(incorporated with limited liability under the laws of the Republic of Italy)

€400,000,000

3.875 per cent. Sustainability-Linked Notes due 28 July 2026

The issue price of the €400,000,000 3.875 per cent. Sustainability-Linked Notes due 28 July 2026 (the "**Notes**") of Webuild S.p.A. (the "**Issuer**" or "**Webuild**") is 100 per cent. of their principal amount. Unless previously redeemed or cancelled, the Notes will be redeemed at their principal amount on 28 July 2026. The Notes are subject to redemption, in whole but not in part, at their principal amount, plus interest, if any, to the date fixed for redemption at the option of the Issuer at any time in the event of certain changes affecting taxation in the Republic of Italy. In addition, the holder of a Note may, by the exercise of the relevant option, require the Issuer to redeem such Note at 100 per cent. of its principal amount together with accrued and unpaid interest (if any) upon the occurrence of a Change of Control (as defined below). The Issuer may also elect to redeem all, but not some only, of the Notes at an amount calculated on a "make whole" basis. See "*Terms and Conditions of the Notes — Redemption and Purchase*".

The Notes will bear interest from 28 January 2022 (the "**Issue Date**") at the rate (the "**Rate of Interest**") of 3.875 per cent. per annum payable annually in arrears on 28 July each year commencing on 28 July 2022. If the Issuer's sustainability targets are not met and, following a Carbon Intensity Event, the Issuer shall pay an amount to the Noteholders equal to the Premium Payment Amount (in each case, as defined below). Payments on the Notes will be made in Euro without deduction for or on account of taxes imposed or levied by the Republic of Italy to the extent described under "*Condition 9 (Taxation)*".

The Notes will constitute direct, general and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for certain mandatory exceptions of applicable law.

Application has been made to The Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") for the Notes to be admitted to the Official List of Euronext Dublin (the "**Official List**") and to trading on the Global Exchange Market of Euronext Dublin (the "**Global Exchange Market**"), which is the exchange-regulated market of Euronext Dublin. This Offering Circular constitutes listing particulars in respect of the admission of the Securities to the Official List and to trading on the Global Exchange Market and has been approved by Euronext Dublin. The Global Exchange Market is not a regulated market 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**").This offering circular (the "**Offering Circular**") does not constitute a prospectus for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and in accordance with the Prospectus Regulation, no prospectus is required in connection with the issuance of the Securities. References in this Offering Circular to the Notes being "listed" (and all related references) shall mean that the Notes have been admitted to the Official List and admitted to trading on the Global Exchange Market. **Investors should note that securities to be admitted to the Official List and to trading on the Global Exchange Market will, because of their nature, normally be bought and traded by a limited number of investors who are particularly knowledgeable in investment matters.** This Offering Circular is available for viewing on the website of Euronext Dublin (https://live.euronext.com/).

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and are subject to United States tax law requirements. The Notes are being offered outside the United States by the Managers (as defined in "*Subscription and Sale*") 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 except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. For a description of certain restrictions on transfers of the Notes, see "*Subscription and Sale*".

Investing in the Notes involves risks. See "Risk Factors" beginning on page 5 of this Offering Circular for a discussion of certain risks prospective investors should consider in connection with any investment in the Notes.

The Notes will be in bearer form in the denomination of €100,000 each and, for so long as the Notes are represented by a Global Note (as defined below) and Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream, Luxembourg**") (or other relevant clearing system) allow, in denominations of €1,000 in excess of €100,000, up to and including €199,000. The Notes 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 the Issue Date with a common safekeeper for Euroclear and Clearstream, Luxembourg. The Temporary Global Note will be exchangeable, in whole or in part, for interests in a permanent global note (the "**Permanent Global Note**", and together with the Temporary Global Note, each a "**Global Note**"), without interest coupons, not earlier than 40 days after the Issue Date upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non U.S. beneficial ownership. The Permanent Global Note will be exchangeable in certain limited circumstances in whole, but not in part, for Notes in definitive form in principal amounts equal to €100,000 and integral multiples of €1,000 in excess thereof, up to and including €199,000, each with interest coupons attached. No Notes in definitive form will be issued with a denomination above €199,000. See "*Summary of Provisions Relating to the Notes in Global Form*".

The Notes will be rated BB- by S&P Global Ratings Europe Limited ("**Standard & Poor's**") and BB by Fitch Ratings Ireland Limited Sede Secondaria Italiana ("**Fitch**"). Each of Standard & Poor's and Fitch is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**"). Each of Standard & Poor's and Fitch appears on the latest update of the list of registered credit rating agencies on the ESMA website http://www.esma.europa.eu. Pursuant to Article 8d of Regulation (EC) 1060/2009 (as amended by Regulation (EU) 462/2013), the Issuer acknowledges that each of Standard & Poor's and Fitch hold more than 10 per cent. of the total market share.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

JOINT LEAD MANAGERS

BofA Securities | **Goldman Sachs International** | **Natixis**

IMI – Intesa Sanpaolo | **UniCredit**

Co-Managers

Banca Akros S.p.A. – Gruppo Banco BPM | **BBVA** | **BNP Paribas**

Offering Circular dated 24 January 2022

IMPORTANT NOTICES

The Issuer accepts responsibility for the information contained in this Offering Circular and declares that, having taken all reasonable care to ensure such is the case, the information contained in this Offering Circular, to the best of its knowledge, is in accordance with the facts and contains no omission likely to affect its import.

KPMG S.p.A. ("**KPMG**") issued three reports on the Webuild Unaudited Pro Forma Consolidated Financial Information at 31 December 2019, the Webuild Unaudited Pro Forma Interim Consolidated Financial Information at 30 June 2020 and the Unaudited Pro Forma Consolidated Financial Information at 31 December 2020 (each as defined below) on the basis described therein (the "**Pro-Forma Reports**"). KPMG accepts responsibility for the Pro-Forma Reports and declares that, having taken all reasonable care to ensure such is the case, the information contained in the Pro-Forma Reports, to the best of its knowledge, is in accordance with the facts and contains no omission likely to affect its import.

The Issuer has confirmed to BofA Securities Europe SA, Goldman Sachs International, Intesa Sanpaolo S.p.A., Natixis and UniCredit Bank AG (the "**Joint Lead Managers**") and Banca Akros S.p.A. – Gruppo Banco BPM, Banco Bilbao Vizcaya Argentaria, S.A. and BNP Paribas (the "**Co-Managers**" and together with the Joint Lead Managers, the "**Managers**") that this Offering Circular contains or incorporates all information regarding the Issuer and the Group as of the date of this Offering Circular (where "**Group**" means the Issuer and its consolidated subsidiaries) and the Notes which are (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 Offering Circular on the part of the Issuer or the Group are honestly held or made and are not misleading in any material respect; this Offering Circular 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; and all proper enquiries have been made to ascertain and to verify the foregoing.

To the fullest extent permitted by law, none of the Managers, BNY Mellon Corporate Trustee Services Limited as trustee (the "**Trustee**") or The Bank of New York Mellon, London Branch, as principal paying agent (the "**Principal Paying Agent**") accepts any responsibility for the contents of this Offering Circular or for any other statements made or purported to be made by any of the Managers or on its behalf or by the Trustee or on its behalf or by the Principal Paying Agent or on its behalf in connection with the Issuer or issue and offering of any Note. Each of the Managers, the Trustee and the Principal Paying Agent disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Offering Circular or any such statement.

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Information Incorporated by Reference*"). This Offering Circular should be read and construed on the basis that such documents are incorporated in and form part of this Offering Circular.

Investors should rely only on the information contained in this Offering Circular. The Issuer has not authorised anyone to provide investors with different information. The initial purchasers are not and the Issuer is not making any offer of the Notes in any jurisdiction where the offer is not permitted. You should not assume that the information contained in this Offering Circular is accurate as of any date other than the date on the cover of this Offering Circular regardless of the time of delivery of this Offering Circular or of any sale of the Notes.

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 Offering Circular 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 or the Managers.

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 Offering Circular 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.

The Notes will be (subject to Condition 5 (*Negative pledge*)) unsecured obligations of the Issuer. In the event of any insolvency or winding-up of the Issuer, the Notes will rank equally with the Issuer's other unsecured senior indebtedness. The Notes are unsecured and, although they restrict the giving of security by the Issuer and its Material Subsidiaries (as defined in the Terms and Conditions of the Notes) over Indebtedness (as defined in the Terms and Conditions of the Notes) and guarantees in respect of such Indebtedness, a number of exceptions apply, as more fully described in Condition 5 (*Negative pledge*). Where security has been granted over assets of the Issuer to secure indebtedness, in the event of any insolvency or winding-up of the Issuer, such secured indebtedness will rank in priority over the Notes and other unsecured indebtedness of the Issuer in respect of such assets.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Note shall in any circumstances create any implication that the information contained herein concerning the Issuer and/or its Group is correct at any time subsequent to the date hereof or that any other information supplied in connection with the offering of the Notes is correct as of any time subsequent to the date indicated in the document containing the same or 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 and/or the Group since the date of this Offering Circular.

Neither this Offering Circular nor any other information supplied in connection with the offering, sale or delivery of any Note (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or any of the Managers that any recipient of this Offering Circular or any other information supplied in connection thereto should purchase any Note. Each investor contemplating purchasing any Note should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the Group. Neither this Offering Circular nor any other information supplied in connection with the issue of the Note constitutes an offer or invitation by or on behalf of the Issuer or any of the Managers to any person to subscribe for or to purchase any Notes.

This Offering Circular does not constitute an offer of, or an invitation to subscribe for or purchase, any Notes.

Each recipient of this Offering Circular shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer and the Group (as defined below) and of the rights attaching to the Notes.

The distribution of this Offering Circular and the offering, sale and delivery of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer and the Managers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on distribution of this Offering Circular 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, Notes may not be offered, sold or delivered within the United States or to U.S. persons.

MiFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPs ONLY 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.

UK MiFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in the UK MiFIR; and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any distributor should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

PROHIBITION OF SALES TO EEA 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 ("**EEA**"). 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 (EU) 2016/97 (as amended or superseded, 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; or (iii) not a qualified investor as defined in the Prospectus Regulation. 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 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 the UK may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO 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 United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**").

Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

References to Regulations or Directives include, in relation to the UK, those Regulations or Directives as they form part of UK domestic law by virtue of the EUWA or have been implemented in UK domestic law, as appropriate.

In this Offering Circular, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area and references to "**€**", "**EUR**" or "**Euro**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended. References to "**billions**" are to thousands of millions.

The language of this Offering Circular 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.

Certain figures included in this Offering Circular 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.

Information relating to the Sustainability-Linked Features of the Notes

The Notes are categorised as "*Sustainability-Linked Notes*". Such Notes are not intended by the Issuer to be applied for the purposes of financing and/or refinancing, in whole or in part, "sustainable" or other equivalently-labelled projects but will be used for repayment of part of the existing indebtedness of the Issuer's group or for general corporate purposes. Prospective investors should therefore have regard to the information set out under, or referred to in, Conditions 6.2 (*Premium Payment*) and 17A (*Available Information*) and must determine for themselves the relevance of such information, together with any other investigation such investors deem necessary, for the purpose of any investment in the Notes and its suitability also in light of their own circumstances.

In connection with the issue of the Notes, the Issuer has adopted a framework relating to its sustainability strategy and targets to, *inter alia*, foster the best market practices and present a unified and coherent suite of sustainability-linked notes (the "Sustainability-Linked Financing Framework"), available at the following website: https://www.webuildgroup.com/en/investor-

relations/debt-rating/sustainable-finance in accordance with the Sustainability-Linked Bond Principles 2020 (the "SLBP") administered by the International Capital Market Association ("ICMA"), accompanied by a so-called Second-party Opinion issued by a third party (the "Sustainability-Linked Financing Framework Second-party Opinion"). The Sustainability-Linked Financing Framework Second-party Opinion is accessible through the Issuer's website at: https://www.webuildgroup.com/en/investor-relations/debt-rating/sustainable-finance .

No assurance or representation is given by the Issuer, any other member of the Group, the Managers or the External Verifier (as defined in the Conditions) as to the suitability or reliability for any purpose whatsoever of any framework, opinion, report or certification of any third party in connection with any such and/or the offering of the Notes. Any such framework, opinion, report or certification and any other document related thereto is not, nor shall it be deemed to be, incorporated in and/or form part of this Offering Circular. Prospective investors must determine for themselves the relevance of such information, together with any other investigation such investors deem necessary, for the purpose of any investment in the Notes and its suitability also in light of their own circumstances.

In the event that the Notes become listed or admitted to trading on any dedicated "green", "environmental", "sustainable" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer or any Manager that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another, nor is any representation or assurance given or made by the Issuer or any other person that any such listing or admission to trading will be obtained in respect of the Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes.

See also "*Risk Factors – Risks related to the "sustainability-linked" features of the Notes*".

Stabilisation

In connection with the issue of the Notes, Intesa Sanpaolo S.p.A. (the "Stabilising Manager") (the "Stabilising Manager") (or persons acting on behalf of the Stabilising Manager) may over allot Notes or effect transactions for a limited time with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail in the open market. However, stabilisation may not necessarily occur. Any stabilisation action, if commenced, may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, and must be brought to an end no later than the earlier of 30 days after the Issue Date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or any Person acting on behalf of the Stabilising Manager) in accordance with all applicable laws and rules.

Forward-looking statements

This Offering Circular may contain forward-looking statements, including (without limitation) statements identified by the use of terminology such as "anticipates", "believes", "estimates", "expects", "intends", "may", "plans", "projects", "will", "would" or similar words. These statements are based on the Issuer's current expectations and projections about future events and involve substantial uncertainties. All statements, other than statements of historical facts, contained herein regarding the Issuer's strategy, goals, plans, future financial position, projected revenues and costs or prospects are forward-looking

statements. Forward-looking statements are subject to inherent risks and uncertainties, some of which cannot be predicted or quantified. Future events or actual results could differ materially from those set forth in, contemplated by or underlying forward-looking statements. The Issuer does not undertake any obligation to publicly update or revise any forward-looking statements.

Market share information and statistics

Information regarding markets, market size, market share, market position, growth rates and other industry data pertaining to the Group's business contained in this Offering Circular consists of estimates based on data reports compiled by professional organisations and analysts, on data from other external sources, and on the Issuer's knowledge of its reference markets. In many cases, there is no readily available external information (whether from trade associations, government bodies or other organisations) to validate market-related analyses and estimates, requiring the Issuer to rely on internally developed estimates. While the Issuer has compiled, extracted and accurately reproduced market or other industry data from external sources, including third parties or industry or general publications, neither the Issuer nor the Managers have independently verified that data. As far as the Issuer is aware, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Issuer cannot assure investors of the accuracy and completeness of, and takes no responsibility for, such data other than the responsibility for the correct and accurate reproduction thereof.

CONTENTS

Section **Page**

RISK FACTORS

Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider risk factors associated with any investment in the Notes, the business of the Issuer and the Group and the industry in which it and the Group operate together with all other information contained in this Offering Circular, including, in particular, the risk factors described below. Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Offering Circular have the same meanings in this section.

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 and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

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

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

1. Risks relating to COVID-19 (*Coronavirus*)

The Issuer's and Group's activities have been exposed to the restrictive measures adopted, starting from March 2020, by the Italian and other European and extra-European governments following the spread of the COVID-19 pandemic. Such measures have included and may still include, among others, the temporary closure of industrial plants and work sites, as well as significant limitations to the mobility of people and vehicles. In the same way, the Issuer's and Group's activities are also exposed to the risk arising from the adoption or reinstatement of further restrictive measures as a consequence of any worsening of the pandemic. If the extraordinary measures and regulations adopted at the national and international level were to be tightened and/or reintroduced over time, these circumstances could have consequences – on both the Group's target market and the ordinary conduct of its business – such as to directly and significantly affect the Group's production and operating capabilities, with subsequent negative effects on its current and prospective profitability and, therefore, on its economic, equity and financial situation.

The Group's results are strictly linked to national and international economic trends, which have been and will be strongly negatively impacted by the effects deriving from the lockdown measures so far adopted.

Whilst the Group has not had any contract cancellation since the outbreak of the COVID-19 pandemic, the Group has been affected by postponement of contractual production and delay of payments from its counterparties (that may have an adverse impact on the 2021 results) and the Issuer remains fully exposed to the risk stemming from both the economic impacts resulting from the adoption of extraordinary measures and regulations, in Italy and outside of Italy, and the future adoption of analogous or tighter restrictions which may be taken in the event of a continuing or worsening of the COVID-19 pandemic. Such extraordinary measures and regulations may have future adverse consequences on both the target market of the Group and the ordinary conduct of its business, which may directly and significantly affect the production and operational capabilities of the Issuer and the

Group, with inevitable negative effects on its current and prospective profitability and, therefore, on its economic, equity and financial situation. See also "*Description of the Issuer – COVID-19*".

2. Risks relating to the Issuer's financial situation

The Group carries a significant amount of debt, which may increase in the future, and this may restrict its operational flexibility and competitiveness.

As of 30 June 2021 and 31 December 2020, the Group's financial indebtedness was mainly composed of bank and other loans and borrowings (respectively €778.5 million and €767.5 million), current portion of bank loans and borrowings and current account facilities (respectively €507.4 million and €1,077.3 million), bonds (respectively €1,486.2 million and €1,288.6 million) and current portion of bond (respectively €33.5 million and €246.9 million).

As of 30 June 2021 and 31 December 2020, the Group's Gross Indebtedness was €2,967.5 million and €3,560.2 million, respectively.

The Group's significant financial indebtedness and any future increase in such indebtedness - as well as the constraints on its operations resulting from the indebtedness - may have a number of negative effects including the following: (i) the use of a significant portion of the cash flows from operations to service the Group's debt and the consequent reduction of the cash flows available for its operations; (ii) greater vulnerability of the Issuer to deterioration of its business, the economy or its industry; (iii) greater difficulty in meeting the Group's debt obligations and a significant limitation or impairment of its ability to refinance such debts; (iv) exposure to interest rate increases; (v) a disadvantage compared to competitors that have a lower level of indebtedness compared to cash flows and therefore a lower financial burden; (vi) reduced ability to seize certain business opportunities or to make acquisitions or investments; and (vii) reduced ability to obtain further loans and new credit lines to finance the Group's commercial activities and issue supporting guarantees. Any of the foregoing circumstances may result in a material adverse effect on the Group's business, results of operations, financial condition or prospects.

In the future, the Group's indebtedness may increase for various reasons, such as potential fluctuations in operating performance of its projects, the need to fund current operations in the event of any delays in the collection of payments as part of operating activities, as well as for any investments, and potential acquisitions or joint ventures. In addition, the Group may need to seek additional financing to cover any margin calls under hedging arrangements. An increase in the level of indebtedness of the Issuer and its subsidiaries would entail a corresponding increase in the risks assumed.

Tax law in Italy may restrict the deductibility of all or a portion of the interest expenses of the Issuer or the Group's indebtedness, including interest expenses in respect of the Notes.

Current tax legislation in Italy (Article 96 of Italian Presidential Decree No. 917 of December 22, 1986, as amended and restated) allows, for IRES purposes, for the full tax deductibility of interest expenses incurred by a company in each fiscal year up to the amount of the interest income of the same fiscal year, as evidenced by the relevant annual financial statements. A further deduction of interest expenses in excess of this amount is allowed up to a threshold of 30% of fiscal EBITDA (i.e., *risultato operativo lordo della gestione caratteristica*) ("**ROL**"). The amount of ROL and of interest income exceeding the interest expenses not used for the deduction of the amount of interest expenses in a fiscal year can

be carried forward respectively for the following five fiscal years and without time limits. Interest expenses not deducted in a relevant fiscal year can be carried forward to the following fiscal years and deducted, provided that and to the extent that, in such fiscal years, the amount of interest expenses that exceeds interest income is lower than 30% of ROL. The carried forward ROL, determined according to accounting rules under the previously applicable limitation provision could be offset only with interest expenses incurred on loans granted before 17 June 2016, to the extent that their maturity and their total amount committed have not been changed as of that date. In the case of a tax group, interest expenses not deducted by an entity within the tax group due to lack of ROL can be deducted at the tax unity level, within the limit of the excess of ROL of the other companies within the tax group. This 30% threshold applies to the Italian resident subsidiaries of the Issuer.

Italian Legislative Decree n. 142 of November 29, 2018, enacting the EU anti-tax avoidance package was published in the Italian official gazette on December 28, 2018. The Italian ATAD Decree transposes EU Directive 2016/1164 (ATAD 1) – as amended by EU Directive 2017/952 (ATAD 2) – into the Italian legal system, providing rules against the erosion of taxable bases in the internal market and the shifting of profits out of the Italian market. Such rules are aimed at tackling double deduction or "deduction without inclusion" (deduction of a negative income component in one country, such as interest expenses under the Notes, without any taxation in the other country) due to a different characterization of financial instruments, payments, entities, and permanent establishments in various countries. The rules apply to mismatches occurring between taxpayers considered to be associated enterprises or arising in the context of a structured arrangement between two non-associated taxpayers.

The Italian tax authorities have in certain instances totally or partially limited the deductibility of the interest expenses arising in connection with certain acquisition financing, refinancing of previous acquisitions' indebtedness, dividend recapitalizations or other transactions with shareholders (such as transfer of shares intragroup). This position has been taken by arguing that the actual beneficiary of the transaction which generated the interest expense was not the acquiring entity, but its shareholders. Moreover, in circumstances where the Italian company deducting the interest expenses accrued on the aforementioned transactions was controlled by a non Italian resident entity, the Italian tax authorities argued that such interest expense should have been re charged at arm's length to the non Italian resident shareholders. To date, tax courts have not ruled in a consistent way with respect to these cases, although there is jurisprudence in favour of the taxpayer's position. The Italian tax authorities have recently ruled that the deduction of interest expenses arising from indebtedness, incurred with third parties in the context of the acquisition transactions, should not be denied when such acquisitions are genuinely held.

In addition, there can be no assurance that in the case of a tax audit, the relevant tax authorities would not try to challenge the deductibility of interest expenses arising in connection with the component of any financing used, in whole or in part, to refinance an outstanding loan or debt, when the terms and conditions of the refinancing transaction appear less favourable than the ones of the previous financing transaction. In particular, in such circumstances, the relevant tax authorities could argue that the interest expenses arising from such financing does not relate to the business of the borrowing entity (as the relevant transaction is deemed as "anti economic" and as such not compliant with the "inherence" principle set out under Italian tax law).

Existing indebtedness and related covenants and restrictions could adversely affect the Issuer's business.

The Group's loan agreements and other debt instruments include a number of covenants that impose restrictions on the way the Group can operate, including restrictions on its ability to, inter alia: (a) make acquisitions or investments; (b) issue loans or otherwise extend credit to other entities; (c) incur indebtedness; (d) under limited circumstances, pay dividends; or (e) create or incur liens on the Group's assets.

Furthermore, such loan agreements and other debt instruments may also include prohibitions of certain events, including events that would constitute an Asset Sale and including repurchases of or other prepayments in respect of the Notes pursuant to Condition 4(c) (Limitation on Sales of Certain Assets). As a result, the exercise by the holders of Notes of their right to require the Issuer to repurchase Notes upon an Asset Sale could cause a default under these other agreements, even if the Asset Sale itself does not, due to the financial effect of such repurchases on the Issuer. In the event an Asset Sale occurs at a time when the Issuer is prohibited from purchasing Notes, the Issuer could seek the consent of its lenders under the facilities prohibiting such repurchase to the purchase of Notes or could attempt to refinance the borrowings that contain such prohibition. If the Issuer does not obtain a consent or repay those borrowings, the Issuer will remain prohibited from purchasing Notes. In that case, the Issuer's failure to purchase tendered Notes would constitute an Event of Default under the Conditions, which, in turn, could constitute a default under the other Indebtedness. Finally, the Issuer's ability to pay cash to the Noteholders upon a repurchase may be limited by the Issuer's then existing financial resources.

Any of the foregoing may affect the Group's reputation and have negative effects on its business, financial condition and results of operations. In addition, (i) breaches under one facility may trigger cross-default and cross-acceleration clauses under other facilities or debt instruments; (ii) certain of the Group's debt instruments and financing agreements contain change of control provisions which give the lenders or noteholders a right to request prepayment or, in the case of notes, to exercise a put option vis-à-vis the Issuer. Any of the foregoing may affect the Group's reputation and have negative effects on its business, financial condition and results of operations. See "*Description of the Issuer - Financing*" and "*Description of the Issuer - Recent Developments - Progetto Italia and the Astaldi Transaction - The Astaldi Transaction*".

A breach of any of these covenants or restrictions could result in a default that would enable the Group's creditors to declare all amounts due and payable, together with accrued and unpaid interest, and the commitments of the relevant lenders to make further extensions of credit could be terminated.

Should market conditions deteriorate or fail to improve, or in the event the Group's operating results decrease, the Group may need to request waivers to such covenants. However, there can be no assurance that it will be able to obtain such waiver.

Failure to comply with the covenants and financial commitments undertaken, or with other contractual provisions, including forecasts on the possibility to enforce change of control provisions, failure to make agreed repayments of principal and interest, or failure to refinance existing loans could have a material adverse effect on the Group's operations, financial condition and results of operations or prospects.

The level of the Consolidated Coverage Ratio could limit the possibility of the Group to incur indebtedness

The terms and conditions of the outstanding bonds of the Issuer (listed in section "*Description of the Issuer – Financing*") include an incurrence covenant pursuant to which if the consolidated coverage ratio of the Group is lower than 2.5:1.0, the Group may not incur additional indebtedness unless it constitutes "Permitted Indebtedness" as defined in the Conditions (which includes, among others, any refinancing of existing indebtedness and the incurrence of additional indebtedness up to an aggregate principal amount equal to 15 per cent. of consolidated total assets).

Although the consolidated coverage ratio as of 31 December 2021 will only be available and applicable upon the delivery of the relevant Compliance Certificate (as defined in the Conditions) following the approval of the consolidated financial statements as at and for the year ended 31 December 2021, it cannot be excluded that such consolidated coverage ratio could be lower than 2.5:1.0. In such event, the Issuer would only be able to incur additional indebtedness to the extent it constitutes Permitted Indebtedness.

Downgrading of the Issuer's ratings may have a material adverse effect.

The Issuer's credit ratings are an assessment of its creditworthiness, *i.e*. its ability to meet its financial commitments. In connection with bond issuances, a rating represents an assessment of the credit recoverability, i.e. the Issuer's ability to meet its obligations to pay principal and interest at the maturity dates set out in the terms and conditions of the notes. Any downgrade, actual or expected, of the Issuer's ratings or the related outlook could limit its access to the capital markets and increase the cost of raising and/or refinancing outstanding debt. At the same time, an improvement in rating would not decrease the other investment risks related to the Issuer and the Group.

The assessments from Fitch and Standard & Poor's dated 5 July 2021, and 27 April 2021, respectively, resulted in a confirmation of the Issuer's ratings ("BB" and "BB-", Stable Outlook respectively). Credit rating agencies continually revise their ratings and outlook for the companies that they follow, including Webuild. The credit rating agencies also evaluate the Group's industry as a whole and may change their credit ratings or outlook for the Issuer based on their overall view of such industry.

Downgrades may depend on risks or events concerning the Webuild Group, but also on contingent circumstances and/or circumstances beyond the Group's control, including the market conditions, pandemic emergencies, exposure in countries deemed to be at risk or uncertainties underlying particular transactions. See also "*Description of the Issuer*".

The Group may not be able to raise the funds necessary to carry out its activities or refinance its existing indebtedness and is exposed to liquidity risks.

The Group's cash needs in connection with its business are generally high. The Group finances these needs mainly through borrowings under new or existing committed and uncommitted credit facilities, that need to be renewed periodically. A material adverse effect on business, financial condition, and operations results could affect the Group in the event of impossibility to renew the credit facilities on economically attractive terms.

The Group may be unable to renew them on economically attractive terms or at all, which could have a material adverse effect on its business, financial condition and results of operations.

The Group is exposed to liquidity risks, including risks associated with the failure to refinance existing indebtedness, the risk that borrowing facilities are not available to meet cash requirements and the risk that the Group's financial assets may not readily be converted to cash without loss of value.

In addition, the international credit crisis worsened by the COVID-19 pandemic restrictions and the subsequent worsening of macroeconomic conditions have given rise to restricted access to credit, reduced liquidity in the financial markets and severe volatility in debt and equity markets. Failure to obtain promptly the necessary liquidity may have a material adverse effect on the Group's business, financial condition, results of operations or prospects. For example, the Group won a contract to construct certain projects under concession during the Eurozone financial crisis, in a context of limited access to credit, with particular regard to medium/long-term credit typical of project financing transactions. As a consequence, this led to delays in the start-up of the concession and an increased burden on the consortium of which the Group belongs.

As of 30 June 2021, at a consolidated level, the Group recorded cash and cash equivalents of €1,714.7 million. A significant portion of this liquidity is attributed to specific projects and held locally, by the project companies, in order to meet their short-term funding needs and, therefore, the Group may not have immediate access to such liquidity. In particular, liquidity management is designed to ensure the financial independence of ongoing contracts, considering the structure of the consortia and SPEs, which may result in financial resources being available only to the related projects.

A failure, even temporary, to maintain adequate liquidity could have a material adverse effect on the Group's business, financial condition, result of operations or prospects.

The Group may be unable to meet the obligations deriving from current guarantees (including bid bonds and performance bonds) granted to the Group to complete its ongoing projects, or to obtain new guarantees.

The infrastructure market requires the provision of guarantees by, among others, banks or insurance companies in favour of the Group's customers, partners and suppliers in order to participate in competitive tenders or enter into and execute contracts. These guarantees cover the proposal stage (bid or tender bond) and the execution of the works under contract (performance bond or other similar bonds). As of 30 June 2021, the aggregate amount of the guarantees provided by the Group and issued by third parties was €17,867.1 million (€16,694.3 million as of 31 December 2020). These are off-balance sheet items.

In addition, the Issuer generally enters into indemnities and provide guarantees and counter-guarantees in favour of the Group companies (including guarantees for credit lines of the joint ventures, affiliated companies and other associates).

The ability to obtain such guarantees and bonds from banks and insurance companies depends on their assessment of the Group's overall financial condition and, in particular, the financial condition of the individual company concerned, the risks of the project and the experience and competitive positioning of the company concerned in the sector in which it operates as well as on the general attitude of banks and insurance companies and their willingness to be involved in the construction business. Further, these guarantees and bonds are typically issued on a ''first demand basis'' and, therefore, if due, payment may be demanded without conditions, without prejudice to the possibility of recourse against the Group. If called upon, the Group would be required to reimburse the entity issuing the

guarantee immediately or risk default under the contract, even if there are no legal grounds for the calling of the bond.

If (i) the Group is unable to obtain new guarantees and bonds, (ii) the Group obtains new guarantees or renegotiate existing guarantees and bonds on less favourable financial terms, (iii) an existing guarantee relating to an ongoing project is cancelled, expires or is not renewed, or (iv) banks or insurance companies request additional guarantees to cover their exposure, the Group may incur higher costs, fail to meet the terms and conditions of existing contracts and its ability to obtain new orders may be prejudiced or be more costly, which could have a material adverse effect on the Group's business, financial condition and results of operations.

In addition, in the event the guarantees provided by the Group are enforced, it would be exposed to the risk of substantial cash outflows, which could have a material adverse effect on the Group's business, financial condition and results of operations.

The controlling interest in Webuild held by the New Salini is pledged under a loan agreement and could lead to a change of control of the Issuer.

Salini Costruttori, formerly Webuild's controlling shareholder, informed the Issuer that it entered into a loan agreement ("**SC Financing Agreement'**') with Banca IMI S.p.A. (prior to the merger with Intesa Sanpaolo S.p.A.), Intesa Sanpaolo S.p.A. and Natixis S.A. (the "**Lenders**"), which is secured by a pledge on all the Webuild ordinary shares from time to time held by Salini Costruttori. The maturity of the SC Financing Agreement is 30 September 2022.

On 3 December 2021 Salini Costruttori transferred its liabilities under the SC Financing Agreement, together with all its Webuild ordinary Shares, to Salini.

In the event the New Salini breaches its obligations under the SC Financing Agreement, or if it fails to identify one or more new lenders within the deadline set to enforce the loan, the enforcement of the pledge by the Lenders and the resulting sale of Webuild's ordinary shares could lead to a change of control of the Issuer, which, in turn, may trigger a change of control under the Group's outstanding debt instruments and agreements (including the agreements with contracting authorities (*stazioni appaltanti*) and/or consortium partners), with potential material adverse effect on share price, as well as on the Group's business, financial condition, results of operations or prospects.

A portion of the Group's debt bears interest at floating rates.

The Webuild Group uses various external sources of financing in the form of both short-term and medium/long-term debt and is therefore exposed to borrowing costs and interest rate volatility, with particular reference to contracts that provide for variable interest rates, which do not enable it to predict the exact amount of interest payable during the term of the loan.

If significant interest rate fluctuations occur and are not adequately covered through hedging transactions, the Group's interest expense could increase, which could have a material adverse effect on its business, financial condition, results of operations or prospects. See also "Description of the Issuer - Financing".

3. Risk Factors relating to the Issuer's business activities and industry

Due to the extensive international operations, the Group is exposed to risks inherent to its operations in foreign countries and international business.

The Group has an established international presence, and it intends to continue the expand into new geographical areas, exploring opportunities in other markets that the Issuer considers interesting. As of the date of this Offering Circular, the geographical areas of greater interest to the Group include USA, Canada, Australia and the countries of Northern Europe. In deciding whether to enter a new geography and/or to maintain its strategic presence in international markets, the Issuer takes into account the political, economic and financial risks of the markets, the reliability of the potential clients and the development opportunities in the medium and long-term.

For the six-month period ended 30 June 2021 and the year ended 31 December 2020, respectively, 68% and 70% of the Group's total revenues and other income were generated abroad. As of the same dates, the construction backlog for foreign projects represented, respectively, approximately 56% and 63% of the Group's total construction backlog, and backlog for foreign projects represented 53.7% and 58.7% of the backlog.

Consequently, the Group is exposed to risks associated with social, economic, political, geographical and regulatory conditions in each of the countries in which it operates, including: (i) unexpected differences and changes in the overall regulatory framework; (ii) the need to comply with, and compare, new and different legislative and regulatory provisions, their application and interpretation, and the related compliance costs; (iii) changes in government policies; (iv) the possible lack of adequate protection of contractual rights, the inexperience of the judicial bodies in the interpretation of the new rules (and sometimes the limited independence of these bodies), the retroactive application of the rules and the difficulty in enforcing judgments; (v) longer payment periods and difficulties in collecting the Group's account receivables, also due to the lengthiness of the court proceedings; (vi) tariffs, duties, export controls, import restrictions and other trade barriers; (vii) union unrest; (viii) litigation, regulatory and administrative proceedings, including proceedings that could take years to resolve; (ix) higher interest rates and inflation rates; (x) the seizure of property by nationalization or expropriation without fair compensation; (xi) monetary policy, foreign exchange controls and restrictions on repatriation of funds (such as restrictions on the export of liquidity relating to contracts in Ethiopia); (xii) sanctions and embargoes; (xiii) an increase in the risk of corruption (such as, for example, that found in South America following the emergence of corrupt practices); (xiv) acts of war, civil unrest, force majeure and terrorism, armed conflicts; and (xv) political, economic and social instability at the local level, which involves aspects such as the security of the country, criminal acts, riots, terrorism—as, for example, experienced by the Group, in the past, in the context of the realisation of a project in Turkey, a contract no longer in the portfolio—as well as armed conflicts, sanctions and seizure of equipment.

Any of the foregoing factors could prevent the Group from implementing its strategy or result in a loss on an investment or in a cost that could have a material adverse effect on the Group's business, financial condition or results of operations.

The sovereign rating of Argentina has been recently downgraded by the main rating agencies. In addition, political and economic uncertainty of the countries in which the Group operates may require it to further write down its assets, as it did in and 2019 and June 2020 in Argentina and in 2017, 2018 and 2019 in relation to the Group's projects in Venezuela. In addition, the Group has also suspended building activities on its projects in Venezuela and Libya due to social unrest and political instability. See also "*—The Group is exposed to counterparty risk and may incur losses because of such exposure, which may adversely affect its business, financial condition and results of operations*". The occurrence or the

deterioration of any of the foregoing circumstances or situations, could have a material adverse effect on the Group's business, financial condition and results of operations.

If any of the above risks were to materialize or if the foregoing circumstances or situations the Group is currently experiencing were to deteriorate, there could be a material adverse effect on its business, financial condition and results of operations.

Progetto Italia may not be successfully implemented if the Issuer incorrectly assesses the value of an acquisition or its integration with the Group.

Progetto Italia is an industrial project that the Issuer promoted with a view to (i) consolidating the Italian infrastructure and construction sector through the acquisition of Italian operators; (ii) supporting the recovery of the construction sector in Italy; and (iii) increasing the competitiveness of Italian companies in the international markets. See "*Description of the Issuer - Recent Developments - Progetto Italia and the Astaldi Transaction*".

In the context of Progetto Italia, the Issuer (i) purchased a majority stake in Astaldi S.p.A. ("**Astaldi**"), following the subscription of the capital increase carried out on 5 November 2020, (ii) purchased the entire share capital of Seli Overseas S.p.A. (with effects starting from 27 July 2021), in the context of a competitive tender process (*procedura competitiva ad evidenza pubblica*) launched in April 2021 by the judicial liquidator (*liquidatore giudiziale*) of the arrangement with creditors (*concordato preventivo*) of Grandi Lavori Fincosit S.p.A. and (iii) completed the acquisition of a majority share in Cossi S.p.A. and of the stakes of Condotte d'Acqua S.p.A. in *amministrazione straordinaria* in the consortia Cociv and Iricav Due, for the High Speed Railways Milano-Genova and Verona-Padova. See "*Description of the Issuer - Recent Developments - Progetto Italia and the Astaldi Transaction—Cossi and Seli acquisitions*."

Even where the Issuer is able to identify a target, any assessments of its merits are inherently uncertain and are, inter alia, subject to a number of estimates and assumptions regarding profitability, growth, interest rates and business valuations which are in turn based on a limited set of information, generally obtained through the customary due diligence exercise. All such evaluations, estimates and assumptions may prove to be incorrect or incomplete. Such assessments and estimates may differ significantly from actual circumstances and developments. Furthermore, even following the completion of this activity, the Issuer may not be able to identify all the critical aspects relating to the target company and the future risks that could arise from the transaction, or to accept unfavourable conditions or relations in view of the overall benefits expected from the transaction (for example, by acquiring financial contracts containing more onerous commitments and covenants than those typically negotiated by the Group). In addition, such transactions may expose the Issuer to risks associated with liabilities and/or disputes arising from the previous operations of the acquired companies or businesses. See, for example, "*Description of the Issuer—Litigation and arbitration proceedings—Criminal proceedings—Cossi S.p.A.*". Any of the foregoing circumstances may result in a material adverse effect on the Group's business, financial condition and results of operations.

After the acquisition of a target company, the Issuer may also face unexpected problems or other issues, for example, capital losses and/or non-existence of assets or the occurrence of liabilities not found in the course of due diligence activity. If the Issuer cannot recover such amounts under the indemnity provisions of the relevant acquisition agreement, or it is not otherwise able to recover the full amount of the damages it may suffer, this would have a material adverse effect on the Group's business, results of operations and financial

condition, as well as on its reputation, with potential negative effects also on the market price of the shares.

Risks connected to Astaldi

On 5 November 2020, Webuild, through the subscription of the €225,000,000 reserved Astaldi capital increase, acquired a controlling stake in Astaldi. On 1 August 2021, the partial and proportional demerger of Astaldi's operations in the building, infrastructure construction, plant engineering, design, maintenance, facility management and complex system management sectors (the "**Astaldi EPC Business**") in favour of Webuild became effective for statutory, accounting and tax purposes. As a result of the demerger, (i) the Astaldi EPC Business was transferred to Webuild, and (ii) Astaldi (whose shares were delisted and whose sole shareholder is a newly established foundation) will continue to be the owner of, and to manage, the assets and legal relationships transferred to the separate unit ("*patrimonio destinato*") set up by it on 24 May 2020 (see the section "The Astaldi Transaction" below).

In light of the above, the Issuer is exposed to several risks connected with Astaldi and its business, including, without limitation, the risks relating to Astaldi's composition with creditors procedure and its effects in foreign countries which do not recognise the application of Italian legislation on such procedure. In particular, the Issuer may be requested to issue guarantees in the interest of Astaldi or the Astaldi EPC Business or to grant loans to or on behalf of Astaldi or the Astaldi EPC Business or to guarantee Astaldi's obligations in relation to projects in which Astaldi was involved or in relation to the Astaldi EPC Business.

Foreign contracting authorities (*stazioni appaltanti*) and/or consortium partners may object that the Astaldi Transaction constitutes a breach of any contractual provisions having the effect of preventing the transfer of the Astaldi EPC Business to the Issuer and, therefore, the Issuer may incur obligations or limitations of rights and loss of contracts.

The consolidated Group's pro-forma and historical financial information may not be representative of its future results of operations and financial condition

The Webuild Unaudited Pro Forma Consolidated Financial Information at 31 December 2019 and the Webuild Unaudited Pro Forma Interim Consolidated Financial Information at 30 June 2020, incorporated by reference in this Offering Circular, were prepared to represent the main effects of the purchase of a majority stake in Astaldi, following the subscription of the capital increase on 5 November 2020, on the Group's consolidated financial position statement as at (i) 31 December 2019 and on the consolidated statement of profit or loss for the year then ended, as if it had taken place on 31 December 2019 and 1 January 2019, respectively and (ii) 30 June 2020 (with reference to the effects on the statement of financial position) or on 1 January 2020 (with regard to the effects to the statement of profit or loss).

The Webuild Unaudited Pro Forma Consolidated Financial Information at 31 December 2020, incorporated by reference in this Offering Circular, was prepared to represent the main effects of to the acquisition of 66.282% of Astaldi S.p.A. following the subscription of the reserved capital increase made on 5 November 2020 and the effect of the joint plan for the partial and proportional demerger of Astaldi S.p.A. operations in the building, infrastructure construction, plant engineering, design, maintenance, facility management and complex system management sectors in favour of Webuild S.p.A. The Webuild Unaudited Pro Forma Consolidated Financial Information at 31 December 2020 presents the main effects of the above mentioned transactions as if they had taken place on 31 December 2020 (with

reference to the effects on the statement of financial position) and 1 January 2020 (with regard to the effects to the statement of profit or loss).

The Webuild Unaudited Pro Forma Consolidated Financial Information at 31 December 2019, the Webuild Unaudited Pro Forma Consolidated Financial Information at 31 December 2020 and the Webuild Unaudited Pro Forma Interim Consolidated Financial Information at 30 June 2020 are for illustrative purposes only and are not intended to represent or to be indicative of the consolidated financial performance or financial position that the Group and Astaldi Group would have reported had the above mentioned transaction taken place on 31 December 2019, with reference to the effects on the statement of financial position, and on 1 January 2019, with regards to the effects on the statement of profit or loss, or 30 June 2020 (with reference to their effects on the statement of financial position) or on 1 January 2020 (with regard to the effects to the statement of profit or loss) and on 31 December 2020, with reference to the effects on the statement of financial position, and on 1 January 2020, with regards to the effects to the statement of profit or loss. In particular, the pro-forma financial information is provided to reflect retroactively the effects of subsequent transactions and, despite the use of commonly accepted rules and the consideration of reasonable assumptions, there are certain limitations directly related to the nature of pro-forma information. For this reason, in the case the transaction would have actually occurred on the assumed dates, not necessarily the effects would have been the same as shown in the Webuild Unaudited Pro Forma Consolidated Financial Information (as defined below).

In addition, the Webuild Unaudited Pro Forma Consolidated Financial Information at 31 December 2019, the Webuild Unaudited Pro Forma Interim Consolidated Financial Information at 30 June 2020 and the Webuild Unaudited Pro Forma Consolidated Financial Information at 31 December 2020, do not reflect forward-looking information and are not intended to present the expected future results of the Group, given that they have been prepared solely for the purposes of illustrating the identifiable and objectively measurable effects of the transactions, applied to historical financial information.

Risks connected to the transfer of Italian activities to two subsidiaries

In the context of the Astaldi Transaction (as defined below), with effects from 1 August 2021, the Issuer and Astaldi transferred their Italian business to, respectively, Webuild Italia S.p.A. and Partecipazioni Italia S.p.A., companies now fully owned by the Issuer.

Contracting authorities (*stazioni appaltanti*) and/or consortium partners may object that such transfers constitute a breach of any contractual provisions having the effect of preventing the transfer of certain assets or business to third parties.

The Group is highly dependent on the investment policies of public authorities.

Contracts with public entities represent a significant majority of the Group's current projects. Consequently, a significant portion of the Group's activities depends heavily on the spending and infrastructural development policies adopted by the governments and public administration of the countries in which the Group operates.

Government clients and local public authorities are under no obligation to maintain investment at any specific level and funds for any program may even be eliminated for a number of reasons, including public budget constraints. The Group may start works on a specific government project but, due to the lack or revocation of government funding, the project may subsequently not be completed within the original time frame or not be completed at all. Governments and authorities could also change their procurement

methodologies, which could have an adverse impact on the Group including, for example, if the new methodologies entail additional commercial risks or involve reduced margins. Global economic instability and recessionary economic conditions in many countries in which the Group operates could result in PSEs facing significantly reduced tax revenue and budget deficits, which, in turn, could adversely affect their borrowing capacity and prevent them from funding infrastructure maintenance and construction projects. As a consequence, PSEs may abandon, delay or reconsider potential projects, exercise their right to terminate contracts or redefine their terms or defer payment in order to reduce costs or delay the time of payment.

Any future changes in investment policies, the allocation of funds for public works, infrastructure development policies, delays in the allocation of major projects; the deferment or cancellation of projects previously awarded or changes in their economic terms could compromise the operations and have a material adverse effect on the Group's activities, financial position and results of operations or prospects.

Counterparty risk.

As of 30 June 2021, the Group had trade receivables totalling €2,327.7 million, equal to 20.9% of its consolidated total assets (as of 31 December 2020, €1,889.9 million, equal to 16.3% of the consolidated total assets). The Group is exposed to the risk of its counterparties' failure to perform their obligations, which include not only customers but also, *inter alia*, project partners, subcontractors and financial counterparties (see also "*—The Group depends on subcontractors, suppliers and other third parties for the operations of its businesses*"), who may become insolvent or default under their contracts, or be significantly late in paying the Group companies, especially during economic downturns. For the six-month period ended 30 June 2021, the average days of collection of trade receivables from customers (calculated as the ratio of trade receivables to contract revenues on an annual basis) were 162 (160 as of 31 December 2020).

The Group usually operates through partnerships with other primary operators, consortia and joint ventures. As is customary in the relevant industry and as required in the tender process, most of the Group's agreements provide for joint and several liability with its partners. If there is a breach of an agreement by one of these partners, the Group could be held liable for their obligations (without prejudice to the right of recourse). If any such third-party partner becomes insolvent or is otherwise unable to meet its obligations in connection with a particular project, the Group will need to find, in a timely manner, suitable replacement to carry out that party's obligations. The Group may also be exposed to the risk that it may have to fulfil the obligations of the insolvent or defaulting counterparty autonomously, bearing the related costs and any organizational complexities. Certain sizeable Italian operators in the construction sector have experienced or are experiencing financial difficulties or are involved in bankruptcy or insolvency proceedings, including certain of the Group's partners.

Furthermore, the Issuer cannot exclude that the Group's financial counterparties may also become unable to meet their obligations. If banks, credit institutions or other third parties in their capacity as lenders or guarantors, for any reason whatsoever (for example due to situations of political and economic instability within individual countries), were to default on their obligations under loan agreements or other agreements, the Group would need to replace such credit lines in a timely manner, thereby incurring additional costs. In addition, cases of insolvency or late performance by financial or commercial counterparties could lead to an increase in the Group's costs or liabilities.

In the event of failure to meet or delay in meeting payment obligations to the Group, the Group may also be exposed to the risk of anticipating the costs and resources required to complete the projects. While the Group may be able to bring legal action before courts or arbitration panels against the defaulting financial institution, such action is not guaranteed to succeed and would lead to an increase in costs.

Furthermore, in the event the Group is unable to collect its trade receivables, it may be necessary to write down or even write off these receivables and the Group may need to seek alternative sources of financing to meet its working capital requirements. For example, in light of the uncertainty of the political and economic situation and the social tensions in Venezuela, the Group decided to write down certain of its assets. As of 30 June 2021, the Group fully impaired the recoverable amount of its exposure with the country.

Failure or delays by the Group's partners to carry out their obligations under the relevant agreements could have a material adverse effect on the Group's business, financial position and results of operations or prospects.

The Group may be unable to meet contractual milestones and qualitative or quantitative benchmarks.

The construction business is highly schedule-driven and failure to meet contractual milestones and, in relation to some projects, failure to meet the contractually agreed quantitative and qualitative benchmarks (e.g., guaranteed minimum production of energy for production plants) may adversely affect the execution of the contract.

During the execution of construction works, the Group may encounter unexpected operational issues or difficulties, including, without limitation, technical engineering issues in areas characterised by significant geological and geotechnical issues, adverse weather conditions, the discovery of contaminated soils not identified by the soil samples, analysis and investigations conducted during the planning phase, or unexpected archaeological finds during construction works. These risks are also more frequent in the case of larger or more complex projects. As a result, the Group may not be able to complete the works and may be required to submit variations to working plans for approval.

Although the construction contracts and the agreements entered into by the Group usually include specific provisions aimed at governing operational risks, the occurrence of operating difficulties may result in the delayed delivery of the works, cost overruns and negotiations with the customers for the execution of specific contractual addenda, to acknowledge time extensions and possibly increase the contract price or, in extreme cases, the impossibility for the Group to complete the project, with a consequent material adverse effect on its business, financial condition and results of operations or prospects.

Furthermore, the occurrence of a force majeure or other unpredictable event that affects a project on which the Group is working may cause delays, suspensions and cancellations or otherwise prevent it from completing and/or operating such project. In particular, if one or more of the Group's facilities or construction sites were to be subject to fire, flood, adverse weather conditions, earthquakes, other natural disasters, terrorism, power loss or other catastrophe, in the absence of contractual indemnities or insurance policies, the Group may not be able to carry out its business activities at that location or such operations could be significantly reduced.

The foregoing may also entail, in addition to the application of penalties and, in certain cases, the early termination of the relevant contract (with possible negative impacts on the Group's

reputation), a loss of the revenues from projects affected by the aforementioned events and/or increase in costs and potential enforcement of the contractual guarantees. See also "*—Risks relating to the Issuer's financial situation —The Group may be unable to meet the obligations deriving from current guarantees (including bid bonds and performance bonds) granted to the Group to complete its ongoing projects, or to obtain new guarantees*".

In addition, any delay or underperformance in relation to Group projects could lead to inefficiencies in the management of resources to be allocated to other projects. See also "*— Events beyond the Group's control, errors and unforeseen events or circumstances may affect the estimated timing and costs.*"

The occurrence of any of these events would have a material adverse effect on the Group's business, financial condition and results of operations or prospects.

There are risks associated with the significant variation in the Group's financial results.

The construction sector is characterized by a high level of uncertainty and results may be affected by the occurrence of unforeseeable events. There are risks associated with investing in the Issuer's shares, given the significant variation in its financial results, which is primarily attributable to certain non-recurring events.

The Group's financial results are also influenced by its ability to win the major works that represent its core business.

The Group is exposed to risks related to the quantification and recovery of claims, variations of projects and indemnities.

During the execution of the projects, as typical in the construction sector, the Group may incur costs above those included in the contract price that are attributable, directly or indirectly, to the customer (e.g., delays or changes in the initial project scope) thus entitling the Group to request additional costs or refunds.

In such circumstances, the possibility of increasing the costs to be borne by the customer (e.g., personnel or materials costs) may be legally or contractually limited. For example, in Italy, the ability to revise prices was abolished several years ago and currently the law provides only for limited recognition of compensation as a result of the increase in the costs of certain materials. In line with applicable accounting standards, the Issuer records as revenue the amount subject to these claims or relating to variation of projects when, also on the basis of technical and legal opinions, it is highly probable that it will obtain their recognition by the customers, even if the amounts have not yet been approved by the customers. However, the Issuer cannot guarantee the outcome of the negotiations and arbitrations, which are inherently uncertain, and it may be obligated to write off part or all of these amounts. Possible delays in negotiations with the customers or in the recognition by the customers of the works already performed or the relevant payment terms could also have a negative impact on the timing of the Group's cash flows or on revenue, which could in turn require the Group to incur additional indebtedness.

The recognition, quantification and collection of additional compensation from customers or higher costs incurred by the Group involve complex procedures and, often, recourse to judicial or arbitration procedures, sometimes lengthy and costly. In addition, even in the presence of a favourable decision, it may be necessary to proceed with enforcement actions, which would require the Group to incur additional costs and increase the time required for

the collection of amounts, with the risk that the customer lacks sufficient assets to satisfy the judgment. Further, the claims submitted could be accepted for amounts that are significantly lower than those requested, or with a considerable delay.

The occurrence of any of these events would have a material adverse effect on the Group's business, financial condition and results of operations or prospects.

Events beyond the Group's control, errors and unforeseen events or circumstances may affect the estimated timing and costs.

Regardless of the experience and track record of the Group in the field of construction activities, it cannot be excluded that actual project costs could differ, even significantly, from those originally estimated.

For EPC contracts, pricing is based in part on cost and scheduling estimates that rely on a number of assumptions, including those relating to future economic conditions, prices, the availability of labour, equipment and materials, as well as on partners' expertise in assessing the costs associated with certain contracts. All the bids that the Group submits are subject to a risk classification procedure that involves the assessment by a committee comprised of professionals and risk managers, who monitor the entire process, from the preparation of the bid, to the award of the contract, up to the delivery of the work.

If estimates prove to be inaccurate, if costs increase due to errors or ambiguities in contract specifications, design or construction services, or if circumstances change as a result of unforeseen technical or operational problems, or the Group's suppliers, subcontractors or partners are unable to perform, the Group may face significant cost overruns. As a consequence, the Group could face a reduction in estimated profits, or, in extreme cases, a loss on an individual contract, and therefore a reduction in EBIT, EBITDA and, ultimately, the net result, as well as a possible negative effect on liquidity.

Not all of the Group's contracts provide protection mechanisms and, even where such mechanisms are present, such as clauses that allow all or part of the related risks to be borne by the customer, there is no guarantee that the Group will be able to enforce them successfully.

Significant cost overruns that the Group is not able to recover from the client would have a material adverse effect on its business, financial condition and results of operations or prospects.

The Group's backlog is subject to unexpected adjustments and project cancellations and is, therefore, not necessarily indicative of future revenue or results of operations.

The Issuer calculates its construction backlog to include the contract value of projects that it is reasonably certain will be executed, which includes those projects that have either been awarded (i.e., after tender submission and upon receipt of official notification from the customer, but prior to signing of definitive and binding project contracts) or for which definitive binding project contracts have been signed by the relevant parties.

As of 30 June 2021, the Group's construction backlog amounted to €34,180 million and its total backlog amounted to €43,304 million.

The construction backlog also includes the contract value of projects that have been postponed or suspended, even indefinitely (i.e., projects in Venezuela and Libya), but, in this case, the Issuer does not reduce the value of its construction backlog until that contract has

formally been cancelled or reduced. If the customers cancel or reduce orders that the Group has in its construction backlog (e.g., as in the case of the bridge over the Strait of Messina project or the S3, S8 and A1F road projects in Poland), expected revenues would be reduced and the Group may be unable to secure replacement contracts equivalent in scope and duration to replace the current construction backlog.

Furthermore, there is no certainty that the Group's construction backlog will generate expected revenues or cash flows or generate them at the time expected or at all, as the Group may encounter unforeseen events or circumstances, including, inter alia, cancellation, interruption or scaling down of projects, change of orders, delays to complete projects, delays in commencing work, disruption of work, irrecoverable cost overruns or other unforeseen events, may affect the profitability of each project comprising the construction backlog, which could have a material adverse effect on the Group's business, financial condition, results of operations or prospects. See also "*—Events beyond the Group's control, errors and unforeseen events or circumstances may affect the estimated timing and costs.*"

For reasons not attributable to the Group and in many cases related to the political and economic environment of the countries in which the Group operates, the Group has experienced significant construction delays or slowdowns with respect to certain projects, which in certain cases have been suspended entirely. For example, the Group has suspended building activities on its projects in Venezuela and Libya due to social unrest and political instability.

Construction backlog measurement is not subject to generally accepted accounting principles (IFRS) and construction backlog figures are unaudited. In addition, other companies in the Group's industry may calculate their backlog differently, thereby limiting the usefulness of this metric as a comparative measure. The measurement method of the Group's construction backlog differs from the method used to prepare the disclosure on "unsatisfied performance obligations" in accordance with IFRS 15 as set out in note 29 to the 2021 Unaudited Condensed Interim Consolidated Financial Statements. For instance, as of 30 June 2021 and as of 31 December 2020, unsatisfied performance obligation amounted, respectively, to €30,498 million and €30,419 million (as opposed to, respectively, a construction backlog of €34,180 million and 33,280 million).

Consequently, backlog as of any particular date is not necessarily indicative of the Group's future revenues or operating results and may not result in actual revenue during the expected time periods or at all, resulting in a material adverse effect on the Group's business, financial condition and results of operations.

Lastly, the Group's concessions backlog, which includes projects the Group operates through unconsolidated minority-owned special-purpose companies, is not indicative of its future revenue, because the Issuer accounts for the majority of those companies' financial results on the equity method and record them as "Share of profit (loss) of equity-accounted investees". Therefore, the Group depends on unconsolidated minority-held special-purpose companies generating distributable profits distributing a dividend, which may be outside its control.

The Group depends on subcontractors, suppliers and other third parties for the operations of its businesses.

For the six-month period ended 30 June 2021, subcontract costs represented 32.3% of the Group's total operating costs (32.4% as of 31 December 2020).

The Group's ability to fulfil its obligations vis-à-vis the customer is also influenced by the correct and timely fulfilment of contractual obligations by subcontractors and suppliers. The failure, incomplete or late execution of the contractual obligations of a subcontractor or supplier may give rise to the Group's liability vis-à-vis the customer, which will worsen should the Group be unable to promptly replace the defaulting subcontractor or supplier.

The Group employs subcontractors in the performance of its obligations under certain contracts. It also relies on third-party manufacturers and suppliers to provide much of the equipment and raw materials, respectively, used for its projects. If a subcontractor fails to provide timely or adequate services or works, or if a supplier fails to provide equipment or raw materials, the Group may be required to source such services, equipment or raw materials at a higher price than anticipated and it may not be able to pass on any or all of such increased costs to its customers. See also "*—Events beyond the Group's control, errors and unforeseen events or circumstances may affect the estimated timing and costs.*" Furthermore, delivery by the Group's suppliers of faulty equipment or raw materials could also negatively impact the projects, resulting in claims against the Group for failure to meet required project specifications. See also "*—The Group may be unable to meet contractual milestones and qualitative or quantitative benchmarks.*"

While the contractual arrangements with subcontractors or the applicable laws would ordinarily provide for the Group to receive compensation or indemnification in such circumstances and despite the provision of appropriate policies to ensure the proper performance of obligations, there can be no guarantee that such compensation/indemnification will be actually obtained or will fully cover the costs incurred in an attempt to mitigate the effects of such non-performance and to properly perform the existing contract. Sometimes the applicable laws provide for particular forms of joint liability between the contractor and the subcontractor. For example, under Italian law, the contractor is jointly and severally liable with the subcontractor for the remuneration, social security and insurance obligations of the subcontractor's employees. Consequently, if one of the Group's subcontractors does not pay the amounts due, the Group may be held liable for its share as well.

These risks are significant during times of economic downturn or stagnation as the Group's suppliers and subcontractors may experience financial difficulties or find it difficult to obtain sufficient financing to fund their shipments or operations and therefore, may not able to provide the Group with the contracted supplies or services for its projects.

If any of these risks were to materialize, there would be a material adverse effect on Group's business, financial condition and results of operations or prospects.

Risks associated with fluctuations in currency exchange rates.

While preparing the Issuer's consolidated financial statements in Euro, it holds assets and liabilities in a number of different currencies, some of which are not freely convertible or subject to government restrictions. As a result, fluctuations in foreign currencies relative to the Euro impact the Group's results of operations. In addition, the Group is exposed to foreign exchange translation risk with respect to certain of its subsidiaries that keep their financial statements and accounts in currencies other than the Euro. The contribution of these subsidiaries to the consolidated financial statements is affected by the exchange rate between their reporting currency and the Euro. Indeed, changes in foreign currency exchange rates can potentially affect the value of the Group's foreign assets, revenues, liabilities and costs when translated and reported in Euro. For the six-month period ended

30 June 2021, the consolidated net exchange gains represented 0.6% of the Group's revenue and other income.

Consequently, the Group's exposure to exchange rates varies according to a number of factors, including, but not limited to, the timing of financial transactions and the currency denomination of revenues and costs, including capital investment.

Unforeseen fluctuations in exchange rates may occur and may reduce the value of the Group's foreign assets and revenues, and increase its costs when translated and reported in Euro, the impact of which could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

The Group operates in a highly competitive and cyclical industry.

The construction industry is cyclical in nature and largely dependent on investments undertaken by both the public and private sectors. The level of investment by the public and private sectors is, in turn, connected to general economic conditions. See "*—The Group is highly dependent on the investment policies of public authorities.*" Slow economic growth or a deterioration in global economic conditions could affect governments' borrowing capacity and prevent them from funding capital investment, asset maintenance and infrastructure construction projects.

Despite the global economic environment, characterized in the last decade by a severe financial and liquidity crisis that has hindered and penalized the willingness and ability of certain governments to finance their infrastructure projects, global infrastructure demand, particularly for complex and large-scale projects, has increased and encouraged consolidation among engineering and construction firms, resulting in companies that are increasingly larger and more diversified, with specific skills for executing more technologically complex and higher value-added projects, and thus better able to compete with the Group.

In addition, construction companies in developing countries have grown in size and experience and, having expanded significantly domestically, are increasingly building upon that experience in the international construction market. Many companies from Korea, China and India, for instance, have become major players in the international construction market. As a result, the Group is subject to increased competition in its core business sectors. In order to successfully compete in this environment, the Group must rely on its track record, technical expertise, a solid financial structure and a sustained ability to attract and retain talented personnel, demonstrating its ability to react promptly to changes in the factors that affect competition in the sector.

Adverse macroeconomic conditions that negatively impact public works contracts or failure to maintain the Group's competitiveness could have a material adverse effect on its business, financial condition, results of operations or prospects.

The Group's concession agreements are subject to termination or amendment and the concession may be expropriated.

According to the applicable laws and administrative regulations in the countries in which the Group operates, the public entities granting the concessions may unilaterally terminate, early terminate or amend the relevant agreement (as well as contracts for public works) in the public interest. Although the exercise of these powers generally involves the reimbursement of damages, costs and loss of profits, the Group may not receive sufficient compensation.

If such a governmental authority or grantor exercises its rights of material amendment, termination or recovery over any concessions, the Group, proportionally to its equity participation in each concessionaire special purpose vehicle, will generally be entitled to an indemnification contemplated by law or in the concession contract, which, in principle, would cover the estimated lost profit during the remaining term of the concession contract. Any of these unilateral actions, under extreme circumstances, could be adopted by a governmental authority with or without paying the Group any compensation. However, such indemnification would be assigned preferentially to the lenders financing the relevant project and, therefore, there can be no assurance that such amount would allow the Group to recover its investment.

In addition, the grantor may terminate a concession in the event of a serious breach of the concessionaire's contractual obligations, in which case the concessionaire would only be entitled to recover a limited part of its investment.

Furthermore, the concessionaire may not be entitled to withdraw from the concession in case of failure to obtain the relevant financing, to the extent that its shareholders do not intend to finance the works with full equity. Any such failure to obtain the private funds necessary for the completion of the works would represent an event of termination of the concession due to a breach by the concessionaire and would entitle the grantor to enforce the guarantees provided. Until such termination, the Group would remain responsible for its equity commitments and any costs borne would not be recoverable.

The occurrence of any of these events would have a material adverse effect on the Group's business, financial condition and results of operations or prospects.

The Group's concession projects have significant investment requirements and depend upon obtaining adequate financing for future projects.

The Group's concession projects typically have a medium-to long-term time horizon and have required, and require, significant investments, both in the form of shareholder loans and capital injections into special-purpose vehicles (where the Group holds a minority interest and therefore cannot control the flow of dividends or other distributions therefrom) and used as concessionaire exclusively in the context of specific contracts.

Any recovery of the Group's investments will occur over a substantial period of time. Moreover, the Group may be unable to recover its investments in these projects due to, for example, delays and cost overruns.

The Group's business strategy includes the development and financing of numerous projects in the industries in which it operates. The Issuer cannot ensure that market conditions will favour the Group's obtaining the necessary financing. Disruptions, uncertainty and volatility in capital and credit markets may limit the Group's access to additional capital required to operate its business, including its access to project finance, which it uses to fund construction of current and future concession projects.

Such market conditions may limit the Group's ability to replace, in a timely manner, maturing liabilities and access the capital necessary to grow its business, which could have an adverse effect on its business, financial condition, results of operations or prospects.

Risks associated with fluctuations in the price and problems with the supply of raw materials.

The Group's raw materials suppliers vary in each market in which the Group operates due to the specific requirements of each of its markets and projects. Although the Group includes raw material cost estimates in its tender offers, raw material costs are subject to price fluctuations. The pandemic situation linked to Covid-19 caused a significant increase in raw materials' costs. Moreover, the possibility of passing any or all of the increased raw material costs to the Group's customers is not always contractually provided for, and even when provided, it could be limited by certain deductibles or exclusions.

In addition, the supply of essential raw materials may be delayed or interrupted due to factors beyond the Group's control, which could result in project delays and increased costs if alternative suppliers are unable to provide replacement raw materials at competitive prices or at all. As of 31 December 2020, the purchase costs of raw materials and consumables represented 12.4% of the Group's total operating costs.

Such price fluctuations or supply interruptions could have a material adverse effect on the Group's business, financial condition and results of operations.

Risks deriving from the concentration of the Group's activities on a limited number of customers and projects.

The Group's strategy is focused on securing large projects. This has led to a concentration of activities on a small number of customers and projects, which is customary in the industry in which the Group operates. For the six-month period ended 30 June 2021, 40% of the Group's adjusted revenue was generated by its top ten projects (36% for the year ended 31 December 2020).

The high concentration of activities on a limited number of customers and projects means that any loss of, or a significant reduction in, business from a significant customer, or any variation, suspension, delay, scope reduction or adjustment of any significant project, could have a material adverse effect on the Group's business, financial condition or results of operations.

Risks associated with systems and information technology interruption and breaches in data security.

As a global company, the Issuer is heavily reliant on computer, information and communications technology and related systems, which may be subject to temporary system interruptions and delays. If the Group is unable to continually implement, improve and add software and hardware, effectively upgrade its systems and network infrastructure and take other steps to improve the efficiency of and protect its systems, systems operation could be interrupted or delayed or the Group's data security could be breached. For example, in Italy, the Issuer's corporate functions are handled by the two operating offices in Milan and Rome, and the systematic and timely sharing of information flows through the information systems, as well as access to and updating of the Issuer's archives and databases, is essential in order to guarantee functional and operational continuity. In addition, the data supporting the Group's business and corporate activities need to be effectively protected, both from unauthorized access (confidentiality) and from unauthorized changes (integrity), and be made constantly available (availability). Failure to meet any of the above requirements may lead to the interruption of operations, loss of competitive advantage, vulnerability to fraud or reputational damage.

The Group's computer and communications systems and operations could also be damaged or interrupted by natural disasters, power loss, telecommunications failures, acts of war or

terrorism, acts of God, computer viruses, physical or electronic break-ins and similar events or disruptions including breaches by computer hackers and cyber-terrorists.

Any of these or other unpredictable events could cause system interruption, delays, loss of critical data (including private data) or loss of funds, could delay or prevent operations (including the processing of financial transactions and reporting of financial results), could result in the unintentional disclosure of information (including proprietary intellectual property), could lead to illegitimate requests for money by third parties in exchange for such third parties not disclosing information at the disposal of the Group following breaches by hackers and could adversely affect the Group's business, financial condition, results of operations or prospects.

Public opposition related to certain projects, including "not in my backyard" claims, could prevent the Group from completing such projects.

Local residents and/or associations may oppose and dispute the realisation of large infrastructure and/or transportation improvement schemes (including, without limitation, new roads, railways, power plants, bridges, motorways).

The reasons against the development of these projects are varied and may include environmental and noise pollution, additional costs to be borne by the local residents, the loss of residential property value or the related expropriation risk, the impact on people living on site or the disfigurement of the surrounding landscape. For example, in Italy, the execution of works relating to certain high-speed railway projects has met, and currently meets, opposition from political parties, local communities and environmental associations, with slowdowns in the development of projects. See "*—The Group may be unable to meet contractual milestones and qualitative or quantitative benchmarks.*" and "*—Events beyond the Group's control, errors and unforeseen events or circumstances may affect the estimated timing and costs*".

Protests or claims against the Group by local residents or associations acting on their behalf, either during the planning activity or during the construction phase, may result in delays or cause works paralysis which may last for a long time. These circumstances may affect the agreed timeline for the works completion and involve significant cost overruns. Moreover, such events may also cause adverse publicity and reputational harm to the Issuer and the Group. Although it is the responsibility of the customers to decide on the execution of a project, it cannot be excluded that local communities or national or international organizations may cause the Group to bear the costs, damages and charges for alleged violations of the rights of such communities or organizations. Any such event could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

4. Risks associated with legal proceedings

The Group is currently involved in certain civil, administrative, labour, tax and criminal legal disputes and arbitration proceedings, in the ordinary course of business.

The Group's estimates are based on information available as of the date of approval of the relevant financial statements. However, they are subject to inherent uncertainties. In many cases, there is substantial uncertainty regarding the outcomes of the proceedings and the amount of any possible losses. These cases include proceedings for which the amount of any claims for compensation and/or potential liabilities that the Group is responsible for are not and cannot be determined based on the claims presented and/or the nature of the actual

proceedings. In such cases, given the significant difficulty of predicting possible outcomes in a reliable manner, no provisions have been made. Where it is possible to make a reliable estimate of the amount of any loss and this is considered probable, provisions are made in the financial statements to an extent deemed appropriate, also with the support of specific opinions provided by the Group's consultants and in accordance with the international accounting standards applicable from time to time.

In addition, any unfavourable outcomes of disputes in which the Group is involved - particularly those with a high media impact - or the commencement of new disputes (regardless of the outcome), could have repercussions, even material, on the Group's reputation and on the market price of the Issuer's shares, with potential material adverse effects on the Group's business, financial condition and results of operations or prospects.

Despite the estimates the Group made, it cannot be excluded that several risks considered remote or possible by the Group may become probable and result in adjustments to the value of the provisions for risks, or that, in the event of loss in litigation for which the relevant provisions for risks were deemed adequate, the Group is required to incur disbursements in excess of the amount allocated.

The above circumstances, in the event of any significant claim or compensation the Group may be required to pay, may have a material adverse effect on its business, financial position and results of operations or prospects.

For more information on the Group's legal proceedings, see "*Description of the Issuer—Litigation and arbitration proceedings.*"

5. Further legal and regulatory risks

The Group is subject to extensive legal, administrative and regulatory requirements and to changes in regulation.

In each of the jurisdictions in which the Group operates, it is subject to a number of specific and demanding legal, administrative and regulatory requirements, in particular with respect to public works, construction, town planning, public health, work safety, environment and employment. Furthermore, public sector customers may be subject to more stringent regulations than those in the private sector, in particular with respect to awarding new projects.

Violations of the relevant applicable laws or the interpretation thereof may significantly increase the cost of ongoing projects and subject the Group to investigations, criminal prosecutions (including proceedings pursuant to Decree 231, as described below), penalties, sanctions, fines, or other unforeseen costs. If violations occur during the construction phase of a contract, the Group may be subject to proceedings by the competent authorities and the construction and completion of works may be delayed. See "*—The Group may be unable to meet contractual milestones and qualitative or quantitative benchmarks.*" and "*—Events beyond the Group's control, errors and unforeseen events or circumstances may affect the estimated timing and costs*". Failure to meet contractual milestones and qualitative or quantitative benchmarks could harm the Group's results of operations and its reputation. In addition, if the violation results in serious damage to employees, subcontractors, the public or the environment, the Group could also be exposed to claims for damages for large sums and significant reputational damage.

For example, as part of the activities relating to the disposal of solid urban waste in Campania, which the Group has undertaken since the end of the 1990s, the Group

successfully faced administrative measures concerning the reclamation and safety of the sites of certain landfills, storage areas and plants for the production of fuel deriving from waste. The Group is currently subject to some related proceedings and in the event of an unsuccessful outcome, it may be required to pay considerable sums to comply with the requirements imposed by the relevant authorities. Another case of the Group's involvement in environmental proceedings concerns the Emilia/Tuscany High Speed Consortium (Consorzio Alta Velocità Emilia/Toscana, C.A.V.E.T.), in charge of works for the Bologna-Florence railway line, in which the Group held a majority stake. The Consortium and a number of natural persons, including former executives of the Consortium itself, were involved in criminal proceedings initiated in 2009 for alleged environmental damage. Although the outcome of the criminal proceedings was an acquittal pursuant to a decision of the Court of Cassation of 21 April 2016, the proceedings lasted for 9 years and involved various degrees of judgement, with related costs and charges for consultancies and technical opinions and defense. In addition, civil proceedings relating to this matter are still ongoing. See "*Description of the Issuer—Litigation and arbitration proceedings.*"

National and supranational laws that the Group is required to comply with are often complex, fragmented, and subject to change and their application and interpretation is often complex and unpredictable. This circumstance, in addition to requiring the constant updating of the Group competent internal functions' knowledge and monitoring costs, including with the assistance of legal consultants, increases compliance costs as well as the risk of violations.

The occurrence of any of these events would have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

If an individual within the Group, or a third party acting on behalf of any Group entity, commits certain crimes, the Issuer or that Group entity may be subject to quasi-criminal liability and may face the application of sanctions.

As of the date of this Offering Circular, the Group is involved in proceedings pursuant to Decree 231. In particular, these proceedings concern the alleged commission of administrative offences by: (i) Fibe S.p.A. and FISIA Ambiente S.p.A. (formerly FISIA Italimpianti S.p.A.), in the broader context of criminal proceedings against, among others, certain executives and employees of the aforesaid companies with regard to activities relating to urban solid waste disposal projects in Campania; and (ii) Impregilo S.p.A. (which subsequently became Salini Impregilo S.p.A. and is now Webuild S.p.A.) in the broader context of criminal proceedings against the Chairman of the Board of Directors and the Chief Executive Officer of the then Impregilo S.p.A. when the events took place. After articulated and complex procedural phases, the Milan Appeal Court acquitted the company in the hearing of 19 November 2014. The reasonings for this acquittal ruling were only filed with the Appeal Court's secretary on 30 April 2021. The attorney general presented another appeal to the Supreme Court against the Appeal Court's most recent ruling with an application notified on 14 June 2021. Both proceedings are ongoing, see "*Description of the Issuer—Litigation and arbitration proceedings proceedings—Criminal proceedings—Campania Project/Fibe*" and "*Description of the Issuer—Litigation and arbitration proceedings proceedings—Criminal proceedings—Investigations by the judiciary—Milan Court (proceeding commenced before the Monza Court)*". The Issuer cannot exclude that, as of the date of this Offering Circular, additional proceedings have been or will be initiated for significant offences pursuant to Decree 231 against one or more of the companies of the Group.

Under Decree 231 Italian corporate entities may be held responsible for certain crimes committed by individuals having a functional relationship with the Group companies, such as employees, directors and representatives. In particular, crimes which could cause a corporate entity's administrative liability pursuant to Decree 231 include, among others, those committed when dealing with public administrations (including bribery, misappropriation of public contributions and fraud to the detriment of the state, corporate crimes, environmental crimes and crimes of manslaughter or serious injury in violation of provisions on health and safety at workplace).

In the event of liability, the company concerned is exposed to the risk of financial penalties and disqualifications, including the prohibition to contract with the public administration or the foreclosure of access to public funds. The liability regime to which the Issuer and its Italian subsidiaries are subject may lead to an increase in compensation in the event of environmental damage or extensive damage to third-party property or in the event of serious personal injury or death of a Group employee, subcontractor or third party. Such accidents could expose the Group and its key personnel to claims for compensation in addition to the penalties provided for under Decree 231, at the request of customers, subcontractors, governments, public authorities, employees or stakeholders. Proceedings relating to alleged offences, even if the absence of liability by the Group entities concerned is ultimately ascertained, may be characterized by burdensome management and may divert the Issuer's attention from other aspects of the business. In addition to the above, such events (even without a final decision) could cause a negative image return which, whether justified or not, could damage the reputation of the Group and induce customers to choose the services provided by competitors, also as a result of any public pressure.

Decree 231 also provides that the entity may be exempted from liability if it demonstrates that it has adopted and effectively implemented an organizational, management and control model suitable for preventing the commission of the offences in question. As of the date of this Offering Circular, the Issuer and its main Italian subsidiaries have adopted a 231 Model in order to establish a system of rules to prevent the adoption of unlawful conduct considered relevant to the application of the applicable laws in relation thereto. With reference to the foreign companies of the Group, since the offences provided for in Decree 231 cannot be applied directly, the Issuer has adopted a process management and control procedures that reflect the provisions of its Model 231.

The adoption of a Model 231 does not prevent the application of sanctions under Decree 231 provided that, where the commission of a relevant offence is ascertained, the competent court will examine the Model 231 and the controls adopted by the Issuer and, should they be considered inadequate or ineffective, the Issuer would be exposed to incur in the risk of the above sanctions.

With regard to the activities carried out by the Group, the latter is exposed to the risk of initiating proceedings pursuant to Decree 231, regardless of the adoption, updating and implementation of Model 231 and the validity of any allegations. The payment of pecuniary or disqualifying sanctions against the company involved and/or criminal proceedings with potential custodial measures against key figures of the Group could have adverse effects, even substantial depending on the nature of the crime charged and the amount of the sanction, on its business, financial condition and results of operations or prospects.

The Group could be adversely affected by violations of anti-bribery laws applicable in the countries or territories where it conducts its business.

The Issuer cannot exclude that, as of the date of this Offering Circular, proceedings have been or will be initiated for significant offences pursuant to anti-corruption against one or more of the companies of the Group.

The Group, its partners, agents, subcontractors and competitors must comply with certain anti-corruption laws, sanctions or other similar regulations. In particular, the Group's international operations are subject to anti-corruption laws and regulations, such as the U.S. Foreign Corrupt Practices Act of 1977 (the "FCPA"), the U.K. Bribery Act of 2010 (the "Bribery Act") and French Law No. 2016-1691 (Sapin II) and economic sanction programs, including those administered by the United Nations, the European Union and the U.S. Office of Foreign Asset Control ("OFAC").

Over the years an increasing number of anti-bribery laws and regulations have been approved worldwide. However, certain of the jurisdictions in which the Group operates or intends to operate lack a developed legal system and, therefore, have high perceived levels of corruption. The lack of developed legal systems in these jurisdictions also makes it more difficult to determine the scope of their anti-corruption regimes and whether certain actions constitute violations or not. Moreover, the Group's continued expansion, development of joint venture relationships with local contractors and the use of local agents increases the risk of non-compliance with applicable anti-corruption regulations and similar laws.

As of the date of this Offering Circular, the Issuer and its main foreign subsidiaries and joint ventures have adopted an anti-corruption system in order to establish rules and procedures which are aimed at preventing the adoption of unlawful conduct considered relevant to the application of the anti-bribery laws. Since 2017, the Issuer's Anti-corruption system has been certified by an Authorized Certifier according to UNI ISO 37001:2016 "*Anti-bribery management system*". Should the models and procedures adopted by the Group (including the 231 Model) fail to protect the Group from the possible reckless or criminal acts committed by its employees, agents, partners, subcontractors or suppliers, the Group could face criminal or civil penalties or other sanctions, including fines, denial of export privileges, injunctions, asset seizures, debarment from government contracts and/or from World Bank financed contracts, termination of existing contracts, revocations or restrictions of licenses, criminal fines or imprisonment of key personnel. In addition, given that compliance with anti-corruption laws is a clause contained in the loan agreements entered into by the Group companies, failure to comply with anti-corruption laws could result in an event of default under certain of the Group's financing agreements. Such violations could also have an adverse effect on the Group's reputation and, consequently, on its ability to win future business.

The occurrence of any of these events would have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

The Group is exposed to a number of different tax uncertainties, which would have an impact on tax results.

The Group is required to pay taxes in multiple jurisdictions, which include, among others, IRES, IRAP, VAT, registration tax and other indirect taxes and benefit from exemption from taxation on certain items of income. The Group determines the taxation it is required to pay based on its best interpretation of the applicable tax laws and regulations in the jurisdictions in which it operates.

Tax legislation is complex and is characterized by an application based on the interpretation of articulated provisions and on the subjective assessment of the cases. The tax authorities may therefore challenge the interpretation or positions taken or proposed by the Group with respect to the tax laws and rules applicable to the Group's ordinary and extraordinary transactions. With regard to specific transactions, the Group may also violate, unintentionally or for reasons beyond its control, laws or tax regulations.

Any disputes could have a negative impact on the position vis-à-vis the tax authorities and could lead to lengthy and costly tax disputes and the payment of high amounts in the form of taxes, penalties and interest on arrears. In addition, the applicable taxes, both direct and indirect, for which the Group makes specific provisions, could be subject to increases, even significant, as a result of any regulatory changes or following new interpretations by the competent authorities or, again, as a result of specific tax assessments. The impact of these factors depends on the types and mix of income produced in the different countries.

Deferred tax assets are recognised in accordance with accounting standards and relate to the (temporary) differences between statutory and tax regulations, as well as on the probability of generating future taxable income. The absence of future taxable income, which is not currently foreseeable, could lead to the reduction of the Group's deferred tax assets, with potential material negative effect on its business, financial position and results of operations or prospects. The Group may also incur unforeseen tax charges, with an unfavourable impact on its position. Due to the unpredictable nature of the tax burden, it is not possible to ensure that the income tax rate assumed by the Group in the long term remains at current levels, nor can the stability of cash flows relating to taxes be ensured.

Significant penalties or payment could have a material adverse effect on the Group's business, financial condition and results of operations or prospects.

For information on tax disputes, see "*Description of the Issuer—Litigation and arbitration proceedings—Tax proceedings.*"

Risks associated with transfer pricing rules.

The existence of numerous contractual relationships between Group companies that are tax residents of different countries may result in the application by the tax authority of transfer pricing rules which require that all transactions with non-resident related parties be priced using arm's length pricing principles. The observance of the above principle for price determination is therefore influenced by parameters of judgement of an estimatory nature, which by their nature are not certain and are therefore likely to give rise to valuations by the tax authorities that are not necessarily in line with those made by the Group.

Although the Issuer believes the Group operates in full compliance with national and international rules and principles on transfer pricing (generally referring to the guidelines drawn up by the OECD), since the relevant regulatory framework is complex and potentially subject to different interpretations by the tax authorities of the various countries, there can be no guarantee that the methods and conclusions the Group has reached are or will be compliant with those expressed by the tax authorities. For example, for the years 2011, 2012 and 2013, the Issuer received notices of assessment in connection with transfer pricing for amounts of less than €1 million, subsequently reduced in the context of the settlement of the relevant dispute.

The Issuer cannot exclude the risk that, in the event of assessments by the tax authorities, disputes arise regarding the appropriateness of the transfer prices applied in intra-group

transactions between Group entities resident in different countries, which could lead to a different distribution of the tax burden among the entities involved in the individual transaction flow and the possible application of administrative sanctions, with potential material adverse effect on the Group's business, financial condition, results of operations or prospects.

The Group may be exposed to third-parties' claim and liabilities.

The Group is involved in projects that require constant monitoring and management of environmental, health and safety risks, both during the construction and the operational phases. The construction project and related activities the Group undertakes often put its employees and other subjects involved in the works in close proximity to large pieces of mechanized equipment and plants, moving vehicles, industrial processes and hazardous materials (regulated by applicable laws on health and safety in the workplace and environment), which, if improperly handled, could subject the Group to civil and criminal liabilities.

Any failure in health and safety practices or environmental risk management procedures that results in serious harm to employees, subcontractors, the public or the environment could expose the Group to investigations, prosecutions and/or civil litigation, each of which could result in costs for fines, penalties, sanctions, compensation of damages and significant demands of management time, including any potential liability under Decree 231. See also "*—If an individual within the Group, or a third party acting on behalf of any Group entity, commits certain crimes, the Issuer or that Group entity may be subject to liability pursuant to Decree 231 and may face the application of sanctions*".

The Group enters into insurance policies aimed at covering losses resulting from its activities. As customary, insurance policies are subject to limits and exclusions (including deductibles and caps) and, therefore, may not adequately cover all the risks to which the Group is exposed. In addition, entering into an insurance policy may be uneconomic or even impossible due to the unavailability of the insurance company. Losses exceeding the amount for which the Group is insured, as well as losses for which it is not compensated by its insurance companies, as not covered by the insurance policies the Group maintains, could lead to unexpected and material costs.

Furthermore, the Group's business involves professional judgements regarding the planning, design, development, construction, operations and management of infrastructure. Failure to make judgements and recommendations in accordance with applicable professional standards, including engineering or technical standards, could subject the Group to claims from third parties and customers. The occurrence of harmful events may also cause delays in production and/or an interruption of projects because of temporary site closures. The Group may also be held liable if such an event or circumstance is found to be caused by negligence. Such liability may be increased if the event it results in the personal injury or death of one or more of the Group's employees, employees of subcontractors working on the project or third parties, environmental harm, and/or extensive damage to third-party property.

While the Group does not generally accept contractual liability for consequential damages, and although it has adopted a range of insurance, risk management and risk avoidance programs designed to reduce potential liabilities, a catastrophic event at one of the Group's project sites or completed projects resulting from the services the Group has performed could result in significant professional or product liability, warranty or other civil and criminal

claims against it as well as reputational harm, especially if public safety is impacted. These liabilities could exceed the Group's insurance limits and could impact its ability to obtain insurance in the future. Furthermore, if a claim falls outside the scope of the coverage, the Group would be liable for covering the entirety of the relevant unreimbursed claim.

In addition, customers, partners, subcontractors or suppliers who have agreed to indemnify the Group against any such liabilities, third parties' claims or losses might refuse or be unable to make payments under such indemnities.

The Issuer believes that the operational risks referred to herein are deeply inherent in the activities the Group carries out. If any of the foregoing circumstances were to occur and any uninsured claim, if successful and material, were to arise, this could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

The Group is required to obtain and maintain permits, licenses and authorizations.

The Group is required to obtain, maintain and comply with certain required licenses, permits and authorizations for the construction, operation and maintenance of its projects. Procedures for obtaining licenses, permits and authorizations vary from country to country and they can be complex and require very lengthy approval procedures. Requests may be rejected by the relevant authorities for many reasons, or they may be approved, but with significant delays.

The process of obtaining permits can be further delayed or hindered by changes in national or other legislation or regulation or by opposition from communities in the areas affected by a project. See "*—Public opposition related to certain projects could prevent the Group from completing such projects.*" Moreover, certain operating or construction permits the Group has obtained could be contested or challenged by third parties, who may also intervene in relation to permits, licenses and authorizations already issued in favour of the Group. For example, during 2010 the Issuer entered into a concession agreement with Infrastrutture Lombarde S.p.A. for the design, construction and management of a new regional motorway section called "Broni-Mortara", which was challenged in July 2016 by the Italian Ministry of the Environment, which issued a measure containing a negative assessment of the environmental compatibility of the work, preventing the execution of the work as planned. See "*Description of the Issuer—Litigation and arbitration proceedings.*"

Failure to obtain or renew required permits, licenses and authorizations, or any challenge relating to any license, permit or authorization could prevent the award of contracts, cause the early termination of existing contracts and the suspension of projects in progress, or lead to the imposition of sanctions or other measures relevant to the Group's operations, which could have a material adverse effect on its business, financial condition, results of operations or prospects.

Risks associated with compliance with data protection regulation.

The entry into force, in May 2016, of the new European Regulation 2016/679 on data protection (General Data Protection Regulation, GDPR) requested companies operating in the European Union to review their data protection management model in order to comply with the requirements set forth by GDPR. GDPR has introduced significant changes in the measures and procedures to be adopted to ensure the protection of personal data (including an effective privacy organizational model, the role of data protection officer, obligations to notify particular data breaches), thus increasing the level of protection of individuals and introducing, among other things, more significant sanctions applicable to data controllers

and processors in the event of a breach of the GDPR provisions. The Issuer nominated a Data Protection Officer to monitor Group compliance with GDPR.

The Group is exposed to the risk of being involved in claims brought by individuals whose data have been processed, for damages caused by (i) the breach of rules relating to data protection or (ii) incorrect processing of such protected data. Failure to comply or maintain compliance with GDPR rules or to adapt the Group's risk management structure to comply with GDPR prescriptions could cause considerable harm to the Issuer and its reputation and may result in regulatory fines and litigation, which could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

6. Internal control risks

Risk associated with maintenance and adequate development of appropriate risk management, compliance and internal control systems.

The Group's risk management system is designed to assist with the assessment, avoidance and reduction of risks which jeopardize its business. The Group's operating risks primarily include the selection and assessment of contracts as well as the execution of projects and the performance of contracts. There are, however, inherent limitations on the effectiveness of any risk management system. These limitations include the possibility of human error and the circumvention or overriding of the system. Accordingly, any such system can provide only reasonable assurances, and not absolute assurances, of achieving the desired objectives. For example, risks include possible instances of manipulation, acceptance or giving of advantages, fraud, deception, corruption or other infringements of the law.

There can be no absolute assurance that violations of internal policies and procedures, applicable law and regulations or criminal acts by employees or third parties retained by the Group such as subcontractors or consultants and their employees can be entirely prevented. Such circumstances could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

7. Environmental, social and governance risks

Risks associated with the loss of certain key persons within the Group.

The Group's results and the success of its business depend to a significant extent on its ability to attract and retain professional resources with considerable experience in the sectors of activity in which the Group operates. As of 31 December 2020, 81% of the Group's workforce, excluding indirect personnel (employees of subcontractors, temporary agencies and other service providers employed on Group projects), was represented by employees belonging to technical and production functions. Any inability to attract and hire new qualified personnel, or to retain experienced technical personnel and managers, could limit or delay the business development efforts.

The continuous expansion of the Group into new geographical areas and sectors of activity that require additional knowledge causes the necessity to hire managerial and technical staff, including local staff, with diversified skills. Moreover, during market expansion phases, the Group could suffer delays in finding qualified personnel due to a higher demand for specialized resources, with possible negative impacts on the Group's results and reputation.

If certain key members of the Webuild Group's senior management team or key engineering and technical staff were to terminate their relationships with the Group for any reasons, there can be no assurance that the Group will be able to replace them in a timely manner with

equally qualified persons capable of ensuring the same operational and professional contribution in the short term. These events and any inability to attract and hire new qualified personnel, may limit and/or cause delays in the commercial developments, with possible material adverse effect on the Group's business, financial condition, results of operations or prospects.

Risks associated with related parties' transactions.

During the last financial year, the Group has entered into, and as of the date of this Offering Circular continues to enter into, business, financial and administrative transactions with certain of its related parties.

Transactions with related parties entail the typical risks associated with transactions with parties that, being part of the Group's decision-making structures or otherwise closely connected to them, may not be objective or impartial in their decisions relating to these transactions. It cannot be guaranteed that if such transactions had been concluded between or with unrelated third parties, such third parties would have negotiated and executed such agreements, or concluded the transactions, on the same conditions and in the same manner. Related-party transactions could result in inefficiencies in the resource allocation process, expose the Group to risks that are not adequately measured or monitored, and cause damage to the Group and its stakeholders.

The occurrence of any of these events would have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH THE NOTES

1. Risk relating to the specific characteristics of the Notes

The claims of Noteholders are structurally subordinated with respect to the Issuer's subsidiaries

The operations of the Group are principally conducted through subsidiaries of the Issuer. Noteholders will not have a claim against any subsidiaries of the Issuer. The claims of creditors of any of the Issuer's subsidiaries will have priority to the assets and earnings of such subsidiary over the claims of creditors of the Issuer (whether such creditors are secured or unsecured). The obligations under the Notes will be "structurally" subordinated to the claims of creditors of the Issuer's subsidiaries, meaning that in the event of a bankruptcy, liquidation, reorganisation or similar proceedings relating to our subsidiaries, holders of their debt and their trade creditors will generally be entitled to payment of their claims from the assets of such subsidiaries before any assets are made available for distribution to the Noteholders.

2. Risks relating to the sustainability-linked features of the Notes

The Notes may not be a suitable investment for all investors seeking exposure to assets with sustainability characteristics

On 25 November 2021, the Issuer adopted a framework relating to its sustainability strategy and targets to, *inter alia*, foster the best market practices and present a unified and coherent suite of 'sustainability-linked bonds' (the "**Sustainability-Linked Financing Framework**"), available at the following website:

https://www.webuildgroup.com/en/investor-relations/debt-rating/sustainable-finance in accordance with, *inter alia*, the Sustainability-Linked Bonds Principles 2020 (the "**SLBP**") administered by the ICMA. Such Sustainability-Linked Financing Framework was reviewed by Vigeo Italia S.r.l. which provided the Sustainability-Linked Financing Framework Second-party Opinion available at the following website: https://www.webuildgroup.com/en/investor-relations/debt-rating/sustainable-finance (see: *The Sustainability-Linked Financing Framework Second-party Opinion may not reflect the potential impact of all risks related to the Notes*).

Although the Premium Payment Amount may be payable by the Issuer in certain circumstances specified in Condition 6.2 (*Premium Payment*), however, the Notes may not satisfy an investor's requirements or any future legal or quasi legal standards for investment in assets with sustainability characteristics. The Notes are not being marketed as green bonds since the Issuer expects to use the relevant net proceeds for repayment of part of the existing indebtedness of the Issuer's group or for general corporate purposes and therefore the Issuer does not intend to allocate the net proceeds specifically to projects or business activities meeting environmental or sustainability criteria, or to be subject to any other limitations associated with green bonds.

The Sustainability-Linked Financing Framework Second-party Opinion may not reflect the potential impact of all risks related to the Notes

A Sustainability-Linked Financing Framework Second-party Opinion has been issued in relation to the Sustainability-Linked Financing Framework (see: *The Notes may not be a suitable investment for all investors seeking exposure to assets with sustainability characteristics*) confirming the relevance and scope of the selected key performance indicators ("**KPI(s)**") and the associated sustainability performance targets ("**Sustainability Performance Targets**") and also the alignment with the SLBP and the stated definition of sustainability-linked bonds within the SLBP.

The Sustainability-Linked Financing Framework Second-party Opinion may not reflect the potential impact of all risks related to the structure, market, additional risk factors and other factors that may affect the value of the relevant Notes, and would not constitute a recommendation to buy, sell or hold, as the case may be, the Notes. Furthermore, the Sustainability-Linked Financing Framework Second-party Opinion is only current as of its date and the Issuer does not assume any obligation or responsibility to release any update or revision to its Sustainability-Linked Financing Framework, and, as a result, an update or a revision of the Sustainability-Linked Financing Framework Second-party Opinion may or may not be requested from Vigeo Italia S.r.l. or other providers of second-party opinions.

A withdrawal of the Sustainability-Linked Financing Framework Second-party Opinion may affect the value of the Notes and/or may have consequences for certain investors with portfolio mandates to invest in green, social or sustainable assets. Furthermore, prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in the Notes. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. For the avoidance of doubt, any such opinion or certification is not, nor shall it be deemed to be, incorporated into and/or form part of this Offering Circular.

In addition, if for any reason the Sustainability-Linked Financing Framework Second-party Opinion is withdrawn, there might be no independent analysis of the Issuer's definitions of KPIs and associated sustainability performance targets, or how such definitions relate to any sustainability-related standards other than the relevant External Verifier's assurance activity in respect of its Verification Assurance Statement (as defined in Condition 17A

(*Available Information*)). Although the Carbon Intensity Baseline has been verified by an external verifier, it cannot be excluded that, due to, among others, differences in the perimeter of calculation, such Carbon Intensity Baseline may not be as accurate, which may adversely affect the Issuer's ability to achieve the carbon intensity target or may otherwise facilitate such achievement.

Moreover, a Second-party opinion provider and providers of similar opinions, reports and certifications are not currently subject to any specific regulatory or other regime or oversight. Any such opinion, report or certification is not, nor should be deemed to be, a recommendation by the Issuer, any member of the Group, the Managers or any Second-party opinion providers or any other person to buy, sell or hold the Notes. Noteholders have no recourse against the Issuer, any of the Managers or the provider of any such opinion, report or certification for the contents of any such opinion, report or certification, which is only current as at the date it was initially issued. Prospective investors must determine for themselves the relevance of any such opinion, report or certification and/or the information contained therein and/or the provider of such opinion, report or certification for the purpose of any investment in the Notes. Any withdrawal of any such opinion, report or certification or any such opinion, report or certification attesting that the Group is not complying in whole or in part with any matters for which such opinion, report or certification is opining on or certifying on may have a material adverse effect on the value of the Notes and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

Notwithstanding the issuance of the Sustainability-Linked Financing Framework Second-party Opinion, and notwithstanding the recent issuance of the "EU Taxonomy for sustainable activities", there is currently no generally accepted definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes a "sustainable" or "sustainability-linked" or equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "sustainable" or "sustainability-linked" (and, in addition, the requirements of any such label may evolve from time to time). As a result, no assurance is or can be given to investors by the Issuer, any other member of the Group, the Managers or any Second-party opinion providers that the Notes will meet any or all investor expectations regarding the 'Notes or the Group's targets qualifying as "green", "sustainable" or "sustainability-linked" or that any adverse other impacts will not occur in connection with the Group striving to achieve such targets.

Investors should therefore make their own assessment as to the suitability or reliability for any purpose whatsoever of any opinion, report or certification of any third party in connection with the offering of the Notes, including the Sustainability-Linked Financing Framework Second-party Opinion. Any such opinion, report or certification is not, nor shall it be deemed to be, incorporated in and/or form part of this Offering Circular.

No Premium Payment Amount will be payable in case of failure by the Issuer to satisfy the Carbon Intensity Reduction Condition, in case of occurrence of certain events impacting on the Issuer's ability to satisfy its Sustainability Performance Targets

The payment of the Premium Payment Amount in respect of the Notes depends on a definition of Carbon Intensity that may be inconsistent with investor requirements or expectations or other definitions relevant to renewable energy and/or greenhouse gas emissions. Furthermore, in relation to the occurrence of a Carbon Intensity Event, the Terms and Conditions specify that no Carbon Intensity Event shall occur in case of the failure of the Issuer to satisfy the Carbon Intensity Reduction Condition due to (a) an amendment to, or change in, any applicable policies, laws, regulations, rules and guidelines applicable to and/or relating to the Group's business or a decision of a competent authority which has a direct and/or indirect impact on the Issuer's ability to satisfy the Carbon Intensity Reduction Condition, in as at the Carbon Intensity Observation Date; and/or (b) any single or related series of acquisitions or divestitures completed since the Issue Date which has a direct and/or indirect impact on the Issuer's ability to satisfy the Carbon Intensity Reduction Condition as at the Carbon Intensity Observation Date. As a result, the occurrence of any

such events may result in the Issuer being unable to satisfy the Carbon Intensity Reduction Condition but the Carbon Intensity Event not being triggered. If this is the case, no Premium Payment Amount will be paid in respect of the Notes.

The Issuer may unilaterally change the sustainability performance targets applicable to the Notes as a consequence of the occurrence of certain events, including a Baseline Redetermination Event

As at the date of this Offering Circular, the Issuer calculates the greenhouse gas ("**GHG**") emissions on the basis of international guidance and standards on greenhouse gas emissions accounting such as those established by the World Business Council for Sustainable Development and the World Resources Institute (the "**GHG Protocol Corporate Accounting and Reporting Standard**").

The industry-wide accepted references, including the GHG Protocol Corporate Accounting and Reporting Standard and other sectorial standards and guidelines, on which the Issuer bases its calculation methodology, may evolve over time and may result in a change to the scope of the Issuer's Sustainability Performance Targets. The occurrence of any event that results in a recalculation by the Issuer of the KPI (such event referred to under the Conditions as a "**Baseline Redetermination Event**" may cause a fixing by the Issuer, on an unilateral basis, of a new baseline on the basis of which the relevant Sustainability Performance Target will be determined. If such Baseline Redetermination Event occurs, a new Sustainability Performance Target, unilaterally determined by the Issuer acting in good faith and accordance with its methodology, will be taken into account for the purposes of ascertaining whether or not a Carbon Intensity Event shall occur in respect of the Notes

The occurrence of any such Baseline Redetermination Event may impact, positively or negatively, the ability of the Issuer to satisfy the Carbon Intensity Reduction Condition, which could in turn adversely affect the market price of the Notes and/or the reputation of the Group (see also "*Failure to satisfy the Carbon Intensity Reduction Condition may have a material impact on the market price of the Notes and could expose the Group to reputational risks*" below).

Failure to satisfy the Carbon Intensity Reduction Condition may have a material impact on the market price of the Notes and could expose the Group to reputational risks.

Although the Issuer's intention on issue of the Notes will be to reduce the Group's Carbon Intensity, there can be no assurance of the extent to which it will be successful in doing so, that the Issuer may decide not to continue with achieving such Sustainability Performance Targets or that any future investments it makes in furtherance of achieving such objectives will meet investor expectations or any binding or non-binding legal standards regarding sustainability performance, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact.

Any of the above could adversely impact the trading price of the Notes and the price at which a holder of the Notes will be able to sell its Notes in such circumstance prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such Noteholder - See also "*The Notes may not be a suitable investment for all investors seeking exposure to assets with sustainability characteristics* " above for a description of the risk that the Notes may not satisfy an investor's requirements or any future legal or other standards for investment in assets with sustainability characteristics.

In addition, a failure by the Group to satisfy the Carbon Intensity Reduction Condition, or any such similar sustainability performance targets the Group may choose to include in any

future financings would not only result in increased interest payments under the Notes or other relevant financing arrangements, but could also harm the Group's reputation. Furthermore, the Group's efforts in satisfying the Carbon Intensity Reduction Condition, may become controversial or be criticised by activist groups or other stakeholders. Each of such circumstances could have a material adverse effect on the Group, its business prospects, its financial condition or its results of operations.

Lastly, no Event of Default shall occur under the Notes issued, nor will the Issuer be required to repurchase or redeem the Notes, if the Issuer fails to meet the Sustainability Performance Targets, or if it fails to comply with the disclosure and reporting obligations under Condition 17A (*Available Information*) and/or with the applicable Sustainability-Linked Financing Framework.

3. Risks relating to Italian taxation, changes in law or administrative practice and modification of the Terms and Conditions of the Notes

Payments in respect of the Notes may in certain circumstances be made subject to withholding or deduction of tax

All payments in respect of Notes will be made free and clear of withholding or deduction of Italian taxation, unless the withholding or deduction is required by law. In that event, the Issuer will pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding or deduction been required. The Issuer's obligation to gross up is, however, subject to a number of exceptions, including withholding or deduction of *imposta sostitutiva* (Italian substitute tax), pursuant to Italian Legislative Decree No. 239 of 1 April 1996, a brief description of which is set out below.

Prospective purchasers of Notes should consult their tax advisers as to the overall tax consequences of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes, including in particular the effect of any state, regional or local tax laws of any country or territory. See also the section headed "*Taxation*" below.

Imposta sostitutiva

Imposta sostitutiva (*Italian substitute tax*) is applied to payments of interest and other income (including the difference between the redemption amount and the issue price) at a rate of 26 per cent. to (i) certain Italian resident Noteholders and (ii) non-Italian resident Noteholders who have not filed in due time with the relevant depository a declaration (*autocertificazione*) stating, *inter alia*, that it is resident for tax purposes in a country which allows for an adequate exchange of information with the Italian tax authorities.

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 Offering Circular, save that, due to the fact that the Issuer is incorporated in Italy, provisions convening meetings of Noteholders and the appointment of a Noteholders' Representative are subject to compliance with mandatory provisions of Italian law. As such, the conditions of the Notes may be affected by changes to both English and Italian law, and 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 Offering Circular.

4. Risks related to the market as a whole

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

There is no active trading market for the Notes and one may never develop

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 its regulated market, 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.

PRESENTATION OF FINANCIAL AND CERTAIN OTHER INFORMATION

The audited consolidated financial statements of the Issuer as of and for the years ended, respectively, 31 December 2019 and 31 December 2020 incorporated by reference in this Offering Circular have been prepared in accordance with International Financial Reporting Standards as endorsed by the European Union ("**IFRS**"). These audited consolidated financial statements are referred to in this Offering Circular as, respectively, the "**2019 Audited Consolidated Financial Statements**" and the "**2020 Audited Consolidated Financial Statements**".

The unaudited condensed interim consolidated financial statements of the Issuer as of and for the six months ended 30 June 2021 incorporated by reference in this Offering Circular have been prepared in accordance with IFRS applicable to interim financial reporting (IAS 34), endorsed by the European Union. These unaudited condensed interim consolidated financial statements are referred to in this Offering Circular as the "**2021 Unaudited Condensed Interim Consolidated Financial Statements**".

Financial data included in this Offering Circular has been derived from the 2020 Audited Financial Statements and 2021 Unaudited Condensed Interim Consolidated Financial Statements. The financial information as at and for the periods ended 31 December 2019 and 30 June 2020 included in this Offering Circular has been taken from the comparative information included in the 2020 Consolidated Financial Statements and the 2021 Unaudited Condensed Interim Consolidated Financial Statements respectively.

The financial information presented in this Offering Circular also includes pro forma financial information arising from:

(a) the pro forma statement of profit or loss for the year ended 31 December 2019 included in the unaudited pro forma consolidated financial information of Webuild Group at 31 December 2019 (the "**Webuild Unaudited Pro Forma Consolidated Financial Information at 31 December 2019**") and the pro forma statement of profit or loss for the six months ended 30 June 2020 included in the unaudited pro forma interim consolidated financial information of Webuild Group at 30 June 2020 (the "**Webuild Unaudited Pro Forma Interim Consolidated Financial Information at 30 June 2020**"). Both the Webuild Unaudited Pro Forma Consolidated Financial Information at 31 December 2019 and the Webuild Unaudited Pro Forma Interim Consolidated Financial Information at 30 June 2020 were prepared in connection with the issue of €550,000,000 5.875 cent. Notes due 15 December 2025 by the Issuer and incorporated by reference in the relevant offering circular dated 11 December 2020. The Webuild Unaudited Pro Forma Consolidated Financial Information at 31 December 2019 and the Webuild Unaudited Pro Forma Interim Consolidated Financial Information at 30 June 2020 were prepared to represent the main effects of the Astaldi Transaction (see "*The Astaldi Transaction*" below), on the Group's consolidated statement of financial position as at (i) 31 December 2019 and on the consolidated statement of profit or loss for the year then ended, as if it had taken place on 31 December 2019 and 1 January 2019, respectively and (ii) 30 June 2020 (with reference to the effects on the statement of financial position) or on 1 January 2020 (with regard to the effects to the statement of profit or loss);

(b) the pro forma statement of profit or loss for the year ended 31 December 2020 of Webuild Group included in the unaudited pro forma consolidated financial information of Webuild Group at 31 December 2020 (the "**Webuild Unaudited Pro Forma Consolidated Financial Information at 31 December 2020**" and, together with the Webuild Unaudited Pro Forma Consolidated Financial Information at 31 December 2019 and the Webuild Unaudited Pro

Forma Interim Consolidated Financial Information at 30 June 2020, the "**Webuild Unaudited Pro Forma Consolidated Financial Information**"). The Webuild Unaudited Pro Forma Consolidated Financial Information at 31 December 2020 is included in the information document relating to the Demerger (as defined below), dated 15 April 2021. This Webuild Unaudited Pro Forma Consolidated Financial Information at 31 December 2020 was prepared to represent the main effects of the Astaldi Transaction and the Demerger. The Webuild Unaudited Pro Forma Consolidated Financial Information at 31 December 2020 presents the main effects of the above mentioned transactions on the Group's consolidated statement of financial position as at (i) 31 December 2020 and on the consolidated statement of profit or loss for the year then ended, as if it had taken place on 31 December 2020 and 1 January 2020, respectively.

The pro forma financial information incorporated by reference in this Offering Circular is for information purposes only and is not intended to represent or to be indicative of the consolidated results of operations or financial position that the Group would have reported had the above mentioned transactions taken place on (i) 1 January 2019 (with regard to the effects to the statement of profit or loss for the year ended 31 December 2019); (ii) 1 January 2020 (with regard to the effects to the statement of profit or loss for the six months ended 30 June 2020 and for the year ended 31 December 2020).

In particular, the pro-forma financial information is provided to reflect retroactively the effects of subsequent transactions and, despite the use of commonly accepted rules and the consideration of reasonable assumptions, there are certain limitations directly related to the nature of pro-forma information. For this reason, in the case the transactions indicated above would have actually occurred on the assumed dates, not necessarily the effects would have been the same as shown in the Webuild Unaudited Pro Forma Consolidated Financial Information at 31 December 2019, the Webuild Unaudited Pro Forma Interim Consolidated Financial Information at 30 June 2020 or the Webuild Unaudited Pro Forma Consolidated Financial Information at 31 December 2020.

The objective of the Webuild Unaudited Pro Forma Consolidated Financial Information at 31 December 2019, the Webuild Unaudited Pro Forma Interim Consolidated Financial Information at 30 June 2020 and the Webuild Unaudited Pro Forma Consolidated Financial Information at 31 December 2020 is solely to illustrate the possible effects of the relevant transactions described above and are not intended to represent or to be indicative of the financial position or financial performance that the Webuild Group would have reported had the above-mentioned transactions taken place at the hypothetical dates.

The financial information presented in the tables below has been extracted from:

i. the Webuild Unaudited Pro Forma Consolidated Financial Information at 31 December 2019;

ii. the Webuild Unaudited Pro Forma Interim Consolidated Financial Information at 30 June 2020;

iii. the Webuild Unaudited Pro Forma Consolidated Financial Information at 31 December 2020.

The comparability of the pro forma financial information over the periods presented and with the historical financial information presented herein is affected by the following inherent limitations:

iv. the Webuild Unaudited Pro Forma Consolidated Financial Information at 31 December 2019 and the Webuild Unaudited Pro Forma Interim Consolidated Financial Information at 30

June 2020 were prepared in connection with the Astaldi Transaction while the Webuild Unaudited Pro Forma Consolidated Financial Information at 31 December 2020 in connection with the Demerger;

v. the Webuild Unaudited Pro Forma Consolidated Financial Information at 31 December 2019, the Webuild Unaudited Pro Forma Interim Consolidated Financial Information at 30 June 2020 and the Webuild Unaudited Pro Forma Consolidated Financial Information at 31 December 2020 have been prepared based on available information at different dates and based on certain assumptions which were considered reasonable at the date of their respective preparation. The preparation of pro forma financial information at different dates, reflecting different assumptions and the relevant available information, resulted, among other, mainly in the recognition of a different amount of gain from bargain purchase of Euro 487.6 million in the Webuild Unaudited Pro Forma Consolidated Financial Information at 31 December 2019 and the Webuild Unaudited Pro Forma Interim Consolidated Financial Information at 30 June 2020 published on 1 December 2020 and Euro 548.2 million in the Webuild Unaudited Pro Forma Consolidated Financial Information at 31 December 2020 published on 15 April 2021;

historical financial information reflects actual transactions and are prepared based on generally accepted accounting principles, pro forma financial information reflects retroactively the effects of subsequent transactions, addressing a hypothetical situation and, therefore, does not represent the Webuild Group's actual financial position or financial performance at the dates and for the periods to which the pro forma financial information relates. A gain from bargain purchase of Euro 548.2 million in relation to the Astaldi Transaction was recorded in the Issuer's 2020 Audited Consolidated Financial Statements. It is to be noted that at the date of preparation of the 2020 Audited Consolidated Financial Statements and of the 2021 Unaudited Condensed Interim Consolidated Financial Statements, given the complexity of the Astaldi Transaction, the amount of the fair value of the assets acquired and liabilities assumed, and of the resulting gain from bargain purchase, have been determined on a provisional basis, as allowed by IFRS 3, and therefore is subject to change.

The Pro-Forma Reports issued by KPMG, which are incorporated by reference in this Offering Circular as part of the Webuild Unaudited Pro Forma Consolidated Financial Information at 31 December 2019, the Webuild Unaudited Pro Forma Interim Consolidated Financial Information at 30 June 2020 and the Webuild Unaudited Pro Forma Consolidated Financial Information at 31 December 2020, were prepared at the request of the Issuer. KPMG has no material interest in the Issuer.

Alternative Performance Measures

In order better to evaluate the Webuild Group's financial management performance, management has identified Alternative Performance Measures (each an "**APM**"). The Issuer believes that these APMs provide useful information for investors as regards the financial position, cash flows and financial performance of the same, because they facilitate the identification of significant operating trends and financial parameters. This Offering Circular contains the following alternative performance measures as defined by the European Securities and Markets Authority's Guidelines on Alternative Performance Measures (ESMA/2015/1415), which are used by the management of the Issuer to monitor its financial and operating performance:

- Gross Indebtedness: shows the sum of (i) bank and other loans and borrowings; (ii) bonds; (iii) lease liabilities; (iv) current portion of bank loans and borrowings and current account facilities; (v) current portion of bonds; (vi) current portion of lease liabilities; and (iii) net financial position of unconsolidated special purpose entities ("**SPEs**").

- Gross operating profit (EBITDA): shows the sum of the following items included in the statement of profit or loss:

a. total revenue.

b. total costs, less amortisation, depreciation, impairment losses and provisions.

- **Net Financial Indebtedness**: shows the sum of (i) bank and other loans and borrowings; (ii) bonds; (iii) finance lease liabilities; (iv) current portion of bank loans and borrowings; (v) current portion of bonds; (vi) current portion of finance lease liabilities; (vii) derivative liabilities; (viii) net financial position with unconsolidated SPEs; net of (ix) non-current financial assets; (x) current financial assets; (xi) cash and cash equivalents; (xii) derivative assets and (xiii) net financial position from discontinued operations.

- Operating profit (EBIT): shows the sum of total revenue and total costs.

It should be noted that:

i. the APMs are based exclusively on Webuild Group historical or pro-forma data and are not indicative of future performance;

ii. the APMs are not derived from IFRS and, as they are derived from the consolidated financial statements of the Webuild Group prepared in conformity with these principles or on pro-forma financial information, they are not subject to audit;

iii. the APMs are non-IFRS financial measures and are not recognised as a measure of performance or liquidity under IFRS and should not be recognised as alternative to performance measure derived in accordance with IFRS or any other generally accepted accounting principles;

iv. the APMs should be read together with financial information for the Webuild Group taken from the consolidated financial statements, the condensed interim financial statements or the pro-forma financial information of the Issuer; and

v. the APMs and definitions used herein are consistent and standardised for all the period for which financial information in this Offering Circular are included.

Adjusted financial information

In accordance with IFRS, joint ventures which the Group does not control are not consolidated on a line by line basis in the Group's financial statements, but the relevant impact is included using the equity method. The Group monitors the key figures of Lane group for management purposes by adjusting the IFRS figures prepared for consolidation purposes to present the result of joint ventures not controlled by Lane as if they were consolidated on a proportionate basis. These adjusted figures are obtained by adding to the revenues of Webuild Group the pro-quota share of revenues of the joint ventures not controlled by Lane (the "**Adjusted Revenues**") and by adding to the EBITDA of Webuild Group the pro-quota share of profits and losses of the joint ventures not controlled by Lane (the "**Adjusted EBITDA**").

In addition, for comparability purposes, we also adjusted (i) the figures as of and for the year ended 31 December 2019 and 31 December 2020 for the impairment losses related to certain projects in Venezuela; and (ii) the figures for the first half of 2021 and the full year 2020 for the effects of the Definition of the out-of-court agreement with Società Italiana per Condotte d'Acqua S.p.A. under extraordinary administration.

With regard to the contribution from Astaldi acquisition, total revenues and other incomes and EBITDA include positive impacts from bargaining gain (positive item) of €548,177 thousand.

INFORMATION INCORPORATED BY REFERENCE

The following information has been filed with Euronext Dublin and shall be deemed to be incorporated in, and to form part of, this Offering Circular:

(a) the Issuer's 2019 Audited Consolidated and Separate Financial Statements;

(b) the Issuer's 2020 Audited Consolidated and Separate Financial Statements;

(c) the Issuer's 2021 Unaudited Condensed Interim Consolidated Financial Statements;

(d) the Webuild Unaudited Pro Forma Consolidated Financial Information at 31 December 2019;

(e) the Webuild Unaudited Pro Forma Interim Consolidated Financial Information at 30 June 2020;

(f) the Webuild Unaudited Pro Forma Consolidated Financial Information at 31 December 2020; and

(g) the press release entitled "*PRELIMINARY MANAGEMENT ACCOUNTS RELATED TO GROUP'S FINANCIAL STRUCTURE IN 2021*" of the Issuer's press release dated 14 January 2022 (the "**Press Release**").

Copies of the Documents Incorporated by Reference will be available, without charge, on the website of the Issuer as set out below:

(i) https://salini-pdf-archive.s3-eu-west-1.amazonaws.com/investitori/en/financial-reports/2019/eng_Annual+Report_2019_def.pdf as to the Issuer's 2019 Annual Consolidated Financial Statements;

(ii) https://corporatebe.webuildgroup.com/sites/default/files/2021-04/eng_2020%20Annual%20report_0804.v1.pdf as to the Issuer's 2020 Annual Consolidated Financial Statements; and

(iii) https://corporatebe.webuildgroup.com/sites/default/files/2021-08/eng_Interim%20Financial%20Report_June%2C%2030%202021_sito.pdf as to the Issuer's 2021 Unaudited Condensed Interim Consolidated Financial Statements;

(iv) https://media.webuildgroup.com/sites/default/files/2020-12/v._30.11.2020_pro-forma_with_annex.pdf as to the Webuild Unaudited Pro Forma Consolidated Financial Information at 31 December 2019 and the Webuild Unaudited Pro Forma Interim Consolidated Financial Information at 30 June 2020;

(v) https://corporatebe.webuildgroup.com/sites/default/files/2021-11/1%20-eng_Documento%20Informativo%20art%20%281%29.pdf as to the Webuild Unaudited Pro Forma Consolidated Financial Information at 31 December 2020; and

(vi) https://media.webuildgroup.com/sites/default/files/2022-01/20220113_preliminary_management_accounts_eng_def_v2.pdf as to the Press Release.

Cross-reference lists

The following table shows where the information incorporated by reference in this Offering Circular can be found in the above-mentioned documents.

2019 Audited Consolidated and Separate Financial Statements

Consolidated financial statements as at and for the year ended 31 December 2019

Separate financial statements of Salini Impregilo S.p.A. (now Webuild S.p.A.) as at and for the year ended 31 December 2019

2020 Audited Consolidated and Separate Financial Statements

Consolidated financial statements as at and for the year ended 31 December 2020

Separate financial statements of Salini Impregilo S.p.A. (now Webuild S.p.A.) as at and for the year ended 31 December 2020

2021 Unaudited Condensed Interim Consolidated Financial Statements

Condensed Interim Consolidated Financial Statements as at and for the six months ended 30 June 2021

Webuild Unaudited Pro Forma Consolidated Financial Information at 31 December 2019 and Webuild Unaudited Pro- Forma Interim Consolidated Financial Information at 30 June 2020

Webuild Unaudited Pro Forma Consolidated Financial Information at 31 December 2020

Forword	9-10
Warnings	10-17
Information on the Transaction	18-25
Significant Effects of the Transaction	25
Pro Forma Financial Information of the Issuer	25-38
Description of the Demerged Company - Reference	39
Pro Forma Financial Information of the Recipient – Reference	39
Prospects of the Demerged Company and its Group	39
Prospects of the Issuer and its Group	39-40
Annexes	40-41
Annex 1: Parterns S.p.A.'s appraisal report on the Exchange ratio dated 14 March 2021	42-74
Annex 2: Lazard S.r.l.'s fairness opinion on the Exchange ratio dated 19 March 2021	75-84
Annex 3: Independent Auditors' report on the examination of the pro forma financial information as at and for the year ended 31 December 2020	85-87

Press Release

Information	**Page(s) of the PDF document**
All	1-2

The Documents Incorporated by Reference have been previously published or are published simultaneously with this Offering Circular and have been filed with Euronext Dublin. The Documents Incorporated by Reference shall be incorporated in, and form part of, this Offering Circular, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained

herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Circular. Any information contained in any of the documents specified above, including any documents incorporated by reference therein, which is not incorporated by reference in this Offering Circular is either not relevant to investors or is covered elsewhere in this Offering Circular. Any documents themselves incorporated by reference in the documents incorporated by reference in this Offering Circular shall not form part of this Offering Circular.

Any websites referred to in this Offering Circular are for information purposes only and do not form part of this Offering Circular.

OVERVIEW OF FINANCIAL INFORMATION

Set out below is an overview of certain financial information of the Issuer derived from the Issuer's 2021 Unaudited Condensed Interim Consolidated Financial Statements and the Issuer's 2020 Audited Consolidated Financial Statements, which are incorporated by reference in this Offering Circular.

The financial information reported below should be read in conjunction with the information set forth in sections *"Risk factors - The consolidated Group's historical financial information may not be representative of its future results of operations and financial condition"*, "*Presentation of financial and certain other information - Alternative Performance Measures*", "*Presentation of Financial and Certain Other Information*" and "*Information Incorporated by Reference*".

The following table set forth the net financial indebtedness of Webuild Group as at 30 June 2021 and 30 June 2020 derived from the 2021 Unaudited Condensed Interim Consolidated Financial Statements.

Net Financial Indebtedness as at 30.06.2021 €/000	**As for Webuild 2021 Condensed Interim Consolidated Financial Statements**	**As for Webuild 2020 Condensed Interim Consolidated Financial Statements**
Non-current financial assets	**319,094**	**424,403**
Current financial assets	**388,762**	**237,901**
Cash and cash equivalents	**1,714,739**	**1,331,827**
Total cash and cash equivalents and other financial assets	**2,422,595**	**1,994,131**
Bank and other loans and borrowings	**(778,487)**	**(731,129)**
Bonds	**(1,486,182)**	**(745,491)**
Lease liabilities	**(97,902)**	**(93,411)**
Total non-current indebtedness	**(2,362,571)**	**(1,570,031)**
Current portion of bank loans and borrowings and current account facilities	**(507,384)**	**(995,001)**
Current portion of bonds	**(33,502)**	**(481,520)**
Current portion of lease liabilities	**(58,644)**	**(60,924)**
Total current indebtedness	**(599,530)**	**(1,537,445)**
Derivative assets	**4,895**	**1,268**
Derivative liabilities	**-**	**(7)**
Net financial position (debt) with unconsolidated SPEs	**(5,414)**	**13,536**
Total other financial assets (liabilities)	**(519)**	**14,797**
Net financial indebtedness - continuing operations	**(540,025)**	**(1,098,548)**
Net financial indebtedness including discontinued operations	**(539,908)**	**(1,098,548)**

The following table set forth revenues and other income, EBITDA and EBIT of Webuild Group for the six months ended 30 June 2021 and 30 June 2020 derived from the 2021 Unaudited Condensed Interim Consolidated Financial Statements.

€/000	**As for Webuild 2021 Condensed Interim Consolidated Financial Statements**	**As for Webuild 2020 Condensed Interim Consolidated Financial Statements**
Total revenues and other income	3,047,148	2,033,181
EBITDA	183,354	87,127
EBITDA %	*6.0%*	*4.3%*
EBIT	47,089	(8,820)
EBIT %	*1.5%*	*-0.4%*

The following table presents the reconciliation of EBITDA and EBIT to Profit (loss) for the periods indicated above.

€/000	**As for Webuild 2021 Condensed Interim Consolidated Financial Statements**	**As for Webuild 2020 Condensed Interim Consolidated Financial Statements**
Profit (loss) for the period	(67,939)	(85,754)
(Profit) loss from discontinuing operations	3,448	-
Surplus from discontinuing operation	-	-
Income Tax	54,052	26,577
Net (gains) losses on equity investments	3,730	1,726
Net financial (income) expenses	73,259	34,144
Surplus from financial operations		
Net exchange (gains) losses	(19,461)	14,487
EBIT	**47,089**	**(8,820)**
Amortisation, depreciation and provisions	129,905	68,829
Impairment losses	6,360	27,118
EBITDA	**183,354**	**87,127**

For the six-month period ended 30 June 2021, based on management's view, the Group generated €3,137.5 million of Adjusted Revenues, €197.6 million of Adjusted EBITDA and it had Net Financial Indebtedness of €540.0 million as of 30 June 2021.

The following table set forth the net financial indebtedness of Webuild Group at 31 December 2020 and 31 December 2019, in each case derived from the 2020 Audited Consolidated Financial Statements.

Net Financial Indebtedness 31.12.2020 €/000	**As for Webuild 2020 Consolidated Financial Statements**	**As for Webuild 2019 Consolidated Financial Statements**
Non-current financial assets	321,952	378,272
Current financial assets	339,002	241,249
Cash and cash equivalents	2,455,125	1,020,858
Total cash and cash equivalents and other financial assets	**3,116,079**	**1,640,379**
Bank and other loans and borrowings	(767,494)	(751,256)
Bonds	(1,288,620)	(1,091,890)
Lease liabilities	(98,881)	(98,709)
Total non-current indebtedness	**(2,154,995)**	**(1,941,855)**
Current portion of bank loans and borrowings and current account facilities	(1,077,309)	(231,640)
Current portion of bonds	(246,910)	(13,295)
Current portion of lease liabilities	(79,557)	(61,673)
Total current indebtedness	**(1,403,776)**	**(306,608)**

Derivative assets	2,259	268
Derivative liabilities		(2,012)
Net financial position (debt) with unconsolidated SPEs	(1,461)	(21,595)
Total other financial assets (liabilities)	**798**	**(23,339)**
Net financial indebtedness – continuing operations	**(441,894)**	**(631,423)**
Net financial indebtedness including discontinued operations	**(441,778)**	**(631,423)**

The following table set forth revenues and other income, EBITDA and EBIT of Webuild Group for the year ended 31 December 2020 and 31 December 2019 derived from the 2020 Audited Consolidated Financial Statements.

€/000	**As for Webuild 2020 Consolidated Financial Statements (*)**	**As for Webuild 2019 Consolidated Financial Statements**
Total revenues and other income	5,021,822	5,129,962
EBITDA	760,000	531,159
EBITDA %	*15.1%*	*10.4%*
EBIT	401,398	256,799
EBIT %	*8.0%*	*5.0%*

The following table presents the reconciliation of EBITDA and EBIT to Profit (loss) for the period.

€/000	**As for Webuild 2020 Consolidated Financial Statements (*)**	**As for Webuild 2019 Consolidated Financial Statements**
Profit (loss) for the period	141,930	(14,145)
(Profit) loss from discontinuing operations	5,088	894
Surplus from discontinuing operation	-	-
Income Tax	27,041	69,160
Net (gains) losses on equity investments	108,816	127,704
Net Financial (income) expenses	74,616	77,474
Surplus from financial operations		
Net exchange (gains) losses	43,907	(4,288)
EBIT	**401,398**	**256,799**
Amortisation, depreciation and provisions	185,019	171,937
Impairment losses	173,583	102,423
EBITDA	**760,000**	**531,159**

(*)Total revenues and other income, EBITDA e EBIT include the gain from the bargain purchase of € 548.2 million arisen in connection with the Astaldi Transaction.

The following table set forth Total revenues and other income, EBITDA, Total revenues and other income net of non recurring item and EBITDA net of non recurring item on a pro forma basis as of 31 December 2019.

€/000	**Webuild Unaudited Pro Forma Consolidated Financial Information at 31 December 2019**
Total revenues and other income	7,089,225
EBITDA	1,044,929
EBITDA %	*14.7%*
Total revenues and other income - net of the non recurring item	6,601,615
EBITDA - net of the non recurring items	557,319
EBITDA % - net of the non recurring items	*8.4%*

The following table presents the reconciliation of Total revenues and other income net of non recurring item to Total revenues and other income.

€/000	**Webuild Unaudited Pro Forma Consolidated Financial Information at 31 December 2019**
Total revenues and other income	**7,089,225**
Non recurring item:	
Gain from bargain purchase	(487,610)
Total revenues and other income - net of the non recurring item	**6,601,615**

The following table presents the reconciliation of EBITDA and EBITDA net of non recurring items to profit (loss) for the period.

€/000	**Webuild Unaudited Pro Forma Consolidated Financial Information at 31 December 2019**
Profit (loss) for the period	403,800
(Profit) loss from discontinuing operations	7,514
Income Tax	98,011
Net (gains) losses on equity investments	97,034
Net Financial (income) expenses	118,621
Net exchange (gains) losses	(930)
EBIT	**724,050**
Amortisation, depreciation and provisions	216,290
Impairment losses	104,589
EBITDA	**1,044,929**
Non recurring items:	
Gain from bargain purchase	(487,610)
Condotte Agreement	-
EBITDA - net of the non recurring items	**557,319**

For the year ended 31 December 2019, based on management's view, the Group generated €5,331 million of Adjusted Revenues, €423 million of Adjusted EBITDA and it had a Net Financial Indebtedness of €631.4 million as of 31 December 2019.

For the same period, Adjusted PF Revenues would be €7,290 million and Adjusted PF EBITDA would be €936 million, while, Adjusted PF Revenues net of estimated badwill would be €6,803 million and Adjusted PF EBITDA net of estimated badwill would be €449 million.

The following table set forth Total revenues and other income, EBITDA, Total revenues and other income net of non recurring item and EBITDA net of non recurring item on a pro forma basis as of 30 June 2020.

€/000	**Webuild Unaudited Pro Forma Interim Consolidated Financial Information at 30 June 2020**
Total revenues and other income	3,175,424
EBITDA	619,790
EBITDA %	*19.5%*
Total revenues and other income - net of the non recurring item	2,687,814
EBITDA - net of the non recurring items	147,180
EBITDA % - net of the non recurring items	*5.5%*

The following table presents the reconciliation of Total revenues and other income net of non recurring item to Total revenues and other income.

€/000	**Webuild Unaudited Pro Forma Interim Consolidated Financial Information at 30 June 2020**
Total revenues and other income	**3,175,424**
Non recurring item:	
Gain from bargain purchase	(487,610)
Total revenues and other income - net of the non recurring item	**2,687,814**

The following table presents the reconciliation of EBITDA and EBITDA net of non recurring items to profit (loss) for the period.

€/000	**Webuild Unaudited Pro Forma Interim Consolidated Financial Information at 30 June 2020**
Profit (loss) for the period	321,751
(Profit) loss from discontinuing operations	31,759
Income Tax	31,015
Net (gains) losses on equity investments	(24,426)
Net Financial (income) expenses	50,943
Net exchange (gains) losses	45,074
EBIT	**456,116**
Amortisation, depreciation and provisions	124,049
Impairment losses	39,625

EBITDA	**619,790**
Non recurring items:	
Gain from bargain purchase	(487,610)
Condotte Agreement	15,000
EBITDA - net of the non recurring items	**147,180**

For the six-month period ended 30 June 2020, based on management's view, the Group generated €2,213 million of Adjusted Revenues, €111 million of Adjusted EBITDA and it had Net Financial Indebtedness of €1,098.5 million as of 30 June 2020.

For the same period, Adjusted PF Revenues would be €3,355 million and Adjusted PF EBITDA would be €644 million, while Adjusted PF Revenues net of estimated badwill would be €2,868 million and Adjusted PF EBITDA net of estimated badwill would be €156 million.

The following table set forth Total revenues and other income, EBITDA, Total revenues and other income net of non recurring item and EBITDA net of non recurring item on a pro forma basis as of 31 December 2020.

€/000	**Webuild Unaudited Pro Forma Consolidated Financial Information at 31 December 2020**
Total revenues and other income	6,143,309
EBITDA	785,001
EBITDA %	*12.8%*
Total revenues and other income - net of the non recurring item	5,595,132
EBITDA - net of the non recurring items	251,824
EBITDA % - net of the non recurring items	*4.5%*

The following table presents the reconciliation of Total revenues and other income net of non recurring item to Total revenues and other income.

€/000	**Webuild Unaudited Pro Forma Consolidated Financial Information at 31 December 2020**
Total revenues and other income	**6,143,309**
Non recurring item:	
Gain from bargain purchase	(548,177)
Total revenues and other income - net of the non recurring item	**5,595,132**

The following table presents the reconciliation of EBITDA and EBITDA net of non recurring items to profit (loss) for the period.

€/000	**Webuild Unaudited Pro Forma Consolidated Financial Information at 31 December 2020**
Profit (loss) for the period	80,592
(Profit) loss from discontinuing operations	0

Income Tax	25,789
Net (gains) losses on equity investments	112,003
Net Financial (income) expenses	54,395
Net exchange (gains) losses	81,714
EBIT	**354,494**
Amortisation, depreciation and provisions	257,493
Impairment losses	173,014
EBITDA	**785,001**
Non recurring items:	
Gain from bargain purchase	(548,177)
Condotte Agreement	15,000
EBITDA - net of the non recurring items	**251,824**

For the year ended 31 December 2020, based on management's view, the Group generated €5,314 million of Adjusted Revenues, €779 million of Adjusted EBITDA and it had a Net Financial Indebtedness of €441.9 million as of 31 December 2020.

For the same period, Adjusted PF Revenues would be €6,436 million and Adjusted PF EBITDA would be €804 million, while Adjusted PF Revenues net of estimated badwill would be €5,888 million and Adjusted PF EBITDA net of estimated badwill would be €256 million.

CAPITALISATION

The following table sets forth the Issuer's consolidated cash and cash equivalents, non-current financial liabilities, total shareholders' equity and total capitalization as of 30 June 2021 on an actual basis, without giving effect to (i) the net proceeds of the issue of the Notes, expected to amount to €395,800,000 after deduction of the commission, or (ii) the use of proceeds therefrom. The historical consolidated financial information has been derived from the Issuer's 2021 Unaudited Condensed Interim Consolidated Financial Statements.

Prospective investors should read this table in conjunction with the section entitled "*Use of Proceeds*", and the Issuer's 2021 Unaudited Condensed Interim Consolidated Financial Statements.

	As of 30 June 2021
	(in €thousands)
Cash and cash equivalents	**1,714,739**
Total current indebtedness (A)	599,530
Total non – current indebtedness (B)	2,362,571
Total indebtedness (A+B)	**2,962,101**
Share capital	600,000
Share premium reserve	367,763
Other reserves	170,926
Other comprehensive expense	(219,547)
Profit for the period/year	(59,357)
Retained earnings	495,502
Equity attributable to the owners of the parent (C)	**1,355,287**
Non-controlling interests(D)	651,801
Total Equity (C+D)	**2,007,088**
Total Capitalisation (A+B+C+D)	**4,969,189**

TERMS AND CONDITIONS OF THE NOTES

The €400,000,000 3.875 per cent. Notes due 28 July 2026 (the "**Notes**", which expression includes any further notes issued pursuant to Condition 16 (Further issues) and forming a single series therewith) of Webuild S.p.A. (the "**Issuer**") are issued on 28 January 2022 (the "**Issue Date**") and are subject to, and have the benefit of, a trust deed dated 28 January 2022 (as amended or supplemented from time to time, the "**Trust Deed**") between the Issuer and BNY Mellon Corporate Trustee Services 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**" and the holders of the interest coupons appertaining to the Notes (the "**Couponholders**" and the "**Coupons**", respectively). The issue of the Notes was authorised by the resolutions of the board of directors of the Issuer passed on 25 November 2021 and on 13 January 2022 and was executed by a resolution (*determina*) of the managing director of the Issuer dated 19 January 2022 pursuant to the powers delegated to the managing director by the aforementioned resolutions of the board of directors. 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. Copies of the Trust Deed, and of the Paying Agency Agreement (the "**Paying Agency Agreement**") dated the Issue Date 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 for inspection by Noteholders (i) during usual business hours at the specified office of the Trustee (presently at One Canada Square, London E14 5AL, United Kingdom) 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) and (ii) electronically on request to the Trustee or any of the Paying Agents. The Noteholders and 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 (whether formal or informal), actively co-operate, either Directly or Indirectly, through the acquisition of shares in the Issuer by any of them, to obtain or strengthen its or their control over the Issuer.

"**Affiliate**" means, with respect to any specified Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person.

"**Approved Jurisdiction**" means any country where the Issuer and its Subsidiaries are (or will be) incorporated, or any agency, authority, central bank, department, committee, government, legislature, minister, ministry, official or public or statutory Person (whether autonomous or not) thereof.

"**Asset Sale**" means any lease (other than an operating lease entered into in the ordinary course of business), sale, issuance, sale and lease-back, transfer or other disposition either in one transaction or in a series of related transactions, by the Issuer or any of its Restricted Subsidiaries to a Person, of (a) any of the Issuer's or any Restricted

Subsidiary's properties or assets, or (b) the Capital Stock of any Restricted Subsidiary of the Issuer; provided that "Asset Sale" shall not include:

(i) sales or other dispositions of inventory or stock in trade in the ordinary course of business;

(ii) a disposition of assets between or among the Issuer and any of its Subsidiaries or among Subsidiaries of the Issuer;

(iii) any disposition pursuant to a contractual arrangement or other commitment existing at the Issue Date;

(iv) any disposition with respect to property built, owned or otherwise acquired by the Issuer or any of its Subsidiaries pursuant to customary sale and lease-back transactions, asset securitisations and other similar financings permitted by these Conditions;

(v) any sales, discounts or dispositions of receivables (a) on commercially reasonable terms in the ordinary course of business, (b) in any factoring or supply chain financing transaction or similar transaction in the ordinary course of business or (c) in connection with any Qualified Receivables Financing or Permitted Recourse Receivables Financing;

(vi) a disposition of obsolete, surplus or worn out assets that are no longer used or usable in the conduct of the Permitted Business;

(vii) any "fee in lieu" or other disposition of assets to any governmental authority or agency that continue in use by the Issuer or any Subsidiary, so long as the Issuer or any Subsidiary may obtain title to such assets upon reasonable notice by paying a nominal fee;

(viii) the sale, lease, sublease, assignment or other disposition of any real or personal property or any equipment, inventory, trading stock or other assets in the ordinary course of business, including, without limitation, pursuant to agreements entered into in the ordinary course of business;

(ix) any transfer, termination, unwinding or other disposition of hedging agreements in the ordinary course of business and not for speculative purposes;

(x) sales of assets received by the Issuer or any Subsidiary upon the foreclosure on a Security Interest granted in favour of the Issuer or any Subsidiary or any other transfer of title with respect to any secured investment in default;

(xi) the licensing, sub-licensing, lease, sublease, conveyance or assignment of intellectual property or other general intangibles and licenses, sub-licenses, leases, subleases, conveyances or assignments of other property, in each case, in the ordinary course of business;

(xii) the abandonment or disposition of patents, trademarks or other intellectual property that are, in the good faith opinion of the Issuer, no longer economically practicable to maintain or useful in the conduct of the business of the Issuer and its Subsidiaries taken as a whole;

(xiii) any disposition arising from foreclosure, condemnation or any similar action with respect to any property or other assets;

(xiv) the surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind;

(xv) a disposition of cash or Cash Equivalents;

(xvi) any sale or other disposition made pursuant to, or as a result of, a final judgment or court order related to a liquidation or unpaid claim;

(xvii) discount or disposition of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;

(xviii) any disposition of assets to any governmental authority or agency pursuant to state asset acquisition laws, regulations or rules;

(xix) Investments in Joint Ventures and Project Companies, in each case engaged in a Permitted Business, substantially all of the activity of which is, or will be, the ownership and/or development and/or operation of a project or concession or construction agreement;

(xx) any disposition in connection with a Permitted Reorganisation;

(xxi) dispositions in a single transaction or series of related transactions with a Fair Market Value of less than €100 million;

(xxii) the granting of a Security Interest not prohibited by these Conditions and dispositions in connection with Permitted Security Interests;

(xxiii) (a) an issuance or transfer of Capital Stock by a Subsidiary of the Issuer (i) to the Issuer or to another Subsidiary of the Issuer or (ii) as part of, or pursuant to, an equity incentive or compensation plan approved by the board of directors of the Issuer or any Officer of the Issuer or (b) the issuance of directors' qualifying shares and shares issued to individuals as required by applicable law; and

(xxiv) foreclosure, condemnation or similar action with respect to any assets.

"Auditors" means one of PricewaterhouseCoopers, Ernst & Young, KPMG or Deloitte & Touche or any other firm appointed by the Issuer and approved in writing in advance by the Trustee.

"Calculation Amount" means €1,000 in principal amount of the Notes.

"**Capital Stock**" means:

(i) with respect to any Person that is a corporation, any and all shares, interests, participations or other equivalents (however designated and whether or not voting) of corporate stock, including each class of Common Stock and Preferred Stock of such Person, and all options, warrants or other rights to purchase or acquire any of the foregoing; and

(ii) with respect to any Person that is not a corporation, any and all partnership, membership or other equity interests of such Person, and all options, warrants or other rights to purchase or acquire any of the foregoing.

"**Cash Equivalents**" means:

(i) any evidence of Indebtedness with a maturity of one year or less issued or directly and fully guaranteed or insured by a corporation or other legal entity organised under the laws of an Approved Jurisdiction; provided that the full faith and credit of an Approved Jurisdiction (or similar concept under the laws of the relevant Approved Jurisdiction) is pledged in support thereof; and/or

(ii) commercial paper with a maturity of one year or less issued by a corporation organised under the laws of an Approved Jurisdiction; and/or

(iii) certificates of deposit maturing within one year after the relevant date of calculation and issued by a bank with credit rating not below (i) BBB by to Standard & Poor's Credit Market Services Europe Limited or Fitch Ratings Limited, or (ii) Baa2 by Moody's Investor Services Ltd.; and/or

(iv) any investment in money market funds which have a credit rating of either A-1 or higher by Standard & Poor's Credit Market Services Europe Limited or Fitch Ratings Limited or P1 or higher by Moody's Investor Services Limited and which invest substantially all their assets in securities of the type described in paragraph (i) above and which can be turned into cash on not more than 30 days' notice,

in each case, which is not issued or guaranteed by any member of the Group or subject to any Security Interest.

Each of Standard & Poor's Credit Market Services Europe Limited, Fitch Ratings Limited and Moody's Investor Services Limited is established in the EEA and registered under Regulation (EU) No. 1060/2009, as amended, and is included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority at http://www.esma.europa.eu/page/List-registered-and-certified-CRAs.

A **"Change of Control"** will be deemed to occur if any Person (other than the SAPA Relevant Shareholder) or group of persons Acting in Concert (other than the SAPA Relevant Shareholder) acquires, Directly or Indirectly, Control of the Issuer.

"**Common Stock**" of any Person means any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person's common stock, whether outstanding on the Issue Date or issued after the Issue Date, and includes, without limitation, all series and classes of such common stock.

"Compliance Certificate" means the compliance certificate to be delivered on each Reporting Date and signed by a duly authorised director of the Issuer, certifying, amongst others, that the Issuer is and has been in compliance with the covenants set out in Condition 4 (Covenants) at all times during the Relevant Period.

"**Consolidated Coverage Ratio**" means, as of any Determination Date, the ratio of (i) the Consolidated EBITDA for the Relevant Period ending on that Determination Date and (ii) the Consolidated Gross Interest Expenditure for that Relevant Period. In the event that the Issuer or any Subsidiary incurs, assumes, guarantees, repays, repurchases, redeems or otherwise discharges any Indebtedness subsequent to the commencement of the period for which the calculation of the Consolidated Coverage Ratio is made, then the Consolidated Coverage Ratio will be calculated giving pro forma effect (as determined in good faith by reference to the most recent Compliance Certificate) to such

incurrence, assumption, guarantee, repayment, repurchase, redemption or other discharge of Indebtedness, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable Relevant Period.

"Consolidated EBITDA" means, in respect of any Relevant Period, the consolidated operating profit of the Group before taxation (including the results from discontinued operations):

(i) **before deducting** any interest, commission, fees, discounts, prepayment fees, premiums or charges and other finance payments, whether paid, payable or capitalised by any member of the Group (calculated on a consolidated basis) in respect of that Relevant Period;

(ii) **not including** any accrued interest owing to any member of the Group;

(iii) **after adding back** any amount attributable to provisions and the amortisation, **depreciation** or impairment of assets of members of the Group (and taking no account of the reversal of any previous impairment charge made in that Relevant Period);

(iv) **before taking into account** any Exceptional Items related to the members of the Group;

(v) **before taking into account** any unrealised gains or losses on any derivative **instrument** (other than any derivative instrument which is accounted for on a hedge accounting basis);

(vi) **before taking into account** any gain or loss arising from an upward or **downward** revaluation of any other asset; and

(vii) **excluding** the charge to profit represented by the expensing of stock options,

in each case, to the extent added, deducted or taken into account, as the case may be, for the purposes of determining operating profits of the Group before taxation.

"Consolidated Gross Interest Expenditure" means, for any Relevant Period, all interest expense of the Group for such period (including capitalised interest) determined on a consolidated basis in accordance with the Accounting Principles.

"**Consolidated Indebtedness**" means, at any date of determination (and without duplication), all Indebtedness of the Group resulting from the then most recently available consolidated financial statements of the Issuer.

"**Consolidated Net Income**" means, in respect of any Relevant Period, the consolidated net income of the Group in respect of that Relevant Period determined in accordance with the latest consolidated financial statements of the Issuer.

"**Consolidated Net Indebtedness**" means Consolidated Indebtedness less (i) the amount of Readily Marketable Inventories and (ii) cash and Cash Equivalents, in each case as resulting from the latest consolidated financial statements of the Issuer.

"**Consolidated Net Leverage Ratio**" means, as at any date of determination, the ratio of: (1) the Consolidated Net Indebtedness, to (2) the Consolidated EBITDA for the period of the Issuer's most recent two consecutive fiscal semesters for which consolidated financial statements of the Issuer are available prior to the date of determination.

"Consolidated Total Assets" means, at any time, the consolidated total assets of the Group.

''**Contractual Bonds**'' means performance bonds, bid bonds, advance payment bonds, retention bonds, bonds for taxes and any other similar bond or guarantee instrument, granted directly or indirectly, including by means of a counter guarantee.

"Control" or **"Controlled"** has the meaning given to it by article 2359 of the Italian Civil Code and/or article 7 of Law No. 287 of 10 October 1990 and/or (where applicable) article 93 of Legislative Decree No. 58 of 24 February 1998.

"DCM Indebtedness" means (i) any indebtedness for or in respect of moneys borrowed or raised which is in the form of, or represented by, any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange, over the counter or on any other organised market for securities or (ii) any guarantee and/or indemnity in relation to any such indebtedness.

"**Determination Date"** means each of 31 December and 30 June in each year.

"Directly or Indirectly" means ownership in any Person either (i) directly through the ownership of shares in that Person or (ii) indirectly through the ownership of shares held in one or more controlling companies of that person.

''**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).

"Event of Default" has the meaning given to it in Condition 10.

"Exceptional Items" means any exceptional, one-off, non-recurring or extraordinary items which represent gains or losses, including those arising on:

(i) the restructuring of the activities of an entity and reversals of any provisions for the cost of restructuring;

(ii) disposals, revaluations, write-downs or impairment of non-current assets or any reversal of any write-down or impairment; and

(iii) disposals of assets associated with discontinued operations.

"**Fair Market Value**" means the price that could be negotiated in an arm's length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by the board of directors of the Issuer or any Subsidiary or any Officer of the Issuer or any Subsidiary, as the case may be, whose determination shall be conclusive if evidenced by a resolution of such relevant competent management body.

"Finance Lease" means any lease or hire purchase contract which would, in accordance with the Accounting Principles, be treated as a finance or capital lease.

"Financial Year" means the annual accounting period of the Group ending on 31 December in each year.

"Fitch" means Fitch Ratings Ireland Limited Sede Secondaria Italiana or any successor thereto from time to time.

"Group" means the Issuer and its Subsidiaries from time to time.

"Indebtedness" means any indebtedness for or in respect of:

(i) moneys borrowed and debit balances at banks or other financial institutions (including any overdraft);

(ii) any acceptance under any acceptance credit or bill discounting facility (or dematerialised equivalent);

(iii) any indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market;

(iv) the amount of any liability in respect of Finance Leases;

(v) receivables sold or discounted (other than any receivables sold on a non-recourse basis);

(vi) any Treasury Transaction (and, when calculating the value of that Treasury Transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that Treasury Transaction, that amount) shall be taken into account);

(vii) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability (but not, in any case, Trade Instruments) of an entity which is not a member of the Group, which liability would fall within one of the other paragraphs of this definition;

(viii) any amount raised by the issue of shares which are redeemable (other than at the option of the issuer) or are otherwise classified as borrowings under the Accounting Principles);

(ix) any amount of any liability under an advance or deferred purchase agreement if (A) one of the primary reasons behind entering into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question or (B) the agreement is in respect of the supply of assets or services and payment is due more than 120 days after the date of supply;

(x) any amount raised under any other transaction (including any forward sale or purchase, sale and sale back or sale and leaseback agreement) having the commercial effect of a borrowing or otherwise classified as borrowings under the Accounting Principles; and

(xi) (without double counting) the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (i) to (x) above.

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, accordi di ristrutturazione* 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, including the seeking of liquidation, winding-up, reorganisation, dissolution, administration, receivership, arrangement, adjustment, protection or relief of debtors) 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 60 days;

(ii) an application for the commencement of any of the proceedings under paragraph (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 60 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.

"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.

"**Investments"** means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including guarantees or other obligations), advances or capital contributions or other extension of credit (excluding commission, travel and similar advances to officers and employees made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as Investments on a balance sheet prepared in accordance with the Accounting Principles; provided, however, that endorsements of negotiable instruments and documents in the ordinary course of business will not be deemed to be an Investment. If the Issuer or any Subsidiary of the Issuer sells or otherwise disposes of any Equity Interests of any direct or indirect Subsidiary of the Issuer such that, after giving effect to any such sale or disposition, such Person is no

longer a Subsidiary of the Issuer, the Issuer will be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Issuer's Investments in such Subsidiary. The acquisition by the Issuer or any Subsidiary of the Issuer of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Issuer or such Subsidiary in such third Person in an amount equal to the Fair Market Value of the Investments held by the acquired Person in such third Person in an amount determined as provided in Condition 4(b)(iii). Except as otherwise provided in these Conditions, the amount of an Investment will be determined at the time the Investment is made and without giving effect to subsequent changes in value.

"**Joint Venture**" means any joint venture entity, whether an unincorporated firm, undertaking, association, joint venture or partnership or any other entity, including any consortium or temporary association of companies (*associazione temporanea di imprese*).

"**Management Advances**" means loans or advances made to, or guarantees with respect to loans or advances made to, directors, officers, employees or consultants of the Issuer or any Subsidiary:

(1) (a) in respect of travel, entertainment or moving related expenses Incurred in the ordinary course of business or (b) for purposes of funding any such person's purchase of Capital Stock or Subordinated Indebtedness (or similar obligations) of the Issuer or its Subsidiaries;

(2) in respect of moving related expenses incurred in connection with any closing or consolidation of any facility or office; or

(3) not exceeding the greater of €20 million and 8.0% of Consolidated EBITDA in the aggregate outstanding at any time.

"**Market Capitalisation**" means an amount equal to the total number of issued and outstanding shares of common stock or common equity interests of the Issuer on the date of the declaration of the relevant dividend multiplied by the arithmetic mean of the closing prices per share of such common stock or common equity interests for the thirty (30) consecutive trading days immediately preceding the date of declaration of such dividend or distribution or the making of the relevant loan or advance.

"Material Subsidiary" means, at any time, any Subsidiary of the Issuer which (consolidated with its own Subsidiaries, if any) accounts for at least 10 per cent. of the Consolidated EBITDA, the Consolidated Total Assets or the Group's gross revenues (excluding intra-group items), or any holding company of any such company. For the purposes of this definition, compliance with the conditions set out above shall be determined by reference to the most recent Compliance Certificate and/or the latest audited financial statements of that Subsidiary (consolidated in the case of a Subsidiary which itself has Subsidiaries) and the latest audited consolidated financial statements of the Group. However, if a Subsidiary has been acquired since the date as at which the latest audited consolidated financial statements of the Group were prepared, the financial statements shall be deemed to be adjusted in order to take into account the acquisition of that Subsidiary (that adjustment being certified by the Group's Auditors as representing an accurate reflection of the revised the Consolidated EBITDA, the Consolidated Total Assets or the Group's gross revenues (excluding intra-group items)). A report by the Auditors of the Issuer or a certificate signed by a duly authorised director of the Issuer

that a Subsidiary is or is not a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Trustee, the Noteholders and all other persons.

"Moody's" means Moody's Investors Service Limited or any successor thereto from time to time.

"**Net Cash Proceeds**" means:

(a) with respect to any Asset Sale, the proceeds thereof in the form of cash or Cash Equivalents actually received (except to the extent that such obligations are financed or sold with recourse to the Issuer or any Subsidiary), net of:

(i) brokerage commissions and other fees and expenses (including, without limitation, fees and expenses of legal counsel, accountants, investment banks and other consultants) related to such Asset Sale;

(ii) provisions for all taxes paid or payable, or required to be accrued as a liability under the Accounting Principles as a result of such Asset Sale;

(iii) all distributions and other payments required to be made to any Person (other than the Issuer or any Subsidiary) owning a beneficial interest in the assets subject to the Asset Sale;

(iv) appropriate amounts required to be provided by the Issuer or any Subsidiary, as the case may be, as a reserve in accordance with the Accounting Principles against any liabilities associated with such Asset Sale and retained by the Issuer or any Subsidiary, as the case may be, after such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations or potential purchase price adjustments associated with such Asset Sale;

(v) any other reasonable expenses which are incurred by any member of the Group with respect to the Asset Sale up to a total, per each Asset Sale, equal to 5% of the relevant consideration; and

(b) with respect to any capital contributions or issuance of Capital Stock or options, warrants or rights to purchase Capital Stock, or debt securities or Capital Stock that have been converted into or exchanged for Capital Stock as referred to in Condition 4(b) (*Restricted Payments*) the proceeds of such issuance in the form of cash or Cash Equivalents, payments in respect of deferred payment obligations when received in the form of, or stock or other assets when disposed of for, cash or Cash Equivalents (except to the extent that such obligations are financed or sold with recourse to the Issuer or any Subsidiary), net of attorney's fees, accountant's fees and brokerage, consultation, underwriting and other fees and expenses actually incurred in connection with such issuance and net of taxes paid or payable as a result of thereof.

"**Officer**" means, with respect to any Person, the chief executive officer and the chief financial officer of such Person, or a responsible accounting or financial officer or other competent officer or body of such Person.

"**Permitted Asset Swap**" means the concurrent purchase and sale by way of exchange of Capital Stock or assets used or useful in a Permitted Business between the Issuer or any of its Restricted Subsidiaries and another Person.

"**Permitted Business**" means any business that is the same as, or reasonably related, ancillary, incidental or complementary or similar to, any of the businesses in which the Issuer and its Subsidiaries are engaged on the Issue Date or are extensions or developments of any thereof.

"Permitted Indebtedness" means:

(i) any Indebtedness of the Issuer or a Subsidiary outstanding on the Issue Date and any extension, renewal, refunding or refinancing thereof (the **"Existing Permitted Indebtedness"**), provided that the principal amount thereof outstanding immediately before giving effect to such extension, renewal, refunding or refinancing is not increased so as to exceed the principal amount of such Existing Permitted Indebtedness outstanding on the Issue Date;

(ii) any Indebtedness of a Subsidiary outstanding at the time such Subsidiary becomes a Subsidiary and any extension, renewal, refunding or refinancing of such Indebtedness (the **"Acquired Subsidiary Indebtedness"**), provided that (A) such Acquired Subsidiary Indebtedness shall not have been incurred in contemplation of such Subsidiary becoming a Subsidiary and (B) immediately after such Subsidiary becomes a Subsidiary, no Event of Default shall exist;

(iii) any Indebtedness of a Subsidiary owing to or in favour of the Issuer or any other Subsidiary;

(iv) any Project Indebtedness incurred in relation to any Project (other than the Indebtedness referred to paragraph (v) below);

(v) any Indebtedness of a Subsidiary which is not a Material Subsidiary (the **"Other Permitted Indebtedness"**); and

(vi) any Indebtedness of the Issuer and/or the Material Subsidiaries (other than the Indebtedness referred to in paragraphs (i) to (v) above) up to an aggregate principal amount equal to 15 per cent. of Consolidated Total Assets, determined as of the latest Determination Date (the **"Material Permitted Indebtedness"**).

"**Permitted Recourse Receivables Financing**" means any financing other than a Qualified Receivables Financing pursuant to which the Issuer or any of its Subsidiaries may sell, convey or otherwise transfer to any other Person, or grant a security interest in, any Securitisation Assets (and related assets) of the Issuer or any of its Subsidiaries in an aggregate principal amount equal to the Fair Market Value of such Securitisation Assets (and related assets); provided that (a) the covenants, events of default and other provisions applicable to such financing shall be on market terms (as determined in good faith by the Issuer's board of directors or Officer) at the time such financing is entered into and (b) the interest rate applicable to such financing shall be a market interest rate (as determined in good faith by the Issuer's board of directors or Officer) at the time such financing is entered into.

"Permitted Reorganisation" means any solvent amalgamation, merger, demerger or reconstruction involving the Issuer or any Subsidiary under which the assets and liabilities of the Issuer or the relevant Subsidiary are assumed by the entity resulting from

such amalgamation, merger, demerger or reconstruction and, where the same involves the Issuer:

(i) such entity assumes all the obligations of the Issuer in respect of the Notes, and an opinion of an independent legal adviser of recognised standing in the Republic of Italy has been delivered to the Trustee, on behalf of the Noteholders, confirming the same prior to the effective date of such amalgamation, merger or reconstruction; and

(ii) (A) within 120 days of the completion of such transaction, such entity will be assigned at least the same corporate credit rating as the Issuer and (B) at the time of such transaction the Consolidated Coverage Ratio of such entity relating to the Relevant Period referred to in the latest Compliance Certificate (to the extent applicable pursuant to Condition 4 (Covenants) and as determined on a *pro forma* basis) is higher than the threshold set out in Condition 4 (Covenants)),

unless such amalgamation, merger, demerger or reconstruction has been approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders, and provided, however, that, in case of any solvent amalgamation, merger, demerger or reconstruction between the Issuer and any Subsidiary fully owned by the Issuer, (A) where the assets are transferred to or otherwise vested with the Issuer, the opinion set out in paragraph (i) will not be required or necessary and (B) the condition set out in paragraph (ii)(B) shall not apply.

"Permitted Security Interest" means:

(i) any Security Interest arising by operation of law;

(ii) any Security Interest to secure, respectively, the Existing Permitted Indebtedness, the Acquired Subsidiary Indebtedness and the Other Permitted Indebtedness;

(iii) any Security Interest to secure the Material Permitted Indebtedness;

(iv) any Project Security Interest;

(v) any Security Interest to secure the Indebtedness upon, or with respect to, any present or future assets, receivables, remittances or payment rights of the Issuer or any of its Subsidiaries (the **"Charged Assets"**) which is created pursuant to any securitisation or like arrangements whereby all or substantially all the payment obligations in respect of such Indebtedness are to be discharged solely from the Charged Assets; and

(vi) any Security Interest created in substitution of, or supplementing, any Security Interest permitted under paragraphs (ii) to (v) above over the same or substituted assets, provided that (A) the principal amount secured by the substitute Security Interest does not exceed the principal amount outstanding and secured by the initial Security Interest, (B) in the case of substituted assets, the market value of the substituted assets as at the time of substitution does not exceed the market value of the assets replaced, as determined and confirmed in writing by the Issuer (acting reasonably), (C) in the case of a Security Interest being supplemented, such supplementing was provided for under the relevant contractual arrangements at the time of creation of the Security Interest and is required to comply with such contractual arrangements, and (D) the duration of the substitute Security Interest does not exceed the duration of the initial Security Interest.

"**Preferred Stock**" of any Person means any Capital Stock of such Person that has preferential rights to any other Capital Stock of such Person with respect to dividends or redemptions or upon liquidation;

"Proceedings" means any legal action or proceedings arising out of or in connection with the Notes or the Coupons.

"**Production Assets**" means property, plant and equipment of the Group determined in accordance with the Accounting Principles which are used in the business of the Group.

"Project" means the ownership, acquisition, construction, development, design, leasing, maintenance and/or operation of an asset or assets and/or subscription of equity or shareholder loans by shareholders of the entity promoting such project.

"Project Company" means a company incorporated for the exclusive purpose of carrying out a Project in which the Issuer or any of its Subsidiaries has an equity interest.

"Project Indebtedness" means any Indebtedness to finance or refinance a Project where the recourse of the creditors thereof is limited to any or all of (i) the relevant Project (or the concession or assets related thereto), (ii) the share capital of, or other equity contribution to, the Project Company or Project Companies developing, financing or otherwise directly involved in the relevant Project, and/or (iii) other credit support (including, without limitation, completion guarantees and contingent equity obligations) customarily provided in support of such indebtedness.

"Project Security Interest" means a Security Interest over the shares or the assets of a Project Company to secure the Project Indebtedness of such Project Company.

"**Qualified Receivables Financing**" means any transaction or series of transactions that may be entered into by the Issuer or any of its Subsidiaries pursuant to which the Issuer or any of its Subsidiaries may sell, convey or otherwise transfer to (a) a Receivables Subsidiary or (b) any other Person, or may grant a security interest in, any receivables (whether now existing or arising in the future) of the Issuer or any of its Subsidiaries, and any assets related thereto including, without limitation, all contracts and all guarantees or other obligations in respect of such accounts receivable, the proceeds of such receivables, the bank accounts into which the proceeds of such receivables are collected and other assets which are customarily transferred, or in respect of which security interests are customarily granted, in connection with asset securitisations, receivable sale facilities, factoring facilities or invoice discounting facilities involving receivables; provided that the board of directors or an Officer will have determined in good faith that such Qualified Receivables Financing (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to the Issuer and the applicable Subsidiary or Receivables Subsidiary.

"Rating Agencies" means Fitch, Moody's and S&P.

A **"Rating Event"** will have occurred if, and will be deemed to be outstanding for so long as:

(i) (A) the unsecured, unsubordinated debt obligations of the Issuer are rated by at least two of the Rating Agencies and (B) at least one of the Rating Agencies has assigned such debt obligations a rating of not lower than (I) Baa3 by Moody's, (II) BBB by S&P or (III) BBB by Fitch; and

(ii) no Event of Default has occurred and is continuing.

"**Readily Marketable Inventories**" means the balance-sheet value of all finished products, raw materials and energy supplies that can be readily convertible into cash through access to widely available markets.

"**Receivables Subsidiary**" means a wholly owned Subsidiary of the Issuer (or another Person formed for the purposes of engaging in a Qualified Receivables Financing with the Issuer in which the Issuer or any Subsidiary of the Issuer makes an Investment and to which the Issuer or any Subsidiary of the Issuer transfers accounts receivable and related assets) which engages in no activities other than in connection with the financing of accounts receivable of the Issuer and its Subsidiaries.

"Reference Bond" means DBR 0.50% 15/2/2026;

"Reference Bond Rate" means, with respect to the Reference Dealers and the Optional Redemption Date, the average of the five quotations of the mid-market annual yield to maturity of the Reference Bond or, if the Reference Bond is no longer outstanding, a similar security in the reasonable judgement of the Reference Dealers at 11.00 a.m. London time on the third business day in London preceding the Optional Redemption Date quoted in writing to the Issuer by the Reference Dealers.

"Reference Dealers" means BofA Securities Europe SA, Goldman Sachs International, Intesa Sanpaolo S.p.A., Natixis and UniCredit Bank AG or their successors.

"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 Period" means a 12-month period ending on a Determination Date.

"Reporting Date" means a date falling no later than 60 days after (i) the approval by the board of directors of the Issuer's consolidated financial statements, with respect to the Relevant Period ending on 31 December, or (ii) the approval by the board of directors of the Issuer's unaudited semi-annual consolidated financial statements, with respect to a Relevant Period ending on 30 June, provided that the first Reporting Date shall be the date falling no later than 60 days after the approval by the board of directors of the Issuer's consolidated financial statements as of, and for the period ended, 31 December 2019.

"**Restricted Subsidiary**" means any Subsidiary other than the Subsidiaries that are also Project Companies.

"S&P" means S&P Global Ratings Europe Limited or any successor thereto from time to time.

"SAPA Relevant Shareholders" means Mr Pietro Salini, born in Rome on 29 March 1958 and/or any company Controlled, Directly or Indirectly, jointly or severally, by the same and/or any trustee, fiduciary or similar Person appointed to administer assets of the same where he is the sole beneficiary and whose administration is made exclusively in the interests of the same.

"Security Interest" means, without duplication, a mortgage, charge, pledge, lien or other security interest or other preferential interest or arrangement having a similar economic effect, excluding any right of set-off, but including any conditional sale or other title retention arrangement or any finance leases.

"**Securitisation Asset**" means (1) any accounts receivable, mortgage receivables, loan receivables, royalty, franchise fee, license fee, patent, rent or other revenue streams and other rights to payment or related assets and the proceeds thereof and (2) all collateral securing such receivable or asset, all contracts and contract rights, guarantees or other obligations in respect of such receivable or asset, lockbox accounts and records with respect to such account or asset and any other assets customarily transferred (or in respect of which security interests are customarily granted) together with accounts or assets in connection with a securitisation, factoring or receivable sale transaction.

"**Subordinated Indebtedness**" means Indebtedness of the Issuer that is expressly subordinated in right of payment to the Notes.

"Subsidiary" means, in relation to any company, corporation or legal entity (excluding, for the avoidance of doubt, (i) any consortium pursuant to article 2602 of the Italian civil code and (ii) any Joint Venture) (a "holding company"), any company, corporation or legal entity (excluding, for the avoidance of doubt, (i) any consortium pursuant to article 2602 of the Italian civil code and (ii) any Joint Venture) which is Controlled, Directly or Indirectly, by the holding company.

"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.

"Trade Instruments" means any bid bonds, performance bonds, advance payment bonds, retention money bonds or documentary letters of credit issued in respect of the obligations of any member of the Group arising in the ordinary course of trading of that member of the Group.

"Treasury Transactions" means any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price.

(b) **Interpretation:** In these Conditions:

(i) **"business day"** means a day on which commercial banks and foreign exchange markets are open in the relevant city 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 (A) the date on which such payment first becomes due and (B) 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 this Condition or any undertaking given in addition to or substitution for it 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 16 (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 each with Coupons attached on issue and integral multiples of €1,000 in excess thereof, up to and including €199,000, with Coupons attached at the time of issue. No Notes in definitive form will be issued with a denomination 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 5 (Negative pledge)) 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 5 (Negative pledge), at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

4 Covenants

(a) **Limitation on Indebtedness:** So long as any of the Notes or Coupons remains outstanding (as defined in the Trust Deed), the Issuer shall not, and shall procure that none of its Subsidiaries will, incur any additional Indebtedness (other than the Permitted Indebtedness) if, on the date of the incurrence of such additional Indebtedness, the Consolidated Coverage Ratio relating to the Relevant Period referred to in the latest Compliance Certificate is less than 2.5:1.0, determined on a pro forma basis, assuming for these purposes that such additional Indebtedness has been incurred, and the net proceeds thereof applied, on the first day of the applicable Relevant Period.

(b) **Restricted Payments**: The Issuer will not, and will not cause or permit any of its Subsidiaries to, directly or indirectly:

(i) declare or pay any dividend or make any distribution (other than dividends or distributions payable solely in the form of its Capital Stock) on or in respect of its Capital Stock to holders of such Capital Stock;

(ii) purchase, redeem or otherwise acquire or retire for value any of its Capital Stock;

(iii) make any principal payment on, purchase, defease, redeem, prepay, decrease or otherwise acquire or retire for value, prior to any scheduled final maturity,

scheduled repayment or scheduled sinking fund payment, any Subordinated Indebtedness;

(each of the foregoing actions set forth in paragraphs (i), (ii) and (iii) being referred to as a "**Restricted Payment**"), if at the time of such Restricted Payment or immediately after giving effect thereto:

(i) an Event of Default shall have occurred and be continuing; or

(ii) the Issuer would not be able to incur at least €1.00 of additional Indebtedness pursuant to the ratio set forth in Condition 4(a) (*Limitation on Indebtedness*); or

(iii) the aggregate amount of Restricted Payments (including such proposed Restricted Payment) made subsequent to the Issue Date after giving effect to the reductions required by the penultimate paragraph of this Condition 4 (the amount expended for such purposes, if other than in cash, being the fair market value of such property as determined in good faith by the board of directors of the Issuer or an Officer of the Issuer) would exceed the sum of:

(A) 50 per cent. of the cumulative Consolidated Net Income (or if cumulative Consolidated Net Income shall be a loss, minus 100 per cent. of such loss but with the resulting amount of this paragraph (A) not being less than zero) of the Issuer earned subsequent to 15 December 2020 and on or prior to the last day of the Issuer's last fiscal semester ending prior to the date of such proposed Restricted Payment (the "**Reference Date**") (treating such period as a single accounting period); plus

(B) 100 per cent. of the aggregate net cash proceeds and of the fair market value of any marketable securities, in each case, received by the Issuer from any person (other than a Subsidiary of the Issuer) from the issuance and sale subsequent to the Issue Date of (i) Capital Stock of the Issuer and (ii) debt securities of the Issuer or its Subsidiaries that have been converted into Capital Stock of the Issuer; plus

(C) the greater of (A) €75 million and (B) 30% of EBITDA of the Issuer and its Subsidiaries for the most recently ended two full fiscal semesters for which consolidated financial statements are available immediately preceding the date of calculation.

Notwithstanding the foregoing, the provisions set forth in the immediately preceding paragraph do not prohibit; provided that solely with respect to sub-paragraphs (e), (f) and (g) below, no Event of Default has occurred and is continuing:

(a) the payment of any dividend within 90 days after the date of declaration of such dividend if the dividend would have been permitted on the date of declaration;

(b) the redemption, repurchase, retirement, defeasance or other acquisition of any shares of Capital Stock or Subordinated Indebtedness of the Issuer, either (i) solely in exchange for shares of Capital Stock of the Issuer or (ii) through the application of net proceeds of a substantially concurrent sale for cash (other than to a Subsidiary of the Issuer) of shares of Capital Stock

of the Issuer or equity contributions to the Issuer or (iii) through an issuance of Subordinated Indebtedness of the Issuer or (iv) a combination of (i), (ii) and (iii);

(c) the declaration and/or payment of any dividend by a Subsidiary of the Issuer (i) to the Issuer, also in excess of the participation of the Issuer in the Capital Stock of such Subsidiary or (ii) to the holders of its Capital Stock (other than the Issuer) on a pro rata basis;

(d) repurchases of Capital Stock deemed to occur upon exercise of stock options or warrants if such Capital Stock represents a portion of the exercise price of such options or warrants;

(e) any Restricted Payment; provided that the Consolidated Net Leverage Ratio would not be greater than 2.60 to 1.00 on a pro forma basis after giving effect to such Restricted Payment;

(f) additional Restricted Payments in an aggregate amount not to exceed the greater of €375 million and 3.25% of Consolidated Total Assets; and

(g) the declaration and payment by the Issuer of, dividends on the Capital Stock of the Issuer, in an amount not to exceed in any fiscal year 8% of the Market Capitalisation (provided that after giving pro forma effect to such dividends or distributions, the Consolidated Net Leverage Ratio would not exceed 3.60 to 1.0).

In determining the aggregate amount of Restricted Payments made subsequent to the Issue Date in accordance with sub-paragraph (iii) of the definition of "Restricted Payments" in the first paragraph of this covenant, amounts expended pursuant to sub-paragraphs (e), (f) and (g) shall be included in such calculation and will reduce the amount that would otherwise be available for Restricted Payments under sub-paragraph (iii) of the definition of "Restricted Payments" in the first paragraph of this covenant.

In the event an item meets the criteria of more than one category of Restricted Payment the Issuer in its sole discretion, may classify any other Restricted Payment as being made in part under one of the paragraphs or sub-paragraphs of this covenant and in part under one or more other such paragraphs or sub-paragraphs.

(c) **Limitation on Sales of Certain Assets**:

The Issuer will not, and the Issuer will not permit any Restricted Subsidiary of the Issuer to, consummate any Asset Sale, unless

(A) the consideration received by the Issuer or such Restricted Subsidiary, as the case may be, (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise) is at least equal to the Fair Market Value of the Production Assets or Capital Stock of a Subsidiary of the Issuer holding Production Assets, as the case may be, sold or disposed of;

(B) at least 75% of the consideration the Issuer or any Restricted Subsidiary receives in respect of such Asset Sale (except to the extent the Asset Sale is a Permitted Asset Swap) is cash or Cash Equivalents.

If the Issuer or any of its Restricted Subsidiaries consummates an Assets Sale, the Net Cash Proceeds may be:

(i) applied to repay permanently any Consolidated Indebtedness and/or pay any other Indebtedness and/or obligations of the Group (other than Indebtedness subordinated to the Notes);

(ii) utilised for any transaction between the Issuer and any of its Subsidiaries and/or between its Subsidiaries;

(iii) invested in assets of a nature or type that is used or usable in the ordinary course of business of the Issuer or any of the Issuer's Subsidiaries, being the Permitted Business;

(iv) retained as cash deposited with a bank or invested in Cash Equivalents; and/or

(v) applied for the purposes of (i) acquiring all or substantially all of the assets of, or any Capital Stock of, another Permitted Business, if, after giving effect to any such acquisition of Capital Stock, the Permitted Business is or becomes a Subsidiary of the Issuer, or (ii) acquiring the Capital Stock of any other Person engaged in a Permitted Business in connection with any stock for stock or asset swap transaction;

(vi) make capital expenditures;

(vii) applied towards the making of Investments in Joint Ventures engaged in a Permitted Business (substantially all of the activity of which is, or will be, the ownership and/or development and/or operation of a project or concession or construction agreement); provided that any such investment made pursuant to a binding agreement or commitment that is executed or approved within such time frame will satisfy this requirement, so long as such investment is consummated within 36 months of the expiration of the 365-day term set forth herein; or

(viii) a combination of the foregoing,

in each case, within 365 days of the date when the Net Cash Proceeds are received; *provided* that, if the Net Cash Proceeds are applied pursuant to Condition 4(c)(iv), the Issuer or such Subsidiary, as the case may be, shall apply or invest the Net Cash Proceeds on or prior to the date falling 540 days after the date when such proceeds are received either to:

(a) repay permanently any Consolidated Indebtedness and/or pay any other Indebtedness and/or obligations of the Group (other than Indebtedness subordinated to the Notes);

(b) utilised for any transaction between the Issuer and any of its Subsidiaries and/or between the Subsidiaries;

(c) invest in assets of a nature or type that is used or usable in the ordinary course of business of the Issuer or any of the Issuer's Subsidiaries, within the parameters of the Permitted Business;

(d) make capital expenditures;

(e) be applied for the purposes of (i) acquiring all or substantially all of the assets of, or any Capital Stock of, another Permitted Business, if, after giving effect to any such acquisition of Capital Stock, the Permitted Business is or becomes a

Subsidiary of the Issuer, or (ii) acquiring the Capital Stock of any other Person engaged in a Permitted Business in connection with any stock for stock or asset swap transaction; or

(f) be applied towards the making of Investments in Joint Ventures engaged in a Permitted Business (substantially all of the activity of which is, or will be, the ownership and/or development and/or operation of a project or concession or construction agreement); provided that any such investment made pursuant to a binding agreement or commitment that is executed or approved within such time frame will satisfy this requirement, so long as such investment is consummated within 36 months of the expiration of the 365-day term set forth herein,

it being understood that the Trustee shall have no duty to monitor the expiry of any such periods set forth herein.

Any Net Cash Proceeds from Asset Sales that are not applied or invested as provided in sub-paragraphs (a) to (f) above will constitute "**Excess Proceeds**". When the aggregate amount of Excess Proceeds exceeds the greater of 0.75% of the Consolidated Assets or €60 million, within 20 business days thereof, the Issuer will make an offer (an "**Asset Sale Offer**") to all Noteholders and, to the extent the Issuer elects, to all holders of other Indebtedness ranking *pari passu* with the Notes to purchase, prepay or redeem the maximum principal amount of Notes and such other *pari passu* Indebtedness (plus all accrued interest on the Indebtedness and the amount of all fees and expenses, including premiums, incurred in connection therewith) that may be purchased, prepaid or redeemed out of the Excess Proceeds. The offer price in any Asset Sale Offer will be equal to 100% of the principal amount, plus accrued and unpaid interest, if any, to the date of purchase, prepayment or redemption, subject to the rights of Noteholders to receive interest due on the relevant Interest Payment Date, and will be payable in cash. If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Issuer may use those Excess Proceeds for any purpose not otherwise prohibited by these Conditions. If the aggregate principal amount of Notes and other *pari passu* Indebtedness tendered into (or required to be prepaid or redeemed in connection with) such Asset Sale Offer exceeds the amount of Excess Proceeds, the Notes will be purchased, prepaid or redeemed by the Issuer on a *pro rata* basis using a pool factor and such other *pari passu* Indebtedness to be purchased on a *pro rata* basis, based on the amounts tendered or required to be prepaid or redeemed. For the purposes of calculating the aggregate principal amount of any such Indebtedness not denominated in euro, such Indebtedness shall be calculated by converting any such aggregate principal amounts into their euro equivalent determined as of a date selected by the Issuer that is within the Asset Disposition Offer Period (as defined below). Upon completion of each Asset Sale Offer, the amount of Excess Proceeds will be reset at zero.

The Asset Sale Offer, in so far as it relates to the Notes, will remain open for a period of not less than 20 business days following its commencement (the ''**Asset Sale Offer Period**"). No later than five business days after the termination of the Asset Sale Offer Period (the ''**Asset Sale Purchase Date"**), the Issuer will purchase the aggregate principal amount of Notes, and, to the extent it elects, Indebtedness ranking *pari passu* with the Notes required to be purchased pursuant to this covenant (the ''**Asset Sale Offer**

Amount") or, if less than the Asset Sale Offer Amount has been so validly tendered, all Notes and *pari passu* Indebtedness validly tendered in response to the Asset Sale Offer.

On or before the Asset Sale Purchase Date, the Issuer will, to the extent lawful, accept for payment, on a *pro rata* basis to the extent necessary, the Asset Sale Offer Amount of Notes and *pari passu* Indebtedness or portions of Notes and such *pari passu* Indebtedness so validly tendered and not properly withdrawn pursuant to the Asset Sale Offer, or if less than the Asset Sale Offer Amount has been validly tendered and not properly withdrawn, all Notes and *pari passu* Indebtedness so validly tendered and not properly withdrawn and, in the case of the Notes, in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof.

The Issuer will comply with all applicable securities laws and regulations to the extent those laws and regulations are applicable in connection with each repurchase of Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the "Asset Sale" provision of these Conditions, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under any such provision of these Conditions by virtue of such compliance.

(d) **Limitation on transactions with Affiliates**:

The Issuer will not, and shall ensure that none of its Restricted Subsidiaries, directly or indirectly, will, conduct any business, enter into or permit to exist any transaction or series of related transactions (including, without limitation, the purchase, sale, transfer, conveyance or exchange of any property or the rendering of any service) with, or for the benefit of, any Affiliate (as defined in Rule 405 of the United States Securities Act of 1933, as amended, an "**Affiliate**" and each such transaction, an "**Affiliate Transaction**"), including, without limitation, intercompany loans, unless,

(a) the terms of such Affiliate Transaction are no less favourable to the Issuer or such Subsidiary, as the case may be, than those that could be obtained (at the time of such transaction or, if such transaction is pursuant to a written agreement, at the time of the execution of the agreement providing therefor) in a comparable arm's length transaction with a Person that is not an Affiliate of the Issuer or such Restricted Subsidiary; or

(b) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of the greater of (i) €75 million or (ii) 1.00% of Consolidated Total Assets, the Issuer certifies in writing to the Trustee that such Affiliate Transaction has been approved by a majority of the disinterested members of the board of directors of the Issuer (upon which certification the Trustee may rely without any liability and without further enquiry) accompanied by evidence of the same.

This Condition 4(d) does not apply to:

(i) any transaction between the Issuer and any of its Subsidiaries and/or between the Subsidiaries;

(ii) any transaction not involving, individually or in aggregate, payments or value in excess of the greater of (i) €15 million or (ii) 0.20% of Consolidated Total Assets;

(iii) transactions between or among the Issuer or any Subsidiary with a Joint Venture (a) where such transactions are carried out in the ordinary course of business or (b) which are fair to the Issuer or the relevant Subsidiary, as the case may be, in the reasonable determination of the board of directors of the Issuer or an Officer of the Issuer, or are on terms no less favourable (taking into account the costs and benefits of associated with such transactions) than those that could reasonably have been obtained at such time from an unaffiliated Person;

(iv) transactions in respect of the granting by the Issuer of Contractual Bonds to the benefit of Joint Ventures;

(v) any issuance of Capital Stock of the Issuer or options, warrants or other rights to acquire such Capital Stock;

(vi) any Management Advances;

(vii) transactions or payments pursuant to or contemplated by, any agreement or instrument in effect on the Issue Date, as such agreements or instruments may be amended, modified, supplemented, extended, renewed or refinanced from time to time in accordance with the other terms of this covenant or to the extent not more disadvantageous to the holders of the Notes than the original agreement or instrument as in effect on the Issue Date;

(viii) transactions effected as part of any factoring or securitisation transaction undertaken in the ordinary course of business and consistent with past practice;

(ix) transactions between or among the Issuer and/or its Subsidiaries and any Person that is an Affiliate of the Issuer solely because the Issuer or a Subsidiary of the Issuer either controls (including pursuant to a joint venture or shareholders agreement), can designate one or more Persons to the board of directors of or owns, directly or indirectly, an Equity Interest in such Person;

(x) transactions with customers, clients, suppliers, or purchasers or sellers of goods or services (including financial advisory services) or providers of employees or other labour, in each case in the ordinary course of business and otherwise in compliance with the terms of the Notes that are fair to the Issuer or its Subsidiaries, in the reasonable determination of the senior management of the Issuer , or are on terms at least as favourable as might reasonably have been obtained at such time from an unaffiliated Person;

(xi) compensation or employee benefit arrangements (including indemnities) with any employee, officer or director of the Issuer or any Subsidiary of the Issuer arising as a result of any employment, consulting, collective bargaining or benefit plan, program, contract or arrangement;

(xii) any Restricted Payment permitted to be made pursuant to Condition 4(b) (*Restricted Payments*); or

(xiii) any payment of amounts due by the Issuer and/or any Subsidiary to any Affiliate which Controls the Issuer or any Subsidiary in relation to the costs and fees payable in respect of any guarantee granted by such Affiliate at Fair Market Value and in the interest of the Issuer and/or any of its Subsidiaries.

(e) **Compliance certificate:** For so long as the Notes remain outstanding, the Issuer will deliver the Compliance Certificate to the Trustee on each Reporting Date.

(f) **Suspension of covenants:** To the extent that the Rating Event has occurred and for so long as such Rating Event is outstanding, Condition 4(a) (Limitation on Indebtedness), Condition 4(b) (Restricted Payments), Condition 4(c) (Limitation on sales of assets), Condition 4(d) (Limitation on transactions with Affiliates), Condition 4(e) (Compliance Certificate) and Condition 5 (Negative pledge) shall not apply, provided, however, that Condition 5 (Negative pledge) will continue to apply to the DCM Indebtedness only.

5 Negative pledge

So long as any Note or Coupon remains outstanding, the Issuer shall not, and shall procure that none of its Material Subsidiaries will, create or permit to subsist any Security Interest (other than a Permitted Security Interest) upon the whole or any part of its undertaking, assets or revenues, present or future to secure any Indebtedness or to secure any guarantee or indemnity in respect of any Indebtedness, without, at the same time or prior thereto, according to the Notes and the Coupons:

(a) the same security as is created or subsisting to secure any such Indebtedness, guarantee or indemnity; or

(b) the benefit of such other security 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, provided that, for the avoidance of doubt, in the circumstances described in Condition 4(f) (Suspension of covenants), any reference to the Indebtedness set out in this Condition 5 shall be construed as a reference to the DCM Indebtedness only.

6 Interest and Premium

6.1 The Notes bear interest from and including the Issue Date at the rate (the "**Rate of Interest**") of 3.875 per cent. per annum, payable annually in arrear on 28 July in each year, commencing on 28 July 2022 (the "**First Interest Payment Date**") up to and including the Maturity Date (each an "**Interest Payment Date**"). The amount of interest payable on the First Interest Payment Date will amount to €19.22 per Calculation Amount (as defined below) and the amount of interest payable on any other Interest Payment Date will amount to €38.75 per Calculation Amount.

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 which is 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.

Where interest is to be calculated in respect of a period which is equal to or shorter than an Interest Period, 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).

Interest in respect of any Note shall be calculated per Calculation Amount. The amount of interest payable per Calculation Amount for any period shall be equal to the product of 3.875 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).

6.2 Premium Payment

The Issuer will give notice of the occurrence of (i) a Carbon Intensity Event or (ii) satisfaction of the Carbon Intensity Reduction Condition, as the case may be, to the Trustee and the Principal Paying Agent and, in accordance with Condition 17 (Notices), the Noteholders as soon as reasonably practicable after such occurrence and no later than the Carbon Intensity Event Notification Deadline. Such notice shall be irrevocable. If a Carbon Intensity Event occurs, the Issuer shall pay an amount equal to the Premium Payment Amount on the Premium Payment Date.

Neither the Principal Paying Agent nor the Trustee shall be obliged to monitor or inquire as to whether a Carbon Intensity Event has occurred or have any liability in respect thereof.

For the avoidance of doubt, payment of the Premium Payment by the Issuer pursuant to this Condition 6.2 may occur no more than once.

For the purposes of these Conditions:

In this Condition:

"***l€M***" means "per million euros of revenue".

"**Annual Report**" has the meaning given to it in Condition 17(A) (*Available Information*).

"**Baseline Redetermination Event**" means the occurrence of any of the following events:

(a) any change that significantly affects positively or negatively the value of the Carbon Intensity to reflect any material or structural changes to the Group; and/or

(b) any change resulting from external parameters (including (i) a structural change to the Group's perimeter, (ii) a change or update in the Issuer's methodology for the purposes of calculating Carbon Intensity, (iii) any updates or changes published by market sources used by the Issuer in its methodology for the purposes of calculating Carbon Intensity, (iv) any significant changes in the regulatory environment and (v) any changes due to the discovery of significant errors),

whereby, following any such event, the Issuer may, acting in good faith and in accordance with its methodology, redetermine (including on a pro forma basis) the Carbon Intensity Baseline to reflect such event, provided that, following the occurrence of any such event, and before the new baseline is used for the purposes of calculating the Carbon Intensity Event, an External Verifier confirms in writing to the Issuer that such Baseline Redetermination Event:

(i) is consistent with the Issuer's sustainability strategy; and

(ii) shows an improvement of the Issuer's commitment to its sustainability strategy,

and notice of such confirmation is provided to the Noteholders pursuant to Condition 17 (*Notices*);

"**Carbon Intensity**" means the sum of the Group's Scope 1 GHG Emissions and Scope 2 GHG Emissions, net of Carbon Sinks and Offsets, for the Sustainable Performance Reference Period and determined in good faith by the Issuer and in accordance with its methodology based on the GHG Protocol's Corporate Accounting and Reporting Standards, expressed as a total amount in tCO2eq/€M.

"**Carbon Intensity Baseline**" means 110 tCO2eq/€M, being the Carbon Intensity (calculated as the sum of the Scope 1 GHG Emissions and the Scope 2 GHG Emissions, net of Carbon Sinks and Offsets) for the period beginning on 1 January 2017 and ending on 31 December 2017 or, if notified by the Issuer in accordance with Condition 17 (*Notices*) following a Baseline Redetermination Event, the New Carbon Intensity Baseline, determined in good faith by the Issuer and in accordance with its methodology based on the GHG Protocol's Corporate Accounting and Reporting Standards and independently verified by an External Verifier.

"**Carbon Intensity Event**" means the failure of the Issuer to satisfy the Carbon Intensity Reduction Condition, *provided that* no Carbon Intensity Event shall occur in case of the failure of the Issuer to satisfy the Carbon Intensity Reduction Condition due to:

(a) an amendment to, or change in, any applicable policies, laws, regulations, rules and guidelines applicable to and/or relating to the Group's business, or a decision of a competent authority which has a direct and/or indirect impact on the Issuer's ability to satisfy the Carbon Intensity Reduction Condition as at the Carbon Intensity Observation Date; and/or

(b) any single or related series of acquisitions or divestitures completed since the Issue Date which has a direct and/or indirect impact on the Issuer's ability to satisfy the Carbon Intensity Reduction Condition as at the Carbon Intensity Observation Date,

in each case, as notified by the Issuer pursuant to Condition 17 (*Notices*), on or prior to the Carbon Intensity Observation Date.

"Carbon Intensity Event Notification Deadline" means the date on which the Issuer is required to publish the Consolidated Non-Financial Disclosure and the Verification Assurance Statement as at and for the year ending on the Carbon Intensity Observation Date.

"**Carbon Intensity Percentage**" means 50 per cent., being the percentage reduction of Carbon Intensity compared to the Carbon Intensity Baseline as at the Carbon Intensity Observation Date.

"**Carbon Intensity Reduction Condition**" means that (i) the percentage reduction in Carbon Intensity as at the Carbon Intensity Observation Date compared to the Carbon Intensity Baseline was equal to or higher than the Carbon Intensity Percentage and (ii) the Consolidated Non-Financial Disclosure, and the related Verification Assurance Statement as at the Carbon Intensity Observation Date has been published on the Issuer's website by no later than the Sustainability Performance Reporting Deadline and independently verified by an External Verifier.

"**Carbon Intensity Observation Date**" means 31 December 2025.

"**Carbon Sinks and Offsets**" means negative emissions generated by Carbon Capture and Storage projects and voluntary offsets retired (i.e. forestry credits) by the Group for any fiscal year, as determined in good faith by the Issuer and according to the Issuer's methodology.

"**Consolidated Non-Financial Disclosure**" has the meaning given to it in Condition 17(A) (*Available Information*).

"**External Verifier**" means any qualified provider of third party assurance or attestation services or other independent expert of internationally recognised standing appointed by the Issuer, in each case with the expertise necessary to perform the functions required to be performed by the External Verifier under these Conditions, as determined in good faith by the Issuer.

"**GHG**" means greenhouse gases, being gases which absorb and emit radiation in the atmosphere contributing to the greenhouse effect, including (among others) carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFC), perfluorocarbons (PFC), sulfur hexafluoride (SF6) and nitrogen trifluoride (NF3).

"**GHG Protocol's Corporate Accounting and Reporting Standards**" means the international guidance and standards on greenhouse gas emissions accounting and life cycle assessment such as those established by the World Business Council for Sustainable Development and the World Resources Institute.

"**New Carbon Intensity Baseline**" means, following the occurrence of a Baseline Redetermination Event that results in a recalculation by the Issuer of the Carbon Intensity, the new baseline, in tCO2eq/€M, recalculated in good faith by the Issuer and in accordance with its methodology, independently verified by an External Verifier and disclosed in the relevant Consolidated Non-Financial Disclosure and published by the Issuer in accordance with Condition 17(A) (*Available Information*), which shall replace the Carbon Intensity Baseline as at the date of such Consolidated Non-Financial Disclosure, and any reference to the Carbon Intensity Baseline in these Conditions thereafter shall be deemed to be a reference to the New Carbon Intensity Baseline, it being understood that in the absence of such disclosure in the relevant Consolidated Non-Financial Disclosure, the Carbon Intensity Baseline shall continue to apply and therefore no change shall be made to the Carbon Intensity Baseline as a result of the Baseline Redetermination Event.

"**Premium Payment Amount**" means in respect of each Calculation Amount, an amount equal to €7.50.

"**Premium Payment Date**" means the Maturity Date.

"**Scope 1 GHG Emissions**" means the direct GHG emissions generated by the Group deriving from the consumption of fuels (including diesel, gasoline, natural gas, liquefied petroleum gas and kerosene) used for powering plants, equipment, vehicles and temporary buildings, fugitive emissions deriving from the refilling activities of conditioning systems, as well as emissions deriving from explosives used at construction sites for excavation/demolition activities.

Scope 2 GHG Emissions" means the indirect GHG emissions deriving from the electricity purchased by the Group.

"**Sustainability Performance Reference Period**" means the fiscal year of the Group ending 31 December of each year, starting from the end of the first fiscal year following the Issue Date.

"**Sustainability Performance Reporting Deadline**" has the meaning given to it in Condition 17(A) (*Available Information*).

"**tCO2eq**" means metric tons of carbon dioxide equivalent, calculated in accordance with the Issuer's methodology based on the GHG Protocol Corporate Accounting and Reporting Standard.

"**Verification Assurance Statement**" has the meaning given to it in Condition 17(A) (*Available Information*).

7 Redemption and Purchase

(a) **Final redemption:** Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on 28 July 2026 (the "**Maturity Date**"). The Notes may not be redeemed at the option of the Issuer other than in accordance with this Condition.

(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 9 (Taxation) 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 7(b), the Issuer shall deliver to the Trustee (A) a certificate signed by a duly authorised director 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 be obliged to pay such additional amounts as a result of such change 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 Noteholders upon a Change of Control:** If a Change of Control 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 7(b) (Redemption for taxation reasons)) 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 100 per cent. of its principal amount

together with (or, where purchased, together with an amount equal to) interest (if any) accrued to (but excluding) the Put Date.

Promptly upon the Issuer becoming aware that a Change of Control has occurred, the Issuer shall, and, at any time upon the Trustee becoming similarly so aware, the Trustee may, and, if so directed by an Extraordinary Resolution of the Noteholders, shall (subject in each case to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction), give notice (a **"Put Event Notice"**) to the Noteholders in accordance with Condition 17 (Notices) specifying the nature of the Change of Control 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 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 such missing 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 12 (Replacement of Notes and Coupons)) 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 7(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.

If 85 per cent. or more in principal amount of the Notes then outstanding has been redeemed or purchased pursuant to this Condition 7(c), the Issuer may, on giving not less than 30 nor more than 60 days' notice to the Noteholders (such notice being given within 30 days after the Put Date), 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.

The Trustee is under no obligation to ascertain whether a Change of Control or any event which could lead to the occurrence of, or could constitute, a Change of Control 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 Change of Control or other such event has occurred.

(d) **Redemption at the option of the Issuer:**

(A) **Redemption at the option of the Issuer at any Optional Redemption Date**: Unless a Put Event Notice has been given pursuant to Condition 7(c) (Redemption at the option of Noteholders upon a Change of Control) above, the Issuer may, at any time prior to 28 January 2026, on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 17 (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 of the Note; and

(ii) the sum of the then current values of the remaining scheduled payments of principal and interest of the Notes (not including any interest accrued on the Notes to, but excluding, the Optional Redemption Date) and, unless the Carbon Intensity Reduction Condition has been satisfied and notification has been made by the Issuer confirming the satisfaction of the Carbon Intensity Reduction Condition prior to the Optional Redemption Date, the Premium Payment Amount, in each case 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 Bond Rate (as defined above) plus 0.50 per cent., in each case as determined by the Reference Dealers.

(B) **Redemption at the option of the Issuer on an Optional Redemption Date falling 6 months or less prior to the Maturity Date**: Unless a Put Event Notice has been given pursuant to Condition 7(c) (R*edemption at the option of Noteholders upon a Change of Control*) above, the Issuer may, at any time after 28 January 2026, on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 17 (*Notices*) (which notice shall be irrevocable and shall specify the Optional Redemption Date), redeem all, but not some only, of the Notes at 100 per cent. of their principal amount, and, unless the Carbon Intensity Reduction Condition has been satisfied and notification has been made by the Issuer confirming the satisfaction of the Carbon Intensity Reduction Condition prior to the Optional Redemption Date, the Premium Payment Amount, together with interest accrued to but excluding the Optional Redemption Date.

(e) **No other redemption:** The Issuer shall not be entitled to redeem the Notes otherwise than as provided in Conditions 7(b), 7(c) (Redemption at the option of Noteholders upon a Change of Control) and 7(d) (Redemption at the option of the Issuer).

(f) **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.

(g) **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 7(h) (Cancellation) 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, 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.

(h) **Cancellation:** All Notes which are (i) purchased by or on behalf of the Issuer or any such Subsidiary and surrendered for cancellation or (ii) redeemed, and any unmatured Coupons attached to or surrendered with them, will be cancelled and may not be re-issued or resold.

8 Payments

(a) **Method of payment:** Payments of principal and interest and any Premium Payment Amount, if applicable, 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 specified 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 fiscal laws:** All payments are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 9 (Taxation). 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 8 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 in a jurisdiction other than Italy approved by the Trustee.

9 Taxation

All payments of principal and interest and any Premium Payment Amount, if applicable, 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, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic

of Italy or any authority therein or thereof having power to tax, 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, and fails to do so in due time; 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) on account of imposta sostitutiva pursuant to Legislative Decree No. 239 of 1 April 1996 (as, or as may subsequently be, amended or supplemented) and related regulations of implementation which have been, or may subsequently be, enacted ("**Decree 239**") with respect to any Note or Coupon, including 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 Decree 239, 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.

For the avoidance of doubt, notwithstanding any other provision of the Conditions, any amounts to be paid on the Notes by or on behalf of the Issuer will be paid net of any deduction or withholding imposed or 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 to 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a "**FATCA Withholding**"). Neither the Issuer nor any other Person will be required to pay any additional amounts in respect of FATCA Withholding.

10 Events of Default

If any of the following events occurs, the Trustee, at its discretion, may, and, 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 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 or any Premium Payment Amount on, any of the Notes when due, and such failure continues for a period of seven business days; 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, in the opinion of the Trustee, 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 of the Issuer or any of its Material Subsidiaries for or in respect of moneys borrowed or raised (other than the Project Indebtedness) becomes due and payable prior to its stated maturity by reason of any actual or potential default or event of default (howsoever described), or (ii) any such 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, 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 10(c) have occurred equals or exceeds €50,000,000 or its equivalent; or

(d) **Enforcement proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer or any of its Material Subsidiaries (excluding, for the purposes of this Condition 10(d), any Material Subsidiary which is also a Project Company) having an aggregate value of at least €50,000,000 or its equivalent unless such distress, attachment, execution or other legal process (i) 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 (ii) is discharged or stayed within 60 days; or

(e) **Security enforced:** any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any of its Material Subsidiaries (excluding, for the purposes of this Condition 10(e), any Material Subsidiary which is also a Project Company) having an aggregate value of at least €50,000,000 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 60 days; or

(f) **Insolvency:** an Insolvency Event occurs in relation to either 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) **Cessation of business:** the Issuer or any of its Material Subsidiaries (excluding, for the purposes of this Condition 10(g), any Material Subsidiary which is also a Project Company) ceases or threatens to cease to carry on all or a substantial part of its business (other than for the purposes of, or pursuant to, a Permitted Reorganisation), provided that the occurrence of a Change of Control set out in Condition 7(c) (Redemption at the option of Noteholders upon a Change of Control) will not trigger the Event of Default set out in this Condition 10(g); or

(h) **Analogous event:** any event occurs which, under any applicable laws has an analogous effect to any of the events referred to in Conditions 10(d) (Enforcement proceedings) to 10(g) (Cessation of business) (both inclusive); or

(i) **Unlawfulness:** it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Notes or the Trust Deed.

11 Prescription

Claims in respect of principal and interest and any Premium Payment Amount will become void unless presentation for payment is made as required by Condition 8 (Payments) within a period of 10 years in the case of principal and five years in the case of interest and any Premium Payment Amount from the appropriate Relevant Date.

12 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.

13 Meetings of Noteholders, modification and waiver

(a) **Meetings of Noteholders:** The Trust Deed contains provisions consistent with the laws, legislation, rules and regulations of the Republic of Italy for convening meetings of the Noteholders to consider any matter affecting their interests, including any modifications of the Conditions or of any provisions of the Trust Deed. The above provisions are subject to compliance with mandatory laws, rules and regulations of the Republic of Italy in force from time to time.

The quorum and the majorities for passing resolutions at any such meetings are established by article 2415 of the Italian civil code, the Issuer's by-laws in force from time to time and, as long as the Issuer has shares listed on a regulated market of the Republic of Italy or any other EU member country regulated markets, by Legislative Decree No. 58 of 24 February 1998, as amended and implemented.

Resolutions validly passed at any meeting of the Noteholders shall be binding on all Noteholders, whether or not they are present at the meeting, and on all Couponholders. In accordance with the Italian civil code, a *rappresentante comune*, being a joint representative of Noteholders, may be appointed in accordance with article 2417 of the Italian civil code in order to represent the Noteholders' interest hereunder and to give execution to the resolutions of the meeting of the Noteholders. The *rappresentante comune* may be a person who is not a Noteholder and may be (i) a company duly authorised to carry on investment services (*servizi di investimento*) or (ii) a trust company (*società fiduciaria*). The *rappresentante comune* shall not be a director, statutory auditor or employee of the Issuer or a person who falls within one of the categories specified by article 2399 of the Italian civil code. The *rappresentante comune* is appointed by resolution passed at the Noteholders' meeting. In the event the Noteholders' meeting fails to appoint the *rappresentante comune*, the appointment is made by a competent court upon the request of one or more relevant Noteholders or the directors of the Issuer.

The *rappresentante comune* shall remain in office for a period not exceeding three financial years from appointment and may be reappointed; remuneration shall be determined by the meeting of Noteholders which makes the appointment. The *rappresentante comune* shall have the powers and duties set out in article 2418 of the Italian civil code.

(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, in its opinion, is of a formal, minor or technical nature or is made to correct a manifest error and (ii) any other modification, 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 such modification, authorisation or waiver 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.

14 Enforcement

At any time after the Notes become due and payable, the Trustee may, at its discretion and without further notice, institute such steps, actions 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 steps, actions 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 to do so within a reasonable time and such failure is continuing.

15 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 act and 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.

16 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 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 16 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.

17 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 Irish Stock Exchange plc trading as Euronext Dublin ("**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 on the website of Euronext Dublin (https://live.euronext.com/) or, in either case, if, in the opinion of the Trustee, 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.

17A Available Information

Beginning with the annual financial statements of the Issuer for the fiscal year ending on 31 December following the Issue Date, for so long as the Notes are outstanding, the Issuer will publish its annual audited consolidated financial statements as at and for such financial year (the "**Annual Report**") on its website in accordance with applicable law. Each such Annual Report will include another document (each such report document to be prepared either pursuant to Legislative Decree 254/2016 or to be in the form of any such other sustainability report as the Issuer deems necessary, a "**Consolidated Non-Financial Disclosure**") which discloses (i) the Carbon Intensity in respect of each Sustainability Performance Reference Period; (ii) if applicable, the occurrence of any Baseline Redetermination Event and the related New Carbon Intensity Baseline; and (iii) any other relevant information which may enable investors to monitor the Issuer's progress towards the satisfaction of the Carbon Intensity Reduction Condition.

Each such Consolidated Non-Financial Disclosure shall include, or be accompanied by, a verification assurance statement issued by the External Verifier (a "**Verification Assurance Statement**"). Each Consolidated Non-Financial Disclosure and related Verification Assurance Statement will be published no later than 30 June of each year; provided that to the extent the Issuer determines that additional time will be required to complete the relevant Consolidated Non-Financial Disclosure and/or related Verification Assurance Statement, then such Consolidated Non-Financial Disclosure and related Verification Assurance Statement shall be

published as soon as reasonably practicable, but in no event later than 31 August of each year (the "**Sustainability Performance Reporting Deadline**").

It is understood that any failure by the Issuer to make the information referred to in this Condition 17(A) available in any 12 month period shall not result in the occurrence of an Event of Default under these Conditions and it will give rise to the application of a Carbon Intensity Event in accordance with the Carbon Intensity Reduction Condition only in the circumstances in which such failure to make any such information referred to in this Condition 17(A) available occurs in relation to the 12 month period ending on the Carbon Intensity Observation Date.

18 Contracts (Rights of Third Parties) Act 1999

No Person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any Person which exists or is available apart from that Act.

19 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 13(a) (Meetings of Noteholders) 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:** The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes or the Coupons, and, accordingly, any Proceedings may be brought in such courts. Pursuant to the Trust Deed, the Issuer has irrevocably submitted to the jurisdiction of such courts.

(c) **Agent for service of process:** Pursuant to the Trust Deed, the Issuer has irrevocably appointed an agent in England to receive service of process in any Proceedings in England based on any of the Notes or the Coupons.

SUMMARY OF PROVISIONS RELATING TO THE NOTES IN GLOBAL FORM

The Notes will initially be in the form of a Temporary Global Note which will be deposited on or around the Issue Date with a common safekeeper for Euroclear and Clearstream, Luxembourg.

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 on behalf of 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.

The Notes will be issued in new global note ("**NGN**") form. On 13 June 2006 the European Central Bank (the "**ECB**") announced that Notes in NGN form are in compliance with the "Standards for the use of EU securities settlement systems in ECB 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 Notes are intended to be held in a manner which would allow Eurosystem eligibility – that is, in a manner which would allow the Notes to be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

The Temporary Global Note will be exchangeable in whole or in part for interests in the Permanent Global Note not earlier than 40 days after the Issue Date upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

The Permanent Global Note will become exchangeable in whole, but not in part, for Notes in definitive form ("**Definitive Notes**") in the denomination of €100,000 each and integral multiples of €1,000 in excess thereof, up to and including €199,000 each, at the request of the bearer of the Permanent Global Note against presentation and surrender of the Permanent Global Note to the Principal Paying Agent if Euroclear or Clearstream, Luxembourg or any alternative clearing system through which the Notes are held is closed for business for a continuous period of 14 days (other

than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business.

So long as the Notes are represented by a Global Note and the relevant clearing system(s) so permit, the Notes will be tradeable only in the minimum authorised denomination of €100,000 and higher integral multiples of €1,000, notwithstanding that no Definitive Notes will be issued with a denomination above €199,000.

As the Notes have a denomination consisting of the minimum denomination plus a higher integral multiple of amounts which are integral multiples of €1,000, up to a maximum of €199,000, 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 €1,000 (or its equivalent). In such case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum denomination 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.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons attached, in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Principal Paying Agent within 30 days of the occurrence of the relevant Exchange Event.

In addition, the Temporary Global Note and the Permanent Global Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Temporary Global Note and the Permanent Global Note. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Temporary Global Note and the Permanent Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon and any Premium Payment Amount) surrender of the Temporary Global Note or (as the case may be) the Permanent Global Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest and any Premium Payment Amount is made in respect of the Temporary Global Note or (as the case may be) the Permanent Global Note, the Issuer shall procure that the payment is entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg.

Payments on business days: In the case of all payments made in respect of the Temporary Global Note and the Permanent Global Note Condition 8(d) (*Payments on business days*) shall not apply, and all such payments shall be made on a day on which the TARGET System is open.

Redemption of the option of the Issuer: In order to exercise the option contained in Condition 7(d) (*Redemption at the option of the Issuer*) the Issuer shall give notice to the Noteholders and the relevant clearing system (or procure that such notice is given on its behalf) within the time limits set out in and containing the information required by that condition and Condition 7(f) (*Notice of Redemption*).

Exercise of put option: In order to exercise the option contained in Condition 7(c) (*Redemption at the option of Noteholders upon a Change of Control*) the bearer of the Permanent Global Note must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Principal Paying Agent specifying the principal amount of Notes

in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Notices: Notwithstanding Condition 17 (*Notices*), while all the Notes are represented by the Permanent Global Note (or, as the case may be, by the Permanent Global Note and/or the Temporary Global Note) and the Permanent Global Note is (or, as the case may be, the Permanent Global Note and/or the Temporary Global Note are) held on behalf of Euroclear or Clearstream, Luxembourg or an alternative clearing system, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and Clearstream, Luxembourg or such alternative and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 17 (*Notices*) on the date of delivery to Euroclear and Clearstream, Luxembourg except that, for so long as such Notes are admitted to trading on Euronext Dublin and it is a requirement of applicable law or regulations, such notices shall be published on the website of Euronext Dublin (https://live.euronext.com/).

ESTIMATED NET AMOUNT AND USE OF PROCEEDS

The net proceeds of the issuance of the Notes, expected to amount to €395,800,000 after deduction of the commissions, will be used by the Issuer for repayment of existing indebtedness (which may include indebtedness provided by some or all of the Managers), and for general corporate purposes of the Group.

Actual amounts will vary from estimated amounts depending on several factors, including estimated costs, fees and expenses.

DESCRIPTION OF THE ISSUER

OVERVIEW

Webuild Società per azioni or Webuild S.p.A. ("**Webuild**" or the "**Issuer**") is the parent company of the Webuild group of companies (the "**Webuild Group**" or the "**Group**"). The Issuer originated from the reverse merger of Salini S.p.A. into Impregilo S.p.A. and the denomination of the company resulting from the said merger (i.e., Salini Impregilo S.p.A.) was changed, with effect from 15 May 2020, to Webuild S.p.A. (see "*History and Development*").

The registered and head office of the Issuer is located in Rozzano (Italy), Centro Direzionale Milanofiori Strada 6 - Palazzo L, telephone No. +39 02.444.22111. The Issuer is incorporated under the laws of the Republic of Italy and it is registered with the Register of Companies of Milan-Monza-Brianza-Lodi under No. 00830660155 - VAT No. 02895590962. The Legal Entity Identifier (LEI) of the Issuer is 549300UKR289DF4UXQ47. Pursuant to Article 5 of its by-laws, the duration of the Issuer is until 31 December 2050, which may be extended by resolution of the shareholders' meeting.

Webuild is a global player in the construction of large, complex infrastructures (including dams and hydroelectric plants, hydraulic works, railways, subways, airports and highways as well as hospitals and civil and industrial construction) for the sustainable mobility, hydropower, water and green buildings sectors, supporting clients in pursuing the United Nations' Sustainable Development Goals (SDGs). It has a track record that includes more than 13,6370 kilometres of rail and metro lines, approximately 80,291 kilometres of motorways and roads, 946 kilometres of bridges and viaducts and 313 dams and hydro plants.

Webuild Group operates in around 50 countries throughout the world, with over 100 years of experience in the construction industry, 70,000 people employees both direct and indirect, 60 office worldwide, 100 ongoing projects, focusing on its operations in Italy, Europe, North America and Australia. Its customers primarily consist of public sector entities, although the Group also works with private companies such as, for example, grid operators and holders of concessions.

Within the Webuild Group, the Issuer is an operating company and is active prominently in the construction business, although it also acts as concessionaire in relation to certain projects.

The issued and paid-in share capital of the Issuer as of the date of the Offering Circular is €600,000,000, divided into 1,001,559,937 shares with no par value, comprising 999,944,446 ordinary shares and 1,615,491 savings shares. The share capital referred to above is the result of (i) a share capital increase which was resolved by the Issuer's Board of Directors on 6 and 7 November 2019, in the exercise of the delegation of power which was conferred by the extraordinary shareholders' meeting dated 4 October 2019, pursuant to Article 2443 of the Italian Civil Code (see "*Recent Developments-Capital Increase*") and (ii) the partial proportional demerger of Astaldi in favour of the Issuer and the consequent issue of 107,771,755 new ordinary shares of the Issuer, without any change to the amount of the nominal capital (see "*The Astaldi Transaction*" below). The Issuer's shares are listed and traded on the Euronext Milan (EXM), the Italian screen-based trading system organised and managed by Borsa Italiana S.p.A. As at 4 January 2022, the Issuer's market capitalization was approximately €2.1 billion. For a description of the Group's business, see "*Business Overview*".

The table below sets forth the Issuer's long-term ratings, assigned by Standard & Poor's and Fitch Ratings, as at 4 January 2022:

Agency	Long Term	Outlook	Last update
Standard & Poor's	BB-	Stable	27 April 2021
Fitch Ratings	BB	Stable	5 July 2021

Salini S.p.A. (the "**New Salini**"), fully owned subsidiary (incorporated on 5 November 2021) of Salini Costruttori S.p.A. ("**Salini Costruttori**") is the Issuer's controlling shareholder. Salini Costruttori directs and co-ordinates the activities of the Issuer pursuant to Articles 2497 et seq. of the Italian civil code (see "*Principal Shareholders-Controlling shareholder*"). As of 4 January 2022, based on the Issuer's corporate records and other available public information, the New Salini owned 40.14 per cent. of Webuild's ordinary shares, although the Issuer has been informed that the New Salini may evaluate carrying out transactions (such as the issuance of equity linked or exchangeable instruments, both related into Webuild's ordinary shares) that could have an impact on its shareholding interest in the Issuer.

HISTORY AND DEVELOPMENT

The Issuer is the entity resulting from the reverse merger of Salini S.p.A. ("**Salini**") into Impregilo S.p.A. ("**Impregilo**"), which became effective on 1 January 2014. The company resulting from the said merger (i.e., Salini Impregilo S.p.A.) subsequently changed its name into Webuild S.p.A. on 15 May 2020.

Salini

Salini was incorporated on 6 December 2011 by Salini Costruttori, a company incorporated on 7 February 1972, which primarily focused on construction, both in Italy and abroad, but also operated in real estate management. Effective from 1 January 2012, Salini Costruttori contributed its construction business unit to Salini, while retaining its real estate management business.

Impregilo

Impregilo was historically one of the leading Italian construction companies active in the design and construction of large-scale infrastructure works in Italy and abroad, including highways, ports, hydraulic works and railways. Impregilo originated from the combination of four Italian companies, Girola S.p.A. ("**Girola**"), Lodigiani S.p.A. ("**Lodigiani**"), Imprese Italiane all'Estero-Impresit S.p.A. ("**Impresit**") and Cogefar Costruzioni Generali S.p.A. ("**Cogefar**"). These companies were historically active in domestic construction, in particular in the period between the First and the Second World Wars. In 1959, Girola, Lodigiani and Impresit incorporated a new company, named Impresit-Girola-Lodigiani (Impregilo) S.p.A., with the aim of co-operating on a continuous basis on the construction of large hydroelectric and hydraulic plants outside Italy. In 1989, Impresit was merged into Cogefar and, in 1994, the combined entity, in turn, merged with Impresit – Girola – Lodigiani (Impregilo) S.p.A. and was renamed Impregilo S.p.A. Following these transactions FIAT S.p.A. (now FCA NV) was the main shareholder. The ordinary and savings shares of Impregilo were listed on the Italian stock exchange.

Merger between Salini and Impregilo

Between September 2011 and December 2012, Salini built a stake of 29.8% in Impregilo. In April 2012, Salini announced its plan to promote the creation of a "national champion", outlining the ultimate goal of merging Salini's and Impregilo's businesses.

In July 2012, at a shareholder' meeting of Impregilo convened by Salini and as a result of a proxy solicitation targeting its minority shareholders, Salini obtained approval from Impregilo's shareholders to replace Impregilo's Board of Directors with new directors designated by Salini.

Between February and May 2013, Salini launched and completed a voluntary public tender offer for all the outstanding ordinary shares of Impregilo, as a result of which Salini came to hold approximately 92.8% of Impregilo's voting capital. Finally, Salini was subject to a reverse-merger into Impregilo and Impregilo (as the surviving entity) changed its name to "Salini Impregilo S.p.A.".

Acquisition of Lane Industries

On 4 January 2016, the Group completed the acquisition of the entire share capital of Lane Industries Inc. ("**Lane**"), a private company incorporated under the laws of the United States of America, with its registered offices in Cheshire, Connecticut. Lane, in turn, is the parent company of four operating companies, namely: The Lane Construction Corporation, Lane Power & Energy, Inc., Lane Infrastructure, Inc., and Lane Worldwide Infrastructure, Inc.

The Lane acquisition was implemented by the Issuer with the aim of expanding business in the U.S. infrastructures market and with a view to enabling the Webuild Group to create a local commercial platform from which it can access a larger pool of projects.

Division Disposal by Lane

In December 2018, Lane completed the sale to Eurovia SAS of its division operating in the business of asphalt production and pavement for a provisional price (subject to price adjustment) of USD 573.6 million. See "*Material Contracts*". This transaction was to further the Group's strategy to focus on its core construction activities and dispose of its non-core assets.

Capital Increase

On 6 November 2019, the Board of Directors of Webuild resolved to exercise the mandate given by the extraordinary shareholders' meeting of 4 October 2019 pursuant to Article 2441(5) and Article 2443 of the Italian civil code, and approved the launch of a non–divisible capital increase of €600 million with the exclusion of pre–emptive subscription rights to existing shareholders (the "**Capital Increase**").

On 7 November 2019, Webuild launched an offering (the "**Global Offering**") of €600 million in new ordinary shares, with no par value and with the same rights as the existing ordinary shares, by means of (i) an offering outside the United States to certain institutional investors in offshore transactions in reliance on Regulation S under the U.S. Securities Act of 1933, as amended; or (ii) an offering within the United States only to qualified institutional buyers ("QIBs") as defined in Rule 144A under the U.S. Securities Act of 1933 or another exemption from the registration requirements of the Securities Act.

The Issuer used the net proceeds from the Capital Increase principally to support Progetto Italia (see "*Recent developments*" below) (including the Astaldi Transaction (as defined below)) and, more generally, its Business Plan.

Salini Impregilo become Webuild

In May 2020, Salini Impregilo S.p.A. changed its name to "Webuild S.p.A." (i.e., the current Issuer). The shareholders' resolution to change the company's name to Webuild S.p.A., taken in the extraordinary meeting of 4 May 2020, was filed with the Milan Monza Brianza Lodi Chamber of Commerce on 15 May 2020.

RECENT DEVELOPMENTS

Progetto Italia and the Astaldi Transaction

Progetto Italia

Progetto Italia is an industrial project that the Issuer promoted with a view to (i) consolidating the Italian infrastructure and construction sector through the acquisition of Italian operators; and (ii) increasing the competitiveness of Italian companies in the international markets. In particular, the Issuer proposes to create a larger industry player with the size, technical capacity, professional know–how and financial and economic strength to compete with the major international players on a global scale.

Progetto Italia is a systemic consolidation project with significant financial support and based on a solid industrial rationale aimed at favouring growth in scale and strengthening of the Issuer's profitability and financial structure. These objectives were originally contemplated in the Issuer's Business Plan and, through Progetto Italia, are being accelerated.

The project envisages that, with the Group's operational track record, managerial qualities and skills, and its national and international competitive positioning, the Group would act as an aggregator of other Italian companies and business units that represent excellence in diverse segments of the infrastructure and construction sector, including companies that are in good financial health as well as those in financial difficulty including, for example, Astaldi, which represented the Issuer's main target and in which the Issuer purchased a majority stake following the subscription of the reserved capital increase made on 5 November 2020 (see "*The Astaldi Transaction*" below). In particular, the Issuer intends to create value for its stakeholders by acquiring and integrating in the Group businesses, business units, controlling shareholdings (as well as projects of such entities) of Italian companies operating in the construction sector.

Parties involved in Progetto Italia

Progetto Italia involves the following parties, each with a different role:

- Webuild: as aggregator Webuild has a solid M&A track record and proven ability to deliver on M&A execution and target integration;
- Salini Costruttori: as Webuild's controlling shareholder at that time, who subscribed for €50 million in new ordinary shares in the Global Offering (see "*Capital Increase*" below) and controls the Issuer (see also "*Principal Shareholders-Controlling Shareholder-Salini Costruttori*");
- CDP Equity S.p.A. ("**CDP Equity**" or "**CDPE**"), a company belonging to the Cassa Depositi e Prestiti S.p.A.'s ("**CDP**") group: as a strategic partner - who subscribed for €250 million in new ordinary shares in the Global Offering (see also "*Principal Shareholders-Shareholders holding an interest in excess of 3 per cent.*") – provides institutional support to Webuild;
- Banco BPM S.p.A., Intesa Sanpaolo S.p.A. and UniCredit S.p.A. (jointly, the "**Financing Banks**"): as financial partners, which provide financial support to the development of the Group's business, increasing its financial flexibility, in particular by providing financing and guarantees. In connection with Progetto Italia, the Financing Banks subscribed for total €150 million in new ordinary shares in the Global Offering (see also "*Principal Shareholders*").

Cossi and Seli acquisitions

In October 2018, the Court of Rome granted Webuild the right of usufruct over the shares of Seli Overseas S.p.A., with a view to the potential acquisition of such participations, following a binding offer (subject to the fulfillment of certain conditions) submitted by the Issuer. In August 2021, Webuild definitively formalized the acquisition of 100% of the share capital of Seli Overseas S.p.A., with effects starting from 27 July 2021. The sale of such interest was made through a competitive tender process (*procedura competitiva ad evidenza pubblica*) launched in April 2021 by the judicial liquidator (*liquidatore giudiziale*) of the arrangement with creditors (*concordato preventivo*) of Grandi Lavori Fincosit S.p.A.

In March 2019, the Issuer completed the purchase of the interests in Cossi Costruzioni S.p.A. ("**Cossi Costruzioni**") held by Società Italiana Condotte d'Acqua S.p.A., which is under extraordinary administration (*amministrazione straordinaria*) and by Ferfina S.p.A., also under extraordinary administration and now hold a controlling interest of 63.5% in Cossi Costruzioni. The acquisition of Cossi Costruzioni is aimed at consolidating and developing the Group's experience in tunnel construction and expanding its presence in Switzerland.

The Astaldi Transaction

As indicated above, as of the date of this Offering Circular, the main investment of the Issuer in the context of Progetto Italia has been the acquisition of a controlling stake in Astaldi, following subscription of the €225,000,000 reserved capital increase made on 5 November 2020 (the "**Astaldi Transaction**"), and the subsequent merger of the Astaldi EPC Business into Webuild, which became effective on 1 August 2021. This transaction permitted it to integrate two important companies operating in the market of the construction of large, complex infrastructure works and to lay the foundation for the establishment of a more domestically rooted and more competitive operator in the global market, reducing the gap in size with the Group's main international competitors.

Astaldi was the parent company of the Astaldi group ("**Astaldi Group**"), historically a global player in the sector of large complex infrastructures. Astaldi's ordinary shares have been listed on the Italian stock exchange since 2002. The Astaldi Group, which has been active for over 95 years, both nationally and internationally, developed complex and integrated projects in the field of design, construction and management of public infrastructure and major civil engineering works, mainly in the sectors of transport infrastructure, energy production plants, civil and industrial construction, facility management, plant engineering and management of complex systems.

The Astaldi Group was mainly active in Italy, Europe and Turkey, Africa (Algeria), North America (Canada, United States of America), Latin America and the East Asia (Indonesia, India), and operated through three main business lines: (i) Construction; (ii) Concessions; and (iii) O&M.

On 5 November 2020, the Astaldi Transaction was completed following the acquisition by Webuild, through the subscription of the €225,000,000 reserved Astaldi capital increase, of a controlling stake in Astaldi, equal to 66.101% of its share capital.

In March 2021, the Boards of Directors of Webuild and Astaldi approved a joint plan for the partial and proportional demerger of the Astaldi EPC Business, to be continued as provided for in the composition with creditors procedure with the continuation of the business of the debtor company (*procedura di concordato preventivo in continuità aziendale diretta*) to which Astaldi was admitted to by the Court of Rome, by decree issued on 5 August 2019 (the "**Astaldi Composition Arrangement**"), in favour of Webuild (the "**Demerger**").

The Demerger became effective for statutory, accounting and tax purposes on 1 August 2021.

As a result of the Demerger, (i) the Astaldi EPC Business was transferred to Webuild, and (ii) Astaldi (whose shares were delisted and whose sole shareholder is a newly established foundation) will continue to be the owner of, and to manage, the assets and legal relationships transferred to the separate unit ("**Patrimonio Destinato**") set up by it on 24 May 2020, and to pursue the disposal plan of the assets included in the Patrimonio Destinato in the interest of Astaldi's creditors, all in accordance with the Astaldi Composition Arrangement.

Within the context of the Demerger, Webuild and Astaldi also entered into a Demerger agreement to regulate, inter alia, certain commitments undertaken by Webuild, also in relation to the management of the Patrimonio Destinato, and the management of third parties claims and disputes.

It is envisaged that the Demerger will facilitate the complete integration of the two industrial operators, in line with Webuild's vision to create a major player in the Italian infrastructure market, as provided in Progetto Italia, that can contribute to development of the country's infrastructure and achievement of the missions set in its National Recovery and Resilience Plan.

Within the context of the Demerger, Webuild has:

(a) approved the issue of new ordinary shares assigned, or to be assigned, as the case may be, to Astaldi's shareholders other than Webuild, and to Astaldi's creditors in accordance with the Astaldi Composition Arrangement, using an exchange ratio of 203 ordinary Webuild shares for every 1,000 ordinary Astaldi shares;

(b) issued warrants to the holders of its ordinary shares to replace Astaldi's anti-dilutive warrants; and

(c) issued warrants to the creditor banks of Astaldi in order to replace their warrants using the ratio set out in the relevant regulation.

COVID-19

A worsening in the global macro-economic situation occurred, starting from the first months of 2020, and is continuing due to the outbreak and spread of COVID-19. Containment measures adopted by the institutions to curb the public health emergency included (and are still including) the shuttering of non-essential production activities, a ban on movements and quarantine periods.

Most countries have seen a gradual recovery in their economies in the first half of 2021 with the easing of the restrictions and continuation of their vaccination campaigns.

The Group introduced prudent measures to manage and contain the pandemic and to safeguard the health of its employees and partners. These measures allowed the Group to carry on with its ongoing projects, albeit at a slower pace. Its priorities have always been and will continue to be protecting the health of its employees and partners, ensuring business continuity and mitigating the financial impact of the epidemiological emergency.

Workforce management and prevention measures to deal with the pandemic

The Group defined a number of measures to protect/ensure employees' health and safety, coordinated by the crisis unit which monitors (i) application of the anti-contagion measures (as set out in the anti-contagion protocols) and (ii) developments in the crisis for the head office and work sites on a daily basis.

The work sites immediately introduced precautionary measures to protect the health of all personnel in accordance with the parent's guidelines and the regulations introduced by the local governmental bodies.

When possible, the Group introduced working from home arrangements, involving most of its office employees in Italy and all its vulnerable resources.

Specifically, the Group rolled out the following initiatives for its employees during the pandemic:

(a) it drew up anti-contagion protocols and organisational instructions to manage the risks related to the pandemic, to protect the community and its employees, not only in the workplace (e.g., by managing social distancing, implementing sanitization, etc.), but also in their free time for those that live on site (e.g., reorganisation of the accommodation) in order that work on the strategic infrastructure projects could continue;

(b) global mobility: as the Group draws on its global experience and expertise to place the most appropriate personnel in the right place at the right time for each project, the restrictions on people's movements imposed by many countries made the organisation of work much more difficult. The Group dealt with this by introducing a number of measures: a) after authorisation by senior management of individual movements, waivers of the restrictions were requested from local authorities for travel to and from the work sites; b) local recruitment was stepped up, including of managers and specialists; c) assistance was provided to workers stranded off-site or involved in projects on stand-by and the related costs monitored closely;

(c) it drew up emergency plans for cases when workers were unable to return to the work sites or their return was delayed due to the mandatory quarantine periods by reorganising shifts or, when possible, facilitating remote working;

(d) it reorganised work so that it could be carried out remotely, when possible, while maintaining the minimum safeguards in place to ensure the work sites could continue to operate;

(e) it carefully scrutinised each travel request to assess whether it was strictly necessary and whether the tasks could be carried out remotely; and

(f) management of non-group personnel: to ensure the continuity of its works, the Group actively assisted its contractors and subcontractors to protect workers' safety. This involved extending the precautions introduced for its own personnel to those of other companies (49 thousand workers).

Measures introduced to prevent the spread of the disease included:

(1) adoption of anti-contagion security protocols at the work sites and ramping-up the emergency procedures to cover the management of suspected cases, both together with the local healthcare units and by setting up isolation units for the in-house management of cases in remote work sites;

(2) intensification of healthcare measures, focusing on vulnerable people (due to underlying health condition or age reasons) and workers who required hospitalisation due to Covid-19;

(3) testing and screening strategies to diagnose Covid-19 using authorised laboratories for the prompt testing of suspect cases or symptomatic people, to facilitate the early identification of additional cases as part of the "track & trace" measures and investigations of outbreaks at the base camps of some contracts;

(4) introduction of a psychological support service to assist workers co-exist with the Covid-19 measures as easily as possible and to deal with the related stress, facilitating their return to work;

(5) management of common areas to decrease gatherings;

(6) special measures to provide healthcare assistance when the local healthcare units were unable to treat Covid-19 patients;

(7) employee awareness raising campaigns about the protocols. Educational programmes were held at the work sites based on the guidelines of the international organisations and local legislation. Some campaigns included pamphlets and videos to ensure the workforce's maximum cooperation; and

(8) roll-out of vaccination campaigns at work sites in foreign countries and Italian regions where this is allowed and promoted by the authorities, making the necessary vaccination doses available.

Operations and effects on the Group's business

As a global provider of engineering solutions and general contractor for infrastructure works, deemed a strategic sector essential for the economic recovery of many countries (as described earlier), Webuild was able to guarantee substantial continuity in many work sites and the protection of the health and safety of its employees and consultants.

As of 30 June 2021, all the work sites have resumed activities although not all of them are operating at pre-Covid-19 production and efficiency levels. This situation may change given the uncertainty about how the Covid-19 pandemic may evolve.

During the period, the Group continued negotiations with customers on specific contractual issues, mainly the delays due to the shuttering of work sites and the consequent inefficiencies incurred since the pandemic's outbreak, and included discussions about the additional costs incurred due to the crisis situation which the Group has so far borne almost in full.

Article 207 of Decree law no. 34/2020 (the Relaunch decree), approved by the Italian government and converted with amendments by Law no. 77 of 17 July 2020 provided for the receipt of contract advances of up to 30% within the limitations and in line with the annual resources earmarked for each project. This also applies to contractors that have already used the contractually-provided for advances or have already started work on a contract without receiving an advance.

An overview of the Group's performance in the various geographical areas is provided below.

Italy

After the slowdowns seen in the first half of 2020 at various work sites in Italy, business has slowly returned to normal although with some general inefficiencies partly due to the prudent anti-contagion measures. During the first six months of 2021, work has continued in accordance with the Covid-19 protocols in place at the various work sites where all employees and workers undergo weekly tests to minimise the pandemic's impacts on production.

Starting from the second quarter of the year, some work sites provide vaccination jabs to their resources on a voluntary basis.

Europe

The pandemic seems to be losing force in France. As per the instructions of the customer SGP, work on Line 16 of the Paris Metro was halted for about a month and a half during the period but was continuing at full spate again at the end of June 2021.

Work at the Swiss sites has continued regularly.

The biggest issue faced by the projects in the Scandinavian countries was international travel. As of the date of the Offering Circular, the restrictions introduced a year ago are gradually being lifted (to different extents in the various countries).

Americas

There were no significant slowdowns or suspensions of work, which continued regularly throughout the year in the US. The work site in Canada (Hurontario Light Rail Project), declared to be a priority by the authorities, continued to operate almost as normal.

The Latin American countries were affected differently by the pandemic: work continued relatively smoothly in Argentina and Peru (except in the case of specific events), while the combination of Covid-19 and social unrest in Colombia generated difficulties which are, however, under control.

Africa and Australia

There were no significant slow-downs or shuttering of work, which continued normally, in Africa. The GERD project team encountered, and successfully resolved, some difficulties with personnel rotation and recruitment, given the regulatory constraints and the Group's procedures, which had a minimal effect on the work site's activities.

Progress on the Australian projects was less than expected, mostly as a result of the local authorities' restrictions on the movement of people and goods to prevent the spread of Covid-19.

Middle East and Asia

The Middle East work sites continued to be affected by the local authorities' orders issued to curb contagion. The ongoing travel bans and flight restrictions have hindered the work force's return to projects, with the related effect on productivity. During the period, the Saudi Ministry of Health approved the Group's proposal to set up a vaccination centre at its work sites.

Supply chain

One of the key aspects of the pandemic was management of the Group's supply chain. In the first half of 2020, the Group introduced a dedicated tool to monitor possible supply-related issues, centralising information from around the world at the head office and tailoring plans to mitigate and/or monitor delays in supplies.

To ensure business continuity, the Group dealt with the risk of supply chain issues by identifying alternative procurement solutions and by urgently transferring equipment from one work site to another.

These mitigation measures adopted during the first six months of last year meant that the supply chain was not too affected by the pandemic in the second half of that year or the first half of 2021.

Raw material prices started to rise at the end of 2020 and this trend has continued throughout the period due to the smaller availability driven by greater demand in an attempt to relaunch the global economy.

The Group introduced management and monitoring tools at centralised level to deal with these price hikes and ensure the availability of raw materials, as well as to take effective action to contain these increases.

Market trends and commercial activities

In 2020, the Group continued to invest in commercial activities thanks to its increasingly accurate scheduling, greater efficiency and greater efforts to scout new opportunities. These actions paid off

in 2021 with the acquisition of new contracts, including those being finalised and others for which it is the preferred bidder, worth approximately €10.8 billion (during the same period of 2019 and 2020, €8.1 billion and €2.6 billion respectively). These contracts are located in Italy (€5.2 billion), Europe (€2.1 billion, including France, Austria, Norway and Switzerland), Australia (€2.1 billion) and the United States of America (€0.9 billion). The Group also signed a contract for a high speed railway line in Texas (US) for USD16 billion (€13.1 billion).

As of 2 November 2021, the Group's total pipeline of commercial activities was worth €25.7 billion (by type of work: 42% rail, 25% road, 10% hydro, 4% plants and 20% others) and includes tenders submitted and awaiting outcome for €8.3 billion, tenders to be presented for €8.8 billion and prequalifications for €8.6 billion.

Construction backlog as of 30 June 2021 including: (i) Texas High Speed Railway, (ii) contracts awarded after 30 June and (iii) best offer amounts to €53 billion (by geography related to: Italy 32%, North America 32%, Australia 10%, Europe 8%, Africa 8%, South America 5%, Asia 3%, Middle East 2%; by activity related to: sustainable mobility 79%, Clean Hydro Energy 12%, Clean Water 2%, Green Buildings 1% and other 5%). In Italy, the Group intends to leverage the new uptick in infrastructure investments driven by the country's National Recovery and Resilience Plan and the government's understanding of the importance of promoting strategic works and creating employment. Italy is in fact making more investments in infrastructure, and specifically in the sustainability mobility sector.

Outside the Italian borders, Webuild continues to diversify into low-risk markets such as the North America, central and northern Europe and Australia where governments plan to make new investments in infrastructure to foster the post-pandemic economic rebound

Pre-qualification activities contributed positively to the first six months of 2020 with the Group being pre-qualified for contracts worth over €20 billion, which is a considerable improvement on the previous year. This satisfactory trend is partly due to the significant growth in pre-qualification volumes in the US in the preceding 12 months related to a number of mega infrastructure projects that the Group has bid for as part of a joint venture with the American group company. As a result, its potential market is more in line with the Group's model.

As of November 2021, the Group's total pipeline of commercial activities exceeds €25 billion and includes tenders submitted and awaiting outcome for more than €8 billion.

Approximately 80% of the pipeline is focused on low-risk markets such as North America, Europe, including Italy, and Australia, all of which have major development plans for infrastructure, a sector that has become more strategic in supporting economies following the effects of the COVID-19 pandemic and strategic lever to fight climate change. The opportunities offered by government stimulus packages have created a market worth more than €730 billion for the period 2022-2024.

Company Outlook

The Issuer growth drivers are the following:

(a) focus on ESG, both in the construction and use of infrastructure;

(b) de-risking the order backlog by taking advantage of opportunities offered by greater infrastructure investment in markets with low-risk profiles;

(c) consolidate presence in Italy by seizing opportunities arising from the latest measures for the infrastructure sector, which provide for a new advance payment regime and a simplified tender process;

(d) expand in related business areas that can enable greater diversification of the order backlog and stabilise cash flow, such as infrastructure maintenance in Italy;

(e) implement an operational efficiency drive for €120 million by 2023;

(f) strengthen leadership in innovation through investments in digital core processes, construction techniques, quality, safety and environmental initiatives.

Other recent developments

The most significant new construction projects acquired by the Webuild Group after 30 June 2021 are included in the section "*Principal Activities - New Projects*".

During November 2021, given the recent increased uncertainty affecting the Group's reference markets as a result of the COVID-19 emergency and the sharp increase of pricing of raw materials (that may adversely affect the 2021 Group's consolidated EBITDA), Webuild has, on a precautionary basis, submitted to the relevant lending bank(s), among other, under the facility agreements listed above, waiver requests in order to suspend the testing of certain financial covenants, including in respect of the testing dates falling on 31 December 2021 and 30 June 2022 (as applicable) (See: "*Financing - Financial covenants holiday period*" below).

BUSINESS OVERVIEW

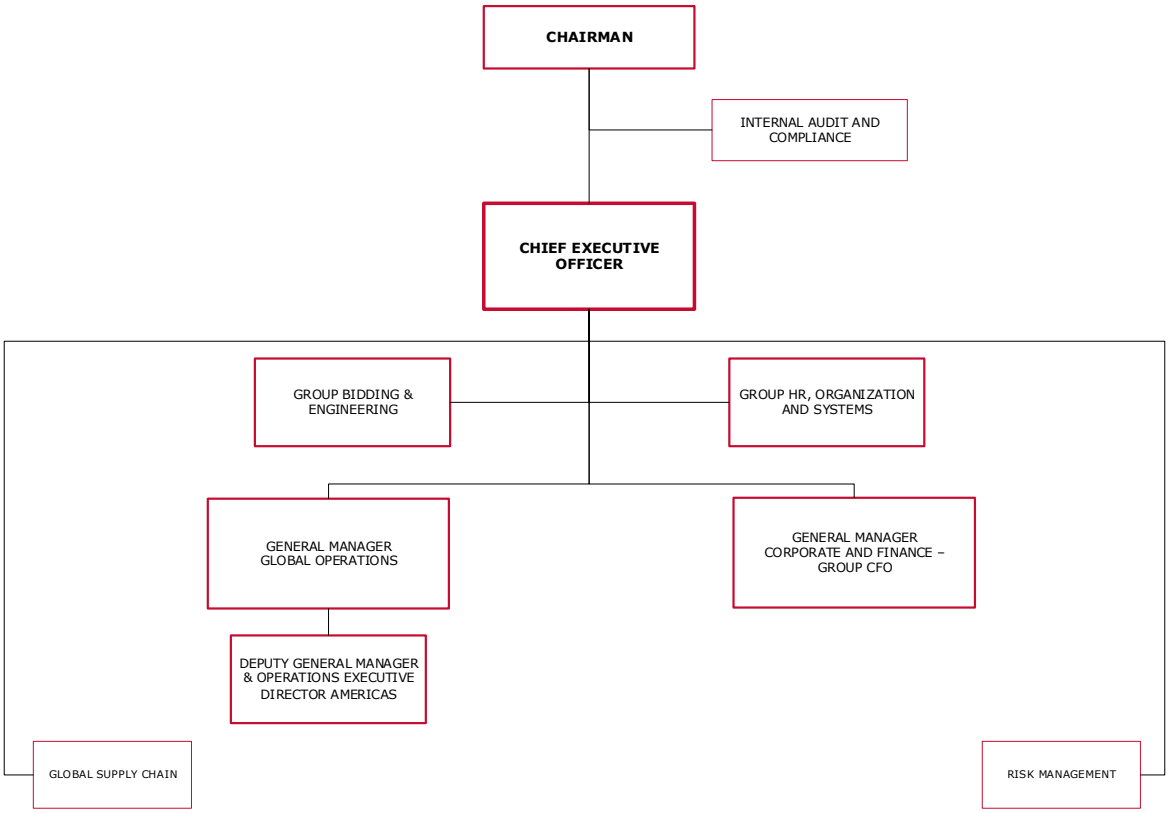
The Issuer is, by revenues, the largest Italian contractor as of 30 June 2021 and it is recognised by the Engineering News-Record (ENR) as one of the top contractors in the water and sewer/waste sectors (source: ENR Report, TOP 250 International Contractor, 16/23 August 2021).

Projects in the sector in which the Group operates are characterized by scale, complexities in construction and execution and/or working conditions that require high technical and engineering skills and qualifications. Examples of important ongoing projects, carried out independently by the Group or in partnership with other leading contractors, include the metropolitan transport system in Riyadh, Saudi Arabia; the "Grand Ethiopian Renaissance Dam" and the Koysha hydroelectric plant in Ethiopia; in Australia, the underground line connecting the airport with Forrestfield in Perth, and the expansion of the "Snowy Mountains Hydroelectric Scheme", a network of hydroelectric plants operating in the region called Snowy Mountains, in New South Wales; the High Capacity / High Speed railway project in the Milan–Genoa and Verona-Padua sections, in Italy; in the United States of America the projects called "I–10 Corridor Express Lanes", in California, "Purple Line Light Rail", in Maryland and the "Hurontario Light Rail Transit" in Canada. The Group is also involved in the construction of the Lima 2 metro line in Lima, Peru.

For the year ended 31 December 2020, the Group generated €5,315 million of Adjusted Revenues, €779 million of Adjusted EBITDA €231 million excluding bargaining gain) and it had a Net Financial Indebtedness of €441.9 million as of 31 December 2020. For the six-month period ended 30 June 2021, the Group generated €3,137 million of Adjusted Revenues, €198 million of Adjusted EBITDA and it had Net Financial Indebtedness of €540.0 million as of 30 June 2021.

As at 30 June 2021, the Group employed a total of 31,074 employees, of which 3,108 (or 10%) were in Italy and 27,966, or (90%), were abroad.

The following chart illustrates the organisational structure of the Webuild Group.



Webuild's administrative functions are organised around its commercial activities related to executing the projects that the Group has been awarded and bidding for new ones.

Operating activities are divided into six geographical areas[1] (Europe, North Africa and Far East, Middle East, Sub-Saharian Africa, Oceania, Americas), that coordinate the execution of construction projects. Each geographical operations area is further divided into regional clusters to ensure a more effective focus at country level.

Furthermore, bidding activities are led by a central Group Bidding Department, with also a global network of local tender poles, focused in strategic areas for the group commercial plan (e.g. Australia, France, etc.).

Operating costs and projects progress are monitored by Group's headquarter functions.

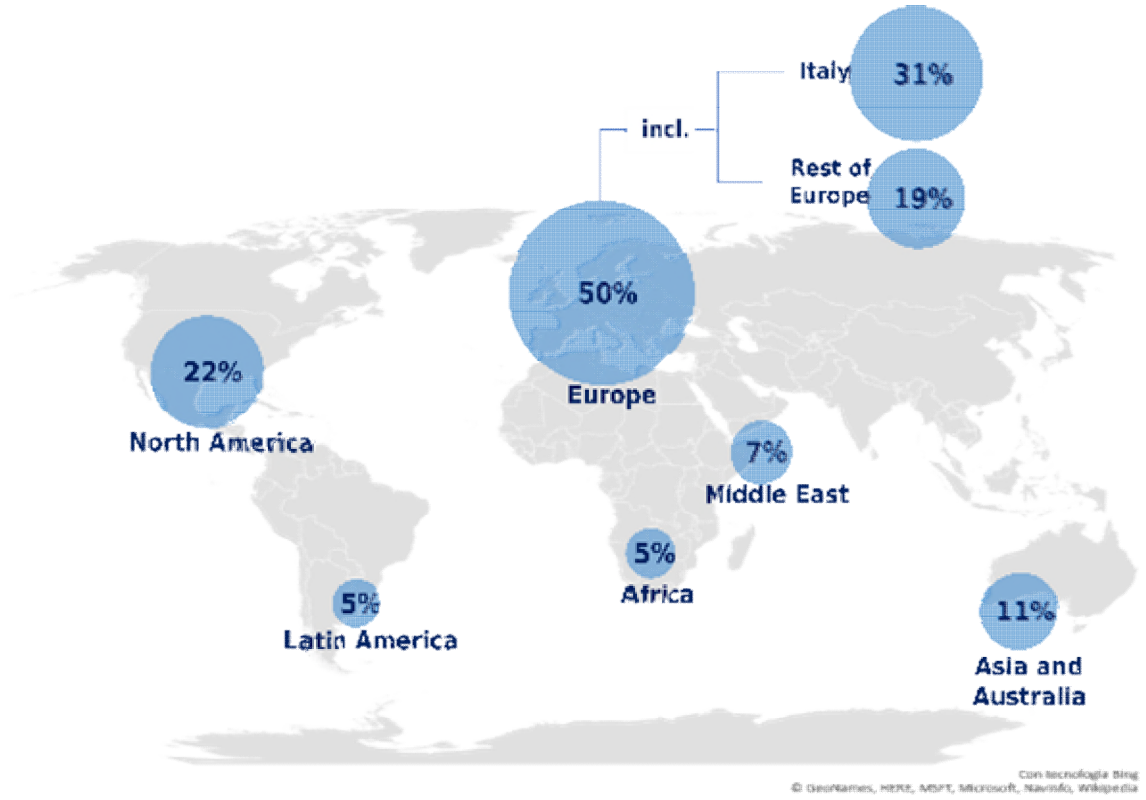
PRINCIPAL ACTIVITIES

The Issuer reports the Group's results according to three operating segments: (i) Italy; (ii) International; and (iii) Lane Group (which mainly operates in the USA).

The Issuer also classifies its activities based on United Nations' Sustainable Development Goals (SDGs) (see "*Business Model*").

The following graph illustrates the Group's presence on a geographical basis in terms of Adjusted Revenues as at 30 June 2021.

[1] Not considering special projects departments.



For illustration purposes only, the Group's operations may be divided in: (i) Constructions activities, i.e., heavy civil engineering construction activities, the Group's core business, which in turn may be subdivided into four main categories (Hydroelectric Plants, Dams & Hydraulic Works; Rails & Undergrounds; Roads, Highways & Bridges; other projects); and (ii) Other activities, which includes the construction of plants, concessions and other non–construction activities.

(A) Construction Activities

The Group's core business is focused on heavy civil engineering and construction.

Set out below is a chart of the Group's primary pending construction projects by business sub-sectors in terms of backlog as of 30 June 2021. The projects that the Issuer deems most significant are described in more detailed tables on the following pages. Projects that have not commenced yet (and for which the completion percentage is 0%, (e.g., Broni Mortara (Italy), Metro B (Italy), or Porto Ancona (Italy)), or that are suspended, even indefinitely (i.e., projects in Venezuela and Libya), have not been included in this table.

As of 30 June 2021, the Group's backlog related to its Construction Activities was approximately €34.2 billion. See "*Backlog*".

Project	**Country**	**Completion percentage (1)**	**Backlog (2)**
			(in € millions)
Hydroelectric plants, dams and hydraulic works			
Snowy Hydro 2.0	Australia	15.3%	2,873
Koysha	Ethiopia	42.3%	1,397
Rogun hydroelectric plant	Tagikistan	42.1%	1,326
Grand Ethiopian Renaissance Dam	Ethiopia	85.2%	615

Caloosahatchee (C43) West Basin Storage Reservoir	Usa	26.4%	327
KC Levees-Argentine/Armourdale	Usa	0.9%	215
West Ship Canal CSO	Usa	29.1%	151
Rails and undergrounds			
Verona-Padua high speed/capacity railway line (Iricav 2)	Italy	3.3%	4,072
Milano-Genova high speed/capacity railway line (COCIV)	Italy	53.5%	2,428
Apice Hirpinia high speed/capacity railway line	Italy	5.6%	567
Hurontario Light Rail	Canada	16.2%	514
Roads, highways and bridges			
Statale Jonica 106	Italy	15.1%	800
Ariguani	Colombia	50.6%	529
Sibiu Pitesti Lotto 5	Romania	3.5%	393
Versova Bandra Sea Link	India	4.1%	367
I-10 Corridor Express Lanes	Usa	37.9%	349
Southern Wake	Usa	32.1%	234
Other projects			
Sang Villas	Saudi Arabia	33.0%	768
Gaziantep Hospital	Turkey	23.1%	293
Normalizacion Hospital Barros Luco Trudeau	Chile	7.8%	245
Etlik Hastane EPC	Turkey	65.1%	170
Cultural Center	Nigeria	51.6%	161
CSC - Other	Swiss	42.8%	138
New project acquired			
Hirpinia Orsara high speed/capacity railway line	Italy		1,075
Taormina Giampilieri	Italy		1,004
Fiumefreddo Taormina/Letojanni	Italy		640
Fortezza Ponte Gardena	Italy		546

(1) Represents the percentage of the works completed through 30 June 2021, calculated by applying the cost-to-cost method, according to which the percentage of completion is calculated by comparing the costs effectively incurred with the estimated contract costs.

(2) Represents the construction contract value that remains to be executed, which is reflected in the Group's backlog as of 30 June 2021. Backlog regarding related concession contracts (if any) is not included.

The following table sets forth the Group's construction backlog for each geographical area for the periods indicated:

Backlog by geographic area – Construction backlog (1)

	As of 30 June		As of 31 December			
	2021		2020		2019	
	(in € million, except for percentages)					
Italy	**15,237.4**	***44.6%***	**12,302.2**	***37.0%***	**10,875.5**	***30.2%***
Asia	*2,785.7*	*8.2%*	*2,868.9*	*8.6%*	*3,721.9*	*10.3%*
Africa	*4,141.5*	*12.1%*	*5,497.3*	*16.5%*	*6,159.2*	*17.1%*
Americas (excluding Lane)	*3,380.1*	*9.9%*	*3,568.6*	*10.7%*	*4,329.4*	*12.0%*
Rest of Europe	*3,006.7*	*8.8%*	*3,024.1*	*9.1%*	*3,254.6*	*9.0%*
Oceania	*2,972.6*	*8.7%*	*3,231.5*	*9.7%*	*3,536.3*	*9.8%*
International	**16,286.6**	***47.7%***	**18,190.4**	***54.6%***	**21,001.6**	***58.4%***
Lane Group	**2,656.0**	***7.7%***	**2,787.2**	***8.4%***	**4,096.2**	***11.4%***
Total	**34,180.0**	***100.0%***	**33,279.7**	***100.0%***	**35,973.3**	***100.0%***

(1) As of 30 June 2021, plants backlog represents further €326 million.

While the Issuer's financial statements do not provide segment reporting for each of such business lines (and/or their respective sub-sectors), for purposes of this Offering Circular, an unaudited breakdown of the Group construction backlog by each of its construction sub-sectors is also provided, which the Issuer believes provides additional information useful to the reader in understanding the Group's business mix and its trends.

The following table sets forth the Group's construction backlog for each sub-sector of its Construction Activities for the periods indicated.

	As of 30 June		As of 31 December			
	2021		2020		2019	
	(in € million, except for percentages)					
Hydroelectric plants, dams and hydraulic works	*7,263.5*	*21.3%*	*7,775.8*	*23.4%*	*9,115.3*	*25.3%*
Rails and undergrounds	*16,447.3*	*48.1%*	*13,582.4*	*40.8%*	*13,075.5*	*36.3%*
Roads, highways and bridges	*7,178.4*	*21.0%*	*7,722.7*	*23.2%*	*8,641.6*	*24.0%*
Other projects	*3,290.8*	*9.6%*	*4,198.8*	*12.6%*	*5,140.8*	*14.3%*

Total	**34,180.0**	**100.0%**	**33,279.7**	**100.0%**	**35,973.3**	**100.0%**

Hydroelectric Plants, Dams & Hydraulic Works

Among the large–scale infrastructure projects carried out by the Group, the design and construction of hydroelectric plants, dams, canals, aqueducts, and underground sewer and wastewater networks plays a prominent role. As indicated above, the Group is one of the leading operators in the sector of "turnkey" water projects where in 2021 it ranks as the second world's largest contractor in the water construction sector by revenue (Source: ENR Report, Top 250 International Contractors, 16/23 August 2021). As of 30 June 2021, the Hydroelectric Plants, Dams & Hydraulic Works projects represented 25.3% of the Group's construction backlog.

The Webuild Group uses modern technology and relies on many years of experience to tackle geological or technical difficulties as well as any political, environmental and financial issues. In this respect, the Group has built many types of dams from concrete, compact concrete, earth and rocks and has successfully delivered complex hydropower plants on turnkey solutions, thus undertaking and developing design solutions aimed at being compliant and integrated with all other peculiar aspects of the project.

Examples of significant projects for the Group that have been completed include the Karahnjukar hydroelectric project in Iceland, the Gilgel Gibe I and II dams and the Gibe III (an extension of the greater complex that includes Gibe I and Gibe II) in Ethiopia, the Ponte de Pedra hydroelectric plant in Brazil and Mazar hydroelectric plant in Ecuador.

Rails & Undergrounds

The Group designs and constructs underground and above–ground railways, including high speed railways, subways/undergrounds, the related rail tunnels and other general underground projects. In particular, the activities include the design, excavation, construction, implementation, supervision and maintenance of above–ground and underground railways and other general underground projects. As of 30 June 2021, the Rails & Undergrounds projects represented 48.1% of the Group's construction backlog.

The Group has a long track record of designing and constructing tunnels, including under technically challenging conditions. In particular, the Group may rely on advanced tunnelling technologies, such as "Tunnel Boring Machines" ("**TBMs**"), which enable it to completely mechanise the tunnel excavation process, regardless of soil type, and the "New Austrian Tunnelling Method", which allows tunnelling through friable terrain.

Furthermore, the Group focuses on the design and construction of high–speed railways in Italy and abroad. Due to its reliability, energy efficiency and ecological sensitivity, many European countries have invested in high–speed railway infrastructure as a new and efficient means of transportation for long distances.

Examples of significant projects for the Group that have been completed include the high–speed railway line from Turin to Milan and from Bologna to Florence and construction of certain sections of the Paris and Athens subways.

Roads, Highways & Bridges

The Roads, Highways & Bridges business includes the design, excavation, construction, implementation, supervision and maintenance of roads and motorways, highways and other bridges, viaducts and related structures, such as tunnels, on/off ramps, overpasses and underpasses. The

Group also has advanced technological expertise in excavating and ventilating large–diameter highway tunnels, complete with lighting systems. In particular, the bridges and viaducts constructed by the Group span a range of different design specifications, such as simple projects comprising concrete beams and caissons that are prefabricated or produced ad hoc, to extremely complex projects, such as suspension and cable–stayed bridges. By way of example, the Issuer was the project leader of the Bosphorus Contractors Consortium, which was responsible for the construction of the second suspension bridge over the Bosphorus, which was completed in 1994.

As of 30 June 2021, the Roads, Highways & Bridges projects represented 21.0% of the Group's construction backlog.

Other Projects

The Other Projects activities include projects in areas other than the Group's three principal construction business activities, such as the design and construction of civil and administrative buildings, airports, educational facilities, car parks, hospitals and industrial complexes and plants. By way of example, as of the date of this Offering Circular, the Group completed the construction of the Stavros Niarchos Foundation Cultural Centre in Athens (Greece) and the Plenary Chamber for the European Parliament in Strasbourg, France, Ushuaia International Airport in Argentina and Bergamo Airport in Italy. In addition to these projects, the Group has also undertaken additional works in Europe (Italy and Switzerland) and Africa and is currently building Gaziantep Hospital in Turkey.

(B) Other Activities

In addition to Construction Activities, the Group conducts operations in plants and concessions that were historically performed and managed as separate units. "Other Activities" include: (i) Plants, and (ii) Concessions.

Plants

The Group has an historical presence in this sector and it is active in plant design, construction and operation activities, primarily constructing and operating plants for the desalination of sea water, gas flue treatment (a process by which flue gas is treated) and waste–to–energy processes. Currently, these activities are of minor importance to the Group's business.

O&M

The Astaldi Group had, through its subsidiaries, an historical presence in the sector of integrated management of services in technology-intensive infrastructures. Within this sector the Group is interested in the hospital segment, for which it has already acquired significant expertise.

Concessions

As of 30 June 2021, the Group had 16 ongoing concession projects, of which six are in the investment phase (i.e. the Group is investing in the construction of the projects), nine are in operation and two in liquidation. In particular, the concession activities involve the operation, management and maintenance of public infrastructure concessions in which the Group makes equity commitments and maintains an equity or similar type of ownership interest. The Group participates in concessions as either a partner of the concessionaire company, through joint venture companies and associations executing the projects, or as a contracting party. The most significant concessions are for transport infrastructure, energy distribution systems, power distribution lines, water systems, hospitals and car parks

The Group has been present in the concessions sector for more than 20 years. Its main concessions projects are the Milan Metro Line 4 in Italy, the Metro Line 2 in Peru, the Ruta del Sol Highway in Colombia and the Gaziantep Hospital in Turkey. In the last few years, the Issuer has made a strategic decision to dispose of non–core assets, such as brownfield concessions (i.e., projects under concession aimed at the renovation, upgrading or expansion of existing infrastructures or the creation of infrastructures in addition to those already existing). Accordingly, since 2012, certain of these assets have been divested. On the other hand, the Group also intends to continue to bid strategically on greenfield concessions (i.e., projects under concession aimed at the *ex novo* creation of infrastructures) with the aim of reaping benefits in the "Construction Activities" sector while seeking to retain the right to exit from the concession to the extent an opportunity for disposal arises, usually after the completion of the construction phase. In other words, although the Group is in the process of renewing its focus on construction operations by disposing of non–core concession assets, the Group continues to utilize concessionary structures as a means to increase its "Construction Activities" sector.

The following tables set forth the Group's main concessions in Italy and outside Italy, respectively, as of 30 June 2021.

Italy

Country	Operator	% of investment	Stage
Highways			
Italy (Pavia)	SaBroM S.p.A. (Broni Mortara)	60.0	Not yet active
Italy (Ancona)	Passante Dorico S.p.A. (Porto Ancona)	63.1	Not yet active
Metros			
Italy (Milan)	SPV Linea 4 S.p.A. (Metropolitana Milano Linea 4)	9.7	Not yet active
Car Parks			
Italy (Terni)	Corso del Popolo S.p.A.	55.0	Active
Other			
Italy (Terni)	Piscine dello Stadio S.r.l.	70.0	Active

Abroad

Country	Operator	% of investment	Stage
Highways			
Argentina	Autopistas Del Sol	19.8	Active
Argentina	Mercovia S.A.	60.0	Active
Colombia	Yuma Concessionaria S.A. (Ruta del Sol)	48.3	Active
Metros			
Canada	Horuntario Mobilinx G.P	30.4	Not yet active
Peru	Metro de Lima Linea 2 S.A.	18.3	Not yet active

Energy from Renewable Source			
Argentina	Yacylec S.A.	18.7	Active
Argentina	Enecor S.A.	30.0	Active
Hospitals			
Great Britain	Ochre Solutions Ltd – Oxford Hospital	40.0	Active
Turkey	Gaziantep Hospital	24.5	Not yet active

Concessions in Argentina related to Puentes del Litoral S.A, and Aguas del G. Buenos Aires S.A. are in liquidation.

BUSINESS MODEL

The Group has developed its business model to optimise results in terms of quality, to comply with the customer's budget and timeline and to be economically, socially and environmentally sustainable. Its model is designed to support customers build complex infrastructure in response to the ongoing megatrends, leveraging three distinctive strategic pillars: expertise and innovation, centralised governance and sustainability. It aims to generate value shared with its shareholders, investors, customers, employees and the communities where it operates, contributing to 11 of the main UN Sustainable Development Goals ("**SDGs**").

Global challenges

Webuild's business is closely linked to the main global megatrends, such as demographic growth, urbanisation, resource scarcity and climate change. They are significantly changing people's needs, influencing the priorities of public bodies and investors and modifying market competition.

Infrastructure continues to be an essential response to global challenges in a situation where it is generally accepted that the specialist know-how of large construction companies like Webuild is fundamental to developing infrastructure solutions to improve people's quality of life.

Core Business: Our performance

Webuild is one of the global operators with a strongly SDG-oriented core business directed towards the development and building of infrastructure that directly contributes to the achievement of the SDGs and transition to a low-carbon based economy.

Sustainable mobility

- Metros
- Railways
- Roads and motorways
- Bridges and viaducts
- Ports and sea works

Clean hydro energy

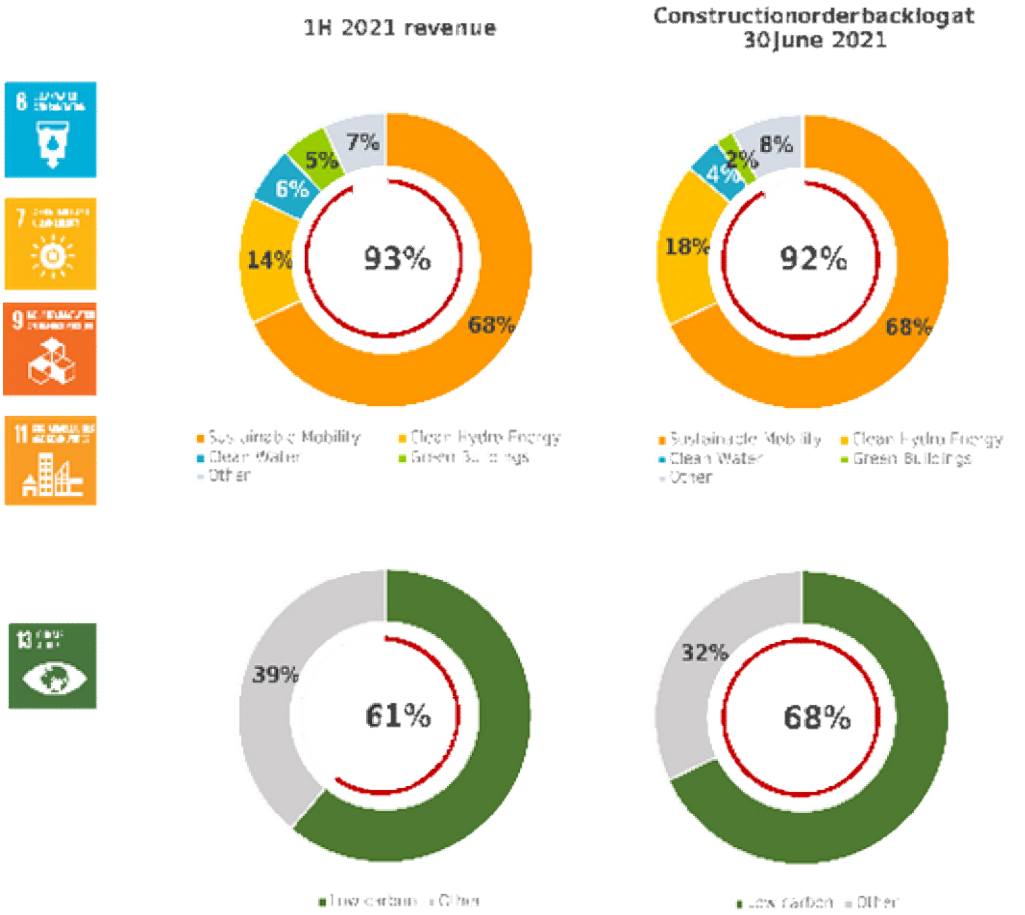
- Hydropower plants
- Pumped storage

Clean water

- Drinking water and desalination plants
- Wastewater management plants
- Hydraulic projects
- Drinking water and irrigation water reservoirs

Green buildings

- Civil and industrial buildings
- Airports
- Stadiums
- Hospitals



Ongoing or completed projects at 30 June 2021 in the sustainability mobility sector accounted for **68%** of contract revenue and construction order backlog.

Ongoing clean hydro energy projects contributed **14%** to contract revenue and make up **18%** of the construction order backlog.

Completed or ongoing clean water projects made up **6%** of contract revenue and **4%** of the construction order backlog, while green building projects accounted for **5%** of contract revenue and **2%** of the construction order backlog.

Sustainable Mobility

The Group is one of the key operators in the urban (metros and light rail) and non-urban (high speed railways) sustainable mobility sectors as well as in the land transport (roads and motorways), sea (ports, navigable channels) and air (airports) infrastructure sectors.

It has constructed some of the largest metros in the world like those in Riyadh, Doha, Copenhagen, Paris, Milan and Rome, high-speed railways in Italy, Austria, Norway, Sweden, Turkey and the US, unique works like the new Panama Canal, which has enabled post-Panamax ships to cross the American continent since 2016 rather than going around it, leading to a reduction in CO2 emissions.

The sustainability mobility sector is one of the most promising business areas for the next few years. It is expected that passenger traffic alone will grow by 50% within 2023, to then double by 2050, while only 16% of global urban travel takes place using public means of transport[2].

The transport sector accounts for two-thirds of global oil consumption and continues to be the fastest growing source of greenhouse gas emissions[3].

The metro projects under construction alone would allow the fast, efficient and sustainable transportation of a lot of people, avoiding emissions of CO_2. The high speed railway projects will shorten travel times, providing a lot of people with safe, rapid and low-carbon services. In fact, rail transportation services generate emissions up to one eighth of those of the most environmentally-friendly cars and up to one ninth of the most efficient aircraft.

Road infrastructure works will continue to be fundamental to move goods and people both in the developed economies (where the focus is mainly on modernisation and traffic decongestion) and low-income countries (where around one billion people still lack access to an all-weather road)[4].

Clean Hydro-Energy

The Group is one of the main players in the hydropower sector and has been acknowledged as a sector leader by ENR for five years.

Webuild has strong experience in the various construction methods (concrete, RCC and loose materials) and environmental contexts as it has carried out projects at all latitudes in Europe, North and South America, Africa, Asia and Oceania.

The energy sector is responsible for around 60% of the global GHG emissions[5] while roughly 789 million people still do not have access to electricity[6].

Hydropower is one of the renewable sources with the lowest unit cost, which makes it particularly suitable for those areas of the world where most of the population still does not have electricity, like some of the emerging economies.

The ongoing hydropower projects would provide low-cost clean energy to tens of millions of people around the world, especially in the Horn of Africa (Ethiopia and surrounding countries) Central Asia (Tajikistan and adjacent countries) and Australia, avoiding emissions of CO_2.

[2] Source: Sustainable Mobility for All, Global Mobility Report 2017, https://openknowledge.worldbank.org/bitstream/handle/10986/28542/120500.pdf?sequence=6

[3] Source: World Resources Institute, https://www.wri.org/blog/2019/10/everything-you-need-know-about-fastest-growing-source-global-emissions-transport

[4] Source: The World Bank, Transport, https://www.worldbank.org/en/topic/transport/overview

[5] United Nations – Sustainable development, Energy, Facts and figures, https://www.un.org/sustainabledevelopment/energy/

[6] United Nations - Department of Economic and Social Affairs, SDG7 Overview, Progress and info (2018), https://sdgs.un.org/goals/goal7

Clean Water

The Group is a global leader in the water infrastructure sector and active in the entire water cycle, from supply to drinking water to irrigation and the final treatment of wastewater.

Thanks to the group company Fisia Italimpianti, which leads the desalination, drinking water and water treatment sector, the Group is a strategic partner for public and private sector customers in areas subject to water stress like the Middle East where it builds essential water infrastructure for millions of people. Webuild also has experience in building water storage for drinking water and/or irrigation, environmental recovery projects and works to upgrade urban wastewater management infrastructure to make it more resilient to the increasingly frequent extreme weather events, protecting areas affected by flooding and preventing the pollution of the receiving water bodies.

The efficient management of water is one of the principal global challenges given that more than two billion people live in areas subject to water stress, 2.2 billion people do not have access to safely managed drinking water, 4.2 billion to modern sanitation services[7] and 80% of the water discharges are released into the environment without proper treatment[8]. In fact, the effects of climate change are having a faster-than-expected effect.

Green Buildings

By 2050, about 70% of the world's population will live in urban areas[9], which are already highly polluted and subject to environmental stress which has a significant fall-out effect on the health of residents and public finance.

Estimates indicate that 90% of the global urban population breathes air of a quality below the standards set by the World Health Organisation[10].

Over the years, the Group has constructed civil, institutional, commercial, cultural, sporting and religious buildings accumulating vast experience in Eco-design & Construction systems, which allow a reduction in the works' environmental footprint over their life cycle.

Specifically, adoption of these systems (e.g., Leadership in Energy and Environmental Design - LEED) allows both a reduction in the environment footprint during construction, thanks to the use of low-environment impact raw materials and optimisation of production and logistics processes, and

[7] United Nations - Department of Economic and Social Affairs, SDG6 Overview, Progress and info (2017), https://sdgs.un.org/goals/goal6

[8] United Nations – Sustainable development, Water and Sanitation, Facts and figures, https://www.un.org/sustainabledevelopment/water-and-sanitation/

[9] United Nations – Sustainable development, Cities, Facts and figures, https://www.un.org/sustainabledevelopment/cities/

[10] United Nations - Department of Economic and Social Affairs, SDG11 Overview, Progress and info (2016), https://sdgs.un.org/goals/goal11

maximisation of the building's environmental performance during its lifetime as a result of lower energy and water consumption and less emissions.

The environmental advantages of using Eco-design & Construction systems are measured by comparing them to environmental performances obtained using standard design and construction methods.

New Projects

Recently awarded contracts after 30 June 2021 include the following:

- in November 2021, Webuild and its Swiss subsidiary CSC won Lot H41 Gola del Sill-Pfons of the Brenner Base Tunnel project;
- in October 2021, Webuild Group's U.S. subsidiary Lane won the 495 Express Lanes Northern Extension (495 NEXT) in Virginia;
- in September 2021, Webuild, as part of the Sotra Link consortium, awarded a contract to build and manage the RV.555 Sotra Connection PPP Project, a network of roads, tunnels, bridges and viaducts in the western Norwegian county of Vestland;
- in September 2021, Webuild, together with a partner, won a contract to design and built two section of the Pedemontana Lombarda Highway in northern Italy;
- in September 2021, Webuild Group's U.S. subsidiary Lane won the I-3306A design-and-build project to widen a section of the I-40 highway in North Carolina;
- in July 2021, Webuild, in joint-venture, awarded a contract for the excavation of a section of the base tunnel for the high-speed/high-capacity railway planned under the Alps between Turin and Lyon;
- In January 2022, Webuild awarded a contract to build a multistorey mega car park in Riyadh, Saudi Arabia.

Backlog

The order backlog shows the amount of the long-term construction and concession contracts awarded to the Group, net of revenue recognised at the reporting date. The Group records the current and outstanding contract outcome in its order backlog. Projects are included when the Group receives official notification that it has been awarded the project by the customer, which may take place before the definitive binding signing of the related contract.

The Group's contracts usually provide for the activation of specific procedures (mainly arbitrations) to be followed in the case of either party's contractual default.

The order backlog includes the amount of the projects, including when they are suspended or deferred (i.e., Venezuela and Libya), pursuant to the contractual conditions.

The value of the order backlog decreases:

– when a contract is cancelled or decreased as agreed with the customer;

– in line with the recognition of contract revenue in profit or loss.

The Group updates the order backlog to reflect amendments to contracts and agreements signed with customers. In the case of contracts that do not have a fixed consideration, the related order backlog reflects any contract variations agreed with the customer or when the customer requests an

extension of the execution times or amendments to the project that had not been provided for in the contract, as long as these variations are agreed with the customer or the related revenue is highly probable.

The measurement method used for the order backlog is not a measurement parameter provided for by the IFRS and is not calculated using financial information prepared in accordance with such standards. Therefore, the calculation method used by the Group may differ from that used by other sector operators. Accordingly, it cannot be considered as an alternative indicator to the revenue calculated under the IFRS or other IFRS measurements.

Moreover, although the Group's accounting systems update the related data on a consolidated basis once a month, the order backlog does not necessarily reflect the Group's future results, as the order backlog data may be subject to significant variations.

The above measurement method differs from the method used to prepare the disclosure on performance obligations yet to be satisfied in accordance with IFRS 15 as set out in note 29 to the condensed interim consolidated financial statements. Specifically, the main contract revenue included in the order backlog and not considered in the notes includes:

- revenue from concession contracts as it is earned mainly by equity-accounted investees;
- revenue from the joint ventures not controlled by Lane Group and measured using the equity method;
- income from cost recharges attributable to non-controlling members of Italian consortia classified as "Other income";
- contracts signed with customers that do not meet all the criteria of IFRS 15.9 at the reporting date.

Project phases

The Group's categorizes project cycles in the following phases: (a) research, project selection and business development (i.e., research and assessment of prospective business opportunity), (b) management of prequalifications and bidding process, and (c) project execution and (d) post-construction support.

The Issuer's Business Development Department is responsible for originating projects by researching business opportunities and forthcoming tenders, taking into account, *inter alia*, a risk-analysis assessment, the expected profit margin and revenue, the technical expertise required to execute the project as well as the probability of award of such project. The Business Development Department also proposes whether the Group should bid for the project alone or with partners, based on risk assessment, size of the project and technical requirements.

The Group is awarded contracts for new projects primarily through competitive bidding processes which typically include solicitations by public announcements and invitations when short-listed for projects. In the public sector, contracts are generally awarded through tenders. In some instances, participation in the bidding process is only permitted following a pre-qualification procedure, where the bidder's eligibility to carry out the project is examined on the basis of certain parameters such as financial capability, experience, personnel and equipment. As customary, in order to participate in competitive tenders, enter into contracts with customers or guarantee performance thereunder, contractors are required to provide customers with commercial guarantees (including bid bonds, performance bonds, advance bonds, retention money bonds or other forms of guarantees).

Construction activities may be typically carried out with different management options:

(i) direct management, whereby the construction activity is performed directly by the Issuer without any third parties' involvement, regardless they are or not Group's subsidiaries;

(ii) management through consortia, joint ventures, other partnerships or limited liability entities in cooperation with other operators. As the case may be, the Issuer may hold a majority or minority stake in the relevant partnership or entity;

(iii) management through subsidiaries whose capital is entirely held by the Issuer or other Group's entities.

The first step of the execution process is to identify the project team and the project manager to execute the project. The next step is the budget approval and allocation of the resources needed to execute the project, followed by the project mobilization, which includes sourcing and contracting with suppliers and subcontractors and managing logistics.

The project is monitored on a monthly basis to ensure the Group is in line with the budget, and twice a year an in-depth analysis of each project's budget is undertaken. Where allowed by applicable law, projects are initially financed through advances on the contract price. In some countries in which the Group operates or according to certain typologies of contracts, advances may not be contractually customary or foreseen and, as a result, the Group, or the partnership involved in the project, must undertake all of the project's cost, which are recovered by the generation of cash resulting from operational activities, or through loans. The project execution process ends with the customer taking over the management of the project.

At the end of the execution phase, after the customer has taken over the project, the Group provides post construction support by conducting any contractually-agreed maintenance works and managing any claims that have arisen during the defects liability period, which is normally contractually agreed to be between 12 and 24 months.

Strategic pillars

Given the complexity of global challenges and the competitive playing field, the Group has to be agile and dynamic.

Accordingly, the Group has revisited its organisational model significantly in recent years to ensure continuous improvement and a sharper focus on expertise and innovation, centralised governance and sustainability.

Expertise and innovation

The large complex infrastructure sector the Group works in requires niche skills to guarantee the customisation of the processes, techniques and technologies deployed depending on the nature of the works to be performed. Each project is unique and requires the development of bespoke solutions achieved thanks to highly specialised know-how.

The Group considers investments in employee upskilling and training and innovation as the main levers in its long-term sustainable growth.

The rapidity of global changes and swift development of technological innovation make it essential to meld the Group's skill set with best-in-class innovative technologies and processes to hone its competitive edge.

Innovation is a strategic tool that improves skills and processes and is an area in which the Group plans to increase its investments. It contributes to making core processes more efficient, ensuring greater optimisation of the times and costs to perform the works and the support processes. It also

assists the Group's social and environmental performance because it translates into an improvement in safety conditions and a reduced impact on the environment, and, thus, on the communities where the Group operates. Research, development and innovation initiatives take place at project and corporate level. They involve the Group's technical departments and its partners (suppliers, professionals, universities and research centres) in the development of innovative solutions to improve internal processes and develop tailored projects to meet customers' requirements right from the bidding phase. Innovation at corporate level mostly relates to the optimisation of governance, organisation and management of operations.

Centralised governance

Over the last few years, Webuild has strengthened the Group's organisational structure and this has had a profound impact on its internal culture and active involvement of all levels of decision makers and operational resources. The objective was to ensure optimal management of all core processes, from commercial planning to the bidding and execution processes.

Webuild has a centralised governance system of corporate competence centres that ensure the application of best practices and the Group's guidelines by all subsidiaries as well as optimisation of operating competencies and synergies along the entire value chain. They also monitor reputation risks and the brand's value.

A key facilitator of the organisational re-engineering project undertaken by the Group is the Performance Dialogue tool. It allows continuous monitoring of the ongoing projects through regular debriefing sessions that involve various internal levels of the Group's organisation. The tool ensures a structured exchange of information between the resources in the field and at headquarters, shared objectives and management priorities, the definition of agreed action plans and activation of operating tools to resolve any critical issues and benefit from potential opportunities.

Webuild's organisational model has proven very resilient to external shocks, such as the Covid-19 pandemic. Its centralised oversight system and robust peripheral organisation responded promptly to the emergency, taking all measures necessary to protect employees' health, contain the diffusion of the virus and continue production activities in full compliance with the instructions of the local authorities. It made it possible for headquarters to be in constant contact with the more than 100 ongoing projects in over 50 countries around the world.

Webuild has a centralised governance system which management believes has allowed it to efficiently coordinate global communication within the Group and with its external stakeholders, particularly during the Covid-19 emergency., This has also allowed it to protect its brand equity and its reputation from risks related to the Covid-19 emergency and high profile projects such as the new Genoa Bridge. Furthermore, it expanded its target audience via digital channels and leveraged the value of the Salini Impregilo brand for the new Webuild brand. Similarly, internal communication allowed the more efficient onboarding of new hires following the inclusion of new companies in the Group as part of Progetto Italia and the development of a shared culture, necessary to achieve strategic (e.g., health safety & environment), reputation and business objectives.

Sustainability

The principles of sustainable development are disseminated through the Group, both at core business and internal process level, as shown by Webuild's sustainability strategy, which identifies the sustainability of its projects and its work sites as the two cornerstones underpinning the Group's dedication and reputation.

In addition to developing works that contribute to the sustainable development of the communities where they are built, Webuild has a coordinated framework of management policies and systems designed to ensure compliance with the highest ethical, integrity, social and environmental principles.

The Group's ESG (Environmental, Social, Governance) priorities include the fight against climate change and promotion of the circular economy (environment), the protection and enhancement of its people (social), and innovation as a strategic driver for sustainability and the improvement of business efficiency, to guarantee high governance, integrity, transparency and stakeholder engagement (governance).

The efficient implementation of the ESG best practices is confirmed by the Group's regular assessments by its investors, non-financial rating agencies, customers and other stakeholders.

Within the Group's ESG priorities, Webuild has identified climate transition as a key pillar of its sustainability strategy. In this regard, the Company has identified Carbon intensity within its direct operations (Scope 1 & 2 tCO2-eq emissions / €M revenue) as a relevant KPI to track and evaluate progresses towards its decarbonization pathway. Besides being fully consistent with the Group's sustainability strategy, Carbon intensity is also a common KPI in the construction industry.

Webuild has defined a Sustainability Performance Target consisting in reducing its Carbon Intensity (Scope 1 & 2) of 50% by 2025 compared to the 2017 baseline, equal to 110 tCO2-eq/€M.

An action plan has been defined to support the achievement of such target, comprising four main levers: switch to grid electricity, machinery efficiency, electric systems efficiency, and use of renewable energy.

Webuild publishes annually its performance with regards to the above-mentioned KPI and target within its Annual Report (Consolidated Non-Financial Statement section), which is subject to a dedicated third-party external assurance.

BUSINESS STRATEGY

The business strategy of the Webuild Group is focused on sustainable long-term growth and value creation for shareholders, the key factors of which are as follows:

Focus on core construction operations.

In contrast to many of the Group's peers who are "diversified contractors," the Group's strategy primarily consists of focusing on heavy civil engineering and construction, specializing in large, complex infrastructure projects, plants, and water and waste treatment plants, instead of activities related to concessions (which are extremely capital intensive). On the other hand, the Group also intends to continue to bid strategically on greenfield concessions that benefit its Construction Activities while seeking to retain the right to exit from these concessions to the extent an opportunity for disposal arises, usually after the completion of the construction phase.

In the context of the Covid-19 Pandemic, in April 2021, the Italian government presented its part of the "Next Generation EU" ("NGEU") programme (i.e. the € 750 billion package that the European Union negotiated in response to the pandemic crisis). It has six missions, in line with the NGEU's six pillars:

(1) digitalisation, innovation, competitiveness, culture and tourism: to promote the country's digital transition, modernisation of its public administration, communication infrastructures and production system;

(2) green revolution and ecological transition: to foster sustainable agriculture and improve waste management capacity, to fund investment programmes and research into renewable energy sources and projects to combat hydrogeological instability;

(3) infrastructure for sustainable mobility: to consolidate and extend the national high speed railway network and enhance the regional railway system, especially in Southern Italy;

(4) education and research: to increase the places available in crèches, facilitate access to third level education, strengthen career orientation tools and revisit the recruitment and training of teachers;

(5) inclusion and cohesion: to invest in social infrastructure, consolidate labour policies and support the dual system and female entrepreneurs;

(6) health: this has two objectives, to strengthen the local prevention and health services by integrating the healthcare and social services, and modernise the National Health System's technological assets.

Nine strategic high speed infrastructure projects totalling €27 billion are directly financed through funds in National Recovery and Resilience Plan for €15 billion. A further €10 billion have been earmarked by the Ministry of Infrastructure and Sustainable Mobility for the completion of sections already included in the National Recovery and Resilience Plan.

Line	**Total value** *(in €/bn)*	**PNRR financing** *(in €/bn)*	**Other financing** *(in €/bn)*
Fortezza-Verona lots 1-7	1.6	0.9	
Liguria-Alps	7.6	4.0	
Palermo-Messina-Catania	4.1	1.4	
Naples-Bari	3.8	1.4	
Brescia-Verona-Padua	5.3	3.7	1.0
Salerno-Reggio Calabria	2.5	1.8	9.4
Taranto-Metaponto-Potenza-Battipaglia	0.7	0.5	
Rome-Pescara	0.7	0.6	
Orte-Falconara	0.7	0.5	

Excluding lots already assigned, approximately €24 billion of public works in Italy are expected to go to tender in the coming years, as expected under a national infrastructure recovery plan, of which more than €20 billion relates to high-speed rail - a segment in which Webuild is a leader. Of the total, €14 billion are included in the National Recovery and Resilience Plan and scheduled to go to tender in the next two years. When including the high-speed/high-capacity contracts acquired in Italy year-to-date, the Group is developing approximately 70% of the railway projects currently under the National Recovery and Resilience Plan.

The Italian government revised certain procedures with Decree law no. 77 of 31 May 2021 (the Simplification-bis decree) to speed up some of the works included in the National Recovery and Resilience Plan, make public calls for tenders more transparent and improve the quality of the bidders, which must guarantee qualified and documented past experience as well as expert personnel and adequate technical equipment

Although the size, technical requirements and bidding considerations of the Group's target projects are such that it must frequently operate through joint ventures or consortia, the Group intends to increase to the extent possible its focus on construction projects in which it has a controlling interest, or alternatively, assume the role of project leader, in order to exercise increased control over costs and efficiencies.

As part of this strategy to focus on its core construction operations, the Group also may consider the potential sale of non-core assets.

Focus on the de-risking of the Group's international footprint by expanding its presence in less risky markets.

The Group intends to expand its presence in lower-risk countries (including Italy, North America, central and northern Europe and Australia) with a high GDP and increasing infrastructure spending programs.

Strengthening presence in these core markets is also expected to allow the Group to leverage on its increased scale and reduce the exposure to risks related to specific geographical areas, although higher performance guarantee requirements in some of these markets (such as the United States, where 100% guarantees are usually required) may require additional financial resources.

Sustainable development

The Group's business model pursues the objective of combining the creation of economic value for shareholders, investors and customers with the creation of social and environmental value for customers, employees and other relevant stakeholders of the countries in which the Group operates, adopting an approach designed to create shared value in line with the Sustainable Development Goals (SDGs) defined by the United Nations.

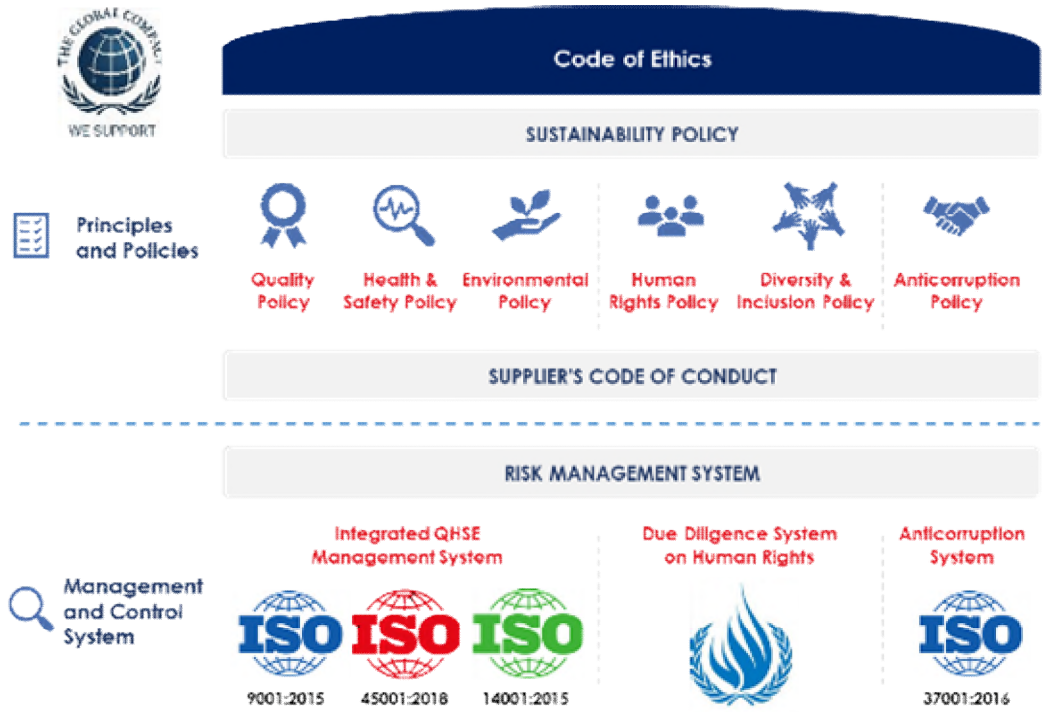
In particular, the Issuer's Sustainability Strategy hinges on the Group's core business of providing clients and the market with infrastructures for sustainable mobility, clean hydro energy, clean water and green building solutions to global challenges. It also embodies the ethical, social and environmental responsibility policies and practices applied by the Group to protect and enhance people and the environment and to contribute to the social and economic development of the countries in which it operates.

Moreover, the Issuer is a member of the United Nations Global Compact, a worldwide initiative for sustainable development, which requires a commitment to aligning strategies, policies, procedures and operations with ten universal principles relating to human rights, labour, environment and the fight against corruption, in order to not only upholding basic responsibilities to people and planet, but also setting the stage for long-term success.

The Group's Sustainability Strategy is put into practice through periodic ESG (Environmental, Social and Governance) Plans, which define specific sustainability objectives and programs to be carried out. The current ESG Plan focuses on 3 strategic areas - Green, Safety & Inclusion, Innovation - with the aim of:

- contributing to accelerating the climate transition towards zero emissions, developing innovative solutions to improve the environmental sustainability of projects during their construction phases, and of works when they are used;
- increasingly represent the industry's benchmark in terms of health and safety, skills development, diversity and inclusion; and
- improving production efficiency, through an ever-increasing digitalization of all processes.

The Group has adopted a coordinated framework of policies and management systems designed to ensure monitoring of relevant sustainability issues, in compliance with the applicable laws and regulations in the various countries in which the Group operates, as well as with the highest ethical, integrity, social and environmental international standards and guidelines.



The Issuer publishes a yearly Non-Financial Statement (NFS) within its Annual Report. The NFS is produced in compliance with the Global Reporting Initiative (GRI) standards and verified by a third-party independent auditor. In addition, the Issuer is regularly assessed by investors, specialised non-financial rating agencies, customers and other stakeholders on the Group's ESG (Environmental, Social and Governance) performance as well as included in ESG indexes.

The Quality, Health & Safety and Environment Management System

The quality, health & safety and environment management system ("QHSE System") is a management tool used by the Group's senior management to direct and maintain the expected and desired performance of the Group's projects, in order to: (i) comply with the technical requirements defined by the contract specifications; (ii) comply with Safety legal requirements and focus on the health and safety of employees and of those involved in the Group's projects; and (iii) comply with the Environment legal requirements and reduce the environmental impact of the projects. Processes that may have an impact on the QHSE System, defined by the QHSE risk assessment, are planned, developed and monitored according to documented procedures, to the full satisfaction of the Issuer's stakeholders. The QHSE System meets the highest international standards, which allowed Webuild to obtain the renewal of its ISO 9001, ISO 14001 and ISO 45001 certifications in April 2019, as result of the audits carried out by an independent entity.

All parties with which the Group interfaces, in particular its suppliers and subcontractors, are required to comply with the Group's requirements and standards.

Environmental Matters

The Group places great importance on environmental protection and reflect its environmental sensitivity in its business operations. The approach of the Group's environment management system is based on the PDCA (Plan, Do, Check and Act) method and the continual improvement of its processes is based on objective measurement. The environmental system has been certified for EN ISO 14001 since 2007 and the Group remains committed to achieve the following objectives:

- protecting the environment and preventing environmental damage;
- guaranteeing natural resources preservation promoting materials, energy and water efficiency and circular economy approach;
- ensuring biodiversity protection;
- minimising the footprint of its operations; and
- ascertaining those aspects of company's activities that can a have significant impact on the environment.

The analysis of the applicable regulatory requirements to ensure the compliance is made during all stages of a project (i.e., design, procurement and construction). At each stage, the identification of the requirements needed for the proper performance of the work is carried out also considering the different stakeholders' expectations.

The working methods are planned and developed taking into consideration:

- the legal, regulatory and contract requirements;
- the identification of each significant environmental aspect, its impacts and the mitigation/control measures to be adopted taking into account the context, the territorial peculiarities, the technologies and the materials used and relevant best practices;
- awareness and training;
- control and monitoring compliance and performance; and
- corporate targets and guidelines.

Plans, procedures and training are developed and monitored to minimize the Group's environmental impact through management of construction waste, land and soil consumption and erosion, air emissions, noise and vibration, ecosystems diversity, material use, as well as the reduction of water and energy consumption. Periodic environmental audits for all of the Group's project sites and head office are regularly planned and performed.

Occupational Health and Safety

The Group recognises the utmost importance of occupational health and safety protection of employees and third parties during the performance of its activities. The approach of the Group's Occupational Health and Safety Management System ("**OHS System**") is also based on the PDCA method, while the continual improvement of its processes is based on objective measurement. The OHS System has been certified for OHSAS 18001 since 2003 and for ISO 45001 since April 2019.

The Group implements leadership in safety programs to ensure a continuous development of the safety competencies and improvement of its performance.

Works methods are planned and developed taking into consideration:

- local legal requirements (including Legislative Decree 81/2008, as amended and integrated from time to time) and any contract requirements for the project;
- international standards, health and safety policy as well as other guidelines and procedures;
- practical and theoretical safety training; and
- monitoring compliance.

The risk assessment is made during all stages of a project (i.e., design, procurement and construction). At each stage, the identification of the requirements needed for the proper performance of the work is carried out.

Throughout the procurement process, the requirements related to the materials, machinery and equipment (i.e., handling, proper use and maintenance) are analysed and evaluated, in order to avoid the use of machinery and equipment not complying with safety and health regulations.

During the development of the Construction activities, the OHS System plans are reviewed to check the compliance with law requirements and relevant actions duly implementation; site visits, audits and follow-up actions are regularly performed.

Quality Control

Planning, execution and control of production activities aims at guaranteeing that the work is carried out in compliance with the contractual and corporate expectations and regulatory constraints.

Consequently, the Group established the following main objectives for the quality control process:

- to ensure the Quality inspection/supervision and the necessary support for all activities concerning the quality of works carried out by the construction organization;
- to ensure, during works execution, the coordination of quality control activities and the results of inspections carried out in accordance with the approved quality control plans;
- to ensure the systematic recording and availability of Certificates and Test Reports for the completion of Works and /or preparation of the QA/QC dossier.

The quality control process in Webuild is then managed according to the following phases:

(a) planning: definition and scheduling of the activities to be carried out, such as: resources planning, activities coordination, checking of documents and measuring equipment, etc.;

(b) quality control during design, procurement of material and services (e.g. subcontracting), Construction: execution of quality control activities, including preliminary checks, validation of special processes, control of materials and subcontractors, inspections management and monitoring during execution;

(c) management of quality controls results: output of the control activities to ascertain the compliance to the requirements, preparation and collection of certificates and the management of non-conformities;

(d) recording of quality control activities: collecting all quality documents and records for the substantial completion of the Project items relevant to the scope of work and submission of the final site QA/QC dossier to the client, made by the quality control documentation (issued on site) and all other documents prepared by different departments;

(e) improvement: set of activities aimed at increasing the capability to satisfy quality requirements in terms of work process efficiency and effectiveness, and to achieve planned results through the monitoring of quality control activities, data collection and sharing of lessons learned.

Research and Development

Research, development and technological innovation have always been essential to the execution of the Group's large-scale complex projects and the Group dedicates continuous attention to these areas. In close partnership with qualified professionals and engineering companies at an

international level, the Group has developed highly innovative techniques and solutions for use on projects of all types, sizes and complexity. For example, the Group's "Fast Track Implementation" method is specifically designed to construct large-scale "turnkey" hydroelectric power plants. The method, based on the simultaneous launch of all critical operational phases, helps to significantly reduce project timescales. Therefore, a hydroelectric plant begins to generate benefits and revenue streams much sooner than it would with a traditional organizational approach, delivering a faster return on investment. The Fast Track Implementation method, which the Group has already applied to three large-scale hydroelectric plants, can be used for many project types that require swift completion times, anywhere in the world.

Webuild carried out industrial research and experimental development activities during the six-month period ended 30 June 2021. These activities enabled the acquisition of new know-how and improvement of production efficiency, which will improve the parent's competitive edge.

The main R&D activities carried out during the six-month period ended 30 June 2021 are described below:

- research, design and development of an innovative integrated platform for advanced construction production processes, comprising four strongly inter-related pillars:
  - Big Data & Digital Twins;
  - Knowledge Management e Collaboration & Process Revision and BPM System;
  - Fleet Management System;
  - Procurement Platform;
- study and experimental development of innovative energy systems and an integrated platform for work site monitoring, management and efficiency to promote the energy transition and digitalisation;
- design, analysis and development of high energy efficient mechanised excavation systems to minimise excavation machines' energy consumption without compromising their performances;
- study, analysis and experimental development of fully electric or hybrid propulsion multi-service means of transport to transport materials and personnel underground at the work sites and to assist the TBM with the mechanised excavation works;
- study and experimental development of an innovative automated, robotic industrial facility for prefabrication with low environmental impact and powered with renewable energy; and
- ideation, study, design, development and experimental validation of new technologies to build large complex civil works.

These macro projects related to the following areas:

a) experimental or theoretical work, with the main aim being the acquisition of new knowledge on the foundations of phenomena and observable facts;

b) planned research or critical investigations to acquire knowledge to be used to fine-tune new products, processes or services or allow the upgrading of existing products, processes or services or create parts of complex systems;

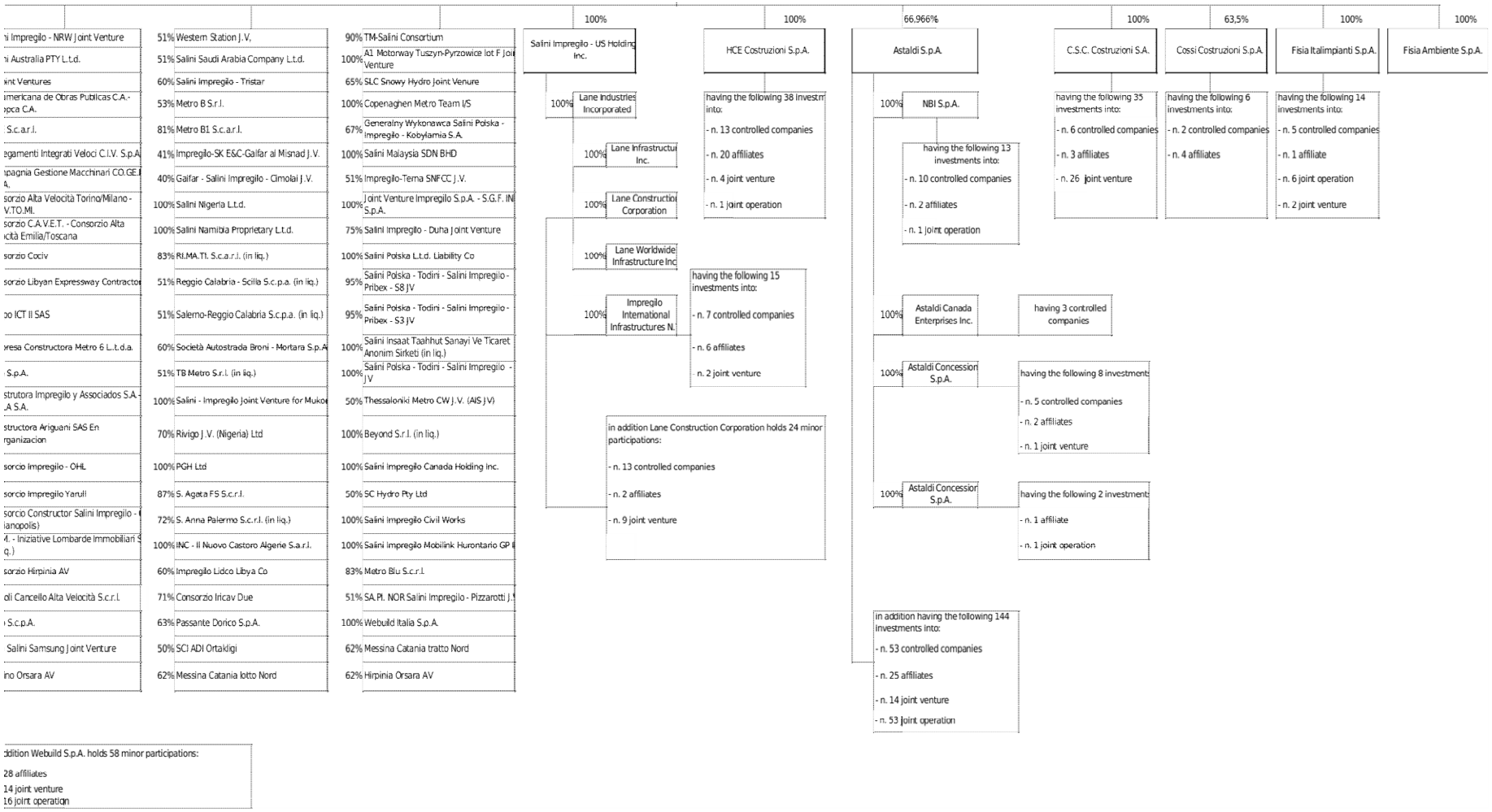
c) acquisition, blending, structuring and utilisation of knowledge and existing scientific, technological and commercial capabilities to prepare plans, projects or designs for new products, processes or services, or to modify or improve them, including feasibility studies;

d) development of prototypes to be used for commercial purposes and pilot projects for technological or commercial testing; and

e) production and testing of innovative products, processes and services.

ORGANISATIONAL STRUCTURE

Webuild is the parent company of the Webuild Group. The chart below illustrates the simplified corporate structure of the Webuild Group of 30 June 2021.



As of the date of this Offering Circular, the Issuer believes that it is not dependent upon any entities within the Webuild Group.

CORPORATE GOVERNANCE

Overview

The Webuild Group's approach to corporate governance is aimed at ensuring consistency with the best international practices.

The Issuer has adopted the "traditional" model of governance, where in principle the board of directors is responsible for the company's management and the board of statutory auditors is responsible for overseeing compliance with applicable laws and the by-laws.

The corporate governance system adopted and implemented by Webuild complies with the provisions of Italian corporate law and the Italian Consolidated Financial Act (Legislative Decree 24 February 1998, No. 58, as amended, the "**ICFA**"). It is also in compliance with the code of self-regulation drafted by the Corporate Governance Committee for Listed Companies, an internal body established by the Italian Stock Exchange, and applies to Italian listed companies on a "comply-or-explain" basis (the "**Code of Self-Regulation**"). In particular, the Issuer's by-laws are in compliance in corporate governance matters with all applicable laws as well as the recommendations set forth in the Code of Self-Regulation and the Italian securities markets regulations.

Pursuant to the ICFA, Webuild is required to illustrate in detail in each annual report on the corporate governance (which is published every year at least 21 days prior to the general meeting that is convened to approve the annual financial reports) the measures and procedures adopted and put in place in order to implement the recommendations included in the Self-Regulation Code and, in the event that one or more of such recommendations are not implemented, in full or in part, the reasons why the Board of Directors has decided not to do so.

The Issuer's most recent Report on the Corporate Governance (for the year 2019) is available in English at: https://salini-pdf-archive.s3-eu-west-1.amazonaws.com/governance/en/corporate-governance/2020/Relazione-Governance-2019-EN.pdf

Board of Directors

The Board of Directors, in office as of the date of this Offering Circular, is composed of 15 members who are expected to remain in office until the approval of the financial statements for the financial year ending on 31 December 2023. Pursuant to the Issuer's current by–laws, which were lastly approved by the Board of Directors on 14 October 2021 and came into force on the Capital Increase Closing Date, the Board of Directors will consist of fifteen directors.

The name, role, the date of first appointment and the date and place of birth of the current members of the Board of Directors are set forth in the following table:

Name and Surname	Position	Date of First Appointment	Place and Date of Birth
Donato Iacovone[(1) (3)]	Chairman	6 December 2019	Notaresco (Teramo), 1 October, 1959
Pietro Salini[(2)]	Chief Executive Officer	17 July 2012	Rome, 29 March 1958

Name and Surname	Position	Date of First Appointment	Place and Date of Birth
Nicola Greco[3]	Vice–Chairman	12 September 2013	Rome, 15 October 1949
Davide Croff[1] [3]	Director	30 April 2021	Venice, 1 October 1947
Pierpaolo Di Stefano[3]	Director	6 December 2019	Rome, 6 August 1969
Barbara Marinali[1] [3]	Director	30 April 2021	Rome, 10 August 1964
Flavia Mazzarella[1] [3]	Director	30 April 2021	Teramo, 24 December 1958
Teresa Naddeo[1] [3]	Director	30 April 2021	Turin, 22 May 1958
Marina Natale[1] [3]	Director	6 December 2019	Saronno (Varese), 13 May 1962
Ferdinando Parente[1] [3]	Director	30 April 2018	Naples, 12 January, 1961
Tommaso Sabato[3]	Director	30 April 2021	Turin, 27 April 1972
Alessandro Salini[3]	Director	28 April 2016	Rome, 26 March 1961
Serena Maria Torielli[1] [3]	Director	30 April 2021	Milan, 15 August 1969
Michele Valensise [1] [3]	Director	30 April 2021	Polistena (Reggio Calabria), 3 April 1952
Laura Zanetti[1] [3]	Director	30 April 2021	Bergamo, 26 July 1970

(1) [1] Independent Director pursuant to Article 147–ter(4) of the ICFA and Article 3 of the Code of Self–Regulation.

(2) [2] Executive Director

(3) [3] Non–Executive Director

(4) The business address of all members of the Board of Directors is the Issuer's registered office.

All members of the Board of Directors meet the integrity and experience requirements under applicable Italian law.

The Issuer's Chief Executive Officer, Mr. Pietro Salini, and one of the Board members, Mr. Alessandro Salini, are related. None of the other members of the Board of Directors has any family relationship, within the meaning of applicable Italian law, with any other member of the same board, nor with any member of the Board of Statutory Auditors.

Except as set forth below, to the knowledge of the Issuer, in the last five years, none of the current members of the Board of Directors has been convicted of fraud or bankruptcy crimes. Moreover, none of them has been subject to criminal charges or sanctions by public authorities or regulators (including appointed industry associations) during the performance of his or her professional duties, or to any injunction by any court affecting his or her ability to hold any position as a member of the corporate, management or supervisory bodies of the Issuer, nor has any of them removed or disqualified by a court from an administrative, management or supervisory body of any company or from acting in the management of any company.

A description of the experience and education of each of the members of the Board of Directors who are in office as of the date of this Offering Circular is summarized below.

Donato Iacovone. Mr. Donato Iacovone has been serving as Chairman of the Board of Directors of the Issuer since December 2019. He has a degree in Economics and Business Administration from the University of Pescara and began his professional career in 1984 in EY, becoming Partner in 1996. In EY he was appointed Advisory Leader of the Central Western European Area in 2005 and led the Business Development in Italy, Spain and Portugal from 2008 until 2010, when he took on the role of both Managing Partner of the Mediterranean Area (Italy, Spain, Portugal, Angola and Mozambique) and CEO of the Italian practice. As such, he was permanent member of the EMEIA Leadership Board (Europe, Middle East, India and Africa). He is Adjunt Professor of "Business Modeling and Planning" at Luiss University in Rome, of "Digital Business Model Innovation" at Cattolica University in Milan and of "Sharing Economy and Smart Cities" at Bocconi University in Milan. He is author of various books, among them "Evoluzione del settore dell'energia. Trend ed opportunità" (Il Mulino, 2019) and "La trasformazione dei modelli di business nell'era digitale. Strategy, Business Model & Plan in the age of digital disruption" (Il Mulino, 2018).

Pietro Salini. Mr. Pietro Salini has served as Chief Executive Officer of the Issuer since July 2012. He earned his degree in Economics and Business Administration from La Sapienza University of Rome and began his professional career in 1985 working for the family company, Salini Costruttori S.p.A., becoming its Chief Executive Officer in 1994, a position he still holds. He is also an Executive Committee Member of Assonime (the Association of the Italian joint stock companies) and a member of the Confindustria Board of Directors.

Nicola Greco. Mr. Nicola Greco has served as a member of the Board of Directors of the Issuer since September 2013. He has a degree in Chemical Engineering from La Sapienza University of Rome and started his professional career in 1974 at Technipetrol (TPL) S.p.A., where he served in various roles, including as Project Engineer and Project Manager, and was later named Deputy General Manager. In 1994, he was appointed CEO, a role that he kept until 2007. also sat for many years in the Executive Committee of Technip Group, listed in the Paris Stock Exchange (CAC 40). From 2007 to 2015, he has served as CEO of the Permasteelisa Group and from 2012 to 2015, he was a Director of Lixil Corporate (Tokyo). From 2003 to 2008, he was Chairman of OICE (Association of engineering, architecture and technical-economic consultancy organizations), an Italian National Association belonging to Confindustria. Since 2011, he is Professor of Economics and Business Management at the Biomedical Campus University in Rome – Engineering Faculty.

Davide Croff has served as a member of the Board of Directors of the Issuer since April 2021. Born in Venice, in 1947, he graduated in Economics and Commerce from the Ca 'Foscari University of Venice, specializing in Economics at Oxford. He is currently the Chairman of Cattolica Assicurazioni S.p.A., and a member of the Board of Directors of Credito Fondiario S.p.A. and Genextra S.p.A. He is also Chairman of the Ugo and Olga Levi Foundation in Venice, a member of the Council for Relations Between Italy and the United States (Consiusa) and a member of the Assonime Board. He previously held various positions at the FIAT Group, and from 1989 to 2003 he was first Deputy General Manager and then Chief Executive Officer at Banca Nazionale del Lavoro. He held the role of Chairman of the La Biennale di Venezia Foundation, for Permasteelisa S.p.A. and Eurovita S.p.A. He was a member of the BoDs of leading credit institutions and companies, including Fiera Milano S.p.A., BPM, Elica S.p.A. and the Presidency Council of the Querini Stampalia Foundation in Venice.

Pierpaolo Di Stefano. Mr Pierpaolo Di Stefano has served as a member of the Board of Directors of the Issuer since December 2019. In April 2019, he was appointed Chief Investment Officer of CDP S.p.A., and then CEO of CDP Equity S.p.A., CDP Industria S.p.A. and FSI Investimenti S.p.A. He has worked for over 25 years in the investment banking sector. In September 2013 he joined

Citi, which he left on March 2019 as Co-Head of Italy Corporate and Investment Banking. He served as Head of Italian Investment Banking at UBS (2005-2011) and Nomura (2011-2013). After an initial professional experience in Lazard (1994-1997), he worked at Merrill Lynch International from 1997 until 2005. He graduated with honors in Business Administration from “Luigi Bocconi” University of Milan.

Barbara Marinali has served as a member of the Board of Directors of the Issuer since April 2021. She has been Senior Advisor to the CEO of Snam S.p.A., since September 2020. From 2013 to 2020, she was a member of the first Council of the Transport Regulatory Authority. In over 25 years spent serving the Italian State, she acquired an in-depth knowledge of the "administrative machinery”, and of Italian institutions. From 2009 to 2013, she was General Manager for Road Infrastructure of the Italian Ministry of Infrastructure and Transport. Previously, she was Director of the Secretariat of CIPE (the Italian Interministerial Committee for Economic Planning) and the regent of the Department for Planning and Coordination of the Economic Policy, at the Presidency of the Italian Council of Ministers (2006-2008). Her other significant experiences include: the Competition and Market Authority, the Italian Ministry of Economy and Finance and the Italian Ministry of Productive Activities (now MISE). She graduated with honours in Economics and Commerce from the La Sapienza University of Rome. She is a chartered accountant and statutory auditor.

Flavia Mazzarella has served as a member of the Board of Directors of the Issuer since April 2021. She graduated in Economics and Commerce from the University of Rome, La Sapienza. She is currently the Chairperson of the Board of Directors of BPER Banca S.p.A. and Director and Member of the Remuneration and Appointments Committee of Alerion Clean Power. She was previously Chairperson of the Board of Directors, Director and Chairperson of the Risk Committee, as well as a member of the Nomination Committee and Lead Independent Director of Banca Finnat Euramerica, Director, Chairperson of the Control and Risk Committee and member of the Nomination and Remuneration Committee of Garofalo Health Care, and also Director of FIGC Servizi. From 2015 to 2018, she was Director and Member of the Control and Risk Committee of Saipem. From 2005 to 2012, Deputy General Manager of IVASS - (i.e. the Italian Insurance Supervisory Institute). She was also a director of the Privatization Office for the Italian Ministry of Economy and Finance.

Marina Natale. Ms. Marina Natale has served as a member of the Board of Directors of the Issuer since December 2019. She graduated with honours in Economics and Business from Università Cattolica del Sacro Cuore in Milan. She has been CEO and General Manager of AMCO – Asset Management Company S.p.A, since July 2017. She held numerous positions in UniCredit, among which Deputy General Manager and CFO after having managed the Group’s most important external growth transactions. She is currently a member of the Investor Committee of the Italian Recovery Fund (formerly Atlante II), and member of the Board of Directors of Fiera Milano where she was appointed CEO in 2017, to temporarily manage the company during the final stage of judicial administration decided by the Milan Court.

Ferdinando Parente. Mr. Ferdinando Parente has served as a member of the Board of Directors of the Issuer since April 2018. He graduated in Economics and Commerce from Rome’s "La Sapienza" University, with a thesis focused on credit and monetary economics. He subsequently starts his professional career at the Bank of Italy. From 1987 to 2010, he worked in the credit and financial supervision department, in its headquarters in Milan. In 2007, he reached the Head of the Supervisory and Exchange Division of the four supervisory headquarter units. Following his experience at the Bank of Italy, he began his consultancy activity, and in 2014 he founded Parente & Partners S.r.l., a company active in the banking and financial sector. He is currently a professional accountant and auditor, as well as an independent director of Banca Sella S.p.A. and Hyle Capital

Partners SGR S.p.A. and Chairman of 231 Supervisory Body of American Express companies. He taught at Milan's Catholic University, and subsequently at the Carlo Cattaneo University - LIUC, where he currently is professor of Banking Regulations and Compliance.

Tommaso Sabato has served as a member of the Board of Directors of the Issuer since April 2021. He graduated in Engineering from La Sapienza University. He has also earned an MBA from SDA Bocconi Business School. After a first experience in designing large engineering works, since 2003, he has been involved in project finance and operation & maintenance initiatives, in the motorway concessions sector: First in Sina S.p.A. (ASTM Group) and then in Milano Serravalle - Milano Tangenziale S.p.A. From 2006 to 2011, he initially held the position of General Manager, and that of Chief Executive Officer of Sogeap S.p.A. Società di Gestione Aeroporto di Parma. In 2013, he joined Astaldi SpA (now Webuild), moving to Turkey as Manager for the Central Eastern Europe area, for large infrastructure concession initiatives, covering the positions of CEO of Bodrum International Airport (in project companies), Chairman of the Board of Directors of the Etlik Hospital in Ankara, and Vice President of the Gebze-Izmir Highway and the Third Bosphorus Bridge in Istanbul. In 2015, he returned to Italy, as Business Development Director, helping to identify new business lines and geographical areas of development for the Astaldi Group. In May 2019, he joined Cassa Depositi e Prestiti S.p.A. as Head of Infrastructure Development. And from March 6, 2020, he is the Head of Infrastructures and Public Administration, dealing with infrastructural development and construction and investment financing matters, both for the public administration and for large companies.

Alessandro Salini. Mr. Alessandro Salini has served as a member of the Board of Directors of the Issuer since 2016. He has a degree in Political Sciences from La Sapienza University of Rome and an Executive Master’s degree in Administration, Finance and Control from LUISS – Guido Carli University of Rome. His professional experience began as a young student at the family company, through summer internships, in the construction site of the Italian Ministry of Postal Services and Telecommunications, in Rome, and subsequently in the construction sites for the construction of textile plants in Ain Beida and Tebessa, in Algeria. In 1987, he started to work in COGEFAR, which later became COGEFARIMPRESIT (FIAT Group), today Webuild. In 1993, he joined Salini Costruttori S.p.A. in which he held the position of Director of Market Development and Special Projects Director. To this function he added his "institutional" one, in the International Association of European Builders, EIC, participating in working groups and holding the role of Board Member, representing the Italian construction companies. Since 1994, he also held the role of Director of Salini Costruttori S.p.A., Salini S.p.A. and of other subsidiaries of the Salini Costruttori Group. He currently holds the position of Director of Salini Costruttori S.p.A. and other companies belonging to the same Group. Mr Alessandro Salini is a member of FORT/WGFA (Wharton Global Family Alliance), and Managing Director of Sa.Par (Salini Partecipazioni).

Serena Maria Torielli has served as a member of the Board of Directors of the Issuer since April 2021. She earned a Master's degree in Political Economy, from Bocconi University, in Milan. She is currently the CEO and Co-founder of Virtual B, an Italian fintech company that deals with data analytics, AI and digital marketing, for banks and insurance companies. She previously held the position of Head of Asset Management Sales in Banca Leonardo, from 2000 to 2007 Managing Director FICC in Goldman Sachs International, and from 1992 to 1999 Vice Chairman of Fixed Income Sales and Trading for JP Morgan. Since 2018, she is one of the 50 "Inspiring Fifty", the 50 women considered to be the most influential in the Italian technology sector.

Michele Valensise has been a member of the Board of Directors of the Issuer since April 2021.
He graduated in law from the "La Sapienza" University of Rome, and entered a diplomatic career, by competition, in 1975. He was the Italian Ambassador in Sarajevo, then in Brasilia, and finally in Berlin, and Secretary General of the Farnesina. In 2016, he was appointed member of the Board of

Directors of Astaldi S.p.A. He was also a member of the Board of Directors of Tim S.p.A. At the end of March 2021, he was also appointed a member of the Board of Directors of Tim Brasil.

Laura Zanetti has served as a member of the Board of Directors of the Issuer since April 2021. She holds a degree in Business Administration from the Luigi Bocconi University of Milan. She has been a visiting scholar at MIT (Massachusetts Institute of Technology) and LSE (London School of Economics and Political Science). She has been the Chairperson of Italmobiliare S.p.A, since 2017. She is Associate Professor of Corporate Finance at Bocconi University, in Milan, where she is also director of the degree course in Economics and Finance and Research Fellow of the Baffi-Carefin research centre. She is a Chartered Accountant and Statutory Auditor. Previously, she held the role of member of the Italgas Board of Statutory Auditors, member of the Italcementi Board of Directors, member of the Coima Res Board of Directors, member of the Alerion Clean Power Board of Directors. She is also a member of the Board of Assonime.

Board Committees

Pursuant to Article 16 of the CONSOB's regulation No. 20249 of 28 December 2017 (also known as the "Market Regulation"), the Issuer, in its capacity as a listed company which is subject to direction and co-ordination of another company (i.e., Salini Costruttori, see also "*Principal Shareholders-Controlling Shareholder-Salini Costruttori*") pursuant to Articles 2497 et seq. of the Italian civil code, is required – *inter alia* – to establish committees which are to be entirely composed of independent directors (to the extent establishment of these committees is recommended by the Code of Self-Regulation, therefore excluding, *inter alia*, the Strategic Committee referred to below).

The Issuer's Board of Directors has established the following Committees, which carry out advisory, preliminary and consultancy activities in favour of the Board of Directors in the relevant areas. The composition of each Committee was redefined by the Board during the meeting held on 30 April 2021.

(a) *Compensation and Nominating Committee*, which is composed of the following three Independent Directors: Ferdinando Parente (Chairman), Barbara Marinali and Laura Zanetti.

(b) *Risks, Control and Sustainability Committee*, which is composed of the following six Independent Directors: Teresa Naddeo (Chairman), Donato Iacovone, Flavia Mazzarella, Marina Natale, Ferdinando Parente and Serena Maria Torielli.

(c) *Related Parties Committee*, which is composed of the following three Independent Directors: Barbara Marinali (Chairman), Davide Croff and Ferdinando Parente.

In addition to the Board committees above, effective from 6 December 2019, the Board of Directors established a further committee, namely the Strategic Committee, which is composed of the following five Directors: Tommaso Sabato (Chairman), Nicola Greco, Barbara Marinali, Marina Natale and Pietro Salini.

The Strategic Committee shall supervise and evaluate the activities in any way connected with the implementation and execution of Progetto Italia, and is entrusted with investigative and advisory powers *vis-à-vis* the Board of Directors, with the aim to support the Board of Directors' assessments and decisions in relation to Progetto Italia, all in accordance with the CDP Equity Investment Agreement. These powers include:

- monitoring (i) the activities relating to the implementation of Progetto Italia, based on the periodic reports sent by the Chief Executive Officer and any further useful information acquired, and (ii) any merger and acquisitions transactions in Italy and abroad which,

regardless of their inclusion in the Progetto Italia, may have a significant impact on the implementation of Progetto Italia;

- evaluating, also in support of the activities of the Compensation and Nomination Committee, the progress of the implementation of Progetto Italia, considering the objectives and the key performance indicators applicable from time to time to Progetto Italia;
- issuing a mandatory non-binding prior opinion in connection with: (i) the activities relating to the implementation and execution of Progetto Italia, including any acquisition/business combination in the context of Progetto Italia, and (ii) any merger and acquisition transaction in Italy and abroad which regardless of their inclusion in the Progetto Italia, may have a significant impact on the implementation of Progetto Italia;
- issuing a mandatory non-binding prior opinion, in connection with any amendments and integrations of Progetto Italia, including, *inter alia*, (i) the extension of the subjective scope of Progetto Italia, and (ii) the extension of Progetto Italia for an additional 18–month period in the event it will not be fully implemented within the first 18–month period;
- issuing a mandatory non-binding prior opinion in connection with the acknowledgment of the full completion of Progetto Italia as a result of the achievement of all the targets.

The Strategic Committee will be automatically confirmed at each renewal of the composition of the Board of Directors, until the end of the 36–month period following the Capital Increase Closing Date (i.e., 12 November 2019), or, if earlier, until the date on which the Board of Directors will have assessed, by the qualified majority set forth under the by-laws and subject to the mandatory non-binding prior opinion of the Strategic Committee, the full completion of Progetto Italia as a result of the achievement of all the targets. See also "*Recent Developments - Progetto Italia and the Astaldi Transaction*" above.

Board of Statutory Auditors

The current Board of Statutory Auditors was appointed at the ordinary shareholders' meeting of 4 May 2020, and it is expected to remain in office until the approval of the financial statements for the year ending on 31 December 2022.

The name, role, the date of first appointment and date and place of birth of the current members of the Issuer's Board of Statutory Auditors are set forth in the following table:

Name and Surname	Position	Date of First Appointment	Place and Date of Birth
Giacinto Gaetano Sarubbi	Chairman of Board of Statutory Auditors	27 April 2017	Milan, 8 January 1963
Roberto Cassader	Standing auditor	27 April 2017	Milan, 16 September 1965
Paola Simonelli	Standing auditor	4 May 2020	Macerata, 30 June 1964
Chiara Segala	Alternate auditor	4 May 2020	Brescia, 4 August 1972
Stefania Mancino	Alternate auditor	4 May 2020	Padula (SA), 22 March 1963

The business address of all members of the Board of Statutory Auditors is the Issuer's registered office.

All members of the Board of Statutory Auditors meet the integrity and experience requirements for listed companies under Article 148(3) of the ICFA and the implementing regulation adopted thereunder pursuant to Ministerial Decree No. 162 of 30 March 2000.

Certain biographical information regarding each statutory auditor is briefly summarized below.

Giacinto Gaetano Sarubbi. Mr. Giacinto Gaetano Sarubbi was appointed as Chairman of the Board of Statutory Auditors of the Issuer in April 2017. He has a Degree in Business Administration and is Certified Public Accountant and Technical Advisor for the Court of Milan. He is registered to the certified Public Accountants of Milan (Italian Ministerial Decree of 12 April 1995, published on the Official Gazette No. 31–bis of 21 April 1995). He carried out – both as the owner of his consulting services firm and as partner and CEO of important international companies of the auditing and company consulting services sectors – tax and corporate consultancy activities, and activities relating to corporate organization and industrial accountancy activities for various companies with share capital, also working at an international level. He currently is Chairperson of the Board of Statutory Auditors of A2A S.p.A., and Statutory Auditor and Chairperson of the Board of Directors of other companies.

Roberto Cassader. Mr Cassader was appointed Alternate Auditor of the Issuer in April 2017 and Statutory Auditor in May 2020. He graduated in Economics in 1990 from Milan's Università Cattolica del Sacro Cuore. He is listed in the Italian Certified Public Accountant Register of Monza since 1994, and in the Italian Independent Auditors Register, since 1999. He is currently Statutory Auditor of Coca Cola Italia S.r.l., Legal Auditor of IME Industrie Meccaniche Elettriche S.p.A. and Chairperson of the Board of Statutory Auditors of Fata Logistic Systems S,p,A., Aspem S.p.A. and Linea Ambiente S.r.l. He served as Chairperson of the Board of Statutory Auditors of A2A Logistica S.p.A. and Statutory Auditor of Società Italiana Bevande in Lattina Sibil S.r.l., Fondazione IRCCS Istituto nazionale dei Tumori, Shiseido Cosmetici Italia S.p.A., Rigamonti Salumificio S.p.A., Ca' del Bosco S.p.A., Also S.p.A., Software Spectrum S.r.l., PSC Ferroviaria S.r.l., Assobello S.r.l., Fergos S.r.l. and Telegate Italia S.r.l. He currently provides tax, company and tax litigation advisory services, for companies working mainly internationally, also providing corporate assessment services.

Paola Simonelli. Ms Simonelli has been serving as Statutory Auditor in the Board of Statutory Auditors of the Issuer since 4 May 2020. She has a degree in Economics and Business Administration. She is a licensed certified public accountant registered in Milan and is registered in the Register of Legal Auditors no. 67648 (D.M. 412/95 published in the Italian Official Gazette no. 97-bis of 16/06/1995). She is a Partner of the Studio Simonelli Associati of Milan firm, carrying out corporate tax consulting activities for many industrial, commercial, service and estate corporations. She currently carries out trade union roles in important financial, listed and non-listed companies and is a member of the Integrity Boards as per ex Italian Legislative Decree 231/01.

Chiara Segala. Ms Segala has been serving as Alternate Auditor in the Board of Statutory Auditors of the Issuer since 4 May 2020. She has a degree in Economics and Business Administration. She is a licensed certified public accountant registered in Brescia (no.1658/A) and is registered in the Register of Legal Auditors no.137583 Italian Official Gazette 60 29/07/05 and in the Technical Expert Register at the Court of Brescia R.G. 5489/14. She is a Partner in a professional firm, carrying out assistance and consulting services for corporate, tax, administrative matters, both in Italy and abroad. She is currently appointed Chairperson of the Board of Statutory Auditors and Statutory Auditor in listed companies, and Statutory Auditor, Sole Auditor, Legal Auditor in non-listed companies and bodies.

Stefania Mancino. Ms Mancino has been serving as Alternate Auditor in the Board of Statutory Auditors of the Issuer since 4 May 2020. She has a degree in Economics and Business

Administration. She is a licensed certified public accountant registered in Rome and is registered in the Register of Legal Auditors (no. 65063 - Official Italian Gazette 136th year no. 46/bis of 16/06/1995). She is an expert in internal controls, risk management processes, financial reporting and internal audits, corporate governance and sustainability (non-financial statements) for listed and non-listed groups and organizations operating in regulated sectors. She owns a tax, administrative, corporate and financial consulting firm. Besides being a Statutory Auditor of Consorzio Studi e Ricerche Fiscali Gruppo Intesa Sanpaolo she is in the Boards of Statutory Auditors and Integrity Committees of important listed and non-listed companies of the financial, utility, publishing, engineering, IT and health sectors.

To the knowledge of the Issuer, in the last five years, none of the members of the Board of Statutory Auditors has been convicted of fraud or bankruptcy crimes. Moreover, none of them has been subject to criminal charges and/or sanctions by public authorities or regulators (including appointed industry associations) during the performance of his professional duties, or to any injunction by any court affecting his or her ability to hold any position as a member of the corporate, management or supervisory bodies of the Issuer, or to perform other management or direction activities for the Issuer or other companies.

Conflict of interests

As of the date of this Offering Circular, to the best of the Issuer's knowledge, none of the members of the Board of Directors or the members of the Board of Statutory Auditors are in a situation of potential conflicts of interests with respect to the Issuer and his/her private interests and/or other duties. Without prejudice to the above, Webuild notes that:

- Pietro Salini is the Chief Executive Officer of the Issuer, Salini Costruttori and the New Salini;
- Alessandro Salini is member of the Board of Directors of the Issuer, Salini Costruttori and the New Salini;
- Nicola Greco is Vice-Chairman of the Issuer and Chairman and member of the Board of Directors of Salini Costruttori and the New Salini; and
- Pierpaolo Di Stefano is member of the Board of Directors of the Issuer and the Chief Executive Officer of CDP Equity, i.e. the company who entered into the CDP Equity Investment Agreement with, among others, the Issuer and Salini Costruttori (see "*Principal Shareholders-Investment Agreements*" and "*Principal Shareholders-Shareholders' Agreement*").

External Auditors

The Issuer's annual financial statements, in accordance with applicable laws and regulations, must be audited by external auditors appointed by the shareholders. The external auditors, amongst other things, examine the annual financial statements and issue an opinion regarding whether these comply with the Italian regulations governing their preparation (i.e. whether they are clearly stated and give a true and fair view of the financial position and results of the Issuer and the Group).

The shareholders' meeting of the Issuer held on 30 April 2015, resolved to appoint KPMG S.p.A., with its registered office in Milan, Via Vittor Pisani, 25, as external auditor for the period 2015–2023.

The role and responsibilities of the external auditors are set out, *inter alia*, by Legislative Decree 27 January 2010, No. 39, as amended.

PRINCIPAL SHAREHOLDERS

Description of share capital

As of the date of this Offering Circular, after the settlement of the Global Offering and the completion of the Capital Increase on the Capital Increase Closing Date, the issued and paid-in share capital of the Issuer is €600,000,000, divided into 1,001,559,937 shares with no par value, comprising 999,944,446 ordinary shares and 1,615,491 savings shares. See also "*Recent Developments - Capital Increase*" above. As of the date of this Offering Circular, the Issuer owns 1,330,845 treasury shares, equal to approximately 0.13% of its ordinary share capital.

The Issuer's by-laws which were lastly approved by the Board of Directors on 14 October 2021 introduced a mechanism of increased voting rights pursuant to Article 127–*quinquies* of the ICFA.

In compliance with Articles 13 *et seq.* of the by-laws, two votes will be attributed to each ordinary share, provided that each share has been held by the same shareholder, by virtue of a right legitimizing the exercise of the voting right (i.e., full ownership with voting rights or bare ownership with voting rights or usufruct with voting rights) for an uninterrupted period of at least 24 months from the date of registration in the special list established and regulated in accordance with the terms and conditions set forth in Article 13–bis of the by-laws (the ''**Special List**''). The uninterrupted period of at least 24 months shall result from a specific communication issued by the intermediary, with whom the shares are deposited, in compliance with the applicable law.

The acquisition of the increased voting rights will become effective from the earlier of (i) the fifth day of open market of the calendar month following the month in which the conditions for the increase in voting rights are met; or (ii) the so-called ''record date'' of any shareholders' meeting, set in compliance with the applicable law, following the date on which the conditions required by the by-laws for the increase in the voting rights are met. Pursuant to Article 13–bis of the by-laws, the Issuer will be entitled to remove holders of increased voting rights from the Special List in the following circumstances:

- waiver by the interested party;
- communication from the interested party or the intermediary proving the lack of the conditions for the increase in the voting right or the loss of ownership of the right legitimizing the exercise of the voting right and/or the relevant voting right;
- automatically, in the event the Issuer is informed of the occurrence of events entailing the loss of the conditions for the increase in the voting right or the loss of the ownership of the right legitimizing the exercise of the voting right and/or the relevant voting right.

In addition, the following circumstances will trigger the loss of the increased voting right:

- transfer of the relevant share (including in the event of creation of a pledge, usufruct or other lien on the share when this entails the loss of the relevant voting right, and in the event of enforcement of the pledge);
- in the event of direct or indirect transfer of controlling shareholdings in companies or entities that hold shares with increased voting rights in excess of the threshold set forth under Article 120(2) of the ICFA.

Shareholders holding an interest in excess of 3 per cent.

As of 4 January 2022, based on the Issuer's corporate records and other available public information, the following shareholders hold an interest in the Issuer's ordinary share capital exceeding 3 per cent:

- New Salini holds an interest equal to approximately 40.14 per cent of the share capital (40.20 per cent of the voting rights);

- CDP Equity holds an interest equal to 16.67% of the share capital (16.69% of the voting rights);
- Intesa Sanpaolo S.p.A. holds an interest equal to 4.78% of the share capital (4.78% of the voting rights);
- UniCredit S.p.A. holds an interest equal to approximately 5.48% of the share capital (5.49% of the voting rights).

For the sake of completeness, following the Capital Increase, Banco BPM S.p.A. (who also acted as Financing Bank jointly with Intesa Sanpaolo S.p.A. and UniCredit S.p.A., see "*Investment Agreements*") came to hold an interest equal to 0.93% of the share capital (0.93% of the voting rights).

Salini Costruttori exercises control over Webuild and directs and co-ordinates the activities of the Issuer pursuant to Articles 2497 *et seq*. of the Italian civil code.

Controlling shareholder

The New Salini is fully owned by Salini Costruttori. The principal shareholder of Salini Costruttori is Salini Simonpietro e C. S.a.p.A., a company that is, in turn, controlled by Mr Pietro Salini, who is the ultimate shareholder in the Webuild's control chain. Based on the Issuer's corporate records and other available public information, Mr. Pietro Salini holds directly approximately a 0.05 per cent. interest and indirectly (through the wholly owned company Athena Partecipazioni S.r.l.) 0.14 interest in the Issuer's ordinary share capital.

On 14 October 2019, Mr. Alessandro Salini, Mr. Francesco Saverio Salini, Mr. Pietro Salini, Mr. Simonpietro Salini, Salini Simonpietro & C. S.a.p.A. and Sa.Par. S.r.l. informed the Issuer that on 9 October 2019 they entered into an agreement concerning, *inter alia*, the exercise of voting rights in Salini Costruttori (the "**Salini Costruttori Agreement**"). The Salini Costruttori Agreement contains certain undertakings by the shareholders' pursuant to Article 122(1) of the ICFA. These undertakings mainly concern: (i) voting obligations which were performed at the shareholders' meeting of Salini Costruttori held on 9 October 2019 (in relation to the appointment of the members of the board of directors and the board of statutory auditors of Salini Costruttori) and of 11 November 2019 (in relation to certain amendments to the by-laws of Salini Costruttori, in the agenda of the shareholders' meeting), (ii) voting obligations in relation to, *inter alia*, the confirmation of the advisory committee of the board of directors, the confirmation of the powers and power of attorneys of the current chief executive officer and the appointment of the vice-chairman of the board of directors, and (iii) voting obligations of Salini Simonpietro & Co. C. S.a.p.A. in relation to the approval of the financial statements of Salini Costruttori and the distribution of dividends. Also following the execution of the Salini Costruttori Agreement, Mr. Pietro Salini continues to be the ultimate shareholder of Salini Costruttori and Webuild.

On 22 November 2021, Mr. Alessandro Salini, Mr. Pietro Salini, Mr. Simonpietro Salini, Salini Simonpietro & C. S.a.p.A. and Sa.Par. S.r.l. entered into an agreement concerning, *inter alia*, certain aspects related the exercise of voting rights in Salini Costruttori and in New Salini as well as the governance of such companies (the "**Salini Agreement**"). The Salini Agreement contains certain undertakings by the shareholders' pursuant to Article 122(1) of the ICFA. These undertakings mainly concern: (i) the approval of certain amendments to the Salini Costruttori and New Salini by-laws, (ii) the appointment of the members of the board of directors and the board of statutory auditors of Salini Costruttori and New Salini). The provision set forth in the Salini Agreement that are not amended, replaced or superseded by the provisions set forth in the Salini Agreement remain in force. Also

following the execution of the Salini Agreement, Mr. Pietro Salini continues to be the ultimate shareholder of Salini Costruttori and Webuild.

Investment Agreements

On 2 August 2019, the Issuer entered into (i) an investment agreement with Salini Costruttori, CDP Equity and Mr. Pietro Salini, which was amended on 4 November and 26 December 2019 (the "**CDP Equity Investment Agreement**"), and (ii) an investment agreement with Salini Costruttori and the Financing Banks, which was amended on 6 November 2019 (collectively, the "**Investment Agreements**").

Pursuant to the terms and conditions set forth in the Investment Agreements, Salini Costruttori, CDP Equity and the Financing Banks undertook, as part of the Global Offering, to subscribe for, respectively, €50 million, up to €250 million and up to €150 million in new shares at the subscription price, for an aggregate amount of up to €450 million, equal to 75% of the Global Offering. Furthermore, Webuild, Salini Costruttori, CDP Equity and the Financing Banks have agreed to abide by lock-up restrictions for a period of 6 months from the Capital Increase Closing Date, in line with the market standard for similar transactions.

Shareholders' Agreements

The CDP Equity Investment Agreement contains, in addition to the terms and conditions of CDP Equity's investment in Webuild, certain mutual undertakings by the shareholders' pursuant to Article 122(1) and (5)(a)(b) of the ICFA, the most relevant of which are described below and collectively referred to as the "Shareholders' Agreement".

The undertakings set forth in the Shareholders' Agreement mainly concern (i) Salini Costruttori's voting obligations in the context of the Capital Increase and (ii) certain obligations pertaining to the Issuer's new corporate governance rules, effective from the Capital Increase Closing Date or the co-optation date of the new directors who were designated by CDP Equity (see "*Corporate Governance - Board of Directors*"), as the case may be.

The Shareholders' Agreement will remain in effect until the third year following the execution date, with an automatic renewal for subsequent two–year periods, unless terminated upon a four–month prior notice.

The Shareholders' Agreement applies to all the shares and other financial instruments granting the right to purchase or subscribe shares or voting rights of Salini Impregilo, held either by Salini Costruttori or by CDP Equity.

Pursuant to the Shareholders' Agreement, the Issuer and Salini Costruttori respectively undertook to adopt or procure the adoption of, as the case may be, certain changes to the Issuer's corporate governance system, which are partially reflected in the by-laws which came into force on the Capital Increase Closing Date.

On 22 January 2020, in accordance with the provisions of the CDP Equity Investment Agreement and within the context of Progetto Italia, the Board of Directors resolved to propose to the following shareholders' meeting called for the approval of the financial statements for the year ended on 31 December 2019, the approval and adoption of "Webuild" as the Issuer's new legal name (which was selected with the support of primary marketing advisors and will replace the current "Salini Impregilo"), and to launch the relevant rebranding activities. As mentioned above (see "*History and Development*"), the denomination "Webuild" was then approved by the extraordinary shareholders' meeting held on 4 May 2020 (and the relevant resolution was registered in the Companies' Register of Milan-Monza-Brianza-Lodi on 15 May 2020).

LITIGATION AND ARBITRATION PROCEEDINGS

The Group is currently party to a number of civil and administrative proceedings in various jurisdictions arising in the ordinary course of business, as well as certain criminal proceedings, relating to, among other things, non-payment, alleged default and/or non–completion of construction projects, violations of environmental laws and regulations, shortcomings in the Group's organizational, management and control model adopted pursuant to Decree 231, labour, employment and tax matters.

Set out below is a summary of information relating to the most significant legal proceedings in which the Group is currently involved.

Civil litigation

USW Campania projects

The Group became involved in the urban solid waste disposal projects in the Province of Naples and other provinces in Campania at the end of the 1990's through its subsidiaries Fibe S.p.A. ("**Fibe**") and Fibe Campania S.p.A. ("**Fibe Campania**").

The major issues that have characterised the Group's activities in service contracts since 1999-2000, which have been discussed in detail and reviewed in all of the reports published by the Group starting from that time, have evolved and became more complex over the years, giving rise to a large range of disputes, some of which are major and in part still ongoing. Even given the positive developments, the general situation in terms of pending disputes is still very complex. A brief overview is provided below, especially in relation to existing risk positions.

Since Fibe Campania S.p.A. was merged into Fibe in 2009, unless otherwise stated, reference is made exclusively to Fibe in the rest of this section, even with regard to positions and events that affected the merged company.

The USW Campania issue comprises various proceedings in different jurisdictions and pending at different court levels. The main aspects of the key civil, administrative and criminal proceedings are described below.

Civil proceedings

1. In May 2005, the government commissioner filed a motion requesting compensation from Fibe and FISIA Ambiente S.p.A. ("**Fisia Ambiente**") for alleged damage of about €43 million. During the hearing, the commissioner increased its claims to approximately €700 million, further to the additional claim for damage to its reputation, calculated to be €1,000 million. The companies appeared before the court and, in addition to disputing the claims made by the government commissioner, filed a counterclaim requesting compensation for damage due to contract default and sundry expenses for over €650 million, plus a further claim for reputation damage quantified at €1.5 billion. In the same proceeding, the banks that issued Fibe and Fibe Campania's performance bonds to the government commissioner also requested the commissioner's claim to be dismissed and, in any case, to be held harmless by Webuild, which appeared before the court and disputed the banks' requests. In ruling no. 4253/2011, the judge declared their lack of jurisdiction referring the case to the administrative judge. The attorney general filed an appeal which was rejected on 14 February 2019 and the first level ruling was upheld. The attorney general has appealed to the Supreme Court.

2. On 30 November 2015, the Office of the Prime Minister received a new claim form served by both Fibe and other group companies involved in various ways in the activities performed in Campania for the waste disposal service, containing claims for the damage suffered as a result

of termination of the contracts in 2005.

The total amount claimed is €2,429 million. Considering that some requests are already included in other proceedings, the net amount is €2,258 million. The Office of the Prime Minister filed a counterclaim for €845 million for reasons already included in other proceedings. The court appointed an expert to appraise the subordinated claim filed by Fibe that prepared two alternative appraisals of the amount due to Fibe of approximately €56 million or approximately €114 million. The competent judge handed down the ruling on 25 October 2019, finding that Fibe was due approximately €114 million and the Office of the Prime Minister approximately €80 million. After offsetting the two amounts, the Office of the Prime Minister was ordered to pay Fibe approximately €34 million plus interest accruing from 4 December 2015. Both Fibe and the Office of the Prime Minister have filed separate appeals.

3. There is another proceeding commenced by the Office of the Prime Minister for the return of the advance of approximately €52 million paid for the construction of the waste-to-energy plants ("**WtE plants**"). Fibe has claimed that the receivables due from the Office of the Prime Minister, mostly for work performed on its behalf and for the fees due to Fibe, would offset this advance. The first level hearing ended with ruling no. 4658/2019 in which the Naples Court only allowed part of Fibe's receivables (the fees already collected by the Office of the Prime Minister) for offsetting purposes, ordering the company to return the difference between the advance collected and the receivables allowed for offsetting, with the result that Fibe owed roughly €10 million, plus interest, to the Office of the Prime Minister. This ruling is contrary to the report prepared by the court-appointed expert which found that Fibe was due the entire amount of its receivables. Fibe has filed its appeal. The above amount (approximately €10 million) could be offset against Fibe's larger receivable as per the ruling described in the section on the administrative litigation - the USW Campania projects below.

Given the complexity and range of the different disputes, the Group cannot exclude that events may arise in the future that cannot currently be foreseen which might require changes to these assessments.

Panama Canal extension project

Certain critical issues arose during the first stage of full-scale production on the project to expand the Panama Canal which, due to their specific characteristics and the materiality of the work to which they relate, made it necessary to significantly negatively revise the estimates made during the early phases of the project. The most critical issues related, inter alia, to the geological characteristics of the excavation areas and, specifically, the raw materials required to produce concrete and the processing of such raw materials during normal production activities. Additional problems arose due to the adoption by the customer of operational and management procedures substantially different from those contractually agreed, specifically with regard to the processes for the approval of technical and design solutions suggested by the contractor. These facts, which were the subject of specific disclosures in previous reports published by the Group, continued in 2013 and 2014. Faced with the customer's persistent unwillingness to reasonably implement appropriate, contractually provided for measures to manage such disputes, the contractor - and thus the original contracting partners - was forced to acknowledge the resulting impossibility to continue the construction activities needed to complete the project at its full and exclusive risk by undertaking the relevant full financial burden without any guarantee of the commencement of objective negotiations with the counterparty. In this context, at the end of 2013, formal notice was sent to the customer to inform it of the intention to immediately suspend work if the customer refused once again to address this dispute in accordance with a contractual approach based on good faith and the willingness of all parties to reach a reasonable agreement.

Negotiations between the parties, supported by the respective consultants and legal experts, were carried out through February 2014 and, on 13 March 2014, an agreement was signed. The essential elements of the agreement provided that the contractor would resume works and functionally complete them by 31 December 2015, while the customer and contracting companies agreed to provide financial support for the works to be finished up to a maximum of about €1.3 billion. The customer met its obligation by granting a moratorium on the refunding of already disbursed contract advances totalling about €729 million and disbursing additional advances amounting to approximately €91 million. The group of contracting companies met their obligation by directly disbursing approximately €91 million and additional financial resources, through the conversion into cash of existing contractual guarantees totalling around €360 million.

While the 13 March 2014 agreement provided for financial support to complete the Canal, claims were made by the contractor Grupo Unidos Por el Canal ("GUPC") to the customer during the contract's execution.

After the pre-litigation stage before the Dispute Adjudication Board ("DAB") to discuss the claims as provided for contractually, there are a number of separate arbitration hearings ongoing before the International Chamber of Commerce, seated in Miami, Florida between GUPC (with its European partners Sacyr, Webuild (previously Salini Impregilo) and Jan De Nul) and the Panama Canal Authority ("**PCA**") as described below:

1. arbitration about the DAB's decisions on the claims presented by GUPC about the inadequate quality of the basalt compared to the quality guaranteed by PCA and the lengthy delays caused by PCA to approve the design formula for the concrete mix. The DAB had found that GUPC was due USD265.3 million, which it collected in full. After the proceeding confirming the arbitration tribunal's competence to rule on the damages incurred by the individual consortium members, the tribunal issued a partial award at the end of September 2020, accepting some of GUPC's claims for USD20.7 million as well as some claims for which the parties have agreed the amounts. PCA also paid GUPC an additional approximate USD6.1 million. The arbitration tribunal defined the arbitration costs with a final award as USD33.4 million (€13.5 million for Webuild). At the end of November 2020, GUPC's legal advisors filed a petition for the cancellation of the partial award with the Miami Court (Florida, USA) and, at the end of April 2021, a petition for cancellation of the final award. On 18 November 2021, the Court denied GUPC's motion and confirmed the awards;

2. arbitration about the extra costs incurred by GUPC due to certain unjustified conditions imposed by PCA for the design of the lock gates and other claims about labour costs. The proceedings are currently pending, with the hearings scheduled for March/April 2022;

3. arbitration commenced at the end of 2016 involving the sundry claims mentioned in the completion certification; the arbitral tribunal has already been constituted, and the proceedings are at a very initial stage.

On 11 March 2020, Webuild filed its arbitration application with the International Centre for Settlement of Investment Disputes (ICSID) against Panama. It has claimed damage for the Central American country's repeated violations of the bilateral investment treaty agreed by its government with the Italian government in 2009 to promote and protect investments. The arbitral tribunal was constituted on 4 December 2020. The proceedings are still at an initial stage. The related procedural timetable has already been defined and a hearing will take place in November 2023.

Considering the uncertainties linked to the dispute stage, the Group cannot exclude that currently unforeseeable events may arise in the future which could require changes to the assessments made to date.

CAVTOMI Consortium (high speed/capacity Turin-Milan line)

With respect to the contract for the high speed/capacity Turin - Milan railway line - Novara - Milan sub-section, the general contractor Fiat S.p.A. (now Stellantis N.V., "**Stellantis**") is required to follow the registered claims of the general subcontractor CAVTOMI Consortium ("CAVTOMI" or the "consortium"), in which Salini Impregilo (now Webuild) has a share of 74.69%, against the customer Rete Ferroviaria Italiana ("**RFI**").

Accordingly, in 2008, Stellantis initiated contractual arbitration proceedings against RFI for the award of damages suffered for delays in the works ascribable to the customer, non-achievement of the early completion bonus also due to the customer and higher consideration. On 9 July 2013, the arbitration tribunal handed down an award in favour of Stellantis, ordering RFI to pay approximately €187 million (of which about €185 million pertaining to CAVTOMI).

RFI appealed against the award before the Rome Appeal Court in 2013 and paid the amount due to Stellantis, which in turn forwarded the relevant share to CAVTOMI. The ruling of 23 September 2015 of the Rome Appeal Court cancelled a large part of the aforementioned arbitration award. Stellantis appealed to the Supreme Court.

Following the Appeal Court's ruling, RFI notified Stellantis of a writ of enforcement of approximately €175 million and subsequently the two parties reached an agreement whereby Stellantis provided RFI with the following in order to prevent enforcement of the aforementioned ruling, without prejudice to the parties' substantive rights, which are subject to final judgement: (i) payment of an amount of approximately €66 million, and (ii) issue to RFI of a bank surety of €100 million (€75 million by Webuild).

On 23 November 2021, the hearing on the appeal took place, and the decision is pending.

Moreover, the Group cannot exclude that events may take place in the future that cannot currently be foreseen and that could make it necessary to change its valuations.

In addition, Stellantis and the consortium have commenced the following actions:

- filing of an appeal by Stellantis with the Lazio Regional Administrative Court on 11 November 2016 for the claims of approximately €18 million presented during the contract's term and not covered by the previous award of 2013. This proceeding was firstly suspended from the register and then resumed. It is currently pending before the competent administrative judge;
- on 12 October 2017, presentation of a claim form to the Rome Court by Stellantis for claims made during the contract term and not covered by the previous award for €109 million. The court-appointed expert has carried out its appraisal, and it recognized to the Company ca. € 14,8 million and the disapplication of the penalty and liberation from the performance bond of ca. € 45,2 million.
- .

Strait of Messina bridge - Eurolink

In March 2006, as lead contractor of the joint venture created for this project (interest of 45%) (subsequently merged into the SPE Eurolink S.C.p.A., "Eurolink"), Impregilo (now Webuild) signed a contract with Stretto di Messina S.p.A. ("SDM") for its engagement as general contractor for the final and executive designs and construction of the Strait of Messina Bridge and related roadway and railway connectors.

A bank syndicate also signed the financial documentation required in the General Specifications after the joint venture won the tender, for the concession of credit lines of €250 million earmarked

for this project (subsequently decreased to €20 million in 2010). The customer was also given performance bonds of €239 million, as provided for in the contract.

SDM and Eurolink signed a rider in September 2009 which covered, inter alia, suspension of the project works carried out since the contract was signed and until that date. As provided for by the rider, the final designs were delivered to the customer and its board of directors approved them on 29 July 2011.

Decree law no. 187 was issued on 2 November 2012 providing for "Urgent measures for the renegotiation of the contracts with Stretto di Messina S.p.A. (the customer) and for local public transport". Following enactment of this decree and given the potential implications for its position, Eurolink, led by Webuild, notified the customer of its intention to withdraw from the contract under the contractual terms, also to protect the positions of all the Italian and foreign co-venturers. However, given the immense interest in constructing the works, Eurolink also communicated its willingness to review its position should the customer demonstrate its real intention to carry out the project. To date, the ongoing negotiations have not been successful despite the efforts made. Eurolink has commenced various legal proceedings in Italy and the EU, arguing that the provisions of the above decree are contrary to the Constitution and EU treaties and that they damage Eurolink's legally acquired rights under the contract. It has also requested that SDM be ordered to pay the amounts requested due to the termination of the contract for reasons not attributable to it. With regard to the actions filed at EU level, in November 2013, the European Commission communicated its decision not to follow up the proceedings, as no treaties were violated, and confirmed this on 7 January 2014, with a communication dismissing the case. As regards the civil action in Italy, Webuild and all the members of Eurolink have jointly and separately asked that SDM be ordered to pay the amounts due, for various reasons, as a result of the termination of the contract for reasons not attributable to them (€657 million).

With its ruling no. 22386/2018 issued on 16 October 2018, the Rome Court rejected the applications filed by the claimants and the counterclaims filed by SDM. Conversely, the Rome Court declared that the customer's termination of the contract with Parsons Transportation Group Inc. ("Parsons"), engaged by SDM for the project management services, was legitimate (referring calculation of the compensation for damage to Parsons to the judgment of the Constitutional Court). As the process is joined to that of Eurolink, Webuild deems that the legal approach which led to the ruling in the latter case is, mutatis mutandis, also applicable to Eurolink.

Eurolink and Webuild filed their appeal against this ruling before the Rome Appeal Court on 28 December 2018. The appeal hearing is at an initial stage.

In accordance with the envisaged methods, the parties involved in appeal hearing no. 29/2019 presented themselves in court: (i) the Ministry of Infrastructure and the Office of the Prime Minister, without presenting a counter appeal; (ii) Stretto di Messina S.p.A. in liquidation presenting a counter appeal; and (iii) Parsons presenting a counter appeal for its part of the proceedings.

At the first hearing held after various postponements on 3 November 2020, due to formal issues, the Appeal Court deferred the hearing to 12 January 2021 and subsequently with a special measure of 3 December 2020 to 8 March 2022 for the conclusions.

Eurolink sent formal letters (letters before action) dated 24 December 2020 requesting payment of approximately €60 million as compensation for the costs incurred, the legally-due compensation and to free the bank surety of €239 million.

In the meantime, the Constitutional Court found the issue of legitimacy of the Decree law for Parson's position to be inadmissible as the order for its re-examination by the court was insufficiently

documented and not because it found that the amount of the compensation to be irrelevant or unfounded. The Rome Court will now have to review the application and possibly defer it again to the Constitutional Court.

The Constitutional Court's ruling does not affect the Appeal Court's hearing about constitutionality refiled by Eurolink.

Given the complexity of the pending proceedings, while the experts assisting Webuild and the general contractor are confident about the positive outcome of the legal actions and recovery of the outstanding assets (mainly contract assets recognised for this project), they cannot exclude that currently unforeseeable events may arise which would require changes to the assessments made to date.

Orastie - Sibiu motorway

In July 2011, Salini Impregilo (now Webuild) commenced work on the motorway contract to build the Orastie - Sibiu section (Lot 3), which included 22.1 km of two lane motorway in each direction (in addition to the emergency lanes).

The contract was entered into with the Romanian National Road & Highways Company ("CNAIR") and 85% financed with EU structural funds and 15% by the Romanian government.

Progress on the contract has been adversely affected by a number of events outside Webuild's control such as unpredictable vast landslides on approximately 6.6 km of the route.

Despite this, the lot was delivered to the customer and opened to the traffic on 14 November 2014 while additional work made necessary by the landslides was still under completion.

Notwithstanding the first favourable ruling by the DAB and the award of approximately €6 million to Webuild, the customer refused to acknowledge the unpredictable nature of the landslides and to pay the amounts due.

In June 2015, Webuild stopped work due to non-payment of the amounts awarded to it by the DAB.

In September 2015, Webuild presented an application for arbitration and the first partial award of RON83.8 million (approximately €18.2 million) was issued in March 2017 which it subsequently collected.

In January 2016, with works completion at 99.9%, following a number of disputes between the parties, the customer terminated the contract and enforced the contractual guarantees of RON60.5 million (approximately €13.5 million) on 20 April 2016, motivating such unilateral decision as being due to the alleged non-resolution of non-compliances notified by works management. The parent promptly formally contested the contract termination.

With respect to the arbitration proceedings commenced before the Paris International Chamber of Commerce for the delays and additional costs of €57 million, on 17 October 2019, the award was issued rejecting the Group's requests and awarding damages for delays to the client of approximately €19 million. The Group has presented an application for the set aside of the final award to the Romanian courts. On 2 July 2020, the Bucharest Appeal Court annulled this award and the related suspended enforcement. On 12 September 2020, CNAIR challenged the Appeal Court's decision before the Supreme Court and the related hearing will take place at the end of 2022. On 19 October 2020, the Bucharest Appeal Court confirmed the suspension of the attempted enforcement of the final award by CNAIR until the Romanian courts will issue their final ruling on this award's validity. Should the final award be annulled by the Supreme Court as well, the Group could restart arbitration proceedings before the Court of International Commercial Arbitration

attached to the Chamber of Commerce and Industry of Romania ("**CCIR**").

In the meantime, on 17 February 2021, the Bucharest Court confirmed Webuild's obligation to return RON 83.8 million collected on the basis of the partial award, since it has been annulled.

On 17 February 2020, the Group filed a new different application for arbitration to the CCIR challenging the validity of CNAIR's enforcement of the performance bond and requesting the return of the related amounts plus damages and interest. The CCIR notified the parties of its final award on 25 February 2021. The sole arbitrator ordered CNAIR to repay RON 60.5 million of the performance bond which was unfairly enforced and to reimburse the legal costs and interest as well as the arbitration costs (approximately €0.2 million in total).

Unforeseen costs have been incurred and the Group has accordingly presented its request for additional consideration.

Considering the uncertainties linked to the dispute stage, the Group cannot exclude that currently unforeseeable events may arise in the future which could require changes to the assessments made to date.

Contorno Rodoviario Florianópolis (Brazil)

On 21 September 2016, the Salini Impregilo (now Webuild) and Cigla Constructora Impregilo e Associados S.A. ("CCSIC") joint venture signed a contract with Autopista Litoral Sul S.A. worth approximately €75 million for the construction of a new dual carriageway to reduce the large volume of traffic in the Florianópolis metropolitan region.

The project immediately ran into critical engineering problems due to the damp soil and the area's weather conditions, which CCSIC attempted to resolve by proposing new solutions to the customer (although it was not contractually obliged to do so).

In June 2018, CCSIC presented claims to the customer for higher costs and extension of the contract term. Despite the fact that the negotiations were still ongoing and the related memorandum of understanding was supposed to be signed in the near future, in January 2019, the customer informed CCSIC of its intention to terminate the contract.

CCSIC deems that this termination is illegal and contrary to the principle of good faith. Therefore, in 2019, it filed an appeal with the competent local judicial authorities (the Joinville first level court) requesting payment of the higher dismantlement costs of approximately €2 million and ratification of the memorandum of understanding, confirmation of the validity of the arbitration clause in such memorandum of understanding and the finding that termination of the contract by the customer was invalid.

In addition, Webuild's legal advisors requested the urgent and precautionary suspension of the enforcement of CCSIC's guarantees.

The competent Brazilian judge (Joinville Court) has guaranteed the judicial blocking of enforcement of the bank guarantee for the advance (roughly €2.3 million) and the insurance performance bond (around €7 million) by the customer on a precautionary basis.

Pending the civil trial, on 4 October 2019, CCSIC also commenced an international arbitration proceeding (based on the arbitration clause included in the memorandum of understanding) for claims of approximately €20 million notified before the contract had been terminated.

The client in turn obtained the suspension of the arbitration proceedings from the competent Brazilian judge (Joinville Court), which CCSIC immediately appealed before the Santa Caterina Court.

In January 2021, the Santa Caterina Court ruled i) to maintain suspension of the enforcement of CCSIC's guarantees (which the client has not appealed) and ii) to continue to suspend the arbitration proceedings. CCSIC appealed this ruling before Brazil's Supreme Court (Corte Superior de Justicia) and intends to apply for resumption of the arbitration.

In the meanwhile, the Joinville first level court rendered its decision on 6 July 2021 finding the application filed in 2019 by CCSIC to be groundless, cancelling the international arbitration, the suspension of the enforcement of the guarantees and rejecting the appeal to recommence arbitration that had been filed in the third appeal before the Supreme Court of Brasilia.

On 6 August 2021, CCSIC appealed this ruling before the Santa Catarina Court, assisted by its legal advisors. On 10 November 2021, the Santa Caterina Court accepted the request for interim measure of CCSIC, which is blocking the call of the guarantees until a final decision on the merits of the dispute.

Considering the uncertainties linked to the dispute stage, the Group cannot exclude that events may take place in the future that cannot currently be foreseen and that could make it necessary to change its valuations.

Rome Metro

As part of the contract for the design and construction of the works for the B1 line of the Rome Metro, Webuild (formerly Salini Impregilo) commenced three legal proceedings in its name and as lead contractor of the joint venture against Roma Metropolitane S.r.l. ("Roma Metropolitane") and Roma Capitale requesting they be ordered to pay the disputed claims recorded during works execution, for which a technical appraisal by a court-appointed expert was provided.

1. Supreme Court - claims for the final billing for the Bologna - Conca d'Oro section

The Rome Court's ruling of August 2016 settled the first level proceedings involving the claims made for the Bologna - Conca d'Oro section and partly accepted the joint venture's requests, ordering Roma Metropolitane to pay roughly €11 million, plus VAT and related costs.

The joint venture commenced the necessary actions to collect the receivable based on this temporary enforceable ruling, which allowed it to collect the accepted amounts. It also presented an appeal for the award of a greater amount.

The Rome Appeal Court handed down its ruling of July 2018 rejecting the grounds for the joint venture's appeal and concurrently partly accepted the counter appeal presented by Roma Metropolitane, finding claim no. 38 to be ungrounded, although it had been partly accepted by the first level court for €4 million (already collected by the joint venture after the court's ruling).

The joint venture has appealed to the Supreme Court against the Appeal Court's ruling and a hearing date is yet to be set.

2. Rome Court - first set of claims for the Conca d'Oro - Jonio section

The second proceeding relates to the first set of claims for the Conca d'Oro - Jonio section. The initial stage has been deferred with the interim ruling of 2018 issued after the hearing for the conclusions. The judge accepted some claims made by the joint venture and ordered the court-appointed expert to recalculate the amounts due to the joint venture for just the claims rejected.

This ruling partly contradicted the findings of the first court-appointed expert which had confirmed the joint venture's claims for approximately €27.5 million.

Webuild challenged the interim ruling of January 2018, solely for the part that rejected some claims

already examined by the court-appointed expert earlier, as did Roma Metropolitane.

The expert completed their appraisal in December 2018 and filed their additional report which included four possible amounts ranging from approximately €12 million to €23 million in favour of the joint venturers. Roma Metropolitane has requested the appraisal be reperformed by a new expert.

The Rome Court handed down its final ruling no. 6142/2020 of 15 April 2020 defining the second judgement on the extension of the B1 line and ordering Roma Metropolitane to pay the entire amount of €23.3 million, increased by the monetary revaluation and interest since 31 August 2018, and the court costs and the court-appointed expert's cost.

Finally, with its ruling of 15 July 2020 on the partial ruling of January 2018, the Rome Appeal Court rejected Webuild's applications and partly accepted Rome Metropolitane's counter appeal, stating that two of the claims, accepted by the first level judge, were ungrounded.

Specifically, one of the two claims found to be ungrounded related to the irregular performance of the works which had been quantified by the court as part of the total compensation to be paid to the contractor for all the claims related to this issue (the irregular performance of the works), without specifying an individual amount for each claim. The appeal ruling reformulated the first level ruling finding the claim to be ungrounded but did not determine the amount of the related compensation. Therefore, it did not directly intervene with respect to the amount paid as per the first level ruling as compensation for the irregular performance of the works.

Webuild has appealed against the Rome Appeal Court's ruling before the Supreme Court and Roma Metropolitane has, in turn, presented its counter appeal.

The customer has also appealed against the Rome Court's ruling no. 6142/2020.

3. Rome Court - second set of claims for the Conca d'Oro - Jonio section

The third proceeding refers to the second and last set of claims for the Conca d'Oro - Jonio section, was commenced in September 2016 and the court-appointed expert completed their work in November 2018 and filed their definitive report. The expert found that the joint venture's claims of approximately €3 million were admissible. The Rome Court ordered Roma Metropolitane and Roma Capitale to jointly pay the total amount of €2.9 million increased by the accrued legal interest in its ruling no. 5861/2020 of 7 April 2020. Webuild appealed against the ruling on 18 September 2020 and concurrently commenced the executive measures, which obliged Roma Capitale to pay the amount decided by the first instance court; there are still discussions on the applicable interest rate, in relation to which are pending the decisions of the "Giudice dell'Esecuzione".

Considering the uncertainties linked to the dispute stage, the Group cannot exclude that currently unforeseeable events may arise in the future which could require changes to the assessments made to date.

Colombia - Yuma and Ariguani

Yuma Concesionaria S.A. (in which the Group has a 48.3% investment) ("**Yuma**") holds the concession for the construction and operation of sector 3 of the Ruta del Sol motorway in Colombia.

The construction works were delivered to the EPC contractor Constructora Ariguani S.A.S. en Reorganización ("**Ariguani**"), wholly owned by the parent, on 22 December 2011.

In November 2017, the customer ANI commenced administrative procedures against Yuma to have the contract terminated.

Yuma deems that the contract was significantly affected by a series of unexpected events outside its control which led to a significant imbalance in the contract that the customer is obliged to rectify.

After more than a year of negotiations, on 20 February 2020, the parties signed a rider to the concession agreement that provided for, inter alia, the interruption of the procedure commenced by ANI for the alleged serious breaches of the concession contract by Yuma and extended the contract term to complete the project by 56 months while not changing the concession term.

The rider partly settled some claims made as part of the arbitration proceedings in place for the contract variations as part of the national arbitration at the Bogotà Chamber of Commerce and the claims before the International Chamber of Commerce as part of the international arbitration.

Webuild concurrently withdrew its application for arbitration to the International Chamber of Commerce, presented in November 2017. As a result and with the acceptance by ANI, this international arbitration proceeding has been discontinued and the only international arbitration still in place is that before the International Chamber of Commerce commenced by Yuma.

At the same time, two other riders to the EPC contract were signed by Yuma and the EPC contractor Ariguani, covering the new financial terms and timeline agreed by them.

On 8 May 2020, the arbitral tribunal with the Bogotà Chamber of Commerce issued an award in Yuma's favour for six variations as part of the proceedings for the definition of 14 variations to the original contract. The tribunal has not defined the amounts to be paid by ANI to Yuma but ordered the parties to come to an agreement based on the calculation method established by the arbitrators. On 13 October 2020, the parties signed an agreement providing that the amount due to Yuma is COP247,514.9 million (around €52 million).

Due to the dispute and the difficulties encountered during the project, in 2018, both Yuma and Ariguani commenced their reorganisation ("Reorganización") pursuant to the local laws (Law no. 1116 of 2006) and this process is still ongoing.

As established by the additional three riders (nos 10, 11 and 12) to the concession contract, on 4 June 2021, the credit facility agreement signed by the Italian banks (i) Intesa Sanpaolo S.p.A. and (ii) Banca Popolare di Sondrio and Webuild S.p.A. was presented to ANI. This €100 million loan has been taken out to fund and complete the works. On 18 June 2021, Webuild and Yuma Concesionaria signed the related loan agreement.

Project S8 (Poland)

The Group has a 95% interest in a joint venture in Poland set up in November 2014 for the design and construction of roads.

Although the main road section was opened to traffic on 22 December 2017, in May 2018, the customer informed the joint venture that the contract was considered to be terminated due to the latter's alleged breach of contract and concurrently requested payment of fines of €4.1 million.

On 22 May and 7 June 2018, the joint venture informed the customer that it considered termination of the contract to be invalid and legally ineffective and also asked for payment of the outstanding amount of €1.7 million and the contractually provided-for fines. Finally, it noted that the contract terminated due to the customer's default. The customer has attempted to enforce the performance bonds of approximately €8 million, which the joint venture had provided. The joint venture obtained a court order from the Parma Court preventing this on a precautionary basis.

The Group filed a claim form with the Warsaw first level court on 31 October 2019 for the recovery of the costs not paid before termination of the contract, claims and compensation for the irregular

termination. In February 2020, the customer filed a counterclaim for approximately €2.9 million as contractual fines due to the termination of the contract for reasons allegedly attributable to the joint venture.

Moreover, the Group cannot exclude that events may take place in the future that cannot currently be foreseen and that could make it necessary to change its valuations.

Project A1F (Poland)

The Group has a 100% interest in a joint venture in Poland set up in October 2015 for the design and construction of roads.

On 29 April 2019, the customer informed the joint venture that the contract was considered to be terminated due to the latter's alleged breach of contract and concurrently requested payment of fines of roughly €18 million.

On 6 May 2019, the joint venture informed the customer that it considered termination of the contract to be invalid and legally ineffective. On 14 May 2019, it notified that the contract terminated for reasons attributable to the customer as a result of reported defaults that were not remedied by the customer.

The customer obtained enforcement of the performance bonds, retentions and fines of approximately €37 million, which the joint venture had provided.

The joint venture has commenced proceedings against the customer before the Warsaw Court to receive payment for the works performed and claims of approximately €54 million.

Moreover, the Group cannot exclude that events may take place in the future that cannot currently be foreseen and that could make it necessary to change its valuations.

Project S3 (Poland)

The Group has a 99.99% interest in a joint venture in Poland set up in December 2014 for the design and construction of roads.

On 29 April 2019, the customer informed the joint venture that the contract was considered to be terminated due to the latter's alleged breach of contract and concurrently requested payment of fines of roughly €25 million.

The customer has attempted to enforce the performance bonds of approximately €13 million, which the joint venture had provided. After the filing of an appeal against this enforcement, Salini Impregilo (now Webuild) provided for payment.

On 6 May 2019, the joint venture informed the customer that it considered termination of the contracts to be invalid and legally ineffective. On 14 May 2019, it noted that the contract terminated notified that the contract terminated for reasons attributable to the customer as a result of reported defaults that were not remedied by the customer.

The Group filed a claim form with the Warsaw first level court on 31 October 2019 for the return of the amounts related to the undue enforcement of the performance bonds and payment of the fines. The customer's rejoinder and replication was received on 8 January 2021 and it includes a counterclaim for around €11 million for delays, payments made by it to subcontractors, costs for work site maintenance, costs to reorganise traffic and interest. In April 2021, the judge excluded the customer's counterclaim from the proceedings for its examination in a separate proceeding.

Moreover, the Group cannot exclude that events may take place in the future that cannot currently be foreseen and that could make it necessary to change its valuations.

Project S7 Kielce (Poland)

The Group has a 99.99% interest in a joint venture in Poland set up in November 2014 for the design and construction of roads.

Webuild has paid roughly €15 million so that the customer would not enforce the bank guarantees.

The Group filed the first claim form with the Warsaw first level court for the return of the amounts related to the undue enforcement of the bank guarantees.

Moreover, the Group cannot exclude that events may take place in the future that cannot currently be foreseen and that could make it necessary to change its valuations.

Project S7 Wydoma (Poland)

Webuild was awarded this contract in October 2017.

On 7 December 2020, the customer informed the Group that the contract was considered to be terminated due to the latter's alleged breach of contract.

On 16 December 2020, Webuild informed the customer that it considered termination of the contract to be invalid and legally ineffective. It requested payment of the contractual fine of approximately €35 million (not yet received) and the return of the performance bond. It also noted that the contract terminated for reasons attributable to the customer.

Webuild filed an update of its first claim form (filed on 4 November 2020) with the Warsaw first level court on 21 December 2020. It has asked that the judge find the contract to be terminated unjustly and that it be due the additional consideration of approximately €55 million.

Moreover, the Group cannot exclude that events may take place in the future that cannot currently be foreseen and that could make it necessary to change its valuations.

Copenhagen Cityringen

As a result of critical issues about this project related to its specific features and the significance of the works, the Group had to significantly revise the cost estimates for the early stages of this project. They mainly related to the construction of the concrete works, the electromechanical works and the architectural finishings.

The negotiations with the customer, assisted by their consultants and technical/legal advisors, led to the signing of an interim agreement on 30 December 2016 (which allowed the Group to collect €145 million) and other agreements which enabled it to collect additional amounts (for a total of €260 million). This settled some claims with the outstanding claims related to the pending arbitration proceeding before the Building and Construction Arbitration Board.

On 12 July 2019, the Group delivered the project and the metro was officially opened to the public on 29 September 2019.

In 2020, a year after the handover, when the performance bonds were to be reduced from 3% to 1%, the customer presented counterclaims for approximately €43 million blocking this reduction. The Group deems that these counterclaims are completely groundless and lacking the minimum requirements to be considered as such, by virtue of their failure to provide even the most basic information, such as a description of the events, timing, place of the facts, the cause effect link, contractual justification and support for quantification. On the basis of the above, CMT entirely rejected the counterclaims, judging them without any foundation.

On 26 April 2021, the Group presented the Building and Construction Arbitration Board with its

supplementary statement of claim. Therefore, at that date, all its claims have been formally filed with the arbitration tribunal.

On 17 September 2021, CMT filed a new and separated Request for Arbitration with the Building and Construction Arbitration Board, to request the reduction of the Performance Bond from €52.1million o to €17.3 million. The proceedings are still at an early stage.

Moreover, the Group cannot exclude that events may take place in the future that cannot currently be foreseen and that could make it necessary to change its valuations.

North West Rail Link (Australia)

This project included the design and building of a 36 km metro line north west of Sydney, of which 4.6 km as a viaduct (the Skytrain bridge). The metro opened in May 2019.

The Group participated in the project through a joint venture of Salini Impregilo (now Webuild) and Salini Impregilo PTY Limited.

After the joint venture presented claims, the DAB issued a decision acknowledging its right to AUD34.5 million (roughly €21.4 million) on 9 December 2019.

The contract with Sydney Metro provides for resort to the Australian Centre for International Commercial Arbitration should one or both of the parties be unsatisfied with the DAB's decision.

In fact, on 31 January 2020, both the joint venture and the customer presented the DAB with a notice of dissatisfaction, after which, the joint venture applied for arbitration to the Australian Centre for International Commercial Arbitration on 20 July 2021.

Considering the uncertainties linked to the dispute stage, the Group cannot exclude that currently unforeseeable events may arise in the future which could require changes to the assessments made to date.

Al Bayt Stadium (Qatar)

On 25 October 2019, the joint venture comprising Leonardo S.p.A. and PSC S.p.A. ("Leonardo/PSC JV") commenced an arbitration proceeding before the International Chamber of Commerce against the joint venture consisting of Galfar Al Misnad Engineering and Contracting, Salini Impregilo (now Webuild) and Cimolai S.p.A. ("GSIC JV" in which the Group has a 40% interest) with respect to the contract to build the Al Bayt Stadium in Doha, Qatar.

As subcontractor of the contract to supply mechanical and electrical works, the Leonardo/PSC joint venture claimed damages for the acceptance of variations and other compensation from the contractor GSIC JV for QAR1,289 million (approximately €300 million). As part of the same arbitration proceedings, GSIC JV presented its counterclaim, which includes, inter alia, acknowledgement of the costs incurred on the subcontractor's behalf and compensation for the higher costs incurred due to the latter's delays and negligence.

In turn, the Galfar/Webuild/Cimolai joint venture has claimed damages of not less than QAR715 million (approximately €161 million).

The defence briefs are being prepared and the arbitration tribunal has requested the related documentation be presented.

Saudi Arabia

With respect to the contract to build Line 3 of the Riyadh Metro, on 25 January 2021, the Arab company United Code Contracting Corporation commenced an ICC arbitration proceeding against the joint venture comprising Webuild, Larsen & Toubro, Salini Saudi Arabia and Nesma.

As subcontractor for the works supply contract, United Code Contracting Corporation has claimed damages of USD162.5 million from the joint venture for the undue termination of the subcontracting contract, non-payment of interim payment certificates, failure to pay the final bill and the undue allocation of works to third parties.

The Webuild/Larsen & Toubro/Salini Saudi Arabia/Nesma joint venture has claimed an initial amount of USD114.5 million from United Code Contracting Corporation as fines, undue payments, unclaimed payments and compensation for damages as well as the claims previously agreed by the parties in a contract addendum but no longer accepted by the customer and the additional costs to recover the above amounts.

The arbitration proceedings are at an initial stage. The Group has a 59.14% interest in the joint venture.

Tajikistan

Webuild commenced several arbitration proceedings in the period between January to July 2021 under the aegis of the International Chamber of Commerce of Paris against OJSC Rogun and the Tajikistan state. It has presented monetary claims and requested an extension of the contract deadline.

The amounts involved are USD6.2 million, USD7.0 million, USD0.5 million and USD16.5 million, respectively.

The initial documentation is being filed and the arbitrators are being appointed.

Slovakia

On 6 March 2019, the joint venture comprising Salini Impregilo (now Webuild) and the Slovakian company Duha and the customer signed an agreement to terminate the contract for the design and construction of a major motorway section. This agreement provides for the recognition of the works awaiting certification and also establishes that:

- the customer will certify most of the works performed and awaiting approval for bureaucratic reasons in the short term;
- a dispute adjudication board (DAB) will be appointed, consisting of international members rather than the Slovakian members provided for in the original contract, to decide on the additional consideration requested by the joint venture;
- should the DAB's ruling not be agreeable to the parties, they may apply to an international arbitration tribunal (ICC Vienna) rather than a Slovakian tribunal as provided for in the original contract.

After the joint venture's presentation of its many claims, on 18 November 2019, the DAB issued its first decision on the unexpected geological events and excavations of the tunnel, finding that the joint venture was due approximately €8 million. In December 2019, both the joint venture and the customer sent the DAB a notice of dissatisfaction. As the parties were unable to come to an agreement, Webuild presented its first application for arbitration to ICC on 14 February 2021. The proceedings are at an initial stage.

On 18 June 2021, the DAB issued its second decision on the greater costs related to the extension of the contact timeline and fines (milestones 2 and 3), finding that the joint venture was due around €7 million.

The joint venture filed its second application for arbitration with ICC on 28 June 2021, and the parties agreed to consolidate the two arbitration proceedings. The arbitral tribunal was constituted.

Moreover, the Group cannot exclude that events may take place in the future that cannot currently be foreseen and that could make it necessary to change its valuations.

Administrative litigation

This section describes the main administrative proceedings involving the group companies.

USW Campania projects

The special commissioner tasked by the Regional Administrative Court to collect receivables of the former operators of the waste disposal service performed until 15 December 2005 submitted their final report in November 2014, in which they stated that the competent public administration had already collected directly €46.4 million of the fee due to Fibe for its services rendered until 15 December 2015 (when the contracts were terminated ope legis), without forwarding it to Fibe, and that total outstanding receivables totalled €74.3 million.

In its ruling no. 7323/2016, the Regional Administrative Court decided that the special commissioner should pay the amounts claimed by Fibe only after the assessment is completed and, hence, including amounts already collected by the administration. Fibe challenged this ruling with the Council of State which rejected it with its ruling no. 1759/2018. A petition for the conclusion of the proceedings was then filed. After the resignation of the special commissioner, the Regional Administrative Court appointed a new commissioner on 16 April 2018. As this commissioner did not accept the position, on 10 January 2019, another commissioner was appointed that filed a report on 13 January 2020 confirming the findings reported by the previous commissioner in November 2014. Due to the interim payments made which reduced the total amounts due, the commissioner calculated the amounts outstanding as fees to be €54.8 million and deferred the definitive calculation of the amounts of €3.1 million in addition to that already ascertained and the total amount of interest and fines due to Fibe to a second stage. On 29 January 2021, the commissioner filed another report setting out the definitive calculation of the amounts due to be €57.3 million and the interest and fines due to Fibe as €62.7 million. The Regional Administrative Court ruled on 4 March 2021 that the mandate given to the special commissioner had ended and confirmed the amounts ascertained by them.

In 2009, Fibe filed a complaint with the Lazio Regional Administrative Court about the slackness of the competent authorities in completing the administrative procedures for the recording and recognition of the costs incurred by the former service contractors for activities carried out pursuant to law and the work ordered by the administration and performed by the companies during the years from 2006 to 2008 (i.e., after the contracts had been terminated).

As part of the aforementioned ruling, the Regional Administrative Court appointed an inspector who, on 21 December 2017, submitted a final report finding that, in short, the amounts stated by Fibe in its appeal and the supporting documentation were substantially consistent. The company requested a more in-depth review of certain items and the correction of some errors. The Regional Administrative Court ordered an additional inspection. On 28 September 2018, the inspector filed their final report, which addressed the requests made by Fibe for a more in-depth review and corrections. The Lazio Regional Administrative Court with its ruling of 21 March 2019 ordered the Office of the Prime Minister to pay €53 million, including VAT and interest, as the fee for services

carried out after the contracts were terminated. The Office of the Prime Minister challenged this ruling before the Council of State. In its ruling no. 974 of 7 February 2020, the Council of State identified a logical legal error in the Regional Administrative Court's ruling where it ordered the Office of the Prime Minister to pay the amounts requested and documented by Fibe (private part) not yet checked by it. The Council of State amended in part the first level ruling finding that Fibe is due the smaller amount of €21 million, increased by legal interest (instead of the amount of €53 million ordered by the Regional Administrative Court). It ordered the administration to check the difference between the amount due to Fibe and that established by the Regional Administrative Court.

In May 2020, Fibe filed: (i) an appeal before the Council of State challenging the rulings and the error identified by the Appeal Judge; (ii) an appeal before the Supreme Count. On 26 February 2021, the Council of State accepted the appeal challenging the rulings and recognised Fibe's subjective right to the amounts due to it. It ordered the administration to complete the initial investigation while immediately appointing a special commissioner (the state general accounting office or its delegate) to step in should the administration fail to comply.

With ruling no. 3886/2011, the Lazio Regional Administrative Court upheld Fibe's appeal and ordered the administration to pay the undepreciated costs at the termination date for the RDF plants to Fibe, for a total amount of €205 million, plus legal and default interest from 15 December 2005 until settlement.

Following the enforcement order filed by Fibe and opposed by the Office of the Prime Minister, Fibe obtained the allocation of €241 million (collected in previous years) as a final payment for the receivables for principal and legal interest and suspended the enforcement procedure for the further amount of default interest claimed. Both parties initiated proceedings about the merits of the case. The judge rejected the request for default interest submitted by Fibe in the ruling of 12 February 2016, which Fibe challenged.

As part of the USW Campania projects, the Group was notified of a large number of administrative measures regarding reclamation and the implementation of safety measures at some of the landfills, storage areas and RDF plants. For the proceedings regarding the characterisation and emergency safety measures at the Pontericcio site, the RDF plant in Giugliano and the temporary storage area at Cava Giuliani, the Lazio Regional Administrative Court rejected the appeals filed by Fibe with ruling no. 6033/2012. An appeal against this ruling, based on contamination found at a site different to those subject of the proceedings, was filed with the Council of State. It denied Fibe's precautionary motion to stay the enforcement of the decision. The Council of State subsequently accepted Fibe's appeal in its ruling no. 5076/2018, reversing the first level ruling and cancelling the measures challenged by Fibe. With respect to the Cava Giuliani landfill, the Lazio Regional Administrative Court, with ruling no. 5831/2012, found that it lacked jurisdiction in favour of the Superior Court of Public Waters, before which the appeal was summed up and this court rejected the appeal with its ruling no. 119/2020 filed on 28 December 2020. Fibe has appealed this ruling. Before the judges' rulings, Fibe had completed the characterisation operations for the above sites, but this does not constitute any admission of liability whatsoever.

S.a.Bro.M. S.p.A.

S.a.Bro.M. S.p.A. ("SABROM") is the operator for the design, construction and operation of the new regional Broni-Mortara motorway under the terms of the concession contract signed with the customer Infrastrutture Lombarde S.p.A. ("**ILSpA**") on 16 September 2010.

In July 2016, the Ministry for the Environment, Land and Sea Protection ("MATTM") issued a measure containing a negative opinion on the project's environmental compatibility.

SABROM asked the customer to protect the project by appealing against the Ministry's measure and also communicated its willingness to work with the customer to modify the designs so that the project could be re-assessed by the Ministry and other competent bodies.

As requested by SABROM, the customer appealed against the Ministry's measure before the Lombardy Regional Administrative Court which rejected the appeal with its ruling published on 30 July 2018.

On 14 February 2019, ILSpA filed an appeal with the Council of State and the date of the hearing has not yet been set.

Tax proceedings

Set out below is a summary of information relating to the main legal proceedings with the Italian tax authorities.

Webuild

With respect to the principal dispute with the tax authorities:

- the Supreme Court hearing was held on 17 January 2020 to discuss the reimbursement of tax assets with a nominal amount of €12.3 million acquired from third parties as part of previous non-recurring transactions. The court quashed the second level ruling ordering the case to be transferred to the Regional Tax Commission. The parent filed a petition for the resumption of the hearing within the legal term;

- a dispute related to 2005 about the technique used to "realign" the carrying amount of equity investments as per article 128 of Presidential decree no. 917/86 (greater assessed tax base of €4.2 million) is still pending before the first level court while with respect to another dispute with the same subject but for 2004 (greater assessed tax base of €0.4 million), the Supreme Court accepted the parent's grounds and ordered the case be sent to the Lombardy Regional Tax Commission which fully accepted the parent's appeal in the hearing of 14 January 2019 with its ruling of 12 February 2019. The tax authorities appealed this ruling on 11 September 2019 and the appeal still has to be allocated to the relevant section of the court;

- after their tax inspection into 2015, the tax authorities notified the Constructor M2 Lima consortium of an assessment notice claiming approximately €15.9 million. The main allegation made by the local tax authorities (SUNAT) is due to a different interpretation of the accounting treatment of revenue from contracts with customers for work carried out under the IFRS. The parent's investment in the consortium is 25.5%, which means the portion of assessed tax attributable to it is about €4.06 million. Since the consortium deems that the accounting treatment it adopted is correct, it challenged the above assessment notice within the term prescribed by the local law;

- on 21 January 2021, the local tax authorities (ERCA) served an assessment notice to the Ethiopian branch relating to the 2017, 2018 and 2019 corporate income tax. The most significant assessment relates to the calculation of revenue. Indeed, the tax inspectors did not agree on the adoption of the cost to cost method, despite it being provided for by the local tax law and the IFRS. The tax authorities' treatment would increase the tax base by about €324 million in local currency. Since the parent deems that the accounting treatment it adopted is correct, assisted by its advisors, it duly challenged the part relating to revenue recognition of the above assessment notice within the term prescribed by the local law, while settling the other "minor" assessments by paying the claimed amount. During the preliminary

stage of the assessment procedure, the branch met the tax authorities and agreed to settle all the assessed taxes for the three years by paying (in 24 monthly installments) an amount in local currency equal to roughly €54 million and the tax authorities cancelled the administrative sanctions and interest in local currency equal to roughly € 60 million and € 42 million, respectively. The amount to be paid is anyway a temporary difference.

With respect to the above pending disputes, after consulting its legal advisors, the parent believes that it has acted correctly and deems that the risk of an adverse ruling is not probable. When it deemed it appropriate to settle the dispute, as explained earlier in more detail, it did so to avail of the various options provided for by the relevant legislation, such as the voluntary settlement procedure for the pending tax disputes or the positions assigned to the tax collection agency, the court-ordered settlement procedure and the mutually-agreed settlement procedure.

Fisia Ambiente S.p.A.

After the 2013 IRES tax audit and the 2013, 2014 and 2015 VAT audit, the Genoa tax office inspectors identified findings for IRES purposes for 2013 related to alleged undue deductions of €1.5 million for the use of the loss allowance and the alleged undue deduction of VAT of €0.3 million on costs incurred for the defence of managers and other employees in criminal court proceedings in 2013, 2014 and 2015. Fisia Ambiente appealed against these assessments in fact and in law with its comments and applications filed in accordance with article 12.7 of Law no. 212/2000. The tax authorities fully accepted the inspectors' findings and notified two assessment notices for 2013, one for IRES and one for VAT. In turn, the subsidiary has filed reasoned requests for a mitigation hearing as per article 6 and following articles of Legislative decree no. 218/1997.

The mutually-agreed settlement procedure for the VAT was not successful and, in June 2019, the subsidiary appealed to the competent tax commission commencing the relevant legal proceedings. The competent tax commission has issued its ruling (i) partly accepting the subsidiary's appeal for 2013, (ii) rejecting the appeal for 2014, and (iii) fully accepting its appeal for 2015 thereby cancelling the assessment notice. An appeal has been filed for all cases.

With respect to the above pending disputes, after consulting its legal advisors, the subsidiary believes that it has acted correctly and deems that the risk of an adverse ruling is not probable. When it deemed it appropriate to settle the dispute, as explained earlier in more detail, it did so to avail of the various options provided for by the relevant legislation, such as the voluntary settlement procedure for the pending tax disputes or the positions assigned to the tax collection agency, the court-ordered settlement procedure and the mutually-agreed settlement procedure.

Fibe S.p.A.

FIBE has a pending dispute about the local property tax (ICI) on the Acerra waste-to-energy plant.

In January 2013, the subsidiary received tax assessment notices from the Acerra municipality with respect to the waste-to-energy plant, which requested payment of local property tax and related penalties for approximately €14.3 million for the years 2009-2011. The amount requested by the municipality and challenged by Fibe was confirmed as far as its applicability but reduced in terms of its amount and penalties by the Naples Regional Tax Commission.

The subsidiary appealed against the second level ruling with the Supreme Court and the case is still pending. However, in 2015, the subsidiary set aside a provision for an amount equal to the assessed tax plus accrued interest on a prudent basis. On 7 March 2018, Fibe applied for the procedure for the out-of-court settlement of the positions assigned to the collection agency as per article 1 of Decree law no. 148/2017 converted with modifications into Law no. 172/2017.

The disputes about the following are still pending:

1) Assessment notice for 2003 IREPG, IRAP and VAT issued by the Casoria tax office about assessed taxes of €6.5 million. The subsidiary has been challenged for the following violations: (i) undue deduction of costs of €3.1 million contrary to the principle of pertinence/accruals basis; and (ii) undue deduction of VAT of €2.0 million as a result of the application of a higher-than-allowed rate.

The Naples Provincial Tax Commission accepted the subsidiary's appeal in its ruling no. 497 filed on 25 June 2009, which the tax office appealed. The subsidiary presented its defence brief and counter-appeal. The Naples Regional Tax Commission confirmed that costs of €2,771,179.66 were to be taxed, due to their non-compliance with the pertinence/accruals basis principle in its ruling no. 27/1/12 filed on 12 January 2012 while also confirming the deductibility of VAT of €1,839,943.61. The tax office has appealed to the Supreme Court. The subsidiary in turn has presented its defence brief and appeal. A date for the court hearing has not yet been set.

2) Assessment notice for 2004 VAT issued by the Casoria tax office about assessed VAT of €5.2 million. It alleges the subsidiary unduly deducted VAT based on the assumption that all the services received by it should have been invoiced with the lower rate of 10% instead of the ordinary rate (20%). The Naples Provincial Tax Commission accepted the company's appeal in its ruling no. 498/01/09 filed on 25 June 2009 and cancelled the assessment notice, which the tax office appealed. The company presented its defence brief and counter-appeal. The Naples Regional Tax Commission handed down its ruling no. 26/1/2012 filed on 23 January 2012, which (i) after having decided in favour of the subsidiary, fully in line with its defence grounds, which was the "quaestio iuris", whose resolution was essential to confirm or cancel the tax assessment; and (ii) nonetheless confirmed the tax office's assessed taxes and related fines (i.e., as recalculated by the tax office in its appeal). The subsidiary has appealed to the Supreme Court and the hearing date has been deferred.

3) Assessment notice for the 2012 IMU property tax, issued by the Acerra municipal authorities for the assessed tax of €551 thousand for the WtE plants. The subsidiary promptly presented its appeal which was filed on 20 April 2017. The Provincial Tax Commission rejected the appeal with ruling no. 17386 filed on 14 December 2017 which the subsidiary appealed on 5 July 2019. The Regional Tax Commission handed down its ruling on 13 January 2020, which was not in the company's favour. The subsidiary has appealed to the Supreme Court.

With respect to the above pending disputes, after consulting its legal advisors, the subsidiary believes that it has acted correctly and deems that the risk of an adverse ruling is not probable. When it deemed it appropriate to settle the dispute, as explained earlier in more detail, it did so to avail of the various options provided for by the relevant legislation, such as the voluntary settlement procedure for the pending tax disputes or the positions assigned to the tax collection agency, the court-ordered settlement procedure and the mutually-agreed settlement procedure.

Criminal litigation

This section describes the main criminal proceedings involving the group companies.

USW Campania projects

In 2008, as part of an investigation into waste disposal in the Campania region carried out after the ope legis termination of the relevant contracts (on 15 December 2005), the Preliminary Investigations Judge, upon a request by the public prosecutor, issued personal preventive seizure measures against some managers and employees of Fibe, Fibe Campania (subsequently merged into Fibe) and Fisia Ambiente and managers of the commissioner's office. As part of this investigation, the former service providers and Fisia Ambiente are also charged with the

administrative liability attributable to companies pursuant to Legislative decree no. 231/01 without claims for compensation being made against these companies.

In the hearing of 21 March 2013, the Preliminary Hearing Judge ordered that all the defendants and companies involved pursuant to Legislative decree no. 231/2001 be committed for trial for all charges, transferring the proceedings to the Rome Court as a result of an acting judge being listed by the Naples public prosecutor as under investigation.

On 16 June 2016, the Court accepted the public prosecutor's request and found all the individuals involved in the proceedings not guilty. The hearing will continue for the companies involved and the public prosecutor is currently examining the motions.

COCIV consortium

On 26 October 2016, some managers and employees of COCIV were arrested as were other persons (including the chairman of Reggio Calabria - Scilla S.C.p.A., who promptly resigned) with warrants issued on 7 October 2016 by the Genoa Court and 10 October 2016 by the Rome Court. The above two legal entities were informed that the Genoa and Rome public prosecutors are investigating alleged obstruction of public tender procedures, corruption and, in some cases, criminal organisation.

Specifically, the proceeding before the Genoa Court (involving COCIV managers and employees) covers alleged obstruction of public tender procedures for supplies or works on individual lots (for which the public prosecutor also intends to investigate Webuild's chief executive officer) as well as two cases of corruption. The proceeding originally before the Rome Court (consisting of two separate investigations), and now joined and transferred to the Alessandria public prosecutor, relates to the alleged bribery of works management by senior management of the contractors (COCIV, Reggio Calabria - Scilla S.C.p.A. and Salerno-Reggio Calabria S.C.p.A.) in order to encourage the works manager (also under investigation) to perform acts contrary to their official duties.

On 11 January 2017, as part of the proceedings commenced on 16 November 2016, ANAC sent the Rome Prefecture a proposal for adoption of the extraordinary measures pursuant to article 32 of Decree law no. 90 of 24 June 2014 against COCIV. On 3 March 2017, the Rome Prefecture appointed a special commissioner for the extraordinary and temporary administration of COCIV in accordance with article 32.1.b) of the above Decree law for a six-month period, which was then extended to 15 January 2019.

The Rome Prefecture acknowledged termination of the extraordinary and temporary administration of COCIV on 31 October 2018 with its decree of 14 November 2018, given that the set objectives had been met.

Specifically, in 2018, the Genoa public prosecutor notified the completion of the preliminary investigations for the criminal proceedings to the parties under investigation, which did not include COCIV. During 2019, the public prosecutor requested and obtained a hearing of an excerpt of the relevant interceptions, which was followed, on 21 February 2020, by a further notification of the notice of conclusion of the investigations pursuant to article 415-bis of the Italian Criminal Code. The public prosecutor subsequently filed a substantial application for commitment for trial, which was followed by the commencement of the preliminary hearings, completed on 15 March 2021 with a double ruling by the Judge for the Preliminary Hearing: a ruling not to proceed with the first allegation as it had become time-barred, except for the chief executive officer of Webuild who was found not guilty of committing the alleged crime, even though that part of the case was now time-barred. The Judge also ordered that criminal proceedings be commenced for the other alleged crimes.

On 27 February 2020, the public prosecutor requested that the proceeding be filed with respect to COCIV's position, under investigation for the alleged administrative crime as per article 25 of Legislative decree no. 231/2001 given that the consortium had put in place a suitable and appropriate organisation model as per Legislative decree no. 231/2001 before the alleged crimes took place and, moreover, the alleged crimes were not performed to the advantage or in the interests of COCIV.

The filing request also covered some parties under investigation in the main proceeding in relation to numerous additional alleged crimes charged to them during the investigation stage and found to be ungrounded (articles 416, 353, 353-bis, 319, 321 and 346-bis of the Italian Procedural Code and article 2635 of the Italian Civil Code).

Following the most recent notice as per article 415-bis of the Italian Criminal Code and the application for commitment for trial, it has been confirmed that the investigation focuses on assumed collusive bidding and bribery, all of which took place quite some time ago (2012 to 2016).

The charges refer to alleged conduct that could only be carried out by the individuals in charge of managing the related procedures. This implies that the alleged involvement of key management personnel (the then chairman of the consortium) and the parent's chief executive officer, would not lead to the identification of any real activities and/or conduct that these persons actually undertook.

With respect to the criminal proceedings commenced by the Rome public prosecutor for the alleged crime of association for criminal purposes, the dismissal of the related criminal proceedings was applied for and obtained on 5 September 2018 as the related charge cannot be sustained. With respect to all the alleged corruption practices, involving the alleged administrative liability of COCIV and Reggio Calabria - Scilla S.C.p.A. for the administrative offence as per articles 5 and 25 of Legislative decree no. 231/2001, the Rome Court declared its lack of jurisdiction and referred all the cases to the Bolzano public prosecutor which joined them in a single case and requested that it be heard. During the preliminary hearing of 26 June 2019, the judge declared its lack of jurisdiction and ordered the case be referred to the Alessandria Court, where it has been again included in the investigation phase.

The Alessandria Court set the date for the preliminary hearing before the Preliminary Hearing Judge for the first half of 2022.

With respect to the alleged bribery, COCIV deems that, as already found by the Genoa public prosecutor, the crimes allegedly committed by its personnel (should they be found guilty by the court) were to its detriment and were essentially committed in their own interests by fraudulently circumventing the rules in place to control its activities. Moreover, these alleged offences would not have required RFI to pay a larger or undue amount or create economic benefits for COCIV but rather would have required it to pay higher costs. The consortium's new structure (senior management and operating personnel) is committed to ensuring that the works can continue while concurrently dealing with the social and employment issues arising from the discontinuity measures that the consortium has had to put in place vis-à-vis the third party companies involved in the legal proceedings. The consortium has carefully checked the quality of the materials used in the works previously carried out although this is not an issue raised by the public prosecutors. Its results are wholly in line with the findings of the expert appointed by the Genoa Court, which both found the full compliance of the materials used by COCIV with the quality levels specified in the contracts and relevant legislation.

Cossi Costruzioni S.p.A.

Cossi Costruzioni S.p.A. was notified of the commencement of proceedings before the Rimini Court for an alleged administrative offence as per article 25-septies, paragraph 3 of Legislative decree no.

231/2001 in relation to personal injuries - which were cured - allegedly committed in violation of the rules on protection and safety in the workplace.

The Court with decision no. 1111 of 14 June 2021, filed on 13 September 2021, declared the company's liability for the administrative offense ascribed to her excluded because the fact does not exist. The decision also declared all the other indicted individuals acquitted.

Ministry of the Environment / Autostrade per l'Italia S.p.A. - Todini Costruzioni Generali (now HCE Costruzioni + others)

In June 2011, upon conclusion of the investigations commenced in 2005, the Florence public prosecutor charged the CEOs and former employees of Todini C.G. S.p.A. with environmental crimes with respect to the management of excavated soil and rocks, water regulation, waste management and damage to environment assets as part of the Tuscan lots of the "Valico variation".

The Ministry of the Environment joined the criminal proceedings as a civil party, suing Autostrade per l'Italia S.p.A., Todini C.G. S.p.A., Impresa S.p.A. and Toto S.p.A. for their civil liability and quantifying the alleged environmental damage to be compensated as "*not less than €810,000,000.00 or any amount that may be established during the proceedings and/or established in an equitable manner*". As evidence of the damage, the Ministry presented a preliminary report prepared by I.S.P.R.A. (a body which is part of the Ministry).

The judge held that the I.S.P.R.A. report was not a document that could be used in the proceedings as it had not been prepared *inter partes* and, moreover, did not include the name of the individual that had physically prepared it. At the date of preparation of this Report, the claim for compensation is not supported by proof about its size.

On 30 October 2017, the Florence Court found all the defendants not guilty and the public prosecutor appealed the ruling on 20 June 2019. The Supreme Court accepted the public prosecutor's appeal on 19 January 2021 and overturned the Florence Court's ruling, remitting continuation of the case to the Appeal Court. The reasons of the ruling have been filed and the Group is currently waiting to receive the application for the reinstatement of proceedings of the Florence public prosecutor.

Litigation related to the Astaldi liquidation of the perimeter of Astaldi

CIVIL LITIGATION

CO.MERI (state road Jonica, Lot DG-21) (Italy)

As part of the dispute about the construction of E-90, the section of SS-106 state road Jonica from the Squillace interchange (km 178+350) to the Simeri Crichi interchange, on 29 October 2020, the Rome Appeal Court entirely rejected the appeal presented by the client ANAS against the arbitration award of 28 October 2013 which found that CO.MERI was to be paid approximately €103 million plus the legally required amounts (the above amounts have been actually paid to CO.MERI). ANAS has presented an appeal to the Supreme Court. The date of the hearing is still pending.

Peru – Hydroelectric Basin Alto Piura

The Consorcio Obrainsa Astaldi was awarded the construction contract with the client PEIHAP (Proyecto Especial de Irrigacion e Hidroenergetico del Alto Piura), for the realization of a hydroelectric basin in Peru, Alto Piura. On 23 October 2018, the client terminated the contract and the Consorcio started a series of local arbitrations administered by the Centro de Arbitraje de la Camara de Comercio de Piura against PEIHAP.

On 1 September 2021, PEIHAP called an Advance Payment guarantee issued by Astaldi SpA for the amount of 7.1 million USD. Astaldi's Peruvian lawyers immediately requested and obtained from the arbitral tribunal an interim measure to provisionally block the payment of the guarantee.

Arturo Merino Benítez International Airport in Santiago (ICC arbitration no. 25888/GR) (Chile)

On 12 March 2015, Supreme decree no. 105 signed by the President of Chile and the Minister of Public Works (Ministerio de Obras Públicas), as Employer, was issued awarding the concession for the construction, restructuring, maintenance and operation of Arturo Merico Benítez International Airport in Santiago to Sociedad Concesionaria Nuevo Pudaahuel S.A. ("NPU"), 45% owned by Aéroports de Paris, 40% by VINCI Airports and 15% by Astaldi Concessioni (which remained to Astaldi S.p.A. "Patrimonio Destinato" outside Webuild Group). On 18 November 2015, NPU awarded an EPC contract to a joint venture constituted by Astaldi and VINCI Construction Grands Projects (VCGP) (the "JV") to design, build and restructure the airport. Due to the Employer (MOP)'s delay in approving the definitive design prepared by the contractor within the contractually agreed terms, the contract was immediately beset by serious delays, generating additional costs for the JV, mostly due to the general difficultly in planning the work activities leading to the lack of productivity and significant diseconomies as a result of the continued interruptions in the approval process. The loss of productivity caused both the need for additional resources to resolve the delays, and the greater resort to those scheduled. In addition, the leader VCGP had immediately imposed a work site organisation which was very costly and a contract strategy which was not favourable to the operator NPU, which Vinci has a 40% interest in. This management model and the operating decisions taken, most of which Astaldi did not agree with, caused the contract outcome to decrease over time. VCGP continued to refuse the proposals made by Astaldi during the execution of the contract, aimed at improving its management and make the processes more efficient, leading Astaldi to communicate its intention of commencing a dispute for mismanagement. In the meantime, Astaldi found itself in financial difficulties which led to its application for a composition with creditors procedure ("*procedura di concordato*") and it was unable to cover the JV's significant funding requirements. VCGP agreed to provide the joint venture with Astaldi's share of the funding. The conflict of interest between VCGP and the group company VINCI Airports, which has a 40% interest in NPU, caused the lack of determination to apply to NPU and to the Ministry for the immediate reimbursement of the costs incurred. Astaldi always objected to this policy to no avail. Due to this growing level of disagreement, on 23 November 2020, VCGP exercised its right to withdraw from the *Interim Agreement*, signed in June 2019 whereby it agreed to provide the JV with necessary funding, also on behalf of Astaldi. In addition on 4 December 2020, VCGP requested Astaldi to return the funding provided to the JV (and interest thereon) by VCGP on its behalf of around €38 million. As Astaldi deems that the JV's difficulties were caused by the bad management unilaterally decided by the leader (VCGP) and given that its further proposal to settle the dispute amicably was rejected, it challenged VCGP's request and file a request for arbitration to the International Chamber of Commerce against its partner VCGP on 14 December 2020. Astaldi requested that VCGP cover all the costs of its management decisions and to hold Astaldi harmless from any other risks arising from the project. In line with its general approach, VCGP found that Astaldi was in default and declared that it was excluded from the JV. Under the terms of the agreement between the parties, and without prejudice to the fact that ascertainment of responsibility is the subject of the currently pending arbitration (the Arbitral Tribunal has been constituted on 15 June 2021), the defaulting party is excluded from the joint venture and an expert (appointed jointly by the parties or, if they cannot come to an agreement, by the International Chamber of Commerce) defines the credit (or debit) due from or to the excluded party, considering the reasonably foreseeable losses to complete the project and the revenues accrued at the exclusion date. Upon completion of the contract, the excluded party does not have

any rights should the contract's outcome be better than expected while should it be worse (smaller profits or larger losses), the excluded party bears its share in proportion to its original investment.

Subsequently, as part of the same dispute, VCGP filed a request before the Rome Court on 15 April 2021 for the conservative seizure of Astaldi's real estate, movable property and receivables for €37.2 million, plus interest, as protection for its alleged credits related to the loan given to the JV that VCGP has presented as counterclaim in the arbitration proceeding commenced by Astaldi. As part of this precautionary proceeding, the parties, after the exchange of the authorised briefs, are waiting for the judge to issue a final decision.

In late October 2021, VINCI Agencia en Chile filed the second request for conservative seizure (the first one being the one filed in Italy) with the Chilean Courts against Astaldi Sucursal Chile, for the amount of 56mio Euro. The lawyers promptly objected to VINCI's request, and the Chilean tribunal rejected VINCI's request.

In addition to the requests for conservative seizures filed by VINCI in Italy and Chile against Astaldi, in early November 2021, VINCI has also filed and obtained by the French Execution Judge, *inaudita altera parte*, a conservative seizure on Webuild's French bank accounts for the amount of 38mio Euro. Our lawyers are preparing the request to invalidate such seizure also considering that Webuild is not the pretended debtor of VINCI.

In addition, Astaldi was notified by VCGP in a registered letter received on 1 July 2021 that the latter has summoned Astaldi's chairperson and CEO for a criminal hearing at the Nanterre Court in France, holding them liable (for the symbolic amount of €1 as compensation plus the costs of publishing the ruling and payment of another €20 thousand) for civil purposes for the alleged crime of public defamation under the French Criminal Code. Based on the documentation received, the defamation was allegedly committed with the publication of the 2020 Annual Report which described the ongoing dispute with VCGP (as above) and the actions taken by Astaldi Group. According to VCGP, such actions were seriously defamatory and prejudicial. Assisted by its advisors, Astaldi and the two directors deem that VCGP's allegations are completely groundless in terms of their facts as well as legally. They will defend themselves accordingly in all the courts.

Vinci Constructions Grands Projets (VCGP) also sued President Donato Iacovone and the company Webuild SpA in the same defamation case, for the same facts and with the same claims.

In addition, on 25 November 2021, VCGP filed a new request for arbitration (ICC No. 26708/PAR) against Webuild, requesting that Webuild be ordered to pay Astaldi's cash calls for the Santiago de Chile Airport project, in the amount of €52 million, and requesting that the two arbitral proceedings be joined.

In addition, on 2 November 2021, VCGP obtained a seizure on Webuild's French accounts for 38.8mio Euros - managing to freeze at the state only €1.8 million. Webuild's lawyers are finalizing the challenge in order to cancel the seizure.

ESO E-ELT (European Extremely Large Telescope) Observatory (Chile)

On 3 December 2018, Astaldi's joint venture partner Cimolai claimed that Astaldi had defaulted on the commitments made under the deed of partnership and regulations and thus requested to reduce its participating interest in the joint venture to 0.01%. On 5 December 2018, Astaldi strongly disputed Cimolai's request as being ungrounded and unlawful. On 17 June 2019 Cimolai commenced a formal dispute (arbitration). The claim is for damages of roughly €100 million. Astaldi deems all claims to be unfounded, and requests the payment of €6.5 million as damages suffered With order dated 7 September 2020, the arbitration panel decided that, in order to analyse some technical and accounting issues, an expert should be appointed. In the attempt to settle the dispute amicably,

Cimolai and Astaldi asked the arbitral tribunal to suspend the proceeding. The arbitral tribunal granted a suspension until 20 January 2022.

Chacayes hydroelectric power plant – Chile.

In October 2008, an EPC Contract was entered into by Pacific Hydro Chacayes S.A. and Constructora Astaldi Cachapoal Ltda. for the design, procurement and construction of the Chacayes hydroelectric power plant in Chile. In August 2017 Pacific Hydro Chacayes S.A. filed a request for arbitration against Constructora Astaldi Cachapoal Ltda. and against Astaldi SpA for the alleged breach of the EPC Contract based on the fact that, in February 2016 (before the opening of the "concordato preventivo" proceedings) a collapse occurred in one of the structures of the hydropower plant (i.e. emergency spillway). Pacific Hydro requested USD 50,0 million in damages. The final award was notified to the parties on 10 December 2021, ordering Astaldi and Constructora Astaldi Cachapoal Ltda to pay USD 30,7mio.

Felix Bulnes hospital (Chile)

In January 2019, the client Sociedad Concesionaria Metropolitana de Salud S.A. (SCMS) unduly terminated the construction contract after calling the guarantees for an amount of ca. 30mio Euro. The Contractor (Astaldi Sucursal Chile) challenged the termination and filed a request for arbitration with the Santiago Chamber of Commerce claiming the illegality of the termination, requesting payment for the works performed, reimbursement for damages suffered and loss of profits, and the reimbursement of the guarantees – for a total amount of ca. 103mio Euro. SCMS filed a counterclaim for ca. 70mio Euro, for alleged damages suffered by SCMS because of Astaldi's management of the project and contractual breaches. The final award was notified to the parties on 4 January 2022, dismissing Astaldi's requests and ordering Astaldi Sucursal Chile to pay SCMS the amount of ca. 111mio Euro. The lawyers are filing the action against the award within the due procedural deadline.

Muskrat Falls hydroelectric project (Canada)

During the performance of this project in Canada, a number of unforeseeable events took place which, together with operating difficulties during the start-up phase, led to an increase in the project's total cost. Specifically, the productivity level of the local labour was unexpectedly and unusually low. In December 2016, Astaldi Canada Inc. and the customer, Muskrat Falls Corporation ("**MFC**"), a 100% owned subsidiary of Nalcor Energy signed a rider, whereby the customer acknowledged the higher costs incurred by Astaldi to carry out the project. However, the difficulties in performing the works continued.

During the performance of the works (95% completed), on 27 September 2018 Astaldi Canada Inc. notified MFC that it was requesting arbitration for payment of the "quantum meruit" of the actual value of the works performed due to the fact that MFC had arbitrarily imposed a pain/gain share mechanism to its sole advantage and to Astaldi's cost, thus causing the contractor to incur financial difficulties in performing the works. In addition, Astaldi claimed MFC had not fulfilled its obligation of good faith or its contractual obligations. The estimated amount of damages set out in the application was CAD429 million (the equivalent of €280 million). In reply, the customer sent a notice of default on 28 September 2018 and subsequently a notice of termination on 8 November 2018, and enforced the letters of credit acting as performance bond (CAD100 million, the equivalent of €65 million) and advance payment bond (CAD84 million, the equivalent of approximately €55 million) for a total of CAD184 million (the equivalent of €120 million), generically alleging lack of funds and non-payment of subcontractors and third parties.

On 26 November 2018, the arbitral tribunal was constituted. ACI requests the arbitral tribunal to order MFC to pay the damages it caused (as works performed and never paid, additional costs

incurred after the termination of the contract, letters of credits wrongfully called, and loss of profits) for a total of CAD 378,2 million (including CAD 50 million for punitive damages), and the restitution of the letter of credit that stands for the performance bond. MFC requests to ACI the payment of CAD 38,1 million (approximately €25 million) for alleged damages suffered because of ACI's behaviour.

The net proceeds from the arbitration (net of the costs incurred for the arbitration proceeding), paid the debts towards the Sureties and deducted a sum that will be kept as cash collateral in the judgment against a subcontractor, will be devoted for the payment of third-party creditors of Astaldi Canada. Any excess will be distributed in equal parts between Sureties and Astaldi Canada.

Rehabilitation of the Frontieră - Curtici - Simeria railway line, Lot 2A (ICC arbitration no. ICC/25794/HBH) (Romania)

CFR (the Romanian National Railways Company) and the JV Astaldi (49,5%)-FCC-Salcef-Thales Lot 2A joint venture signed the contract for the rehabilitation of the railway line and restructuring of some stations on 19 May 2017. Events took place during the performance of the contract that were outside the contractor's control such as non-possession of the work areas, non-receipt of the building permits, delays and lack of expropriations, delays in the delivery of the technical documentation and lack of environmental permits.

On 13 November 2020, the contractor presented an application for arbitration as per the rules of the International Chamber of Commerce against the client CFR. The claimant JV request that the arbitral tribunal declares that CFR breached the contract, and this the JV seek to obtain an extension of the contract timeline and to recover the higher costs and expenses incurred for RON 120 million (the equivalent of around €24.2 million) plus interest and the costs of the arbitration proceeding. The arbitral tribunal has been constituted and the proceedings is ongoing.

Rehabilitation of the Frontieră - Curtici - Simeria railway line, Lot 2B (ICC arbitration no. ICC/25795/HBH) (Romania)

CFR and the JV Astaldi (49,5%)-FCC-Salcef-Thales Lot 2B joint venture signed the contract to rehabilitate the railway line on 19 May 2017. Events took place during the performance of the contract that were outside the contractor's control such as non-possession of the work areas, non-receipt of the building permits, lack of expropriations, delays in the delivery of the technical documentation and lack of environmental permits. On 13 November 2020, the contractor presented an application for arbitration as per the rules of the International Chamber of Commerce against the customer CFR to obtain an extension of the contract timeline and to recover the higher costs and expenses incurred for not less than RON78.7 million (the equivalent of around €15.9 million) plus interest and the costs of the arbitration proceeding. The arbitral tribunal has been set up.

Rehabilitation of the Frontieră - Curtici - Simeria railway line, Lot 3 (arbitration no. 88/20) (Romania)

CFR and the JV FCC-Astaldi (49,5%)-Convensa joint venture signed the contract for lot 3 of the railway line on 7 August 2017. Events took place during the performance of the contract that were outside the contractor's control such as non-possession of the work areas, non-receipt of the building permits, delays and lack of expropriations, the discovery of archaeological artefacts and delays in the delivery of the technical documentation. On 13 November 2020, the contractor presented an application for arbitration to the Court of International Commercial Arbitration attached to the Bucharest Chamber of Commerce against the customer CFR to obtain an extension of the contract timeline and to recover the higher costs and expenses incurred for not less than RON106.1

million (the equivalent of around €21.4 million) plus interest and the costs of the arbitration proceeding. The arbitral tribunal has been set up.

Currently, the three above Romanian proceedings have been suspended in order to allow the parties to make an attempt for an amicable resolution of the dispute.

I-405 Expressway (USA)

Astaldi Construction Corporation ("ACC") was assigned this contract as part of a joint venture with the Spanish company Obrascón Huarte Lain S.A. ("OHL") which presented an arbitration application in accordance with the American Arbitration Association requesting that ACC be excluded from the joint venture on 16 June 2021. It claims that both ACC and Astaldi (its parent company and guarantor) are insolvent. This application was made years after Astaldi commenced its composition with creditors procedure.

The arbitration will follow the Construction Industry Arbitration Rules of the American Arbitration Association, (Headquarters New York, applicable law New York State). ACC filed its Response, contesting the plaintiff's claim and asking in turn that OHL be excluded for the same reasons, given that the company is in serious financial crisis, as reported in the specialist press and verified by Astaldi's US attorneys.

E–59 Railway Line (Poland)

On 27 September 2018, Astaldi notified the Employer (PKP, Polskie Linie Kolejowe S.A.) the termination of the contract due to the extraordinary and unforeseeable change in the works performance as evidenced by the abnormal increase in materials and labour costs, as well as the serious unavailability of materials, services and labour on the market, including rail transport of construction materials. On 5 October 2018, PKP replied by terminating the contract and requesting payment of the penalty (amounting to PLN 130.9 million, the equivalent of approximately €29 million) and calling the guarantees totalling €18,8 million (including the advance payment bond). On 7 February 2019, PKP filed an application before the Court of Warsaw, requesting the payment of penalties for an amount of PLN 87.25 million (the equivalent of €19 million), net of the value of the performance bond enforced (€9.4 million). The Employer also requested the reimbursement of payments made to subcontractors for an amount of PLN 8,1 million (including interest) (the equivalent of about €1,8 million). Astaldi filed its defence brief on 2 December 2019 and the first-instance ruling is still pending.

Following the termination of the contract, on 17 March 2020 Astaldi filed a claim before the Warsaw Court for the non-payment of work performed and certified for PLN17.6 million (the equivalent of approximately €4 million). Subsequently, Astaldi filed an additional claim on 26 May 2020 requesting payment of a further PLN16.8 million (the equivalent of €3.9 million, of which about €1.3 million related to unpaid invoices and about €2.6 million for the works performed but not certified). The proceedings are on going.

No. 7 Railway Line Dęblin -Lublin (Poland) – On 27 September 2018, Astaldi as the leader of the consortium (with a 94.98% share) for development of the Dęblin–Lublin Railway Line notified the Employer (PKP, Polskie Linie Kolejowe S.A.) the termination of the contract due to extraordinary and unforeseeable changes in the works performance as evidenced by the abnormal increase in materials and labour costs, as well as the serious unavailability of materials, services and labour on the market, including rail transport of construction materials. On 5 October 2018, the Employer replied by terminating the contract and requesting payment of the penalty (amounting to PLN 248.7 million, the equivalent of €55 million) and enforcing the guarantees totalling €43.3 million (including the advance payment bond).

On 7 February 2019, the Employer filed an application before the Court of Warsaw, requesting the payment of penalties for an amount of PLN155.6 million (the equivalent of approximately €34.4 million), net of the value of the performance bond enforced (€21.7 million). The Employer also requested the reimbursement of payments made to the subcontractors employed by the consortium for an amount of PLN66.8 million (including interest) (the equivalent of about €15 million).

Astaldi filed its defence brief on 2 December 2019 and the ruling is still pending. Following the termination of the contract, Astaldi filed a claim before the Warsaw Court on 17 March 2020 for the non-payment of work performed and certified by the Works Management, for PLN37.9 million (the equivalent of approximately €8.4 million). Subsequently, Astaldi filed an additional claim on 26 May 2020 requesting payment of a further PLN135.3 million (the equivalent of about €30 million) for work performed but not certified. The proceedings are ongoing.

Tax litigation and tax audits

Below is the information relating to the main tax disputes and/or tax audits concerning the Group in progress at the Prospectus Date.

- on 14 April 2020, the Italian tax authorities notified the subsidiary of their refusal to its proposal to settle tax liabilities as per article 182-ter of the Bankruptcy Law presented as part of its composition with creditors procedure. The above proposal requested the cancellation due to non-application of the higher fines, amounting to approximately €8 million, on the tax liabilities attributable exclusively to the prohibition imposed by the composition with creditors procedure to pay liabilities already due prior to the filing of the related application with reservation. The subsidiary presented its appeal on 9 July 2020, challenging a number of issues of the refusal on the merits and in law. As part of a self-review, the tax authorities acknowledged that the higher fines due to the disqualification of the option to pay by instalment were not due for some assessments settled with the mutually-agreed settlement procedure, for which the payments were discontinued on 28 September 2018 and therefore the dispute will continue for the other similar positions not revisited by the tax authorities. As provided for in the composition with creditors proposal, the subsidiary paid the preferential tax liabilities in full, taking into account the above-mentioned refusal and, should the outcome of the dispute be favourable for it, it will recover the higher amounts paid;

- on 28 August 2020, the Italian tax authorities notified the subsidiary of a recovery notice for alleged undue offsetting of excess VAT transferred by subsidiaries under the 2017 group VAT scheme. The assessed amount is €4.8 million, plus fines and interest of €1.4 million and €0.5 million, respectively. This notice arises from a dispute about the 2017 VAT assets claimed for reimbursement through the tax return. As part of the investigation carried out by the Italian tax authorities into the reimbursability of such tax assets, the tax authorities challenged the methods used by Astaldi to calculate the net output/input VAT balances transferred by the subsidiaries to it as the tax consolidator under the group VAT scheme. As a result of this different interpretation, the Italian tax authorities partially disallowed the reimbursement, due to non-compliance with the requirements provided for by the applicable legislation and authorised the carrying forward of the part of the claim (allegedly) not reimbursable. Since it believes that it has acted correctly, the subsidiary challenged the partial disallowance in court, also supported by the tax authorities' own practices. The dispute is still pending. Should the subsidiary lose the case, the tax consequences will be immaterial, including in terms of fines, as it will only carry forward a higher amount of tax assets.

The above recovery notice for alleged undue offsetting is the result of a different interpretation by the tax authorities of how the net output/input VAT transferred by companies with a group VAT scheme should be calculated. Under this interpretation, the subsidiary should also recalculate the interim net excesses of VAT offset on a monthly basis. Since the resulting higher amounts offset have not been guaranteed when filing the annual VAT return, the tax authorities issued the related recovery notice. The subsidiary duly challenged such recovery notice in court and this dispute is also still pending. Again in this case, should the subsidiary lose the case against the tax authorities' recovery of the amount allegedly unduly offset, the subsidiary will carry forward a higher amount of VAT assets and will solely bear the related fines and interest. Supported by the opinion of its advisors, the subsidiary believes that the risk of losing the case is remote;

- Costa Rican branch: in 2013, the local tax authority commenced an audit of the branch's calculation of its 2010 direct tax base. The audit concluded with the notification of an assessment of a higher taxable amount due to the disallowance of the deductibility of various costs (amortisation and depreciation, personnel remuneration, losses and travel and transport costs), for an amount due of CRC776,803,156 (the equivalent of approximately €1.2 million at current exchange rates). A separate notice imposed fines of CRC194,200,789 (the equivalent of approximately €0.3 million at current exchange rates). With the assistance of its advisors, the subsidiary has commenced the local administrative and legal procedures to challenge the above assessment and to defend the correctness of its actions. On 3 December 2020, the tax authorities issued a resolution confirming the subsidiary's amounts. The procedures for having the proceeding declared closed are currently being assessed.

  In 2015, the same branch received a notice from the local tax authorities that disallowed certain withholding tax assets for 2011, 2012 and 2013. The initial assessed amount is CRC640,694,557 (the equivalent of about €0.9 million at current exchange rates) against which the subsidiary has commenced the local administrative and legal procedures with the assistance of its advisors. The tax authorities subsequently decreased the assessed amount to CRC132,305,779 (the equivalent of approximately €0.2 million at current exchange rates). The proceedings are still ongoing with a remote risk of losing the case.

- El Salvadoran branch: in 2016, this branch received a notice of assessment from the local tax authorities relating to its tax base and related income taxes for 2012. In this assessment, the local tax authorities alleged undeclared revenue and income and costs and disallowed the deductibility of certain expenses and specifically: (i) allegedly undeclared revenue of USD23.5 million (the equivalent of approximately €20.5 million) for the proceeds arising from the out-of-court agreement settling the dispute related to the El Chaparral hydroelectric power plant project, (ii) interest income of USD0.8 million (the equivalent of about €0.7 million) allegedly accrued on intragroup loans, (iii) revenue and income reported as tax-exempt or non-taxable amounting to USD13.4 million (the equivalent of roughly €11.7 million), (iv) costs of USD15.4 million (the equivalent of approximately €13.5 million) whose deductibility was contested. As a result, the local tax authorities recalculated the income tax due by the branch for 2012 and assessed higher taxes of USD9.1 million (the equivalent of approximately €8 million), plus fines and interest. With the assistance of its advisors, the subsidiary has commenced the procedures to challenge all assessments. The proceedings are still ongoing with a remote risk of losing the case.

- COMERI S.p.A.: on 3 November 2010, upon completion of a general direct and indirect tax audit, this group company received a preliminary assessment report from the Rome tax police. In 2015, the tax authorities notified the company of the related assessment notice

that repeated the same issues raised in the above preliminary assessment report. The group company promptly appealed against the above-mentioned notice and concurrently started discussions with the tax authorities to obtain the administrative cancellation of the assessment. The Rome Provincial Tax Commission allowed the appeal with ruling no. 29543/50/16 handed down on 17 November 2016 and filed on 20 December 2016. The Lazio Regional Tax Commission reviewed the first level hearing on 14 April 2021 and accepted the tax authorities' appeal with its ruling no. 1902/17/2021. The group company has given its legal advisors a mandate to appeal this second level ruling before the Supreme Court. For completeness, it should be noted that the above preliminary assessment report challenges the tax treatment of the out-of-court agreement signed by the group company and ANAS S.p.A. on 3 May 2010 to settle the technical claims recognised in the work site's accounts up to 31 December 2008. The tax police had mistakenly considered the amounts as additional consideration rather than compensation for damage, therefore applying VAT at 20%. Furthermore, COMERI S.p.A. had previously submitted the out-of-court agreement in question to the tax authorities on 15 June 2010, which requested and accepted payment of the proportional registration tax on the above claims, confirming, by conduct, that they should be subject to indirect taxes, having considered them to have a compensation nature and being, therefore, VAT-exempt. The tax authorities found unpaid VAT of €8.5 million and fines and interest of €10.6 million. Supported by the opinion of its advisors, the company believes that the risk of losing the case is remote.

- Astaldi Canada Inc: in September 2019, as a result of an audit carried out by the local tax authorities, Astaldi Canada Inc., Astaldi's Canadian subsidiary, received a tax notice alleging omitted withholdings of about CAD1.7 million (the equivalent of about €1.1 million) on Astaldi's fees for the guarantees it gave on behalf and in the interest of the Canadian subsidiary in 2015 and 2016. With the assistance of its advisors, the latter has commenced the procedure to challenge the assessment notice and defend its position to support the fact that it had acted correctly. The case is still pending. Supported by the opinion of its advisors, the Canadian subsidiary believes that the risk of losing the case is remote.

- Astaldi Arabia Ltd.: the local tax authorities adjusted the 2007, 2008 and 2009 income tax returns of this Astaldi group company with registered office in Saudi Arabia. As a result of these adjustments, based on the disallowance of certain costs (imports, interest and other costs and expenses), the higher assessed tax amounts to SAR1.4 million, SAR20.2 million and SAR36.6 million, respectively (the equivalent of a total of approximately €13 million), plus fines totalling SAR76 million (the equivalent of roughly €17 million). With the assistance of its local advisors, the subsidiary has commenced the necessary procedures to challenge the above-mentioned tax assessment, also taking into account the possibility to avail of the option provided for by the relevant legislation, which allows the settlement of the entire pending case through the payment of only the higher tax and full cancellation of the fines.

Moreover, the local tax authorities have contested irregularities for VAT purposes (introduced into local law in 2018) assessing taxes and fines totalling SAR137.7 million (the equivalent of approximately €30.8 million). With the assistance of its local advisors, the subsidiary has commenced the necessary procedures to have the tax assessment dismissed in its entirety.

CRIMINAL DISPUTES

Investigations related to the Ospedale del Mare in Naples (Italy)

In January 2021, there was a collapse of the floor of a reinforced concrete building in the parking area of the Ospedale del Mare in Naples, following which the Naples Public Prosecutor's Office is

conducting investigations to ascertain the related causes and responsibilities. In order to carry out the necessary unrepeatable technical checks, the Public Prosecutor's Office has entered all the individuals involved in various capacities in the construction of the project, including some former Astaldi managers and employees, in the register of those under investigation for the offence of culpable collapse. Technical investigations are underway.

FINANCING

€500,000,000 1.750% Notes due 26 October 2024

On 26 October 2017, Webuild issued €500,000,000 1.75% Notes due 26 October 2024 (the "**2024 Notes**").

The 2024 Notes are in the denomination of €100,000 each and bear interest at rate of 1.75% per annum. The 2024 Notes are governed by English law and are traded on the regulated market of Euronext Dublin.

The 2024 Notes were offered to qualified investors only and when the 2024 Notes were issued, they were assigned a rating of BB+ by Standard & Poor's. The agency assessed the level of credit-worthiness on the basis of to the terms and conditions of the 2024 Notes, taking into account the unsecured and non-preferred nature of the 2024 Notes.

The table below sets forth the long-term ratings assigned by Standard & Poor's to the 2024 Notes as of issuance date and as of the date of this Offering Circular, which are in line with the rating assigned to Webuild:

Agency	Rating	Last update
Standard & Poor's	BB-	27 April 2021

The proceeds of the issuance of the 2024 Notes were used to refinance existing bank indebtedness.

The 2024 Notes are unsecured and will at all times rank *pari passu* with all other present and future unsecured and unsubordinated obligations of the Group, save for certain mandatory exceptions of applicable law.

The terms and conditions of the 2024 Notes include standard provisions for financing agreements of this nature, in line with market practice.

€250,000,000 3.625% Notes due 28 January 2027

On 28 January 2020, Webuild issued €250,000,000 3.625% Notes due 28 January 2027 (the "**2027 Notes**").

The 2027 Notes are in the denomination of €100,000 each and bear interest at rate of 3.625% per annum. The 2027 Notes are governed by English law and are traded on the regulated market of Euronext Dublin.

The 2027 Notes were offered to qualified investors only and, when the 2027 Notes were issued, they were assigned a rating of BB- by Standard & Poor's. The agency assessed the level of credit-worthiness on the basis of the terms and conditions of the 2027 Notes, taking into account the unsecured and non-preferred nature of the 2027 Notes.

The table below sets forth the long-term ratings assigned by Standard & Poor's to the 2027 Notes as of issuance date and as of the date of this Offering Circular, which are in line with the rating assigned to Webuild:

Agency	Rating	Last update
Standard & Poor's	BB-	27 April 2021

€126,659,000 in principal amount of the 2027 Notes were issued in exchange for the 2021 Notes. The net proceeds of the issuance of the 2027 Notes that were not issued in exchange for the 2021 Notes (amounting to €123,341,000 in principal amount) were used by the Issuer for repayment of existing indebtedness and for general corporate purposes of the Group.

The 2027 Notes are unsecured and will at all times rank *pari passu* with all other present and future unsecured and unsubordinated obligations of Webuild, save for certain mandatory exceptions of applicable law.

The terms and conditions of the 2027 Notes include standard provisions for financing agreements of this nature, in line with market practice.

€750,000,000 5.875% Notes due 15 December 2025

On 15 December 2020 the Issuer issued the €550,000,000 5.875 per cent. Notes due 15 December 2025 (the "**Original 2025 Notes**"), which were used in part to purchase the 2021 Notes tendered by holders and to refinance other existing indebtedness.

On 28 January 2021, Webuild issued an additional €200,000,000 5.875 per cent. Notes due 15 December 2025 (the "**New 2025 Notes**" and, together with the 2025 Original Notes, the "**2025 Notes**"), which are consolidated with and form a single series with the 2021 Original Notes.

The 2025 Notes are in the denomination of €100,000 each and bear interest at a rate of 5.875% per annum. The 2025 Notes are governed by English law and are traded on the regulated market of Euronext Dublin.

The 2025 Notes were offered to qualified investors only and when the 2025 Notes were issued, they were assigned a rating of BB- by Standard & Poor's and a rating of BB by Fitch. These agencies assessed the level of credit-worthiness on the basis of the terms and conditions of the 2025 Notes, taking into account the unsecured and non-preferred nature of the 2025 Notes, in line with Webuild's rating.

The table below sets forth the long term ratings assigned by Standard & Poor's and Fitch to the 2025 Notes as of the issuance date and as of the date of this Offering Circular, which are in line with the rating assigned to Webuild.

Agency	Rating	Last update
Standard & Poor's	BB-	27 April 2021
Fitch Ratings	BB	5 July 2021

The proceeds of the issuance of the 2025 Notes were used in part to purchase the 2021 Notes tendered by holders and to refinance other existing indebtedness.

The 2025 Notes are unsecured and will at all times rank *pari passu* with all other present and future unsecured and unsubordinated obligations of the Group, save for certain mandatory exceptions of applicable law.

The terms and conditions of the 2025 Notes include standard provisions for financing agreements of this nature, in line with market practice.

€50,000,000 2015 Financing Agreement

In December 2015, Webuild entered into a financing agreement with a bank for an amount of €50,000,000 (as amended and supplemented from time to time, the **"€50,000,000 2015 Financing Agreement**") in order to finance the ordinary financial needs of Webuild. As of the date of this Offering Circular, the financing has been fully drawn down and, therefore, the outstanding principal indebtedness is equal to €50,000,000.

The maturity date is December 2022, without prejudice to Webuild's right to make voluntary early total or partial repayments.

The rate of interest on the financing is a fixed interest. The financing is not secured by any collateral and is not guaranteed by any personal guarantee.

The €50,000,000 2015 Financing Agreement includes standard provisions for facilities agreements of this nature, in line with market practice, including, *inter alia*, financial covenants, information covenants, negative pledge undertaking and events of default (including, for instance, cross-default in relation to certain financial indebtedness for an amount exceeding certain materiality thresholds).

The €50,000,000 2015 Financing Agreement is governed by Italian law.

€102,850,000 Term Facility Agreement

In July 2016, Webuild entered into a €102,850,000 term facility agreement with a pool of banks (as amended and restated from time to time, the **"€102,850,000 Term Facility Agreement**") to complete the refinancing of a €400,000,000 term facility agreement entered into in 2015.

As of the date of this Offering Circular, the outstanding principal indebtedness is equal to €61,710,000.

The €102,850,000 Term Facility Agreement, which is governed by Italian law, is repayable in semi-annual instalments starting from December 2017.

The maturity date is July 2024, without prejudice to Webuild's (i) right to make voluntary early total or partial repayments (ii) mandatory prepayment obligations in case of, *inter alia*, illegality or change of control.

The rate of interest on the €102,850,000 Term Facility Agreement is the aggregate of the applicable Euribor plus a margin. The €102,850,000 Term Facility Agreement is not secured by any collateral and is not guaranteed by any personal guarantee.

The €102,850,000 Term Facility Agreement includes standard provisions for facilities agreements of this nature, in line with market practice, including, *inter alia*, financial covenants, information covenants, limitations on financial indebtedness, negative pledge undertaking and events of default (including, for instance, cross-default in relation to certain selected items of the definition of "financial indebtedness" (whose definition is set out therein) of any member of the Group (other than "project companies" identified therein) for an amount exceeding certain materiality thresholds).

€380,000,000 Term Facility Agreement

In October 2017, Webuild entered into a €380,000,000 term facility agreement with a pool of banks (as amended and supplemented from time to time, the **"€380,000,000 Term Facility Agreement**"), to refinance part of its outstanding financial indebtedness.

As of the date of this Offering Circular, the €380,000,000 Term Facility Agreement has been fully drawn down and the outstanding principal indebtedness is equal to €380,000,000.

The €380,000,000 Term Facility Agreement, which is governed by Italian law, matures in October 2022, without prejudice to Webuild's (i) right to make voluntary early total or partial repayments (ii) mandatory prepayment obligations in case of, *inter alia*, illegality or change of control.

The rate of interest on the €380,000,000 Term Facility Agreement is the aggregate of the applicable Euribor plus a margin. The €380,000,000 Term Facility Agreement is not secured by any collateral and is not guaranteed by any personal guarantee.

The €380,000,000 Term Facility Agreement includes standard provisions for facilities agreements of this nature, in line with market practice, including, *inter alia*, financial covenants, information covenants, limitations on financial indebtedness, negative pledge undertaking and events of default (including, for instance, cross-default in relation to certain selected items of the definition of "financial indebtedness" (whose definition is set out therein) of any member of the Group (other than "project companies" identified therein) for an amount exceeding certain materiality thresholds).

€100,000,000 Term Facility Agreement

In July 2021, Webuild entered into a €100,000,000 term facility agreement with a bank (as amended and supplemented from time to time, the "€100,000,000 Term Facility Agreement"), to finance the general corporate and working capital purposes of the Group.

As of the date of this Offering Circular, the €100,000,000 Term Facility Agreement has been fully drawn down and the outstanding principal indebtedness is equal to €100,000,000.

The €100,000,000 Term Facility Agreement, which is governed by Italian law, matures in July 2024, without prejudice to Webuild's right to make voluntary early total or partial repayments.

The rate of interest on the €100,000,000 Term Facility Agreement is the aggregate of the applicable Euribor plus a margin. The €100,000,000 Term Facility Agreement is not secured by any collateral and is not guaranteed by any personal guarantee.

The €100,000,000 Term Facility Agreement includes standard provisions for facilities agreements of this nature, in line with market practice, including, inter alia, financial covenants, information covenants, negative pledge undertaking and events of default.

Financial covenants holiday period

In relation to the bank facility agreements listed above, the relevant lending bank(s) accepted the requests submitted by Webuild - on a precautionary basis as part of a wide-ranging action plan implemented at Group level to mitigate the impacts of the COVID-19 emergency and the sharp increase of raw materials (that may adversely affect the 2021 Group's consolidated EBITDA) – to suspend the testing, as of 31 December 2020, 30 June 2021, 31 December 2021 and 30 June 2022 (as applicable).

€384,000,000 Guarantee Facility Agreement

In August 2019, Astaldi entered into a €384,000,000 guarantee facility agreement with a pool of banks (as amended and supplemented from time to time, the **"€384,000,000 Guarantee Facility**

Agreement"), ranking super senior (*prededucibile*) pursuant to Article 182-*quarter*, paragraph 1, of the Italian Bankruptcy Law, pursuant to which the banks made available to Astaldi (i) a term guarantee facility in an aggregate amount equal to €196,900,000 and (ii) a term guarantee facility in an aggregate amount equal to €187,100,000, for the issue of guarantees aimed at the prosecution of Astaldi's business activities and to the realisation of its plan for the composition with creditors (*piano concordatario*).

As of the date of this Offering Circular, the facility has been partially drawn down for an amount equal to approximately €295 million.

Starting from the effective date of the demerger of Astaldi in Webuild (*i.e.* 1 August 2021), the €384,000,000 Guarantee Facility Agreement has been transferred to Webuild.

The facility matures in August 2024, without prejudice to Webuild's (i) right to make total or partial voluntary early repayments and (ii) mandatory prepayment obligations in case of, *inter alia*, illegality or change of control.

The €384,000,000 Guarantee Facility Agreement is not secured by any collateral and is not guaranteed by any personal guarantee.

The €384,000,000 Guarantee Facility Agreement includes standard provisions for facilities agreements of this nature, in line with market practice, including, *inter alia*, information covenants, limitations on financial indebtedness, negative pledge undertaking and events of default (including, for instance, cross-default in relation to the "financial indebtedness" (whose definition is set out therein) of any member of the Group (other than "project companies" identified therein) for an amount exceeding certain materiality thresholds).

The €384,000,000 Guarantee Facility Agreement is governed by Italian law.

Revolving credit facilities

The Issuer also has the availability of revolving credit facilities for an aggregate amount equal to €650,000,000 which, as at the date of this Prospectus, are fully undrawn.

MATERIAL CONTRACTS

Other than the financing agreements described above, and the Investment Agreements described in "*Principal Shareholders-Investment Agreements*" and in "*Principal Shareholders-Shareholders' Agreement*" above, Webuild has entered into all of its agreements and contracts in the ordinary course of its business. In particular, there are no contracts which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to repay the Notes.

TAXATION

The statements herein regarding taxation are based on the laws in force and published practices of the Italian tax authorities as at the date of this Offering Circular and are subject to any changes in law and interpretation occurring after such date, which changes could be made on a retroactive basis. The Issuer will not update this summary to reflect changes in laws and/or in practice and if such a change occurs, the information in this summary could become invalid.

The following is a summary only of the material Italian tax consequences of the purchase, ownership and disposition of Notes for Italian resident and non-Italian resident beneficial owners only and it is not intended to be, nor should it be constructed to be, legal or tax advice.

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, ownership or disposition 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.

This summary also assumes that the Issuer is resident in the Republic of Italy for tax purposes, is structured and conducts its business in the manner outlined in this Offering Circular. Changes in the Issuer's organisational structure, tax residence or the manner in which it conducts its business may invalidate this overview. This overview also assumes that each transaction with respect of the Notes is at arm's length.

Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.

Tax treatment of interest

Legislative Decree No. 239 of 1 April 1996 ("**Decree No. 239**") sets forth the applicable regime regarding the tax treatment of interest, premium and other income (including the Premium Payment Amount and the difference between the redemption amount and the issue price, hereinafter collectively referred to as "**Interest**") deriving from Notes falling within the category of bonds (*obbligazioni*) and similar securities (pursuant to Article 44 of Presidential Decree No. 917 of 22 December 1986, as amended and supplemented ("**Decree No. 917**")), issued, *inter alia*, by companies resident in Italy for tax purposes whose shares are listed on a regulated market or on a multilateral trading platform of EU Member States or States party to the EEA Agreement allowing a satisfactory exchange of information with the Italian tax authorities as included in the decree of the Ministry of Economy and Finance of 4 September 1996, as subsequently amended and supplemented or superseded pursuant to Article 11(4)(c) of Decree No. 239 (the "**White List**").

For these purposes, securities similar to bonds (*titoli similari alle obbligazioni*) are securities that incorporate an unconditional obligation for the Issuer to actually pay, at maturity (or at any earlier redemption), an amount not lower than their nominal/face value/principal and that do not provide any right of direct or indirect participation in, or control on, the management of the Issuer or of the business in connection with which they are issued.

Italian-resident Noteholders

Noteholders not engaged in an entrepreneurial activity

If an Italian-resident beneficial owner of the Notes (a "**Noteholder**") is:

(a) an individual not engaged in an entrepreneurial activity to which the Notes are connected;

(b) a non-commercial partnership (*società semplice*) or a professional association;

(c) a non-commercial private or public institution (other than Italian undertakings for collective investment); or

(d) an investor exempt from Italian corporate income taxation,

then interest derived from the Notes, and accrued during the relevant holding period, is subject to a tax withheld at source (*imposta sostitutiva*), levied at a rate of 26 per cent., unless the relevant Noteholder holds the Notes in a discretionary investment portfolio managed by an authorised intermediary and has validly opted for the application of the risparmio gestito regime under Article of Legislative Decree No. 461 of 21 November 1997 ("**Decree No. 461**") (see also "*Tax treatment of capital gains — Discretionary investment portfolio regime (Risparmio gestito regime)*" below).

Subject to certain conditions (including a minimum holding period requirement) and limitations, interest, premium and other income relating to the Notes (being financial instruments issued by an Italian resident corporation) may be exempt from any income taxation (including the 26 per cent. *imposta sostitutiva*) if the Noteholder is an Italian resident individual not engaged in entrepreneurial activity and the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of Law No. 232 of 11 December 2016 and in Article 1, paragraphs 211 – 215, of Law No. 145 of 30 December 2018, as implemented by the Ministerial Decree 30 April 2019 and for long-term savings account established from 1 January 2020, in Article 13-*bis* of Law Decree No. 124 of 26 October 2019 ("**Law Decree No. 124**"), converted into Law with amendments by Law No. 157 of 19 December 2019, as lastly amended and supplemented by Article 136 of Law Decree No. 34 of 19 May 2020 ("**Law Decree No. 34**"), converted into Law with amendments by Law No. 77 of 17 July 2020 and by Article 68 of Law Decree No. 104 of 14 August 2020 ("**Law Decree No. 104**"), converted into Law with amendments by Law No. 126 of 13 October 2020. Pursuant to Article 1, paragraphs 219-225 of Law no. 178 of 30 December 2020 ("**Law No. 178**"), it is further provided that Italian resident individuals investing, by 31 December 2021, in long-term individual savings account compliant with Article 13-bis, paragraph 2-bis of Law Decree No. 124 may benefit from a tax credit corresponding to possible capital losses, losses and negative differences realized in respect of certain qualifying financial instruments comprised in the long-term individual savings account, provided that certain conditions and requirements are met (e.g. including the loss of the possibility to subsequently set off the relevant capital losses, losses and negative differences against future capital gains).

Noteholders engaged in an entrepreneurial activity

In the event that the Italian-resident Noteholders mentioned under letters a) and c) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional 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.

If a Noteholder is an Italian-resident company or similar commercial entity, or a permanent establishment in Italy of a non-resident company to which the Notes are effectively connected, and the Notes are deposited with an authorised intermediary, interest from the Notes will not be subject to the *imposta sostitutiva*. Interest accrued on the Notes must, however, be included in the relevant Noteholder's yearly taxable income for the purposes of corporate income tax ("**IRES**"), generally applying at the current ordinary rate of 24% (certain categories of taxpayers, including banks and financial entities are subject to an IRES surcharge equal to 3.5%) and, in certain circumstances, depending on the status of the Noteholder, also in its net value of production for the purposes of Italian regional tax on productive activities ("**IRAP**"), generally applying at the rate of 3.9% (certain categories of taxpayers, including banks, financial entities and insurance companies, are subject to

higher IRAP rates). The IRAP rate can be increased by regional laws up to 0.92%. Interest is therefore subject to general Italian corporate taxation according to the ordinary rules.

Real estate investment funds and real estate SICAFs

Payments of interest deriving from the Notes made to Italian resident real estate collective investment funds and real estate closed-ended investment companies (s*ocietà di investimento a capitale fisso*, or "**SICAFs**"), provided that the Notes, together with the coupons relating thereto, are timely deposited directly or indirectly with an Italian authorised financial intermediary (or permanent establishment in Italy of a non-resident intermediary) are subject neither to *imposta sostitutiva* nor to any other income tax at the level of the real estate investment fund or the real estate SICAF. However, a withholding or substitute tax of 26 per cent. will apply, in certain circumstances, to income realised by unitholders or shareholders in the event of distributions, redemption or sale of the units or shares. Moreover, subject to certain conditions, income realised by Italian real estate investment funds or real estate SICAFs is attributed pro rata to the Italian resident unitholders irrespective of any actual distribution on a tax transparency basis.

Funds, SICAVs and non-real estate SICAFs

If an Italian resident Noteholder is a non-real estate open-ended or a closed-ended collective investment fund ("**Fund**"), an open-ended investment company (*società di investimento a capitale variabile*, or "**SICAV**") or a non-real estate SICAF established in Italy and either (i) the Fund, SICAV or the non-real estate SICAF or (ii) their manager is subject to the supervision of a regulatory authority and the Notes are deposited with an authorised intermediary, interest accrued during the holding period on the Notes will not be subject to *imposta sostitutiva*, but must be included in the management results of the Fund, the SICAV or the non-real estate SICAF. The Fund, the SICAV or the non-real estate SICAF are subject neither to *imposta sostitutiva* nor to any other income tax at their level, but a withholding tax of 26 per cent. will be levied, in certain circumstances, by the Fund, the SICAV or the non-real estate SICAF on proceeds distributed in favour of their unitholders or shareholders.

Pension funds

If an Italian-resident Noteholder is a pension fund (subject to the regime provided for by Article 17 of Italian Legislative Decree No. 252 of 5 December 2005) and the Notes are deposited with an authorised 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 results of the relevant portfolio accrued at the end of the tax period (which will be subject to a 20 per cent. substitute tax). Subject to certain limitations and requirements (including a minimum holding period) Interest in respects to the Notes may be excluded from the taxable base of the 20 per cent. substitute tax pursuant to Article 1, paragraph 92, of Law No. 232 of 11 December 2016, if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) pursuant to Article 1, paragraphs 100 – 114 of Law No. 232 of 11 December 2016 and to Article 1, paragraphs 210 – 215 of Law No. 145 of 30 December 2018, as implemented by the Ministerial Decree 30 April 2019 and for long-term savings account established from 1 January 2020, to Article 13-bis of Law Decree No. 124, as lastly amended and supplemented by Article 136 of Law Decree No. 34 and by Article 68 of Law Decree No. 104.

Application of the imposta sostitutiva

Pursuant to Decree No. 239, the *imposta sostitutiva* is applied by banks, brokerage companies (*società di intermediazione mobiliare*, or **SIM**), fiduciary companies, società di gestione del risparmio ("**SGR**"), stockbrokers and other entities identified by decrees of the Ministry of Economy and Finance (each, an "**Intermediary**").

An Intermediary must:

(a) be resident in Italy, or be a permanent establishment in Italy of a non-Italian-resident financial intermediary; and

(b) participate, in any way, in the collection of Interest or in the transfer 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 in ownership of the relevant Notes or in a change in the Intermediary with which the Notes are deposited.

If the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by the relevant Italian financial intermediary (or permanent establishment in Italy of a non-Italian resident financial intermediary) paying the Interest to a Noteholder or, absent that, by the Issuer and gross recipients that are Italian resident corporations or permanent establishments in Italy of non-resident corporations to which the Notes are effectively connected are entitled to deduct *imposta sostitutiva* suffered from income taxes due.

Non-Italian resident Noteholders

If the Noteholder is a non-resident for tax purposes, an exemption from the *imposta sostitutiva* applies, provided that the non-resident Noteholder is:

(c) a beneficial owner of the payment of Interest with no permanent establishment in Italy to which the Notes are effectively connected and resident, for tax purposes, in a state or territory included in the White List; or

(d) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or

(e) an "institutional investor", whether or not subject to tax, which is established in a state or territory included in the White List, even if it does not possess the status of a taxpayer in its own state of establishment; or

(f) a central bank or an entity which manages, *inter alia*, the official reserves of a foreign state.

In order to ensure gross payment, non-resident Noteholders beneficial owner of the Interest must promptly deposit the Notes together with the coupons relating to such Notes 'directly or indirectly' with:

(i) an Italian or non-resident bank or financial institution (there is no requirement for the bank or financial institution to be EU resident) (the "**First Level Bank**"), acting as intermediary in the deposit of the Notes held, directly or indirectly, by the Noteholder with a Second Level Bank (as defined below); or

(ii) an Italian-resident bank or SIM, or a permanent establishment in Italy of a non-resident bank or SIM, acting as depositary or sub-depositary of the Notes appointed to maintain direct relationships, via telematic link, with the Department of Revenue of the Ministry of Economy and Finance (the "**Second Level Bank**"). Organizations and companies that are not resident in Italy, acting through a system of centralised administration of securities and directly connected with the Department of Revenue of the Italian Ministry of Economy and Finance (which include Euroclear and Clearstream) are treated as Second Level Banks, provided that they appoint an Italian representative (an Italian resident bank or SIM, or permanent establishment in Italy of a non-resident bank or SIM, or a central depositary of financial instruments pursuant to Article 80 of Legislative Decree No. 58 of 24 February 1998) for the

purposes of the application of Decree No. 239. If a non-resident Noteholder deposits the Notes directly with a Second Level Bank, the latter shall be treated both as a First Level Bank and a Second Level Bank.

The exemption from the *imposta sostitutiva* for non-resident Noteholders is conditional upon:

(i) the deposit of the Notes, either directly or indirectly, with an institution which qualifies as a Second Level Bank; and

(ii) the submission to the First Level Bank or the Second Level Bank (as the case may be) of a statement of the relevant Noteholder (*autocertificazione*), to be provided only once, in which it declares, *inter alia*, that it is the beneficial owner of any interest on the Notes and it is eligible to benefit from the exemption from the *imposta sostitutiva*.

Such statement must comply with the requirements set forth by a Ministerial Decree dated 12 December 2001, is valid until withdrawn or revoked (unless some information provided therein has changed) and does not need to be submitted where a certificate, declaration or other similar document for the same or equivalent purposes was previously submitted to the same depository. The above statement is not required for non-Italian resident investors that are international bodies or entities set up in accordance with international agreements entered into force in Italy referred to in point (b) above or Central Banks or entities also authorised to manage the official reserves of a State referred to in point (d) above. Additional requirements are provided for "institutional investors" referred to in point (c) above (in this respect see, among others, Circular Letters Nos. 23/E of 1 March 2002 and No. 20/E of 27 March 2003).

The *imposta sostitutiva* will be applicable at a rate of 26 per cent. to interest paid to Noteholders who do not qualify for the foregoing exemption or do not timely and properly satisfy the requested conditions (including the procedures set forth under Decree No. 239 and in the relevant implementation rules).

Noteholders who are subject to the *imposta sostitutiva* might, nevertheless, be eligible for full or partial relief under an applicable tax treaty between Italy and their country of residence, subject to timely filing of required documentation provided by Regulation of the Director of Italian Revenue Agency No. 2013/84404 of 10 July 2013 or by any other forms approved by the respective tax authorities.

Tax treatment of capital gains

Italian-resident Noteholders

Noteholders not engaged in an entrepreneurial activity

Where an Italian-resident Noteholder is an individual not engaged in an entrepreneurial activity to which the Notes are connected, any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to a capital gain tax (*imposta sostitutiva*, or "**CGT**") levied at a rate of 26 per cent. Noteholders may set off any capital losses with their capital gains.

In respect of the application of the *imposta sostitutiva*, taxpayers may opt — under certain conditions — for any of the three regimes described below.

Tax return regime. Under the tax return regime (*regime della dichiarazione*), which is the default regime for Italian-resident individuals not engaged in an entrepreneurial activity to which the Notes are connected, the CGT on capital gains will be chargeable, on a cumulative basis, on all capital gains (net of any incurred capital loss) realised by the Italian-resident individual holding the Notes during any given tax year. Italian-resident individuals holding the Notes not in connection with an

entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in their annual tax return, and pay the CGT on such gains, together with any balance of income tax due for such year. Within the same time limit, capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years

Non-discretionary investment portfolio regime (Risparmio amministrato regime). As an alternative to the tax return regime, Italian-resident individual Noteholders holding the Notes not in connection with an entrepreneurial activity may elect to pay the CGT separately on capital gains realised on each sale or redemption of the Notes (*regime del risparmio amministrato*). Such separate taxation of capital gains is allowed subject to:

(iii) the Notes being deposited with an Italian bank, SIM or certain authorised financial intermediaries; and

(iv) an express election for the *risparmio amministrato* regime being made in writing in a timely fashion by the relevant Noteholder.

The depository must account for the CGT in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss. The depository must also pay the CGT to the Italian tax authorities on behalf of the Noteholder, deducting a corresponding amount from the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Under the *risparmio amministrato* regime, any possible capital loss resulting from a sale or redemption or certain other transfer of the Notes may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years, up until the fourth tax year. Under the *risparmio amministrato* regime, the Noteholder is not required to declare the capital gains/losses realised within said regime in the annual tax return.

Discretionary investment portfolio regime (Risparmio gestito regime). In the *risparmio gestito* regime, any capital gains realised by Italian-resident individuals holding the Notes not in connection with an entrepreneurial activity and who have entrusted the management of their financial assets (including the Notes) to an authorised intermediary, will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at tax year-end, subject to a 26 per cent. substitute tax, to be paid by the managing authorised intermediary. Any decrease in value of the managed assets accrued at the tax year-end may be carried forward against any increase in value of the managed assets accrued in any of the four succeeding tax years. The Noteholder is not required to declare the capital gains or losses realised within said regime in its annual tax return. The Noteholder is not required to declare the capital gains realised in the annual tax return.

Subject to certain conditions (including minimum holding period requirement) and limitations, capital gains on the Notes may be exempt from any income taxation (including from the 26 per cent. CGT) if the Noteholder is an Italian resident individual not engaged in entrepreneurial activity and the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets all the requirements set forth in Article 1(100-114) of Finance Act 2017 and in Article 1, paragraphs 211 – 215, of the Law No. 145, as implemented by the Ministerial Decree 30 April 2019 and for long-term savings account established from 1 January 2020, in Article 13-*bis* of Law Decree No. 124, as lastly amended and supplemented by Article 136 of Law Decree No. 34 and by Article 68 of Law Decree No. 104. Pursuant to Article 1, paragraphs 219-225 of Law No. 178, it is further provided that Italian resident individuals investing, by 31 December 2021, in long-term individual savings account compliant with Article 13-bis, paragraph 2-*bis* of Law Decree No. 124 may benefit from a tax credit corresponding to possible capital losses, losses and negative differences realized in

respect of certain qualifying financial instruments comprised in the long-term individual savings account, provided that certain conditions and requirements are met (*e.g.*, including the loss of the possibility to subsequently set off the relevant capital losses, losses and negative differences against future capital gain).

Noteholders engaged in an entrepreneurial activity

Any gain obtained from the sale or redemption of the Notes will be treated as part of taxable business income (and, in certain circumstances, depending on the "status" of the Noteholder, also as part of net value of the production for IRAP purposes), if realised by an Italian company, a similar commercial entity (including the Italian permanent establishment of non-resident entities to which the Notes are connected) or Italian-resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

Real estate investment funds and real estate SICAFs

Any capital gains realised by a Noteholder which qualifies as an Italian real estate investment fund or an Italian real estate SICAF will be subject neither to CGT nor to any other income tax at the level of the real estate investment fund or the real estate SICAF (see "*Tax treatment of interest – Real estate investment funds and real estate SICAFs*" above). However, a withholding or substitute tax of 26 per cent. will apply, in certain circumstances, to income realised by unitholders or shareholders in the event of distributions, redemption or sale of the units or shares. Moreover, subject to certain conditions, income realised by Italian real estate investment funds or real estate SICAFs is attributed pro rata to the Italian resident unitholders irrespective of any actual distribution on a tax transparency basis.

Funds, SICAVs and non-real estate SICAFs

Any capital gains realised by a Noteholder which is a Fund, a SICAV or a non-real estate SICAF will not be subject to CGT but will be included in the result of the relevant portfolio accrued at the end of the relevant fiscal year. Such result will not be taxed at the level of the Fund, the SICAV or the non-real estate SICAF, but income realised by the unitholders or shareholders in case of distributions, redemption or sale of the units/shares may be subject to a withholding tax of 26 per cent.

Pension funds

Any capital gains realised by a Noteholder which qualifies as an Italian pension fund (subject to the regime provided for by Article 17 of Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the relevant tax period, and subject to 20 per cent. substitute tax. Subject to certain limitations and requirements (including a minimum holding period), capital gains realised in respect of the Notes may be excluded from the taxable base of the substitute tax pursuant to Article 1, paragraph 92, of Law No. 232 of 11 December 2016, if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) pursuant to Article 1, paragraphs 100 – 114 of Law No. 232 of 11 December 2016 and to Article 1, paragraphs 210 – 215 of Law No. 145 of 30 December 2018, as implemented by the Ministerial Decree 30 April 2019 and for long-term savings account established from 1 January 2020, to Article 13-*bis* of Law Decree No. 124, as lastly amended and supplemented by Article 136 of Law Decree No. 34 and by Article 68 of Law Decree No. 104.

Non-Italian resident Noteholders

A 26 per cent. CGT may be payable on capital gains realised on the sale or redemption of the Notes by non-Italian resident persons without a permanent establishment in Italy to which the Notes are effectively connected, if the Notes are held in Italy. However, under Article 23(1)(f)(2) of Decree No.

917, capital gains realised by non-resident Noteholders from the sale or redemption of notes issued by an Italian-resident issuer and traded on regulated markets in Italy or abroad are not subject to CGT, subject to the filing of required documentation in a timely fashion (in particular, a self-declaration that the Noteholder is not resident in Italy for tax purposes) 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.

Capital gains realised by non-resident Noteholders from the sale or redemption of Notes issued by an Italian-resident issuer, even if the Notes are not traded on regulated markets, are not subject to CGT, provided that the beneficial owner is:

(a) a beneficial owner of the capital gains with no permanent establishment in Italy to which the Notes are effectively connected and resident, for tax purposes, of a state or territory included in the White List; or

(b) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or

(c) an "institutional investor", whether or not subject to tax, which is established in a state or territory included in the White List, even if it does not possess the status of a taxpayer in its own state of establishment; or

(d) a central bank or an entity which manages, inter alia, the official reserves of a foreign state.

In order to ensure gross payment, non-Italian resident Noteholders must satisfy the same conditions set forth above to benefit from the exemption from the *imposta sostitutiva* in accordance with Decree 239 (see "*Tax treatment of interest*" above).

If none of the above conditions is met, capital gains realised by non-Italian resident Noteholders from the sale or the redemption of Notes issued by an Italian resident issuer and not traded on regulated markets may be subject to CGT at the current rate of 26 per cent. However, Noteholders might benefit from an applicable tax treaty with Italy, providing that capital gains realised upon the sale or redemption of the Notes are to be taxed only in the State where the recipient is tax resident, subject to certain conditions to be satisfied.

Under these circumstances, if non-resident persons without a permanent establishment in Italy to which the Notes are effectively connected hold Notes with an Italian authorised financial intermediary and are subject to the *risparmio amministrato* regime or elect for the *risparmio gestito* regime, exemption from Italian taxation on capital gains will apply upon condition that the non-resident Noteholders file in time with the authorised financial intermediary appropriate documents which include, inter alia, a certificate of residence from the competent tax authorities of their country of residence.

The *risparmio amministrato* regime is the ordinary regime automatically applicable to non-Italian resident persons and entities holding Notes deposited with an Intermediary, but non-Italian resident Noteholders retain the right to waive this regime.

Fungible assets

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.

Certain reporting obligations for Italian-resident Noteholders

Under Law Decree No. 167 of 28 June 1990, as subsequently amended and supplemented, individuals, non-business entities and non-business partnerships that are resident in Italy and, during the tax year, hold investments abroad or have financial assets abroad (including possibly the Notes) must, in certain circumstances, disclose these investments or financial assets to the Italian tax authorities in their income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time as prescribed for the income tax return), regardless of the value of such assets (save for deposits or bank accounts having an aggregate value not exceeding the Euro 15,000 threshold throughout the year, which per se do not require such disclosure). The requirement applies also where the persons above, being not the direct holders of the financial assets, are the actual economic owners thereof for the purposes of anti-money laundering legislation.

No disclosure requirements exist for investments and financial assets (including the Notes) under management or administration entrusted to Italian resident intermediaries (Italian banks, SIMs, fiduciary companies or other professional intermediaries, indicated in Article 1 of Decree No. 167 of 28 June 1990) and for contracts concluded through their intervention, provided that the cash flows and the income derived from such activities and contracts have been subjected to Italian withholding or substitute tax by the such intermediaries.

Italian inheritance tax and gift tax

The transfer of Notes by reason of gift, donation or succession proceedings is subject to Italian gift and inheritance tax as follows:

(a) 4 per cent. for transfers in favour of the spouse or direct relatives exceeding, for each beneficiary, a threshold of Euro 1 million;

(b) 6 per cent. for transfers in favour of siblings exceeding, for each beneficiary, a threshold of Euro 100,000;

(c) 6 per cent. for transfers in favour of relatives up to the fourth degree and to all relatives in law in direct line and to other relatives in law up to the third degree, on the entire value of the inheritance or the gift; and

(d) 8 per cent. for transfers in favour of any other person or entity, on the entire value of the inheritance or the gift.

If the heir/heiress or donee is a person with a severe disability pursuant to Law No. 104 of February 5, 1992, inheritance tax or gift tax is applied to the extent that the value of the inheritance or gift exceeds Euro 1.5 million.

With respect to Notes listed on a regulated market, the value for inheritance and gift tax purposes is the average stock exchange price of the last quarter preceding the date of the succession or of the gift (including any accrued interest). With respect to unlisted Notes, the value for inheritance tax and gift tax purposes is generally determined by reference to the value of listed debt securities having similar features or based on certain elements as presented in the Italian tax law.

Moreover, an anti-avoidance rule is provided in the case of a gift of assets, such as the Notes, whose sale for consideration would give rise to capital gains to be subject to the *imposta sostitutiva* provided for by Decree 461/1997, as subsequently amended. In particular, if the donee sells the Notes for

consideration within five years from their receipt as a gift, the latter is required to pay the relevant *imposta sostitutiva* as if the gift had never taken place. The *mortis causa* transfer of financial instruments included in a long-term savings account (*piano di risparmio a lungo termine*) – that meets the requirements set forth in Article 1 (100-114) of Finance Act 2017, as amended from time to time – is exempt from inheritance tax.

Italian inheritance tax and gift tax applies to non-Italian resident individuals for bonds issued by Italian resident companies.

Wealth tax – direct holding

According to Article 19 of Law Decree No. 201 of 6 December 2011, converted with Law No. 214 of 22 December 2011 (as amended by Article 1(710)(d) of Law 27 December 2019, No. 160 and Article 134 of Law Decree No. 34) Italian-resident individuals, non-business entities and non-business partnerships that are resident in Italy holding financial products, including the Notes, outside Italy without the involvement of an Italian financial intermediary are required to pay a wealth tax currently at the rate of 0.20 per cent. (the level of tax being determined in proportion to the period of ownership). The wealth tax cannot exceed Euro 14,000 per year for Noteholders other than individuals.

The wealth tax applies on the market value at the end of the relevant year or, in the absence of a market value, on the nominal value or redemption value of such financial products held outside Italy. Taxpayers are generally permitted to deduct from the wealth tax a tax credit equal to any wealth taxes paid in the State where the financial products are held (up to the amount of the Italian wealth tax due).

Stamp taxes and duties – holding through financial intermediary

Under Article 13(2ter) of the tariff, Part I of the Decree No. 642 of 26 October 1972, a 0.2 per cent. stamp duty generally applies on communications and reports that Italian financial intermediaries periodically send to their clients in relation to the financial products that are deposited with such intermediaries (the level of tax being determined in proportion to the period of reporting). The Notes are included in the definition of financial products for these purposes. Communications and reports are deemed to be sent at least once a year even if the Italian financial intermediary is under no obligation to either draft or send such communications and reports.

The stamp duty cannot exceed Euro 14,000 for Noteholders other than individuals. Stamp duty applies both to Italian-resident Noteholders and to non-Italian-resident Noteholders, to the extent that the Notes are held with an Italian-based financial intermediary (and not directly held by the Noteholders outside Italy, in which case Italian wealth tax (see above under "*Wealth tax – direct holding"* applies to Italian-resident Noteholders only). Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy and Finance on 24 May 2012, the 0.2 per cent. stamp duty does not apply to communications and reports that the Italian financial intermediaries send to investors who do not qualify as "clients" according to the regulations issued by the Bank of Italy. Communications and reports sent to this type of investors are subject to the ordinary Euro 2.00 stamp duty for each copy. Moreover, the proportional stamp duty does not apply to communications sent to pension funds.

The taxable base of the stamp duty is the market value or, in the lack thereof, the nominal value or the redemption amount of any financial product (including the Notes).

Registration tax

Contracts relating to the transfer of the Notes are subject to the registration tax as follows:

(a) public deeds and private deeds with notarised signatures (*atti pubblici e scritture private autenticate*) are subject to fixed registration tax at rate of Euro 200; and

(b) private deeds (*scritture private non autenticate*) are subject to fixed registration tax of Euro 200 only in the "case of use" or voluntary registration or occurrence of the so-called *enunciazione*.

OECD Common Reporting Standards and EU DAC 6 reporting obligations

The EU Savings Directive adopted on June 3, 2003, by the EU Council of Economic and Finance Ministers (as subsequently amended) on taxation of savings income in the form of interest payments has been repealed from January 1, 2016 to prevent overlap between the Savings Directive and the new automatic exchange of information regime implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU).

Drawing extensively on the intergovernmental approach to implementing the United States Foreign Account Tax Compliance Act, the OECD developed the Common Reporting Standard ("**CRS**") to address the issue of offshore tax evasion on a global basis. Aimed at maximising efficiency and reducing cost for financial institutions, the CRS provides a common standard for due diligence, reporting and exchange of financial account information. Pursuant to the CRS, participating jurisdictions will obtain from reporting financial institutions, and automatically exchange with exchange partners on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures. The first information exchanges are expected to begin in 2017.

Italy has enacted Italian Law No. 95 of June 18, 2015 ("**Law 95/2015**"), implementing the CRS and the amended EU Directive on Administrative Cooperation, which provides for the exchange of information in relation to the calendar year 2016 and later. Law 95/2015 has been implemented by the Italian Ministerial Decree dated December 28, 2015 which has been recently amended by the Italian Ministerial Decree dated 20 June 2019 and published in the Official Gazette on 9 July 2019.

In the event that holders of the Notes hold the Notes through an Italian financial institution (as meant in the Italian Ministerial Decree dated 28 December 2015, as subsequently amended), they may be required to provide additional information to such financial institution to enable it to satisfy its obligations under the Italian implementation of the CRS.

As a consequence of the OECD project on "*Base erosion and Profit Shifting*" (BEPS), the EU DAC 6 Directive ("**DAC 6**") has been adopted on May 25, 2018 by the EU Council, amending Council Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements. According to DAC 6, intermediaries and, in some circumstances, taxpayers are required to notify the competent tax authorities of each Member States any cross-border arrangements that have at least one of the so-called "hallmarks" designed by the EU legislator as "markers" of potential risk of international tax evasion or avoidance or circumvention of disclosure requirements on financial accounts (CRS).

On August 26, 2020, the Legislative Decree No. 100, July 30, 2020 (the "**DAC 6 Decree**"), implementing the said Directive, with disclosure obligations for intermediaries and taxpayers, was published. Italian Ministry of Finance issued a Ministerial Decree on November 17, 2020, clarifying certain criteria set by the Italian law that trigger the reporting obligations.

The proposed European financial transaction tax (EU FTT)

The EU Commission and certain EU member states (including Italy) are currently intending to introduce a financial transaction tax (presumably on secondary market transactions involving at least one financial intermediary). The timing of its potential introduction is, however, still unclear. Prospective holders of the Notes are advised to seek their own professional advice in relation to the financial transaction tax.

SUBSCRIPTION AND SALE

The Managers have, in a subscription agreement dated 24 January 2022 (the "**Subscription Agreement**") and made between the Issuer and the 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 Managers for certain of their expenses incurred in connection with the management of the issue of the Notes. The Subscription Agreement provides that the obligations of the Managers are subject to certain conditions precedent, and the Subscription Agreement may be terminated in certain circumstance prior to payment for sale of the Notes being made to the Issuer.

In connection with this issue of the Notes, the Managers do not act for or provide services, including providing any advice, in relation to the issue of the Notes to any person other than the Issuer. The Managers will not regard any person other than the Issuer, including actual or prospective holders of the Notes, as its client in relation to the issue of the Notes. Accordingly, the Managers will not be responsible to anyone other than the Issuer for providing the protections (regulatory or otherwise) afforded to its clients.

Notice to Prospective Investors in the United Kingdom

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 UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation. Consequently, no key information document required by the UK PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who (i) have professional experience in matters relating to investments falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**") and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order and/or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This document must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this document relates is only available to, and will be engaged in with, relevant persons.

Notice to EEA 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 EEA. 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 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; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by the PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

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 in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by 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. treasury regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Manager has 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 of the Notes, 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 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.

In addition, until 40 days after commencement of the offering, an offer or sale of Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Republic of Italy

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this Offering Circular or of any other document relating to any Notes to be distributed in the Republic of Italy, except:

(a) 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

(b) 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.

In any event, any such offer, sale or delivery of the Notes or distribution of copies of the Offering Circular or any other document relating to the Notes in the Republic of Italy under the preceding paragraphs (a) and (b) above must:

(i) 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, Legislative

Decree No. 385 of 1 September 1993, as amended (the "**Banking Act**") and CONSOB Regulation No. 20307 of 15 February 2018, as amended from time to time; and

(ii) 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.

France

The Notes are not intended to be offered or sold and should not be offered or sold, directly or indirectly, to the public in France nor to be distributed or caused to be distributed and should not be distributed or caused to be distributed to the public in France; the Offering Circular or any other offering material relating to the Notes and such offers, sales and distributions are intended to have been and should be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*), and/or (c) a limited circle of investors (*cercle restreint*) acting for their own account, as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 and D.411-4 of the French Code monétaire et financier.

General

All applicable laws and regulations in each country or jurisdiction in which Notes are purchased, offered, sold or delivered must be complied with and any possession, distribution or publication of this Offering Circular or any other offering material relating to the Notes must comply with applicable laws and regulations. Persons into whose hands this Offering Circular comes are required by the Issuer and the Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Offering Circular or any other offering material relating to the Notes, in all cases at their own expense.

GENERAL INFORMATION

Authorisation

1. The creation and issue of the Notes has been authorised by the resolutions of the board of directors of the Issuer passed on 25 November 2021 and on 13 January 2022 and was executed by a resolution (*determina*) of the managing director of the Issuer dated 19 January 2022 pursuant to the powers delegated to the managing director by the aforementioned resolutions of the board of directors.

Listing and Admission to Trading

2. Application has been made to Euronext Dublin for the Notes to be admitted to the trading on the Global Exchange Market. The total expenses related to the admission of the Notes to trading on Euronext Dublin's Global Exchange Market are expected to amount to approximately €4,540.

Legal and Arbitration Proceedings

3. Without prejudice to what is described in the section "*Description of the Issuer-Litigation and arbitration proceedings*" on pages 148 to 178 of this Offering Circular, there are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of this Offering Circular, a significant effect on the financial position or profitability of the Issuer and the Group.

Significant/Material Change

4. Without prejudice to what described in section "*Risk Factors - factors that may affect the Issuer's ability to fulfil its obligations under the Notes - Risks relating to COVID-19 (Coronavirus)*" of this Offering Circular, (i) since 31 December 2020 there has been no material adverse change in the prospects of the Issuer or the Group and (ii) since 30 June 2021 there has been no significant change in the financial or trading position of the Issuer or the Group (other than the changes deriving from the Astaldi Transaction).

Auditors

5. The current Auditors of the Issuer are KPMG S.p.A. ("**KPMG**"), whose registered office is at Via Vittor Pisani, 25, 20124 Milan, Italy. KPMG is an accounting firm authorised and regulated by the Italian Ministry of Economy and Finance (MEF) and registered with the special register of auditing firms held by the MEF. KPMG has (a) audited the Issuer's annual financial statements, prepared in accordance with International Financial Reporting Standards adopted in the European Union and the Italian regulations implementing Article 9 of Legislation Decree No. 38/05 and has issued unqualified audit reports in accordance with International Standard on Auditing (ISA Italia) for the Financial Years ended 31 December 2019 (509-526 of the 2019 Audited Consolidated and Separate Financial Statements which are incorporated by reference in this Offering Circular) and 31 December 2020 please see pages 593-609 of the 2020 Audited Consolidated and Separate Financial Statements which are incorporated by reference in this Offering Circular) and (b) performed a limited review of the Issuer's unaudited condensed interim consolidated financial statements, prepared in accordance with the International Financial Reporting Standards applicable to interim financial reporting (IAS 34) endorsed by the European Union and CONSOB guidelines set out in CONSOB resolution no. 10867 dated 31 July 1997 for the financial period ended 30 June 2021

(please see pages 236-237 of the 2021 Unaudited Condensed Interim Consolidated Financial Statements which is incorporated by reference in this Offering Circular) and issued an unqualified review report with an emphasis of matter about the significant litigation and exposure to countries with risk and/or uncertainty profiles disclosed by the Directors in the interim financial report as at 30 June 2021. The auditors of the Issuer are independent accountants in respect of the Issuer. KPMG's appointment was conferred for the period 2015 to 2023 by the shareholders' meeting held on 30 April 2015 and will expire on the date of the shareholders' meeting convened to approve the Issuer's financial statements for the Financial Year ending 2022.

The reports of the auditors of the Issuer are incorporated by reference in this Offering Circular in the form and context in which they are incorporated by reference with the consent of the relevant auditors who have authorised the contents of that part of this Offering Circular and take responsibility for such contents.

Documents on Display

6. For so long as the Notes remain outstanding, copies (and English translations where the documents in question are not in English) of the following documents will be available for inspection at https://www.webuildgroup.com/en:

   (a) the By-laws (*statuto*) of the Issuer;

   (b) this Offering Circular together with any supplement to this Offering Circular or further Offering Circular; and

   (c) the Paying Agency Agreement and the Trust Deed.

   In addition, copies of the Sustainable Financing Framework and the Sustainable Financing Framework Second-party Opinion are available on the Issuer's website at https://www.webuildgroup.com/en/investor-relations/debt-rating/sustainable-finance. Please note that such information and materials found on, or accessible through, our website are not part of this Offering Memorandum and are not incorporated by reference herein.

   Furthermore, the Issuer regularly publishes its interim and full year financial statements on its website at http://www.webuildgroup.com.

Clearing Systems

7. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN is XS2437324333 and the common code is 243732433. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg.

Material Contracts

8. The Issuer and the companies forming part of the Group have not entered into any contracts in the last two years outside the ordinary course of their business which could result in the Issuer being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to holders of the Notes.

Potential Conflicts of Interest

9. Each of the Managers will receive a commission (as further described in "*Subscription and Sale*") for the services rendered in the Offering of the Notes.

10. Certain of the Managers and their affiliates have engaged, and may in the future engage, in investment banking, commercial banking transactions and/or other commercial dealings (including, without limitation, the provision of loan facilities and participation in future bond issuances of the Issuer and/or its affiliates) with, and may perform services for the Issuer and its affiliates in the ordinary course of business.

11. In addition, in the ordinary course of their business activities, the 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. Certain Managers may, from time to time, also act as liquidity provider on debt securities. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates or any entity related to the Notes. Certain of the Managers and their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Managers and their affiliates would hedge such 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 offered hereby. The 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 avoidance of doubt, the term "affiliates" shall include parent companies.

12. Each of BofA Securities Europe SA, Goldman Sachs International, Intesa Sanpaolo S.p.A., Natixis and UniCredit Bank AG and/or its affiliates have provided corporate finance and investment banking services to the Issuer, including for BofA Securities Europe SA and/or its affiliates advising the Issuer on the Astaldi acquisition, in the last twelve months. The net proceeds of the issue of the Notes will be used by the Issuer to repay existing indebtedness (which may include indebtedness provided by some or all of the Managers) and for general corporate purposes of the Group (as further described in "*Estimated Net Amount and Use of Proceeds*").

13. In addition Banca Akros S.p.A. – Gruppo Banco BPM is a wholly owned subsidiary of Banco BPM S.p.A. that may have provided and may provide credit facilities to the Issuer and/or the Group.

14. Furthermore, Intesa Sanpaolo S.p.A. is one of the main financial lenders of the Issuer and its parent and group companies, and currently owns 4.722% of the issued and outstanding ordinary shares of the Issuer.

15. UniCredit S.p.A., an affiliate of UniCredit Bank AG, is also one of the main financial lenders of the Issuer and its group companies, and, together with other affiliates of UniCredit S.p.A. currently owns approximately 5.48% of the issued and outstanding ordinary shares of the Issuer. Furthermore, UniCredit S.p.A. also holds warrants on Webuild S.p.A. shares, that can be exercised until 2030.

Yield

16. On the basis of the issue price of the Notes of 100 per cent. of their principal amount, the gross real yield of the Notes is 3.875 per cent. on an annual basis.

Legend Concerning US Persons

17. 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”.

Post-issuance Information

18. The Issuer will not provide any post-issuance information, except if required by any applicable laws and regulations.

REGISTERED OFFICE OF THE ISSUER

Webuild S.p.A.
Centro Direzionale Milanofiori Strada 6 - Palazzo L
20089 Rozzano
Italy

TRUSTEE

BNY Mellon Corporate Trustee Services Limited
One Canada Square
London E14 5AL
United Kingdom

PRINCIPAL PAYING AGENT

The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL
United Kingdom

LISTING AGENT

Walkers Listing Services Limited
5th Floor, The Exchange
George's Dock, IFSC
Dublin 1, D01 W3P9
Ireland

LEGAL ADVISERS

To the Issuer as to Italian law and Italian tax law:

Bonelli Erede Lombardi Pappalardo Studio Legale
Via Barozzi, 1
20122 Milan
Italy

To the Joint Lead Managers as to English and Italian law:

Studio Legale Associato
in association with Linklaters LLP
Via Fatebenefratelli, 14
20121 Milan
Italy

To the Trustee as to English law:

Linklaters LLP
One Silk Street
London EC2Y 8HQ
United Kingdom

AUDITORS TO THE ISSUER

KPMG S.p.A.
Vittor Pisani, 25
20124 Milan
Italy