer’s operations as privately owned and operated pursuant to an authorisation. See “*Regulatory Framework – The 2001 Agreement for the Operation and Development of Milan Malpensa Airport and Milan Linate Airport*” for information on the 2001 Agreement.

ENAC may unilaterally withdraw from the 2001 Agreement in the event of serious and repeated violations by the Issuer of applicable safety regulations, serious and unjustified delay in the implementation of its Investment Plan or the Issuer no longer being able to operate the Milan Airports.

In addition, pursuant to article 14 of the 2001 Agreement, ENAC may terminate the 2001 Agreement in the event of a delay of more than 12 months in the payment by the Group of the concession fee it owes for the use of state property or in the event of bankruptcy.

ENAC may also unilaterally terminate the 2001 Agreement for military or other justified public interest reasons and regain possession at any time of the state property occupied or used by the airports by paying a compensation amount for the infrastructure and facilities constructed with the Issuer’s own financial resources.

In such cases, the Issuer is entitled to reimbursement for the work performed on infrastructure and facilities and the expenses incurred, according to the provisions set in the amended article 703, paragraph 5 of the Italian Navigation Code that introduced the terminal value discipline in the airport context. See “*Regulatory Framework - The 2001 Agreement for the operation and development of Milan Malpensa Airport and Milan Linate Airport*”

The termination of, or ENAC’s withdrawal from, the 2001 Agreement would have a material effect on the Group’s business, results of operations, financial condition and prospects.

RISK FACTORS RELATING TO THE NOTES

There is no active trading market for the Notes

The Notes are new securities which may not be widely distributed and for which there is currently no active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer and the Group. Although application has been made to Euronext Dublin for the Notes to be admitted to the Official List and trading on the Regulated Market of Euronext Dublin, there is no assurance that such application will be accepted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Notes.

The Notes are fixed rate securities and are vulnerable to fluctuations in market interest rates

The Notes will carry fixed interest. A holder of a security with a fixed interest rate is exposed to the risk that the price of such security falls as a result of changes in the current interest rate on the capital market (the “**Market Interest Rate**”). While the nominal interest rate of a security with a fixed interest rate is fixed during the life of such security or during a certain period of time, the Market Interest Rate typically changes on a daily basis. As the Market Interest Rate changes, the price of such security changes in the opposite direction. If the Market Interest Rate increases, the price of such security typically falls, until the yield of such security is approximately equal to the Market Interest Rate. Conversely, if the Market Interest Rate falls, the price of a security with a fixed interest rate typically increases, until the yield of such security is approximately equal to the Market Interest Rate. Investors should be aware that movements of the Market Interest Rate could adversely affect the market price of the Notes.

The Notes may be redeemed prior to maturity for taxation reasons

In the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Italy or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Conditions. If the Issuer calls and redeems the Notes in the circumstances mentioned above, the Noteholders may not be able to reinvest the redemption proceeds in securities offering a comparable yield.

The Notes are subject to optional redemption by the Issuer

The Notes contain an optional redemption feature, as set out in Condition 6(d) (*Redemption at the option of the Issuer*) which is likely to limit the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period.

The Notes may also be redeemed at the option of the Issuer pursuant to the 3 Month Par Call (*Redemption and Purchase - Redemption at the option of the Issuer (3 Month Par Call)*), as described in Condition 6(f). If the Issuer calls and redeems the Notes in the circumstances mentioned above, the Noteholders may not be able to reinvest the redemption proceeds in securities offering a comparable yield.

In addition, the Issuer may redeem or purchase the Notes at its option if 85 per cent. or more in principal amount of the outstanding Notes then outstanding have been redeemed or purchased pursuant to Condition 6 (*Redemption and Purchase*).

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Change of Control and Concession Event

Upon the occurrence of certain events relating to the Issuer, including a Change of Control or a Concession Event, as set out in Condition 6(c) (*Redemption and Purchase – Redemption at the option of the Noteholders upon the Occurrence of a Relevant Event:*), under certain circumstances the Noteholders will have the right to require the Issuer to redeem all outstanding Notes at 100 per cent. of their principal amount. However, it is possible that the Issuer will not have sufficient funds at the time of the relevant event to make the required redemption of Notes. If there are not sufficient funds for the redemption, Noteholders may receive less than the principal amount of the Notes should they elect to exercise such right. Furthermore, if such provisions were exercised by the Noteholders, this might adversely affect the Issuer’s financial position.

Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer

The Notes will be represented by the Global Notes except in certain limited circumstances described in the Permanent Global Note. The Global Notes will be deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg. Except in certain limited circumstances described in the Permanent Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by the Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

The Issuer will discharge its payment obligations under the Notes by making payments to or to the order of the common safekeeper for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

Minimum denomination

As the Notes have a denomination consisting of the minimum denomination plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of €100,000 (or its equivalent) that are not integral multiples of €100,000 (or its equivalent). In such case there may be a negative impact on Noteholders who, as a result of trading such amounts, hold a principal amount of less than the minimum denomination and may not receive a Definitive Note in respect of such holding (should Definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to the minimum denomination.

Limitation on gross-up obligation under the Notes

The Issuer's obligation to pay additional amounts in respect of any withholding or deduction in respect of taxes under the terms of the Notes does not apply in certain circumstances in relation to payments of principal and interest under the Notes and the Coupons. Accordingly, if any withholding or deduction were to apply to any payments of principal or interest under the Notes or the Coupons in the circumstances where no additional amounts are due, Noteholders may receive less than the full amount of principal or interest due under the Notes or the Coupons and the market value of the Notes may be adversely affected.

Change of law or administrative practice

The terms and conditions of the Notes are based on English law in effect as at the date of this Prospectus, save that provisions convening meetings of Noteholders and the appointment of a Noteholders' Representative are subject to compliance with mandatory provisions of Italian law. No assurance can be given as to the impact of any possible judicial decision or change to English law and/or Italian law (where applicable) or administrative practice after the date of this Prospectus; any such change could materially adversely impact the value of the Notes.

Modification without the consent of all investors

The terms and conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

The Notes may have no established trading market when issued and one may never develop. If a market does develop, it may not be very liquid and, consequently, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of the Notes.

The market value of the Notes may also be significantly affected by factors such as variations in the Group's annual and interim results of operations, news announcements or changes in general market conditions. In addition, broad market fluctuations and general economic and political conditions may adversely affect the market value of the Notes, regardless of the actual performance of the Group.

Delisting of the Notes

Application has been made to Euronext Dublin for the Notes to be listed on the Official List and admitted to trading on its regulated market. The Notes may subsequently be delisted despite the best efforts of the Issuer to maintain such listing and, although no assurance is made as to the liquidity of the Notes as a result of listing, any delisting of the Notes may have a material effect on a Noteholder's ability to resell the Notes on the secondary market.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in Euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than Euro. These include the risk that exchange rates may change significantly (including changes due to devaluation of the Euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Euro would decrease (i) the Investor's Currency equivalent yield on the Notes; (ii) the Investor's Currency-equivalent value of the principal payable on the Notes; and (iii) the Investor's Currency-equivalent market value of the Notes.

In addition, government and monetary authorities may impose, as some have done in the past, exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

DOCUMENTS INCORPORATED BY REFERENCE

The audited consolidated annual financial statements of the Issuer and its subsidiaries as at and for the years ended 31 December 2019 and 2018 prepared in accordance with IFRS and the unaudited interim consolidated financial statements of the Issuer and its subsidiaries as at and for the six months ended 30 June 2020, in each case together with the accompanying notes and auditors' reports, are incorporated by reference in this Prospectus.

In addition,

- The 2018 audited Consolidated annual Financial Statements of the Group can be found on the Issuer's website at http://www.seamilano.eu/sites/sea14.message-asp.com/files/docs/sea_annual_report_2018_eng_0.pdf
- The 2019 audited Consolidated annual Financial Statements of the Group can be found on the Issuer's website at http://www.seamilano.eu/sites/sea14.message-asp.com/files/docs/sea_annualreport2019_eng_0.pdf
- The 2020 unaudited Interim Consolidated Financial Statements of the Group can be found on the Issuer's website at http://www.seamilano.eu/sites/sea14.message-asp.com/files/docs/sea_semestrale_2020_eng.pdf

Cross-reference list

The tables below show where the information incorporated by reference in this Prospectus can be found in the above-mentioned documents.

<i>Audited consolidated annual financial statements of 2019 of the Issuer</i>		2018
Consolidated Statement of Financial Position	Page 59	Page 69
Consolidated Income Statement	Page 60	Page 70
Consolidated Comprehensive Income Statements	Page 60	Page 71
Consolidated Cash Flow Statement	Page 61	Page 72
Statement of Changes in Consolidated Shareholders' Equity	Page 62	Page 73
Notes to the Consolidated Financial Statement	Pages 63 - 114	Pages 75 - 139
Independent auditors' report	Pages 115 - 120	Pages 141 - 145

Unaudited interim consolidated financial statements 2020 of the Issuer

Consolidated Statement of Financial Position	Page 56
Consolidated Income Statement	Page 57
Consolidated Comprehensive Income Statements	Page 57
Consolidated Cash Flow Statement	Page 58
Statement of Changes in Consolidated Shareholders' Equity	Page 59
Notes to the Consolidated Financial Statement	Pages 60 - 100
Independent auditors' report	Pages 101 - 102

Information contained in the above documents other than the information listed in the cross-reference list above is considered additional information to be disclosed to investors rather than information required by the relevant Annexes of the Commission Delegated Regulation (EU) No 2019/980 (the "**Delegated Regulation**"). Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Prospectus.

The documents set out above are translated into English from the original Italian. The Issuer has accepted responsibility for the accuracy of such translations.

This Prospectus should be read and construed together with the information incorporated by reference herein.

Any websites referred to in this Prospectus are for information purposes only and do not form part of this Prospectus, unless that information is incorporated by reference. Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the Terms and Conditions of the Notes which (subject to completion and amendment) will be endorsed on each Note in definitive form. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under “Summary of Provisions Relating to the Notes in Global Form” below.

The issue of the Notes was authorised by the resolutions of the Board of Directors of Società per Azioni Esercizi Aereoportuali S.E.A. S.p.A. (the “**Issuer**”, which expression shall include any Person substituted in place of the Issuer in accordance with Condition 12(d) (*Substitution*) or any permitted successor(s) or assignee(s)) passed on 28 July 2020 and 2 October 2020. The Notes are constituted by a trust deed (the “**Trust Deed**”) dated 9 October 2020 between the Issuer and BNP Paribas Trust Corporation UK Limited (the “**Trustee**” which expression shall include all Persons for the time being the trustee or trustees under the Trust Deed) as trustee for the holders of the Notes (the “**Noteholders**”). These terms and conditions (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Notes and the coupons relating to them (the “**Coupons**”). Copies of the Trust Deed, and of the Paying Agency Agreement (the “**Paying Agency Agreement**”) dated 9 October 2020 relating to the Notes between the Issuer, the Trustee and the initial principal paying agent and the other paying agents named in it, are available on the website of the Issuer at <http://www.seamilano.eu/en/financial-information> and also available for inspection during usual business hours at the principal office of the Trustee (presently at 10 Harewood Avenue, London NW1 6AA) and at the specified offices of the principal paying agent for the time being (the “**Principal Paying Agent**”) and the other paying agents for the time being (the “**Paying Agents**”, which expression shall include the Principal Paying Agent). The Noteholders and the holders of the Coupons (whether or not attached to the relevant Notes) (the “**Couponholders**”) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Paying Agency Agreement.

1. Definitions and Interpretation

(a) **Definitions:** in these Conditions:

“**Accounting Principles**” means generally accepted accounting principles in Italy, including IFRS.

“**Acting in Concert**” means a group of Persons who, pursuant to an agreement or understanding, actively co-operate through the acquisition or holding of Equity Interests of an entity by any of them, either directly or indirectly, for the purposes of obtaining or consolidating control of the Issuer.

“**Auditors**” means the independent auditors for the time being of the Issuer or, in the event of their being unable or unwilling promptly to carry out any action requested of them pursuant to the provisions of these Conditions, such other firm of accountants or such financial advisors as may be nominated or approved by the Trustee for the purposes of these Conditions.

“**Authorised Officer**” means any person who (i) is a director (*amministratore*) or the Chief Executive Officer (*amministratore delegato*), the Chief Financial Officer (*direttore finanza*) of the Issuer or (ii) has been notified by the Issuer in writing to the Trustee as being duly authorised to sign documents and to do other acts and things on behalf of the Issuer for the purposes of the Trust Deed.

“**Board of Directors**” means the board of directors of the Issuer.

“**Calculation Amount**” means €1,000 in principal amount of the Notes.

“**Capital Stock**” means:

- (i) in the case of a corporation, corporate stock;

- (ii) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;
- (iii) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests; and
- (iv) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

“**Capitalised Lease Obligations**” means, at the time any determination is to be made, an obligation that is required to be classified and accounted for as a financial lease for financial reporting purposes on the basis of Accounting Principles. The amount of Indebtedness will be, at the time any determination is to be made, the amount of such obligation required to be capitalised on a balance sheet (excluding any notes thereto) prepared in accordance with Accounting Principles, and the stated maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty. For the avoidance of doubt, operating leases will not be deemed Capitalised Lease Obligations.

“**Concession**” or “**2001 Agreement**” means the exclusive regulatory agreement (*convenzione*) signed on 4 September 2001 between ENAC and the Issuer to manage, develop and operate (directly or indirectly through other Group companies or third parties) the Airports or any other law, regulation, agreement or concession pursuant to which the Issuer carries on the management, development and operation (directly or indirectly through other Group companies or third parties) of the Airports. –

“**Controlling Shareholder**” means, directly or indirectly, any of:

- (i) the City of Milan (*Comune di Milano*);
- (ii) F2i SGR S.p.A. and any fund managed by F2i SGR S.p.A.; or

following the passing of an Extraordinary Resolution of Noteholders that sanctions an event or circumstances that would otherwise constitute a Change of Control for the purposes of Condition 6(c) (*Redemption and Purchase - Redemption at the option of the Noteholders upon the Occurrence of a Relevant Event.*), such Person or Persons who, but for such Extraordinary Resolution, would have effected such Change of Control.

“**Equity Interests**” means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

“**Euro**” means the lawful currency of the member states of the European Union that participate in the third stage of the European Economic and Monetary Union.

“**Event of Default**” has the meaning given to it in Condition 9 (*Events of Default*).

“**Extraordinary Resolution**” has the meaning set out in the Trust Deed.

“**Fitch**” means Fitch Ratings Ltd or any rating agency which is part of the Fitch group.

“**Group**” means the Issuer and its Subsidiaries from time to time.

“**Guarantee**” means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

- (i) any obligation to purchase such Indebtedness;
- (ii) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;

- (iii) any indemnity against the consequences of a default in the payment of such Indebtedness; and
- (iv) any other agreement to be responsible for such Indebtedness.

“**Indebtedness**” means (i) indebtedness for borrowed money; (ii) obligations evidenced by bonds, debentures, notes or other similar instruments; (iii) the principal component of obligations in respect of letters of credit, bankers’ acceptances and similar instruments; (iv) obligations to pay the deferred and unpaid purchase price of property; (v) Capitalised Lease Obligations and attributable indebtedness related to sale/leaseback transactions; (vi) with respect to Guarantees provided by an entity (without double counting) the principal amount of indebtedness guaranteed by such Guarantee; and (vii) net obligations under currency hedging agreements and interest rate, commodity price risk and energy price risk hedging agreements if and to the extent that any of the preceding indebtedness would appear as a financial liability on the balance sheet of the debtor prepared in accordance with Accounting Principles (the amount of any such obligations to be equal at any time to the termination value of such agreement or arrangement giving rise to such obligation that would be payable at such time).

The term “Indebtedness” shall not include (i) any trade debt obligation incurred in the ordinary course of business and any accrued liability incurred in the ordinary course of business that provide a payment term after no more than 240 days; (ii) any obligations in respect of workers’ compensation claims, early retirement or termination obligations (including for the avoidance of doubt, any obligations to pay *trattamento fine rapporto*), pension fund obligations or contributions or any post-employment plan or similar claims, obligations or contributions or social security or wage taxes; (iii) customer deposits and advance payments received in the ordinary course of business from customers for goods and services purchased in the ordinary course of business; (iv) in connection with the purchase by the Issuer or any of its Subsidiaries of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing of such transaction; provided, however, that, at the time of closing of such transaction, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined (following a final closing balance sheet, final determination or judgment), the amount is paid within 30 days thereafter; (v) financings undertaken by the Issuer or its Subsidiaries in connection with the creation of pools of assets dedicated to specific transactions (*patrimoni destinati a uno specifico affare*) within the meaning set out under Article 2447-bis and subsequent of the Italian Civil Code; (vi) any lease, concession or license of assets or other property which would be considered an operating lease under the Accounting Principles; or (vii) any subordinated shareholder debt incurred by the Issuer or any of its Subsidiaries from any direct or indirect holding company of the Issuer, *provided that* such debt is either (a) fully subordinated and junior in right of payment to the Notes or (b) has a stated maturity that falls after the final maturity of the Notes.

“**IFRS**” means International Financial Reporting Standards as endorsed by the European Union and in effect on the date of any calculation or determination required hereunder.

“**Insolvent**” means that the Issuer or any of its Material Subsidiaries is, or is deemed for the purposes of any applicable law to be, unable to pay its debts as they fall due or is insolvent.

“**Interest Period**” means the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date.

“**Issue Date**” means the date of issue of the Notes.

“**Limited Recourse Transaction**” means the ownership, acquisition (in each case, in whole or in part), development, design, restructuring, leasing, refinancing, maintenance and/or operation of any asset or assets (including, without limitation, concessions granted by public entities and authorities) and/or any interest or equity participations in, or shareholder loan to, one or more, company(ies) or entity(ies) holding such assets or concessions.

“Limited Recourse Indebtedness” means any Indebtedness incurred and/or guaranteed by one or more members of the Group (the **“Relevant Persons”**) to finance or refinance a Limited Recourse Transaction in respect of which:

- (i) the claims of the relevant creditor(s) against the Relevant Persons are limited to (i) an amount equal to the cash flows from such Limited Recourse Transaction; and/or (ii) an amount equal to the proceeds deriving from the enforcement of any Security taken over all or any part of the Limited Recourse Transaction to secure such Indebtedness; and
- (ii) the relevant creditor(s) has no recourse against the assets of the Issuer or any Material Subsidiary other than (i) the Limited Recourse Transaction and the Security (if any) taken over all or any part of the Limited Recourse Transaction to secure such Indebtedness; and/or (ii) a claim for damages for breach of an obligation (not being a payment obligation or an indemnity in respect thereof).

“Material Subsidiary” means, at any time, any Subsidiary of the Issuer:

- (i) whose gross revenues (consolidated in the case of a Subsidiary of the Issuer which itself has Subsidiaries) or whose total net assets (consolidated in the case of a Subsidiary of the Issuer which itself has Subsidiaries) represent not less than 10 per cent. of the consolidated gross revenues (excluding intra-group items), or, as the case may be, the consolidated total net assets of the Group, all as calculated respectively by reference to the latest financial statements (consolidated or, as the case may be, unconsolidated) of the Subsidiary of the Issuer and the then latest audited consolidated financial statements of the Issuer; provided that in the case of a Subsidiary of the Issuer acquired after the end of the financial period to which the then latest audited consolidated financial statements of the Issuer relate for the purpose of applying each of the foregoing tests, the reference to the Issuer’s latest audited consolidated financial statements shall be deemed to be a reference to such financial statements as if such Subsidiary of the Issuer had been shown therein by reference to its then latest relevant financial statements, adjusted as deemed appropriate by the Auditors for the time being after consultation with the Issuer; or
- (ii) to which is transferred all or Substantially All of the business, undertaking and assets of another Subsidiary of the Issuer which immediately prior to such transfer is a Material Subsidiary, whereupon (a) in the case of a transfer by a Material Subsidiary, the transferor Material Subsidiary shall immediately cease to be a Material Subsidiary and (b) the transferee Subsidiary of the Issuer shall immediately become a Material Subsidiary, provided that on or after the date on which the relevant financial statements for the financial period current at the date of such transfer are published, whether such transferor Subsidiary of the Issuer or such transferee Subsidiary of the Issuer is or is not a Material Subsidiary shall be determined pursuant to the provisions of sub-paragraph (i) above.

A report by a director or other authorised signatory of the Issuer that in its opinion (making such adjustments (if any) as they shall deem appropriate) a Subsidiary of the Issuer is or is not or was or was not at any particular time or during any particular period a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Issuer, the Trustee and the Noteholders.

“Moody’s” means Moody’s Investors Service Limited or any rating agency which is part of the Moody’s group.

“Permitted Encumbrance” means:

- (i) any Security Interest arising by operation of law or required by the Concession;
- (ii) any Security Interest in existence in respect of any asset or property of the Issuer or any of its Subsidiaries as on the Issue Date;

- (iii) in the case of any Person which becomes a Subsidiary of the Issuer (or, for the avoidance of doubt, which is deemed to become a Subsidiary of the Issuer or a Material Subsidiary) of any member of the Group after the Issue Date, any Security Interest securing Relevant Indebtedness existing over its assets at the time it becomes such a Subsidiary of the Issuer or Material Subsidiary (as applicable) provided that such Security Interest was not created in contemplation of or in connection with it becoming a Subsidiary of the Issuer or Material Subsidiary (as applicable) and the amounts secured have not been increased in contemplation of or in connection therewith;
- (iv) any Security Interest arising under or in connection with Limited Recourse Indebtedness (including, for the avoidance of doubt, any Security Interest created over receivables, contracts, bank accounts or other assets of the Issuer or any Material Subsidiary securing Limited Recourse Indebtedness);
- (v) any Security Interest created in connection with convertible bonds or notes where the Security Interest is created over the assets into which the convertible bonds or notes may be converted and secures only the obligations of the Issuer or any relevant Material Subsidiary, as the case may be, to effect the conversion of the bonds or notes into such assets;
- (vi) any Security Interest securing Relevant Indebtedness created in substitution of any other Security Interest permitted under paragraphs (i) to (v) above over the same or substituted assets provided that the principal amount secured by the substitute Security Interest does not exceed the principal amount outstanding and secured by the initial Security Interest; and
- (vii) any Security Interest, other than a Security Interest permitted under paragraphs (i) to (vi) above, directly or indirectly securing Relevant Indebtedness, where the principal amount of such Relevant Indebtedness (taken on or about the date such Relevant Indebtedness is incurred) which is secured or is otherwise directly or indirectly preferred to other general unsecured Indebtedness of the Issuer or any Material Subsidiary, does not exceed in aggregate ten (10%) of the consolidated total assets of the Issuer (as disclosed in the most recent annual audited and unaudited semi-annual consolidated financial statements of the Issuer).

“Permitted Reorganisation” means:

- (i) in relation to any Material Subsidiary:
 - (A) any:
 - (1) “*fusionione*” or “*scissione*” (such expressions bearing the meanings ascribed to them by the laws of the Republic of Italy) or any other, amalgamation, reorganisation, merger, consolidation, demerger (whether in whole or in part) or other similar arrangement; or
 - (2) contribution in kind, conveyance, sale, assignment, transfer, lease of, or any kind of disposal of all or any of its assets or its going concern; or
 - (3) purchase or exchange of its assets or its going concern, whether or not effected through a capital increase subscribed and paid up by means of a contribution in kind; or
 - (4) lease of its assets or its going concern,

whereby all or Substantially All of its assets and undertaking (as evidenced in its latest audited financial statements (consolidated, if available)) are transferred, sold contributed, assigned or otherwise vested in (x) the Issuer, (y) any Subsidiary or Subsidiaries of the Issuer and/or (z) any Subsidiary or Subsidiaries of a Material Subsidiary; or

- (B) a sale, demerger, contribution or other disposal of all or Substantially All of the relevant Material Subsidiary’s assets (as evidenced in its latest audited financial statements (consolidated, if available)) whilst solvent to any Person on commercial arm’s length terms; and
- (ii) in relation to the Issuer:
- (A) any
- (1) “ *fusione*” or “ *scissione*” (such expressions bearing the meanings ascribed to them by the laws of the Republic of Italy) or any other, amalgamation, reorganisation, merger, consolidation, demerger (whether in whole or in part) or other similar arrangement; or
 - (2) contribution in kind, conveyance, sale, assignment, transfer, lease of, or any kind of disposal of all or any of its assets or its going concern; or
 - (3) purchase or exchange of its assets or its going concern, whether or not effected through a capital increase subscribed and paid up by means of a contribution in kind; or
 - (4) lease of its assets or its going concern,
- whereby all or Substantially All of its assets and undertaking (as evidenced in its latest audited financial statements (consolidated, if available)) are transferred, sold contributed, assigned or otherwise vested in one or more body corporates which assume(s) or maintain(s) (as the case may be) the liability as principal debtor and/or guarantor in respect of the Notes.

“**Rating Agency**” means Moody’s, Fitch or S&P or any of their respective successors or any rating agency (a “**Substitute Rating Agency**”) substituted for any of them by the Issuer from time to time.

“**Reference Dealers**” means BNP Paribas, Goldman Sachs International, Intesa Sanpaolo S.p.A. and UniCredit Bank AG or their successors.

“**Reference Dealer Rate**” means the average of the quotations given by the Reference Dealers on the third Business Day prior to the Optional Redemption Date (the “**Calculation Date**”) at 11.00 a.m. (Central European time (“**CET**”)) of the mid-market annual yield to maturity of DBR 1% Aug-2025 (the “**Reference Bond**”). If the Reference Bond is no longer outstanding, a Similar Security will be chosen by the Reference Dealers at 11.00 a.m. (CET) on the Calculation Date, quoted in writing by the Reference Dealers to the Issuer and published in accordance with Condition 16 (*Notices*).

“**Relevant Jurisdiction**” means the Republic of Italy or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes and Coupons.

“**Relevant Indebtedness**” means any Indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures or other securities which for the time being are, or are intended to be, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market.

“**Security Interest**” means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any applicable jurisdiction.

“**Similar Security**” means a reference bond or reference bonds issued by the issuer of the Reference Bond having an actual or interpolated maturity comparable with the remaining term of the Notes that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes.

“**S&P**” means Standard & Poor’s Rating Services, a division of The McGraw Hill Companies, Inc. or any rating agency which is part of the S&P group.

“**Subsidiary**” means in relation to any company, corporation or legal entity (excluding, for the avoidance of doubt, any consortium pursuant to article 2602 of the Italian civil code) (a “holding company”), any company, corporation or legal entity (excluding, for the avoidance of doubt, any consortium pursuant to article 2602 of the Italian civil code) which is controlled, directly or indirectly, by the holding company pursuant to article 2359, paragraph 1, No. 1 and 2, of the Italian civil code.

“**Substantially All**” shall mean a part of the whole which accounts for eighty per cent. (80%) or more.

“**TARGET Settlement Day**” means any day on which the TARGET system is open.

“**TARGET System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

“**Voting Capital**” means, at any particular time, the aggregate amount of votes represented by all classes of outstanding Equity Interests of the Issuer for the purposes of (i) voting at the Issuer’s ordinary and extraordinary shareholders’ meetings and (ii) appointing or removing the directors or other equivalent officers of the Issuer.

(b) **Definition of certain events:** in these Conditions, the following events are deemed to have occurred as set out below:

a “**Change of Control**” shall be deemed to occur if:

- (i) any Person or group of Persons Acting in Concert (other than the Controlling Shareholder(s), acting severally or Acting in Concert) at any time holds or obtains a percentage of the Issuer’s Voting Capital higher than the one held, in aggregate, by the Controlling Shareholder(s); and
- (ii) at any time, the Controlling Shareholder(s) (acting severally or Acting in Concert) cease(s) to hold the majority of the Issuer’s Voting Capital and cease(s) to have the power to appoint or remove the majority of the members of the board of directors (or other equivalent officers) of the Issuer;

provided, however, that no Change of Control shall be deemed to have occurred where Noteholders have, by way of Extraordinary Resolution, given their prior approval of the holding or obtaining by such Person or Persons of such percentage of the Issuer’s Voting Capital, in which case references in these Conditions to “Controlling Shareholder” shall be read as references to such Person or Persons.

a “**Concession Event**” shall be deemed to occur if:

- (i) the Concession is revoked for public interest reasons (*revoca per ragioni di interesse pubblico*) pursuant to Italian law and such revocation becomes effective in accordance with its terms; or
- (ii) the Concession is terminated (*cessazione del rapporto concessorio per risoluzione della convenzione*) pursuant to Italian law and such cessation becomes effective in accordance with its terms; or
- (iii) an order for withdrawal of the Concession (*decadenza dalla concessione*) pursuant to Italian law is issued and such withdrawal becomes effective in accordance with its terms.

an “**Insolvency Event**” will have occurred in respect of the Issuer or any of its Material Subsidiaries if:

- (i) any one of them becomes subject to any applicable bankruptcy, liquidation, administration, receivership, insolvency, composition or reorganisation (including, without limitation, *fallimento, liquidazione coatta amministrativa, concordato preventivo* and *amministrazione straordinaria*, each such expression bearing the meaning ascribed to it by the laws of the

Republic of Italy, and including also any equivalent or analogous proceedings under the law of the jurisdiction in which it is deemed to carry on business) or similar proceedings or the whole or a substantial part of its undertaking or assets are subject to a *pignoramento* or similar procedure having a similar effect, unless such proceedings (a) are being disputed in good faith with a reasonable prospect of success as confirmed by an opinion of independent legal advisers of recognised standing or (b) are discharged or stayed within 90 days;

- (ii) an application for the commencement of any of the proceedings under (i) above is made in respect of or by any one of them or the same proceedings are otherwise initiated against any one of them or notice is given of intention to appoint an administrator in relation to any one of them unless (A) the commencement of such proceedings is being disputed in good faith with a reasonable prospect of success as confirmed by an opinion of independent legal advisers of recognised standing or (B) such proceedings are discharged or stayed within 90 days;
 - (iii) any one of them takes any action for a re-adjustment or deferral of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee of any of its indebtedness or applies for suspension of payments; or
 - (iv) an order is made or an effective resolution is passed for the winding-up, liquidation, administration or dissolution in any form of any one of them (except a winding-up for the purposes of or pursuant to Permitted Reorganisation) or any of the events under article 2484 of the Italian civil code occurs with respect to any one of them.
- (c) **Interpretation:** in these Conditions:
- (i) “**business day**” or “**Business Day**” means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in that place and which is a TARGET Settlement Day;
 - (ii) “**Person**” means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;
 - (iii) “**Relevant Date**” means whichever is the later of (i) the date on which a payment first becomes due; and (ii) if the full amount payable has not been received by the Principal Paying Agent or the Trustee on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Noteholders;
 - (iv) any reference in these Conditions to principal and/or interest shall be deemed to include any additional amounts which may be payable under Condition 8 (*Taxation*) or any undertaking given in addition to or substitution for such amounts under the Trust Deed; and
 - (v) any reference in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to Condition 15 (*Further Issues*) and forming a single series with the Notes.

2. Form, Denomination and Title

- (a) **Form and denomination:** The Notes are serially numbered and in bearer form in the denomination of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000, each with Coupons attached on issue. No definitive Notes will be issued with a denomination below €100,000 or above €199,000.
- (b) **Title:** Title to the Notes and Coupons passes by delivery. The holder of any Note or Coupon will (except as otherwise required by law) be treated as its absolute owner for all purposes

(whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss) and no Person will be liable for so treating the holder.

3. Status

The Notes and Coupons constitute (subject to Condition 4) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Coupons shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

4. Negative Pledge

So long as any Note or Coupon remains outstanding (as defined in the Trust Deed), the Issuer will not, and will ensure that none of its Material Subsidiaries will, create, or permit to subsist, any Security Interest (other than a Permitted Encumbrance) upon the whole or any part of its present or future undertaking, assets or revenues to secure any Relevant Indebtedness or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto according to the Notes and the Coupons the same Security Interest as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other Security Interest as either (i) the Trustee shall in its absolute discretion deem not materially less beneficial to the interest of the Noteholders; or (ii) shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

5. Interest

The Notes bear interest from and including the Issue Date at the rate of 3.500 per cent. per annum, payable annually in arrear on 9 October in each year (each an “**Interest Payment Date**”).

Each Note will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused. In such event it shall continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant holder, and (b) the day seven days after the Trustee or the Principal Paying Agent has notified Noteholders of receipt of all sums due in respect of all the Notes up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

Where interest is to be calculated in respect of a period which is equal to or shorter than an Interest Period (as defined below), the day-count fraction used will be the number of days in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last).

In these Conditions, the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an “**Interest Period**”.

Interest in respect of any Note shall be calculated per €1,000 in principal amount of the Notes (the “**Calculation Amount**”), the amount of interest payable per Calculation Amount for any period shall be equal to the product of 3.500 per cent., the Calculation Amount and the day-count fraction for the relevant period, rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

6. **Redemption and Purchase**

(a) **Final redemption:**

Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on 9 October 2025. The Notes may not be redeemed at the option of the Issuer other than in accordance with this Condition 6.

(b) **Redemption for taxation reasons:**

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their principal amount, (together with interest accrued to the date fixed for redemption), if (i) the Issuer satisfies the Trustee immediately prior to the giving of such notice that it has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of the Republic of Italy or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition 6(b), the Issuer shall deliver to the Trustee (a) a certificate signed by an Authorised Officer of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the Issuer taking reasonable measures available to it and (b) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment and the Trustee shall be entitled to accept such certificate and legal opinion as sufficient evidence of the satisfaction of the condition precedent set out in (ii) above, in which event it shall be conclusive and binding on the Noteholders and the Couponholders.

(c) **Redemption at the option of the Noteholders upon the Occurrence of a Relevant Event:**

If a Relevant Event occurs, the holder of each Note will have the option (a "**Put Option**") (unless prior to the giving of the relevant Put Event Notice (as defined below) the Issuer has given notice of redemption under Condition 6(b) above) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Note on the Put Date (as defined below) at its principal amount then outstanding together with interest accrued to (but excluding) the Put Date.

Promptly upon the Issuer becoming aware that a Relevant Event has occurred, and in any event within 14 days after becoming aware of the occurrence of such Relevant Event, the Issuer shall give notice (a "**Put Event Notice**") to the Noteholders in accordance with Condition 16 specifying the nature of the Put Event and the procedure for exercising the Put Option.

To exercise the Put Option, the holder of a Note must deliver such Note to the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the period (the "**Put Period**") of 30 days after the date on which a Put Event Notice is given, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a "**Put Notice**"). The Note should be delivered together with all Coupons appertaining thereto maturing after the date which is seven days after the expiration of the Put Period (the "**Put Date**"), failing which the Paying Agent will require payment from or on behalf of the Noteholder of an amount equal to the face value of any missing such Coupon. Any amount so paid will be reimbursed to the Noteholder against presentation and surrender of the relevant missing Coupon (or any replacement therefor issued pursuant to Condition 11) at any time after such payment, but

before the expiry of the period of five years from the date on which such Coupon would have become due, but not thereafter. The Paying Agent to which such Note and Put Notice are delivered will issue to the Noteholder concerned a non-transferable receipt in respect of the Note so delivered. Payment in respect of any Note so delivered will be made, if the holder duly specified a bank account in the Put Notice to which payment is to be made, on the Put Date by transfer to that bank account and, in every other case, on or after the Put Date against presentation and surrender or (as the case may be) endorsement of such receipt at the specified office of any Paying Agent. A Put Notice, once given, shall be irrevocable. For the purposes of these Conditions, receipts issued pursuant to this Condition 6(c) shall be treated as if they were Notes. The Issuer shall redeem or purchase (or procure the purchase of) the relevant Notes on the Put Date unless previously redeemed (or purchased) and cancelled.

The Trustee is under no obligation to ascertain whether a Relevant Event or any event which could lead to the occurrence of or could constitute a Relevant Event has occurred and, until it shall have actual knowledge or express notice pursuant to the Trust Deed to the contrary, the Trustee may assume that no Relevant Event or other such event has occurred.

For the purposes of this Condition 6(c) (*Redemption at the option of the Noteholders upon the Occurrence of a Relevant Event*), a “**Relevant Event**” shall be deemed to occur if:

- (A) a Concession Event occurs and:
 - (i) in the Issuer’s annual or semi-annual financial statements prior to the occurrence of the Concession Event, the revenues arising from or in connection with the Concession represented more than 40% of the consolidated revenues of the Group; and
 - (ii) at the time of the occurrence of the Concession Event, the Notes:
 - (A) carry from any Rating Agency an investment grade credit rating (Baa3/BBB-, or their respective equivalents, or better) (an “**Investment Grade Rating**”), from any Rating Agency (whether provided by any such Rating Agency at the invitation of the Issuer or by its own volition), such rating is within sixty (60) days of the occurrence of the Concession Event, either downgraded to a non-investment grade credit rating (Ba1/BB+, or their respective equivalents, or worse) (a “**Non-Investment Grade Rating**”) or withdrawn and is not, within such sixty (60) day period, subsequently (in the case of a downgrade) upgraded to an Investment Grade Rating by such Rating Agency or (in the case of a withdrawal) replaced by an Investment Grade Rating from any other Rating Agency; or
 - (B) carry from any Rating Agency a Non-Investment Grade Rating, and such rating from any Rating Agency is, within sixty (60) days of the occurrence of the Concession Event, downgraded by one or more notches (for illustration, Ba1 to Ba2 being one notch) and is not within such sixty (60) day period subsequently upgraded to its earlier credit rating or better by such Rating Agency; or
 - (C) carry no credit rating, and no Rating Agency assigns within one hundred and eighty (180) days of the occurrence of the Concession Event an Investment Grade Rating to the Notes,

and in making any relevant decision(s) referred to above, the relevant Rating Agency announces publicly or confirms in writing to the Issuer that such decision resulted, in whole or in part, from the occurrence of the Concession Event; or

(B) a Change of Control occurs and, to the extent that at the time of the occurrence of the Change of Control, the Notes either:

- (i) carry from any Rating Agency an Investment Grade Rating, from any Rating Agency (whether provided by such Rating Agency at the invitation of the Issuer or by its own volition), such rating is within sixty (60) days of the occurrence of the Change of Control, either downgraded to a Non-Investment Grade Rating or withdrawn and is not, within such sixty (60) day period, subsequently (in the case of a downgrade) upgraded to an Investment Grade Rating by such Rating Agency or (in the case of a withdrawal) replaced by an Investment Grade Rating from any other Rating Agency; or
- (ii) carry from any Rating Agency a Non-Investment Grade Rating, and such rating from any Rating Agency is, within sixty (60) days of the occurrence of the Change of Control, downgraded by one or more notches (for illustration, Ba1 to Ba2 being one notch) and is not within such sixty (60) day period subsequently upgraded to its earlier credit rating or better by such Rating Agency; or
- (iii) carry no credit rating, and no Rating Agency assigns within one hundred and eighty (180) days of the occurrence of the Change of Control an investment grade rating to the Notes,

and in making any relevant decision(s) referred to above, the relevant Rating Agency announces publicly or confirms in writing to the Issuer that such decision resulted, in whole or in part, from the occurrence of the Change of Control.

(d) **Redemption at the option of the Issuer:** Unless a Put Event Notice has been given pursuant to Condition 6(c) above, the Issuer may, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 16 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption (the "**Optional Redemption Date**")), redeem all, but not some only, of the Notes at a redemption price per Note equal to the higher of the following, in each case together with interest accrued to but excluding the Optional Redemption Date:

- (i) 100 per cent. of the principal amount outstanding of the Note; and
- (ii) the sum of the then current values of the remaining scheduled payments of principal and interest (not including any interest accrued on the Notes to, but excluding, the Optional Redemption Date) discounted to the Optional Redemption Date on an annual basis (based on the actual number of days elapsed divided by 365 or (in the case of a leap year) by 366) at the Reference Dealer Rate plus 0.65 per cent., in each case as determined by the Reference Dealers.

The amount determined according to this Condition 6(d) will be calculated by a calculation agent, being an international leading investment, merchant or commercial bank appointed by the Issuer and approved in writing by the Trustee for this purposes.

(e) **Redemption at the option of the Issuer (Clean-up Call)**

In the event that 85 per cent. or more in principal amount of the Notes then outstanding have been redeemed or purchased pursuant to this Condition 6, the Issuer may, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), redeem or purchase (or procure the purchase of), at its option, all but not some only of the

remaining outstanding Notes at their principal amount, together with interest accrued to (but excluding) the date fixed for such redemption or purchase.

(f) **Redemption at the option of the Issuer (3 Month Par Call)**

Unless a Put Event Notice has been given, the Issuer may, having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 16 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all the Notes, but not some only, at their principal amount together with interest accrued but unpaid to but excluding the date of redemption, provided that the date for such redemption does not fall earlier than 90 days prior to the maturity date of the Notes.

Any notice of redemption given under given under this Condition 6(f) will override any notice of redemption given (whether previously, on the same date or subsequently) under Condition 6(b) above.

- (g) **No other redemption:** The Issuer shall not be entitled to redeem the Notes otherwise than as provided in conditions 6(a), 6(b), 6(c), 6(d), 6(e) and 6(f) above.
- (h) **Notice of redemption:** All Notes in respect of which any notice of redemption is given under this Condition shall be redeemed on the date specified in such notice in accordance with this Condition.
- (i) **Purchase:** The Issuer and its Subsidiaries may at any time purchase Notes in the open market or otherwise at any price (provided that, if they should be cancelled under Condition 6(j) below, they are purchased together with all unmatured Coupons relating to them). The Notes so purchased, while held by or on behalf of the Issuer or any such Subsidiary of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of these Conditions and the Trust Deed. Such Notes may be held, reissued, resold, or at the option of the Issuer, surrendered to the Paying Agent for cancellation.
- (j) **Cancellation:** All Notes so redeemed or purchased and any unmatured Coupons attached to or surrendered with them will be cancelled and may not be re-issued or resold.

7. Payments

- (a) **Method of Payment:** Payments of principal and interest will be made against presentation and surrender (or, in the case of a partial payment, endorsement) of Notes or the appropriate Coupons (as the case may be) at the specified office of any Paying Agent by transfer to a Euro account maintained by the payee with a bank in a city in which banks have access to the TARGET System. Payments of interest due in respect of any Note other than on presentation and surrender of matured Coupons shall be made only against presentation and either surrender or endorsement (as appropriate) of the relevant Note.
- (b) **Payments subject to laws:** All payments are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 8 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended, (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, the regulations thereunder, any official interpretations thereof, or any agreement, law, regulation or other official guidance implementing an intergovernmental approach thereto, and the Issuer will not be liable to pay any additional amounts in the event of any such withholding or deduction. No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (c) **Surrender of unmatured Coupons:** Each Note should be presented for redemption together with all unmatured Coupons relating to it, failing which the amount of any such missing

unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal amount due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon not later than 10 years after the Relevant Date for the relevant payment of principal in respect of the relevant Note.

- (d) **Payments on business days:** A Note or Coupon may only be presented for payment on a day which is a business day in the place of presentation and, in the case of payment by credit or transfer to a Euro account as described above, is a TARGET Settlement Day. No further interest or other payment will be made as a consequence of the day on which the relevant Note or Coupon may be presented for payment under this Condition 7 falling after the due date.
- (e) **Paying Agents:** The initial Paying Agents and their initial specified offices are listed in the Paying Agency Agreement. The Issuer reserves the right at any time with the approval of the Trustee to vary or terminate the appointment of any Paying Agent and appoint additional or other Paying Agents, provided that it will maintain (i) a Principal Paying Agent and (ii) Paying Agents having specified offices in at least two major European cities approved by the Trustee.

8. Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes and the Coupons shall be made free and clear of, and without withholding or deduction for on or account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by any Relevant Jurisdiction unless such withholding or deduction is required by law. In that event the Issuer shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon:

- (a) presented for payment in the Republic of Italy; or
- (b) presented for payment by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with any Relevant Jurisdiction other than the mere holding of the Note or Coupon; or
- (c) presented for payment by, or on behalf of, a holder who is entitled to avoid such withholding or deduction in respect of the Note or Coupon by making a declaration or any other statement to the relevant tax authority, including, but not limited to, a declaration of residence or non-residence or other similar claim for exemption; or
- (d) in the event of payment to a non-Italian resident legal entity or a non-Italian resident individual, to the extent that interest or other amounts are paid to a non-Italian resident legal entity or a non-Italian resident individual which is resident in a country which does not allow for a satisfactory exchange of information with the Italian authorities; or
- (e) in all circumstances in which the procedures to obtain an exemption from *imposta sostitutiva* or any alternative future system of deduction or withholding set forth in Legislative Decree No. 239 of 1 April 1996, as amended, have not been met or complied with, except where such

procedures have not been met or complied with due to the actions or omissions of the Issuer or its agents; or

- (f) presented for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting such Note or Coupon for payment on the last day of such period of 30 days.

In addition, any amounts to be paid on any Note or Coupon will be paid net of any deduction or withholding imposed or required pursuant to (a) Sections 1471 to 1474 of the Code or any associated regulations; (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the U.S. and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in (a); or (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in clause (a) or (b) above with the U.S. Internal Revenue Service, the U.S. government or any governmental or taxation authority in any other jurisdiction (collectively, “**FATCA**”), and no additional amounts will be required to be paid on account of any such FATCA deduction or withholding.

9. Events of Default

If any of the following events occurs the Trustee at its discretion may, and if so requested by holders of at least one-fifth in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction), give written notice to the Issuer that the Notes are, and they shall immediately become, due and payable at their principal amount together (if applicable) with accrued interest:

- (a) **Non-Payment:** the Issuer fails to pay the principal of or any interest on any of the Notes when due and such failure continues for a period of seven days in the case of principal and 14 days in the case of interest; or
- (b) **Breach of Other Obligations:** the Issuer does not perform or comply with any one or more of its other obligations in the Notes or the Trust Deed which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not remedied within 60 days after notice of such default shall have been given to the Issuer by the Trustee; or
- (c) **Cross-Default:** (i) any other present or future Indebtedness (other than Limited Recourse Indebtedness) of the Issuer or any of its Material Subsidiaries for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (ii) any such Indebtedness (other than Limited Recourse Indebtedness) is not paid when due or, as the case may be, within any originally applicable grace period, or (iii) the Issuer or any of its Material Subsidiaries fails to pay when due any amount payable by it under any present or future Guarantee for, or indemnity in respect of, any moneys borrowed or raised (other than in respect of any Limited Recourse Indebtedness) provided that the aggregate amount of the relevant Indebtedness, Guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 9(c) have occurred equals or exceeds €20,000,000 or its equivalent; or
- (d) **Enforcement Proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against a substantial part of the property, assets or revenues of the Group taken as a whole other than any distress, attachment, execution or other legal process under or in connection with (i) the Concession, (ii) any Limited Recourse Indebtedness, (iii) a Permitted Reorganisation or (iv) any matter described in Condition 10(e) (*Security Enforced*) below) and in any such case, is not discharged or stayed within one hundred and eighty (180)

days. For the purposes of this paragraph (d), “substantial part” means forty (40)% or more by value of the whole; or

- (e) **Security Enforced:** any mortgage, charge, pledge, lien or other encumbrance, present or future (other than any mortgage, charge, pledge, lien or other encumbrance securing Limited Recourse Indebtedness or any Permitted Encumbrances) created or assumed by the Issuer or any of its Material Subsidiaries having an aggregate value of at least €20,000,000 or its equivalent becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar Person) unless discharged or stayed within one hundred and eighty (180) days; or
- (f) **Insolvency:** an Insolvency Event occurs in relation to the Issuer or any of its Material Subsidiaries (other than for the purposes of, or pursuant to, a Permitted Reorganisation) or the Issuer or any of its Material Subsidiaries becomes Insolvent; or
- (g) **Winding-up:** an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer or any of its Material Subsidiaries (other than for the purposes of, or pursuant to, a Permitted Reorganisation); or
- (h) **Cessation of business:** the Issuer or any of its Material Subsidiaries ceases to carry on all or Substantially All of the business then being conducted by the Issuer or the Group taken as a whole (calculated on the basis of the Group’s consolidated total assets) otherwise than as a result of (i) a Permitted Reorganisation, (ii) the occurrence of a Relevant Event resulting from a Concession Event or (iii) the term of the Concession, whether or not renewed, expiring; or
- (i) **Analogous Events:** any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs of this Condition 9.

10. Prescription

Claims in respect of principal and interest will become void unless presentation for payment is made as required by Condition 5 within a period of ten years in the case of principal and five years in the case of interest from the appropriate Relevant Date.

11. Replacement of Notes and Coupons

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Principal Paying Agent subject to all applicable laws and stock exchange or other relevant authority requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (provided that the requirement is reasonable in the light of prevailing market practice). Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

12. Meetings of Noteholders, Modification, Waiver and Substitution

- (a) **Meetings of Noteholders:** The Trust Deed contains, *inter alia*, provisions for convening meetings of the Noteholders (including by way of conference call) to consider any matter affecting their interests, including, *inter alia*, provisions governing the passing of resolutions by Noteholders and the modification of any provisions of these Conditions or any relevant provisions of the Trust Deed.

All meetings of holders of Notes will be held in accordance with applicable provisions of Italian law in force at the time. In accordance with Article 2415 of the Italian Civil Code, the meeting of Noteholders is empowered to resolve upon the following matters: (i) the appointment and revocation of a joint representative (*rappresentante comune*) of the Noteholders, having the powers and duties set out in Article 2418 of the Italian Civil Code; (ii) any amendment to these Conditions; (iii) motions for composition with creditors (*concordato*) of the Issuer; (iv)

establishment of a fund for the expenses necessary for the protection of the common interests of the Noteholders and the related statements of account; and (v) on any other matter of common interest to the Noteholders. Such a meeting may be convened by the Board of Directors of the Issuer, by the joint representative of the Noteholders or, subject to any mandatory provisions of Italian law, the Trustee (subject to it being indemnified and/or secured and /or prefunded to its satisfaction) when the Board of Directors, the joint representative or, subject to any mandatory provisions of Italian law, the Trustee, as the case may be, deems it necessary or appropriate, and such a meeting shall be convened when a request is made by the Noteholders holding not less than one-twentieth in principal amount of the Notes for the time being outstanding, in each case in accordance with Article 2415 of the Italian Civil Code.

According to the Italian Civil Code, the vote required to pass a resolution by the Noteholders' meeting will be (a) in the case of the first meeting, one or more Persons that hold or represent holders of more than one half of the aggregate principal amount of the outstanding Notes, and (b) in the case of the second and any further adjourned meeting, one or more Persons that hold or represent holders of at least two-thirds of the aggregate principal amount of the outstanding Notes so present or represented at such meeting. Any such second or further adjourned meeting will be validly held if there are one or more Persons present that hold or represent holders of more than one-third of the aggregate principal amount of the outstanding Notes; provided, however, that the Issuer's by-laws may provide for a higher quorum (to the extent permitted under Italian law). If the business of such meeting includes consideration of any matter provided under Article 2415 paragraph 1, item 2 of the Italian Civil Code, such resolution may only be approved at any meeting by a resolution passed at a meeting of holders of the Notes by one or more Persons present that hold or represent holders of not less than one-half of the aggregate principal amount of the outstanding Notes, unless a different majority is required pursuant to Article 2369, paragraph 3 of the Italian Civil Code.

The Notes shall not entitle the Issuer to participate and vote in the Noteholders' meetings. Directors and statutory auditors of the Issuer shall be entitled to attend the Noteholders' meetings. The resolutions validly adopted in meetings are binding on Noteholders whether present or not.

In the event the Noteholders' meeting fails to appoint a joint representative (*rappresentante comune*), such appointment may be made at the request of any Noteholder or at the request of the Board of Directors of the Issuer by the president of the court of the venue where the registered office of the Issuer is located.

Any meeting shall be held on a date and at a time and place (which need not be a physical place and instead may be by way of a conference call, including via a videoconference platform) approved by the Trustee.

- (b) **Modification and Waiver:** The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed that is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Noteholders as soon as practicable.
- (c) **Entitlement of the Trustee:** In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer any indemnification

or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

- (d) **Substitution:** The Trust Deed contains provisions permitting the Trustee to agree in circumstances including, but not limited to circumstances which would constitute a Permitted Reorganisation, subject to such other conditions as the Trustee may in its absolute discretion require, but without the consent of the Noteholders or the Couponholders, to the substitution of the Issuer's successor, transferee or assignee or any Subsidiary of the Issuer or its successor, transferee or assignee in place of the Issuer, or of any previous substituted Person, as principal debtor under the Trust Deed and the Notes. In the case of such a substitution, the Trustee may agree, without the consent of the Noteholders or the Couponholders, to a change of the law governing the Notes, the Coupons, the Talons and/or the Trust Deed provided that such change of the law governing the Notes would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders. In addition, notice of any such substitution shall be given to Euronext Dublin and published in accordance with Condition 16 (*Notices*).

13. Enforcement

At any time after the Notes become due and payable, the Trustee may, at its discretion and without further notice, institute such actions, steps or proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed, the Notes and the Coupons, but it need not take any such actions, steps or proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least one-fifth in principal amount of the Notes outstanding, and (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction. No Noteholder or Couponholder may proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails or is unable for any reason to do so within 60 days, and such failure or inability is continuing.

14. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

The Trustee may rely without liability to Noteholders or Couponholders on a report, confirmation or certificate or any advice of any accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice and such report, confirmation or certificate or advice shall be binding on the Issuer, the Trustee and the Noteholders.

15. Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them and the date from which interest starts to accrue) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Notes. Any further securities forming a single series with the outstanding securities of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by a deed supplemental to the Trust Deed.

16. Notices

Notices to the Noteholders shall be valid if published in a leading English language daily newspaper (which is expected to be the *Financial Times*) and, so long as the Notes are admitted to trading on the Regulated Market of Euronext Dublin and it is a requirement of applicable law or regulations, a leading newspaper having general circulation in the Republic of Ireland or published via the Companies Announcements Office of Euronext Dublin (www.ise.ie) or in either case, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with this Condition.

17. Contracts (Rights of Third Parties) Act 1999

No Person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

18. Governing Law

- (a) **Governing Law:** The Trust Deed, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with them are governed by and shall be construed in accordance with English law. Condition 12(a) and the provisions of Schedule 3 of the Trust Deed which relate to the convening of meetings of Noteholders and the appointment of a Noteholders' representative are subject to compliance with Italian law.
- (b) **Jurisdiction:** Subject to the third paragraph of this Condition 18(b), the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Trust Deed, the Notes or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes or the Coupons (a "**Dispute**") and each of the Issuer, the Trustee and any Noteholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.

For the purposes of this Condition 18, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

To the extent allowed by law, the Trustee, the Noteholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction and (ii) concurrent proceedings in any number of jurisdictions.

- (c) **Agent for Service of Process:** Pursuant to the Trust Deed, the Issuer irrevocably appoints Law Debenture Corporate Services Limited at Fifth Floor, 100 Wood Street, London EC2V 7EX as its agent for service of process in any proceedings before the English courts in relation to any Dispute and agrees that, in the event of Law Debenture Corporate Services Limited being unable or unwilling for any reason so to act, it will immediately appoint another person approved by the Trustee as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing in this Condition shall affect the right to serve process in any other manner permitted by law.

There will appear at the foot of the Conditions endorsed on each Note in definitive form the names and Specified Offices of the Trustee and the Paying Agents as set out at the end of this Prospectus.

SUMMARY OF PROVISIONS RELATING TO THE NOTES IN GLOBAL FORM

The Temporary Global Note and the Permanent Global Note (each, a “**Global Note**”) contain provisions which apply to the Notes while they are in global form, some of which modify the effect of the Conditions of the Notes set out in this Prospectus. Beneficial interests in the Permanent Global Note will be shown on, and transfers thereof will be effected only through, records maintained in a book-entry form by Euroclear and/or Clearstream, Luxembourg. The Global Notes will be issued in NGN form. On 13 June 2006 the European Central Bank (the “**ECB**”) announced the Notes in NGN form are in compliance with the “Standards for the use of EU securities settlement systems in ESCB credit operations” of the central banking system for the euro (the “**Eurosystem**”), provided that certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

The following is a summary of certain of those provisions:

Exchange for Permanent Global Note and Definitive Notes

- (a) The Temporary Global Note will be exchangeable, in whole or in part, for the Permanent Global Note not earlier than forty (40) days after the Closing Date upon certification as to non-U.S. beneficial ownership.
- (b) The Permanent Global Note is exchangeable in whole, but not in part, for definitive bearer Notes in the denomination of €100,000 each and integral multiples of €1,000 in excess thereof, up to and including €199,000 each, only if (i) it is held on behalf of Euroclear or Clearstream, Luxembourg, and any such Clearing System is closed for business for a continuous period of fourteen (14) days (other than by reason of holidays, statutory or otherwise) or announces an intention to permanently cease business or does in fact do so; or (ii) an Event of Default (as defined in Condition 9 (*Events of Default*)) occurs.

If principal in respect of any Notes is not paid when due and payable, the holder of the Permanent Global Note may by notice to the Paying Agent require the exchange of a specified principal amount of the Permanent Global Note (which may be equal to or (*provided that*, if the Permanent Global Note is held by or on behalf of a Clearing System, that Clearing System agrees) less than the outstanding principal amount of Notes represented thereby) for definitive Notes on or after the exchange date specified in such notice.

On or after any exchange into definitive Notes the holder of the Permanent Global Note may surrender the Permanent Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Paying Agent. In exchange for the Permanent Global Note, or the part thereof to be exchanged, the Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated definitive Notes in bearer form (having attached to them all Coupons in respect of interest which has not already been paid on the Permanent Global Note), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in the Trust Deed. On exchange in full of the Permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with any relevant definitive Notes.

Payments

No payment will be made on the Temporary Global Note unless exchange for an interest in the Permanent Global Note is improperly withheld or refused *provided that*, in the case of an improper withholding of, or refusal to exchange, an interest in the Permanent Global Note, a certificate of non-U.S. beneficial ownership has been properly provided.

Payments of principal and interest in respect of Notes represented by the Permanent Global Note will be made against presentation for endorsement and, if no further payment fails to be made in respect of the Notes, surrender of the Permanent Global Note to or to the order of any Paying Agent as shall have been notified to the Noteholders for such purpose, and may be made, at the direction of the holder of the Permanent Global Note, to the relevant Clearing Systems for credit to the account or accounts of the accountholder or accountholders appearing in the records of the relevant Clearing System as having Notes credited to them. The Issuer shall procure that a record of each payment made in respect of the Permanent Global Note shall be made by the relevant Clearing Systems.

Payments on Business Days

In the case of all payments made in respect of the Temporary Global Note and the Permanent Global Note “business day” means any day on which the TARGET system is open.

Notices

Notices shall be given as provided in Condition 16 (*Notices*), save that so long as the Notes are represented by the Temporary Global Note or Permanent Global Note and the Temporary Global Note or Permanent Global Note is held on behalf of a Clearing System, notices to Noteholders may be given by delivery of the relevant notice to the relevant Clearing System for communication to the relevant Accountholders (as defined below) rather than by publication as required by Condition 16 (*Notices*), *provided, however*, that so long as the Notes are listed on any stock exchange, notices shall also be published in accordance with the rules of such exchange. Any notice delivered to Euroclear and/or Clearstream, Luxembourg shall be deemed to have been given to Noteholders on the date on which such notice is delivered to the relevant Clearing System.

Whilst any of the Notes held by a Noteholder are represented by a Global Note, notices to be given by such Noteholder may be given by such Noteholder (where applicable) through the applicable clearing system's operational procedures approved for this purpose and otherwise in such manner as the Principal Paying Agent and the applicable clearing system may approve for this purpose.

Interest Calculation

For so long as Notes are represented by one or both of the Global Notes, interest payable to the bearer of a Global Note will be calculated by applying the rate of 3.500 per cent. per annum to the principal sum for the time being outstanding of the Global Note. The resultant figure is rounded to the nearest cent (half a cent being rounded upwards).

Purchase and Cancellation

Cancellation of any Note to be cancelled following its purchase by the Issuer will be effected by a reduction in the principal amount of the relevant Global Note.

Prescription

Claims against the Issuer in respect of principal, premium and interest on the Notes while the Notes are represented by the Permanent Global Note will become void unless it is presented for payment within a period of ten (10) years (in the case of principal) and five (5) years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 8 (*Taxation*)).

Put Option

The Noteholders' option in Condition 6(c) (*Redemption at the option of the Noteholders upon the Occurrence of a Relevant Event*;) may be exercised by the holder of the Permanent Global Note giving notice to the Agent of the principal amount of Notes in respect of which the option is exercised within the time limits specified in Condition 6(c) (*Redemption at the option of the Noteholders upon the Occurrence of a Relevant Event*;) For so long as all of the Notes are represented by the Permanent Global Note and such Global Note is held on behalf of Euroclear and/or Clearstream, Luxembourg, the

option of the Noteholders provided for in Condition 6(c) may be exercised by the holder of the Permanent Global Note giving notice to the Principal Paying Agent in accordance with the standard procedures of Euroclear and/or Clearstream, Luxembourg (which may include notice being given on the instruction by Euroclear or Clearstream, Luxembourg or any common depositary for them to the Principal Paying Agent by electronic means) of the principal amount of the Notes in respect of which such option is exercised.

Redemption for Taxation Reasons

The option of the Issuer provided for in Condition 6(b) (*Redemption for taxation reasons*) shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in, and containing the information required by, that Condition.

Authentication and Effectuation

Neither the Temporary Global Note nor the Permanent Global Note shall become valid or enforceable for any purpose unless and until it has been authenticated by or on behalf of the Paying Agent and effectuated by the entity appointed as Common Safekeeper by Euroclear and/or Clearstream, Luxembourg.

Accountholders

For so long as any of the Notes is represented by the Permanent Global Note or by the Permanent Global Note and Temporary Global Note and such Global Note(s) is/are held on behalf of the relevant Clearing Systems, each person (other than a relevant Clearing System) who is for the time being shown in the records of a relevant Clearing System as the holder of a particular principal amount of Notes (each an “**Accountholder**”) (in which regard any certificate or other document issued by a relevant Clearing System as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes) shall be treated as the holder of that principal amount for all purposes (including but not limited to for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Noteholders and giving notice to the Issuer pursuant to Condition 6(c) (*Redemption at the option of the Noteholders upon the Occurrence of a Relevant Event:*) and Condition 9 (*Events of Default*)) other than with respect to the payment of principal and interest on the Notes, the right to which shall be vested, as against the Issuer and the Trustee, solely in the bearer of the Permanent Global Note in accordance with and subject to its terms and the terms of the Trust Deed. Each Accountholder must look solely to the relevant Clearing Systems for its share of each payment made to the bearer of the Permanent Global Note.

Eligibility of the Notes for Eurosystem Monetary Policy

The Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Notes are upon issue deposited with one of the international central securities depositories (“**ICSDs**”) as Common Safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem (Eurosystem Eligible Collateral) either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria and other obligations (including the provision of further information) as specified by the ECB from time to time. As at the date of this Prospectus, one of the Eurosystem eligibility criteria for debt securities is an investment grade rating and, accordingly, as the Notes are unrated, they are not expected to satisfy the requirements for Eurosystem eligibility.

USE OF PROCEEDS

The net proceeds of the issue of the Notes, expected to amount to approximately €298,740,000 after deduction of the commissions incurred in connection with the issue of the Notes, will be used by the Issuer to repay existing indebtedness of the Group (mainly the outstanding Notes 3,125% due on April 2021) and for general corporate purposes.

SELECTED CONSOLIDATED FINANCIAL INFORMATION RELATING TO THE GROUP

The tables below contain financial information and data summarized, extracted or derived from the consolidated statement of financial position, consolidated income statement, consolidated comprehensive income statement and consolidated cash flow statement of the Group of the following financial periods:

- the Group's unaudited condensed Consolidated Half-Year Financial Statements as at and for the six months ended June 30, 2020 prepared in accordance with IAS 34 on interim financial reporting;
- the Group's audited Consolidated annual Financial Statements as at and for the years ended 31 December 2019 prepared in accordance with IFRS;
- the Group's audited Consolidated annual Financial Statements as at and for the years ended 31 December 2018 prepared in accordance with IFRS.

Such information is derived from and should be read in conjunction with, and is qualified in its entirety by reference to the audited Consolidated Financial Statements or to the unaudited condensed Consolidated Half-year financial statements of the Group, together with the accompanying notes and (where applicable) reports of the independent auditors of the Issuer, all of which are incorporated by reference in this Prospectus. See "*Documents Incorporated by reference*".

Deloitte & Touche S.p.A. has audited the Issuer's Consolidated annual Financial Statements as at and for the years ended 31 December 2019 and 2018.

Deloitte & Touche S.p.A. has reviewed the Issuer's unaudited condensed Consolidated Half-Year Financial Statements as at and for the six months ended June 30, 2020.

The financial information below includes certain non-IFRS measures used to evaluate the Group's economic and financial performance. These measures are not identified as accounting measures under IFRS and therefore should not be considered as an alternative measure to evaluate the Group's performance.

Changes in Accounting Standards and Accounting Policies

On January 1, 2019, the Issuer adopted IFRS 16. The Group opted for application of the "Cumulative Catch-up Approach" for leases previously classified as operating leases, which resulted in an increase in leased assets right-of-use of Euro 4.8 million, with the counter-entry of an increase in financial payables for leased assets. Consequently, no cumulative effects have been accounted for as adjustments to opening equity, nor have the figures from the comparative period been restated.

Consolidated Balance Sheet

	As at December 31,		As at June 30,	
	2019 Audited (€ thousands)	2018 Audited (€ thousands)	2020 Unaudited (€ thousands)	2019 Unaudited (€ thousands)
Assets				
Intangible assets(*)	994,659	986,469	983,126	981,274
Property, plant & equipment(*).....	215,657	205,483	212,676	208,937
Leased assets right-of-use	10,106		11,634	4,579
Property investments	3,404	3,408	3,403	3,405
Investments in associated companies	76,674	67,914	70,285	68,798
Other investments	26	26	26	26
Deferred tax assets	58,163	54,185	75,893	56,048
Other non-current receivables	6,470	188	6,462	190
Total non-current assets	1,365,159	1,317,673	1,363,505	1,323,257
Inventories	1,848	1,934	2,130	1,784
Trade receivables	123,241	121,005	51,788	140,686
Tax receivables	2,071	1,048	2,338	468
Other receivables.....	11,067	9,527	10,928	16,806
Cash and cash equivalent.....	87,521	153,036	312,161	108,480
Total current assets	225,748	286,550	379,345	268,224
Total assets	1,590,907	1,604,223	1,742,850	1,591,481
Liabilities				
Share capital	27,500	27,500	27,500	27,500
Other reserves	206,674	295,525	331,735	330,974
Net profit	124,419	136,076	(49,860)	66,160
Group Shareholders' equity	358,593	459,101	309,375	424,634
Minority interest shareholders' equity	27	25	27	26
Group & minority interest shareholders' equity	358,620	459,126	309,402	424,660
Provision for risks & charges.....	157,408	167,861	160,375	165,168
Employee provisions.....	48,172	46,214	46,671	48,718
Non-current financial liabilities.....	505,692	523,605	494,617	515,035
Other non-current payables	7,961	13,964	7,475	13,964
Total non-current liabilities.....	719,233	751,644	709,138	742,885
Trade payables	182,085	153,394	149,231	155,723
Income tax payables	10,689	18,541	11,694	47,501
Other payables.....	287,522	192,476	235,193	192,898
Current financial liabilities	32,758	29,042	328,192	27,814
Total current liabilities	513,054	393,453	724,310	423,936
Total liabilities.....	1,232,287	1,145,097	1,433,448	1,166,821
Total liabilities & shareholders' equity	1,590,907	1,604,223	1,742,850	1,591,481

(*) All Fixed assets, including those falling under IFRIC 12, are expressed net of State and European Union contributions. At June 30, 2020, they amounted to Euro 506,596 thousand and Euro 7,019 thousand respectively (Euro 506,135 thousand and Euro 7,019 thousand respectively at December 31, 2019).

Consolidated Income Statement

	Year ended December 31,		Six months ended June 30,	
	2019 Audited (€ thousands)	2018 Audited (€ thousands)	2020 Unaudited (€ thousands)	2019 Unaudited (€ thousands)
Operating revenues	706,868	683,956	141,095	343,449
Revenues for works on assets under concession	51,142	29,189	15,155	17,746
Total revenues	758,010	713,145	156,250	361,195
Operating costs				
Personnel costs	(191,627)	(189,416)	(68,885)	(96,117)
Consumable materials	(47,437)	(40,234)	(17,054)	(24,405)
Other operating costs	(197,966)	(174,916)	(58,337)	(88,320)
Total operating costs	(437,030)	(404,566)	(144,276)	(208,842)
Costs for works on assets under concession	(46,321)	(26,728)	(13,999)	(16,288)
Total costs	(483,351)	(431,294)	(158,275)	(225,130)
EBITDA	274,659	281,851	(2,025)	136,065
Amortisation & depreciation	(77,400)	(73,601)	(39,146)	(38,288)
Provisions & write-downs	(555)	(3,704)	(604)	716
Restoration and replacement provision	(22,052)	(15,077)	(11,022)	(8,526)
EBIT	174,652	189,469	(52,797)	89,967
Investment income	17,521	14,568	(5,764)	8,753
Financial charges	(17,120)	(17,662)	(8,671)	(8,633)
Financial income	156	1,021	41	112
Pre-tax profit	175,209	187,396	(67,191)	90,199
Income taxes	(50,788)	(51,318)	17,331	(24,038)
Profit for the year from discontinued operations	-	-	-	-
Net profit	124,421	136,078	(49,860)	66,161
Minority interest profit	2	2		1
Group net profit	124,419	136,076	(49,860)	66,160

Consolidated Comprehensive Income Statement

	Year ended December 31,		Six months ended June 30,	
	2019 Audited (€ thousands)	2018 Audited (€ thousands)	2020 Unaudited (€ thousands)	2019 Unaudited (€ thousands)
Group net profit	124,419	136,076	(49,860)	66,160
Items reclassifiable in future periods to the net results:				
Fair value measurement of derivative financial instruments.....	1,784	1,761	913	696
Tax effect from fair value measurement of derivative financial instruments	(428)	(422)	(219)	(167)
Total items that may be reclassified to the Income statement	1,356	1,339	694	529
Items not reclassifiable in future periods to the net results:.....				
Actuarial gain / (losses) on post-employment benefits ...	(3,793)	1,099	(69)	(3,100)
Tax effect on actuarial gain / (losses) on post-employment benefits	910	(264)	17	744
Total items that will never be reclassified to the Income statement	(2,883)	835	(52)	(2,356)
Total other comprehensive income items	(1,527)	2,174	642	(1,827)
Total comprehensive profit	122,894	138,252	(49,218)	64,333
Attributable to:				
- Parent company shareholders	122,892	138,250	(49,218)	64,332
- Minority interest	2	2	-	1

Consolidated Cash Flow Statement

	Year ended December 31,		Six months ended June 30,	
	2019 Audited (€ thousands)	2018 Audited (€ thousands)	2020 Unaudited (€ thousands)	2019 Unaudited (€ thousands)
Cash flow generated from operating activities.....				
Pre-tax profit.....	175,209	187,396	(67,191)	90,199
Adjustments:				
Amortisation, depreciation and write downs.....	77,400	73,601	39,146	38,288
Net change in provisions (excl. employee provision)	(14,659)	(1,063)	3,285	(2,212)
Changes in employee provisions.....	(2,289)	(1,172)	(1,738)	(903)
Net changes in doubtful debts provision.....	(1,914)	817	731	(534)
Net financial charges	16,963	16,491	8,630	8,521
Investment (income)/charges	(17,521)	(14,568)	5,764	(8,753)
Other non-cash items	(2,636)	(5,357)	(1,560)	(1,674)
Cash flow generated from operating activities before changes in working capital	230,553	256,145	(12,933)	122,932
Change in inventories	85	1,028	(282)	150
Change in trade and other receivables	(4,127)	(8,984)	72,160	(22,789)
Change in other non-current assets	(34)	93	8	(2)
Change in trade and other payables	35,501	15,788	(79,300)	6,840
Credit Collection IRES by click day 2013.....		10,734		
Cash flow generated from changes in working capital	31,425	18,659	(7,414)	(15,801)
Income taxes paid	(62,829)	(43,252)	(5,880)	
Fine payment AGCM (including interests).....		2,430		
Cash flow generated from operating activities	199,149	233,982	(26,227)	107,131
Investment in fixed assets:.....				
- intangible assets	(58,184)	(37,840)	(15,749)	(20,433)
- tangible assets.....	(36,925)	(21,839)	(7,728)	(14,480)
Other financial assets current change.....		13,300		
Disinvestment from fixed assets:.....				
- tangible assets.....	434	329	2	296
Dividends received	10,766	6,271		5,802
Cash flow absorbed from investing activity	(83,909)	(39,779)	(23,475)	(28,815)
Changes in gross financial debt.....				
- increase / (decrease) of short & medium-term debt ...	(21,360)	(20,280)	288,283	(10,016)
Changes in other financial assets/liabilities	(3,745)	(1,449)	(1,032)	(425)
Dividends distributed	(138,650)	(70,288)	(1)	(98,767)
Interest and commissions paid	(17,100)	(16,348)	(12,944)	(13,733)
Interest received	100	4	36	69
Cash flow generated from financing activity	(180,755)	(108,361)	274,342	(122,872)
Increase / (Decrease) in cash-and-cash equivalents	(65,515)	85,842	224,640	(44,556)
Cash and cash equivalents at beginning of year	153,036	67,194	87,521	153,036
Cash and cash equivalents at end of year	87,521	153,036	312,161	108,480

BUSINESS DESCRIPTION OF THE GROUP

Overview

SEA is a company limited by shares (*società per azioni* or *S.p.A.*) incorporated under the laws of the Republic of Italy. The Issuer is registered at the Companies' Registry (*Registro delle Imprese*) of Milan under registration and VAT number 00826040156. Its registered office is at Aeroporto Milano Linate, 20054 Segrate, Milan, Italy and the telephone number of its registered office is (+39) 02 232323.

SEA operates the Milan airports of Linate and Malpensa pursuant to a 40 year agreement entered into by and between SEA and ENAC in 2001 (the "**2001 Agreement**"). Milan Airports refers to (i) the Milan Malpensa – "Città di Milano" international airport, located approximately 45 kilometres from Milan ("**Milan Malpensa Airport**" or "**Milan Malpensa**" or "**Malpensa**") and (ii) the "Enrico Forlanini" international airport, located approximately 10 kilometres from downtown Milan ("**Milan Linate Airport**" or "**Milan Linate**" or "**Linate**"). Both Milan Airports are well connected with their catchment areas, through a complete and diversified network of mobility services and facilities (see "*Milan Airports Accessibility: a story of constant evolution*")

Since December 2013, SEA, through its subsidiary SEA Prime S.p.A. ("**SEA Prime**"), has also managed the leading Italian general aviation airport, located in the west apron of Milan Linate Airport, and the general aviation airport in Malpensa. In 2019 the new general aviation terminal was completed in Malpensa.

SEA also holds an approximately 31% ownership interest in SACBO, the company that manages the Bergamo Orio al Serio Airport, located approximately 5 kilometres from Bergamo and approximately 45 kilometres from Milan ("**Bergamo Orio al Serio Airport**" or "**Bergamo Airport**").

The Milan Airports are among the main airports in Europe on the basis of volume of passengers and cargo traffic. They are located in one of Europe's most economically developed areas, which comprises the Italian region of Lombardy and some of the surrounding Italian regions. For the year ended 31 December 2019 Milan Airports managed a throughput of approximately 35.2 million passengers, up 1.5 million on 2018 (33.7 million passengers, +4.4%), an historical record, in line with the strong performance of the last five years (+5.0% compound annual growth rate ("**CAGR**") for the period 2014-2019) following a period of recovery after Alitalia transferred a large portion of its flights, particularly long haul flights, from Malpensa to Rome Fiumicino in March 2008 (25.4 million passengers in 2009).

In 2019 Milan Airports also managed more than 551,000 tons of freight, accounting for approximately 52.0% of all cargo volumes in Italy, not far short of the 2018 historical record of 569,000 tons (+3.1% CAGR for the period 2014-2019) with an increase of more than 200,000 tons of freight compared to 2009 levels.

The 2019 traffic results are impacted by the temporary closure of Milan Linate Airport (from July 27 to October 26, 2019, 92 days) to allow its runway to be resurfaced and the terminal to be refurbished, resulting in the transfer of most flights to Milan Malpensa Airport ("**Linate-Malpensa Bridge**").

Since the opening of Terminal 1 in 2000, Milan Malpensa Airport has been the second largest airport in Italy by total number of movements and number of passengers (source Assaeroporti). For the year ended 31 December 2019, Malpensa had a total of approximately 28.7 million passengers, up 4.1 million on 2018 (24.7 million passengers, +16.9%), thanks to the strong growth of carriers already operating in the airport (105 carriers in 2019), and the temporary transfer to Milan Malpensa Airport of most Milan Linate Airport flights in the period from 27 July to 26 October 2019, 92 days (approximately 1.9 million passengers transferred).

In addition, Malpensa has always been the leading Italian airport by volume of air cargo (source Assaeroporti). For the year ended 31 December 2019, Malpensa moved 545,000 tons of cargo. On the other hand, Linate is one of the European airports more closely located in proximity to a major city centre (approximately 10 kilometres) and serves primarily business passengers.

In 2019 Linate served a total of 6.5 million passengers (9.2 million passengers in 2018). For three months between 27 July and 26 October 2019, Milan Linate Airport was closed to traffic for resurfacing of the runway, installation of the new Baggage Handling System (BHS), and restyling of the passenger terminal. As a result, airlines operating from Linate transferred nearly all of their aircraft and flights to Malpensa (approximately 1.9 million passengers). Part of the Linate traffic, however, (estimated at around 500,000 passengers) did not transfer to Malpensa, with some passengers preferring other modes of transport (train) or choosing to travel from other airports in northern Italy. Considering the impact of Linate-Malpensa Bridge, 2019 traffic data do not represent Linate positioning: indeed in 2018 Linate was the third largest airport in Italy by numbers of movements, the seventh largest by passengers and the eighth by volume of cargo traffic (source Assaeroporti).

In 2019, Bergamo Airport, which is the third largest airport in Italy by number of passengers and the third largest by volume of air cargo, managed a total of approximately 13.8 million passengers and moved 118,964 tons of cargo (source Assaeroporti).

For a more detailed description of the Milan Airports, see “–*The Milan Airports infrastructure*” below.

Covid-19 impact

Over the first half of 2020, as a consequence of the crisis linked to Covid-19 pandemic, air transport was dramatically interrupted for several months as a result of the containment measures and border closures implemented by most countries in the world. In the first half of 2020, traffic at Milan Airports decreased by 68.4% compared to the same period in 2019, with a total of 5.3 million passengers (-11.5 million vs June 2019), of which 4.0 million passengers in Malpensa and 1.3 million in Linate.

Before the Covid-19 outbreak in China, in January 2020, traffic at Milan Airports confirmed the growth trend of the previous years: +7.0% of passengers and +3.2% of movements vs January 2019. In February, after the first pandemic in China and the initial spread of the virus in Italy, and the consequent declaration of the state of health emergency by the Italian government with the grounding of all flights to and from China, traffic began to fall, with a monthly decrease of -62% of passengers.

In March further containment measures were imposed in Italy by decrees of the President of the Council of Ministers issued on 8 and 11 March 2020, imposing a countrywide quarantine, with a consequent effective cessation of air traffic, that fell 93% from the second week of March. The months of April and May saw almost no traffic.

In view of these reduced traffic volumes, SEA closed the central satellite of Malpensa Terminal 1 (non-Schengen traffic) from 10 March 2020. Linate was also closed by the application of Decree No. 112 of 12 March 2020, issued by the Ministry of Infrastructure and Transport together with the Ministry of Health, and also the consequent provisions issued by ENAC. On 16 March, a decision was made to close Malpensa Terminal 1 and reroute all activity to Malpensa Terminal 2. Consequently, until 15 June, SEA Group concentrated all commercial passenger traffic at Malpensa Terminal 2, tailoring the capacity of its facilities to the level of operations.

Following the easing in lockdown regulations in Italy from 3 June 2020 and in Europe from 15 June 2020, with the opening of EU-Schengen borders, the level of traffic started to recover, with more than 4,000 movements in June (and approximately 200,000 passengers), and more than 8,000 in July (and approximately 700,000 passengers). In this context, considering that with the increasing passenger numbers social distancing was no longer guaranteed at Milan Malpensa Terminal 2, on 16 June 2020 Malpensa Terminal 1 was reopened, and Terminal 2 was closed. By a communication dated 9 July 2020, ENAC, as an exemption to Ministry for Infrastructure and Transport Decree No. 245 of June 14, 2020, reopened Linate airport from 13 July 2020, establishing a temporary airport capacity of at least 10 hourly movements (five arrivals and five departures), a 45% reduction of the full capacity (for further detailed information, see “*Regulatory Framework*”).

For the duration of the lockdown, the Malpensa cargo area (Cargo City) remained open, becoming the sorting hub for the majority of anti-Covid equipment imported by air and the only Italian international

air cargo gateway for non-humanitarian goods, also thanks to the strong activity of some top tier international e-commerce operators and couriers. In this period Malpensa represented more than 70% of the total air cargo activity in Italy.

At the end of June 2020, the total freight managed amounted to approximately 221,000 tons (-16% compared to the same period in 2019), supported by the significant increase of all cargo activity (+5.9% of freight managed, thanks to an increase of +41% of movements), representing more than 85% of the total air cargo traffic in Malpensa. This performance partially counterbalances the reduction of belly activity, the use of the spare volume in the passengers airplanes' baggage hold that is not used for passenger luggage, due to the restrictions on passengers flights because of the Covid-19 pandemic (-62% of freights compared to the first semester of 2019). During the lockdown, some of the most important international airlines decided to operate also in Malpensa the so-called preighters, turning passenger planes into freighters. SEA Group, in compliance with the provisions set out by Italian national and local health institutions and authorities, promptly activated its crisis response protocol and, through the management committee (renamed "Permanent Crisis Committee" or "Crisis Committee"), launched an emergency management plan. This immediately implemented a series of measures at all levels of the organisation to prevent risk, guarantee the health and safety of its employees, customers and suppliers, and ensure the continuity of its operating activities in compliance with the instructions issued by the competent bodies.

While flight activity was on hold, all areas were managed in order to guarantee that passengers could return safely when the airports reopened. This meant the installation of cutting-edge thermal scanners which allowed the monitoring of temperatures of high numbers of people to be taken simultaneously, as well as hand sanitiser dispensers which automatically inform the departments responsible for refilling them when they are empty. Ways to limit passenger numbers in smaller areas were also identified. In September 2020 Milan Airports obtained the ACI certification "Airport Health Accreditation", after obtaining in August the TUV "Hygiene Synopsis" certificate.

The spread of the pandemic profoundly affected the Issuer's operating methods, which were reviewed in order to guarantee that work could continue in compliance with regulations, including in the Issuer's relationships with customers and suppliers.

To support those commercial partners affected by the health crisis, and to mitigate its economic and financial consequences, SEA identified and adopted a number of "relief" measures, implemented through contractual addenda, which partially and temporarily modify the original terms of pre-existing agreements.

SEA also engaged in extensive negotiations with its suppliers to adapt contracts to the new levels of facility usage and traffic. This was achieved through the signature of contractual addenda governing the partial or total suspension of contractual services, as well as changes to payment amounts and postponement of payment deadlines.

From February 2020, following governmental measures which imposed movement restrictions, a series of employee initiatives were adopted. These included the obligatory use of accrued holidays, extensions to the smart working scheme, a freeze on overtime and finally the activation of the Extraordinary Temporary Lay-off Scheme (*Cassa Integrazione Guadagni Straordinaria* or CIGS) for a period of 12 months.

While the economic performance of the first 2 months of 2020 has been broadly in line with the same period of 2019, SEA Group first half 2020 economic and financial results have been severely impacted by the spread of Covid-19 pandemic, with revenues Euro 141.1 million, down 202.4 million on the same period of the previous year (-59%). In this context the cost-saving actions swiftly taken by SEA, allow the reduction of operating costs at Euro 144.3 million (a decrease of Euro 64.6 million versus the same period of the previous year, -31%), with savings in both external costs and personnel costs (decreasing respectively by Euro 37.3 million and Euro 27.2 million). The reduction of personnel costs derives especially from the impact of the Extraordinary Temporary Lay-off Scheme and other containment measures, such as the review of remuneration policies and the reduction of overtime and

travel. Therefore, SEA Group first half 2020 EBITDA amounted to a loss of Euro 2.0 million, down 138.1 million on first half 2019, and net result to a loss of Euro 49.9 million (including Euro 16.8 million as deferred tax assets calculated on SEA first half 2020 tax loss. In this respect, starting from 2022, the Italian income tax rate, IRES, will decrease from the current 27,5% to 24,0%¹).

For further details on the Group first half 2020 results, see the 2020 unaudited Interim Consolidated Financial Statements of the Group incorporated by reference in this Prospectus.

SEA, in consideration of the Covid-19 pandemic, immediately reviewed the 2020 and 2021 Investment Plans. Scheduled investment for 2020-2021 was therefore significantly cut, limiting works to those most necessary for operations, and taking account of works already begun, regulatory and safety & security requirements. In any case, considering that as of the date of this Prospectus there are no capacity constraints at Malpensa and that the ongoing refurbishment of Linate is at the final stage, in the near future SEA can manage its investments with flexibility, however granting regulatory and safety & security requirements.

In view of the emergency situation and in order to support the Issuer's capital solidity, SEA's Shareholder Meeting held on 4 May 2020 approved the allocation of the 2019 net profit of Euro 111.6 million to the extraordinary reserve, and the deferral of payment of second tranche of extraordinary dividends of Euro 85.0 million.

In this context SEA Group net debt as at 30 June 2020 was Euro 510.6 million (+59.7 million on 31 December 2019), impacted by the drop in revenues, partially offset by the cost-savings measures, strict control of working capital, the review of the investment plan and the non-payment of dividends. Therefore, SEA covered its first half 2020 financial requirements using only its available liquidity at 31 December 2019 (Euro 87.5 million). Furthermore, during 2020, SEA Group further strengthened its financial structure, signing new credit lines worth Euro 475 million, of which Euro 350 million disbursed as at the date of this Prospectus, with an aggregate availability of Euro 515 million of committed credit facilities.

For further details of the Covid-19 impact, see "*Recent developments*" below.

Bold actions aimed at reviewing SEA's business model while incrementing cost structure efficiency

In an economic context influenced by the consequences of the Covid-19 pandemic, SEA Group is reviewing its business model in order, inter alia, to increment the cost structure efficiency.

Such business model review is based on the following four pillars:

- **strict economic & financial control** consisting of the following actions:
 - Forthcoming focus on restructuring and optimization, also through a revision of the operational plan;
 - Reprioritize investments with a flexible approach to adapt to traffic scenario and financial target;
 - Confirm SEA's solid capital structure;
- **traffic ramp up** consisting of the following actions:

¹ As a result of the entry into force of the Law n. 160/2019, the tax rate of the Corporate Income Tax (so-called IRES) has been increased at 27,5% (compared to the standard 24%) for the concessionary companies of public services and in particular those entrusted with airport, port and railway concessions. Based on this regulatory change, therefore, for the purposes of the calculation and the consequent payment of IRES, the aforementioned concessionary companies are obliged to apply an increased tax rate of 27.5% for the three-years coinciding with the fiscal years 2019-2020-2021. If this provision should not be extended before the end of year 2021, starting from the fiscal period 2022 the IRES tax rate will return to the actual standard rate of 24%.

- Support airlines in traffic recovery through incentive schemes based on new logics and partnerships;
- Leverage Milan high attractiveness, both for business and tourism (also through the initiative Milan & Partners);
- Being ready to be the gateway for the 2026 Olympic/Paralympic Winter Games;
- **Quality & Innovation Efforts** consisting of the following actions:
 - Improve passengers “feeling of safety” by:
 - Implementing COVID-19 test areas;
 - Reviewing operations to ensure health safety;
 - Adoption of new technology to limit queues and human contacts;
 - Adapt commercial offer to new customers behavior and needs;
- **People Engagement** consisting of the following actions:
 - Develop and sustain employee's engagement despite COVID-19 impact;
 - Generational turnover.

SEA main activities

At the Milan Airports, SEA operates in the following business segments:

- *Commercial Aviation services*, including Aviation and Non-aviation services. In particular:
 - *Aviation services*, which consist of the core airport services supporting passenger and cargo activities and include the management, development and maintenance of the infrastructure and facilities of the Milan Airports, services provided to customers (comprising carriers, passengers and other companies that provide their services at the Milan Airports, such as handlers) in connection with flight arrivals and departures and airport security control services.
 - *Non-aviation services*, which include a broad and diversified range of commercial services provided to passengers, carriers, meeters and greeters, other companies that operate at the Milan Airports and visitors to the Milan Airports, as well as real estate activities. SEA either provides these services directly or outsources them to third parties by means of sub concessions.
- *General Aviation services*, which consist in the management of infrastructures dedicated to general aviation flights and related commercial activities, both in Linate west apron, and in Malpensa, with a new dedicated General Aviation terminal and hangar, operating since 2019.
- *Energy services*, which are provided through a wholly owned subsidiary and consist of the generation of electricity and thermal energy through cogeneration plants located at both Malpensa and Linate. Such electricity and thermal energy satisfies the energy demand of the Milan Airports and any excess production is sold into the Italian market.

The following table provides a breakdown of the Group’s revenues by business segment for the years ended 31 December 2019 and 2018 and for the six months ended 30 June 2020 and 2019:

For the years ended 31 December			For the six months ended 30 June		
Audited 2019	Audited 2018	% change	Unaudited 2020	Unaudited 2019	% change

(in thousands of Euros)						
Aviation services.....	425,810	415,729	2.4	78,924	205,948	(61.7)
Non-aviation services.....	253,634	242,399	4.6	51,812	122,309	(57.6)
General Aviation services.....	10,818	11,344	(4.6)	4,309	5,927	(27.3)
Energy.....	16,606	14,484	14.7	6,050	9,265	(34.7)
Total operating revenue.....	706,868	683,956	3.3	141,095	343,449	(58.9)
Revenue for works on assets under concession(*).....	51,142	29,189	75.2	15,155	17,746	(14.6)
Total Revenue.....	758,010	713,145	6.3	156,250	361,195	(56.7)

(*) This item relates to works carried out on assets under concessions, increased by a mark-up representing the remuneration of both internal costs for work management and projects realised and a mark-up that a general third party constructor would require for the same activities. This item is strictly related to the activity of assets under concessions.

For further information regarding the revenues derived from the Aviation services, Non-aviation services, General Aviation services and Energy businesses, see “–*The Group’s businesses*” below.

SEA’s long term relationship with specialised business operators

SEA Group manages, through some subsidiaries, with minority stake and together with primary market operators, specific complementary activities to deliver services, both to passengers and airlines, in air-side and land side:

- *Dufrital*, a partnership with Dufry Group, operating travel retail activities, in particular duty free and duty paid management, in Malpensa and Linate and other Italian airports;
- *SEA Services*, a partnership with Areas, operating some Food & Beverage activities in Milan Airports, focused on innovative offerings;
- *Airport Handling*, a partnership with dnata, part of Emirates Group, acting in commercial aviation ground handling activities in Linate and Malpensa airports;
- *Malpensa Logistica Europa*, a partnership with BCUBE, managing cargo & logistics activities in Milan Malpensa Airport;
- *Disma*, a partnership with top tier oil companies (ENI, Total, Kuwait and Esso): management of the centralised fuel storage at Milan Malpensa Airport.

For further information, see “*Description of the Group*” below.

History and key developments

From the origins of the Milan Airports to the 2001 Agreement

On 22 May 1948, SEA was incorporated in Busto Arsizio (Varese) with the name “Aeroporto di Busto Società per Azioni” pursuant to the initiative of a group of private entrepreneurs. In June 1948, the Issuer obtained the authorisation to begin work to build a civil airport on the airbase of the then military Malpensa airport. In the early 1950s, certain municipalities, including the City of Milan and other local authorities acquired an ownership interest in the Issuer and in 1955, the Issuer assumed the current name “Società per Azioni Esercizi Aeroportuali S.E.A.”. In 1957, the Issuer began devising and implementing a project for the expansion and enhancement of Milan Linate Airport, which began operating in June 1960.

On 18 April 1962, the Italian government passed legislation formally creating an airport system for the city of Milan based on two separate but interdependent airports under a single management team, one of which (Milan Malpensa Airport) was assigned to international and intercontinental traffic, and the other (Milan Linate Airport) used for domestic and short haul international traffic. The legislation also authorised both the Milan Airports to be given the status of private airports and granted to SEA the authorisation to manage these airports until 1992.

In 1985, further legislation was enacted under which SEA was entrusted with planning and implementing the project to upgrade and expand Milan Malpensa Airport. Based on this, in 1990 SEA

began implementing the project known as “Malpensa 2000” with the objective of a reorganisation of the Milan Airports.

On 4 September 2001, ENAC and SEA entered into the 2001 Agreement, which replaced Agreement 191/1962 and confirmed the status of the Milan Airports as privately operated airports. The 2001 Agreement, originally expiring on 4 May 2041, has been extended for a further two years, to 4 May 2043.

For further detailed information, see “*Regulatory Framework*”.

SEA’s charges framework: key pillars

On 4 May 2011, the board of directors of ENAC approved the text of the ENAC-SEA Program Agreement, which sets forth the regulated airport fee schedule, a dual-till RAB-based price cap model, to be applied by SEA, in relation to the investments to be carried out in the Milan Airports and the environmental quality and protection targets to be met by the Milan Airports. The ENAC-SEA Program Agreement is an “in-derogation” program agreement, which, in accordance with applicable Italian law, provides for some exceptions to the ordinary regime for the regulated business of airport operators. The ENAC-SEA Program Agreement entered into force on 23 September 2012.

Since 15 January 2014 the Transport Regulatory Authority has been operating in Italy and in 2019, Law 3 May 2019, n. 37 (the so-called European Law 2018) established the transfer of competences from ENAC to the Authority of Transport Regulation (ART) with regard to the supervisory functions concerning airport charges also for “in-derogation” program agreements, likewise the one of the Issuer.

In July 2020 ART published two new regulatory models (Model A for airports above 1 million passengers; Model B for airports below 1 million passengers), to be enforced by 1 July 2021.

SEA will apply the new Model A, the provisions of which are similar to what is provided for in the ENAC-SEA Program Agreement (RAB-based models, dual till regime, admitted costs calculated on traffic forecast, obligations regarding the level of quality services and environmental targets, compulsory consultations with airlines). Furthermore, with regard to the “in-derogation” program agreements, as the ENAC-SEA Program Agreement, the new models provide for a specific regime to be implemented with additional acts still to be issued.

For further detailed information, see “*Regulatory Framework*”.

SEA’s Aviation Strategy evolution

In the period 2009-2019 SEA Group substantially changed its traffic strategy and positioning, demonstrating the capacity to strongly develop the routes network attracting all the top tier airlines, both European and intercontinental, low-cost carriers (“LCCs”) and full service carriers (“FSCs”), boosting its passenger traffic by approximately 10 million units (+37%), and the freight managed by 200,000 tons (+59%).

Before 2009, Alitalia operated its hub activity at Milan Malpensa Terminal 1. At the end of March 2008 Alitalia transferred a large portion of its flights, particularly long haul flights, from Malpensa to Rome Fiumicino (the “**Alitalia De-Hubbing**”) bringing in the period 2008-2009 a significant reduction in the number of passengers and cargo activities carried by Alitalia to and from Milan Malpensa Airport.

In response to the Alitalia De-Hubbing, SEA demonstrated strong resilience in a challenging environment, promoting traffic performance through a clear strategy towards airlines with the aim to satisfy their specific attitudes. The 2009-2019 traffic growth has been sustained by Malpensa growth, with the development of successful and long-term relationships with both top tier legacy and LCC carriers, balancing their presence to better satisfy consumer needs, widening the offer of destinations and boosting connectivity. In particular SEA’s strategy has been:

- through the legacy carriers, especially those coming from regions of the world expected to be the biggest driver of air travel demand in the future, SEA promotes the development of direct intercontinental flights from Milan, stimulating also traffic towards intercontinental hubs rather than European ones, with the aim to be the gateway for its Origin and Destination passengers;
- through LCCs SEA offers a wide selling proposition to consumers, enlarging Milan Airports' portfolio of international and domestic destinations, and stimulating new traffic segments in its catchment area, one of the most supportive in Europe (for further detailed information, see "*Geographic location and catchment area of the Milan Airports*").

SEA's strategy of diversification of carriers and routes showed its worth also during the Covid-19 pandemic. The first recovery phase has been sustained by the immediate restart in June of both European full services and low-cost carriers and some intercontinental airlines. Malpensa's attractiveness has been confirmed also during lockdown by Wizzair's decision to enhance its operations at the airport, opening there the first Italian base, with five new aircraft based there serving 20 new routes from 3 July 2020. (for further detailed information, see "*Recent Developments*")

In the 2009-2019 period, Milan Linate Airport confirmed its role as an airport dedicated to domestic and European routes, both Schengen and Extra-Schengen, with a substantial stability of traffic, notwithstanding the adverse impact deriving from Alitalia's positioning, together with the further development of high-speed train services on some domestic routes. During the Covid-19 pandemic, Linate was closed by the application of Decree No. 112 of 12 March 2020, issued by the Ministry of Infrastructure and Transport together with the Ministry of Health, and also the consequent provisions issued by ENAC. Since 13 July 2020 the airport has been reopened by the Ministry for Infrastructure, and despite the temporary airport capacity reduction, activities at the terminal restarted, driven by domestic and European routes, operated by Alitalia and other European Airlines.

For further detailed information, see "*Milan Airports – Key Traffic data*".

Malpensa cargo infrastructure development

SEA has constantly improved its cargo infrastructure in Malpensa, thus sustaining its role of Italian air cargo gateway, by far the first in terms of freight managed, supporting Italian trade, both import and export.

Also in cargo activity, SEA's strategy led to a full recovery of the significant decrease of 2008-2009, subsequent to Alitalia's decision to stop its cargo activity from Malpensa (-190,000 tons) and the dramatic economic downturn of the same period, with a record year in 2017 (reaching 576,000 tons), before the international economic slowdown, also impacted by the trade wars.

These results have been driven by SEA's strategy, favoured also by the high industrial density and the significant import-export flows of its catchment area (for further detailed information, see "*Geographic location and catchment area of the Milan Airports*"):

- Capacity expansion: SEA develops the infrastructure and facilities of Malpensa dedicated to cargo activities from 40,000 square metres in 2009 to 90,000 at the end of 2020, with the completion of the new DHL areas.
- Capability to attract all the most important international *all cargo* airlines (that represent approximately 70% of the cargo operations in Malpensa), and leveraging also on the strong presence of intercontinental passenger carriers, also interested in collateral cargo activity in their *belly* flights to improve the profitability of their routes. In this way SEA offers a very wide range of cargo direct destinations, in particular towards the faster growing areas of middle and far east.
- Presence of a well-diversified portfolio of leading logistic players: among these are FedEx and DHL, both fast-growing in Malpensa, with the full opening between 2017 and 2020 of their new South Europe and Mediterranean Hubs.

During the Covid-19 pandemic, Malpensa confirmed its role of intercontinental cargo gateway, continuing its activity in freight transportation, unique in Italy for managing scheduled cargo flights in addition to rescue flights. Notwithstanding the *belly* activity stop, due to the Covid-19 spread, the *all cargo* sustained Malpensa traffic. The air cargo pivotal role of Malpensa in Italy is confirmed by the fact that during the Covid-19 pandemic its market share increased to 70% on average in the Italian air cargo market.

For further detailed information, see “*Milan Airports – Key Traffic data*”.

SEA’s non-aviation development

In recent years, SEA continuously improved its commercial offer to enhance customers’ experience and improve quality, both in Malpensa and Linate, with a wide and tailored offer proposition, to satisfy passengers’ specific needs, in line with the Milan Airports traffic development.

In 2015, after the completion of the third satellite of Malpensa Terminal 1, SEA also completed the full renovation of the commercial areas of the airport, with an impressive and wide offer, to allow a full shopping experience to its passengers – “The Best of Milan Experience at Malpensa T1”. In this way Malpensa T1 leads the change in SEA commercial strategy, with a tailored offer: different airport locations dedicated to specific commercial propositions – the “Piazza” concept:

- Luxury – Piazza del Lusso – an emotional connection to the “Quadrilatero della Moda” in Milan;
- Food & Wine – Piazza del Gusto – 1,500 square metres with specialised “street” food and Italian excellence restaurants;
- Duty Free Store – a wide offer of international products and Italian goods;
- Trendy Fashion – Piazza del Pop – contemporary and affordable brands and international food and beverage (“**F&B**”) brands.

All these areas can be reached by passengers by a free flow circulation of Schengen and Extra-Schengen passengers through them.

Also Linate is going to change its commercial offer thanks to the total refurbishment of the airport that will lead to the expansion of commercial areas on the first and second floors, with additional 1,500 square metres of commercial area for F&B activities enhancing customers’ experience. SEA believes that with the ongoing renovation of the areas, to be completed in 2021, Linate will offer one of the best commercial propositions, among the business oriented European commercial airports.

The Milan Airports retail services are offered over on a surface of around 30,000 sqm with more than 210 retail points of sale.

The Milan Airports commercial offer includes also the direct management of approximately 14,000 car parking spaces serving all market segments in Malpensa and Linate, and, since 2014, of another approximately 7,500 car parking spaces in Bergamo Airport: both services are managed in cooperation with APCOA, one of the European leading car parking operators. SEA’s car parking activity has been boosted by digital innovation using SEA Group e-commerce channels, with innovative payment systems to further enhance customers’ experience.

SEA’s focus on digital innovation is confirmed also by the continuous development of the existing digital ecosystem, and by the ongoing realisation by SEA of a new digital marketplace, dedicated to the Milan Airports’ best in class luxury brands, to go live before the end of 2020.

As soon as Covid-19 spread, SEA immediately negotiated measures with its partners and tenants to manage the impact of the pandemic, to maintain the value of the commercial proposition giving their sustainability, guaranteeing the wide Milan Airports commercial offer, also in the post-Covid-19

environment. As a consequence, with the reopening of Malpensa Terminal 1 and the first traffic recovery in July 2020, SEA guarantees the full commercial offer to its passengers.

General & Business Aviation: enhancing SEA business proposition

On December 18, 2013, the Group, as part of its competitive strengthening, acquired a majority interest of 98.34% of the share of the company managing the western section of Linate, dedicated to the first General & Business Aviation (“G&BA”) operator in Italy, in terms of both movements and Mtons.

In July 2019, with the opening of the new general aviation terminal at Malpensa, SEA Prime has further developed its offer in the North of Italy.

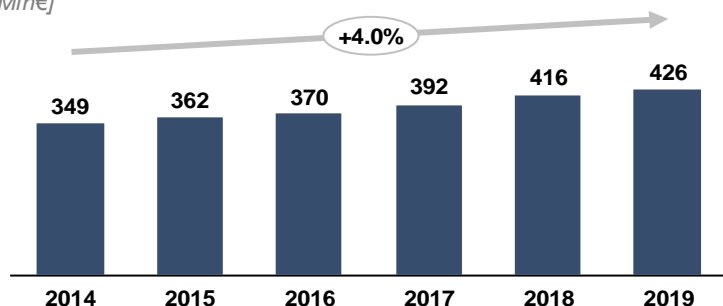
For further detailed information, see “*Milan Airports – Key Traffic data*”.

History of constant revenues growth

SEA Group traffic performance and the stable regulatory framework (see “*Milan Airports*” and “*Regulatory framework - The ENAC-SEA Program Agreement*”) and the focus on development of non-aviation business, confirmed by the constant investments in this segment (see “*SEA’s non-aviation development*” and “*The Group’s investment programme*”) resulted in a constant growth of revenues in both aviation services and non-aviation business.

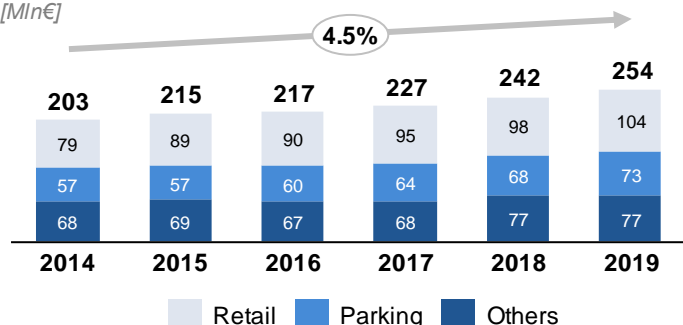
Aviation Services 2014 - 2019

[Mln€]



Non-Aviation revenues 2014-2019

[Mln€]



The Group’s strengths

Strategically advantaged location: gateway to Northern Italy

The Milan airport system is among the leading Italian and European airport systems: in 2019 it was the second largest in Italy and the tenth largest in Europe by number of passengers (ninth not considering the loss of traffic due to the Linate-Malpensa Bridge, estimated at around 500,000 passengers), as well

as being the largest in Italy and the sixth² largest in Europe by cargo traffic (sources Assaeroporti for Italy and ACI Europe for Europe).

The Group benefits from the favourable geographical location and catchment area of the Milan Airports, which is characterised by the presence of significant industrial activities, a developed service sector, supported by a logistics infrastructure that assists the development of economic activities, and by Milan's high attractiveness, both for business and tourism purposes, considered one of the most dynamic, supportive, rich and top-grade scientific centres in Italy and Europe. The catchment area of the Milan Airports is one of the most economically and industrially developed areas in Europe, with a very fast-growing touristic appeal. A further opportunity to strength Milan attractiveness in the near future is represented by the 2026 Milano-Cortina Olympic and Paralympic Winter Games, with the Milan Airports as the natural gateways for all the participants to the event.

In addition, the geographic positioning of the Milan Airports is enhanced by:

- their location along some of the main development lines of the trans-European transport networks, or TEN-T, which seek to facilitate the movement of people and goods between the west and the east, not only within Europe but also to and from the Middle East and the Far East; and
- their accessibility and their geographic locations within the catchment area: Milan Linate Airport is one of the European airports located in closest proximity to a city centre, approximately 10 kilometres away, is well connected with public transport to the city centre, and after the completion in 2021 of the Metro M4 line, it will be only approximately ten minute journey; Milan Malpensa, approximately 50 kilometres from the centre of Milan, with several road and rail links connecting the airport to Milan the main cities and attractions in the North of Italy.

In addition, the several infrastructure projects that various third parties are planning or implementing to improve the road, rail and metro networks of Northern Italy could help expand the already extensive catchment area of the Milan Airports as well as further improve accessibility to such airports. See “—*The Milan Airports—Geographic location and catchment area of the Milan Airports*” and “*Milan Airports Accessibility: a story of constant evolution*”.

Growing traffic volumes: Malpensa driving SEA's performances

In the 2009-2019 period, the Milan Airports registered a constant increase both of passenger and cargo traffic (on average of 3.1% and 4.7%, respectively). These performances have been supported by the new strategy of Malpensa development: after a period of resilience until 2013 (passengers +0.5% CAGR), affected not only by Alitalia De-Hubbing but also the heavy international economic and financial downturn, in the period 2014-2019 Malpensa grew strongly (passengers +6.9% CAGR, not taking account of the Linate-Malpensa Bridge). Also the cargo traffic confirmed the pivotal role of Malpensa which represents approximately all of the Milan Airports Cargo activity.

Also during the Covid-19 pandemic, Malpensa confirmed a central role for SEA, being the unique operative infrastructure during the lockdown, guaranteeing rescue flights and cargo activity not only for Milan but also for all Italy.

For further detailed information, see “*Milan Airports*”.

Broad portfolio of carriers and destinations served

The Group benefits from a broad and diversified mix of carriers: in 2019, 110 different airlines (of which 45 non-European), that operate from the Milan Airports. As of 31 December 2019, no carrier

² Excluding mainly cargo and courier airports.

represented more than 25% of the total passenger traffic of the Milan Airports, with a well balanced mix of legacy and low cost airlines, equal, as of 31 December 2019, respectively to 64% and 35% of total passenger traffic of the Milan Airports.

Malpensa has a unique position in Europe with the presence of the four main European LCC carriers of which three with a stable base - EasyJet (with 19 aircrafts based), Ryanair (5 aircrafts based), Wizz Air (5 aircraft based) – and Vueling, and at the same time one of the strategic airports for the most important non-European airlines, demonstrating the capability of an *all-rounded* growth.

Milan Airports offer a broad and diversified portfolio of destinations and frequencies. As of 31 December 2019, Milan Airports served 210 destinations, of which 86 intercontinental. In addition, this destination portfolio continues to expand on a regular basis, particularly with the addition of new destinations to and from the Middle East and the Far East, which represent areas with significant potential for passenger and cargo traffic growth. In particular, as of 31 December 2019, the Middle East and the Far East represented 54% of total intercontinental passenger traffic and 76% of total intercontinental cargo traffic at the Milan Airports.

Also, during the Covid-19 pandemic, the Milan Airports' attractiveness has been confirmed by Wizzair's decision, in May 2020, to enhance its operations at the airport, opening its first Italian base, highlighting the capability of SEA to generate an additional offer attracted by its story of continuous development.

For further detailed information, see "*Milan Airports – Key Traffic Data*".

Diversified revenue mix with particular growth potential for non-aviation and cargo services

The Group has a balanced mix of revenues from its businesses: SEA earns income from a variety of sources including charges from carriers for aeronautical services, both commercial and G&B aviation, sub-concession fees from retail and F&B operators, revenues from car parking and advertising, fees for the sale of electrical and thermal energy, as well as leases of airport facilities (hotels, G&BA hangars and cargo infrastructures). For the year ended 31 December 2019, aviation services, non-aviation services, general aviation services and energy accounted for 60.2% (60.8% for the year ended 31 December 2018), 35.9% (35.4% for the year ended 31 December 2018), 1.5% (1.7% for the year ended 31 December 2018) and 2.4% (2.1% for the year ended 31 December 2018) of total revenues of the Group (after inter segment eliminations), respectively.

Operational excellence and modern infrastructure and facilities

The Milan Airports can rely on a system of runways, taxiways and other related airport infrastructure and facilities that are state of the art and capable of accommodating all of the different types of aircraft currently in service, including, in the case of Milan Malpensa Airport, the Airbus A380. See "*–The Milan Airports*" below.

The current configuration of the infrastructure of Milan Airports can accommodate the expected growth in the volume of air traffic, in particular with reference to Malpensa which, since the completion of Terminal 1 in 2015, has been able to handle growing traffic volumes in future years, in a European airports landscape characterised by infrastructure capacity crunch. Malpensa's capability to handle growing levels of flights and passengers has been demonstrated by the Linate-Malpensa Bridge in 2019, the three-month period in which Malpensa managed all the traffic transferred from Linate, without any operational weakness or safety & security concerns.

In the Issuer's opinion, the international quality certifications received for the Milan Airports (including ISO 9001, ISO 14001) confirm the operational reliability of such airports and the high quality of the services they provide.

Solid economic and financial performance

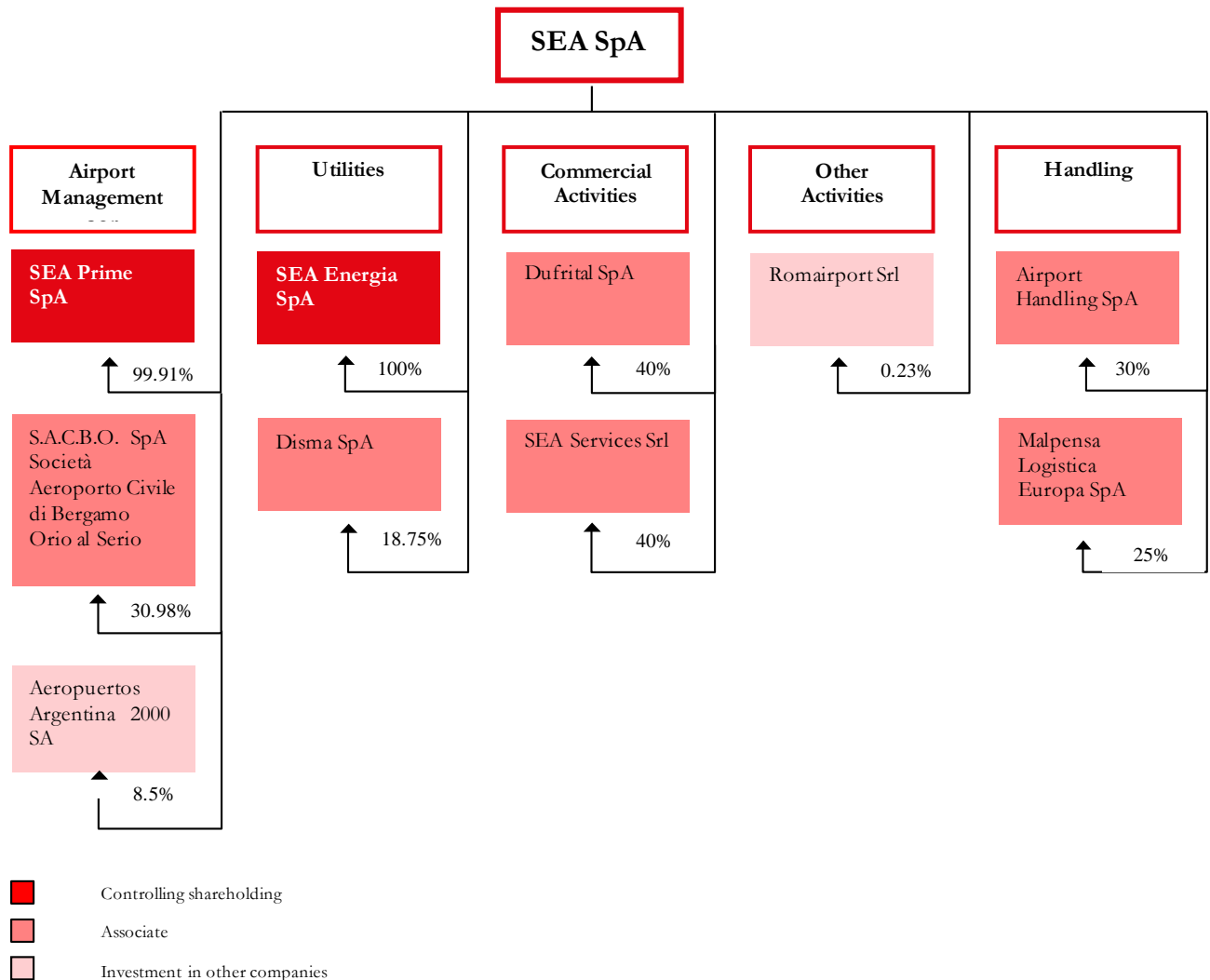
SEA's ability to revise and adapt its strategy, and its ability to attract new carriers and develop new business initiatives in addition to those in the traditional aviation business, have favoured the constant growth of its economic performances, achieving a strong and solid financial condition, confirmed also after the Covid-19 pandemic: as at the end of July 2020, SEA has significant financial resources available, with approximately Eur 837 million in cash & cash equivalent and committed credit lines.

This structure allows the flexible management of the outstanding debt profile with a concentration of maturities in the next 3 years, with the expiration in 2021 of the Euro 300 million of the Notes 3.125% due April 2021 and the repayment in 2021/2023 of Euro 350 million of bank term loans (of which only Euro 23 million in 2023). The EIB loans, that in some cases have tenors till 2037, will amortize as follows: Euro 12 million in the second half of 2020, Euro 24 million in 2021, Euro 25 million in 2022, Euro 23 million in 2023 and Euro 125 between 2024 and 2037. As of July 2020 SEA Group outstanding debt average maturity equals to 2.5 years (5.7 years considering only the EIB term loans). As a consequence of the recent bank term loans disbursement, SEA Group interest rate profile is as follows: 39% of the outstanding debt is at fixed rate, 6% is hedged and 55% is floating, with a consequent low cost of debt (1.83% on average).

For further detailed information, see the 2020 unaudited Interim Consolidated Financial Statements of the Group incorporated by reference in this Prospectus.

Description of the Group

The following chart sets forth the entire structure of the Group and the companies in which SEA holds an interest as at the date of this Prospectus.



The Group's businesses

The Group engages in the following principal businesses, which also correspond to its business segments:

- *Aviation services*: core airport services supporting commercial aviation (passenger and cargo traffic);
- *Non-aviation services*: commercial services provided to passengers and other users of the Milan Airports;
- *General aviation services*: includes the full range of services relating to business traffic;
- *Energy*: generation and sale of electricity and thermal (both heating and cooling) energy.

The following table sets forth the breakdown of the Group's revenues by business segment on a stand-alone basis and after elimination of intra-group transactions in each of the for the years ended 31 December, 2019 and 2018 and for the six months ended 30 June, 2020 and 2019:

	For the years ended 31 December			For the six months ended 30 June		
	Audited 2019	Audited 2018	% change	Unaudited 2020	Unaudited 2019	% change
(in thousands of Euros)						
Aviation services.....	425,810	415,729	2.4	78,924	205,948	(61.7)
Non-aviation services.....	253,634	242,399	4.6	51,812	122,309	(57.6)
General Aviation services.....	10,818	11,344	(4.6)	4,309	5,927	(27.3)
Energy.....	16,606	14,484	14.7	6,050	9,265	(34.7)
Total operating revenue	706,868	683,956	3.3	141,095	343,449	(58.9)
Revenue for works on assets under concession(*).....	51,142	29,189	75.2	15,155	17,746	(14.6)
Total revenue	758,010	713,145	6.3	156,250	361,195	(56.7)

Operating revenues amounted to Euro 141,095 thousand in the first six months of 2020, down Euro 202,354 thousand (-58.9%) on the same period of the previous year.

This loss was mainly due to the spread of the Covid-19 pandemic, the first effects of which were felt in March as passenger traffic came to an almost complete halt. Revenues for the first two months of 2020 (Euro 104,161 thousand) were in line with those of the previous year (Euro 105,164 thousand), while revenues for the following four months (March to June), totalling Euro 36,934 thousand, were down significantly (-85%) from the Euro 238,285 thousand recorded in 2019.

The fall in revenues in the first six months of 2020 affected every business stream. Reduced passenger traffic led to a significant reduction in aviation revenues (down Euro 127,024 thousand on the same period of the previous year), non-aviation revenues (down Euro 70,497 thousand on the same period of the previous year) and general aviation revenues (down Euro 1,618 thousand on the same period of the previous year). Revenues from the energy business stream also dropped by Euro 3,215 thousand, mainly as a result of lower energy sales.

To tackle this significant reduction in revenues, action was swiftly taken from March 2020 onwards to reduce operating costs and minimise margin losses.

Aviation services

The aviation segment comprises all of the regulated services provided by SEA at both Milan Malpensa Airport and Milan Linate Airport.

SEA provides these services at the Milan Airports on an exclusive basis pursuant to applicable Italian laws and regulations. The revenues generated by these activities consist of fees and other charges that are determined in accordance with a regulated tariff system and comprise airport charges, fees for the use of centralised infrastructure, in addition to security fees and tariffs for the use of check-in desks and spaces by airlines and handlers.

The following table sets forth the breakdown of aviation revenues by type of services provided.

	For the years ended 31 December			For the six months ended 30 June		
	2019 Audited	2018 Audited	% Change	2020 Unaudited	2019 Unaudited	% change
(in thousands of Euros)						
Fees and centralised infrastructure	367,658	357,438	2.9	69,113	177,802	(61.1)
Revenues from security control management	44,637	44,622	0.0	6,182	21,254	(70.9)
Use of regulated spaces	13,515	13,669	(1.1)	3,629	6,892	(47.3)
Total aviation operating revenues	425,810	415,729	2.4	78,924	205,948	(61.7)

The following sub sections describe in greater detail the aviation services provided by SEA, including the regulations relating to the determination of the applicable fees for such services.

Airport charges and centralised infrastructure

Services relating to the management, maintenance and development of the infrastructure and facilities of the Milan Airports (including passenger terminals, flight infrastructure and aircraft parking areas) consist of operating and providing passengers and other users with access to such infrastructure and facilities, maintaining and developing such infrastructure and facilities for purposes of their refurbishment, expansion and upgrade, as well as ensuring compliance with applicable laws and regulations.

In consideration for providing these services, SEA charges and receives airport fees, both as rights and as compensation for centralised infrastructure and regulated spaces, determined pursuant to applicable law and regulations.

In particular, revenues related to rights are defined as follows:

- *Aircraft fees* (including landing, take-off and parking). Subject to certain exemptions under applicable law, such fees are payable for all aircraft landings and take offs and are calculated on the maximum take off weight allowed for each aircraft, which is listed in the certificate of airworthiness of each aircraft and is referred to as the Maximum Take Off Weight, or MTOW. Different charges apply according to passenger flights or cargo flights and for General Aviation flights.
- *Passenger fees*. These fees relate to the use of infrastructure, equipment and shared facilities that are necessary for passenger boarding, disembarkation and assistance, are calculated at a fixed rate per passenger and also apply to passengers who use private jets and tourist aircraft. According to EU Regulation no. 1107/2006 a specific charge is applied to all departing passengers for the assistance of Passengers with Reduced Mobility (PRM).
- *Cargo fees*. Cargo fees are payable by individual carriers and are subject to certain exemptions under applicable law. The fees are payable for all aircraft landings and take-offs, are based on cargo weight and are set pursuant to applicable regulations.
- *Loading bridge fees*. For the use of loading bridges, the Issuer may charge carriers the regulated fees that are set forth for such use in the ENAC-SEA Program Agreement.
- *Passenger check-in desks*. Check-in desks are paid for by handlers/airlines according to the effective time of use. Some tariff differences occur according to the desk areas in the terminal.
- *De-icing service*. A specific charge is applied to all the airlines for de-icing service. The charge has two components: the use of the pivot-platform with operator and the use of de-icing fluid.

Revenues from security control management

Under Italian law airport operators may provide, directly or indirectly, or outsource to third party service providers that meet the applicable regulatory requirements, security services relating to airport facilities and infrastructure.

The concession granted to an airport operator for the provision of security services is required to have the same term as that of the concession or authorisation relating to the operation of such airport.

The security services provided by the Group consist of screening of departing or in transit passengers and X-ray control of carry-on baggage and of hold baggage.

Use of regulated spaces

Charges are applied according to the surface (sqm) and type of area (offices, warehouses, changing rooms, catering plants, etc.).

Non-aviation services

The non-aviation business consists of the provision of services that complement and support the aviation business, including:

- (a) retail services, including duty free and duty paid sales to customers, food and beverage, car rentals, advertising and management of commercial premises used by third parties to provide banking services at the Milan Airports;
- (b) car parking management services;
- (c) cargo area management services;
- (d) advertising spaces;
- (e) premium services;
- (f) real estate; and
- (g) other services, which constitute the Group's "services and other revenue" line item, including service activities and other incomes.

The following table sets forth the breakdown of non-aviation revenues by main type of services for each of the years ended 31 December 2019 and 2018, and for the six months ended 30 June 2020 and 2019.

(in thousands of Euros).....	For the years ended 31 December			For the six months ended 30 June		
	Audited 2019	Audited 2018	% change	Unaudited 2020	Unaudited 2019	% change
Retail	103,587	97,753	6.0	17,380	49,493	(64.9)
Parking	73,319	68,119	7.6	12,871	35,403	(63.6)
Cargo	18,357	16,261	12.9	7,995	9,280	(13.8)
Advertising.....	10,547	11,529	(8.5)	1,912	5,467	(65.0)
Premium services.....	22,721	19,289	17.8	3,716	10,777	(65.5)
Real estate.....	4,336	8,988	(51.8)	1,038	2,118	(51.0)
Services and other revenue.....	20,767	20,460	1.5	6,900	9,771	(29.4)
Total operating revenue from non-aviation operations	253,634	242,399	4.6	51,812	122,309	(57.6)

In the last few years, SEA has been continuously increasing its focus on developing and growing its non-aviation business in line with its B2C commercial policy, which is aimed at satisfying the needs and demands of end customers.

The spread of the Covid-19 pandemic profoundly affected the Issuer's operating methods, which were reviewed in order to guarantee that work could continue in compliance with regulations, including in the Issuer's relationships with customers and suppliers. To support those commercial partners affected by the health crisis, and to mitigate its economic and financial consequences, the Issuer identified and adopted a number of "relief" measures, implemented through contractual addenda, which partially and temporarily modify the original terms of pre-existing agreements.

For the non-aviation services not provided directly, SEA enters into contracts with independent contractors under which it outsources the provision, organisation and management of these services and provides such third parties with the necessary commercial space to undertake these services.

The following is a more detailed description of non-aviation services.

Retail

Retail services consist primarily of shops (duty free and duty paid), food and beverage, car rentals and banking outlets at the Milan Airports. These services are not provided directly, but the Issuer grants the use of commercial spaces within the Milan Airports to third parties that provide such services.

The following table sets forth the breakdown of the Group’s revenues from retail services by main category of retail service in each of the years ended 31 December 2019 and 2018, and the six months ended 30 June 2020 and 2019.

(in thousands of Euros)	For the years ended 31 December			For the six months ended 30 June		
	Audited 2019	Audited 2018	% change	Unaudited 2020	Unaudited 2019	% change
Shops	54,192	50,704	6.9	8,089	26,283	(69.2)
Food and Beverage	23,014	21,702	6	4,084	10,666	(61.7)
Car rental	17,456	17,192	1.5	3,558	8,239	(56.8)
Bank Services	8,925	8,155	9.4	1,649	4,305	(61.7)
Total revenue from retail services	103,587	97,753	6.0	17,380	49,493	(64.9)

Shops

The Milan Airports offer a broad range of brands and products that cater to the different needs and preferences of the various types of passengers and other users of such airports. In particular, the Group’s general retail services seek to satisfy the needs and preferences of passengers and other users with varying levels of income and or limited time available for shopping and offer longer opening hours than shops located in the city of Milan, as well as a broad range of product categories and prices in a concentrated area.

The stores located inside the passenger terminals of the Milan Airports offer both duty-free products, which are products that are exempt from VAT and excise duties, and duty-paid products, which are subject to VAT, excise duties and other applicable taxes.

The Group does not provide retail services directly, but grants sub-concessions to provide these services within the Milan Airports to third parties, including Dufrital, a company that operates duty-free and duty-paid airport shops for various products in various market segments at Italian Airports, including the Milan Airports, in which the Issuer holds a 40% stake, while Dufry, a leading airport retail operator, holds the remaining 60%.

As of 31 December 2019, at the Milan Airports there were 108 points of sale (“PoS”), covering a total of 14.424 square metres, of which 12.348 square metres were at Milan Malpensa Airport (10.349 square metres at Milan Malpensa Terminal 1 and 2.035 square metres at Milan Malpensa Terminal 2) and 2.040 square metres at Milan Linate Airport. After the Covid-19 pandemic and the consequent temporary closing of approximately all the PoS, as of the date of this Prospectus many of them reopened, and SEA expects that more than 95% of Milan Malpensa T1 and Linate will reopen.

Food & beverage

The Milan Airports offer to passengers and other users a broad range of food & beverage services, including restaurants with table service, self-service restaurants, snack bars and cafes, fast food restaurants, wine bars and specialty food corners, as well as well-known international and Italian brands.

Food and beverage services at the Milan Airports are not provided directly, but through sub-concessions.

As of 31 December 2019, at the Milan Airports there are 62 food and beverage outlets for a total of 12.299 square metres, including 9.432 at Milan Malpensa Airport (7.644 square metres at Milan Malpensa Terminal 1 and 1.788 square metres at Milan Malpensa Terminal 2) and 2.867 square metres at Milan Linate Airport. After the Covid-19 pandemic and the consequent temporary closing of approximately all the PoS, as of the date of this Prospectus many of them reopened, and SEA expects that more than 98% will reopen in Malpensa T1 and Linate.

Car rentals

SEA has granted sub-concessions to car rental companies under which these companies may use designated areas of the Milan Airports to provide car rental services. As of 31 December 2019, the Group had agreements in force with all main European car rental companies, which operate at both Malpensa and Linate.

Bank services

SEA has granted sub-concessions to banks and other specialised third parties in order to provide banking and financial services to passengers and other users of the Milan Airports. Such services include, *inter alia*, currency exchange, ATM and VAT refund for non-EU citizens.

Car parking

Car parking services are provided at the Milan Airports both directly and under management contracts. The Issuer, in cooperation with APCOA Parking Italy S.p.A. (“APCOA”), a specialist third party operator, manages directly also all of Orio Al Serio Airport’s car parking on the basis of a multi-year contract.

Advertising

The Milan Airports are an important location for advertising fashion and luxury brands, particularly given the general trend towards a reduction of investment in traditional advertising spaces. Innovative forms of communication have been introduced in both Milan Malpensa Airport and Milan Linate Airport, such as giant screens and advertising focused on specific targets through SEA’s website. This has also strengthened the relationship with the main sub-concession holders operating at the Milan Airports.

Cargo areas

Cargo area management services consist of the management and operation of space (including offices and warehouses) and areas (including covered or uncovered areas to be used as shelter, storage or garage areas for vehicles and equipment and car parking spaces) used by operators that provide, for themselves (self-handling) or others, the service of handling and storage of incoming and outgoing cargo and mail, whether by air or by road.

As of the date of this Prospectus, SEA has warehouses covering approximately 100,000 square metres, of which about 17,000 in Linate and 83,000 in Malpensa. The strong 2014-2019 Malpensa capacity expansion is expected to be completed by the end of 2020, with the completion of the new DHL areas, with an additional 10,000 square metres. Milan Malpensa Airport operates a diversified portfolio of cargo operators, both warehouse management companies and couriers, in particular: Malpensa Logistica Europa S.p.A., in which the Issuer holds an ownership interest of 25%, and ALHA S.p.A., both operating in the central warehouse of 50,000 square metres; Beta Trans and WFS, operating in the new warehouse completed in 2019 of 15,000; DHL Group and Federal Express providing their courier services in two specific cargo buildings dedicated to each of them.

In Linate the main operator is TNT Global Express, providing courier services with a dedicated warehouse.

For further details see “*The Milan Airports infrastructure*”

Premium services

The premium services concern the management of the VIP lounges and the fast track at the airport. Compared to 2018, the Premium Services segments (VIP lounges and Fast Track) grew by Euro 3,432 thousand. In the first six months of 2020 the premium services segment was down Euro 7,061 thousand (65.5%) compared to the same period in 2019.

Real estate

As part of Milan Airports' transformation into Airport City, the Group is developing real estate activities aimed at supporting the development of Milan Airports. In particular, this policy focuses on the following factors:

- development of airports, aligned with the specific characteristics of each one;
- a segmentation of the offer (hotels, industrial and logistics activities, tertiary and commercial activities), also marketing and prices;
- an offer of services for companies that choose to use the airports managed by the SEA Group as platforms for the development of their business.

Services and other revenue

The Issuer's non-aviation services included in "Services and other revenue" mainly relate to income from service activities and other income.

Energy services

Energy services consist of the generation of electricity and thermal (heating and cooling) energy from the gas-fired cogeneration power plants located at each of the Milan Airports. In particular, such electricity and thermal energy is used to satisfy the energy demand of the Milan Airports and any electricity and thermal energy that is in excess of such demand is sold on the energy market.

For the years ended 31 December 2019 and 2018 the Group's revenues from the Energy segment amounted to Euro 16,606 thousand and to Euro 14,484 thousand whilst for the six months ended 30 June, 2020 and 2019 they amounted respectively to Euro 6,050 thousand and Euro 9,265 thousand.

General aviation services

General aviation services consist of the management and organisation of the Linate west apron and Malpensa Prime Terminal, which are fully dedicated to general aviation flights, primarily for private air travellers.

Such services are provided by SEA Prime, in which the Issuer has a 99.9% shareholding.

For the year ended 31 December 2019, the two general aviation terminals of Linate and Malpensa managed by SEA Prime, notwithstanding the Linate airport three-month summer closure, registered 24,507 movements and 50,400 passengers, making Milan the first general aviation destination in Italy, and the fifth in Europe by volume of traffic. SEA Prime terminal in Linate, with 10 hangars (a total of 24,000 square metres) and a dedicated apron (70,000 square metres), is the base for several operators, including leading Italian and international operators and maintenance companies (such as Sirio, Leonardo, Alba Servizi Aerei and Avionord). It is characterised by high profile business passenger traffic with significant peaks during key events in the Milan calendar, such as the Design Week, Milan Fashion Week, and major sporting events. The Malpensa Prime Terminal, completed in 2019, is situated in a dedicated area of the airport between Terminal 1 and Terminal 2, and features a 50,000 square metre apron, in addition to a 5,000 square metre hangar for latest-generation executive jets, which is already in use. The Milan Malpensa Prime Terminal will complete SEA Prime offer, developing a new market base, able to serve aircraft of any type and size.

General aviation services include also commercial activities such as rental of hangars and offices.

The Milan Airports

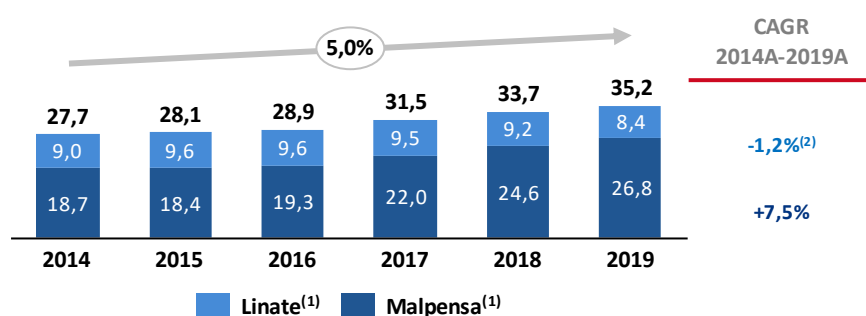
According to the Airports Council International Europe and the Italian airport industry national association ("Assaeroporti"), for the year ended 31 December 2019, SEA was the second largest airport

operator in Italy and the ninth largest in Europe based on the number of passengers of the Milan Airports, as well as being the largest in Italy based on cargo traffic and the sixth³ in Europe.

In the 2014-2019 period, passenger and cargo traffic at the Milan Airports strongly increased (on average by 5.0% and 3.1% each year, respectively), reaching a record year in 2019 with 35.2 million passengers, notwithstanding the Linate-Malpensa Bridge, and with full recovery after the Alitalia De-Hubbing (approximately +10 million passengers vs 2009), and not far short of the 2018 historical record in the Cargo activity, with more than 551 thousand tons.

Traffic data included in this Prospectus does not include direct transit passengers, general aviation movements (other than in the paragraph “General aviation services” above) and postal delivery.

Milan Airports – passenger traffic 2014 – 2019 (millions of passengers)

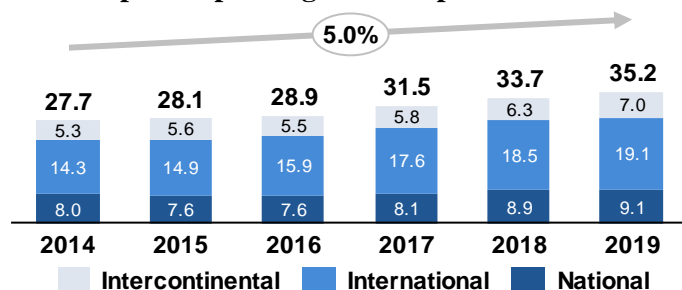


(1) 2019 data adjusted for the transfer of flights due to Linate-Malpensa Bridge

(2) 0%, not considering the loss of traffic due to Linate-Malpensa Bridge (equal to 500k passengers)

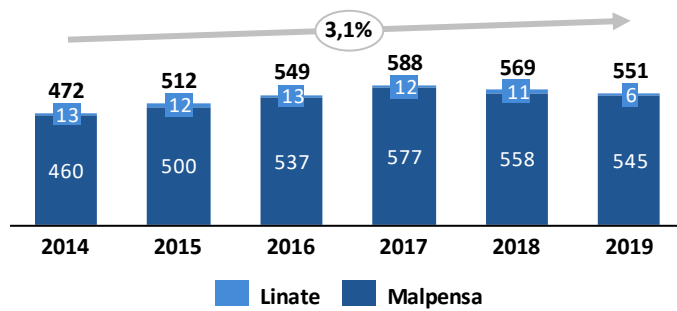
In the 2014–2019 period passengers traffic performance at Milan Airports has been driven by the constant growth in international and intercontinental traffic (respectively +5.6% and +6.0% 2014-2019 CAGR), in particular at Milan Malpensa (+7.5% 2014-2019 CAGR), more than offsetting Milan Linate trend strongly impacted by Alitalia performance. Milan Malpensa traffic is in strong and constant growth, thanks to its extremely wide airline portfolio which includes the top tier European and intercontinental carriers, as of 2019 year-end 110 airlines (of which 45 extra-EU), and a broad offer of destinations (210 direct destination, of which 86 extra-EU).

Milan Airports – passenger traffic per destination 2014 – 2019 (millions of passengers)



³ Excluding mainly cargo and courier airports.

Milan Airports – cargo traffic 2014 – 2019 (thousands of tons)



In the 2014–2019 period cargo traffic performance at Milan Airports has been driven by the constant growth of Milan Malpensa (+3.5% 2014-2019 CAGR), confirming its role as the south Europe air cargo gateway, strongly supporting the Italian trade, both import and export. These results have been supported by the activity of the most important international all cargo airlines and couriers, covering all the main intercontinental cargo destinations, with a strong presence in fast-growing areas, managing a significant portion of total value of Italian trade (as of 2019, 5% of Italian import/export, 12% of Italian extra-EU import/export, 50% of Italian air cargo import/export, 61% of Italian fashion/clothes export vs far east).

For further detailed information, see “*Milan Airports – Key Traffic data*”.

Geographic location and catchment area of the Milan Airports

The Milan Airports are in a unique position in Europe being located in one of Europe’s most economically developed areas, densely populated and wealthy, which comprises the Italian region of Lombardy and other surrounding regions, both North-Central Italy and Switzerland.

The Milan Airports are an important south gateway of the so-called Blue Banana, where more than 70 million people live, work and consume and leading manufacturing and trading companies, production plants and distribution centres are located.

This region is a bridge between Mediterranean and Continental Europe and it is the centre of the trans-European transport networks (known as “TEN-T”), which seek to facilitate the movement of people and goods, not only within Europe, both South-North and West-East, but also to and from the Middle East and the Far East.

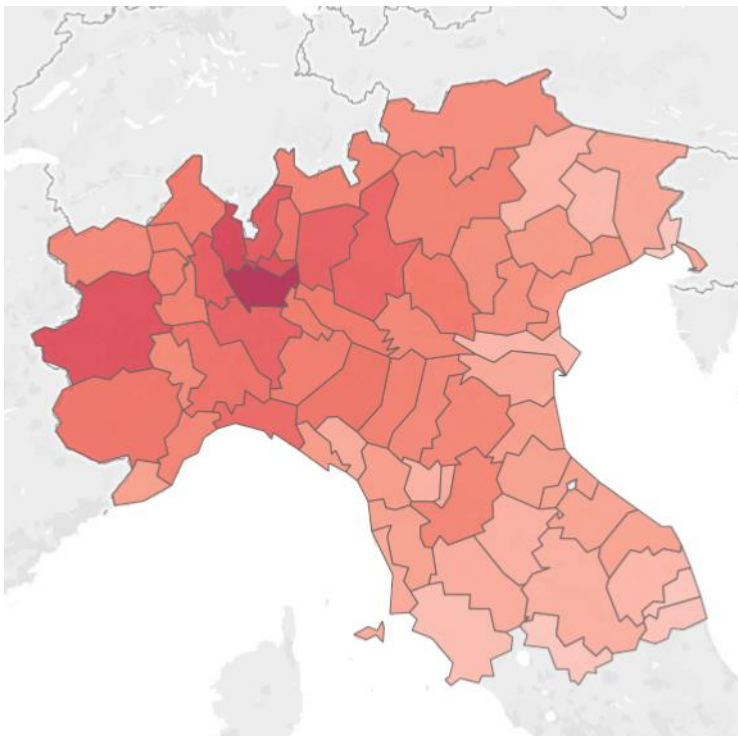
More specifically, the Milan Airports are located near two major roadways and railways outlined under the EU program of infrastructure development related to the above trans-European transport networks: the Mediterranean Corridor, between Algeciras (Spain) and Budapest, which connects Eastern Europe with Western Europe, and the Rhine-Alpine Corridor, between Rotterdam and Genoa, connecting Northern Europe with Southern Europe and the Mediterranean regions.

The following graph illustrates this geographic positioning of the Milan Airports.



The Milan Airports' natural catchment area includes, besides Lombardy – the region in which the airports are located – all the richest regions in the north of Italy (Piedmont, Valle d'Aosta, Liguria, Veneto, Emilia Romagna and Trentino Alto-Adige), some of the most wealthy areas of the Centre of Italy, in particular Tuscany, and South Switzerland (Canton of Ticino).

Thanks to the integration of Milan Airports within a dense road and rail transport network connecting them to core regional, national and cross-border areas, the natural catchment area covers more than 135,000 square kilometres, strongly urbanised with more than 30 million inhabitants (the most populated in Italy, ca. 50% of Italian population), and representing a GDP of more than Euro 1 billion (ca. 60% of the Italian GDP) being one of the richest areas in Europe. SEA believes that evidence of this extended catchment area is confirmed by some analysis of big data: about 40% of Milan Malpensa passengers originate out of Lombardy.



SEA elaboration on big data

Lombardy, the core region of the two Airports, is by far the most populated, wealthy and developed Italian region, and the second region in Europe in terms of GDP generation⁴, after Île de France – Paris but ahead of regions such as Inner London, Upper Bavaria, Düsseldorf and Stuttgart.

As per the most recent data, Lombardy's population of 10.1 million accounted for around 17% of the nationwide total, and its GDP, Euro 390.3 billion, represents 22% of the Italian total. These results are driven by the pivotal role of Milan: in the last five years Milan's GDP grew by 9.7%, more than doubling the Italian performance (+4.6% in the same period), thanks to its strong business vocation, with a concentration of companies both in industry and manufacturing activities, in services and finance, with a strong international presence, and home to 4,700 multinational companies (32% of those active in Italy).

Lombardy is also an attractive place for knowledge-intensive start-ups, and for the role of Milan as a research hub. This territory is home to the main Italian research centres, 12 CNR (Italian National Research Council), 19 IRCCS (Institutes for Treatment and Research) and 13 universities attracting 280,000 students, of whom almost 14,500 foreigners.

Milan Airports are the natural gateway for incoming visitors: Milan, with more than 9 million international visitors, is the third in Europe, behind London and Paris, and in the top 20 in the world⁵. The constant growth of Milan's attractiveness, with increasing international incoming flows (+16% vs 2016), after the successful EXPO 2015 event, derives also from the presence of specific and successful events that characterise the city's life (e.g. Milan Fashion Week, sport events, nightlife), the presence of commercial exhibitions (e.g. Milan Design Week and, in 2021, the World Routes Event), the improving accommodation offer, and the proximity of the city to all the top North Italian natural and historical tourist areas: the lakes regions, the Alps and the Liguria Riviera.

In terms of air cargo transportation the catchment area of Malpensa airport is significantly larger than the natural one, considering its role as the Italian import-export air cargo gateway, being in the centre of the main Italian and European road and railway connections, without any other top cargo airport operator in a radius of more than 600 kilometres, supporting the Italian economic system in reducing the road feeder services versus other non-Italian cargo airports.

Milan Airports Ground Access: a story of constant evolution

Milan Airports are well connected to their catchment area by various means of transportation, integrated within a dense road and rail transport network connecting them to core regional, national and cross-border urban and economic areas:

- Milan Linate is one of the European airports more closely located to a major city centre (approximately 10 kilometres), with a direct road axis to Milan, also leading to the external by-pass roads "Tangenziali di Milano" connecting with 4 different motorways connecting North-South and West-East Italy (Turin-Milan-Venice passing through Bergamo/Brescia/Garda Lake, Milan-Bologna-Florence-Rome, Milan-Genoa). Milan Linate ground access is granted by about 450 bus journeys per day to Milan (one every 10 minutes, as of 2019) and approximately 4.000 car park to accommodate passengers' cars (including car sharing and car rentals). Furthermore, the accessibility from Milan will be further boosted in 2021 with the completion of the new Metro Line M4, with a station directly linked to the passenger terminal, and by 2026, will be extended towards East to a new intermodal hub (Milan East Gate Hub), integrated in the national high-speed railway network.
- Milan Malpensa, located approximately 45 kilometres from Milan city centre, is well connected to the main North Italy road axes, linked to 3 of the main Italian motorways (Turin-Milan-

⁴ Source: Eurostat (2018 data)

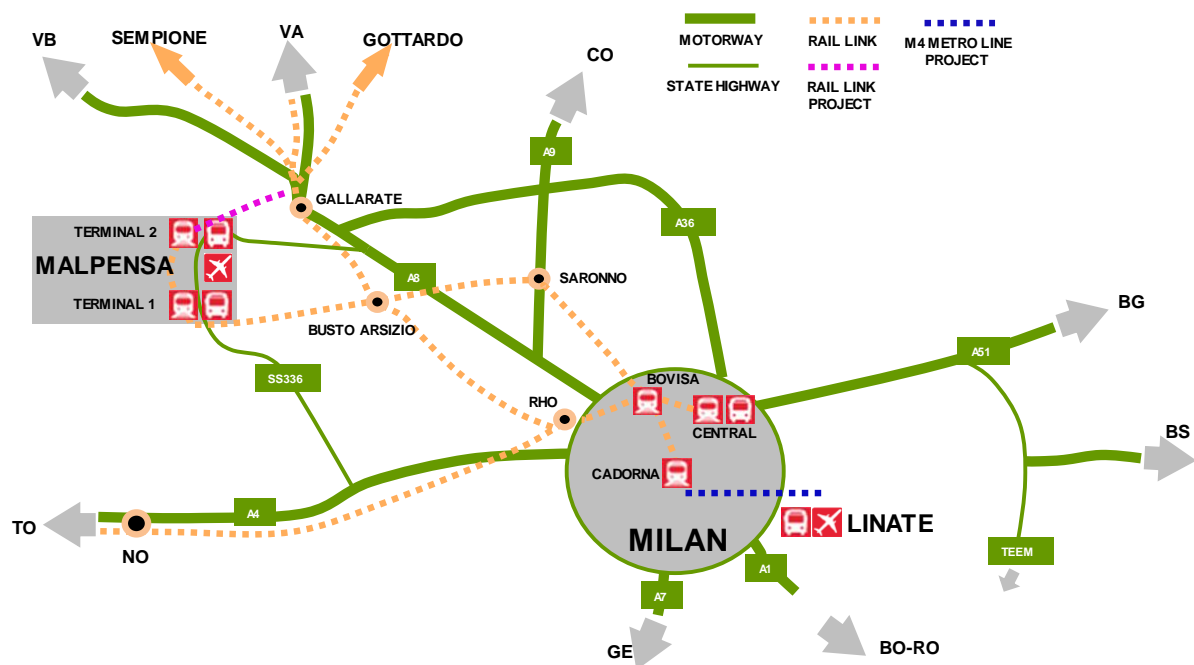
⁵ Source: Mastercard Global Destination Cities Index 2019.

Venice, Milan-Varese/Lake Maggiore and Milan-Como/Switzerland), and is completely integrated in the Italian high speed rail network, connecting both the airport terminals with 2 different train stations.

Milan Malpensa ground access is granted by the Malpensa Express rail service, running more than 146 trips per day to/from Milan (1 train every 15 minutes), a direct rail connection to Switzerland (36 trips per day to/from Canton Ticino, 1 train every 60 minutes), more than 300 bus journeys connect the airport to Milan city centre (1 bus every 10 minutes) and about 240 to other north Italy and Switzerland destinations, the wide parking offer, with approximately 10.000 car parks.

In the coming years it is foreseen a further development of the rail network with a new link connecting Milan Malpensa with Sempione railway line towards Gallarate and Switzerland, thus enhancing the accessibility to/from the airport towards the north and allowing Milan Malpensa to become a node in the medium and long-range interregional and international rail network, in the heart of Europe.

In this scenario SEA Group has been developing a strong strategy to improve accessibility, to enhance quality of services and expanding its catchment area, also promoting sustainable forms of transport to and from the airport, offering to its passengers a broad set of information on mobility through its web site and app, in addition to other information concerning flights, directions and parking, shopping & food, and airports' services and facilities.



The Milan Airports' capacity

In Italy, the capacity of an airport is determined by ENAC. ENAC takes into account the inputs received from the airport operator and ENAV. In particular, capacity is determined for each airport based on: (i) the air navigation plan, which reflects ENAV's capabilities to manage and control air traffic, (ii) such airport's runway system and related infrastructure (in particular, apron and terminal facilities), (iii) traffic demand factors and (iv) environmental constraints (such as noise reduction measures and suspension of night time flights).

As of the date of this Prospectus, the Milan Airports' total capacity, as determined by ENAC after taking into account all the applicable factors, is equal to a total of 88 movements/hour and is allocated between the two airports as follows:

- *Milan Malpensa Airport*: 70 movements/hour (take-offs and landings combined); and
- *Milan Linate Airport*: 18 movements/hour (take-offs and landings combined). This limit was determined by decree (see “*Regulatory Framework*”): Linate’s infrastructure and facilities are in fact capable of handling a capacity of approximately 32 movements/hour. With communication dated 9 July 2020, ENAC, as an exemption to Ministry for Infrastructure and Transport Decree No. 245 of June 14, 2020, reopened Linate airport from 13 July 2020, establishing a temporary airport capacity of at least 10 hourly movements (five arrivals and five departures), a 45% reduction of the full capacity (for further detailed information, see “*Regulatory Framework*”).

The Milan Airports infrastructure

Milan Malpensa Airport

Airport layout

Milan Malpensa Airport covers a total area of approximately 1,220 hectares situated about 48 kilometres northwest from the city centre of Milan, which is connected by rail (including a direct service with no intermediate stops that takes 29 minutes), as well as through a network of highways and other roads that connects Milan Malpensa Airport with the main towns of Northern Italy and Switzerland.

Milan Malpensa Airport consists of two passenger terminal areas, which cater to different types of passenger traffic, and one main cargo area. In particular:

- *Milan Malpensa 1* (or “Terminal 1”) is normally dedicated to business and leisure travellers on domestic, international and intercontinental routes, served by scheduled and charter carriers;
- *Milan Malpensa 2* (or “Terminal 2”) is normally dedicated to “low-cost” traffic; and
- *Milan Malpensa Cargo* (or “Cargo City”) is entirely dedicated to cargo traffic.

The following illustration sets out the layout of Milan Malpensa Airport and its main facilities.



Air-side infrastructures

Milan Malpensa Airport has two parallel runways for landing and take-off that are 808 metres apart from each other, are each 3,920-metres long and are authorised for use by all commercial aircraft currently in service. These runways are not set up for independent parallel approaches by aircraft. The operations of the two runways are not subject to any curfew.

The runways and connecting taxiways are equipped with lighting systems to support landings, take-offs and taxiing as well as radio-equipment for instrument landing, which is owned and managed directly by ENAV. Such systems allow safe aircraft operations even in very poor visibility conditions.

Milan Malpensa Airport has approximately 18.5 kilometres of taxiways (28.7 kilometres including the taxiway in the aprons) and 201 parking stands for aircraft (with a maximum capacity of 153 aircraft parked at the same time), of which 108 are adjacent to Milan Malpensa 1 (including four parking bays in the maintenance apron), 42 to Milan Malpensa 2 and 51 to Milan Malpensa Cargo, occupying a total surface of approximately 1.4 square kilometres.

Passenger terminals

Milan Malpensa Airport has two terminals for passengers:

- *Milan Malpensa 1*, which has operated since October 1998 and is used by national, international, intercontinental, charter and scheduled flights traffic. Milan Malpensa 1 was built with a modular layout and consists of a main unit and three satellites equipped with passenger loading bridges. The three satellites are connected to the main unit of the terminal by tunnels for arriving and departing passengers. The south satellite is used for flights to and from Schengen countries (i.e. 26 European countries that signed the Schengen agreement concerning the abolition of passport or any other type of border control between their common borders), while the other two satellites (central and north) are normally used for flights to and from all other destinations (non-Schengen countries).

As of the date of this Prospectus (after the development works completed in 2015), the total area of Milan Malpensa 1 is approximately 360,000 square metres, distributed in six main floors, three of which are directly used by the passengers (check-in / departures / arrivals floors). In this building, approximately 8% of the total area is dedicated to the exercise of commercial activities. Close to Terminal 1 and the railway station is located the Sheraton 4-star hotel, which has 437 rooms and has been recently acquired by SEA.

- *Milan Malpensa 2*, which, as of the date of this Prospectus, is closed due to the reduction of traffic consequent to the Covid-19 pandemic, was normally used only by the low-cost carrier EasyJet. The total area of this building is approximately 60,000 square metres; 47% of which are used for the direct service of the public (arriving and departing passengers), 10% for commercial activities and the remaining 43% for administrative, technical and service functions.

Cargo area

As of the date of this Prospectus, the cargo area of Milan Malpensa Airport has a total capacity of approximately 750,000 tons of cargo, it is located mainly in the south-western area of the airport (Cargo City) and consists of:

- two side buildings used as cargo warehouses with a total area of approximately 50,000 square metres, of which 14,800 square metres are dedicated to offices for cargo handlers;
- a central building with six levels with a total area of approximately 16,200 square metres, of which approximately 7,200 square metres are occupied by offices intended for transportation companies, banks, a food area and a post office;
- a building with a total area of approximately 12,000 square metres used by FedEx;
- a building with a total area of approximately 15,000 square metres used by two different cargo Handlers (Betatrans and WFS).

A new development of the cargo area is currently in progress, with the construction of a new warehouse built by DHL, which will enter in operation during 2020 and will allow a shift of their activities from the present location in the northern part of the airport.

All the above-mentioned cargo buildings have direct access to aircraft parking areas mainly dedicated to “all cargo” flights.

SEA plans to further increase the cargo processing capacity of Milan Malpensa Airport, by developing in the future new infrastructures and facilities to be used for freight traffic, which are planned in the new Malpensa Masterplan and will consist in a new apron of approximately 250,000 square metres and in three new buildings with a surface of approximately 15,000 square metres each, with an estimated final total capacity of at least 1,300,000 tons of cargo per year.

Other infrastructures

Railway stations

Both Terminal 1 and Terminal 2 are directly connected to the railway network and have a station located in walking distance of the building. A new project is in progress, which plans to extend the railway line to the north, so as to connect the regional line which at present connects Malpensa to Milan, with the national and international network.

Hangar

Milan Malpensa Airport has a hangar for the housing and maintenance of aircraft that also includes some office space. This infrastructure consists of a main building of approximately 7,000 square metres

dedicated to sheltering the aircraft and two identical side units, each with an area of approximately 8,000 square metres.

Trigeneration plant

Milan Malpensa Airport has its own gas-fired cogeneration plant that is in the western side of the airport, between the Terminal 1 area and Cargo City. The plant generates both electricity and thermal energy, which is also converted into cooling energy. As a result, Milan Malpensa Airport does not depend on external supplies of electricity and heat and – in cases of surplus and when commercial conditions are favourable – it can provide energy to the external network. The plant has a generation capacity of 80 electrical MW, 60 thermal MW and 55 MW for production of refrigerated water.

Car parking

Milan Malpensa Airport has over 10,000 car parking spaces for the public, which area is distributed between various multi-storey buildings and surface parking areas; approximately 7,500 car parking spaces are located near the Terminal 1 area, in four different locations, and approximately 2,600 more spaces are in the northern part of the airport, near Terminal 2.

Business aviation facilities

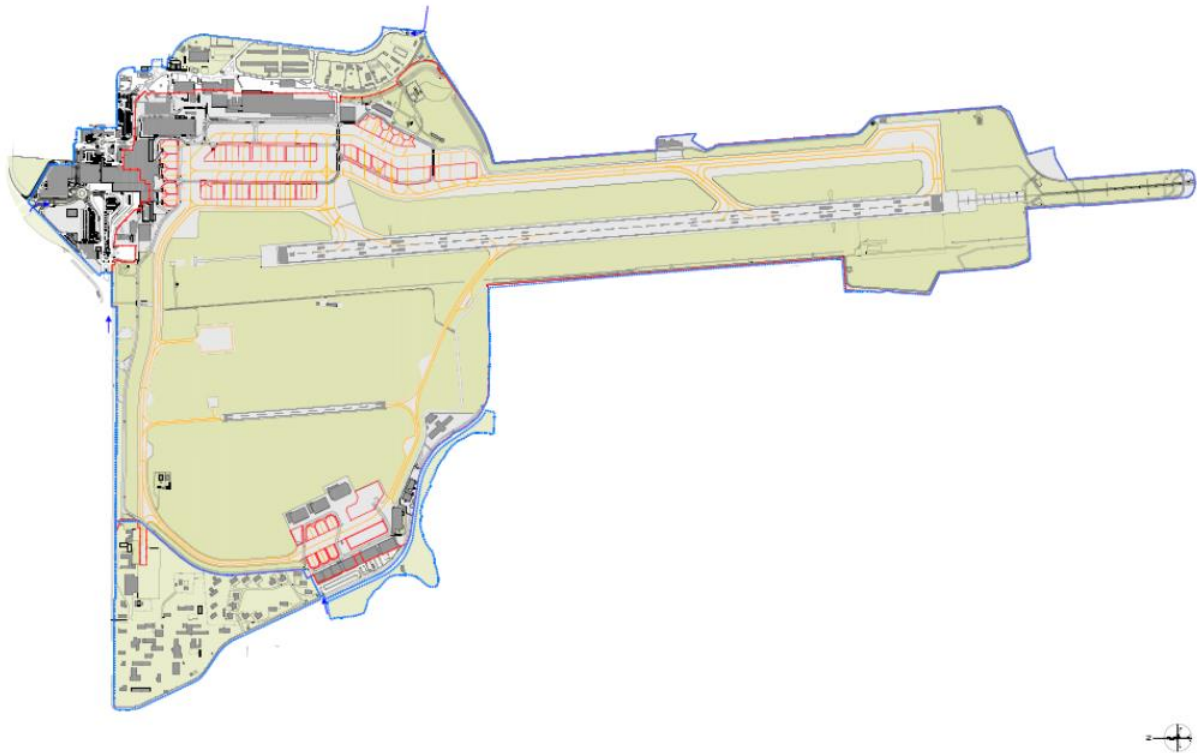
In 2019 a new terminal dedicated to business aviation activities was built in the western part of the airport, near the maintenance hangar. The new building has direct access to the apron (which is in part characterised by a specific lay-out designed for use by business and general aviation aircraft) and has its own connection to the external road system and dedicated car parking areas.

Further developments have been foreseen by the new Malpensa Masterplan, including a new aircraft maintenance area, the realisation of an “airport city” located near Terminal 1 (which will include an intermodal exchange centre, new hotels, new office buildings, etc.), a new logistic centre for cargo activities, etc.

Milan Linate Airport

Airport layout

Milan Linate Airport covers a total area of approximately 350 hectares located east of Milan at approximately 10 kilometres from the centre of the city. The following map illustrates the layout of Milan Linate Airport.



Air-side infrastructures

Milan Linate Airport has two runways for landing and take-off, one (2,442 metre-long) for commercial aviation and the other (currently closed, 601 metre-long) once used for general aviation purposes.

The main runway and the taxiways are equipped with lighting systems to support flight and taxiing as well as radio equipment for instrument landing that is owned and managed directly by ENAV.

The air-side infrastructure of Milan Linate Airport consists of the main parallel taxiway, which is approximately 2,150 metres long, and a system of taxiways totalling approximately 5,900 metres (excluding the taxiing paths within the aircraft parking areas), and two aprons for aircraft, one for commercial aviation with a total area of approximately 340,000 square metres and the other for general aviation with a total area of approximately 67,000 square metres. An additional apron of approximately 11,000 square metres is dedicated to aircraft maintenance. Currently, the airport's 46 parking stands can accommodate up to 42 aircraft at the same time; additional parking areas are available for general aviation and aircraft maintenance.

Recently a new de-icing area was built in the southern part of the main apron (which allows parallel de-icing operations in three aircraft stands) and in 2019 the following were completed:

- a total refurbishment of the main runway, of parallel taxiway "T" and of taxiway "N", which involved both pavements and visual aids;
- the regularisation of the access taxiway to the maintenance apron;
- the civil works related to the next installation of a 400 Hz supply system in the "remote" aircraft parking stand of the main apron.

Passenger terminal

The passenger terminal consists of five levels with a total area of approximately 75,000 square metres, including approximately 33,000 square metres open to the public.

After the recent completion of a restyling of the façade and some internal area, currently, important development works are in progress in the terminal (demolition and reconstruction of the unit “F”), which will increase the total area of the building by approximately 5,000 square metres, with a greater and more comfortable area for Schengen gates and approximately 1,500 square metres of new areas intended for the development of commercial services offered to the public (retail and food & beverage), with a new passengers circulation path and new security checks and gate to speed operations.

Works are in progress for the connection of the passenger terminal to the Milan subway network (M4 Line). The service is expected to begin in 2021.

Cargo area

As of the date of this Prospectus, the freight traffic in Linate is very low; nevertheless there is a cargo area with a terminal building of approximately 16,800 square metres and a capacity of between 80,000 and 100,000 tons/year, as well as administrative offices for a total area of approximately 8,420 square metres. Milan Linate Airport also has a refrigerated warehouse of approximately 2,600 square metres equipped with four refrigerated storage areas which are used for perishable foods.

Other infrastructure

Cogeneration plant

Like Milan Malpensa Airport, also Milan Linate Airport has its own gas-fired cogeneration plant that is located on the premises of the airport (in the western part of the airport site) and generates both electricity and thermal energy, which can be converted into cooling energy. The Linate cogeneration plant has a generation capacity of 24 electrical MW and 18 thermal MW.

Car parking

Milan Linate Airport has approximately 4,000 car parking spaces divided into two multi-storey buildings and in different surface parking areas.

Business aviation facilities

Specific infrastructures dedicated to the operations of “business” and “general” aviation are in the western part of the airport site; these infrastructures include (besides the already mentioned apron) a terminal building which was recently refurbished and several hangars.

Further developments of this area are foreseen by the airport Masterplan, which includes both the realisation of new hangars and an important development of the aircraft parking areas and of the taxiway system used to connect them to the runway and the other existing air-side infrastructures.

The new airport Masterplan includes also the realisation of a new fuel storage area, with direct pipeline connections to the aprons; the construction of a new hotel near the passenger terminal building; a new control tower and the refurbishment and development of the eastern area of the airport (near the “Idroscalo” artificial lake), which is presently under-utilised and where the realisation of new technical, administrative and operational facilities is foreseen.

Milan Airports – key traffic data

The traffic models developed and operated by Milan Malpensa Airport and Milan Linate Airport are different:

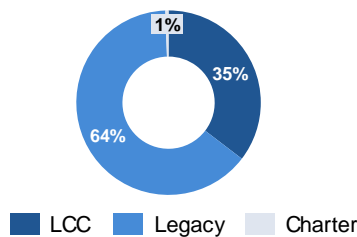
- Milan Malpensa: a multicarrier full-service terminal serving a wide range of intercontinental, international and domestic destinations, both passengers and cargo, with a well-balanced mix of business and leisure traffic, a capacity of 70 mov/hour (24 hours opening: no curfew) and no short-medium term capacity constraints;

- Milan Linate: dedicated to short-medium haul EU destinations and a capacity of 18 mov/hour (regulated by Ministerial Decree 18 November 2016, the so-called Del Rio Decree)

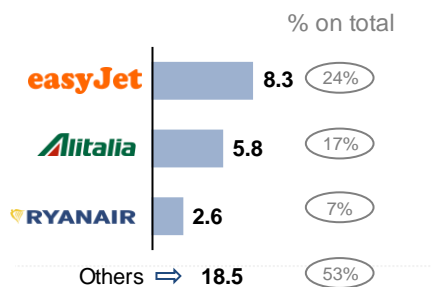
For the year ended 31 December 2019, passenger traffic at the Milan Airports amounted to 35.2 million (+4.4% compared to 2018) while cargo activity amounted to 551 thousand tons (-3.1% compared to 2018, in line with the decrease of the global cargo market). These results has been achieved notwithstanding the Linate-Malpensa Bridge .

As of 31 December 2019 Milan Airports confirms a strong positioning in all passenger traffic segments with a significant and diversified routes portfolio (210 of which 86 extra-EU), managed by a wide and diversified number of airlines (105 of which 45 extra-EU), with a consequent low dependence on a specific market segment or a single carrier.

Milan Airports – Passenger traffic model (as of 31 December 2019)

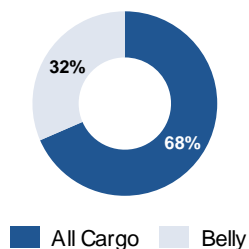


Milan Airports – Top 3 passenger carriers (as of 31 December 2019)

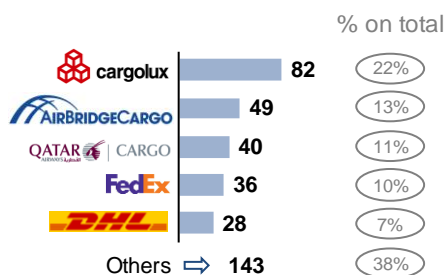


As of 31 December 2019, Milan Airports are more than well positioned in Cargo activity, with the presence of more than 35 all cargo airlines and couriers, including all the most important international operators, covering all the main intercontinental cargo destinations, with a strong presence in fast-growing areas (as of 31 December 2019, 40% Middle East, 36% Far East, 21% North America, 3% other destinations (i.e. Central and South America and Africa)).

Milan Airports – Cargo traffic model (as of 31 December 2019)



Milan Airports – Top 5 cargo carriers (as of 31 December 2019)

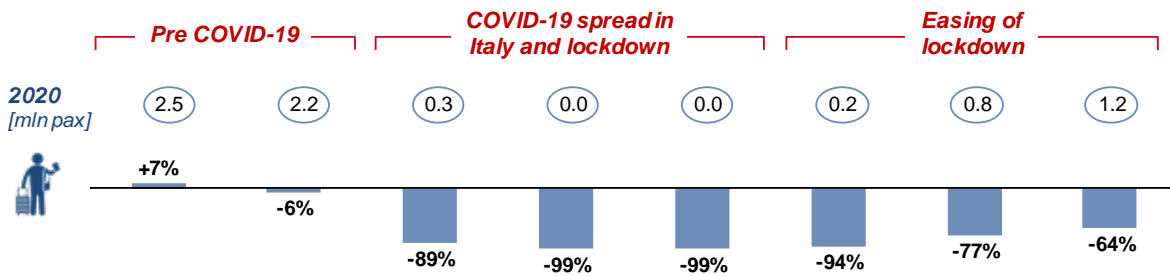


In 2020, after the spread of Covid-19 pandemic, Milan Airports passenger traffic has been severely impacted, with a recovery from June 2020, while cargo activity in Milan Malpensa maintained an interesting level also during *lockdown*, confirming the important role of cargo business for SEA Group (see “*Focus on Covid-19*”).

SEA’s passenger and freight traffic during Covid-19 period (‘000 pax and ‘000 tons)

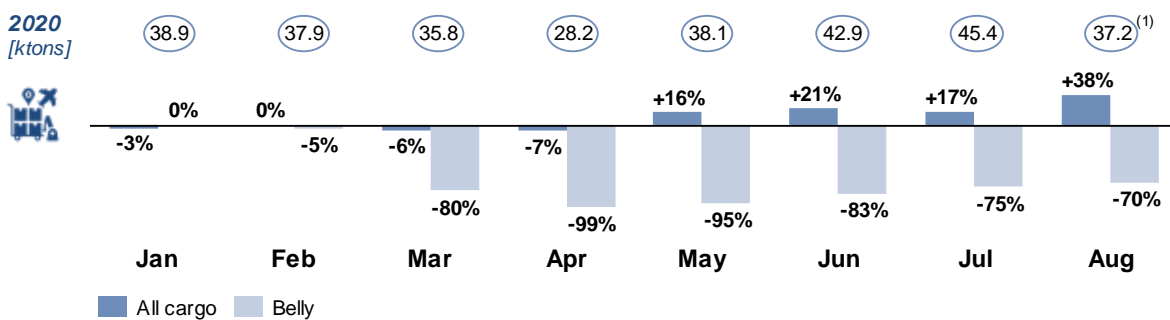
SEA's passenger traffic during COVID-19 period

Δ% 2020 vs 2019 within Jan-Aug period



Total freight managed during COVID-19 period

Δ% 2020 vs 2019 within Jan-Aug period



(1) -2.2% vs August 2019, the lowest monthly post COVID-19 differential

SEA's environmental vision and strategy

Sustainable development vision

SEA pursues a strategy of creating value, protecting shareholders' return on capital, based on the implementation of its development plans, to create widespread benefits for its stakeholders, while minimising negative externalities.

SEA is committed to the 2030 Agenda for Sustainable Development promoted by the UN. The transport and infrastructure sectors are considered crucial for achieving the goals of the 2030 Agenda. SEA therefore carried out an assessment to identify which of the 17 Sustainable Development Goals (SDG) were relevant to its activities, in order to align its strategic vision with the topics that support the pursuit of this vision and commitment to the 2030 Agenda.

SEA identified the following 8 Sustainable Development Goals:

- good health and well-being (SDG 3);
- clean water and sanitation (SDG 6);
- affordable and clean energy (SDG 7);
- industry, innovation, and infrastructure (SDG 9);
- sustainable cities and communities (SDG 11);
- responsible consumption and production (SGD 12);
- climate action (SDG 13) and
- life on land (SDG 15).

These sustainability objectives, defined in the environmental sustainability strategy of SEA, are divided into six key environmental themes:

- noise;
- climate change;
- water;
- biodiversity;
- waste;
- accessibility.

For each of these themes, different strategic guidelines have been defined, providing 34 actions to be implemented before 2025, such as, for example: as regards noise, the introduction of acoustic zoning at Malpensa and the related monitoring and control of noise abatement landing/takeoff procedures and night time operations, in order to keep the acoustic impact within the defined noise limitations (even without any specific restriction on night flights); as regards climate change, the replacement of an existing gas turbine with a new gas turbine with greater efficiency which will reduce NOx emissions from 60 to 27 mg/Nmc and CO emissions from 50 to 20 mg/Nmc, replacement of boiler burners to reduce NOx emissions from 200 to 60 mg/Nmc and reduction of CO emissions from 100 to 15 mg/Nmc; as regards water, construction of a purification and recycling plant at Milan Malpensa Airport; as regards biodiversity, implementation and continuation of projects in collaboration with local communities for the protection of biodiversity; as regards waste, maximising separate collection (target 50% in Malpensa and 70% in Linate) and reducing waste production also through agreements with retailers and operators; as regards accessibility, transforming airports into intermodal hubs in the area, with Malpensa as the centre of the railway network and Linate as the hub of metropolitan transport.

Environmental policy

The commitment to reduce environmental impacts increases the need to integrate key issues of environmental management into the strategies and economic/financial management of the Issuer. Through periodic monthly committees, SEA provides stakeholders working in the aviation sector with information on the environment and operational safety; externally, this ensures a correct relationship with the local territory and institutions.

SEA Group is strongly committed to combining the core value of respecting and safeguarding environmental assets with development.

SEA has its own Environmental and Energy Policy which it undertakes to respect in order to pursue its objectives of continuous improvement. It is a precise commitment of the SEA Group to combine the fundamental value of respecting and safeguarding the environmental heritage with development.

The Environmental and Energy Policy of SEA is inspired by the following principles:

- compliance with regulatory requirements and improvement of minimum requirements;
- continuity in the commitment to improve environmental and energy performance;
- collaboration with airlines to encourage the use of the latest generation aircraft and adoption of procedures to optimise processes;
- awareness and involvement of all the actors present in the airport system;
- choice of construction and maintenance solutions aimed at improving the energy efficiency and environmental sustainability of airport infrastructures;

- priority of choice for the purchase of products and services that adopt similar sustainability criteria;
- control of CO2 emissions;
- constant level of monitoring;
- transparency and sharing in communication;
- proactive presence in national and international development programs for the sustainable development of air transport.

The Environmental and Energy Management System (SGAE) is periodically subject to internal and external audits, to guarantee maximum performance in pursuing improvement objectives with a view to maximum sustainability.

Carbon footprint

SEA has been committed for over a decade to reducing its carbon footprint through a series of measures and interventions for the control and reduction of direct and indirect CO2 emissions at the airport, and in particular those deriving from direct activities.

Airport Carbon Accreditation

The five regions belonging to the Airports Council International (ACI), Europe, Asia-Pacific, Africa, North America and Latin America, have adopted the Airport Carbon Accreditation (ACA) program to raise awareness and reduce carbon dioxide emissions from airports.

This program allows airports to implement CO2 emission management processes and obtain public recognition of their results by obtaining accreditation at 4 different levels of participation

For an airport, the entry point to the program means quantifying and verifying its environmental impact and demonstrating the involvement of its top management through a political commitment to progressively reduce CO2 emissions. The highest level of participation (level 3+) concerns airports able to achieve the neutrality of carbon dioxide emissions under the direct SEA's control.

In 2019, SEA confirmed its European leadership positioning for both Linate and Malpensa within the 3+ neutrality grouping (achieved since 2010), together with 51 other airports representing 26.2% of European traffic. SEA maintained its carbon neutrality also funding carbon compensation projects in India.

Since 2009, SEA has implemented energy efficiency actions that have led to significant energy savings over the past 10 years (with a reduction of 26% of the direct emissions).

To achieve these results, SEA has organized a competent structure in terms of energy savings, plant management, consumption analysis, training and information.

The airport facility "Environment and Airport Safety" (EAS), has the task of managing environmental issues including waste management, environmental permits, airport noise control and ISO14001 and ISO50001 certifications.

Since 2009, the year in which SEA began implementing important energy saving policies, various activities have been carried out to reduce energy consumption, the carbon management initiatives including:

- analysis of consumption data in both the electric and thermal fields;
- review of the hours of supply of electrical and air conditioning services to the main airport users;

- patriotization of internal and external lighting (light towers) while still guaranteeing the minimum legal lux;
- introduction of low-consumption lamps with retroflux devices and with LED technology;
- optimization of the operating parameters of the plants (temperatures, humidity, set points) both by exploiting the already operating automation and supervision systems and by introducing changes to the management software;
- use only of the BHS belt system (which guarantees lower consumption) during periods of lower traffic;
- "idle times" reduction of baggage belts and carousels;
- introduction of the aeronautical ground lighting (AGL) command to allow immediate activation of "brightness 1";
- conversion of conventional plants (served by fuel-fired boilers) into district heating/refrigeration utilities;
- development of a collaboration and comparison activity with ENAC;
- night-time switch-off of the track not used for anti-noise scenario or for maintenance activities (Notam);
- awareness campaign for all airport personnel on the rational use of energy both in the workplace and in normal domestic activities.

SEA will pursue the following sustainability-focused projects to reduce carbon emissions:

- Optimize the energy supply model also rethinking the production strategy;
- Support modal shift by further improving rail network;
- Continue pursuing energy efficiency to reduce consumption and emissions;
- Move towards hybrid/ electric mobility, also installing recharging facilities;
- Incentive airlines to adopt low emission fleets leveraging new charges structure.

Use of low carbon energy sources on site

As of the date of this Prospectus, more than 90% of the thermal utilities of Linate and Malpensa are connected to the district heating plant, which supplies thermal energy from the recovery of heat from the electric turbines of the company SEA Energia, which supplies for the energy needs of SEA.

Procurement of green electricity

Since 2011, in compliance with the Legislative Decree of 3 March 2011, No. 28 which implements the European Directive 28/2009, SEA has created a photovoltaic system for each new civil structure realised or for every major renovation carried out on existing structures.

To date, SEA has installed photovoltaic systems at Linate and Malpensa, for a total power of around 700 kWp which it will continue to implement with future interventions.

NetZero2050

In June 2019, SEA committed to the "NetZero2050" resolution promoted by Airports Council International Europe (ACI Europe), which requires its 500 members to reach "net zero" CO2 emissions by 2050. This commitment is accompanied by a need for the aviation sector to develop a shared long-

term goal and vision towards achieving zero carbon emissions. Operators at zero emissions airports will not be able to purchase “off-set credits” to achieve neutrality. Offsetting is considered a temporary measure to deal with residual emissions, which airports will gradually have to replace with the use of renewable energy as new technologies and decarbonisation opportunities arise. As such, SEA and the European airport industry are aligning themselves with the Paris Agreement and the latest reports from the Intergovernmental Panel on Climate Change (IPCC), which reaffirm the need to guarantee a temperature rise of no more than 1.5°C.

Management

Corporate governance

On 27 June 2001, the Issuer adopted a corporate governance system which broadly follows the principles and criteria set forth in the Corporate Governance Code for Listed Companies issued by the Italian Corporate Governance Committee (the “Code”).

The corporate governance system of the Issuer is based on a classic organisational model, which involves a division of powers between the Shareholders’ meeting, the Board of Directors and the Board of Statutory Auditors.

Pursuant to the Issuer’s by-laws, the Board of Directors is entrusted with the power to manage the Issuer and is composed of seven members. The directors are appointed by the Shareholders’ meeting on the basis of lists submitted by Shareholders who, individually or jointly with other Shareholders, hold vote-bearing shares representing at least 20% of the share capital of the Issuer. The term of office of the Board of Directors is established by the Shareholders’ meeting and must be no less than one financial year and no more than three financial years from the acceptance of the office.

Pursuant to the Issuer’s by-laws, the Board of Statutory Auditors is composed of five Standing Auditors and two Alternate Auditors, each of which must meet the requirements provided by applicable laws and the Issuer’s by-laws. The Chairman of the Board of Statutory Auditors is appointed by the Italian Minister of Economy and Finance and one of the Standing Auditor by the Italian Minister of Infrastructure and Transportation. The remaining three Standing Auditors and two Alternate Auditors are appointed by the Shareholders’ meeting on the basis of lists submitted by Shareholders who, individually or jointly with other Shareholders, hold vote-bearing shares representing at least 20% of the share capital of the Issuer.

The Issuer ensures compliance with the Code through, *inter alia*, the constitution of internal committees, composed exclusively of non-executive Directors. In particular, the Issuer has established a “Control, Risk and Sustainability Committee”, as well as a “Remuneration and Appointments Committee”. The duties assigned to such Committees are those provided by the Code and are enumerated in the resolutions of the Board of Directors constituting them. The Issuer has also established an “Ethics Committee”.

The key corporate governance documents of the Issuer comprise: (i) its by-laws; (ii) the Organisation and Management Model under Legislative Decree No. 231/2001 and the Code of Conduct; and (iii) the rules of the internal committees.

Board of Directors

Composition

As of the date of this Prospectus, the Issuer’s Board of Directors consists of seven members appointed by the Issuer’s Ordinary Shareholders’ Meeting held on 19 April 2019. The current Board of Directors will hold office until the date of the Ordinary Shareholders’ Meeting approving the Issuer’s financial statements as at 31 December 2021. The following table lists the current members of the Board of Directors as at the date of this Prospectus.

First and last name	Position
Michaela Castelli.....	Chairman

Davide Amedeo Corritore.....
 Armando Brunini.....
 Pierfrancesco Barletta.....
 Patrizia Michela Giangualano.....
 Rosario Mazza.....
 Luciana Sara Rovelli.....

Deputy Chairman
 Managing Director and General Manager
 Director
 Director
 Director
 Director

The business address of the members of the Issuer's Board of Directors is the same as that of the Issuer.

The following table sets forth the companies for which the Directors of the Issuer serve as members of an administrative, management or supervisory body.

Name	Company	Main positions held outside the Group
Michaela Castelli	ACEA SpA	Chairman
	NEXI SpA	Chairman
	LA DORIA SpA	Director
	RECORDATI SpA	Director
	Autogrill Italia SpA	Standing Statutory Auditor
Davide Amedeo Corritore	Anthilia Capital Partners SGR SpA	Director
Armando Brunini	-	-
Pierfrancesco Barletta	Leonardo	Director
	Juniper Extensible Solutions S.r.L	Director
	Istituto per il Credito Sportivo	Director
Patrizia Michela Giangualano	Mondadori SpA	Director
	Epta SpA	Director
	ASTM SpA	Director
	Leonardo SpA	Director
	PBI SpA	Director
Rosario Mazza	Ardian Italy	Director
	Nuova Argo Finanziaria	Director
	ASTM	Director
	2i Rete Gas	Director
	2i Aeroporti	Deputy Chairman
	Holding d'Investimento Sanita ed Infrastruttura	Chairman
	Genesi 1	Director
Luciana Sara Rovelli	Saes Getters S.p.A	Director Chairman of Control and Risk Committee Chairman of Supervisory Board Chairman of Remuneration and Appointment Committee
	Maire Tecnimont Group	Chairman of Supervisory Board
	Diners Club Italia	Chairman of Supervisory Board
	Kering Italia S.p.A.	Chairman of Supervisory Board
	Galbusera S.p.A.	Chairman of Supervisory Board
	Profumerie Douglas S.p.A.	Chairman of Supervisory Board
	Nicotra Gebhardt S.p.A.	Chairman of Supervisory Board
	Laica S.p.A.	Chairman of Supervisory Board
	Brenntag S.p.A.	Chairman of Supervisory Board
	IMCD S.p.A.	Chairman of Supervisory Board
	Richard Ginori S.r.L	Chairman of Supervisory Board
	Henry Shein Krugg S.p.A	Chairman of Supervisory Board
	Gucci Group	Chairman of Supervisory Board
	Société Générale Equipment Finance	Chairman of Supervisory Board
	Edison Group	Member of Supervisory Board

Board Committees

Control, Risk and Sustainability Committee

The Control, Risk and Sustainability Committee, composed of three non-executive Directors, is responsible for identifying corporate risks and submitting them to the Board of Directors, as well as implementing the guidelines of the same through planning, management and monitoring of the internal control system, in compliance with the recommendations of the Code. On 31 July 2018 the Board of Directors resolved to extend the functions of Control and Risk Committee to sustainability matters, related to social and environmental impacts of the company's activities provided for by Decree No.254/2016 on non-financial information.

The following table lists the current members of the Control and Risk Committee as at the date of this Prospectus.

First and last name	Position
Patrizia Michela Giangualano.....	Chairman
Pierfrancesco Barletta.....	Committee member
Rosario Mazza.....	Committee member

Remuneration and Appointments Committee

The Remuneration and Appointments Committee, established for the first time in 2003 and composed of three non-executive Directors, has the task of examining and approving the general and operational guidelines for the remuneration of directors and executives and making proposals to the Board of Directors for the remuneration of executive directors and those who perform special functions. On 20 December 2016 the Board of Directors resolved to extend the functions of the Remuneration Committee to Board of Director composition rules about the holding and the subsidiaries companies, to independent directors' replacement and co-optation, directors' exceptions to the competition restriction and succession plans adoption.

The following table lists the current members of the Remuneration and Appointments Committee as at the date of this Prospectus.

First and last name	Position
Rosario Mazza.....	Chairman
Davide Amedeo Corritore.....	Committee member
Luciana Sara Rovelli.....	Committee member

Ethics Committee

The Ethics Committee was established in 2000. The objectives of the Ethics Committee are: to ensure the widest possible dissemination, complete observance and correct interpretation of the Issuer Code of Conduct, as well as to verify, control and evaluate cases of violation of the same, providing for, where appropriate, activation of the competent company departments, urging adoption of the appropriate measures and, finally, to draw up a report at least annually for the Board of Directors of the Issuer.

The Ethics Committee is composed of the Chairman of the Board of Directors, Michaela Castelli, who chairs the Committee, another non-executive Director, that is the Vice-Chairman Davide Amedeo Corritore, and the heads of the "Human Resources and Organisation" and "Auditing" departments.

Senior management

Principal executive officers

The following table sets forth the principal executive officers of the Issuer as at the date of this Prospectus.

Name	Position
Alessandro Fidato.....	Chief Operating Officer (COO)
Patrizia Savi.....	Chief Financial and Risk Officer (CFRO)

Board of Statutory Auditors

As of the date of this Prospectus, the Issuer's Board of Statutory Auditors consists of seven members. Five members were appointed by the Ordinary Shareholders' Meeting held on 19 April 2019. Pursuant to article 11 of Italian Ministerial Decree No. 521/97, on 19 March 2019 the Italian Minister of Infrastructure and Transportation appointed a member of the Board of Statutory Auditors, and on 17 May 2019 the Italian Minister of Economy and Finance appointed the Chairman of the Board of Statutory Auditors.

The Board of Statutory Auditors, effective from 17 May 2019, will remain in place until the approval of the Issuer's financial statements as at 31 December 2021. The renewal of the Board of Statutory Auditors will then take place in accordance with the by-laws, which provide, among other things, that such board will be elected pursuant to the list-voting mechanism set forth in the by-laws.

As of the date of this Prospectus, the Board of Statutory Auditors of the Issuer is composed of the following members:

Name	Position	Business address
Rosalba Cotroneo ⁽¹⁾	Chairman	Via Monasterace 53, 00118, Rome, Italy
Valeria Maria Scuteri ⁽²⁾	Standing Statutory Auditor	Via Achille Maiocchi 3, 20129, Milan Italy
Rosalba Casiraghi	Standing Statutory Auditor	Via Garibaldi 2, 22073, Fino Mornasco, Italy
Stefano Pozzoli	Standing Statutory Auditor	Via dei Neri 6, 50122, Florence, Italy
Andrea Manzoni	Standing Statutory Auditor	Via dello Statuto 16/P, 24128, Bergamo, Italy
Daniele Angelo Contessi	Alternate Auditor	Via Risorgimento 141, 20099, Sesto San Giovanni, Italy
Antonia Coppola	Alternate Auditor	Via Bruxelles 27, 00198, Rome, Italy

(1) Auditor appointed by the Italian Minister of Economy and Finance.

(2) Auditor appointed by the Italian Minister of Infrastructure and Transportation.

Conflicts of interest

As at the date of this Prospectus, to the Issuer's knowledge, there is no conflict between the interests of any member of the Issuer's Board of Directors or Board of Statutory Auditors or any of the principal executive officers of the Group, on the one hand, and the obligations arising from the position or positions each of such persons has within the Group, on the other hand.

Shareholders

As at the date of this Prospectus, the City of Milan is the controlling shareholder of the Issuer, holding 54.81% of its share capital. The following table shows the main shareholders of the Issuer, based on its shareholders' register.

Shareholders	Ownership interest
Local authorities and other public bodies	
City of Milan.....	54.809%
City of Busto Arsizio.....	0.056%
City of Gallarate.....	0.037%
Chamber of Commerce of Varese.....	0.019%
City of Somma Lombardo.....	0.017%
City of Lonate Pozzolo.....	0.003%
City of Fermo.....	0.002%
Total local authorities and other public bodies.....	54.943%

Shareholders	Ownership interest
Private shareholders	
2i-Aeroporti S.p.A.	<u>36.390%</u>
F2i SGR S.p.A. on behalf of F2i - <i>Secondo Fondo Italiano per le Infrastrutture</i>	<u>8.622%</u>
Total 2i Aeroporti S.p.A. and F2i SGR S.p.A.	<u>45.012%</u>
Other private shareholders	0.045%
Total private shareholders.....	<u>45.057%</u>
TOTAL public and private shareholders	<u>100.000%</u>

There are no specific measures in place to ensure that control of the Issuer by the City of Milan is not abused.

Financing arrangements

At the date of this Prospectus SEA's available committed credit lines are the following:

- Euro 260 million of revolving credit facilities with several financial institution, of which Euro 190 million available until December 2023 and Euro 70 million available until February 2024;
- Euro 130 million of an EIB term loan, available until February 2023, with 20-years tenor, to support in particular the ongoing refurbishment of Milan Linate Airport (both airside and landside) and some security investments both in Milan Airports;
- Euro 125 million of commercial banks term loans, of which Euro 50 million available until December 2020 and Euro 75 million available until January 2021, with 2-years tenor (such latter loan may be wholly or partially revoked upon issuance of the Notes);

In addition, during 2020 SEA signed and disbursed further Euro 350 million of commercial bank term loans which, as of 31 July 2020, provide SEA with a liquidity buffer equal to an amount of approximately Euro 322 million. Furthermore, SEA has Euro 158 million of uncommitted credit lines available for immediate cash requirements.

Legal, administrative and other proceedings

As part of their ordinary course of business, companies within the Group are subject to a number of civil, administrative and tax proceedings relating to the management and development of the Milan Airports. The Group has carried out a review of its ongoing litigation, and provisions in the consolidated financial statements were made where the disputes were likely to result in a negative outcome and a reasonable estimate of the amount involved could be made.

As at 31 December 2019, the Issuer had a provision in its consolidated financial statement for legal proceedings amounting to Euro 27.7 million and, as of 30 June 2020, for Euro 25.2 million. Save as described below, the Issuer believes that none of these proceedings, individually or in the aggregate, will have a material adverse effect on its or the Group's business, financial condition and prospects. In certain cases, where the negative outcome of disputes was merely possible, no specific provisions were made in the Issuer's consolidated financial statements in accordance with the principles and procedures governing the preparation of financial statements.

Other proceedings

In addition to the above, the Group is involved in certain other civil proceedings, for which no provisions for contingent liabilities were made, as the impact of any negative outcome could not be estimated. A summary of the most significant proceedings is set out in the section of the consolidated financial statements of the Issuer for the period ended 30 June 2020, incorporated by reference into this Prospectus (see "*Documents incorporated by reference*").

On April 30, 2020, Alitalia - Società Aerea Italiana S.p.A. in Extraordinary Administration (*Amministrazione Straordinaria*) (“**Alitalia**” or the “**Procedure**”) issued a writ of summons to the Court of Civitavecchia with which, pursuant to Article 67, paragraphs 2 and 3, letter a) of the Royal Decree no. 267 of 16 March 1942, as amended (the “**Italian Bankruptcy Law**”), it requested the revocation, and therefore the declaration of invalidity as a result of insolvency proceedings, of all payments made outside the terms of use, since these were payments of cash debts and receivables made to SEA by Alitalia in the six months before its administration proceedings began, and therefore while it was still solvent. The writ stipulates that SEA return and therefore pay to Alitalia the sum of Euro 27,216,138.04, or the greater or lesser sum resulting from court proceedings or which is deemed equitable, in addition to legal interest on arrears resulting from the balance owed and monetary revaluation, as part of the restitution of the aforementioned amounts, as well as the full reimbursement of court costs.

The first appearance and negotiation hearing is currently scheduled, as stated in the Procedure writ, for March 25, 2021.

Preliminary analyses, carried out with the help of specially appointed legal advisors, suggest that the exemption set out in Article 67, paragraph 3, letter a) of the Italian Bankruptcy Law may apply.

SEA believes that the payments for which Alitalia requests invalidity and the consequent restitution fall within the notion of "payments made in the exercise of business activities", since they are connected to the operations of Alitalia Società Aerea Italiana S.p.A. as air carrier.

SEA believes that the majority of the payments listed in the Alitalia writ are not subject to insolvency repayment as they were made within the terms of service.

As regards assessment of the *scientia decoctionis* awareness requirement, while this is open to interpretation by the appointed judge, SEA believes that a number of elements exist which may mean that there is insufficient evidence that SEA was aware of the airline’s insolvency for the time period in question.

On the basis of the aforementioned considerations, a negative ruling for SEA is considered ‘possible’ for nearly all of the payments for which revocation is requested.

Employees

As of 30 June 2020, SEA Group employed 2,849 workers, with a decrease of 4 units compared to 31 December 2019 (-0.1%). The overall workforce, in terms of Full Time Equivalent, in the period January-June 2020 reached 2,774 with a decrease of 28 units compared to the 2019 full year average (-1.0%).

This staff reduction is mainly due to the deployment of a retirement plan, agreed with the trade unions, that allows SEA to lay off all workers eligible for retirement, against the payment of an economic incentive.

This plan, started in January 2018, will be effective until January 2023.

Following the Covid-19 pandemic, SEA was the first Italian airport operator to have been granted access to the social security safety nets.

Special Temporary Unemployment Support Fund (Cassa Integrazione Guadagni Straordinaria – CIGS) was started on 16 March 2020, one week after lockdown (9 March 2020), significantly involving both operations and headquarters staff.

CIGS has been granted for 12 months, a remarkably long period, beyond which SEA might in any case have access to additional social security safety nets, if necessary.

SEA's commitment to its people is focused on top level work safety conditions.

An anti-Covid-19 measures company Committee, made up of management and union representatives, has been working since March 2020. SEA developed and implemented specific safety procedures, compliant with best practices, as assessed by EY-Gruppo Ospedaliero San Donato, one of the most important Italian medical centres.

A vast anti-Covid-19 serological test campaign involving operations staff has recently been carried out and another rapid salivary test experimental campaign is currently in progress, in partnership with the University of Insubria Varese, involving company staff on a voluntary basis.

In May 2020 the “Family Audit” certification accreditation process was finalised, a certified tool confirming a continuous commitment to a favourable work-life balance. By adopting the Family Audit certification, the group intends to start a cycle of continuous improvement with the introduction of innovative organisational solutions, such as flexible work hours and smart working and of a culture of work-life balancing.

Furthermore, in 2019 SEA began a monitoring on internal engagement through a survey across its entire workforce with a positive and satisfactory result, demonstrating the involvement of SEA employees with the Group’s values and objectives.

The Group’s investment programme

Historical capital expenditure

The Group’s capital expenditure during the period 2001-2010 amounted to Euro 912.1 million, of which approximately 76% was directly sustained by the Issuer while the remaining part was financed by the Italian State through Law 449/1985 and utilised in full. In that period the Issuer spent on average Euro 69 million per year directly.

During the following nine years the Issuer made additional investments of approximately Euro 859 million, mainly related, inter alia, to (i) the definitive completion of Milan Malpensa Airport infrastructure, in particular the main body of Terminal 1, adding more than 8,000 square metres of new commercial areas, in view of Expo 2015, and renewing all the interior fittings; (ii) the construction of new cargo warehouses at Milan Malpensa Airport in order to increase freight handling capacity up to 1 million tons from the current 500,000 tons; (iii) the construction of a new railway station in Milan Malpensa Airport, located in Terminal 2, as part of the project for a rail link that is expected to connect also Terminal 2 of Malpensa directly with the city centre of Milan; (iv) the maintenance of flight infrastructure at both the Milan Airports to guarantee high levels of quality, including the full refurbishment of Linate runway; (v) the new B&GA terminal in Malpensa and a new hangar at Linate west apron; (vi) the construction of the 3-star Moxy Hotel at Malpensa Terminal 2 (for more information see “*Business description of the Group – The Milan Airports infrastructure*”).

In particular, during 2019 SEA realized approximately Euro 124 million of investments (Euro 75 million in 2018), related among others to (i) the refurbishment of Milan Linate Airport both airside, with the resurface of the runway and taxiway, and landside, with the first phase of the restyling work on the terminal (ii) some security works, with the upgrading of BHS system in both Milan Airports (iii) investments in technology and digital innovation, with the installation of some E-gates and the modernization of airport cyber security infrastructure.

During the first half of 2020, as a consequence of the Covid-19 pandemic, the Issuer swiftly significantly revised its expected 2020–2021 Investment Plan, with an immediate total reduction of approximately 50% (-60% in 2020), focusing on the completion of the ongoing investments, in particular those most necessary for operations, and taking account of works already begun, regulatory and safety & security requirements, with further flexibility to reduce 2020-2021 investments. During the first half of 2020 SEA investments amount at Euro 28 million (Euro 36 million in the same period of 2019), mainly for the ongoing restyling works of Milan Linate Terminal. SEA believes that the investments being made will ensure capacity at Milan Malpensa Airport for future increases in traffic

and enable Milan Malpensa Airport to be highly competitive by comparison with other European airports that may be affected by excess capacity.

The completion of cargo investments confirmed Milan Malpensa Airport's role as the leading Italian cargo airport and as one of the main cargo airports in Europe.

Ongoing Milan Linate Airport investments will ensure the highest level of quality and safety, considering the typically highly demanding business passengers using the airport.

The maintenance capital expenditure has been and will be directed at maintaining the high levels of service offered at both the Milan Airports.

Recent developments

After the easing of lockdown, imposed for the Covid-19 pandemic outbreak, from June 2020, Milan Airports passenger traffic started to gradually recover, with the resumption of several flights, mainly domestic and European routes, and some intercontinental destinations, managed by some of the most important airlines already operating from Milan Airports. The attractiveness of Milan Malpensa has been confirmed also during summer 2020, considering the expansion of the network offered by Wizzair, with the new first Italian base from July 2020, and the inclusion of Milan Malpensa in the easyJet programme *Worldwide easyJet* from September 2020, allowing the direct connection for passengers between easyJet flights and Emirates flights to/from Dubai.

From the almost zero traffic during the lockdown period, in July Milan Airports reach 811 thousand passengers (-76% on the same period of 2019), and in August 1.199 thousand (-64% on the same period of 2019). These results have been driven by the performance of about 40 carriers operating in August 2020 from Milan Airports (approximately 50% of 2019 portfolio airlines), serving about 50 different nations, also non-EU (in particularly to/from Middle East). Among the airlines that have most supported Milan Airports traffic during summer 2020, there are both European full services and low-cost carriers (easyJet, Alitalia, Ryanair, Wizzair, Neos, Lufthansa, Air France, Vueling, British Airways, KLM, Blu Panorama, TAP, Aegean Airlines, Iberia, Scandinavian Airlines, Air Europa, Brussel Airways), and some intercontinental carriers (Emirates, Qatar Airways, EgyptAir, Turkish Airlines).

In the same period cargo traffic benefitted both by the positive trend of the all cargo segment, and by the first recovery of the belly activity. In July the volumes of freights managed at Milan Airports were 45,4 thousand tons (-10,8% on the same period of 2019) and in August 36,4 thousand tons (-2,2%).

RELATED PARTY AND OTHER TRANSACTIONS

Introduction

SEA maintains, and has maintained, relationships of a commercial and financial nature with other companies of the Group, which are referred to as “Intragroup Relationships”, as well as relationships with other related parties of the Group (identified on the basis of *IAS 24—Related Party Disclosures*). Such relationships fall within the typical activities of each interested party and are conducted subject to terms and conditions that the Issuer believes are at arm’s length.

Intragroup relationships

Described below are the intragroup relationships that the Issuer believes are significant and were in existence as of 31 December 2019 and 2018

These relationships cannot be qualified as atypical or unusual with reference to the activities conducted by the Group because they are part of the ordinary course of business of the Group itself. In addition, these relationships are substantially at arm’s length.

Other intragroup transactions

The following are summary tables of the commercial and financial Intragroup Relationships, in existence for the years ended 31 December 2019 and 2018.

	For the years ended 31 December, 2019				
(in thousands of Euros)	Trade receivables	Current financial receivables	Other Current receivables	Trade payables	Financial liabilities current
SEA Energia S.p.A.	569	26,128		10,148	
SEA Prime S.p.A.	2,704			1,215	2,080

	For the years ended 31 December, 2018				
(in thousands of Euros)	Trade receivables	Current financial receivables	Other Current receivables	Trade payables	Financial liabilities current
SEA Energia S.p.A.	417	28,410		12,417	
SEA Prime S.p.A.	3,292			1,190	542

The commercial intragroup relationships described in the preceding table in existence between the Issuer and the other companies of the Group, in the time period indicated herein, consist of:

- transactions between SEA Energia S.p.A. (“**SEA Energia**”) and the Issuer: (i) the supply by SEA Energia, at the Milan Airports, of electric and thermal energy produced by the co-generation plants, located at the Milan Airports, for their energy needs; (ii) the agreements relating to the division of the green certificates generated by the co-generation plants at the Milan Linate Airport; and (iii) the agreement for the provision by the Issuer in favour of SEA Energia of administrative services (including legal, fiscal, planning and control);
- transactions with Sea Prime, which concern the sub-concession contract for general aviation management operations at Milan Linate Airport and at Milano Malpensa Airport. The contract concerns, specifically, the utilisation of the general aviation infrastructure and the verification and collection, on behalf of the Issuer, of airport rights and security.

The financial Intragroup Relationships described in the preceding table in existence between the Issuer and the other companies of the Group are primarily represented by:

- centralised treasury services (cash pooling) which the Issuer undertakes on behalf of the subsidiaries SEA Prime and SEA Energia;

Related party transactions

The following table shows the balances with related parties for the years ended 31 December 2019 and 2018, and six months ended June 30, 2020 and 2019.

(in thousands of Euros)	For the years ended 31 December, 2019				For the years ended 31 December, 2018				Operating Costs
	Trade receivables	Trade payables	Operating Revenues	Operating Costs	Trade receivables	Other receivables	Trade payables	Operating Revenues	
Airport Handling SpA	4,700	7,229	14,076	26,447	3,211		7,194	6,629	13,042
SACBO SpA	283	352	1,171	11,865	336		476	980	11,254
Dufrital SpA	5,908	696	33,476	16	5,255	2,005	740	31,614	19
Malpensa Logistica Europa SpA	1,361	1,070	4,635	(40)	1,208		1,062	4,310	(40)
SEA Services Srl	1,009	2,172	3,862	4,550	1,170		2,014	3,602	3,846
Signature Flight Support Italy Srl	54	1	219	11	112		30	511	39
Disma SpA	11		214	(3)	115		99	218	(7)
Total related party transactions	13,326	11,520	57,653	42,846	11,407	2,005	11,615	47,864	28,153
Total Group financial statements	123,241	182,085	706,868	437,029	121,005	9,527	153,394	683,956	404,566
Related parties as % of Group Total	10.8	6.3	8.2	9.8	9.4	21.0	7.6	7.0	7.0

(in thousands of Euros)	For the six months ended 30 June, 2020					For the six months ended 30 June, 2019				
	Trade receivables	Other receivables	Trade payables	Operating Revenues	Operating Costs	Trade receivables	Other receivables	Trade payables	Operating Revenues	Operating Costs
Airport Handling SpA	1,427		3,635	3,528	8,627	4,619	1,200	10,245	6,735	13,190
SACBO SpA	129		241	222	1,835	274		991	471	5,719
Dufrital SpA	(153)		54	4,971	2	6,347	1,772	921	16,172	7
Malpensa Logistica Europa SpA	1,064	625	36	2,031		1,291	875	1,125	2,288	
SEA Services Srl	(55)		337	639	663	882		2,656	1,740	2,070
Signature Flight Support Italy Srl				117	5	107		12	100	10
Disma SpA	4		33	105		(40)	225	86	111	
Total related party transactions	2,416	625	4,336	11,613	11,132	13,480	4,072	16,036	27,617	20,996
Total Group financial statements	51,788	10,928	149,231	141,095	144,276	140,686	16,806	155,723	343,449	208,842
Related parties as % of Group Total	4.7	5.7	2.9	8.2	7.7	9.6	24.2	10.3	8.0	10.1

The transactions with related parties of the Group, which are listed in the preceding table and are in existence in the period indicated in the table, consist primarily of:

- parking management transactions at Orio al Serio-Bergamo (SACBO) airport;
- commercial transactions with reference to the recognition to the Issuer of royalties on sales (Dufrital and SEA Services);
- rental of premises (Malpensa Logistica Europa);
- supply to the Issuer of catering services (SEA Services);
- commercial transactions deriving from the concession for the distribution of fuel (Disma);

- supply by SEA Energia of electricity to Dufrital;
- revenue for rental and concessions issued by SEA Prime for the supply of fuel; push back costs (Signature Flight Support Italy);
- revenue for administration services and handling activity costs (Airport Handling).
- operating services at the Milan Airports, including de-icing services (de-icing of airplanes), snow clearing, baggage handling for all airlines at the airports (BHS), state military and humanitarian flight assistance and fast-track service assistance, provide to Sea by Airport Handling.

As at the date of this Prospectus, there were no related party transactions other than those described herein above.

The following table sets forth the impact on the Group's cash flow of its related party transactions for the years ended 31 December 2019 and 2018, and the six months ended June 30, 2020 and 2019.

<u>(in thousands of Euros)</u>	For the year ended 31 December 2019					For the year ended 31 December 2018				
	Investments in Associates	Investments in other companies	Total transactions with related parties	Consolidated amount	Related parties as % of Group Total	Investments in Associates	Investments in other companies	Total transactions with related parties	Consolidated amount	Related parties as % of Group Total
A) Cash flow (used in) / generated from operating activities	(10)	-	(10)	199,149	0.0	3,104	-	3,104	233,982	(1.3)
B) Cash flow (used in) / generated from investing activities	10,766	-	10,766	(83,909)	(12.8)	6,271	-	6,271	(39,779)	(15.8)
C) Cash flow (used in) / generated from financing activities	-	-	-	(180,755)	0.0	-	-	-	(108,361)	0.0

<u>(in thousands of Euros)</u>	For the six months ended 30 June 2020					For the six months ended 30 June 2019				
	Investments in Associates	Investments in other companies	Total transactions with related parties	Consolidated amount	Related parties as % of Group Total	Investments in Associates	Investments in other companies	Total transactions with related parties	Consolidated amount	Related parties as % of Group Total
A) Cash flow (used in) / generated from operating activities	3,100	-	3,100	(26,227)	(11.8)	280	-	280	107,131	0.3
B) Cash flow (used in) / generated from investing activities	-	-	-	(23,475)	0.0	5,802	-	5,802	(28,815)	(20.1)
C) Cash flow (used in) / generated from financing activities	-	-	-	274,342	0.0	-	-	-	(122,872)	0.0

REGULATORY FRAMEWORK

The Group's core businesses are heavily regulated under EU and Italian law, and these regulations may affect the Group's operating profit or the way it conducts business.

Although this summary contains all the information that the Issuer considers material in the context of the issue of the Notes, it is not an exhaustive account of all applicable laws and regulations. Prospective investors and/or their advisers should make their own analysis of the legislation and regulations applicable to the Group and of the impact they may have on the Group and any investment in the Notes and should not rely on this summary only.

Overview

SEA operates in a highly regulated environment and is subject to certain rules and regulations, including, *inter alia*, statutory provisions governing public utilities services and monopolies. In particular, SEA is required to operate in accordance with the 2001 Agreement (as defined below), regulations issued by ENAC, the Italian Civil Aviation Authority, and other competent authorities, as well as any applicable international, European and national laws.

The Italian aviation and airport management sector is governed by a series of international treaties and protocols, standards issued by the relevant international organisations, European Union directives and regulations, Italian laws, ministerial decrees and resolutions and ENAC regulations which have been issued and amended over time, in addition to generally applicable laws and specific legislation, such as the “**Navigation Code**” (*Codice della Navigazione*), amended by Legislative Decree No. 151 of 15 March 2006, setting forth the duties and responsibilities with respect to airport management.

The main international rules governing international civil aviation are set out in the Warsaw Convention of 1929 (*Convention for the Unification of Certain Rules Relating to the International Carriage by Air*) as amended by the Hague Protocol of 1955 and the Montreal Protocol No. 4 of 1975, the Montreal Convention of 1971 (*Convention for the Suppression of Unlawful Acts against Safety of Civil Aviation*) and the Chicago Convention of 1944 (*Convention on International Civil Aviation*), as amended, as well as the Kyoto Protocol to the United Nations Framework Convention on Climate Change and standards issued by the relevant international civil aviation organisations (of which ENAC is a member as representative of the Republic of Italy), such as, *inter alios*, the International Civil Aviation Organisation (“**ICAO**”).

There is also extensive regulation at the EU level, including the treaty establishing the European Union, and the accompanying directives, regulations and decisions covering the various aspects of civil aviation, as well as “soft law” communications issued by the European Commission.

ENAC

ENAC was established in July 1997 by Legislative Decree No. 250/1997 and is responsible for managing, controlling and supervising the Italian civil aviation sector with respect to the activities of providers of airport management services, such as SEA.

ENAC's statutory purpose is to ensure the safety, security and quality of services rendered to the end-users of Italian airports, and the protection of passengers' rights according to internationally agreed standards. Safety requirements include, among others, safe planning, construction, maintenance and operation of aircraft, as well as the skill assessment of air carriers and in-flight personnel. Security requirements are aimed at safeguarding passengers, both on and off-board and within the grounds of the airports, and preventing illegal acts.

In order to achieve such statutory purpose, ENAC issued the Passenger's Charter (*Carta dei diritti del passeggero*) and the Service Charter (*Carta dei Servizi*). The Service Charter sets out the minimum quality standards that airport operators are required to comply with in relation to their relevant services. The Passenger's Charter is a practical vade mecum providing for international, EU (with particular regard to EU Regulation No. 261/2004) and national law provisions governing the claim and

compensation procedures available to passengers in case of non-compliance with applicable regulations relating to the rights of air passengers by airport operators or airline companies.

ENAC is also entrusted with other powers, including to take preliminary steps in the awarding of concessions for the management of airports and to assess and supervise relevant airport investment plans. Furthermore, ENAC is involved in setting PRM charges and in fixing fees for those handling services provided under monopoly. ENAC is also very involved at a national and international level in promoting greater cooperation on environmental protection matters. This is carried out through assessment activities aimed at limiting the environmental impact on airport grounds and the surrounding areas and reducing noise and air pollution caused by aircraft.

In relation to security matters, Italian Law Decree No. 101 of 31 August 2013, converted into Law No. 125 of 30 October 2013, as amended, has introduced new regulations on airport control services, granting ENAC the power to entrust the airport operator – in compliance with EU principles – with: (a) the control services for airport personnel and the crews that access the “sterile” or “secure” areas through the terminals; (b) the control services for airport personnel and any other person accessing the “sterile” or “secure” areas through points other than the internal ones; and (c) the control service for the vehicles that need to reach a “sterile” or “secure” area of the grounds for the access to which special checks are required. The services must be carried out according to the procedures envisaged by the national security programme and with the supervision of the police forces as set by the local security system. Any regulatory change with consequent higher charges for the airport operator must result in the inclusion in the fee of the costs related to the regulated services.

Transport Regulatory Authority

Since 15 January 2014 the Transport Regulatory Authority has been operating in Italy.

With reference to matters concerning the air transport industry, its tasks will be combined with those of the Civil Aviation Authority, including setting airport fees at the expiration of ENAC program agreements for each airport.

The Transport Regulatory Authority is responsible for regulating both the Transport sector and the access to infrastructures and additional services. It is also in charge of defining the minimum quality standard of the transport services. In the event of non-compliance with the rules that have to be respected by Airports, the Transport Regulatory Authority, *inter alia*, may also require the suspension, revocation or withdrawal of concessions, public service contracts and ENAC program agreements for each airport.

In 2019, Law No. 37 of 3 May 2019 (so-called European Law 2018) established the transfer of competences from ENAC to the ART with regard to the supervisory functions concerning airport charges also applicable to the program agreements under derogation. The law did not repeal the current ENAC-SEA Program Agreement, signed on 23 September 2011 in accordance with art 17, paragraph 34-bis of Law 102/2009. The ENAC-SEA Program Agreement will therefore continue to have effect until 31 December 2020. Nevertheless, the supervision of the tariffs’ component of the program agreements has now been placed in the hands of ART; meanwhile ENAC will continue to fulfil the role of technical regulator, while providing certification, supervision and control in the field of civil aviation, assigned to it by law.

Consequently, the new regulatory framework in force foresees that ART is responsible for setting fees for airport charges, security services, centralised infrastructure and fees for the use of designated airport areas and premises for the provision of aviation services, while ENAC is still responsible for setting PRM charges and fees for those handling services provided under the monopoly.

The 2001 Agreement for the operation and development of Milan Malpensa Airport and Milan Linate Airport

The 2001 Agreement superseded Agreement No. 191/1962, which pursuant to Italian Law No. 194/1962 had granted the status of privately operated airport to the Milan Airports, which SEA had built at its own expense, and had awarded the operation of such airports to SEA until 1992. Pursuant to

Italian Law No. 449/1985, which, among other things, extended the term of the legal regime of privately operated airports granted to the Milan Airports until 4 May 2022, as well as other applicable Italian laws and regulations relating to the concession agreements for the operation of airports on an exclusive or non-exclusive basis, SEA applied to ENAC to enter into a new agreement that would extend the term of the legal regime of privately operated airports for the Milan Airports beyond 2022. On 4 September 2001, SEA and ENAC entered into the 2001 Agreement for the operation and development of Milan Linate Airport and Milan Malpensa Airport for a 40-year term. The 2001 Agreement renewed and superseded Agreement No. 191/1962 and extended the term of the legal regime of privately operated airports granted to the Milan Airports to 4 May 2041, which is the date on which the 40-year term of the 2001 Agreement will expire. Nevertheless, according to Law No. 77 of 17 July 2020 the airport concession has been extended for two years (*see paragraph (a) below*).

The following is a description of the key provisions of the 2001 Agreement:

(a) *Purpose and duration*

The 2001 Agreement governs the activities relating to the operation and development of the Milan Airports, including those relating to the planning, construction, upgrading, expansion, maintenance and use of the infrastructure and facilities that are instrumental to the operation of these airports. The term of the 2001 Agreement is 40 years and should have expired on 4 May 2041. Pursuant to article 17(34-*bis*) of Italian Law No. 102/2009, such term could be further extended if necessary to provide SEA with economic and financial stability.

According to Article 202 paragraph 1-bis of Law Decree No. 34 of 19 May 2020 (“**Decreto Rilancio**”) as subsequently converted with amendments into Law No.77 of 17 July 2020, the duration of all Italian airport concessions has been extended for two years, and consequently the duration of the 2001 Agreement has been extended until 4 May 2043.

In accordance with the 2001 Agreement, SEA is committed to operating the Milan Airports as private airports pursuant to the applicable international, national and local regulations governing the operation of airports open to civil aviation, providing airport services and performing ordinary and extraordinary maintenance of the infrastructure and other facilities relating to the airport operations. In addition, SEA is required to devise and implement the most appropriate marketing strategies and policies for the development of the Milan Airports, also taking into account the needs of the catchment area served by the Milan Airports.

Pursuant to article 3 of the 2001 Agreement, upon advance notice to ENAC in writing SEA may grant, on the basis of non-discrimination and impartiality criteria, sub-concessions to third parties relating to the use of designated airport areas and premises for the provision of aviation services for a term not exceeding the term of the 2001 Agreement. ENAC may veto any sub-concession for legitimate reasons in the general public interest within 30 days after receipt of SEA’s advance notice relating to such sub-concession.

(b) *Revenues*

Article 8 of the 2001 Agreement identifies the following categories of revenues that the Group can generate from the operation of the Milan Airports:

- Airport fees pursuant to Italian Law No. 324/1976;
- Duties on the loading and unloading of air cargo pursuant to Italian Law No. 117/1974;
- Security controls fees pursuant to article 8 of Italian Ministerial Decree No. 85/1999;
- Fees and charges from airport operations, whether conducted directly or indirectly, any other fees and charges from the provision of any other airport-related services (including commercial services) and fees and charges from commercial and other uses of airport areas and facilities by third parties;

- Fees and charges from the application of Italian Legislative Decree No. 18/1999, which implemented under Italian law EU Directive 96/67 concerning the deregulation of the market for airport ground-handling services at EU airports; and
- Fees for PRM assistance, introduced by EC Regulation No. 1107/2006, subsequent to the Agreement.

By virtue of a Decree of the Presidency of the Council of Ministries dated 30 April 2012, the ENAC-SEA Program Agreement entered into force on the day of publication on the Official Gazette (i.e. 25 July 2012) and, sets out the regulated fee regime for the Issuer, based on a “dual till” long-term multiyear tariff system and predefined criteria for revision of the fees. The new tariff regime is applicable 60 days after the publication on the Official Gazette (i.e. as of 23 September 2012).

(c) *State property*

SEA has the right to use the areas, buildings, infrastructure and facilities of the airports for the entire term of the 2001 Agreement. Under applicable Italian law, SEA is deemed to own the roads present in the airport area and, as a result, is responsible for their maintenance.

The infrastructure and facilities SEA built on airport grounds will remain SEA’s property until the expiration of the 2001 Agreement, except as specified in the following paragraph (d).

(d) *Consequences of the expiration of the 2001 Agreement*

Upon expiration of the 2001 Agreement, or upon unilateral withdrawal from the 2001 Agreement by ENAC or termination of the 2001 Agreement after 4 May 2022, the Italian State will regain full title (free of any encumbrances and other restrictions) to the state assets pertaining to the airports and will acquire title, without providing consideration, over all the infrastructure and facilities constructed by SEA within the airport grounds. As a result, SEA will be required to return to the Italian State all of the assets that are state property and to devolve to the State, without receiving consideration, the infrastructure and facilities constructed by it within the airport grounds. SEA will be entitled to retain ownership only of equipment, interior fittings and furniture.

In 2017, Law No. 205 of 27 December 2017 (Budget Law 2018) amended article 703, paragraph 5, of the Navigation Code and introduced the terminal value discipline in the airport context, where the airport concession agreement does not foresee a specific mechanism for the calculation of the compensation. The amendment defines: (i) the perimeter for calculating the value of the take-over (buildings and fixed installations on airport grounds); (ii) the criteria for calculating this reimbursement (value of the assets as of the take-over date, net of depreciation and any public contributions, as resulting from the regulatory accounting); and (iii) the requirements for inclusion in the calculation (the assets considered must be included in the Investment Plan and approved by ENAC; in the case of assets intended for commercial activities, as such not subject to tariff regulation, ENAC should have authorised the construction or acquisition of such assets, since they are considered functional to airport activities and the development of the airport). The measure also regulates reimbursements in cases where the concession is terminated before the expiry of the term of the Agreement. The amended article 703, paragraph 5, of the Navigation Code introduces the terminal value discipline in the airport sector, with regard to the repayment of the assets built or bought by the outgoing operator by the incoming operator. Similarly, upon expiration of the 2001 Agreement, SEA will be required to transfer to each of the City of Milan and the Province of Milan the infrastructure and facilities built on the land which each of such authorities still owns, but SEA may use, without receiving any consideration, pursuant to an agreement entered into on 23 July 1980, in the case of the City of Milan, and on 11 March 1968, in the case of the Province of Milan.

Accordingly, SEA will retain ownership title only over infrastructure and facilities built on SEA's own land.

(e) *Withdrawal and termination of the 2001 Agreement*

Pursuant to article 14 of the 2001 Agreement, ENAC may unilaterally withdraw from the 2001 Agreement in the event of serious and repeated violations of the applicable safety regulations by SEA, its failure to comply with, or serious and unjustified delay in, the implementation of its Investment Plan or SEA no longer being able to operate the Milan Airports. In such instances, ENAC would notify SEA of the specific violations, give it not less than 30 days to respond to its notice and, following consultations with SEA, identify the necessary remedial measures to be taken by SEA within a reasonable timeframe and, in any event, not less than 90 days. If SEA fails to take such measures within the specified timeframe, ENAC may withdraw from the 2001 Agreement by issuing a decision that sets forth the reasons for such withdrawal.

In addition, pursuant to article 14 of the 2001 Agreement, ENAC may terminate the 2001 Agreement in the event of: (i) a delay of more than 12 months in the payment by SEA of the consideration it owes for the use of state property; or (ii) SEA's bankruptcy. Upon withdrawal on any of these grounds, SEA would not be entitled to any reimbursement for the work performed on infrastructure and facilities or the expenses incurred by it. On the other hand, if ENAC does not consider it necessary to withdraw from the 2001 Agreement, it may impose a fine on SEA of up to the maximum annual amount of 50% of the amount due by SEA as consideration for its use of state property.

Finally, ENAC may terminate the 2001 Agreement for military or other justified public interest reasons and regain possession at any time of the state property occupied or used by the Milan Airports by paying to SEA a compensation amount for the infrastructure and facilities SEA has constructed with its financial resources to be determined in accordance with the criteria set forth in article 42 of the Italian Navigation Code. In particular, the applicable compensation amount is equal to the reimbursement to SEA of a portion of the costs incurred by it for the construction of such infrastructure and facilities calculated on the basis of the number of years remaining until the expiration date of the 2001 Agreement at the time of termination; provided, however, that such compensation may not be greater than the difference between the aggregate value of the relevant infrastructure and facilities at the time of termination and the amount of amortisation and depreciation recognised for these assets.

The amended article 703, paragraph 5, of the Navigation Code foresees a new terminal value discipline in cases the concession is terminated before the expiry of the term of the Agreement. SEA believes that the above-mentioned provision will apply, since the 2001 Agreement does not foresee a specific mechanism for the calculation of the compensation.

Concession fee for the use of state property

Pursuant to article 4 of the 2001 Agreement, SEA is required to pay to ENAC as concession fee for the use of the state property forming part of the airport grounds an annual fee to be determined in accordance with the criteria set forth in article 2(188) of Italian Law No. 662/1996, which amends art. 1, paragraph 5-ter of Law Decree 251/1995, and the related implementation measures, which provide that:

- The applicable fees for concessions to airport operators are periodically set by the Italian Ministry of Finance, acting in concert with the Italian Ministry of Transportation, with reference for each year period to the number of passengers and the volume of cargo goods handled by the relevant airport or airports; and
- Airport operators that, like SEA, are currently authorised for the operation of airports on an exclusive basis pursuant to special legislation instead of a concession regime are subject to the same fee regime for the use of state property that applies to concession-

based airport operators, although the 2001 Agreement defines the fee due by SEA as consideration for the use of state property instead of concession fees.

The Interdepartmental Decree of 30 June 2003, Finance-Transport, published in the Official Gazette of the Italian Republic's General Series No. 155 of 7 July 2003 established the determination of the annual fee payable by airport operators, as of 2003, with reference to the WLU (Work Load Unit or load unit, corresponding to one passenger or 100 kg of cargo or mail), by applying a specific formula provided for in the technical annex to the decree in question. Based on the application of these criteria and other applicable laws and regulations, the actual concession fee paid by SEA to ENAC for its use of state property for the year ended 31 December 2019 was Euro 28.1 million.

(f) *Development plans, zoning plans, projects and construction*

SEA is required to implement the airport development plan and make the investments contemplated by such plan for the operation of the Milan Airports. Pursuant to article 12 of the 2001 Agreement, SEA submitted the airport development plan (including the financial plan for the operation of the Milan Airports) to ENAC for its review in connection with the signing of the 2001 Agreement and is required to provide ENAC with an annual update on the airport development plan and a report on the status of its implementation. SEA provided such annual update for 2002, 2004 and 2006 by submitting an action plan to ENAC.

In application of Legislative Decree 9 May 2005, No. 96, in January 2006, ENAC replaced the airport development plan with the four-year investment plan (the five-year plan according to the ENAC-SEA Program Agreement) through which each airport operator identifies the infrastructure and facilities to be built, expanded or refurbished on the airport grounds in accordance with the requirements and guidelines set forth in the master plan, but within a shorter time frame than the master plan.

A new airport master plan has been recently issued both for Linate Airport (in 2016) and Malpensa Airport (in 2019). The two master plans have already obtained ENAC technical approval and, in the case of Linate, the Environmental Impact Assessment was also positively completed, while the process is now in progress for Malpensa.

On September 2015 SEA submitted its latest five-year Investment Plan for the 2016–2020 period to ENAC and at the end of each following year an “Annual progress report” was issued, which analyses the degree of implementation of each proposed project and provides all necessary updates.

Due to the Covid-19 crisis and considering the imminent end of the second regulatory sub-period (2016–2020) of the ENAC-SEA Program Agreement, SEA asked ENAC to postpone for one year the current ENAC-SEA Program Agreement. ENAC has agreed to a one-year extension (until 2021) for the definition of the new program agreement.

ENAC approves SEA's projects contemplated by the initial issue of the plan and any possible change and update to the plan. All proposals regarding new constructions or modification of existing facilities are subject to verification by ENAC of their technical and economic validity and of their consistency with the airport master plan and the airport development plan. In addition, SEA is required to submit to ENAC for its prior review and approval any significant amendments, supplements and updates SEA proposes to make to those projects whose execution is already in progress.

SEA is responsible for the implementation and completion of the construction projects and is the contracting entity that is responsible for awarding each project in accordance with applicable Italian laws and regulations. The projects executed and completed by SEA on the airport grounds are subject to inspection and testing by ENAC, for which SEA bears the related costs and expenses.

(g) *Liability and insurance*

SEA is liable for any damages to individuals or objects resulting from the conduct of its activities under the 2001 Agreement. Therefore, SEA maintains insurance policies as protection against risks associated with the management of Milan Airports as well as in relation to the activities of its subsidiaries.

Pursuant to art. 13 of the 2001 Agreement, the Group subscribes insurance policies with primary national insurance companies providing for adequate insurance coverage with respect to the infrastructure and facilities used in connection with the airport operations, as well as the risks associated with the performance of its activities, which also covers additional risks with reference to those identified in the 2001 Agreement.

The Group determines the aggregate liability amount covered by such insurance policies and is fully and solely responsible for any liability in excess of such covered amounts.

At the date of the Prospectus the Group's insurance coverage covers, *inter alia*, the following risks: (i) property and business interruption, including terrorism risk; (ii) airport liability for aviation and non-aviation liability, including terrorism risk; (iii) soil and water pollution liability; (iv) directors and officers; and (v) workers' accidents (statutory and contractual personnel).

(h) *SEA's other obligations*

Pursuant to the 2001 Agreement, SEA is also responsible for, among other things:

- Managing the Milan Airports, ensuring they function 24 hours a day, promoting their development and optimising the available resources in compliance with the principles of safety, efficiency, effectiveness, profitability and environmental protection;
- Ensuring on an ongoing and regular basis the provision of its services, the implementation of the airport development plan, the efficiency of the airport facilities and equipment, the adoption of adequate security and safety (including fire safety) measures and the support for emergency and health services;
- Ensuring adequate customer service standards, in accordance with the service charter;
- Assigning the aircraft parking bays in accordance with the SEA/ENAV cooperation agreement of 29 October 1999 (ENAC monitors whether the planning of aviation activities at each airport is compatible with the capacity of such airport); and
- Entering into the ENAC-SEA Program Agreement pursuant to CIPE's resolution of 24 April 1996 and complying with any other applicable regulatory requirements, as well as any other undertaking agreed upon with ENAC.

The ENAC-SEA Program Agreement

Overview

The current ENAC-SEA Program Agreement is signed in accordance with art 17, paragraph 34-bis of Law 102/2009 that defines specific rules to regulate the fee regime for airport with traffic above eight million passengers per year and which are valid for the entire duration of the Agreement.

The ENAC-SEA Program Agreement dated 23 September 2011 entered into force the day of publication on the Italian Official Gazette (i.e. on 25 July 2012), setting the regulated fee regime for the Issuer, based on a "dual till" long-term multiyear tariff system and predefined criteria for changes to the fees. The tariff regime entered into force 60 days after the publication on the Official Gazette (i.e. on 23 September 2012).

The ENAC-SEA Program Agreement identifies SEA's regulated activities as the activities for which the Issuer is subject to regulatory oversight for the revenues it receives and for which it has agreed to charge airline customers with reference to a predefined mechanism.

Regulated activities, and related charges subject to regulation, relate, *inter alia*, to: (i) passengers; (ii) landings and take-offs; (iii) security; and (iv) management of regulated areas.

The level of regulated charges is linked to: (i) operating costs; (ii) depreciation charges; and (iii) fair remuneration on capital invested for the provision of such services.

The fee mechanism of the ENAC-SEA Program Agreement – a “dual till” approach – ensures the financial stability of the Issuer, enabling it to meet its obligations and commitments as airport operator as well as to upgrade, develop and expand SEA's regulated services; at the same time the Issuer has no limitations in the development of non-regulated activities, operated under a free market competitive regime.

The “dual till” approach sets a “price cap” for the regulated business without affecting the non-regulated business.

Regulation Period

Pursuant to the ENAC-SEA Program Agreement, the ongoing regulatory fee regime of SEA will apply until 31 December 2020.

The first regulatory period of ten years (expiring on 31 December 2020) was divided into two five-year sub-periods (the first sub-period from 1 January 2011 to 31 December 2015, and the second sub-period from 1 January 2016 to 31 December 2020) each of which is identified as a different “regulatory sub-period”.

Following the transfer of competences from ENAC to the ART, with regard to the supervisory functions concerning airport charges, SEA will have to enter a new regulatory period under ART's supervisions of the tariffs' component. At the expiry of the current ENAC-SEA Program Agreement, SEA will sign a new program agreement with ENAC which will only include technical elements (Investment Plan, Quality and Environmental Protection Plan), hence it will not include tariff details.

The latter will be determined in application of the ART tariff model, which will also take into consideration the technical elements included in the new program agreement signed with ENAC.

Tariff rates/formula

The current ENAC-SEA Program Agreement guarantees a long-term tariff system which is: (i) linked to the costs associated with the infrastructure; (ii) designed to promote efficiency; and (iii) based on criteria of fair remuneration for the investments made by SEA. As a consequence, the regulated tariffs enable SEA to be compensated for the maintenance, modernisation and development of Milan Airports' regulated services, which are also designed to generate a fair return on RAB (“**Regulatory Asset Base**”).

In particular, the tariff rules applicable are based on a “price cap” methodology that, in light of the adoption of the “dual till” regime, sets the unit fee for each regulated service without including, or taking into account, the financial impact of non-regulated services. Accordingly, the regulated fee for each year of a regulatory period is determined taking into account, *inter alia*, the base year costs and estimated air traffic levels.

The base year costs are the sum of OPEX (operating costs of regulated activities), depreciation (of assets related to regulated activities) and return on invested capital (remuneration of RAB or capital invested in regulated activities, with WACC – Weighted Average Cost of Capital). For the sake of completeness, the initial RAB value of the second regulatory sub-period is Euro 1,080 million, which is to be updated annually in accordance with the level of investments in SEA's regulated business (2019 value: Euro

1,105 million); the real pre-tax WACC for the second regulatory sub-period (2016–2020) is equal to 10.40%, which corresponds to 11.78% nominal pre-tax (in the first regulatory sub-period the real pre-tax WACC was equal to 10.8%).

The annual calculation of charges level depends, *inter alia*, on SEA's actual investments of the previous year. Any delay of such investments, or any change in their value, will have a direct impact in the charges' determination.

The current ENAC-SEA Program Agreement implicitly foresees a specific flexibility linked to any variance versus the Investment Plan. Nevertheless, specific penalties may occur in the event of a delay in the realisation of works provided for in the approved Investment Plan, resulting from failure to comply with the schedule due to inertia attributable to SEA.

In case actual traffic levels differ from those estimated between +/-5% and +/-10%, SEA and ENAC may request the other party to review and amend the regulated fees by adjusting, in relation to the remaining years of each regulated sub-period, some parameters of the tariff rules such as, *inter alia*, component of cost of capital and allowed costs. If the difference in traffic levels is greater than +/-10% each party may request a review and amendment of the ENAC-SEA Program Agreement.

The new ART tariff models.

In July 2020 ART published two new regulatory models (Model A for airports above one million passengers; Model B for airports below one million passengers), to be enforced by 1 July 2021.

SEA will apply the new Model A, which is similar to the provisions set forth in the ENAC-SEA Program Agreement (which includes RAB-based models, dual till regime, admitted costs calculated on traffic forecast, obligations regarding the level of quality services and environmental targets, and compulsory consultations with airlines).

The new Model A foresees minor changes compared to the current ENAC-SEA Program Agreement (cost elasticity parameters, efficiency target provisions, possibility to adopt "regulatory baskets" and "airport system charges").

- New features include the following: As per the current ENAC-SEA Program Agreement, the tariffs' determination requires the definition of the Base Year. The new Models provide for the non-use of the balance sheet values for the calculation of the Base Year, where these are not representative.
- The charges submitted for consultation with the Airport's Users ("**Airlines**") are subject to a vote. Airlines vote according to their market share at the airport. If no agreement is reached on the new charges (Airlines vote against SEA's proposal), the Airlines may appeal to the Authority, which will activate a settlement procedure.
- Elasticity: the values of the new Model are slightly lower than those currently foreseen in the ENAC-SEA Program Agreement.
- Efficiency: the Authority will calculate, for each airport, the efficiency value required to reach the so-called "efficient frontier". However, during the consultation procedures, the Airport Operators will be able to propose, within the regulatory period, a different efficiency improvement parameter, if properly justified.
- Traffic risk protection within the regulatory period: traffic tolerance bands % to be defined in consultation with users.
- SuperWACC: as per the current ENAC-SEA Program Agreement, the SuperWACC provision for specific investments is confirmed. The new models extend this provision to a wide range of investments (investments for the increase of airport capacity, technological innovation, safety/security, quality of services and environmental protection). The Authority will be able

to grant SuperWACC if the investments: (i) involve high risk factors; (ii) are not linked to legal obligations; and (iii) meet added-value criteria with regard to measures that are in any case necessary to ensure infrastructure development.

- **Airport System Charges:** in compliance with the provisions of Directive 2009/12/CE, the new Models provide for the implementation of common charging systems for airports that are part of an airport system (such as the one in Milan). In order to implement this provision, a specific request must be submitted to the Authority. This provision will allow the Linate and Malpensa charges to be modulated on the basis of criteria that take into account the traffic distribution rules for the two airports, which are not necessarily linked to the costs of each airport.
- **Incentives:** there is an obligation to provide information and transparency on the incentive policies applied or to be applied at the airport during the regulatory period, both to Airlines, Users and to the Authority.

Furthermore, with regard to the “in-derogation” program agreements, as the ENAC-SEA Program Agreement, the new models provide for a specific regime to be implemented with additional acts still to be issued.

SEA-regulated charges for 2021

Due to the Covid-19 crisis and considering the imminent end of the second regulatory sub-period (2016–2020) of the ENAC-SEA Program Agreement, SEA wrote to ENAC asking to postpone the current ENAC-SEA Program Agreement for one year. In that communication SEA highlighted that the development of the traffic plan and the coherent investment plan, as well as the quality and environmental protection plan, require a stable air transport environment which the current situation does not guarantee. At the moment it is still very difficult to estimate both the extent and the progress of the traffic recovery, in a context where the global pandemic is far from resolved and its economic effects on businesses and people in the medium term is still unclear. ENAC has agreed to a one-year extension for the definition of the new program agreement.

Following the above-mentioned transfer of competence between ENAC and ART, SEA on 13 July 2020 wrote to ART and requested the Authority to confirm, for 2021, the tariffs in force in 2020 to unburden the airlines during the Covid-19 crisis and to start the new regulatory period from 2022.

SEA Group Policy for the development of traffic at Malpensa Airport

The aviation market is characterised by growing competition among both airports and airlines. Such a development suggests the need, on the airport operators’ side, to adopt marketing policies aimed at achieving specific market targets and priorities.

In this context, SEA has adopted a policy consisting of a series of tools aimed at achieving market development targets coherent with the Group’s overall growth strategy; this is also in light of what the National Airports Plan indicated when reaffirmed the centrality of the role of Malpensa airport as the reference “Intercontinental Gate” for Northern Italy.

Strategic targets of SEA Group

SEA, seeking a strategy of constant growth of Malpensa Airport’s network, to the benefit of its extensive catchment area, considers the following air traffic development targets a priority to achieve:

- development of the long-haul destination network;
- frequency increase on strategic long-haul destinations;
- development of the short-medium-haul destination network, by giving priority to eastern European countries and the Mediterranean area;

- new operators positioning at Terminal 1, with aircrafts based at the airport, and/or large volumes of traffic generated;
- development of connecting traffic;
- seasonal adjustment of the operational plans of scheduled passenger airlines;
- development of long-haul all-cargo and courier air services; and
- use of aircraft with low environmental impact.

Incentive programmes

SEA has defined a programme and has budgeted an amount to be allocated for the achievement of growth targets and in consideration of the development dynamics of individual market segments. The commercial policy is offered on a transparent and non-discriminatory basis, by means of ensuring a level playing field for airlines wishing to adhere to it.

The schemes applied will last up to three years if they concern a single route, with the possibility of extending up to five years for projects with a more diversified portfolio of activities.

Payment of the incentives is subject to the signing of a specific contract between SEA and the carrier that will regulate in detail the terms of the agreement, as well as the regularity of payments by the operator to the SEA Group. SEA will only sign agreements which, following an appropriate internal ex ante financial analysis, demonstrate that they can provide the airport operator with adequate profitability over the planned period of time, in accordance with the Community principle of the private investor operating in a market economy (“**MEO**”).

SEA Group policy to restore connectivity post Covid-19 outbreak

The Covid-19 pandemic has generated a serious economic impact on the entire air transport industry. In order to promote the rapid recovery of traffic demand and the restoration of connectivity to 2019 levels, SEA has defined a particular incisive commercial policy that pays particular attention to the sustainability strategies with the respect of a maximum threshold of impact on the environment confirming SEA Group’s attention to environmental issues. Specifically in reference to short- and medium-haul traffic, in view of the high volume of traffic, the use of a fleet with a low environmental impact (noise) has been indicated as an essential requirement in order to access the incentive schemes.

The policy in question, published on SEA Group corporate website, cannot be combined with existing commercial agreements, will last for the period November 2020 to October 2022 and will be aimed at rewarding individual airlines determined to significantly accelerate the offer of scheduled flights (short-medium-haul, long-haul and all cargo flights) at Malpensa airport.

Airport certification

On 14 February 2014 Commission Regulation (EU) No. 139/2014 of 12 February 2014 outlining requirements and administrative procedures related to aerodromes pursuant to Regulation (EC) No. 216/2008 of the European Parliament and the Council was published in the Official Gazette of the European Union L44. All European Airports must comply with the above-mentioned regulation and be awarded, by the Civil Aviation Authority, an Airport Certificate by the end of 2017.

On 29 December 2016 ENAC released the “Airport Certificate” for Milan Malpensa Airport (IT.ADR.0002) and on 26 January 2017 ENAC released the Airport Certificate for Linate Airport (IT.ADR.0007) (*Source: ENAC website: www.enac.gov.it*).

Such certificates confirm that the organisation of SEA, the procedures for ground operations and all infrastructure and systems at Milan Airports meet EU requirements.

Regulations regarding the use of routes within and outside the EU

EC Regulation 1008/2008 sets forth the key regulatory principles for air transport services within the European Union. Pursuant to such regulation, EU-based carriers in possession of an operating licence may, without any restriction, select and operate on any routes within the European Union, both as between airports located in the same EU member state and between airports located in different EU member states.

On the other hand, air transport services to destinations outside of the European Union are regulated by bilateral agreements, which are typically based on standard forms of agreements and are entered into between the governments of the two countries. A bilateral agreement sets forth the regulatory framework for passenger and cargo air traffic between the two countries, including the maximum operating capacity in terms of number of frequencies and seats that can be offered, the number of carriers that may operate between the two countries and the number of destinations between the two countries such carriers may serve.

Bilateral agreements consist of open skies agreements or traditional agreements.

Under an open skies agreement, all carriers from each country may connect any destination in their own home territory with any of the other country's destinations, generally with no restrictions on frequency.

Traditional agreements specify the number of carriers that may be designated by each party and authorised to operate services between the two countries, each party's designated points of access and the number of flights and number of seats that can be operated between the two countries.

Milan Malpensa Airport and bilateral agreements

Due to the structure of Italy's bilateral agreements in force, the area of Milan and Northern Italy has been subject to restrictions on accessibility following the Alitalia De-Hubbing in March 2008. To improve and sustain the growth of Milan Malpensa Airport, open to scheduled and non-scheduled intercontinental and international, non-EU, services, and in order to not deprive Northern Italy of an essential gateway to the rest of the world, the Italian government has been establishing new bilateral agreements as well as renegotiating existing bilateral agreements in order to launch new routes and increase the number of flights and destinations that can be operated from Malpensa. In addition, pending the execution of new bilateral agreements, ENAC is authorised, through Italian Law No. 2/2009, subsequently superseded by L.164/2014, to issue temporary operating authorisations in order to ensure the greatest accessibility by air to and from Italy.

As a consequence, ENAC negotiates any new or amended bilateral agreements on behalf of the Italian State acting in concert with the competent ministries. ENAC is also responsible for the issue of temporary operating authorisations. Pursuant to Italian Law No. 2/2009 and subsequent L.164/2014, ENAC can grant such authorisations in respect of direct flights that fall within the scope of the third, fourth and fifth freedom⁶, for both passenger and all cargo flights, and is required to issue such authorisations upon receipt of a request by the relevant state or carrier once the approval of the Ministry of Infrastructures and Transport has been received.

As part of the implementation of Italian Law No. 2/2009, in February 2010 the Italian Ministry of Foreign Affairs, in agreement with the Italian Ministry of Infrastructure and Transportation, launched an extensive survey of the Italian national interest in the air transport industry, the Italian companies that operate in the air transport industry, as well as other foreign countries, carriers and airports, in order to develop the new liberalisation criteria and increase the interconnectivity of Italy and, in particular,

⁶ The freedoms of the air are a set of commercial aviation rights granting a country's airline the privilege to enter and land in another country. They were formulated in the Chicago Convention of 1944. The first freedom is the right to fly over a foreign country, the second is the right to refuel or carry out maintenance in a foreign country without embarking or disembarking passengers or cargo; the third is the right to fly from one's own country to another country; the fourth is the right to fly from another country to one's own country; the fifth freedom allows an airline to carry revenue traffic between foreign countries as a part of services connecting the airline's own country.

Milan Malpensa Airport. Following this survey, the Italian Ministry of Infrastructure and Transportation, ENAC and several aviation companies devised a structured road map with the objective of renegotiating the existing bilateral air agreements with the non-EU countries identified on the basis of the strategic and commercial interests that the Group views as priorities. These countries are: Algeria, Angola, Saudi Arabia, Argentina, Bangladesh, Bahrain, Byelorussia, Brazil, Capo Verde, Cuba, Egypt, the Philippines, Georgia, Jamaica, Japan, Jordan, Hong Kong, India, Iran, Iraq, Israel, Kazakhstan, Kenya, Kuwait, Libya, Mauritius, Mexico, Moldova, Nigeria, Pakistan, Panama, Qatar, Russia, Senegal, Singapore, Syria, Sri Lanka, South Africa, Thailand, Tunisia, Turkey, Turkmenistan, Ukraine, Venezuela and Vietnam.

Such initiative has been undertaken in parallel with specific EU-level negotiation initiatives, which to date have led to the deregulation of many routes with non-EU countries and all of the EU member states. In addition, the EU Commission has been given the mandate to negotiate open skies or other similar air transport deregulation agreements with Euro-Mediterranean countries.

From 2009 on, the Italian Aeronautical Authority, in compliance with the new liberalisation policy adopted in tune with SEA, was able to renegotiate or define ex novo 97 new bilateral agreements with 70 different countries in all five continents (*Source: ENAC website: www.enac.gov.it*).

Consistent with the rationale underlying the government's legislative initiatives, all of these negotiations and other efforts have resulted in an expanded portfolio of air traffic rights available to Italian and foreign carriers and an increase in the number of flights, routes and carriers operating at Milan Malpensa Airport.

Milan Linate Airport and current regulation (Ministerial Decree 18 November 2016, the so-called Del Rio Decree)

The current regulation for the distribution of traffic in the Milan Airports is the result of a lengthy dispute between Italy and the European Commission, that concluded as follows:

- Milan Malpensa Airport is the arrival and departure airport for all scheduled and charter intercontinental, international, intra-EU, national and regional services; and
- Milan Linate Airport is used only for: (i) general aviation flights; and (ii) scheduled “point-to-point” connections, using narrow-body aircraft, operating intra-EU services; the airport's capacity is capped at 18 movements per hour.

The United Kingdom's exit from the European Union

The United Kingdom (“UK”) held a referendum on 23 June 2016 to determine whether the UK should leave the EU or remain as a member state, and the outcome of that referendum was in favour of leaving the EU. Under Article 50 of the 2009 Lisbon Treaty (“**Article 50**”), the UK will cease to be a member state when a withdrawal agreement is entered into, or failing that, two years following the notification of an intention to leave under Article 50, unless the European Council (together with the UK) unanimously decides to extend this period. On 29 March 2017, the UK formally notified the European Council of its intention to leave the EU.

The United Kingdom left the European Union on 31 January 2020 after having been a member for 47 years. According to the withdrawal agreement, concluded between the European Union and the UK and entered into force on 1 February 2020, the UK is now officially a third country and therefore no longer participates in the EU decision-making process.

However, the EU and the UK have agreed on a transitional period until 31 December 2020. Until then, nothing will change for citizens, consumers, businesses, investors, students and researchers in both the EU and the UK. EU law still applies to the UK until the end of the transition period.

The EU and the UK will use these months to negotiate a fair partnership for the future.

The outcome of the negotiation of the UK's exit terms is still uncertain. Brexit could not only affect the European economy as a whole (including air transport trends for both passengers and cargo), but it could also restrict the right of airlines to travel freely between the UK and the EU. All European airlines currently enjoy such freedom, and therefore British airlines can operate from the Republic of Italy to any destination in the EU. The current situation may change after the transition period, which is why it is important for European airports, including Malpensa and Linate, that a new aviation agreement is reached between the aviation authorities of the EU and the UK in order to secure free air travel between the EU and the UK. The European Commission made it clear that any contingency measure cannot be implemented on a bilateral basis between EU27 States and the UK. This means that the revival or initialization of bilateral air services agreements are excluded.

Regulations governing the allocation of slots

The procedures for allocating slots to EU carriers are governed at the EU level by Regulation EC/95/93 adopted on 18 January 1993 by the EU Council, as amended from time to time, which provides common rules for the allocation of slots at EU airports ("**Slot Regulation**").

Pursuant to the Slot Regulation, the allocation of airport slots is a practice that should be considered exceptional, given that the underlying principle is the free choice of the landing and take-off time on the part of each carrier. Accordingly, slots can be allocated only for those airports that the competent member state declares to be "coordinated", when capacity, verified in consultation with the parties involved, is not sufficient to meet all of the carriers' requests for slots, with particular attention to new entrants.

Each Milan Airport qualifies as a "coordinated airport" and, as a result, carriers must have been allocated a slot in compliance with the criteria set forth in the Slot Regulation.

The Slot Regulation assigned the task of coordinating airport operations to a single "coordinator" for each EU country, identified as a third independent party balancing the interest of carriers already operating at airports to keep their allocated slots with the need for new carriers to gain access to such airports, with a view to the gradual liberalisation of the market.

Pursuant to Italian Ministerial Decree No. 44 of 4 August 1997, the allocation of slots at Italian airports was entrusted to Assoclearance, an association among carriers and airport operators responsible for performing the duties contemplated by the Slot Regulation, in particular allocating slots at the IATA Conference, which is held twice a year.

Regarding the allocation procedure, the Slot Regulation provides that a carrier has the right to keep the slots allocated to it in a IATA season (winter or summer) only if, during the previous corresponding season (the previous winter or previous summer, as the case may be), such carrier has operated at least 80% of these slots. Otherwise, the coordinator may move such underutilised slots in question into the pool of available slots and allocate such slots to other carriers that may have requested them. If the coordinator confirms that, following a carrier's failure to use the slots allocated to it, such carrier cannot in any case reach the 80% utilisation rate during the applicable season, it may revoke the slot from such carrier and reallocate it to other carriers that may have requested it.

The Slot Regulation also sets forth the general criteria for the allocation of new slots that may become available if existing slots are returned voluntarily by carriers, existing slots are revoked or capacity increases. In particular, upon new slots becoming available the Slot Regulation provides that, if requests exceed availability, 50% of the slots made available will be allocated with priority to new carriers and the remaining 50% to carriers already operating from the airport.

In addition, the Slot Regulation provides that, after the allocation of slots, the coordinator is required to monitor the actual use of such slots as well as compliance with the carriers' scheduled operations. In the event of a discrepancy between a carrier's scheduled times as defined during the IATA Conference and the actual times of such carrier's operations, the coordinator may take action using the available remedies, including the revocation of the slot.

There are several environmental aspects of Italian airport operations that involve a series of issues and, due to their peculiar nature, have not been specifically regulated. As a result, the regulatory framework for environmental protection at airports consists of general environmental laws and regulations at the national level, as well as regional laws and regulations in respect of those environmental matters for which regions have law- and rule-making authority.

Noise control is the only environmental protection area for which there are specific regulations that apply to airports. ENAC also issued regulations regarding certain specific environmental matters, such as noise levels and landfills. In addition, the ENAC-SEA Program Agreement requires SEA to organise and manage the Milan Airports in such a manner as to optimise the available resources for the provision of high-quality services in accordance with, *inter alia*, environmental protection principles, in order to assure regular and effective delivery of sanitation, waste collection and disposal, wastewater treatment and drinking water services.

SEA also ensures the supply of industrial water, electricity for lighting and engine power, and is responsible for air conditioning, biological purification and cleaning of the various airport areas, as well as the removal, treatment and destruction of waste.

The ENAC-SEA Program Agreement provides for the mandatory preparation of an environmental quality and protection plan, which indicates specific environmental protection targets. In accordance with the ENAC-SEA Program Agreement, SEA is committed to the improvement of the quality standards of its services and the environmental protection targets over the course of the regulatory period.

In particular, Ministerial Decree of 31 October 1997 makes airport operators responsible for monitoring aircraft noise level in areas surrounding airports (*zone di rispetto*) (“**Surrounding Area**”). Such area has to be defined by an airport commission (*commissione aeroportuale*), managed by ENAC and with the participation of the surrounding municipalities. SEA complies with such regulation in monitoring noise levels and regularly provides evidence of its results to public authorities. Law No. 447/95 and Ministerial Decree 29 November 2000 also provide for duties of airport operators regarding the planning of action to reduce noise impact on “receivers” within the Surrounding Area in case noise exceeds law limits (*Piani degli interventi di contenimento e abbattimento del rumore*). At Milan Linate Airport the Surrounding Area was defined in 2009 by the relevant airport commission, but the noise level remains under the limits. At Milan Malpensa Airport, the airport commission has not yet defined the Surrounding Area.

In addition, SEA believes that its ISO 14001 certification and Airport Carbon Accreditation confirm the significant attention it dedicates to environmental matters, and that it is environmentally proactive when dealing with third parties, including in all contracts’ clauses that encourage environmental protection in various respects (for example, on waste, water and drainage), reserving the right to terminate contracts entered into by the Group with those third parties that fail to comply with these obligations.

Green Deal

The “Green Deal” adopted by the EC on 11 December 2019 sets out the new EU policy based on new climate targets, a wide-ranging package of measures for all sectors of the economy and the roadmap and schedule for their adoption.

The policy priorities for aviation are:

- Completing the Single European Sky (SES) – which could yield up to 10% reduction in aircraft emissions.
- Ending tax exemptions on kerosene – as part of a wider drive to ensure that the price of transport better reflects its impact on the environment.

- Promoting multimodal transport and shifting part of aviation demand to rail for short-haul travel.
- Tightening the EU ETS for intra-EU air routes (in parallel to CORSIA for air routes to/from non-EU destinations). This should mainly consist in reducing the amount of free allowances given to airlines (currently, European airlines are getting 85% of their CO₂ allowances for free). This will necessarily increase costs for airlines – especially if the costs of carbon credits increase significantly from their current levels (around €20/ton), as is expected.
- Ramp-up the production and deployment of Sustainable Aviation Fuels (SAF).
- Action to improve air quality near airports by tackling the emissions of pollutants by aeroplanes and airport operations.

TAXATION

The statements herein regarding taxation are based on the laws in force as at the date of this Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes. This summary is based upon the laws and/or practice in force as at the date of this Prospectus. Italian tax laws and interpretations may be subject to frequent changes which could be made on a retroactive basis.

Tax treatment of Notes issued by the Issuer

Italian Legislative Decree No. 239 of 1 April 1996, as amended (“**Decree No. 239**”) sets out the applicable tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) (hereinafter collectively referred to as “Interest”) from notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) issued, inter alia, by Italian joint stock companies whose shares are not listed in a regulated market or multilateral trading facility situated or operating in an EU country or in a country of the European Economic Area which allows for an adequate exchange of information with the Italian tax authorities and is listed in the Ministerial Decree dated 4 September 1996 as amended and supplemented from time to time (last amendment being made by Italian Ministerial Decree dated 23 March, 2017) (the “**White List**”), provided that the bonds or similar securities are listed upon their issuance and traded on the aforementioned regulated markets or trading facilities.

For these purposes, securities similar to bonds (*titoli similari alle obbligazioni*) are securities that incorporate an unconditional obligation of the issuer to pay, at maturity or redemption, an amount not lower than their nominal value, with or without the payment of periodic interest, and do not give any right to directly or indirectly participate in the management of the issuer or to the business in connection to which the securities were issued, nor to control the same.

Italian Resident Noteholders

Pursuant to Decree No. 239, where the Italian resident holder of Notes, who is the beneficial owner of such Notes, is:

- (a) an individual not engaged in an entrepreneurial activity to which the Notes are connected; or
- (b) a partnership (other than a *società in nome collettivo* or *società in accomandita semplice* or similar partnership), or a *de facto* partnership not carrying out commercial activities or professional association; or
- (c) a private or public entity (other than companies), a trust not carrying out mainly or exclusively commercial activities, the Italian State and public and territorial entities; or
- (d) an investor exempt from Italian corporate income taxation,

Interest payments relating to the Notes are subject to a tax, referred to as *imposta sostitutiva*, levied at the rate of 26 per cent. (either when Interest is paid or when payment thereof is obtained by the holder on a sale of the Notes). All the above categories are qualified as “net recipients” (unless the Noteholders referred to under (a), (b) and (c) above have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the so called “*regime del risparmio gestito*” (the “**Asset Management Regime**”) according to Article 7 of Italian Legislative Decree No. 461 of 21 November 1997, as amended (“**Decree No. 461**”).

Where the resident holders of the Notes described above under (a) and (c) are engaged in an entrepreneurial activity to which the Notes are connected, *imposta sostitutiva* applies as a provisional income tax. Interest will be included in the relevant beneficial owner's Italian income tax return and will be subject to Italian ordinary income taxation and the *imposta sostitutiva* may be recovered as a deduction from Italian income tax due.

Subject to certain limitations and requirements (including a minimum holding period), Interest in respect of Notes issued by the Issuer that qualify as *obbligazioni* or *titoli similari alle obbligazioni* received by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity may be exempt from taxation, including the 26 per cent. *imposta sostitutiva*, if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) pursuant to Article 1, paragraphs 100 – 114, of Law No. 232 of 11 December 2016 (“**Law No. 232**”) and to Article 1, paragraphs 211 – 215, of Law No. 145 of 30 December 2018 (“**Law No. 145**”), as implemented by the Ministerial Decree 30 April 2019 and for long-term individual savings account established from 1 January 2020 by Article 13-bis of Law Decree No. 124 of 26 October 2019, converted by Law No. 157 of 19 December 2019, as applicable from time to time (“**Decree No. 124**”), all as lastly amended and supplemented by Article 136 of Law Decree No. 34 of 19 May 2020 converted by Law No. 77 of 17 July 2020 (“**Decree No. 34**”).

Pursuant to Decree No. 239, the 26 per cent. *imposta sostitutiva* is applied by banks, *società di intermediazione mobiliare* (so called “**SIMs**”), fiduciary companies, *società di gestione del risparmio* (“**SGRs**”), stock brokers and other qualified entities identified by a decree of the Ministry of Finance (“**Intermediaries**” and each an “**Intermediary**”). An Intermediary must (a) be resident in Italy or be a permanent establishment in Italy of a non-Italian resident Intermediary or be an entity or a company not resident in Italy, acting through a system of centralised administration of securities and directly connected with the Department of Revenue of Italian Ministry of Finance having appointed an Italian representative for the purposes of Decree No. 239, and (b) intervene, in any way, in the collection of Interest or, also as transferees, in transfers or disposals of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant notes or in a change of the Intermediary with which the notes are deposited.

Where the Notes and the relevant coupons are not deposited with an authorised Italian Intermediary (or with a permanent establishment in Italy of a foreign Intermediary), the *imposta sostitutiva* is applied and withheld by any Italian Intermediary paying Interest to the holders of the Notes or, absent that by the Issuer.

Payments of Interest in respect of the Notes are not subject to the 26 per cent. *imposta sostitutiva* if made to beneficial owners who are:

- (i) Italian resident corporations or permanent establishments in Italy of foreign corporations to which the Notes are effectively connected;
- (ii) Italian resident partnerships carrying out commercial activities (‘*società in nome collettivo*’ or ‘*società in accomandita semplice*’);
- (iii) Italian resident open-ended or closed-ended collective investment funds, SICAVs, SICAFs not mainly investing in real estate assets and governed by Legislative Decree No. 44 of 4 March 2014 (together the “**UCIs**” and each a “**UCI**”), Italian resident real estate investment funds subject to the regime provided for by Law Decree No. 351 of 25 September 2001 and SICAFs to which the provisions of Legislative Decree No. 44 of 4 March 2014 applies (together the “**Real Estate UCIs**” and each a “**Real Estate UCI**”) and Italian resident pension funds referred to in Legislative Decree No. 252 of 5 December 2005 (“**Decree No. 252**”); and
- (iv) Italian resident holders of the Notes included in the abovementioned “net recipients” categories who have entrusted the management of their financial assets, including the Notes, to an authorised financial Intermediary and have opted for the Asset Management Regime.

Such categories are qualified as “gross recipients”. To ensure payment of Interest in respect of the Notes without the application of 26 per cent. *imposta sostitutiva*, gross recipients indicated above under (i) to (iv) must: (a) be the beneficial owners of payments of Interest on the Notes and (b) deposit the Notes in due time, together with the coupons relating to such Notes, directly or indirectly with an Italian authorised Intermediary (or a permanent establishment in Italy of a foreign Intermediary). Where the Notes and the relevant coupons are not deposited with an Italian authorised Intermediary (or a permanent establishment in Italy of a foreign Intermediary), the *imposta sostitutiva* is applied and withheld by any Italian Intermediary paying Interest to the holders of the Notes or, absent that, by the Issuer.

Gross recipients that are Italian resident corporations or partnerships or permanent establishments in Italy of foreign entities to which the Notes are effectively connected are entitled to *deduct imposta sostitutiva* suffered from income taxes due. Interest accrued on the Notes shall be included in the corporate taxable income (and in certain circumstances, depending on the “status” of the Noteholder, also in the net value of production for purposes of regional tax on productive activities – “IRAP”) of beneficial owners who are Italian resident corporations or permanent establishments in Italy of foreign corporations to which the Notes are effectively connected, subject to tax in Italy in accordance with ordinary tax rules.

Italian resident investors who have opted for the Asset Management Regime are subject to a 26 per cent. annual substitute tax (the “**Asset Management Tax**”) on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the Notes). The Asset Management Tax is applied on behalf of the taxpayer by the managing authorised Intermediary.

If the investor is resident in Italy and is an UCI and the relevant Notes are held by an authorised intermediary, Interest accrued during the holding period on such Notes will not be subject to *imposta sostitutiva*, but must be included in the financial results of the UCI. The UCI will not be subject to taxation on such result, but a withholding tax of 26 per cent. will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders (the “**UCI Tax**”).

Where a Noteholder is an Italian Real Estate UCI and the relevant Notes are held by an authorised intermediary, Interest accrued on the Notes will be subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the Real Estate UCI. The income of the Real Estate UCI, depending on the status and percentage of participation by the unitholders/shareholders, is (i) directly subject to tax in their hands or (ii) subject to a withholding tax at the rate of 26 per cent. upon distribution or redemption or disposal of the units/shares.

Where a Noteholder is an Italian resident pension fund subject to the regime provided for by Article 17 of Decree No. 252 and the Notes are deposited with an Italian resident intermediary, Interest relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva* but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 20 per cent. substitute tax (the “**Pension Fund Tax**”) on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the Notes). Subject to certain limitations and requirements (including a minimum holding period), Interest in respect to the Notes may be excluded from the taxable base of the Pension Fund Tax pursuant to Article 1, paragraph 92, of Law No. 232, if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) pursuant to Article 1, paragraphs 100 – 114, of Law No. 232 and to Article 1, paragraphs 210 – 215, of the Law No. 145, as implemented by the Ministerial Decree 30 April 2019 and for long-term individual savings account established from 1 January 2020, by Article 13-bis of Decree No. 124, all as lastly amended and supplemented by Article 136 of Decree No. 34.

Non-Italian resident Noteholders

According to Decree No. 239, payments of Interest in respect of the Notes issued by the Issuer will not be subject to the *imposta sostitutiva* at the rate of 26 per cent. if made to beneficial owners who are

non-Italian resident beneficial owners of the Notes with no permanent establishment in Italy to which the Notes are effectively connected provided that:

- (a) such beneficial owners are resident for tax purposes in a state or territory included in the White List. According to Article 11, par. 4, let. c) of Decree No. 239, the White List will be updated every six months period; and
- (b) all the requirements and procedures set forth in Decree No. 239 and in the relevant implementation rules, as subsequently amended, in order to benefit from the exemption from *imposta sostitutiva* are met or complied with in due time.

Decree No. 239 also provides for additional exemptions from the *imposta sostitutiva* for payments of Interest in respect of the Notes made to (i) international entities and organisations established in accordance with international agreements ratified in Italy; (ii) certain foreign institutional investors, not subject to tax, established in countries included in the White List; and (iii) Central Banks or entities which manage, inter alia, the official reserves of a foreign State.

To ensure payment of Interest in respect of the Notes without the application of 26 per cent. *imposta sostitutiva*, non-Italian resident investors indicated above must:

- (a) be the beneficial owners of payments of Interest on the Notes;
- (b) deposit the Notes in due time together with the coupons relating to such Notes directly or indirectly with an Italian Intermediary, or a permanent establishment in Italy of a non-Italian Intermediary, or with a non-Italian resident operator participating in a centralised securities management system which is in contact via computer with the Ministry of Economy and Finance; and
- (c) file with the relevant depository a statement (*autocertificazione*) in due time stating, inter alia, that he or she is resident, for tax purposes, in one of the above mentioned White List states. Such statement (*autocertificazione*), which must comply with the requirements set forth by Ministerial Decree of 12 December 2001 (as amended and supplemented), is valid until withdrawn or revoked and need not be submitted where a certificate, declaration or other similar document meant for equivalent uses was previously submitted to the same depository. The statement (*autocertificazione*) is not required for non-Italian resident investors that are international entities and organisations established in accordance with international agreements ratified in Italy and Central Banks or entities which manage, inter alia, the official reserves of a foreign state.

Failure of a non-resident holder of the Notes to comply in due time with the procedures set forth in Decree No. 239 and in the relevant implementation rules will result in the application of *imposta sostitutiva* on Interest payments to a non-resident holder of the Notes.

Non-resident holders of the Notes who are subject to substitute tax might, nevertheless, be eligible for a total or partial relief under an applicable tax treaty between the Republic of Italy and the country of residence of the relevant holder of the Notes.

Capital Gains

Italian resident Noteholders

Pursuant to Decree No. 461, a 26 per cent. capital gains tax (referred to as “*imposta sostitutiva*”) is applicable to capital gains realised by:

- (a) an Italian resident individual not engaged in entrepreneurial activities to which the Notes are connected;
- (b) an Italian resident partnership not carrying out commercial activities;

- (c) an Italian private or public institution not carrying out mainly or exclusively commercial activities

on any sale or transfer for consideration of the Notes or redemption thereof.

Under the so called “*regime della dichiarazione*” (the “**Tax Declaration Regime**”), which is the standard regime for taxation of capital gains, the 26 per cent. *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains net of any relevant incurred capital losses realised pursuant to all investment transactions carried out during any given fiscal year. The capital gains realised in a year net of any relevant incurred capital losses must be detailed in the relevant annual tax return to be filed with Italian tax authorities and *imposta sostitutiva* must be paid on such capital gains together with any balance income tax due for the relevant tax year. Capital losses in excess of capital gains may be carried forward against capital gains of the same kind for up to the fourth subsequent fiscal year.

Alternatively to the Tax Declaration Regime, holders of the Notes who are:

- (a) Italian resident individuals not engaged in entrepreneurial activities to which the Notes are connected;
- (b) Italian resident partnerships not carrying out commercial activities;
- (c) Italian private or public institutions not carrying out mainly or exclusively commercial activities,

may elect to pay *imposta sostitutiva* separately on capital gains realised on each sale or transfer or redemption of the Notes under the so called “*regime del risparmio amministrato*” (the “**Administrative Savings Regime**”). Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with banks, SIMs and any other Italian qualified intermediary (or permanent establishment in Italy of foreign intermediary) and (ii) an express election for the Administrative Savings Regime being made in writing in due time by the relevant holder of the Notes. The intermediary is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or transfer or redemption of the Notes, as well as on capital gains realised as at revocation of its mandate, net of any relevant incurred capital losses, and is required to pay the relevant amount to the Italian tax authorities on behalf of the holder of the Notes, deducting a corresponding amount from proceeds to be credited to the holder of the Notes. Where a sale or transfer or redemption of the Notes results in a capital loss, the intermediary is entitled to deduct such loss from gains of the same kind subsequently realised on assets held by the holder of the Notes within the same relationship of deposit in the same tax year or in the following tax years up to the fourth. Under the Administrative Savings Regime, the realised capital gain is not required to be included in the annual income tax return of the Noteholder.

Special rules apply if the Notes are part of a portfolio managed under the Asset Management Regime by an Italian asset management company or an authorised intermediary. The capital gains realised upon sale, transfer or redemption of the Notes will not be subject to 26 per cent. *imposta sostitutiva* on capital gains but will contribute to determine the annual accrued appreciation of the managed portfolio, subject to the Asset Management Tax. Any depreciation of the managed portfolio accrued at year end may be carried forward against appreciation accrued in each of the following years up to the fourth. Also under the Asset Management Regime the realised capital gain is not required to be included in the annual income tax return of the Noteholder.

Subject to certain limitations and requirements (including a minimum holding period), capital gains in respect of Notes realized upon sale, transfer or redemption by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity may be exempt from taxation, including the 26 per cent. *imposta sostitutiva*, if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) pursuant to Article 1, paragraphs 100 – 114, of Law No. 232 and to Article 1, paragraphs 211 – 215, of the Law No. 145, as implemented by the Ministerial Decree

30 April 2019 and for long-term individual savings account established from 1 January 2020, by Article 13-bis of Decree No. 124, all as lastly amended and supplemented by Article 136 of Decree No. 34.

In the case of Notes held by UCIs, capital gains on Notes contribute to determinate the increase in value of the managed assets of the UCIs accrued at the end of each tax year. The UCIs will not be subject to taxation on such increase, but the UCI Tax will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders.

Where a Noteholder is an Italian Real Estate UCI, capital gains realised will be subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the Real Estate UCI. The income of the Real Estate UCI, depending on the status and percentage of participation by the unitholders/shareholders, is (i) directly subject to tax in their hands or (ii) subject to a withholding tax at the rate of 26 per cent. upon distribution or redemption or disposal of the units/shares.

Any capital gains realised by a Noteholder who is an Italian pension fund (subject to the regime provided for by article 17 of Decree No. 252) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the Pension Fund Tax. Subject to certain limitations and requirements (including a minimum holding period), capital gains realised in respect to the Notes may be excluded from the taxable base of the Pension Fund Tax pursuant to Article 1, paragraph 92, of Law No. 232, if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) pursuant to Article 1, paragraphs 100 – 114, of Law No. 232 and to Article 1, paragraphs 210 – 215, of Law No. 145, as implemented by the Ministerial Decree 30 April 2019 and for long-term individual savings account established from 1 January 2020, by Article 13-bis of Decree No. 124, all as lastly amended and supplemented by Article 136 of Decree No. 34.

Any capital gains realised by Italian resident corporations or similar commercial entities or permanent establishments in Italy of non-Italian resident corporations to which the Notes are connected, will be included in their business income (and, in certain cases, may also be included in the taxable net value of production for IRAP purposes), subject to tax in Italy according to the relevant ordinary tax rules.

Non-Italian resident Noteholders

The 26 per cent. *imposta sostitutiva* on capital gains may in certain circumstances be payable on any capital gains realised upon sale, transfer or redemption of the Notes by non-Italian resident individuals and corporations without a permanent establishment in Italy to which the Notes are effectively connected, if the Notes are held in Italy.

However, pursuant to Article 23 of Presidential Decree No. 917 of 22 December 1986, as subsequently amended and supplemented, any capital gains realised by non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected through the sale for consideration or redemption of the Notes are exempt from taxation in Italy to the extent that the Notes are listed on a regulated market in Italy or abroad, and in certain cases subject to timely filing of required documentation (in the form of a declaration (*autocertificazione*) of non-residence in Italy) with Italian qualified intermediaries (or permanent establishments in Italy of foreign intermediaries) with which the Notes are deposited, even if the Notes are held in Italy and regardless of the provisions set forth by any applicable double tax treaty.

Where the Notes are not listed on a regulated market in Italy or abroad:

- (a) pursuant to the provisions of Decree No. 461 non Italian resident beneficial owners of the Notes with no permanent establishment in Italy to which the Notes are effectively connected are exempt from the *imposta sostitutiva* on any capital gains realised upon sale for consideration or redemption of the Notes if they are resident, for tax purposes: (a) in a state or territory listed in the White List as defined above, and (b) all the requirements and procedures set forth in Decree No. 239 and in the relevant implementation rules, as subsequently amended, in order to benefit from the exemption from *imposta sostitutiva* are met or complied with in due time. Under these circumstances, if non-Italian residents without a permanent establishment in Italy

to which the Notes are effectively connected elect for the Asset Management Regime or are subject to the Administrative Savings Regime, exemption from Italian capital gains tax will apply upon condition that they file in time with the authorised financial intermediary an appropriate declaration (*autocertificazione*) stating that they meet the requirement indicated above. The same exemption applies where the beneficial owners of the Notes are (i) international entities or organisations established in accordance with international agreements ratified by Italy; (ii) certain foreign institutional investors, not subject to tax, established in countries which are included in the White List; or (iii) Central Banks or entities which manage, inter alia, the official reserves of a foreign State; and

- (b) in any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are effectively connected that may benefit from a double taxation treaty with Italy, providing that capital gains realised upon sale or redemption of Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in Italy on any capital gains realised upon sale for consideration or redemption of Notes. Under these circumstances, if non-Italian resident Noteholders without a permanent establishment in Italy to which the Notes are effectively connected elect for the Asset Management Regime or are subject to the Administrative Savings Regime, exemption from Italian capital gains tax will apply upon condition that they promptly file with the Italian authorised financial intermediary a self-declaration attesting that all the requirements for the application of the relevant double taxation treaty are met.

Fungible issues

Pursuant to Article 11, paragraph 2 of Decree No. 239, where the Issuer issues a new tranche forming part of a single series with a previous tranche, for the purposes of calculating the amount of Interest subject to *imposta sostitutiva* (if any), the issue price of the new tranche will be deemed to be the same as the issue price of the original tranche. This rule applies where (a) the new tranche is issued within 12 months from the issue date of the previous tranche and (b) the difference between the issue price of the new tranche and that of the original tranche does not exceed 1 per cent. of the nominal value of the Notes multiplied by the number of years of the duration of the Notes.

Inheritance and gift tax

Pursuant to Law Decree No. 262 of 3 October 2006 converted by Law No. 286 of 24 November 2006 effective from 29 November 2006, and Law No. 296 of 27 December 2006, the transfers of any valuable assets (including the Notes) as a result of death or donation (or other transfers for no consideration) and the creation of liens on such assets for a specific purpose are taxed as follows:

- (a) 4 per cent. if the transfer is made to spouses and direct descendants or ancestors; in this case, the transfer is subject to tax on the value exceeding EUR 1,000,000 (per beneficiary);
- (b) 6 per cent. if the transfer is made to brothers and sisters; in this case, the transfer is subject to the tax on the value exceeding EUR 100,000 (per beneficiary);
- (c) 6 per cent. if the transfer is made to relatives up to the fourth degree, to persons related by direct affinity as well as to persons related by collateral affinity up to the third degree; and
- (d) 8 per cent. in all other cases.

If the transfer is made in favour of persons with severe disabilities, the tax applies on the value exceeding EUR 1,500,000.

If the donee sells the Notes for consideration from the receipt thereof as a gift, the donee is required to pay the relevant *imposta sostitutiva* on capital gains as if the gift has never taken place.

The *mortis causa* transfer of financial instruments included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*), that meets the requirements set forth in Article 1,

paragraphs 100 - 114 of Law No. 232 and Article 1, paragraphs 211 – 215 of Law No. 145, as implemented by the Ministerial Decree 30 April 2019 and in a long-term individual savings account established from 1 January 2020, by Article 13-bis of Decree No. 124, all as lastly amended and supplemented by Article 136 of Decree No. 34, are exempt from inheritance taxes.

Transfer tax

Contracts relating to the transfer of securities are subject to the registration tax as follows: (i) public deeds and notarised deeds are subject to fixed registration tax at rate of EUR 200; (ii) private deeds are subject to registration tax only in case of use (*caso d'uso*) or explicit reference (*enunciazione*) or voluntary registration.

Tax Monitoring Obligations

Italian resident individuals, non-commercial entities, non-commercial partnerships and similar institutions are required to report in their yearly income tax return, according to Law Decree No. 167 of 28 June 1990 converted by Law No. 227 of 4 August 1990, as amended from time to time, for tax monitoring purposes, the amount of Notes held abroad during each tax year. The requirement applies also where the persons above, being not the direct holder of the financial instruments, are the actual owner of the instrument.

Furthermore, the above reporting requirement is not required to comply with respect to: (i) Notes deposited for management with qualified Italian financial intermediaries; (ii) contracts entered into through their intervention, upon condition that the items of income derived from the Notes have been subject to tax by the same intermediaries; or (iii) if the foreign investments are only composed by deposits and/or bank accounts and their aggregate value does not exceed a EUR 15,000 threshold throughout the year.

Stamp duty

Pursuant to Article 13 par. 2 *ter* of the tariff Part I attached to Presidential Decree No. 642 of 26 October 1972, a proportional stamp duty applies on an annual basis to any periodic reporting communications which may be sent by a financial intermediary to their clients in respect of any financial product and instrument (including the Notes), which may be deposited with such financial intermediary in Italy. The stamp duty applies at a rate of 0.2 per cent. and it cannot exceed EUR 14,000 for taxpayers which are not individuals. This stamp duty is determined on the basis of the market value or, if no market value figure is available, on the face value or redemption value, or in the case the face or redemption values cannot be determined, on the purchase value of the financial assets (including banking bonds, *obbligazioni* and capital adequacy financial instruments) held.

The statement is deemed to be sent at least once a year, even for instruments for which is not mandatory nor the deposit nor the release nor the drafting of the statement. In case of reporting periods of less than 12 months, the stamp duty is payable based on the period accounted.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy on 29 July 2009, as amended, supplemented and restated from time to time (last amendment in connection with the definition of “client” being made by regulation issued by the Bank of Italy on 20 June 2012)) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

Wealth tax on financial assets deposited abroad

According to article 19(18-23) of Law Decree No. 201 of 6 December 2011, converted by Law No. 214 of 22 December 2011, as subsequently amended, Italian resident individuals, non-commercial entities and partnerships and similar entities holding financial assets – including the Notes – outside of the Italian territory are required to report in their annual tax return and pay a wealth tax at the rate of 0.2 per cent. This tax is calculated on the market value at the end of the relevant year or, if no market value

is available, on the nominal value or redemption value, or where the face or redemption values cannot be determined, on the purchase value of any financial asset (including the Notes) held abroad. The maximum wealth tax amount due is set at EUR 14,000 per year for taxpayers other than individuals. A tax credit is granted for any foreign property tax levied abroad on such financial assets. The financial assets held abroad are excluded from the scope of the wealth tax if administered by Italian financial intermediaries pursuant to an administration agreement.

FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “foreign financial institution” may be required to withhold on certain payments it makes (“foreign passthru payments”) to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including the jurisdiction of the Issuer) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“IGAs”), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register. However, if additional notes (as described under “Terms and Conditions—Further Issues”) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes.

The proposed financial transactions tax (“FTT”)

On 14 February 2013, the European Commission published a proposal (the “**Commission's Proposal**”) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**participating Member States**”). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

The Joint Lead Managers have, in a subscription agreement dated 7 October 2020 (the “**Subscription Agreement**”) and made between the Issuer and the Joint Lead Managers, upon the terms and subject to the conditions contained therein, jointly and severally agreed to subscribe for the Notes. The Issuer has also agreed to pay certain combined commissions to the Managers as set out therein and reimburse the Joint Lead Managers for certain of their expenses incurred in connection with the management of the issue of the Notes. The Joint Lead Managers are entitled in certain circumstances to be released and discharged from their obligations under the Subscription Agreement prior to the closing of the issue of the Notes.

General

No action has been or will be taken in any jurisdiction by the Issuer or any Joint Lead Manager that would, or is intended to, permit a public offering of the Notes, or possession or distribution of this Prospectus or any other offering material, in any country or jurisdiction where action for that purpose is required. Persons into whose hands this Prospectus comes are required by the Issuer and the Joint Lead Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or have in their possession, distribute or publish this Prospectus or any other offering material relating to the Notes, in all cases at their own expense.

Each Joint Lead Manager has warranted and agreed that it will to the best of its knowledge and belief comply with all the relevant laws and regulations in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Prospectus or any other offering material, in all cases at its own expense.

United States of America

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable state securities laws. Terms used in this paragraph have the meanings given to them by Regulation S.

Accordingly, the offer is not being made in the United States and this document does not constitute an offer, or an invitation to apply for, or an offer or invitation to purchase or subscribe for any Notes in the United States. The Notes offered hereby are being offered and sold only outside the United States in “offshore transactions” as defined in Regulation S. Any person who subscribes or acquires Notes will be deemed to have represented, warranted and agreed, by accepting delivery of this Prospectus or delivery of Notes, that it has not received this document or any information related to the Notes in the United States, is not located in the United States and is subscribing for or acquiring Notes in compliance with Rule 903 of Regulation S in an “offshore transaction” as defined in Regulation S.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder.

Each Joint Lead Manager has represented and agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the Issue Date within the United States or to, or for the account or benefit of, U.S. persons and that it will have sent to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the later of the commencement of the offering of the Notes and the Issue Date, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Prohibition of Sales to EEA and UK Retail Investors

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA or the UK. For the purposes of this provision the expression “retail investor” means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

The expression an “offer” means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

The Republic of Italy

Each Joint Lead Manager has represented and agreed that the offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Prospectus or of any other document relating to the Notes be distributed, in the Republic of Italy, except:

- (i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of the Prospectus Regulation and any applicable provision of Legislative Decree No. 58 of 24 February 1998, as amended (the “**Financial Services Act**”) and Italian CONSOB regulations; or
- (ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and the applicable Italian laws.

Any offer, sale or delivery of the Notes or distribution of copies of the Prospectus or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must:

- (a) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the “**Banking Act**”); and
- (b) comply with any other applicable laws and regulations or requirement imposed by Consob, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

United Kingdom

Each Joint Lead Manager has represented, warranted and agreed that:

- (i) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000, as amended (the “**FSMA**”)) received by it in connection with the issue or sale of the Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

- (ii) it has complied and will comply with all applicable provisions of the FSMA and the regulations adopted thereunder with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

France

Each Joint Lead Manager has represented and agreed that (in connection with the initial distribution of the Notes only) it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Prospectus or any other offering material relating to the Notes, and that such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties and/or (b) qualified investors (*investisseurs qualifiés*), all as defined in, and in accordance with, Articles L.411-1, L.411-2, D.411-1 and D.411-4 of the French *Code monétaire et financier*.

GENERAL INFORMATION

1. ***Listing and Admission to Trading.*** Application has been made for the Notes to be listed on the Official List of Euronext Dublin and admitted to trading on the Regulated Market of Euronext Dublin. Admission is expected to take effect on or about the Closing Date. Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to Notes and is not itself seeking admission of Notes to the Official List of Euronext Dublin or to trading on the regulated market of Euronext Dublin for the purposes of the Prospectus Regulation.
2. ***Authorisation.*** The Issuer has obtained all necessary consents, approvals and authorisations in Italy in connection with the issue and performance of the obligations under the Notes. The creation and issue of the Notes has been authorised by a resolution of the Board of Directors of the Issuer dated 28 July 2020 and registered with the Companies' Register of Milano Monza Brianza Lodi on 4 August 2020.
3. ***Expenses Related to Admission to Trading.*** The total expenses related to admission to trading are estimated at €5,190.
4. ***Legal and Arbitration Proceedings.*** Save as disclosed in "*Business Description of the Group – Legal, administrative and other proceedings*", neither the Issuer nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or the Group.
5. ***Auditors.*** The current Auditor of the Issuer is Deloitte & Touche S.p.A., whose registered office is at Via Tortona 25, Milan, Italy. Deloitte is registered under No. 132587 in the Register of Independent Auditors held by the Ministry of Economy and Finance pursuant to Legislative Decree No. 39 of 27 January 2010 and the relevant implementing regulations and is also a member of ASSIREVI (*Associazione Nazionale Revisori Contabili*), the Italian association of auditing firms.
6. ***Legal Entity Identifier.*** The Legal Entity Identifier (LEI) code of the Issuer is 815600DF2DE50E2BFE25.
7. ***Significant Material Change.*** Save as disclosed in this Prospectus, including in sections "*Business Description of the Group – Recent Developments*" and in "*Documents Incorporated by Reference*", since 31 December 2019, there has been no material adverse change in the prospects of the Issuer and, since 30 June 2020, there has been no significant change in the financial performance or financial position of the Group.
8. ***Documents on Display.*** For the life of this Prospectus, electronic copies of the following documents may be inspected from <http://www.seamilano.eu/en/financial-information>:
 - (a) the Articles of Association of the Issuer;
 - (b) the Trust Deed;
 - (c) the Agency Agreement; and
 - (d) the most recently published audited consolidated annual financial statements of the Issuer.

An electronic copy of this Prospectus and any document incorporated by reference in this Prospectus will also be available for viewing on the website of Euronext Dublin (www.ise.ie).

9. **Legend for any U.S. Person.** The Notes and any Coupons appertaining thereto will bear a legend to the following effect: “Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.”
10. **ISIN and Common Code.** The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The International Securities Identification Number for the Notes is XS2238279181 and the Common Code is 223827918. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is, 42 Avenue J.F. Kennedy, L-1855 Luxembourg.
11. **Yield.** Based upon an issue price of 100 per cent. of the principal amount of the Notes, the yield on the Notes is 3.500 per cent. on an annual basis. The yield is calculated at the Closing Date on the basis of the issue price. It is not an indication of future yield.
12. **Potential Conflicts of Interest.** Certain of the Joint Lead Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Joint Lead Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates or any entity related to the Notes. Certain of the Joint Lead Managers or their affiliates have a lending relationship with the Issuer and the proceeds from the Offering may be used in part to repay the amounts outstanding under the existing facilities. In addition, the Joint Lead Managers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Issuer’s securities, including potentially the Notes offered hereby. Any such short positions could adversely affect future trading prices of the Notes. The Joint Lead Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. For the purpose of this paragraph the word “affiliates” include also parent companies.

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