FINAL

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

€550,000,000

5.875 per cent. Notes due 15 December 2025

The issue price of the €550,000,000 5.875 per cent. Notes due 15 December 2025 (the "**Notes**") of Webuild S.p.A. (the "**Issuer**" or "**Webuild**") is 5.875 per cent. of their principal amount. Unless previously redeemed or cancelled, the Notes will be redeemed at their principal amount on 15 December 2025. 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 15 December 2020 (the "**Issue Date**") at the rate of 5.875 per cent. per annum payable annually in arrears on 15 December each year commencing on 15 December 2021. 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 (www.ise.ie).

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, *société anonyme* ("**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** | **IMI – Intesa Sanpaolo**

Natixis | **UniCredit Bank**

Co-Managers

Banca Akros S.p.A. – Gruppo Banco BPM | **BBVA** | **MPS Capital Services Banca per le Imprese S.p.A.**

Offering Circular dated 11 December 2020

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 two reports on 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 (both 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 MPS Capital Services Banca per le Imprese S.p.A. (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 the 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 manufacturer's 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 manufacturer's target market assessment) and determining appropriate distribution channels.

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**") or the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (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.

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 European Union (Withdrawal) Act 2018 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.

Stabilisation

In connection with the issue of the Notes, Goldman Sachs International (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.

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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 persons 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 the current 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, as is already happening at the date of this Offering Circular, 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.

It should also be noted that 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 adopted and the current further spread and relapse of Coronavirus. In this regard, it is worth noting that, as at the date of this Offering Circular, the Issuer does not have at its disposal analysis or market data taking into account the impact of the emergency deriving from COVID-19 on the trend of the markets in which the Group operates. Despite this, some institutions have already published some estimates that indicate a strong contraction of the GDP at the European and global level.

The Issuer remains 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 even more restrictive measures which may be taken in the event of a continuing and further worsening of the sanitary emergency (as already observed in many European countries from October 2020). 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 a consequential negative effect 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 2020 and 31 December 2019, the Group's financial indebtedness was mainly composed of bank and other loans and borrowings (respectively €731.1 million and €751.3 million), current portion of bank loans and borrowings and current account facilities (respectively €995.0 million and €231.6 million), bonds (respectively €745.5 million and €1,091.9 million) and current portion of bond (respectively €481.5 million and € 13.3 million).

As of 30 June 2020 and 31 December 2019, the Group's Gross Indebtedness was €3,107.5 million and €2,270.1 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, with a 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 borrow significant amounts 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.

With the support of various financing institutions, the Issuer has put together a complex package of additional financial resources to support the implementation of Progetto Italia (including the Astaldi Transaction), including (i) the extension of the maturities relating to the repayment of certain loans for €268 million; and (ii) a new €200,000,000 supplemental revolving credit facility (which was executed in December 2019). See also ''*Description of the Issuer - Recent Developments - Progetto Italia and the Astaldi Transaction - Financial package to support Progetto Italia*'' and ''*Description of the Issuer - Financing*".

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.

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 8 July 2020, and 10 August 2020, respectively, resulted in a confirmation of the Issuer's ratings ("BB" and "BB-", Negative Watch 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, 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 principally through borrowings under new or existing committed and uncommitted credit facilities. These facilities may need to be renewed periodically. 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 situation all over the world 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 necessary liquidity in a timely fashion 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. This led to delays in the start-up of the concession and an increased burden on the consortium of which the Group was part.

As of 30 June 2020, at a consolidated level, the Group recorded cash and cash equivalents of €1,331.8 million. A significant portion of this liquidity is attributed to specific projects and held locally, by the projects company, 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 2020, the aggregate amount of the guarantees provided by the Group and issued by third parties was €15,817.4 million (€ 14,513.6 million as of 31 December 2019). 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 Salini Costruttori is pledged under a loan agreement and could lead to a change of control of the Issuer.

Salini Costruttori, Webuild's controlling shareholder, informed the Issuer that it entered into a loan agreement (''**SC Financing Agreement**'') with Banca IMI 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.

In the event Salini Costruttori 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 Lender Institutions 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, 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 2020 and the year ended 31 December 2019, respectively, 81.8% and 82.8% 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 72.7% and 74.7% of the Group's total construction backlog, and backlog for foreign projects represented 65.4% and 66.8% 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, for which operators in the sector outside the Group are accused); (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 works 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. (equal to, as at the date of this Offering Circular, 66.282% of its share capital) following the subscription of the capital increase carried out on 5 November 2020, (ii) has made an offer to acquire Seli Overseas S.p.A. and Grandi Lavori S.r.l., owner of 100% of GLF Construction (USA), in connection with which the Court of Rome granted the Issuer a right of usufruct on the shares and stakes in these companies 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-GLF 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

As a result of the purchase of a controlling stake in Astaldi (representing, as of the date of this Offering Circular, 66.282% of Astaldi's share capital), 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 to grant loans to or on behalf of Astaldi or to guarantee Astaldi's obligations in relation to projects in which Astaldi is involved as at the date of this Offering Circular or may be involved in the future or in relation to Astaldi's business. Furthermore, the Issuer has already issued, as at the date of this Offering Circular, certain guarantees to cover Astaldi's obligations in relation to projects in which Astaldi is involved as at the date of this Offering Circular, as well as two corporate guarantees in the interest of Astaldi in relation to two facility agreements of the latter (see "*Description of the Issuer–Financing–€200,000,000 RCF Astaldi Facility Agreement*", "*Description of the Issuer–Financing–€384,000,000 Astaldi Guarantee Facility Agreement*" and "*Description of the Issuer–Financing–Webuild corporate guarantees in relation to Astaldi*"), and may be requested to issue further guarantees in the future in relation to further financial indebtedness of Astaldi.

There is a possibility, therefore, that, as a consequence of a default of Astaldi, any of the above guarantees of the Issuer may be enforced.

Moreover, as of the date of this Offering Circular, four appeals have been filed before the Italian Supreme Court, pursuant to article 111 of the Italian Constitution and article 360 of the Italian civil procedure code, by some holders of certain bonds and securities issued by Astaldi, in order to obtain the annulment of the decree, published on 17 July 2020, by which

the Court of Rome approved Astaldi's proposal for a composition with creditors on a going concern basis (*concordato preventivo in continuità aziendale*). Should such petitions be decided upon in favour of Astaldi's creditors, the approval decree (*decreto di omologa*) and the composition with creditors procedure may be invalidated as a result. In the case of the annulment of the composition with creditors procedure as a result of the foregoing, Astaldi S.p.A. would be in state of insolvency and, subject to a statement of the competent court, would be subject to an extraordinary administration procedure. Therefore, Astaldi and its group would no longer be able to continue their business activity on a going concern basis and this would materially negatively affect the economic, equity and financial situation of Astaldi and consequently of the Issuer's group. Moreover, the acceptance (*accoglimento*) by the Italian Supreme Court of the said appeals may give rise to a mandatory prepayment obligation on Astaldi under the €200,000,000 revolving facility agreement entered into by the latter in October 2020 (see "*Description of the Issuer–Financing–€200,000,000 RCF Astaldi Facility Agreement*"), and, as a consequence, the corporate guarantee issued by Webuild in relation to the said facility agreement could be enforced (see "*Description of the Issuer–Financing–Webuild corporate guarantees in relation to Astaldi*").

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 (equal to, as at the date of this Offering Circular, 66.282% of its share capital), following the subscription of the capital increase on 5 November 2020, 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).

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 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 to 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). 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 and the Webuild Unaudited Pro Forma Interim Consolidated Financial Information at 30 June 2020do 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.

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 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 2020, the Group had trade receivables totalling € 1,972.1 million, equal to 22.8% of its consolidated total assets (as of 31 December 2019, €1,827.1 million, equal to 22.2% 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 2020, 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 163 (138 as of 31 December 2019).

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 fulfill 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 are experiencing a period of financial difficulty or are involved in bankruptcy or insolvency proceedings, including certain of the Group's partners, including Società Italiana per Condotte d'Acqua S.p.A., which hold equity investments in entities in which the Group has an interest.

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 2020, the Group estimated total impairment losses on these assets of €516.5 million. After these impairment losses, the Group's net exposure is €129.2 million, equal to 20% of its nominal amount.

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 some projects, 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, which are customarily borne by the customer 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 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 some 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 2020, the Group's construction backlog amounted to €27,416 million and its total backlog amounted to €33,903 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 32 to the 2020 Unaudited Condensed Interim Consolidated Financial Statements. For instance, as of 30 June 2020 and as of 31 December 2019, unsatisfied performance obligation amounted, respectively, to €25,023 million and €26,704 million (as opposed to, respectively, a construction backlog of €27,416 million and (29,541 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 2020, subcontract costs represented 33.9% of the Group's total operating costs (36.4% as of 31 December 2019).

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 2020, the consolidated net exchange losses represented 0.7% 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.*" Generally, investments increase in times of economic growth and decrease during a recession. 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 new, 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. 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 2019, the purchase costs of raw materials represented 11.7% 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 2020, 41% of the Group's revenue was generated by its top ten projects (47% for the year ended 31 December 2019).

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 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 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) Cossi Costruzioni S.p.A., a company the Issuer acquired in the first half of 2019 in the context of Progetto Italia. Both

proceedings are under investigation, 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—Cossi S.p.A.*". 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 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. 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 2019, 79% 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. In 2019, voluntary departure turnover accounted for 10%.

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 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 he or she 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.

3. 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 Global Exchange 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 2018 and 31 December 2019 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 "**2018 Audited Consolidated Financial Statements**" and the "**2019 Audited Consolidated Financial Statements**".

The unaudited condensed interim consolidated financial statements of the Issuer as of and for the six months ended 30 June 2020 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 "**2020 Unaudited Condensed Interim Consolidated Financial Statements**".

Financial data included in this Offering Circular has been derived from the 2019 Audited Financial Statements and 2020 Unaudited Condensed Interim Consolidated Financial Statements. The financial information as at and for the periods ended 31 December 2018 and 30 June 2019 included in this Offering Circular has been taken from the comparative information included in the 2019 Consolidated Financial Statements and the 2020 Unaudited Condensed Interim Consolidated Financial Statements respectively.

The financial information incorporated by reference in this Offering Circular also includes the unaudited pro forma consolidated financial information of Webuild Group, which comprises: (i) the pro forma statement of financial position as at 31 December 2019, the pro forma statement of profit or loss for the year ended 31 December 2019 and the explanatory notes (the "**Webuild Unaudited Pro Forma Consolidated Financial Information at 31 December 2019**") and (ii) the pro forma statement of financial position as at 30 June 2020, the pro forma statement of profit or loss for the six months ended 30 June 2020 of Webuild Group and the explanatory notes (the "**Webuild Unaudited Pro Forma Interim Consolidated Financial Information at 30 June 2020**" and, together with the Webuild Unaudited Pro Forma Consolidated Financial Information at 31 December 2019, the "**Webuild Unaudited Pro Forma Consolidated Financial Information**"), each presented to give pro-forma effect to the acquisition of 66.282% of Astaldi S.p.A. following the subscription of the reserved capital increase made on 5 November 2020.

The Webuild Unaudited Pro Forma Consolidated Financial Information 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 transaction taken place on (i) 31 December 2019 (with reference to their effects on the statement of financial position) or on 1 January 2019 (with regard to the effects to the statement of profit or loss) 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). Because of their nature, 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 address a hypothetical situation and, therefore, do not represent the Issuer's actual financial position or financial performance.

The sources of 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 are (i) the 2019 Audited Consolidated Financial Statements, (ii) the 2020 Unaudited Condensed Interim Consolidated Financial Statements, (iii) the pro forma statement of financial

position as at 31 December 2019 and the pro forma statement of profit or loss then ended included in the unaudited pro forma consolidated financial information at 31 December 2019 prepared by Astaldi Group (the "**Astaldi Unaudited Pro Forma Consolidated Financial Information at 31 December 2019**"), included in the prospectus, published on the Astaldi website, relating to the admission to trading on the Mercato Telematico Azionario (MTA) of, *inter alia*, n. 978,260,870 new ordinary shares of Astaldi resulting from a capital increase reserved to Webuild (the "**Astaldi Prospectus**") and (iv) the pro forma statement of financial position as at 30 June 2020 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 at 30 June 2020 prepared by the Astaldi Group (the "**Astaldi Unaudited Pro Forma Interim Consolidated Financial Information at 30 June 2020**" and, together with the Astaldi Unaudited Pro Forma Consolidated Financial Information at 31 December 2019, the "**Astaldi Unaudited Pro Forma Consolidated Financial Information**") and included in the Astaldi Prospectus. The Astaldi Unaudited Pro Forma Consolidated Financial Information are attached to the Webuild Unaudited Pro Forma Consolidated Financial Information.

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 and the Webuild Unaudited Pro Forma Interim Consolidated Financial Information at 30 June 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 and (xii) derivative assets..

- 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 for the impairment losses related to certain projects in Venezuela; and (ii) the figures for the first half of 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.

Webuild has elaborated Adjusted Revenues and Adjusted EBITDA for the combined Webuild – Astaldi group (referred herein as "**Adjusted PF Revenues**" and "**Adjusted PF EBITDA**"). These metrics are intended to provide consistent performance view towards Adjusted Revenues and Adjusted EBITDA that Webuild publishes in the context of full year and half year results.

With regard to the contribution from Astaldi acquisition, reported Revenues and EBITDA include positive impacts from bargaining gain (positive item) of €487,610 thousand. Webuild has elaborated Adjusted Revenues and Adjusted EBITDA excluding such bargaining gain for the combined Webuild – Astaldi group (referred herein as "**Adjusted PF Revenues net of estimated badwill**" and "**Adjusted PF EBITDA net of estimated badwill**"). These metrics are intended to provide consistent performance view towards Adjusted Revenues and Adjusted EBITDA that Webuild publishes in the context of full year and half year results.

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 2018 Audited Consolidated and Separate Financial Statements;

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

(c) the Issuer's 2020 Unaudited Condensed Interim Consolidated Financial Statements;

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

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

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/2018/annual-report-2018-updated-version.pdf as to the Issuer's 2018 Annual Consolidated Financial Statements;

(ii) 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;

(iii) https://corporatebe.webuildgroup.com/sites/default/files/2020-10/Interim_financial_report_30_June_2020.pdf as to the Issuer's 2020 Unaudited Condensed Interim Consolidated Financial Statements; and

(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.

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.

2018 Audited Consolidated and Separate Financial Statements

Consolidated financial statements as at and for the year ended 31 December 2018

Information	**Page(s)**
Statement of financial position	171-172
Statement of profit or loss	173
Statement of comprehensive income	174
Statement of cash flows	175-176
Statement of changes in equity	177
Notes to the consolidated financial statements	178-313

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

2020 Unaudited Condensed Interim Consolidated Financial Statements

Condensed Interim Consolidated Financial Statements as at and for the six months ended 30 June 2020

Statement of changes in equity	125
Notes to the consolidated financial statements	126-190
Independent Auditors' Report	208-209

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 Webuild Unaudited Pro Forma Interim Consolidated Financial Information at 30 June 2020, the Webuild Unaudited Pro Forma Consolidated Financial Information at 31 December 2019, the Issuer's 2020 Unaudited Condensed Interim Consolidated Financial Statements and the Issuer's 2019 Audited Consolidated Financial Statements, which are incorporated by reference in this Offering Circular.

The Alternative Performance Measures, net financial indebtedness, EBITDA and EBIT, are determined on the basis of the Webuild Group historical financial statements and pro-forma financial information: the pro-forma financial information are subject to inherent limitations described in 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 2019.

The financial information reported below should be read in conjunction with the information set forth in sections *"Risk factors - The consolidated Group's pro-forma and 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 at 30 June 2020 derived from the 2020 Unaudited Condensed Interim Consolidated Financial Statements and the Webuild Unaudited Pro Forma Interim Consolidated Financial Information at 30 June 2020.

Net Financial Indebtedness Pro-Forma 30.06.2020 €/000	**As for Webuid 2020 Condensed Interim Consolidated Financial Statements**	**Webuild Group Proforma**
Non-current financial assets	424,403	476,511
Current financial assets	237,901	170,690
Cash and cash equivalents	1,331,827	1,549,835
Total cash and cash equivalents and other financial assets	**1,994,131**	**2,197,036**
Bank and other loans and borrowings	(731,129)	(791,304)
Bonds	(745,491)	(745,491)
Lease liabilities	(93,411)	(106,946)
Total non-current indebtedness	**(1,570,031)**	**(1,643,741)**
Current portion of bank loans and borrowings and current account facilities	(995,001)	(1,098,444)
Current portion of bonds	(481,520)	(481,520)
Current portion of lease liabilities	(60,924)	(80,164)
Total current indebtedness	**(1,537,445)**	**(1,660,128)**
Derivatives	1,268	1,268
Derivatives and other current financial liabilities	(7)	(7,056)
Net financial position (debt) with unconsolidated SPEs	13,536	(2,153)
Total other financial assets (liabilities)	**14,797**	**(7,941)**
Net financial indebtedness	**(1,098,548)**	**(1,114,774)**

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

€/000	**As for Webuid 2020 Condensed Interim Consolidated Financial Statements**	**Webuild Group Proforma (*)**
Total revenues and other income	2,033,181	3,175,424
EBITDA	87,127	619,790
EBITDA %	*4.3%*	*19.5%*
EBIT	(8,820)	456,116
EBIT %	*-0.4%*	*14.4%*

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

€/000	**As for Webuid 2020 Condensed Interim Consolidated Financial Statements**	**Webuild Group Proforma (*)**
Profit (loss) for the period	(85,754)	321,751
Profit (loss) from discontinuing operations	-	31,759
Surplus from discontinuing operation	-	-
Income Tax	26,577	31,015
Net gains (losses) on equity investments	1,726	(24,426)
Financial income (expenses)	34,144	50,943
Surplus from financial operations	-	-
Net exchange gains (losses)	14,487	45,074
EBIT	**(8,820)**	**456,116**
Amortisation, depreciation and provisions	68,829	124,049
Impairment losses	27,118	39,625
EBITDA	**87,127**	**619,790**

(*)Total revenues and other income, EBITDA e EBIT include the gain from the bargain purchase of €487.6 million arisen in connection with the Astaldi Transaction.

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 €1,099 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 the net financial indebtedness of Webuild Group at 31 December 2019 derived from the 2019 Audited Consolidated Financial Statements and the Webuild Unaudited Pro Forma Consolidated Financial Information at 31 December 2019.

Net Financial Indebtedness Pro-Forma 31.12.2019 €/000	**As for Webuid 2019 Consolidated Financial Statements**	**Webuild Group Proforma**
Non-current financial assets	378,272	424,126
Current financial assets	241,249	224,034
Cash and cash equivalents	1,020,858	1,224,912
Total cash and cash equivalents and other financial assets	**1,640,378**	**1,873,073**
Bank and other loans and borrowings	(751,256)	(807,462)
Bonds	(1,091,890)	(1,091,890)
Lease liabilities	(98,709)	(115,837)

Total non-current indebtedness	**(1,941,855)**	**(2,015,189)**
Current portion of bank loans and borrowings and current account facilities	(231,640)	(370,741)
Current portion of bonds	(13,295)	(13,295)
Current portion of lease liabilities	(61,673)	(88,273)
Total current indebtedness	**(306,608)**	**(472,308)**
Derivatives	268	268
Derivatives and other current financial liabilities	(2,012)	(81,285)
Net financial position (debt) with unconsolidated SPEs	(21,595)	(9,475)
Total other financial assets (liabilities)	**(23,339)**	**(90,492)**
Net financial indebtedness	**(631,423)**	**(704,917)**

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

€/000	**As for Webuid 2019 Consolidated Financial Statements**	**Webuild Group Proforma (*)**
Total revenues and other income	5,129,962	7,089,225
EBITDA	531,159	1,044,929
EBITDA %	*10.4%*	*14.7%*
EBIT	256,799	724,050
EBIT %	*5.0%*	*10.2%*

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

€/000	**As for Webuid 2019 Consolidated Financial Statements**	**Webuild Group Proforma (*)**
Profit (loss) for the period	(14,145)	403,800
Profit (loss) from discontinuing operations	894	7,514
Surplus from discontinuing operation	-	-
Income Tax	69,160	98,011
Net gains (losses) on equity investments	127,704	97,034
Financial income (expenses)	77,474	118,621
Surplus from financial operations	-	-
Net exchange gains (losses)	(4,288)	(930)
EBIT	**256,799**	**724,050**
Amortisation, depreciation and provisions	171,937	216,290
Impairment losses	102,423	104,589
EBITDA	**531,159**	**1,044,929**

(*)Total revenues and other income, EBITDA e EBIT include the gain from the bargain purchase of €487.6 million arisen in connection with the Astaldi Transaction.

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 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.

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 2020 on an actual basis, without giving effect to (i) the net proceeds of the issue of the Notes, expected to amount to €544,500,000 after deduction of the commission, or (ii) the use of proceeds therefrom. The historical consolidated financial information has been derived from the Issuer's 2020 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 2020 Unaudited Condensed Interim Consolidated Financial Statements.

	As of 30 June 2020
	(in € thousands)
Cash and cash equivalents	**1,331,827**
Total current indebtedness (A)	1,537,445
Total non – current indebtedness (B)	1,570,031
Total indebtedness (A+B)	**3,107,476**
Share capital	600,000
Share premium reserve	654,486
Other reserves	153,408
Other comprehensive expense	(165,468)
Profit for the period/year	(83,543)
Retained earnings	110,161
Equity attributable to the owners of the parent (C)	**1,269,044**
Non-controlling interests(D)	131,876
Total Equity (C+D)	**1,400,920**
Total Capitalization (A+B+C+D)	**4,508,396**

TERMS AND CONDITIONS OF THE NOTES

The €550,000,000 5.875 per cent. Notes due 15 December 2025 (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 15 December 2020 (the "**Issue Date**") and are subject to, and have the benefit of, a trust deed dated 15 December 2020 (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 a resolution (*determina*) of the managing director of the Issuer dated 3 December 2020 pursuant to the powers delegated to the managing director by the resolution of the board of directors of the Issuer passed on 30 November 2020. 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 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). 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 €30 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 Shareholders) or group of persons Acting in Concert (other than the SAPA Relevant Shareholders acting in concert among themselves) 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 Dealer Rate" means, with respect to the Reference Dealers and the Optional Redemption Date, the average of the mid-market annual swap rate as determined by the Reference Dealers at 11:00 a.m. London time on the third business day in London preceding such Optional Redemption Date, quoted in writing to the Issuer by the Reference Dealers. For the purposes of this definition, the "mid-market annual swap rate" means the arithmetic mean of the bid and offered rates for the annual fixed leg calculated on a 30/360 day count basis on a fixed-for-floating Euro interest rate swap transaction maturing on 15 December 2025, on such Optional Redemption Date.

"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 Mr Simonpietro Salini, born in Rome on 4 June 1932 and/or any company Controlled, Directly or Indirectly, jointly or severally, by any of them and/or any trustee, fiduciary or similar Person appointed to administer assets of any of the foregoing where they are the sole beneficiaries and which administration is made exclusively in the interests of any of them.

"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 €275 million and 3% 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

The Notes bear interest from and including the Issue Date at the rate of 5.875 per cent. per annum, payable annually in arrear on 15 December in each year, commencing on 15 December 2021 (each an **"Interest Payment Date"**) and will amount to €58.75 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 5.875 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).

7 Redemption and Purchase

(a) **Final redemption:** Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on 15 December 2025. 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 15 June 2025, 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 (not including any interest accrued on the Notes to, but excluding, the Optional Redemption Date) discounted to the Optional Redemption Date on an annual basis (based on the actual number of days elapsed divided by 365 or (in the case of a leap year) by 366) at the Reference Dealer Rate (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 15 June 2025, 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, 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 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 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 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 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 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 (www.ise.ie) 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.

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) 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 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 (www.ise.ie).

ESTIMATED NET AMOUNT AND USE OF PROCEEDS

The net proceeds of the issuance of the Notes, expected to amount to €544,500,000 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), including the repurchase of the Issuer's €600,000,000 3.75 per cent. Notes due 24 June 2021 (XS1435297202) (in a principal amount outstanding of €479,030,000) pursuant to the Tender Offer (as defined below), and for general corporate purposes of the Group. (See "*Description of the Issuer – Financing - €428,264,000 3.75% Notes due 24 June 2021 and €171,736,000 3.75% Notes due 24 June 2021*")

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 Milan (Italy), Via dei Missaglia, 97, 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 projects (including dams and hydroelectric plants, hydraulic works, railways, subways, airports and highways as well as hospitals and civil and industrial construction) which aim to improve sustainable mobility and access to clean hydro energy, clean water, green buildings, supporting clients in achieving the UN Sustainable Development Goals (SDGs).

Webuild Group operates in more than 50 countries (key countries in terms of revenues being the United States, Italy, Saudi Arabia and Australia) throughout the world, with over 100 years of experience in the construction industry. 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 893,788,182 shares with no par value, comprising 892,172,691 ordinary shares and 1,615,491 savings shares. The share capital referred to above is the result of 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*"). The Issuer's shares are listed and traded on the Mercato Telematico Azionario (MTA), the Italian screen-based trading system organised and managed by Borsa Italiana S.p.A. As at 27 November 2020, the Issuer's market capitalization was approximately €1.2 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 27 November 2020:

Agency	**Long Term**	**Outlook**	**Last update**
Standard & Poor's	BB-	Negative	10 August 2020
Fitch Ratings	BB	Negative	8 July 2020

As of 27 November 2020, based on the Issuer's corporate records and other available public information, Salini Costruttori S.p.A. ("**Salini Costruttori**") owned 44.99 per cent. of Webuild's

ordinary shares. Salini Costruttori is the Issuer's controlling shareholder and 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-Salini Costruttori*").

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.

Recent Disposals

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.

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 strategic lines of Progetto Italia are a part of the wider Business Plan of the Issuer for the three-year period 2019-2021. The project envisages that, with the Group's operational track record, managerial qualities and skills, 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 S.p.A. ("**Astaldi**"), which represented the Issuer's main target and in which the Issuer purchased a majority stake (equal to, as of the date of this Offering Circular, 66.282% of its share capital) 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, 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*").

Financial package to support Progetto Italia

With the support of various financing institutions, the Issuer has put together a complex package of additional financial resources to support the implementation of Progetto Italia (including the investment in Astaldi) and provide the appropriate level of financial flexibility for the new group. This financial package may be used for additional acquisitions within the framework of Progetto Italia.

In addition to the Capital Increase (see "*Capital Increase*" below), the overall financial package provides in particular for:

- the extension of the maturities relating to the repayment of certain loans for an amount equal to €268 million granted by some financing institutions to the Issuer;
- subject to Astaldi's admission to the composition with creditors procedure (which occurred on 5 August 2019):

  (a) the granting of a facility (*linea di credito per cassa*) to the Group aimed at, inter alia, supporting Astaldi's needs during the interim period prior to the court's approval (*omologa*), through the provision of debtor-in-possession, super-secured interim financial resources (*finanza interinale prededucibile*). In September 2019, the Issuer's newly established subsidiary Beyond S.r.l. entered into a €150 million loan agreement and used the proceeds to acquire the then outstanding €75,000,000.00 Super-senior secured PIYC Floating Rate Notes due 12 February 2022 of Astaldi and to subscribe, on 10 February 2020, a tap issuance thereof for an amount equal to €63,900,000.00. Such loan has been fully redeemed as at the date of this Prospectus;

  (b) the granting of a pre-deductible credit line (*linea di credito per firma*) to Astaldi by certain financing institutions, for the issue of guarantees aimed at the continuation of Astaldi's business activities and the execution of the plan and the proposal for the composition with creditors procedure submitted by Astaldi to the Court of Rome on 19 June 2019 (as updated and supplemented on 16 July 2019, 20 July 2019 and 3 August 2019 and approved (*omologata*) on 17 July 2020) (see "*The Astaldi Transaction*"). In particular, in August 2019, Astaldi entered into a credit line (*linea di credito per firma*) with a pool of institutions for €384 million to allow the issuance of certain guarantees, in the interest of Astaldi, in the context of certain projects

involving Astaldi, and in November 2020 the Issuer granted a corporate guarantee in the interest of Astaldi in favour of the financing institutions of such credit line;

- subject to the approval of Astaldi's composition with creditors procedure (which occurred, as mentioned, on 17 July 2020,) and the completion of Astaldi's capital increase reserved for Webuild (which occurred on 5 November 2020) (see "*Investment in Astaldi and Astaldi's court-supervised composition with creditors procedure*"), the grant to Astaldi by certain lending institutions of a pre-deductible €200 million revolving cash credit line (*linea di credito per cassa*) in execution of the composition with creditors procedure that may be used (i) to refinance the interim finance granted to Astaldi before the approval of the composition with creditors procedure, and (ii) to support Astaldi's ordinary business activities. In November 2020 the Issuer has granted a corporate guarantee in the interest of Astaldi in favour of the financing institutions of such revolving cash credit line. See also "Financing";

- the granting to Webuild of a new €200 million back-up revolving credit facility aimed at covering the Group's financial needs also to implement Progetto Italia. This credit line, although granted as part of the implementation of Progetto Italia to meet any sudden and unforeseen financial needs – and regardless of the manner in which Progetto Italia will be implemented – will continue to be available to the Issuer. See also "*Financing*".

As at the date of this Offering Circular, all the above activities have been completed. See also "*Financing*".

Cossi and Seli-GLF acquisitions

In October 2018, the Court of Rome granted Webuild the right of usufruct over the shares and quotas, respectively, of Seli Overseas S.p.A. and Grandi Lavori S.r.l., owner of a 100% interest in GLF Construction (USA), with a view to the potential acquisition of such participations, following a binding offer submitted by the Issuer. Such binding offer is subject to the fulfillment of certain conditions. The sale of such interest will be made through a competitive tender process (*procedura competitiva ad evidenza pubblica*). As of the date of this Offering Circular, such public tender has not been initiated yet.

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, equal to, as of the date of this Offering Circular, 66.282% of its share capital, following subscription of the €225,000,000 reserved capital increase made on 5 November 2020. Webuild believes this transaction permits 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 is 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, develops 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 is 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 operates through three main business lines: (i) Construction; (ii) Concessions; and (iii) O&M.

Since the middle of 2018, the Astaldi Group has been experiencing financial difficulties. On 28 September 2018, Astaldi's board of directors resolved to submit to the Court of Rome an application for a court-supervised pre-bankruptcy composition with creditors procedure "subject to reservation" (*domanda di concordato preventivo "con riserva di deposito della proposta e del piano*"), pursuant to Articles 161(6), and 186–*bis et seq.* of the Italian Royal Decree No. 267 of 16 March 1942, as amended and supplemented ("**Italian Bankruptcy Law**"), preliminary to the filing of a proposal for a composition with creditors procedure with the continuation of the business of the debtor company (*procedura di concordato preventivo in continuità aziendale diretta*) pursuant to Articles 160, 161 and 186–bis et seq. of the Italian Bankruptcy Law. On 17 October 2018, the Court of Rome granted Astaldi 60 days, subsequently extended by a further 60 days, to submit its plan and proposal for the composition with creditors procedure, which Astaldi filed with the Court of Rome on 14 February 2019. On 19 April 2019, the Court of Rome found certain issues in the initial plan of arrangement filed by Astaldi, as a result of which Astaldi submitted a revised plan and proposal on 19 June 2019 (the "**Plan of Arrangement**"). Such Plan of Arrangement was updated and supplemented by Astaldi on 16 July 2019, 20 July 2019 and 2 August 2019. Astaldi also submitted the report prepared by an independent expert appointed by the debtor, assessing, inter alia, the feasibility of the composition proposal in accordance with the Italian Bankruptcy Law.

On 14 February 2019, Webuild submitted its initial offer for a potential investment in Astaldi, intended to support Astaldi's petition for admission to a composition with creditors procedure (*concordato preventivo*) (the "**Offer**", as subsequently updated on 15 July and on 2 August 2019). In particular, (a) in the context of the Plan of Arrangement, Astaldi was expected to carry out a preliminary reorganization aimed at transferring certain assets to a segregated fund to be liquidated in favour of Astaldi's creditors; (b) pursuant to the Offer, Webuild undertook to subscribe for €225 million reserved capital increase (once Astaldi's debt was cancelled as a result of the composition with creditors procedure (*esdebitazione concordataria*)) and obtain a 65% stake in Astaldi (the "**Astaldi Transaction**"). For additional information, see "*Investment in Astaldi and Astaldi's court-supervised composition with creditors procedure*" below.

The Court of Rome, by decree issued on 5 August 2019, admitted Astaldi to the composition with creditors procedure with the continuation of the business of the debtor company (*procedura di concordato preventivo in continuità aziendale diretta*), considering the Plan of Arrangement submitted by Astaldi – as supported by Webuild's Offer – to be feasible upon the proposed terms and conditions. By a separate decree, the Court of Rome also authorized Astaldi to obtain new pre-deductible loans (*nuova finanza in prededuzione*) to support the company's financial needs until the court's approval (*omologa*), and set a hearing for the summoning of creditors and the related vote for March 2020.

The proposal for a composition with creditors on a going concern basis (*concordato preventivo in continuità aziendale*) submitted by Astaldi was approved with a majority equal to 69.4% of the creditors with voting rights, taking into account the votes validly cast at the creditors' meeting held on 9 April 2020 (58.32% of votes in favour), as well as the additional votes in favour validly cast

during the following twenty days after the meeting (11.08%), in compliance with the provisions of art. 178 of the Italian Bankruptcy Law.

The Court of Rome set the date of 23 June 2020 for the hearing to authorise the composition with creditors procedure as per Article 180 of the Italian Bankruptcy Law. The judge took note of an offer by Webuild to pay Astaldi's debts in relation to which oppositions was filed (roughly €100 thousand) and granted the creditors one day to waive their opposition. On 24 June 2020, the opposing creditors waived their opposition.

The Court of Rome published on 17 July 2020 the approval decree (*decreto di omologa*) of Astaldi's composition with creditors on a going concern basis. Against such approval decree four appeals have been filed by some Astaldi's creditors before the Italian Supreme Court which have not yet been decided upon as of the date of this Offering Circular (see "*Risk Factors – Factors that may affect the Issuer's ability to fulfil its obligations under the Notes – Risks connected to Astaldi*).

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, as of the date of this Offering Circular, 66.282% of its share capital.

Rationale of the Astaldi Transaction

The Issuer believes that the complementary nature of the geographies and infrastructure divisions of the two companies will contribute to the competitive strengthening of the resulting group on the international market, by enabling the combined group to achieve commercial and operational synergies through the enhancement of the respective technical and commercial skills. The completion of the Astaldi Transaction will also provide for continuity of Astaldi's existing projects and concessions, which Astaldi will continue to manage following the completion of the composition with creditors procedure, as well providing support to the related value chain, thus contributing to the stabilization of the large, complex infrastructure projects sector in Italy. This, in turn, would benefit the Italian construction sector as a whole.

The Issuer further believes that the combination with Astaldi will offer significant potential upsides, both in terms of:

- joint commercial development (in terms of increased number of tenders, win ratio, book-to-bill, pricing and new geographies), with more tangible effects after 2021;
- cost efficiencies (in terms of economies of scale, economies of scope, digitalization, alignment on internal policies, cost control and further savings), which the Issuer expects to occur by 2021.

In addition, a potential upside for the enlarged group may result from the so-called "Sbloccacantieri" regulation approved in Italy in June 2019 and from the funding by the Italian Government of previously approved projects.

Investment in Astaldi and Astaldi's court-supervised composition with creditors procedure

The Offer, which was submitted on 14 February 2019 and lastly updated on 2 August 2019, was based on the contents of Astaldi's Plan of Arrangement (as amended) and provided for, inter alia:

- an economic and financial plan to support Astaldi's construction business line, the EPC business, its O&M business, and some minor concessions connected with infrastructure construction activities; and
- the spin–off into a segregated pool of assets (*patrimonio destinato a uno specifico affare*), pursuant to Articles 2447–bis et seq. of the Italian civil code, of certain assets and

receivables of Astaldi, including its 100% stake in Astaldi Concessioni S.p.A. (or in a demerged company), and liquidation of other assets in line with the economic and financial forecasts set out in the Plan of Arrangement.

The financial package underlying the Offer and the Plan of Arrangement envisaged, *inter alia*:

- a cash capital increase of €225.0 million by Astaldi, with the exclusion of pre–emptive subscription rights to existing shareholders, pursuant to Article 2441(5) of the Italian civil code, reserved for subscription by Webuild, and offered at an issue price of €0.230 per new share (the "**Reserved Capital Increase**"). The proceeds of the Reserved Capital Increase were used and will be used to pay preferential (*privilegiati*) and pre–deductible (*prededucibili*) creditors and for the continuity of the business;
- the partial satisfaction of unsecured (*chirografari*) creditors, with the allocation in their favour of:
  - (a) new shares issued by Astaldi deriving from the partial conversion of their receivables. Following the Reserved Capital Increase and the issuance of new shares reserved to unsecured creditors, unsecured creditors are expected to hold a 28.5% stake of the share capital of Astaldi; and
  - (b) participative financial instruments (*strumenti finanziari partecipativi*) issued by Astaldi in connection with the liquidation of certain non–core assets segregated for the benefit of such creditors; and
- the issuance of:
  - (a) free antidilutive warrants in favour of Webuild, that permitted the Issuer to subscribe for and receive free of charge an additional number of Astaldi ordinary shares so that – if there was any subsequent issue of shares in favour of creditors not foreseen at the date of the Offer – Webuild would be able to maintain the same ownership level in Astaldi; and
  - (b) warrants reserved to lenders that will grant to Astaldi additional financial resources, that will be exercisable. In the event of exercise of all such warrants, Astaldi's lenders will hold 5% of the share capital of Astaldi. The issuance of Astaldi shares to service the warrants will result in a dilution of shareholders' holdings at the time issuance; in particular, assuming the exercise of all such warrants, Webuild's shareholding is expected to decrease from 66.282% to 62.905% of the share capital of Astaldi.

The Plan of Arrangement and the Offer contemplated, *inter alia*, a reorganization of Astaldi which was carried out prior to the execution of the Reserved Capital Increase, which was instrumental to the abovementioned transactions.

On 10 July 2019, CONSOB confirmed that the acquisition of control by Webuild over Astaldi in accordance with the Offer would be exempted from the Italian law mandatory tender offer requirements.

Astaldi's proposed composition with creditors procedure was approved (omologata) by the Court of Rome with decree issued on 15 July 2020 and published on 17 July 2020. Against such approval decree four appeals have been filed by some Astaldi's creditors before the Italian Supreme Court which have not yet been decided upon as of the date of this Offering Circular.

Following the occurred subscription of the Reserved Capital Increase and cancellation of Astaldi's debts as a result of the composition procedure (*esdebitazione concordataria*), Webuild holds, as at

the date of this Offering Circular, a 66.282% stake in Astaldi. Astaldi's other current shareholders hold a 6.631% stake, while current creditors hold the remaining 27.087% stake, following the occurred conversion of a portion of their claims into Astaldi shares.

The perimeter that was the subject of the acquisition by Webuild of the aforementioned majority stake in Astaldi includes all the assets and other relationships that were not affected by the abovementioned reorganization for the benefit of Astaldi's creditors.

Overview of Astaldi's business

The Astaldi Group has significant presence in the construction sector in Europe and globally. Active for over 95 years at an international level, the Group operates mainly in the engineering, procurement and construction business ("**EPC**") and develops complex and integrated initiatives in the field of design, construction and management of public infrastructure and large-scale civil engineering works.

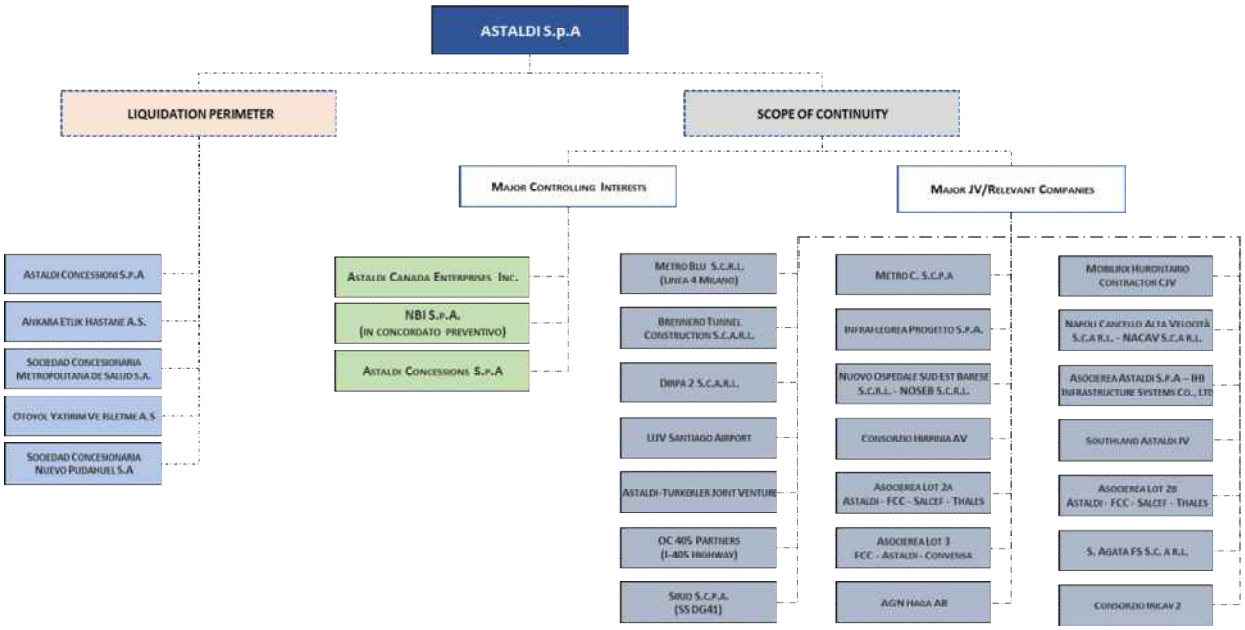
At 30 June 2020, the Astaldi Group's backlog amounted to € 7.7 billion, of which € 6.4 billion for construction activities and € 1.3 billion for O&M activities. The backlog related to construction activities was geographically distributed approximately in Italy for 48%, in Europe for 28%, in Americas for 19%, in Asia for 4% and in Africa for 1%.

It has an offer capacity based on several business lines (*Transport Infrastructure, Hydraulic and Energy Production Plants, Civil and Industrial Buildings, Plant engineering*), which are supported by minority interests in concession initiatives and Operation & Maintenance ("**O&M**") activities for the management of infrastructures and works carried out.

Chart 1 – Business segments and product lines

To provide a complete overview of the group, the following graph presents its structure at 30 June 2020. The chart below shows the activities transferred to the separate unit (the "Liquidation Perimeter") and those retained as part of the core assets scope (the "Scope of Continuity"), as provided for by the composition with creditors on a going concern basis procedure commenced by Astaldi S.p.A. on 28 September 2018 and authorised by the Rome Court on 17 July 2020.

Chart 4 – Group structure at 30 June 2020



As mentioned before, the Group is active (a) in the construction sector; (b) in the O&M sector; and (c) holds interests in concession initiatives.

(a) Construction

In the construction sector, the Astaldi Group is currently involved in over 50 projects in 11 countries worldwide, located in Italy, Europe (Romania, Poland, Sweden) and Turkey, the Americas (Chile, Canada, USA and Paraguay), Africa (Algeria) and Asia (India).

In the *Construction* sector, the Group operates in the following segments:

- transport infrastructure: it operates mainly as an EPC contractor in the following sub-sectors: (i) railways and subways, (ii) roads and motorways, (iii) airports and ports. For each of these sub-sectors, it designs, builds and sometimes manages the infrastructures built;
- hydroelectric and Power Generation Plants: it operates mainly as an EPC contractor, designing, building and sometimes managing plants for the production of renewable energy, including hydroelectric plants and waste-to-energy plants, as well as dams, aqueducts, wastewater treatment plants;
- civil and industrial building: it operates mainly as an EPC contractor, designing, building and sometimes managing health, sports and administrative facilities, universities, industrial facilities and car parks;
- plant engineering: it designs, assembles, installs and manages engineering, electrical, HVAC and other systems for projects in the transport infrastructure, energy production, civil and industrial building sectors.

(b) O&M

O&M is a sector that the Group has decided to leverage as part of its commercial strategy, with the aim of strengthening its presence in the sector of integrated management of services in technology-intensive infrastructures. Within this sector the Group is particularly interested in the hospital segment, for which it has already acquired significant expertise thanks to previous experience in concessions.

O&M activities are carried out by O&M companies (special purpose vehicles dedicated to the execution of O&M) owned by Astaldi Group. At 30 June 2020, the main O&M operating companies owned by the Group were GE.SAT, established for the Four Tuscan Hospitals, and Veneta Sanitaria Finanza di Progetto, related to the a New Hospital in Venice-Mestre, Italy.

(c) Concessions

Concessions of interest for the Astaldi Group consist of initiatives developed using the BOT (Build-Operate-Transfer) formula, which are characterized by (i) an initial construction phase, during which the Astaldi Group operates as an EPC contractor and service provider; (ii) a multi-year management phase for the work carried out or its functional lots; (iii) a final phase for the transfer of the infrastructure to the grantor of the concession, at the end of the management period.

Projects are usually financed on a non-recourse basis through capital injection, project debt, medium/long-term bridge loans and project finance; the investment model in the sector also sees the prevalence of projects financed also with public contribution and which provide for forms of minimum guarantee granted by the grantor. Concession activities are carried out through special purpose vehicles in which Astaldi has an interest.

As at 30 June 2020 the concessions held by the Group can be divided into two areas: those included in the Liquidation Perimeter and those remaining in the Scope of Continuity. Concessions included in the Liquidation Perimeter are identified as the main concessions held by the Group, largely in the management phase, while those in the Scope of Continuity are initiatives related to O&M contracts. The existing assets at 30 June 2020 in the Concessions sector included in the Scope of Continuity is SPV Linea M4, related to the Milan Subway Line 4 in Italy.

Table 1 – Main construction contract in progress at 30 June 2020, broken down by geographical area

Project	Description
Brenner Base Tunnel (MULES 2–3 Lot)	The contract refers to all underground works of the Italian section of the Brenner Base Tunnel, on the road from Mezzaselva to the country's border. The tunnel under construction under the Brenner Pass is part of the project to upgrade the Monaco–Verona railway line, and once completed it will be the world's longest underground railway link. The Mules 2–3 Lot involves the excavation of approximately 65 kilometres of tunnels.
HS/HC Verona–Padova railway line (first lot for the Verona–Vicenza juncture)	The contract refers to the design (final and executive) and construction of the First Functional Lot Verona–Vicenza juncture, part of the entire Verona–Padua high-speed railway line that will be built by the consortium IRICAV DUE (General Contractor assigned to the works, consisting of Astaldi for 37.49%, Webuild for 45.44%, Hitachi Rail STS for 17.05%, Fintecna and Lamaro for 0.01%).
HS/HC Naples-Bari railway line, Naples-Cancello section	The contract refers to the design and construction of a first section of the Naples-Bari HS/HC railway line and of the connection to the Naples railway node of the new Naples-Afragola HS Station. The project concerns a first section of 15.5 kilometres of the Naples–Bari route and is strategic in the overall reorganisation of the entire railway line.
HS/HC Palermo-Catania railway line, Bicocca-Catenanuova section	The contract provides for the executive design and construction of the doubling of the Bicocca-Catenanuova section on the Catania-Palermo HS railway line, along a route that extends for about 38 kilometres, of which about 10 kilometres in a variant route. The works are being done by Astaldi (34.2%), in a temporary grouping of companies with Webuild (51.3%), SIFEL (7.3%) and CLF (7.1%).
HS Naples-Bari railway line, Apice-Hirpinia section	The contract provides for the construction of an additional 18.7 kilometres of the Naples-Bari HS railway line by a group of companies including Webuild. It refers to the construction of the connection from Apice to Hirpinia and also includes the construction of the Hirpinia station, three natural tunnels and four viaducts.

Rome Underground Line C	The contract refers to the construction, supply of rolling stock and commissioning of a new underground line (25.4 kilometres, 29 stations) along the Monte Compatri/Pantano–Clodio/Mazzini route in Rome. The First Strategic Phase was completed from the Monte Compatri/Pantano station to the San Giovanni station (19 kilometres, 22 stations). The T3 section from San Giovanni Station to Fori Imperiali Station is in progress, with a length of approximately 3 kilometres.
Milan Underground M4 Line	The project refers to the EPC contract linked to the concession for the construction and management of the new Line 4 of the Milan Underground. The EPC contract refers to the design and construction of all civil works, including equipment, installations, and supply of rolling stock. The new infrastructure will be light rail with full automation and will extend along the San Cristoforo–Linate Airport route (15.2 kilometres, 21 stations, maximum transport capacity of 24,000 passengers/hour per direction of travel).
Cumana railway line, Dazio–Cantieri section	The construction contract mainly provides for the design and execution of works to complete the doubling of the Cumana Railway Line (which connects Naples with Pozzuoli), along a section of about 5 kilometres between the Dazio and Cantieri stations, as well as for the construction of two new stations (Pozzuoli and Cantieri), the construction of a tunnel about 500 metres long (Monte Olibano Tunnel).
Infraflegrea Project - rail link of Monte Sant'Angelo and upgrade of the port of Pozzuoli	The contract refers to a series of works in the municipalities of Naples and Pozzuoli (Flegrea Area), including among others the construction of a section of Line 7 of the Naples Regional Metro (Rail Link of Monte Sant'Angelo-Soccavo-Mostra d'Oltremare section, with related intermediate stations and interchange nodes), the expansion and upgrading of the Port of Pozzuoli and works for the Bagnoli orbital road.
Jonica State Road Mega-Lot 3	The EPC contract refers to the construction of Mega-Lot 3 of the Jonica State Road, also known as Lot DG–41/08. It consists in the construction in a new location of the section that runs from the junction with NR-534 (at Sibari) to Roseto Capo Spulico. The project is 38 kilometres long with 3 natural double bore tunnels, 15 viaducts, 11 artificial tunnels, 4 junctions.
Marche-Umbria Quadrilateral (Maxi Lot 2)	The contract refers to general contracting for upgrades to the Perugia-Ancona section (about 31 total kilometres, with double carriageway, of which 22 kilometres in tunnels), as well as the construction of the new Pedemontana delle Marche (about 36 total kilometres, with single carriageway, of which 5 kilometres in tunnels).
New Cagliari state road (SS -554)	The contract refers to the complex integrated contract (awarded to Astaldi pursuant to art. 53, paragraph 2, letter c) of Legislative Decree no. 163/2006) for the executive design and subsequent execution of the upgrade of the urban motorway, with the elimination of the intersections, of about 7 kilometres of the SS–554 state road, from Km 1+500 to Km 7+100 (so-called First Project).
Sigonella NATO base	The contract calls for the executive design and execution of the works for the expansion of the Ground Operations Area (OPS Area) and the Air Operations Area (Flight Area) of the NATO air base in Sigonella, Sicily. It provides for the construction of 14 buildings (for a total net area of 26,700 square metres) to be used as offices for military use and aircraft/equipment storage, with specific radio/data systems for specialised military air operations.
New Monopoli-Fasano Hospital in southeast Bari	The contract covers the execution of all civil works and systems of a new high-end hospital with 299 beds and 9 operating rooms in Apulia, in southern Italy, with a total area of 178,000 square metres.
Romania	
Braila Bridge	The contract covers the design and construction of a suspension bridge on the Danube with a length of 1,975 metres, as well as about 23 kilometres of connecting roads. It is expected that the project will require one year of planning and three years of construction.
Sibiu-Pitesti motorway lot no. 5	The EPC contract is for the construction of over 30 kilometres of the Sibiu-Pitesti Motorway, the most important motorway segment being built in Romania. It involves the planning and construction of Lot no. 5 of the motorway, from Km 92+600 to Km 122+950.
Frontieră-Curti-Simeria railway line (Lots 2 and 2b)	The contract refers to the works for the restoration of about 80 kilometres of the Frontieră–Curtici–Simeria railway line, part of Pan-European Corridor IV. It also calls for the building of 11 stations, 30 bridges and a tunnel, as well as the European Rail Traffic Management System ("ERTMS").
Frontieră-Curti-Simeria railway line (Lot 3)	The contract refers to the restoration of 40 kilometres of the Frontieră–Curtici–Simeria railway line, for the section between Gurasada and Simeria of the segment 614 Km–Radna–Simeria. It also provides for the construction of 17 bridges, electrification, the ERTMS signalling and telecommunication system, and the refurbishment of 8 railway stations.

Poland	
S-2 Warsaw southern bypass (Lot a)	The contract is for the construction of Lot A of Warsaw's southern bypass. It involves the design and construction of about 5 kilometres of expressway, with two separate carriageways with 3 lanes per direction of travel, connecting the Puławska junction to the Przyczółkowa junction, including 9 bridges, a 2.3 kilometres double bore tunnel, and 2 intersections.
S-7 high-speed road, Naprawa-Skomielna Biała section and Zakopianka tunnel	The contract provides for the construction of the Naprawa-Skomielna Biała section of the S-7 Kraków-Rabka Zdrój Expressway, including the Zakopianka Tunnel, the longest natural road tunnel in Poland. It will lead to the construction of 3 kilometres of new high-speed road, including 2 kilometres of double bore tunnel, external works, systems and environmental protection works.
Gdansk waste-to-energy plant	The contract is for the construction of a waste-to-energy facility for the treatment of urban waste in the metropolitan area of Gdansk-Gdinia-Spot was well as O&M for 25 years.
Sweden	
Gothenburg railway link - Haga Station (West Link – Lot E04 Haga Station)	The EPC contract involves the design and construction of a new underground railway station in the centre of Gothenburg and 1.5 kilometres of access tunnels.
Gothenburg railway link – Kvarnberget (West Link – Lot E03 Kvarnberget)	The EPC contract involves the construction of about 600 metres of railway tunnel as part of the Gothenburg Railway Link project, for which Astaldi is also building Haga Station. The tunnel is built using the Cut & Cover method and will connect the Centralen and Haga Lots, currently ongoing.
Turkey	
Etlik Integrated Health Campus in Ankara (Etlik Hastane EPC)	The job refers to the EPC contract for the design and construction and the supply of electro-medical equipment and furnishings and the multi-year management concession of a hospital hub with 3,577 beds, for a total area of about 1,100,000 square meters.
Istanbul Underground (Kirazli-Halkali Section)	The contract concerns the construction of civil works and electromechanical systems of the new section of the Istanbul Underground, which will connect Kirazli to Halkali, including 10 kilometres of double bore tunnels, of which 7 kilometres excavated with TBM, 9 stations and related works.
Chile	
Arturo Merino Benítez International Airport in Santiago	The project refers to the EPC contract linked to the concession for the expansion and management of the Arturo Merino Benítez International Airport in Santiago, Chile. The concession includes: (i) the modernisation and extension of the existing terminal; (ii) the financing, design and construction of a new passenger terminal, with a surface area of 198,000 square metres, resulting in an increase in the airport's transport capacity of up to 30 million passengers/year; (iii) the 20-year management of all infrastructure.
Barros Luco Trudeau Hospital in Santiago	The contract involves the design and construction of a new hospital with 967 beds and 28 operating rooms, with a total area of 200,000 square metres.
New Linares Hospital	The EPC contract involves the design and construction of a new hospital in Linares, in the Maule Region. The new complex will have 329 beds and 11 operating rooms, with a total area of 87,000 square metres.
El Teniente Mine - Recursos Norte Project	The contract refers to the construction of the first phase of the Recursos Norte Project (5 kilometres of tunnels) for the underground development of the El Teniente copper mine.
USA	
I–405 Motorway	The contract involves the design and construction of 26 kilometres of the I–405 Motorway between the cities of Los Angeles and San Diego. The complexity of the works, which also involve the construction of 35 bridges, is accentuated by the need to keep the infrastructure in operation for the entire duration of the works.
Canada	
Hurontario Light Rail Transit Project (“Hulrt”)	The contract provides for the design, construction, financing and 30-year operation of an 18-kilometre, 19-station light rail line that will run along Hurontario Street from Port Credit in the city of Mississauga to the Brampton Gateway Terminal in Brampton, Ontario.
Paraguay	

Yaciretà Hydroelectric Power Plant (Brazo Añá Cuá Project)	The contract involves the construction of the Yaciretà Hydroelectric Power Plant on the Paraná River, on the border between Argentina and Paraguay. The contract covers the construction of all civil works and some electromechanical works for the installation of three additional Kaplan turbines on the existing hydroelectric power plant, which, upon completion of the works, will record an increase in installed power of 270MW and will have an average annual energy production of 1,700 GWh.
Algeria	
Saida–Tiaret Railway Line	The contract refers to the design and construction of 154 kilometres of single-track railway along the Saida–Tiaret section, with 45 railway bridges and viaducts, 35 road flyovers, 4 main stations and 9 interchange stations.
India	
Versova–Bandra Sea Link ("VBSL") of Mumbai	The EPC contract provides for works to improve traffic flow in the city of Mumbai. The new infrastructure will have a length of about 17.7 kilometres, connecting the districts of Versova and Bandra and it will be located approximately 900-1,800 metres from the coast of the city of Mumbai. Moreover, the section of the project referring to the "Main Bridge" provides for the construction of a suspension bridge with a central span of 150 metres and three variable cross-section bridges, with a main span of 100 metres, to allow for navigation.

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.

More precisely, 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**"). The Global Offering was completed on 8 November 2019 and the Capital Increase was eventually settled on 12 November 2019 (the "**Capital Increase Closing Date**"). Subscription price was determined at the end of the Global Offering at €1.50 per ordinary share. Within the context of the Global Offering, pursuant to the commitments undertaken in the relevant Investment Agreements, Salini Costruttori, CDP Equity and the Financing Banks subscribed for, respectively, €50 million, €250 million and €150 million in new shares at the subscription price (see "*Principal Shareholders-Investment Agreements*").

The Issuer used the net proceeds from the Capital Increase principally to support Progetto Italia (including the Astaldi Transaction) and, more generally, its Business Plan, which includes Progetto Italia. If, among other things, Astaldi's composition with creditors was not approved by the Court, in accordance with the CDP Equity Investment Agreement with (see "*Principal Shareholders-Investment Agreements*" and "*Principal Shareholders-Shareholders' Agreement*") and, in any case, if the Issuer believes it would be in its best interest, it is envisaged that the proceeds intended for the Astaldi Transaction would have been used, in first instance, to fund the acquisition of assets or business units of Astaldi in the context of a possible subsequent extraordinary administration procedure (*amministrazione straordinaria*, a procedure available under Italian law for large insolvent industrial and commercial enterprises) or otherwise to fund the acquisitions or other operations in the context of Progetto Italia.

Furthermore, in the context of the Capital Increase, Webuild, Salini Costruttori, CDP Equity and the Financing Banks, respectively, 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.

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. Measures adopted by the institutions to curb the public health emergency included the shuttering of non-essential production activities, a ban on movements and quarantine periods.

The economic repercussions led to a dramatic contraction in supply as a result of the closure of many production activities as well as a drop in consumption. This severely affected some production sectors, triggered a drop in the disposable income of households, caused the loss of value of financial assets and, especially, heightened uncertainty given the difficulty in making predictions about the epidemic's future development and related economic fallout.

The governments of the countries hit by the Coronavirus adopted multiple measures primarily to support business liquidity and household income as well as to ensure access to credit. Despite these initiatives that have been and are being introduced, analysts predict that economic growth in 2020 will contract drastically.

The Issuer in turn introduced prudent measures to manage and contain the pandemic and to safeguard the health of its employees and partners. Despite the slowdown and, in some cases, the suspension of projects, these measures allowed Webuild to continue to manage its ongoing projects. 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.

The Group has set up a crisis unit which assesses the situation daily and draws up and tailors processes to prevent and contain any critical situations at the work sites.

Following the first six months of 2020, the manufacturing activities in Italy were substantially restarting, although not all of them at the pre-COVID level, but new restrictive measures have recently been adopted and may probably be adopted in the very near future which could have a negative impact on the said activities.

Employee management and prevention measures to deal with the pandemic

The Group has defined a number of measures to protect/ensure employees health and safety, coordinated by the crisis unit which monitors developments in the crisis for the head office and work sites on an ongoing basis.

The work sites immediately introduced precautionary measures to protect the health of all personnel in accordance with the parent's guidelines and the precautionary measures introduced by the authorities in the various countries.

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

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

- it drew up anti-contagion protocols and introduced measures to protect its employees, not only during their work shifts but also in their free time for those that live on site (e.g., reorganisation of the accommodation into single rooms) in order that work on the strategic infrastructure projects (e.g., the Polcevera Bridge in Italy) could continue;

- 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;
- 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:

- 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;
- management of common areas to decrease gatherings;
- special measures to provide healthcare assistance when the local healthcare units were unable to treat COVID-19 patients.

The precautionary measures introduced immediately at the outbreak of the pandemic are still in place. The crisis team continues to keep a close eye on developments in the emergency around the world through weekly updates and regular visits to the work sites to ensure that all relevant regulations are respected.

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 (and is) able to guarantee substantial continuity in many work sites and the protection of the health and safety of its employees and consultants. Some projects saw and may see in the future the shutdown of work site activities for a few weeks in line with the new measures imposed by government or local authorities and this led and could lead in the future to a reduction in production volumes and profit margins.

At 30 June 2020, except in a few cases, the work sites had resumed activities although not all of them are operating at pre-COVID-19 levels, but new restrictive measures have recently been adopted and could be adopted in the future which may again have a negative impact on the said activities.

The Issuer liaised, during the first six months of 2020, and is still liaising constantly with its customers to manage the crisis situation in terms of safety and compliance with government measures. Negotiations also commenced on specific contractual issues, mainly the delays due to the shuttering of work sites and the consequent impacts and included discussions about the additional costs incurred due to the crisis situation which Webuild has so far borne almost in full.

Decree law no. 34/2020 (the Relaunch decree) approved by the Italian government 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 the contract without receiving an advance.

The Issuer is not exposed to potential financial stress scenarios. It has cash and cash equivalents and a revolving credit facility sufficient to meet its short-term requirements.

An overview of the situations in the various geographical areas where the Group operates is provided below.

Italy

During the first six months of the year, the work sites in Italy saw slowdowns in production in March and April in Lombardy and Liguria. Specifically, starting from March, the work sites for the high speed/capacity Milan - Genoa railway line project (COCIV), Line 4 of the Milan Metro and the ENI offices were closed for short periods as agreed with the customers to comply with the regulations imposed by the government and local authorities. Work recommenced in May and were gradually returning to full production levels, despite the difficulties encountered by the subcontractors, but new slowdowns in such production levels could occur again due to the restrictive measures which have recently been adopted and could be adopted in the very near future. The Brenner Base Tunnel project was affected similarly.

Production continued at the other Italian work sites, especially those for the Naples - Cancello section of the Naples - Bari railway line albeit at a slower pace due to the introduction of measures to curb the spread of COVID-19. The work sites for the Naples - Bari section, the Apice - Hirpinia and the Jonica state highway 106 were not particularly affected as mostly design work and other preliminary activities were carried out.

To offset the negative effects of the COVID-19 emergency, significant organisational efforts were focussed on the new Genoa Bridge (rebuilding of the Polcevera Bridge of the A10 motorway) from March 2020, where work continued with the involvement of more than 1,000 workers to complete the bridge safely in an unprecedented timeframe and ensuring a maximum focus on quality.

Europe

Due to the regulations introduced by governments and/or customers in France and Switzerland, the work for Parc du Simplon in Lausanne and Lines 14 and 16 of the Paris Metro was suspended in April and only partially resumed in May and June. Then the works were gradually returning to normal levels, but could now and in the very near future slow down again due to the new restrictive measures which have recently been or could soon be reinstated.

Middle East and Asia

In Saudi Arabia, Qatar and Tajikistan, the governments issued orders that led to an average slowdown of production at the work sites of 50% in the period from April to June. Production were expected to return to normal levels in the second half of the year but could be affected again by the current spread of the COVID 19 pandemic.

Latin America

The Group received instructions from the governments in Peru and Argentina to suspend production in the work sites for the Riachuelo and Lima Metro projects, respectively, in April and May. The Lima Metro work site then gradually started work again in June and was expected to be fully operational in the second half of the year, but the expected timing could be delayed due to the recent relapse of the COVID 19 pandemic.

North America, Africa and Australia

There were no significant slowdowns or suspensions of work which continued regularly in the first six months of 2020 apart from Cabot Yard in the US, where production decreased in March and April. However, some slowdowns or suspensions may occur now or in the near future due to the worsening of the sanitary emergency.

Supply chain

One of the particularly critical aspects of the pandemic was management of the Issuer's supply chain. A dedicated tool was introduced to coordinate and manage the numerous 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.

As the pandemic spread to the other continents, the procurement department focused on procuring and distributing personal protective equipment to comply with international safety regulations and identified long-term ongoing supply plans.

Market trends and commercial activities

During the first six months of 2020, the Group stepped up its commercial activities by making more bids compared to the same period of 2019 despite the spread of Covid-19.

The pandemic meant that many calls for tenders were cancelled or postponed. In the first few months of the year, the closing dates for bids continued to be pushed forward for a total of approximately €10 billion potential contracts deferred to 2021 (mostly in Europe and the US) at the date of preparation of this report. Roughly 45% of these postponements were due to Covid-19 (e.g., the Paris Metro, the Pedemontana Lombarda connector, etc.).

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 2020, the outcome of a large number of contracts is still pending (over €9 billion in "awaiting outcome"), again due to the widespread delays or suspensions of the awarding of contracts due to Covid-19. The Group is also the best bidder for an additional € 0.2 billion in tenders and is pursuing significant commercial opportunities for € 35 billion (of which 71% expected commercial activity from low-risk regions[1]).

Despite the complexities and uncertainties, the Group's widespread geographical footprint enabled it to acquire new orders worth approximately €2 billion and to expand its projects for the rest of this year and for the coming years ensuring a solid order pipeline. Moreover, 3.6 bn of backlog works have been unblocked in Italy. Specifically, commercial opportunities have increased by 17% in Australia and nearly 30% in the US and Canada.

Company Outlook

[1] Low risk regions include: US, Australia and Europe.

The extraordinary global situation caused by the Covid-19 pandemic started to indirectly affect production at the Group's active work sites in March and April 2020 in Italy and Europe, and this situation subsequently spread to Latin America and the Middle East.

The medium to long-term growth drivers based on the following strategic pillars are confirmed:

- Geographical diversification: greater share of key geographical areas such as Italy, North America and Australia and growth in new high-potential areas like Europe and the Nordic countries;
- Sector focus: concentration on complex infrastructure projects where the Group can capitalise on its expertise in the sustainability mobility, clean hydro energy and clean water areas;
- Continuation of the cost streamlining process: optimisation of overheads and project costs to achieve greater operating efficiency and cost synergies from integrations.

Other recent developments

The most significant new construction projects acquired by the Webuild Group after 30 June 2020 include the following (see also "*Principal Activities-New Projects*"):

- in November 2020, Fisia Italimpianti, a unit of the Webuild Group, won two engineering, procurement and construction (EPC) contracts for two desalination plants in Oman;
- in August 2020, the IRICAV 2 consortium led by the Webuild Group signed a contract to start work on the first section of a high-speed/high-capacity railway being developed between Verona and Padua and commissioned by Rete Ferroviaria Italiana (RFI) (Gruppo FS Italiane);
- in October 2020, Webuild Group's U.S. subsidiary Lane won a toll-road contract in Texas, the latest project to consolidate its presence in North America
- in October 2020, Webuild Group's U.S. subsidiary Lane won a Poinciana Parkway Phase 2 design-and-build contract in Polk County, Florida.

BUSINESS OVERVIEW

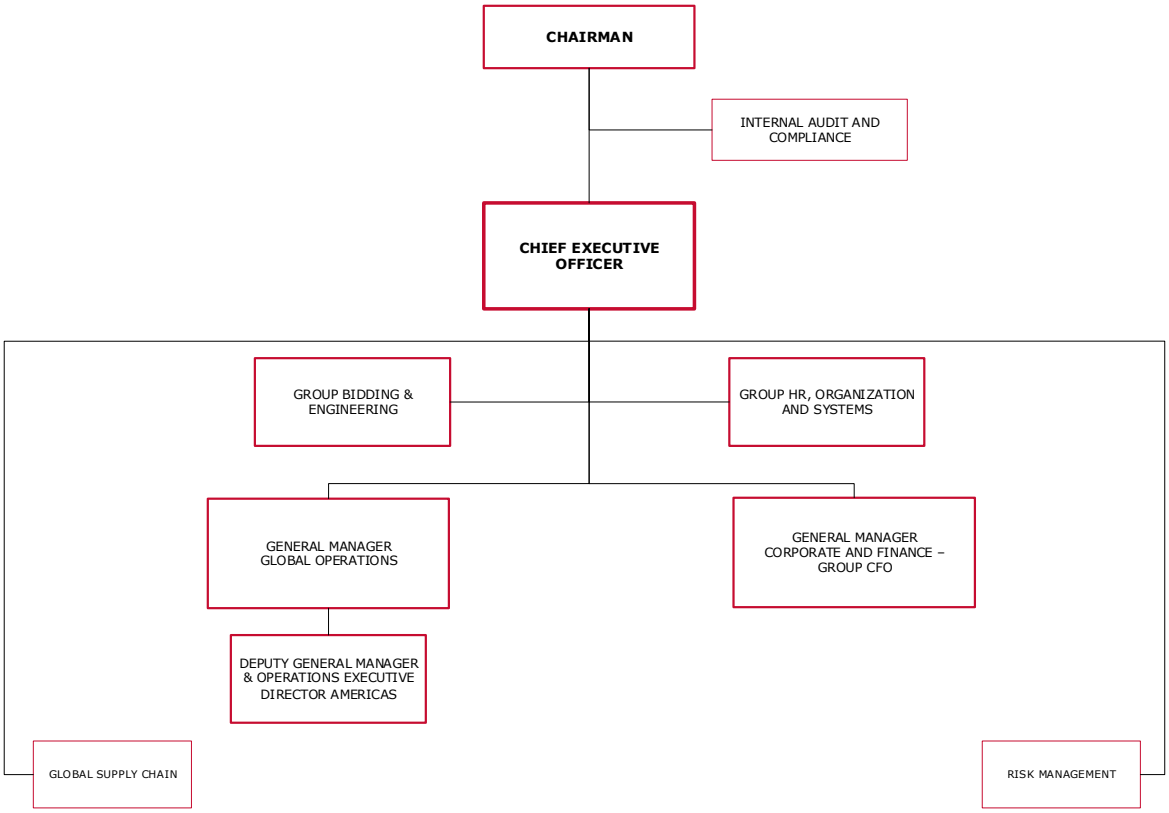
The Issuer is, by revenues, the largest Italian contractor as of 30 June 2020 and it is recognised by the Engineering News-Record (ENR) as one of the top contractors in the water, sewer/waste and telecommunications sectors (source: ENR Report, TOP 250 International Contractor, 17/24 August 2020).

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 "Al Bayt" stadium in Doha, Qatar; 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 section, 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 2019, the Group generated €5,331 million of Adjusted Revenues, €423 million of Adjusted EBITDA and it had a Net Financial Indebtedness of €631 million as of 31 December 2019. For the six-month period ended 30 June 2020 the Group generated €2,213 million of Adjusted Revenues, €111 million of Adjusted EBITDA and it had Net Financial Indebtedness of €1,099 million as of 30 June 2020.

As at 30 June 2020, the Group employed a total of 26,486 employees, of which 1,683 (or 6%) were in Italy and 24,803, or (94%), were abroad.

The following chart illustrates the high-level organisational structure of the Webuild Group.



Webuild's administrative functions are organised around its commercial activities related to bidding for new projects and executing the projects that the Group has been awarded.

Operating activities are divided into seven geographical areas[2] (Europe, Middle East, Sub-Saharian Africa, Central Asia, Far East & Oceania, Americas, North Africa), that provide technical contribution for bidding processes and coordinate the execution of construction projects. Each geographical operations area is further divided into regional clusters, to guarantee a more effective focus at country level.

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).

[2] Not considering special projects departments.

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 2020.

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 2020. 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 2020, the Group's backlog related to its Construction Activities was approximately €27.4 billion. See "*Backlog*"

Project	**Country**	**Completion percentage (1)**	**Backlog (2)**	**Total value**
			(in € millions)	(in € millions)
Hydroelectric plants, dams and hydraulic works				
Snowy Hydro 2.0	Australia	5.6%	3,144	3,377
Koysha	Ethiopia	31.6%	1,761	2,483
Rogun hydroelectric plant	Tagikistan	34.5%	1,571	1,747
Grand Ethiopian Renaissance Dam	Ethiopia	72.7%	850	3,335

Caloosahatchee (C43) West Basin Storage Reservoir	USA	6.9%	436	466
Nebt	USA	56.7%	216	495
West Ship Canal CSO	USA	5.2%	216	227
Rails and undergrounds				
Milano-Genova high speed/capacity railway line (COCIV)	Italy	45.8%	2,583	4,801
Iricav Due	Italy	1.3%	1,429	1,448
Metro Lima 2	Peru	24.8%	525	573
Line 16 of Grand Paris Express	France	18.6%	388	467
Napoli Hirpinia	Italy	1.8%	359	365
Hurontario	Canada	4.5%	351	385
Riyadh Metro Line 3	Saudi Arabia	88.7%	337	1,026
SAPINOR	Norway	5.8%	334	374
Halkali - Kapikule	Turkey	14.0%	228	265
Napoli Cancello	Italia	18.9%	206	238
Roads, highways and bridges				
Ariguani	Colombia	40.2%	653	482
I-10 Corridor Express Lanes	USA	15.7%	507	599
Statale Jonica 106	Italy	5.4%	370	316
Southern Wake	USA	17.2%	301	359
I-440 Beltline Widening - Wake Cnty	USA	17.6%	255	308
I-405 Bellevue Flatiron JV	USA	7.9%	232	251
S7 Widoma Krakow	Polonia	4.3%	190	204
I-77 / I-40 Interchange Improvement	USA	20.1%	187	232
Wekiva	USA	21.5%	179	225
I-4 Ultimate	USA	80.0%	132	659
Other projects				
Riyadh National Guard Military	Saudi Arabia	24.6%	857	1,084
Immobiliare metro B	Italy	0.0%	490	490
Air Academy	Saudi Arabia	0.7%	274	282
Gaziantep Hospital	Turkey	25.6%	267	468
Cultural Center	Nigeria	46.5%	195	388
District 1	Nigeria	23.9%	115	251
Riachuelo Lote 2	Argentina	3.7%	110	113
Cossi Costruzioni	Italy	22.1%	103	23
Eni headquarters	Italy	51.2%	83	151

(1) Represents the percentage of the works completed through 30 June 2020, 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 2020. 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

	As of 30 June 2020		As of 31 December 2019		2018	
	(in € million, except for percentages)					
Italy	**7,479.9**	***27.3%***	**7,771.3**	***26.3%***	**8,134.1**	***30.6%***
Asia	*3,242.9*	*11.8%*	*3,457.5*	*11.7%*	*4,050.0*	*15.2%*
Africa	*5,781.2*	*21.1%*	*6,061.7*	*20.5%*	*6,122.8*	*23.0%*
Americas (excluding Lane)	*2,783.3*	*10.2%*	*2,904.4*	*9.8%*	*2,283.1*	*8.6%*
Rest of Europe	*1,499.3*	*5.5%*	*1,713.3*	*5.8%*	*1,525.4*	*5.7%*
Oceania	*3,338.4*	*12.2%*	*3,536.3*	*12.0%*	*391.8*	*1.5%*
International	**16,645.0**	***60.7%***	**17,673.3**	***59.8%***	**14,373.1**	***54.1%***
Lane Group	**3,291.4**	***12.0%***	**4,096.2**	***13.9%***	**4,057.7**	***15.3%***
Total	**27,416.3**	***100.0%***	**29,540.8**	***100.0%***	**26,564.9**	***100.0%***

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 2020		As of 31 December 2019		2018	
	(in € million, except for percentages)					
Hydroelectric plants, dams and hydraulic works	*8,448.4*	*30.8%*	*9,001.5*	*30.5%*	*5,325.0*	*20.0%*
Rails and undergrounds	*8,913.0*	*32.5%*	*9,894.8*	*33.5%*	*10,113.4*	*38.1%*

Roads, highways and bridges	*6,220.6*	*22.7%*	*6,695.4*	*22.7%*	*6,903.9*	*26.0%*
Other projects	*3,834.4*	*14.0%*	*3,949.1*	*13.4%*	*4,222.6*	*15.9%*
Total	**27,416.3**	**100.0%**	**29,540.8**	**100.0%**	**26,564.9**	**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 2020 it ranks as the second world's largest contractor in the water construction sector by revenue (Source: ENR Report, Top 250 International Contractors, 17/24 August 2020). As of 30 June 2020, the Hydroelectric Plants, Dams & Hydraulic Works projects represented 30.8% 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 2020, the Rails & Undergrounds projects represented 32.5% 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 2020, the Roads, Highways & Bridges projects represented 22.7% 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 by Impregilo 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.

Concessions

As of 30 June 2020, 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 – including the Brazilian concessionaire EcoRodovias Infraestrutura e Logística S.A., in which the Group held a 29.74% interest – 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 2020.

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)	47.0	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	21.0	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's business model is underpinned by distinctive strategic pillars: efficiency, innovation and responsible conduct. 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 ("**SDG**")s.

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 is significantly affected by the current trends and construction companies can offer long-life effective solutions that stand up to the challenges of our global society.

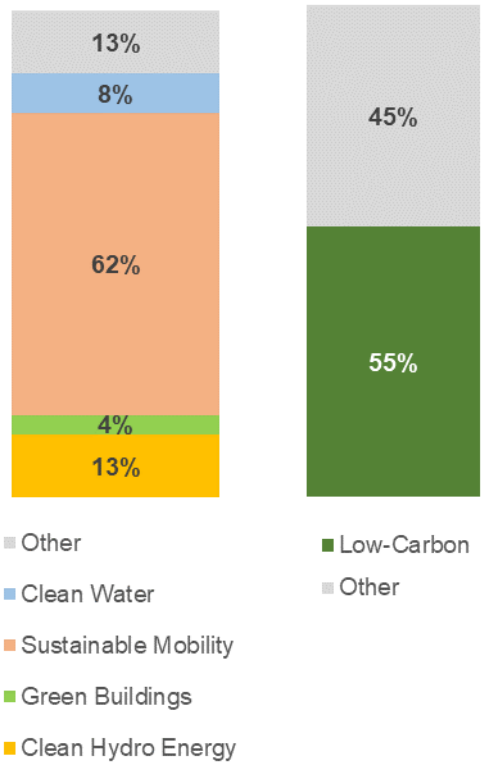
Core Business: Our performance

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.

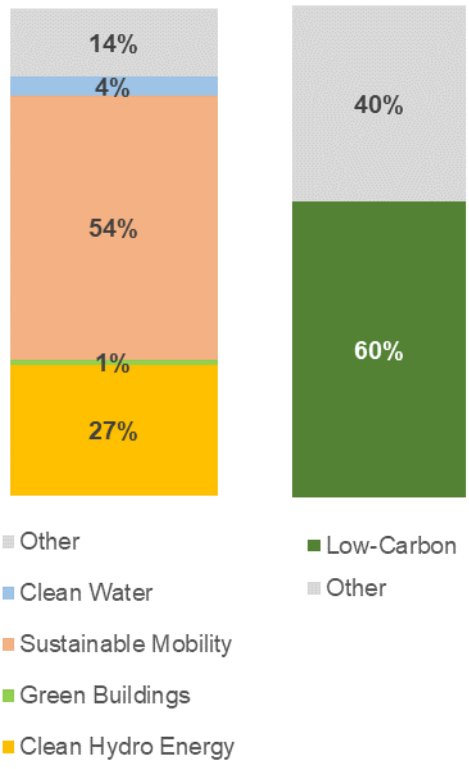
Webuild's Business Areas	Sustainable Mobility	Clean Hydro Energy	Clean Water	Green Buildings
Type of Projects	Metros*, Railways*, Roads, Motorways, Bridges, Ports, and Maritime Works	Energy-generating dams and hydroelectric plants*	Purification, desalination, wastewater management plants, dams for potable water and irrigation purposes.	Civil & Industrial Buildings with Sustainable features*

*Low-carbon projects

Contract revenue at 30 June 2020



Construction order backlog at 30 June 2020



Ongoing or completed projects at 30 June 2020 in the sustainability mobility sector accounted for **62%** of contract revenue and **54%** of the construction order backlog.

Ongoing clean hydro energy projects contributed **13%** to contract revenue and make up **27%** of the construction order backlog.

Completed or ongoing clean water projects made up **8%** of contract revenue and **4%** of the construction order backlog, while green building projects accounted for **4%** of contract revenue and **1%** of the construction order backlog.

The transport sector is responsible for a great portion of the global consumption of oil and continues to be the fastest growing GHG emitter[3] with a lot of people still without access to viable roads all year round[4].

Passenger traffic is expected to increase by 50% by 2030 to then double by 2050 while, in the meantime, only 16% of global urban journeys takes place using public means of transport [5].

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 infrastructure (roads and motorways), sea (ports, navigable channels) and air (airports) sectors.

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.

[3] World Resources Institute, https://www.wri.org/blog/2019/10/everything-you-need-know-about-fastest-growing-source-global-emissions-transport

[4] The World Bank, Transport, https://www.worldbank.org/en/topic/transport/overview

[5] Sustainable Mobility for All, Global Mobility Report 2017, https://openknowledge.worldbank.org/bitstream/handle/10986/28542/120500.pdf?sequence=6

The energy sector is responsible for around 60% of the global GHG emissions[6] while roughly 789 million people still do not have access to electricity[7].

Hydropower is the first renewable source of energy in the world and provides about 70% of all the global renewable electricity[8]. Unlike the other renewable sources like wind and solar power, which are intermittent and, therefore, cannot ensure the constant supply of energy, hydropower is the most reliable and constant source. This is why it is essential for the world's energy transition.

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.

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[9] and 80% of the water discharges are released into the environment without proper treatment[10]. In fact, the effects of climate change are having a faster-than-expected effect.

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.

[6] United Nations – Sustainable development, Energy, Facts and figures, https://www.un.org/sustainabledevelopment/energy/

[7] United Nations - Department of Economic and Social Affairs, SDG7 Overview, Progress and info (2018), https://sdgs.un.org/goals/goal7

[8] IEA Renewables Information 2020 https://www.iea.org/subscribe-to-data-services/renewables-statistics

[9] United Nations - Department of Economic and Social Affairs, SDG6 Overview, Progress and info (2017), https://sdgs.un.org/goals/goal6

[10] United Nations – Sustainable development, Water and Sanitation, Facts and figures, https://www.un.org/sustainabledevelopment/water-and-sanitation/

Green Buildings

By 2050, about 70% of the world's population will live in urban areas[11], 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[12].

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 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 2020 include the following:

- in November 2020, Fisia Italimpianti, a unit of the Webuild Group, won two engineering, procurement and construction (EPC) contracts for two desalination plants in Oman;
- in August 2020, the IRICAV 2 consortium led by the Webuild Group signed a contract to start work on the first section of a high-speed/high-capacity railway being developed between Verona and Padua and commissioned by Rete Ferroviaria Italiana (RFI) (Gruppo FS Italiane);
- in October 2020, Webuild Group's U.S. subsidiary Lane won a toll-road contract in Texas, the latest project to consolidate its presence in North America, its biggest market by revenue.
- in October 2020, Webuild Group's U.S. subsidiary Lane won a Poinciana Parkway Phase 2 design-and-build contract in Polk County, Florida, further consolidating its leadership in road work in the United States.

[11] United Nations – Sustainable development, Cities, Facts and figures, https://www.un.org/sustainabledevelopment/cities/

[12] United Nations - Department of Economic and Social Affairs, SDG11 Overview, Progress and info (2016), https://sdgs.un.org/goals/goal11

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 (usually 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, even if their resumption date is unknown.

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 and 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 32 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 refreshed its organisational model significantly in recent years to ensure continuous improvement and a sharper focus on efficiency, innovation and responsible behaviour.

Efficiency

This organisational overview has affected the entire Group, has had a profound impact on its internal culture and has required the 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.

The corporate competence centres 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.

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.

Innovation

Webuild considers innovation to be fundamental for its long-term sustainable development.

The Group's sector is known for the highly customised processing, techniques and technologies deployed depending on the nature of the works to be performed even though the construction sector is generally considered to have a low innovation level. Each project is unique and requires the development of bespoke solutions designed thanks to highly specialist know-how. The Group's work sites are real incubators of innovation and advanced research.

Innovation is not only a lever to overcome the technical challenges of the projects to be built but it also underpins the Group's competitiveness, as it contributes to making its core processes more efficient, thanks to optimised performance times and costs and support processes, as well as its social and environmental performance, because it translates into an improvement in safety conditions and a smaller impact on the environment, and, thus, on the communities where the Group operates.

Research, development and innovation initiatives take place at project and central level. They involve the technical departments of both the Group and its partners (innovative 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.

Responsible behaviour

As well as building works that contribute to a territory's sustainable development, the Group's operations reflect its principles of integrity, correctness, reliability and sustainability. Its priorities include the protection and enhancement of its people in the social sphere and the fight against climate change and promotion of the circular economy in the environmental sphere.

Webuild has a coordinated framework of policies and management systems designed to ensure compliance with the highest ethical, integrity, social and environmental principles.

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.

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.

The Issuer hopes to benefit from the revival of the infrastructure market, having already identified €645 billion of large projects for 2020-2022 around the world, driven by urbanization, mobility, digitalization, and sustainability.

In the context of the Covid-19 Pandemic, in Italy, in order to relaunch the economy, on more than one occasion, members of the government and its majority have issued declarations of intent for a new long-term investment plan for the reorganisation of the country's infrastructure. Law Decree No. 76 of 16 July 2020, converted by Law No. 120 of 11 September 2020 ("Decreto Semplificazioni") is part of this plan and is designed to streamline the calls for tenders procedure and the timeline between the tender award and the start of the works. It introduces sanctions for public officials who hinder the performance of public works, reduces the award times to within six months of the closure of a call for tenders, shortens the time involved in collecting receivables to improve working capital and adopts a model with extraordinary commissioners to manage and supervise strategic projects to ensure they are carried out rapidly. These infrastructure projects are essential to relaunch Italy's economy and have been included in the "Italia Veloce" plan (the Italy fast-track plan) and comprise railway, road and motorway, airport and port works with an investment programme of around €130 billion.

Toghether with the so-called "Sbloccacantieri" regulation approved in June 2019, the Law Decree No. 34 of 19 May 2020, converted by Law No. 77 of 17 July 2020 ("Decreto Rilancio") and the aforementioned "Decreto Semplificazioni", could potentially unlock €40 billion of projects in Italy in the 2020-2023 period, also represents potential business opportunities.

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 (such as the United States, Australia, Canada and Northern Europe) 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

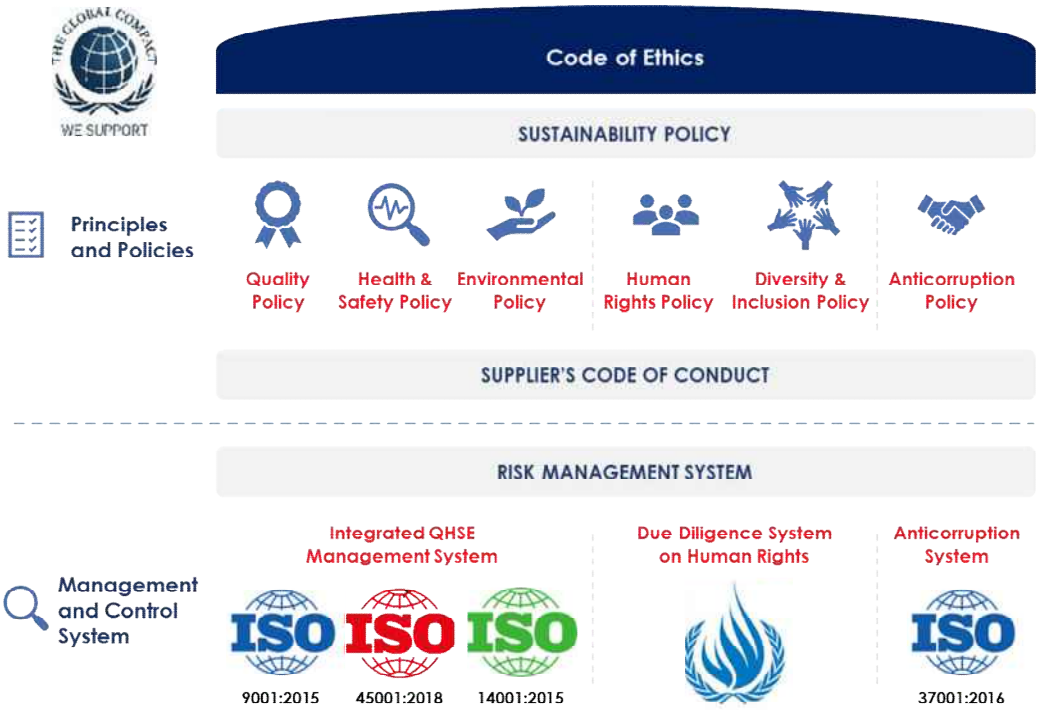
The Group's business model pursues the objective of combining the creation of economic value for shareholders, investors and customers with the creation of social and environmental value for customers, employees and other relevant stakeholders of the countries in which the Group operates, adopting an approach designed to create shared value.

In 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.

The Sustainability Strategy allows the Group to pursue 11 of the key Sustainable Development Goals (SDGs) defined by the United Nations.

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 and operations with ten universal principles relating to human rights, labour, the environment and the fight against corruption.

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. The main ESG ratings are shown below.

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 maintain the expected and desired quality of the Group's projects, in order to: (i) comply with the technical requirements defined by the contract specifications; (ii) focus on the health and safety of employees and of those involved in the Group's projects; and (iii) reduce the environmental impact of the projects. Processes that may have an impact on the QHSE System and requirements 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 and 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 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.

The working methods are planned and developed taking into consideration:

- the legal and regulatory requirements
- the identification of each significant environmental aspect, its impacts and the mitigation/control measures to be adopted;
- training; and
- monitoring compliance.

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 emission, noise and vibration, 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. In addition, the Group establishes ''environmental targets'' on an annual basis, monitor its environmental performance and implement improvement activities as necessary.

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:

- legal requirements (including Legislative Decree 81/2008) 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.

The control activities are based on:

- control programmes, inspections and testing of materials/products - upon delivery and/or at the supplier's premises - work activities, checks of documented information, operational methods, permits, processes, qualifications, construction materials, work environment conditions, equipment, software and personnel, in all cases with reference to standards, codes and contractual and legal requirements, frequency of checks, tolerance limits, responsibilities and checks on records;
- guidelines providing, for each project, working parameters, equipment/machinery to be used, execution sequence, requirements to be met, specific qualifications of personnel and records to be kept, risk control (including health and safety).

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 year 2020. 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 year 2020 are described below:

- ideation, feasibility study, prototyping and experimental development of advanced virtual multidimensional models and tools to optimise the planning, design, construction and operation of complex building and civil works;
- study and experimental development of innovative electrical systems for the 4.0 work sites;
- 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;

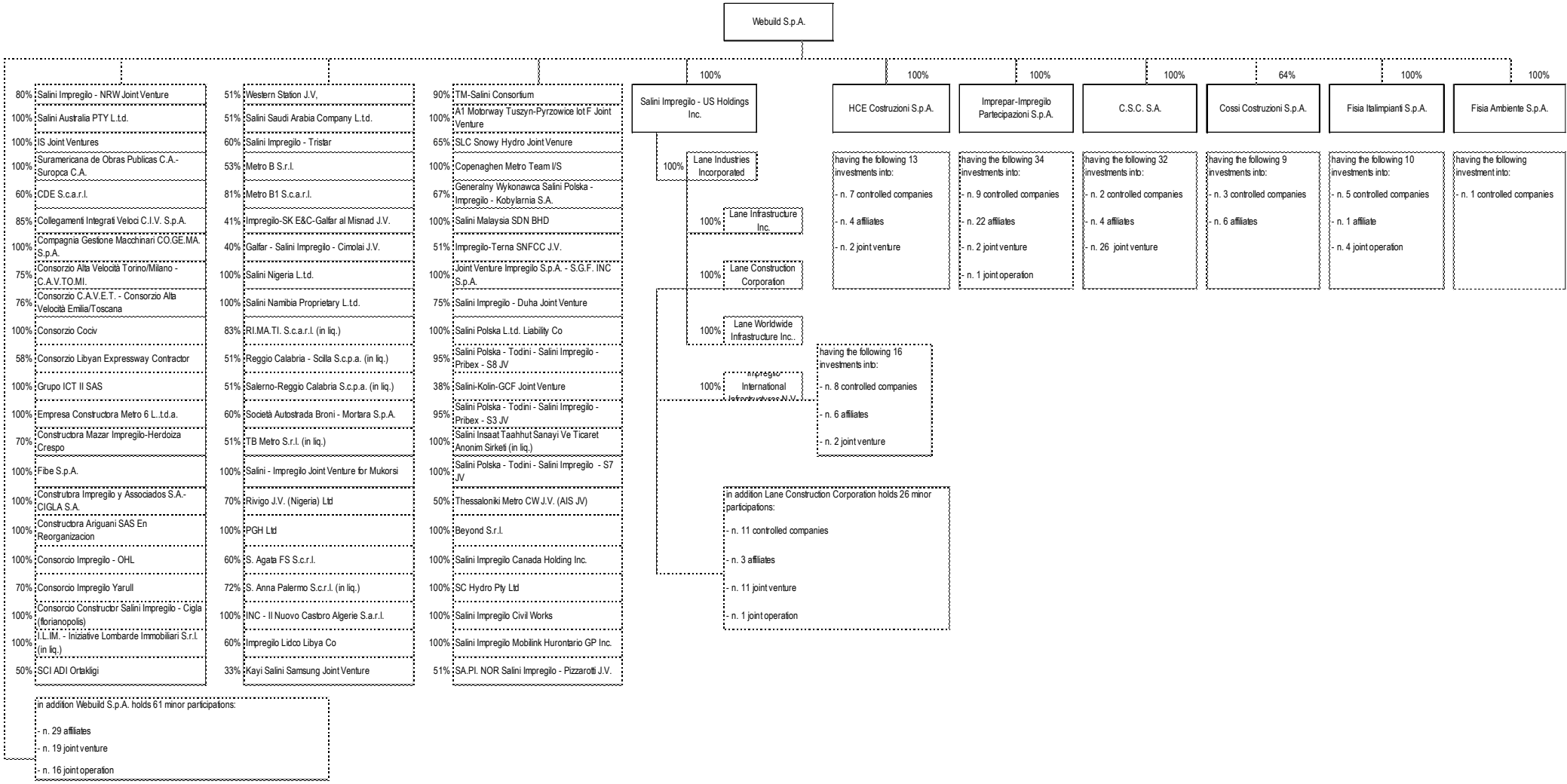
c) acquisition, blending, structuring and utilisation of knowledge and existing scientific, technological and commercial capabilities to prepare plans, projects or designs for new products, processes or services, or to modify or improve them, including feasibility studies;

d) development of prototypes to be used for commercial purposes and pilot projects for technological or commercial testing;

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 2020.



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 2020. Pursuant to the Issuer's current by–laws which were approved by the extraordinary shareholders' meeting held on October 4, 2020 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[(3)]	Chairman	6 December 2019	Notaresco (Teramo), 1 October, 1959
Pietro Salini[(2)]	Chief Executive Officer	17 July 2012	Rome, 29 March 1958
Nicola Greco[(1)(3)]	Vice–Chairman	12 September 2013	Rome, 15 October 1949

Name and Surname	Position	Date of First Appointment	Place and Date of Birth
Francesca Balzani[1] [3]	Director	6 December 2019	Genoa, 31 October 1966
Giuseppina Capaldo[1] [3]	Director	17 July 2012	Rome, 22 May 1969
Mario Giuseppe Cattaneo[1] [3]	Director	17 July 2012	Genoa, 24 July 1930
Roberto Cera[3]	Director	17 July 2012	Milan, 24 June 1955
Pierpaolo Di Stefano[3]	Director	6 December 2019	Rome, 6 August 1969
Giuseppe Marazzita[1] [3]	Director	6 December 2019	Camerino (Macerata), 1 May 1966
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
Franco Passacantando[1] [3]	Director	12 September 2013	Rome, 7 August 1947
Laudomia Pucci di Barsento[1] [3]	Director	17 July 2012	Firenze, \6 September 2019
Alessandro Salini[3]	Director	17 July 2012	Rome, 26 March 1961
Grazia Volo[3]	Director	30 April 2018	Caltanissetta, 17 September 1952

(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.

(5) On 2 December 2019, former independent Directors Marina Brogi, Raffaella Leone, Geert Linnebank and Giacomo Marazzi, in consideration of the industrial and strategic rationale of Progetto Italia which was thoroughly discussed and agreed upon within the Board of Directors, also having regard to the agreements entered into with the parties of Progetto Italia and, in particular, the CDP Equity Investment Agreement (see ''*Principal Shareholders-Shareholders' Agreement*"), communicated their resignation from office, effective from the time the Board would met to resolve upon their replacement by co-optation. In accordance with the provisions set forth under the CDP Equity Investment Agreement, the Chairman of the Board, Donato Iacovone, and Directors

Francesca Balzani, Pierpaolo Di Stefano, Giuseppe Marazzita and Marina Natale, who were designated by CDPE, were appointed by co-optation during the Board meeting held on 6 December 2019, pursuant to Art. 2386, paragraph 1, of the Italian civil code and Art. 20 of the Issuer's by-laws.

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 has a 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 also currently serves as the Chairman of the Board of Directors of Lane Industries, Inc.. He is also a Member of the Board of Confindustria, General Representative on the Board of Unindustria and Executive Committee Member of Assonime. On 31 May 2013, he was honoured with the title of "*Cavaliere del Lavoro*" (Knight of Labor), for his service to industry, and on 11 December 2013, he won the Tiepolo Award in Madrid for the deal that resulted in the takeover of Impregilo.

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 capacities, including as Project Engineer and Project Manager, and was later named Deputy General Manager and, in 1994, CEO, a role that he kept until 2007. From 2007 to February 2016,

he has served as CEO of the Permasteelisa Group. From 2011 to 2014, he also served as Director of Saipem S.p.A. and from 2008 to 2015, as member of the Supervisory Board of Josef Gartner GmbH. He currently serves as a member of the Board of Directors of Salini Costruttori S.p.A.. He is Professor of Economics and Business Management at the Biomedical Campus University in Rome – Engineering Faculty.

Francesca Balzani. Ms. Francesca Balzani has served as a member of the Board of Directors of the Issuer since December 2019. She served as member of the Steering Committee at the Fondazione Cassa di Risparmio di Genova e Imperia, where she chaired the Social Projects Committee. She also served as Chairperson of Opere Sociali, a subsidiary of the Fondazione Carige whose aim is to pursue social-related projects. She carried out academic activities, also in *post-lauream* courses, in particular the Master in Tax Law at the University "Luigi Bocconi" of Milan. She is the author of various publications in tax-related matters. During her career, she has served as Councilor at the Municipalities of Milan and Genoa, and also held important offices at the European Parliament and the ANCI (Italian Association of Municipalities). She served as independent director and member of the Risks Committee of Carige S.p.A., and she currently serves as board member of Banca Cesare Ponti S.p.A. and independent director of Infrastrutture Wireless Italiane - Inwit s.p.a. (Telecom Group), where she is also a member of the Risks Committee.

Giuseppina Capaldo. Ms. Giuseppina Capaldo has served as a member of the Board of Directors of the Issuer since 2012. She is Full Professor of Private Law at "La Sapienza" University of Rome and she has been Deputy Rector for Resource Planning and Assets (since 2014). She currently serves as Independent Director of Ferrari N.V. (2015 – present) and TIM S.p.A. (2018 - present). She served as Independent Director of the Board of Exor S.p.A. (2012-2015); Credito Fondiario S.p.A. (2014-2017); Banca Monte dei Paschi S.p.A. (December 2017 - May 2018). She was a member of the Board of Directors of Ariscom S.p.A. (2012-2015) and A.D.I.R.- Assicurazioni di Roma (2006-2010). She collaborated with the Macchi di Cellere Gangemi law firm in the Banking and Finance, Corporate and M&A sectors (2004-2007). She served, at "La Sapienza" University, as Deputy Rector for Strategic Planning (2008-2014); Head of Department of "Law and Business (D.E.A.P.)" (2007-2013); Director of PhD "Contract Law and Business" (2007-2011); and Director of LLM "Financial Markets Law" (2009-2014). Ms. Capaldo has a degree in Economics and a degree in Law from "La Sapienza" University of Rome, has been a licensed certified public accountant since 1992 and is listed in the Register of Independent Auditors (since 1999). In addition, Ms. Capaldo has been qualified to practice law in Italy since 2003. She authored several publications in the areas of contract law, insurance law, financial law and market legal theory.

Mario Giuseppe Cattaneo. Mr. Mario Giuseppe Cattaneo has served as a member of the Board of Directors of the Issuer since July 2012. He has a degree in Economics and Business Administration from Luigi Bocconi Commercial University of Milan, is a licensed certified public accountant and is listed in the Register of Independent Auditors. He is Professor Emeritus of Corporate Finance at the Sacro Cuore Catholic University in Milan. He was Director of Luxottica S.p.A. and he currently serves as member of the Boards of Directors of Bracco S.p.A., and is a consultant for several industrial and financial groups.

Roberto Cera. Mr. Roberto Cera has served as a member of the Board of Directors of the Issuer since July 2012. He has a degree in Law from the Statale University in Milan and is licensed to practice law and is qualified to serve as counsel before higher–level courts. He has worked on major stock underwritings in Italy, as a consultant both to the underwriters and to the issuers, and is an expert in regular and structured debt transactions and acquisition financing in particular. He participated in the organization and implementation of the most important M&A and extraordinary finance transactions of the last years. He served on the Board of Directors of Autostrade S.p.A.,

Atlantia S.p.A., Schemaventotto S.p.A. and Beni Stabili S.p.A. and Salini Costruttori S.p.A.. After a 10–year experience at a prestigious law firm in Milan, in 1989, he founded the Cera Cappelletti law firm, a professional association active in Milan in extraordinary finance transactions and, in 1995, he contributed to the establishment of the Erede e Associati law firm. He was a founding partner of the BonelliErede (formerly Bonelli Erede Pappalardo) law firm, where he is currently a senior partner.

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., CEO of CDP Equity S.p.A., CDP Industria S.p.A. and FSI Investimenti S.p.A.; he is also a board member of Salini Impregilo S.p.A., B.F. S.p.A. and CDP Venture Capital SGR 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 ltaly Corporate and lnvestment Banking. He served as head of ltalian lnvestment 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.

Giuseppe Marazzita. Mr. Giuseppe Marazzita has served as a member of the Board of Directors of the Issuer since December 2019. He graduated in Law from La Sapienza University in Rome in 1990. He has worked as a lawyer since 1993. In 1995, he began his research doctorate in Constitutional Law at Ferrara University, achieving his PhD in 1999. In 1999, he won a post-PhD scholarship with Prof. Michele Ainis, while in 2000 he became a research worker at Teramo University, in Italy. In 2003, he founded the Marazzita & Associati law firm in Rome. The firm specializes in consultancy and in safeguarding companies from criminal offences, tax and financial litigations, litigations against the Italian Public Administration, revenue liabilities and in administrative litigation. In 2004, he became an associate professor for Public Law Institutions and in 2006 he rolled as a lawyer with the right to exercise in Supreme Courts. Since 2008, he is the Coordinator in the Research Doctorate for the Safeguard of Fundamental Rights at the Faculty of Law at Teramo University. In 2012, he was appointed Extraordinary Professor, while in 2015 he was confirmed Full Professor in Constitutional Law at the Law Faculty of Teramo University, Italy. Since 2012, he is a member of the Commissions of the Italian Ministry of the Interior, the Police Commissionership and First Manager ("Primo Dirigente" for the Italian Police). Since 2013, he has been appointed Pro-rector with a research proxy at Teramo University. Since 2016 he has been a Collegiate member of the university’s PhD function, and a tutor for many young researchers. Since 2019, he is the Deputy Vice Chairman for the Law Faculty of Teramo University. He teaches and has taught in Master's courses and in Specialization Schools, participating in research projects of a national interest. He has spoken in many conventions and seminars, and also published many books and various monographic works.

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 Valentino and Fiera Milano where she was appointed in 2017 as CEO to temporarily manage the company during the last period of

judicial administration decided by the Milan Court. She also served as member of the Assonime (Association of Italian Joint-Stock Companies) and ABI (Association of the Italian Banks).

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, due to his professional career path and acquired knowledge, he became the partner and founder of consultancy companies 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., Director of Parente&Partners S.r.l. and Chairperson of the External Auditing Committee of American Express Italian Branch. He taught at Milan's Catholic University, and subsequently at the Carlo Cattaneo University - LIUC, where he currently is professor of Banks and Financial Markets Law.

Franco Passacantando. Mr. Franco Passacantando has served as a member of the Board of Directors of the Issuer since December 2013. He has a degree in Statistics from La Sapienza University of Rome and a Master of Arts in Economics from Stanford University. He is currently also an expert member of the Board of the European Investment Bank, a professor at LUISS University, a senior fellow of the LUISS School of European Political Economy in Rome. He is a member of the Board of Directors of Euroclear (Plc and SA/NV) and Chairman of Società di Gestione del Risparmio Antirion. He has held several senior positions at the Bank of Italy where, as Central Director, he has been in charge of relations with international institutions and previously in charge of market operations, reserve management and payment systems. In his early years at the Bank of Italy, from 1976 to 1995, he held several positions in the Research Department, including that of Head of the Monetary Sector. He has also been involved in several projects in the area of payment systems. Acting on behalf of the Bank of Italy, he has been the Governor Deputy for the G20 and the G7, a member of the Economic and Financial Committee of the European Union, of various working groups and Committees at the OECD (WP3 and Financial Markets Committee) and the Bank for International Settlements (Committee on Payment and Settlement Systems). Recently he also chaired (in 2013) the international OTC Derivatives Regulators' Forum and (in 2012) the international Working Group for the review of the 2001 IMF Guidelines on Foreign Exchange Reserve Management. From 1995 to 2013, he was Executive Director at the World Bank, where he held the positions of Chairman of the Budget Committee, Chairman of the Audit Committee and of Dean of the Board.

Laudomia Pucci di Barsento. Ms. Laudomia Pucci di Barsento has served as a member of the Board of Directors of the Issuer since 2012. She has a degree in Political Sciences from LUISS–Guido Carli University of Rome and she started her professional career in 1985 at Emilio Pucci S.r.l., from 1985 to 1989, she was an assistant to the company's founding shareholder; from 1989 to 2000, she was Chairperson of the Board of Directors and Chief Creative Officer. She currently serves as Deputy Chairperson and Image Manager. In addition, she is a member of the Steering Committee of Ente Cassa di Risparmio di Firenze, a Vice President and Director of Fondazione Altagamma, a member of the Board of Directors at Polimoda and the Palazzo Strozzi Foundation (United States of America).

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. 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. where he worked as Market Development and Special Projects Director. He also held a more "institutional" role within the European International Contractors (EIC) association, participating in work groups and holding the role of Board Member, to represent Italian building companies. Since 1994, he also is a Director of Salini Costruttori S.p.A., Salini S.p.A. and of other subsidiaries of the Salini Costruttori Group. He is currently a Board Director of Salini Costruttori S.p.A. and of other companies belonging to the Salini Costruttori Group. Mr Alessandro Salini is a member of FORT/WGFA (Wharton Global Family Alliance), and Managing Director of Sa.Par (Salini Partecipazioni), the family holding belonging to Francesco Saverio Salini.

Grazia Volo. Ms. Grazia Volo has served as a member of the Board of Directors of the Issuer since 2016. She has a degree in Law from the University of Palermo. She has been a lawyer since 1975. Since 1993, she has been authorized to practice before Italy's highest courts. Grazia Volo is the founder and owner of a firm which bears her name, which is established as a professional partnership. The firm is specialised in criminal law, with specific expertise on corporate and financial offences, environmental crimes and offences against the public administration. Grazia Volo has gained extensive experience in judicial and extra–judicial counselling of large Italian companies, both private and public, including on corporate administrative liability under Legislative Decree 231/2001. The firm, which also specialises in crimes of opinion, has advised and represented various national journalistic.

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 6 December 2019.

(a) *Compensation and Nominating Committee*, which is composed of the following three Independent Directors: Ferdinando Parente (Chairman), Nicola Greco and Giuseppe Marazzita.

(b) *Risks, Control and Sustainability Committee*, which is composed of the following six Independent Directors: Mario Cattaneo (Chairman), Francesca Balzani, Nicola Greco, Marina Natale, Ferdinando Parente and Franco Passacantando.

(c) *Related Parties Committee*, which is composed of the following three Independent Directors: Giuseppe Marazzita (Chairman), Giuseppina Capaldo 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: Pierpaolo Di Stefano (Chairman), Francesca Balzani, Nicola Greco, 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 196
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. Born in Milan in 1965, 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. Born in Macerata on 30 June 1964, 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. Born in Brescia on 4 August 1972, 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 since4 May 2020. Born in Padula (SA) on 22 March 1963, 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 Banca IMI spa and of Consorzio Studi 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 both the Issuer and Salini Costruttori;
- Alessandro Salini is member of the Board of Directors of the Issuer and of Salini Costruttori;
- Nicola Greco is Vice-Chairman of the Issuer and member of the Board of Directors of Salini Costruttori; 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 893,788,182 shares with no par value, comprising 892,172,691 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 0.15% of its ordinary share capital.

The Issuer's by-laws which were approved by the extraordinary shareholders' meeting held on 4 October 2019 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 27 November 2020, 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:

- Salini Costruttori holds an interest equal to approximately 44.91 per cent of the share capital (44.99 per cent of the voting rights);
- CDP Equity holds an interest equal to 18.65% of the share capital (18.68% of the voting rights);
- Intesa Sanpaolo S.p.A. holds an interest equal to 5.27% of the share capital (5.28% of the voting rights);
- UniCredit S.p.A. holds an interest equal to 5.37% of the share capital (5.378% 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 0.67% of the share capital (0.67% 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 - 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 Simonpietro 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.

Simonpietro Salini holds directly approximately a 0.25 per cent. 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. Simonpietro 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, (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, and (iii) certain limitations and obligations relating to the transfer of the Webuild shares owned by Salini Costruttori and CDP Equity to allow Salini Costruttori to retain sole control over the Issuer after the execution of the aforementioned Capital Increase.

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 Proceedings

Campania Project/Fibe

Since the 90s, the Issuer is involved in a complex litigation relating to urban solid waste disposal projects in Naples and other provinces of the Region of Campania in Italy (the "**Campania Projects**").

In 2000, a joint venture (*associazione temporanea di imprese*) entered into two agreements relating to the Campania Projects (the "**Campania Agreements**"). The Campania Agreements were subsequently assigned to the Issuer's subsidiaries Fibe S.p.A. ("**Fibe**") and Fibe Campania S.p.A ("**Fibe Campania**"), which subsequently merged into Fibe in 2009. In 2001, shortly after the execution of the Campania Agreements, the City of Naples and the Region of Campania experienced a waste disposal crisis. In light of these circumstances, the Campania Agreements were terminated by Italian law pursuant to the provisions set forth in Law Decree No. 245 of 30 November 2005 (subsequently converted into Law No. 21 of 27 January 2006) on 15 December 2005 (the "**Contract Termination Law**").

The major issues that have characterized the Group's activities in service contracts since 1999-2000, have evolved over the years, giving rise to a large range of disputes, some of which are major

and in part still ongoing. A brief overview is provided below, especially in relation to existing risk positions.

Considering that, during 2009, Fibe Campania was merged by incorporation into Fibe, in the below reference is made exclusively to Fibe even with regard to positions or events originally pertaining to Fibe Campania, save as otherwise specified.

Since May 2005, the extraordinary government commissioner appointed to deal with the waste disposal crisis of Naples (the "**Commissioner**") claimed damages against Fibe and Fisia Italimpianti S.p.A. (now Fisia Ambiente S.p.A., "Fisia Ambiente"), of approximately €1,700.0 million, consisting of alleged damage of approximately €700.0 million for breach of contract and approximately €1,000.0 million related to reputational damages.

The defendant companies responded to these claims and counterclaimed for approximately €2,150.0 million in damages, of which (i) over €650.0 million related to damages for breach of contract and miscellaneous additional costs; and (ii) €1,500.0 million related to reputational damages. In the same proceeding, the banks guaranteeing Fibe's and Fibe Campania's contractual obligations to the Commissioner requested the Commissioner's claim be dismissed and, in the event of acceptance of the Commissioner's claim, to be held harmless by the Issuer, which appeared before the court and disputed the bank's requests. With judgment No. 4253 of 2011, the judge of first instance declared its lack of jurisdiction and established the jurisdiction of the administrative court over such proceedings. The State Attorney's Office (*Avvocatura dello Stato*) appealed such decision. On 14 February 2019, the appeal was rejected and the lower court's decision was confirmed. The State Attorney's Office filed an appeal before the Italian Supreme Court against the Appeal Court's ruling.

In addition, on 30 November 2015, Fibe (along with other Group companies involved in various ways in the activities performed in Campania for the waste disposal service) filed a new claim against the Presidency of the Council of Ministers ("**PCM**") claiming damages suffered as a result of termination of the agreements in 2005. The total amount requested by Fibe is equal to €2,429 million but, considering that it includes some requests already made in other judgements, the amount claimed, net of the aforementioned duplications, is equal to €2,258 million. The PCM has responded to these claims and counterclaimed for €845.0 million in damages, on the basis of claims already filed in other existing proceedings. The court appointed an expert to appraise the claim filed by Fibe. The expert prepared two alternative appraisals in connection with the damages suffered by Fibe, one of approximately €56.0 million, and on of approximately €114.0 million. In its ruling published on 25 October 2019, the Court awarded Fibe a receivable of approximately €114 million and to the PCM a receivable of approximately €80 million. Consequently, after the relevant offset, PCM was ordered to pay Fibe an amount of approximately €34 million, plus interest from 4 December 2015. Both Fibe and the Office of the Prime Minister have filed separate appeals.

Furthermore, PCM requested the return of the advance of approximately €52.0 million paid for the construction of the plants for the production of refuse-derived fuels (the "**RDF Plants**"). Fibe claimed that the receivables towards the PCM, mostly for work performed on its behalf and for the amounts accrued as a tariff, would offset this advance. The proceeding at first instance ended with ruling No. 4658 of 2019 by which the Tribunal of Naples allowed only part of Fibe's receivables (i.e., the fee already collected by the PCM) for offsetting purposes, ordering the company to repay the difference between the receivables admitted as set–off and the amount collected as an advance, equal to approximately €10.0 million, plus interest. As of the date of this Offering Circular, Fibe notified its appeal. However, the amount of approximately €10.0 million could be offset against Fibe's greater receivable of €52.955 million, plus interest, as per the ruling of 21 March 2019 of the Regional Administrative Court of Lazio handed down as part of the administrative proceedings for the

recording of costs described below. See "*Administrative procedures for the recording and recognition of the costs for the activities carried out and the works commissioned by the public administration following the Contract Termination Law*".

Panama Canal Project

In relation to the Group's work on the extension of the Panama Canal, a number of critical issues arose during the first stage of full-scale production, 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 carried out in the early phases of the project. The most critical issues are related to, *inter alia*, the geological characteristics of the excavation areas, specifically with respect to 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 client of operational and management procedures that were 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 circumstances continued in 2013 and 2014. Faced with the client's consistent refusal to act in accordance with the contractually provided mechanisms for dispute resolution, the contractor (and thus also the original contractor partners) was forced to acknowledge that it was no longer possible to continue the construction activities needed to complete the project, as doing so would be at its full and exclusive risk, and involve undertaking the full financial burden of the project without any guarantee that the client would participate in negotiations with the counterparty. In this context, at the end of 2013, formal notice was sent to the client to inform it of the intention to immediately suspend work unless it was agreed to address the dispute in accordance with the contractually agreed approach based on good faith and the willingness of all parties to reach a reasonable agreement.

Negotiations between the parties, supported by their respective consultants and legal experts, took place in February 2014 and, on 13 March 2014, an agreement was signed. The key terms of the agreement provided that the contractor would resume works and functionally complete them by 31 December 2015, while the client and certain contractor companies agreed to provide financial support for the works to be finished up to a maximum of approximately USD 1.4 billion (€1.3 billion). The client met these obligations by granting a moratorium on the refunding of already disbursed contractual advances totalling approximately USD 800.0 million (€729 million) and disbursing additional advances amounting to approximately USD 100.0 million (€91 million). The group of contractor companies met their obligations by directly disbursing approximately USD 100 million (€91 million) and additional financial resources, through the conversion into cash of existing contractual guarantees totalling approximately USD 400 million (€360 million).

While the agreement of 13 March 2014 concerned the financial support for the completion of the canal, the contractor Grupo Unido Por el Canal ("**GUPC**") made claims against the customer in the execution of the contract.

In relation to these claims, after a pre-litigation phase before the Dispute Adjudication Board (the "**DAB**"), there is a series of ongoing arbitration proceedings administered by the International Chamber of Commerce between the GUPC (with its European partners Sacyr, Webuild and Jan De Nul) and the Autoridad del Canal de Panama ("**ACP**").

As of the date of this Offering Circular, after the conclusion of the respective proceedings before the DAB, the following arbitration proceedings are pending:

(i) an arbitration relating to the DAB's decisions issued in connection with the claims filed by the GUPC about the inadequate quality of the basalt compared to the quality guaranteed by the ACP, and the lengthy delays caused by the ACP to approve the design formula for the

concrete mix. The DAB awarded GUPC an amount of USD 265.0 million, fully collected by the consortium. The initial stage of the proceedings was concluded in favour of the GUPC with an award confirming the arbitral tribunal's jurisdiction to rule on the damages incurred by the individual members of the consortium. Following such stage, the Arbitral Tribunal issued a partial award at the end of September 2020, admitting only part of the GUPC's requests for a total amount of USD 20.7 million, in addition to certain other requests whose amounts is to be negotiated between the parties in the following 30 business days on the basis of the guidelines of the Arbitral Tribunal. In the absence of an agreement between the parties, such amounts will be determined by the final award of the Arbitral Tribunal;

(ii) an arbitration relating to the extra costs incurred by the GUPC due to certain unjustified conditions imposed by the ACP for the design of the lock gates and other claims regarding labour costs. As of the date of this Offering Circular, the proceeding still is at an early stage;

(iii) an arbitration, commenced in 2016, involving different claims that represent the object of reservations in the completion certification. As of the date of this Offering Circular, the proceeding still is at an early stage.

Moreover, on 11 March 2020, Webuild started an arbitration proceeding before the International Centre for Settlement of Investment Disputes (ICSID) against the Republic of Panama, claiming damages suffered as a consequence of the reiterated violations by the Republic of Panama of the bilateral treaty signed in 2009 between its Government and the Italian Government, aimed at the promotion and protection of investments. As at the date of this Offering Circular, the proceeding is at the phase of constitution of the arbitral tribunal.

The Panama Canal works have satisfactorily passed the substantial completion test and ACP has issued the taking over certificate. On 26 June 2016, the extension of the Panama Canal project was officially inaugurated.

Cavtomi Consortium (Turin–Milan High–speed/High Capacity Line)

Fiat S.p.A. (now FCA N.V.), in its capacity as general contractor of the contract concerning the Turin–Milan High speed/High capacity railway line for the sub–section Novara–Milan, has the obligation to manage the claims filed by the General Contractor Cavtomi Consortium ("**Cavtomi Consortium**"), in which the Group holds an interest equal to 74.69%, against the customer Rete Ferroviaria Italiana ("**RFI**").

In light of the above, in 2008, FCA started an arbitration proceeding against RFI claiming (i) damages for the delays in the activities; (ii) non–achievement of early completion bonus due to the customer's conduct; and (iii) higher remuneration. On 9 July 2013, the Arbitral Tribunal issued an award in favour of FCA, ordering RFI to pay an amount of approximately €187.0 million (of which about €185.0 million to Cavtomi Consortium).

In 2013, RFI appealed the award before the Court of Appeal of Rome and paid the amount due to FCA which, in turn, paid to Cavtomi Consortium its share.

On 23 September 2015, the Court of Appeal of Rome cancelled a significant portion of the aforementioned arbitral award. FCA appealed such decision before the Italian Supreme Court.

Following the decision of the Court of Appeal, RFI served a writ of enforcement on FCA for an amount of approximately €175.0 million. Subsequently, FCA and RFI reached an agreement pursuant to which FCA, in order to prevent the enforcement of the Court of Appeal's decision, without prejudice to the parties' rights which are subject to final judgment: (i) paid an amount of

approximately €66.0 million; and (ii) issued to RFI a bank guarantee of €100.0 million (€75.0 million for the Issuer).

As of the date of this Offering Circular, the merits hearing has yet to be scheduled.

In addition, FCA and the Cavtomi Consortium have commenced the following actions:

- on 11 November 2016, FCA filed an appeal before the Regional Administrative Court of Lazio for the recognition of reserves for a total amount of approximately €18.0 million presented during the contract's term and not covered by the abovementioned award of 2013. This proceeding was firstly suspended and then resumed. As of the date of this Offering Circular, the hearing before the competent administrative judge has yet to be scheduled;
- on 12 October 2017, FCA filed a petition before the Tribunal of Rome to obtain the recognition of further claims made during the contract's term and not covered by the previous award, for a total amount of €109.0 million. As of the date of this Offering Circular, the proceeding is still in the pre-trial phase for the official technical consultancy.

Eurolink

In March 2006, Impregilo S.p.A. (now Webuild S.p.A.), in its capacity as leading contractor (with a 45% interest) of a Temporary Association of Companies (subsequently incorporated into Società di Progetto Eurolink S.C.p.A., "**Eurolink**"), entered into an agreement with Stretto di Messina S.p.A. ("**SDM**") to entrust to the general contractor the final and executive design for the construction of a bridge over the Strait of Messina, with the related roadway and railway connections.

A pool of banks granted the Temporary Association with the funding required by the agreement, by means of credit lines totalling €250.0 million (subsequently reduced to €20.0 million in 2010). In addition, the project was guaranteed with performance bonds for €239.0 million.

In September 2009, SDM and Eurolink entered into an addendum to the original agreement in order to take into account the suspensions that have occurred to the project since its beginning. In compliance with the contractual provisions, the project's final design was submitted to the customer and, on 29 July 2011, approved by the board of directors of SDM.

On 2 November 2012, the Law Decree No. 187 ("**Decree 187**"), concerning "*Urgent measures for the renegotiation of the contracts with Stretto di Messina S.p.A. and for local public transport*", was issued. Following the enactment of Decree 187 and in light of the potential implications on Eurolink's position (of which Webuild is the leader), Eurolink exercised its withdrawal from the agreement, also in order to protect all Italian and foreign partners. Despite this, given the prominent interest to the realisation of the project, Eurolink also expressed its availability to change its position should the customer concretely demonstrate its intention to carry out the project.

Notwithstanding further discussions between Eurolink and SDM, negotiations were unsuccessful.

Eurolink started several legal proceedings in Italy and in front of European institutions, on the one hand, arguing that the provisions of Decree 187 are contrary to the Italian Constitution and European treaties and jeopardise the rights legitimately acquired by Eurolink pursuant to the contractual provisions and, on the other hand, claiming the payment by SDM of the amounts required, for various reasons, as a result of the termination of the agreement due to events outside Eurolink's will. With respect to judicial actions at the European level, in November 2013, the European Commission communicated its decision not to proceed with Eurolink's action, as no treaties were violated, and confirmed its decision in January 2014 by closing the proceedings.

With regards to the civil proceedings in front of the Italian Courts, the Issuer and all the members of Eurolink have jointly and severally claimed that SDM be ordered to pay the amounts due, for various reasons, as a result of the termination of the agreements due to events outside their will, for a total amount of approximately €657.0 million.

With ruling No. 22386 of 16 October 2018, the Court of Rome rejected the applications filed by the plaintiffs and the counterclaims filed by SDM. Conversely, the Court of Rome declared that the customer's withdrawal from the contract with Parsons Transportation Group Inc. ("**Parsons**"), engaged by SDM for the project management services, was legitimate (referring the calculation of the indemnity due to Parsons to the Constitutional Court). Also considering that the proceeding was joined to that of Eurolink, the principle of law that led to SDM's conviction against Parsons Transportation Group, Inc., *mutatis mutandis*, is to be considered applicable also to Eurolink.

On 28 December 2018 Eurolink and the Issuer filed their appeal against the above-mentioned decision before the Court of Appeal of Rome. As of the date of this Offering Circular, the appeal proceeding is at an early stage.

Meanwhile, the Constitutional Court found the issue of legitimacy of Decree 187 to be not admissible in relation to Parsons' position, not on grounds that the issue of the amount of the indemnity was not relevant or groundless itself, but based on the fact that the remission order (*ordinanza di rimessione*) issued by the first instance Court of Rome was not sufficiently motivated. The first instance Court shall thus now re-examine the matter and, if necessary, refer it back again to the Constitutional Court.

The Constitutional Court's decision, in any case, does not interfere with the exam of the Court of Appeal on the constitutionality matter that was filed again by Eurolink.

Orastie – Sibiu highway

In July 2011, the Issuer started the works relating to the highway Orastie–Sibiu section (Lot 3) project, which provided for the construction of 22.1 km of two–lane highway (plus the relevant emergency lanes). In July 2013, a second contract was acquired for the construction of Lot 2 of another section of highway between Lugoj and Deva.

Both contracts were entered into with Compania Nationala de Autostrazi si Drumuri Nationale din Romania ("**CNAIR**") and were 85% financed by EU structural funds and by the Romanian Government for the remaining 15%.

Progress on the works has been adversely affected by a number of events outside the Issuer'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 traffic on 14 November 2014, while the additional work made necessary by the landslides was still under completion.

Notwithstanding the first favourable ruling by the DAB and the award of approximately €6.0 million to the Webuild Group, the customer refused to acknowledge the unpredictable nature of the landslides and to pay the amounts due.

In June 2015, Webuild stopped working due to the non–payment of the amounts awarded to it by the DAB.

In September 2015, the Issuer submitted a request for arbitration and the first partial award was issued in March 2017 awarding to the Issuer an amount of approximately €18.0 million, which has been paid to it.

In January 2016, when the completion percentage of the project was approximately 99.9%, following several disputes between the parties, CNAIR unilaterally terminated the Orastie–Sibiu agreement and on 20 April 2016 enforced the contractual guarantees for approximately €13.0 million, motivating such unilateral decision as being due to the alleged lack of resolution of the defects notified by the works management. The Issuer promptly and officially challenged the termination of the contract.

The Issuer started an arbitration administered by the International Chamber of Commerce claiming an aggregate amount of approximately €57 million for delays and additional costs. On 17 October 2019, the Arbitral Tribunal issued an award which rejected the Issuer's claims and recognised to the customer an amount of approximately €19.0 million for damages due to delays. The Issuer filed an application for the annulment of the final award with the Romanian Courts. On 2 July 2020, the final award was annulled and the execution thereof suspended by the Bucharest Court of Appeal. On 12 September 2020, CNAIR challenged the Court of Appeal decision in front of the Supreme Court.

On 17 February 2020, the Issuer filed a request for arbitration before the Chamber of Arbitration of the Chamber of Commerce and Industry of Romania (CCIR), challenging the validity of the enforcement of the performance bond by CNAIR and demanding the restitution of the relevant amount, plus damages and interests due. The parties are trying to reach an agreement on the appointment of the sole arbitrator, in the absence of which the arbitrator will be appointed by the CCIR.

Contorno Rodoviario Florianópolis (Brazil)

On 21 September 2016, a consortium between Webuild and Cigla Constructora Impregilo e Associados S.A. ("**CCSIC**") entered into a contract with Autopista Litoral Sul S.A. for approximately €75.0 million for the construction of a new dual carriageway to reduce the large volume of traffic in the Florianópolis metropolitan region.

From the very beginning, the project presented engineering criticalities due to the intrinsic humidity of the soil and the weather conditions in the area, which the CCSIC tried to overcome by proposing new solutions to the client (although it was not contractually obligated to do so).

At the beginning of 2018, CCSIC submitted claims to the customer for higher costs and the extension of the contract term. Despite the fact that the negotiations were still ongoing and a memorandum of understanding was about to be signed in January 2019, the customer informed CCSIC of its intention to terminate the contract. CCSIC deems this termination to be illegal and contrary to the principle of good faith. Therefore, in 2019, CCSIC filed an appeal with the relevant judiciary authorities to obtain the additional demobilisation costs (approximately € 2 million). The proceeding is at an early stage and the judge granted the judicial blocking of the enforcement of the advance payment banking guarantee (approximately amounting to €2.3 million) and of the performance insurance guarantee (approximately amounting to €7.0 million) by the customer.

On 4 October 2019, the CCIA commenced an international arbitration for claims notified before the termination of the contract, for an amount of approximately €20.0 million. The opposing party was granted by the Brasilian judges a suspension of the ICC arbitration, which was immediately appealed by CCSIC. As of the date of this Offering Circular, the decision of the Court of Appeal against the suspension of the arbitration proceeding has not yet been issued.

Rome subway

Webuild, on its own and as leading contractor of the Temporary Association of Companies for the construction of the project for the B1 line of Rome subway, started three legal proceedings against Roma Metropolitane S.r.l. ("**Roma Metropolitane**") and Roma Capitale claiming payments for

services rendered during the contract period, for which a technical report by a court–appointed expert was already provided.

- *Italian Supreme Court – Bologna–Conca d'Oro section*

  The Court of Rome's ruling of 22 August 2016 decided the first instance proceedings involving the claims made for the Bologna–Conca d'Oro section and partially accepted the joint venture's requests, ordering Roma Metropolitane to pay approximately €11.0 million, plus VAT and related costs, to the consortium.

  The joint venture commenced the necessary actions and collected the amounts due based on this enforceable decision. It also presented an appeal in order to obtain an increase of the sums awarded to it.

  The Court of Appeal of Rome issued its ruling in July 2018 rejecting the grounds for the joint venture's appeal and concurrently partially accepted the counter appeal presented by Roma Metropolitane, finding claim No. 38 to be ungrounded, although it had been partially accepted by the first instance court for €4.0 million (already collected by the joint venture in execution of the first instance judgment).

  The joint venture has challenged the decision of the Court of Appeal before the Italian Supreme Court. As of the date of this Offering Circular, the hearing is yet to be scheduled.

- *Court of Rome – Conca d'Oro – Jonio section (Part I)*

  The second proceeding relates to the first set of claims for the Conca d'Oro–Jonio section and as of the date of this Offering Circular, the judgment is at the initial stages and 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 just for the claims rejected.

  This decision partially contradicted the findings of the first court-appointed expert (which had already been filed), which confirmed the joint venture's claims for approximately €27.5 million.

  The Issuer challenged the interim ruling of January 2018, with respect to the part that rejected certain claims that had already been examined by the first court-appointed expert. The ruling was challenged also by Roma Metropolitane.

  The expert completed its report in December 2018 and filed its additional report which included four possible amounts ranging from approximately €12.0 million to €23.0 million in favour of the joint venturer. Roma Metropolitane has requested the appraisal be re-performed by a new expert.

  The Court of Rome, by its ruling No. 6142 of 15 April 2020, ordered Roma Metropolitane to pay an overall amount of approximately €23 million, plus monetary revaluation, interest accrued after 31 August 2018, litigation expenses and court-appointed expert's costs.

  Lastly, by its ruling issued on 15 July 2020, the Court of Appeal of Rome decided on the appeal of the interim ruling of January 2018. The Court of Appeal rejected Webuild's application and partially accepted the counter appeal presented by Roma Capitale, by declaring groundless two of the claims which were conversely accepted by the first instance Court.

  In particular, one of the claims deemed groundless by the Court of Appeal was linked to the anomalous progress of the works and had been quantified by the first instance Court as part

of the overall compensation awarded to the joint venture for all claims attributable to such factor (anomalous progress of works), without the identification of the specific amount corresponding to each one of such claims. In restating the first instance decision and declaring groundless the claim at issue, the Court of Appeal did not quantified the amount of the compensation attributable to such claim and thus did not directly intervene on the sum awarded by the first instance ruling by way of compensation for the anomalous progress of works.

Webuild filed an appeal with the Italian Supreme Court against the Court of Appeal's judgement.

- *Court of Rome – Conca d'Oro–Jonio section (Part II)*

  The third proceeding, relating to the second and last set of claims for the Conca d'Oro–Jonio section, was commenced in September 2016; the court-appointed expert completed its work in November 2018 and filed its definitive report. The court-appointed expert found that the joint venture's claims were admissible for an amount of approximately €3.0 million.

  With its ruling No. 5861 of 7 April 2020, the Court of Rome ordered Roma Metropolitane and Roma Capitale, jointly and severally, to pay an overall amount of approximately €3.0 million, plus accruing legal interest. Such ruling was appealed by Webuild on 18 September 2020.

Colombia – Yuma e Ariguani

Yuma Concesionaria S.A. ("**Yuma**") (in which the Group has a 48.3% investment) holds the concession for the construction and operation of sector 3 of the Ruta del Sol motorway in Colombia.

The construction works were commissioned on 22 December 2011, to the EPC Contractor Constructora Ariguani S.A.S. en Reorganización, fully owned by Webuild.

In November 2017, the customer ANI commenced an administrative procedure against Yuma to terminate the concession contract.

Yuma, on the other hand, deems that a series of events outside its control have led to a significant imbalance in the mutual rights and obligations of the parties to the contract, and that the customer is obliged to rectify such imbalances.

After more than a year of negotiations, on 20 February 2020, the parties entered into an *addendum* to the concession agreement which entailed, among other things, the interruption of the procedure started by ANI following Yuma's alleged material breach of the concession agreement, and which extended by further 56 months the deadline for completion of the construction works, keeping the concession period unchanged.

The said *addendum* also partially settled some of the claims submitted in the arbitration proceedings still outstanding, in relation to the variations for the national arbitration proceeding brought before Bogotà Chamber of Commerce, and the claims made during the construction phase in the context of the international arbitration proceeding started at the ICC.

At the same time, Webuild withdrew its request for arbitration for the ICC international arbitration started against ANI in November 2017. As a result of such withdrawal, and with ANI acceptance, the said international arbitration proceeding has therefore been closed.

Meanwhile, two further *addenda* have been entered into in relation to the EPC agreement between the concessionaire Yuma and EPC Contractor Ariguani, which set forth the new economic and programmatic conditions agreed between the parties.

On 8 May 2020, the Arbitral Tribunal at the Bogotà Chamber of Commerce, in the context of the arbitration procedure for the setting of 14 additional variations to the original agreement, issued an award which imposes on ANI the payment in favour of Yuma of the amounts due in relation to 6 variations. The Court did not quantified the amounts, but ordered the parties to settle an agreement with the customer on the basis of the calculation methodology established by the arbitrators. Negotiations are in progress with ANI in order to define the amounts relating to the 6 variations.

As a result of the litigation and the difficulties which arose in the realisation of the project, in 2018 Yuma and Ariguani commenced their reorganisation process (*Reorganización*) pursuant to local applicable laws (Ley 1116 de 2006); this reorganization process is still ongoing in relation to both companies.

Poland – Project S8 Marki

The Group has a 95% interest in a joint venture in Poland incorporated in November 2014 for the design and construction of roads.

Although the main road section subject of the contract was opened to traffic on 22 December 2017, in May 2018, the customer notified the termination of the contract for alleged breaches by the contractor, at the same time requesting the payment of penalties for €3.3 million.

On 22 May 2018 and 7 June 2018, the joint venture informed the customer that it considered the termination of the contract to be null and void and also asked for payment of the outstanding amount of €1.7 million, in addition to the penalties provided for under the contract and in turn notified the customer of the termination of the contract due to the customer's fault. The customer has attempted to enforce the performance bonds provided in the interest of the joint venture of approximately €8.0 million. The joint venture requested and obtained from the Court of Parma a precautionary order prohibiting the enforcement of the performance bonds by the customer.

On 31 October 2019, the joint venture started a lawsuit against the customer before the Court of first instance of Warsaw which includes, *inter alia*, claims concerning (i) the contractual penalties and damages due to the invalid termination of the contract for reasons attributable to the customer and (ii) unpaid works performed before the termination of the contract.

In February 2020, the customer filed a counterclaim against the Group for a total amount of approximately €2.9 million, as contractual penalties for the termination of the contract allegedly occurred for reasons attributable to the contractor.

Poland – Project A1F

The Group has a 100% interest in a joint venture in Poland incorporated in October 2015 for the design and construction of roads.

On 29 April 2019, the customer notified the termination of the contract for alleged breaches by the contractor, at the same time requesting the payment of penalties for €20.0 million.

On 6 May 2019, the joint venture informed the customer that it considered the termination of the contract to be null and void. On 14 May 2019, the joint venture notified the customer that the contract was terminated for reasons attributable to the customer itself, as a result of reported defaults that were not cured by the customer.

The customer obtained the enforcement of the performance bonds, advances and penalties of an overall amount of approximately €37 million, originally granted in the interest of the contractor.

The Group intends to initiate appropriate legal actions to defend its rights.

Poland – Project S3

The Group has a 99.99% interest in a joint venture in Poland incorporated in December 2014 for the design and construction of roads.

On 29 April 2019, the customer notified the termination of the contract for alleged breaches by the contractor at the same time requesting the payment of penalties for €25.0 million.

The customer has attempted to enforce the performance bonds for approximately €13.0 million, originally granted in the interest of the contractor. After the filing of an appeal against this enforcement, the Group paid the relevant amount.

On 31 October 2019, the joint venture started a lawsuit against the customer before the Court of first instance of Warsaw which includes claims concerning the contractual penalties due for termination of the contract for reasons attributable to the customer, and claims concerning the restitution of the amounts cashed by the customer as a result of an illegitimate enforcement of the bank guarantees

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Some critical issues arose which, due to their specific characteristics and the materiality of the works to which they relate, made it necessary to significantly negatively revise the cost estimates carried out in the early phases of the project. The most critical issues were related to, *inter alia*, the realisation of projects with concrete, electromechanical works and architectural finishes.

Negotiations between the parties, assisted by their respective consultants and technical/legal experts, led, following the entering into force of an interim agreement on 30 December 2016 (which allowed the Issuer to collect €145.0 million), to the signature of further agreements (claim settlement agreement No. 7 of 6 April 2017, additional agreement of 2 May 2017, addendum No. 4 to the CSA No. 7 of 29 June 2018, addendum No. 5 to the CSA No. 7 of 21 January 2019 and addendum No. 6 to the CSA No. 7 of 15 May 2019) which enabled the Issuer to collect additional advance payments, bringing the total of the advances received to €260.0 million, against the definition of certain claims, while the remaining claims are deferred to the arbitration proceeding currently pending before the Building and Construction Arbitration Board.

Meanwhile, on 12 July 2019, the parties filed the project and on 29 September 2019, the subway was officially opened to the public.

Australia – North West Rail Link

The project North West Rail Link included the design and construction of a metro line of 36 km, north-west of Sidney, of which 4,5 km is a viaduct (Skytrain bridge). The metro opened in May 2019.

The Group participated in the project North West Rail Link through a joint venture constituted by Salini Impregilo S.p.A. (now Webuild) and Salini Impregilo PTY Limited.

Following the presentation of claims by the joint venture, on 9 December 2019 the DAB issued a determination which resulted in an amount payable to the joint venture of approximately AUS 35.0 million (€21.4 million).

The contract with the customer Sidney Metro provides for arbitration administered by the Australian Centre for International Commercial Arbitration should one or both of the parties be unsatisfied with the DAB's determination.

In this regard, on 31 January 2020, both the joint venture and the customer Sidney Metro filed a notice of dissatisfaction against the DAB's decision.

Qatar

In the context of the project for the construction of the Al Bayt stadium in Doha, Qatar, on 25 October 2019 , the joint venture constituted by the companies Leonardo S.p.A. and PSC S.p.A. started an arbitration administered by the International Chamber of Commerce against the joint venture composed by Galfar Al Misnad Engineering and Contracting, Webuild and Cimolai S.p.A.

The joint venture Leonardo/PSC, as subcontractor of the supply contract of mechanical and electric works, demanded payment by the joint venture Galfar/Webuild/Cimolai, as contractor, of an amount equal to approximately QAR 1.047 million (approximately € 257.0 million) as costs for delay, for the acceptance of variations, and compensation of damages.

The arbitration proceeding is at an early stage.

The quota of the Group in the joint venture Galfar/Webuild/Cimolai is 40%.

Administrative proceedings

Set out below is a summary of information relating to the main administrative proceedings involving the Group's companies.

Campania Project/Fibe

- *Recovery of the amounts owed to Fibe by local administrations for waste disposal fees up to the date of the Contract Termination Law*

  The special government commissioner appointed by the Regional Administrative Court to collect receivables due to the former operators as fees for the waste disposal service performed until 15 December 2005 submitted its final report in November 2014. According to such final report, (i) the public administration collected approximately €46.4 million of the fees due to Fibe for the services that the latter rendered until 15 December 2005 (date on which the termination *ope legis* of the relevant agreements occurred), without paying such amount to Fibe, and (ii) the total amount of receivables still to be collected is of approximately €74.3 million.

  With ruling No. 7323 of 2016, the Regional Administrative Court stated that the amounts claimed by Fibe, should be paid to Fibe only after completion of the assessment by the special government commissioner, thus excluding any payment during the course of the proceedings. Fibe challenged this ruling before the Council of State which, with ruling No. 1759 of 2018, rejected the appeal. Subsequently, a petition for the conclusion of the proceedings was filed. Following the resignation of the special government commissioner, the Regional Administrative Court appointed a new commissioner on 16 April 2018. As a consequence of the renouncement to the appointment by this commissioner, a new government commissioner has been appointed on 10 January 2019. On 13 January 2020, such new government commissioner filed its report, by which it confirmed the findings reported by the previous commissioner in November 2014 and, considering the interim collections which reduced the total amount of receivables, it definitely ascertained receivables still to be collected for an amount of approximately €54.8 million, deferring to a second phase both the definitive assessment of the amount of approximately €3.1 million of receivables additional to those already definitively ascertained and the total quantification of interest and penalties due to Fibe.

- *Administrative procedures for the recording and recognition of the costs for the activities carried out and the works commissioned by the relevant public administration following the Contract Termination Law*

Since 2009, Fibe has challenged, before the Regional Administrative Court of Lazio, the inactivity of the competent public administration authorities in completing the administrative procedures for the recording and recognition of the costs incurred by the former service contractors in connection with the (i) activities carried out in accordance with law and (ii) the works commissioned by the public administration and performed from 2006 to 2008 (i.e., following the termination of the service contracts).

In the context of the proceeding, the Regional Administrative Court of Lazio appointed an inspector who submitted its final report on 21 December 2017, recognising that the amounts claimed by Fibe in its appeal were substantially consistent with the underlying supporting documentation. Fibe requested a more in–depth review of certain items and the correction of some errors in the report, following which the Regional Administrative Court ordered an additional verification. On 28 September 2018, the inspector filed its final report, which addressed the requests made by Fibe for a more in–depth review and corrections. With ruling of 21 March 2019, the Regional Administrative Court of Lazio ordered the Office of the PCM to pay approximately €53.0 million, including VAT and interest, as consideration for the costs of the activities carried out by the contractors following the termination of the contracts. The PCM challenged this ruling before the Council of State.

With the decision No. 974 of 7 February 2020, the Council of State – pointing out a logical and juridical mistake in the ruling of the Regional Administrative Court, in the part in which it ordered the Office of the PCM to pay sums relating to amounts requested and documented by Fibe (Private Party) in the context of reporting, but not yet declared as due by the public administration – partially reversed the first instance judgment by awarding to Fibe the reduced amount of approximately €21.0 million, plus legal interest, and by postponing for further assessment by the public administration the difference between the said amount and that identified by the Regional Administrative Court (approximately €53.0 million liquidated by the Regional Administrative Court).

In May 2020, Fibe filed: (i) appeal for revocation (*ricorso per revocazione*) before the Council of State on the grounds of contradictory decisions and factual error incurred by the Appeal Judge and (ii) appeal before the Italian Supreme Court.

- *Interest on payment for the plants relating to the production of refused–derived fuels ("**RDF Plants**")*

  With ruling No. 3886 of 2011, the Regional Administrative Court of Lazio upheld Fibe's appeal and ordered the public administration to pay to Fibe the undepreciated costs for the RDF Plants existing as of the date of the termination of the contract, for a total amount of €205.0 million, plus legal and default interest from the date of 15 December 2005 until full payment.

  Following the enforcement action commenced by Fibe and challenged by the PCM, Fibe has (i) obtained the allocation of €241.0 million (already collected in the financial years preceding the date of this Offering Circular) as a final payment for the receivables for principal and legal interest, and (ii) suspended the enforcement procedure for the further amount of default interest claimed. Both parties initiated proceedings about the merits of the case. The court rejected the request for default interest submitted by Fibe with ruling of 12 February 2016, which has been appealed by Fibe.

- *Environmental disputes*

In the context of the RSU Campania Projects, the Group had to deal with some administrative measures regarding drainage and the implementation of safety measures at some of the landfills, storage areas and RDF plants.

In connection with the proceedings regarding the characterization and emergency safety measures at the Pontericcio site, the RDF plant in Giugliano and the temporary storage area at Cava Giuliani, the Regional Administrative Court of Lazio with ruling No. 6033 of 2012 rejected the appeals filed by Fibe. Subsequently, Fibe challenged this ruling before the Council of State, on the ground that the contamination was found in different sites. The Council of State, after rejecting Fibe's motion for interim measures to suspend the enforcement of the decision, upheld Fibe's appeal with ruling No. 5076 of 29 August 2018, reversing the Regional Administrative Court of Lazio's ruling and cancelling the measures challenged by Fibe.

With respect to the Cava Giuliani landfill, the Regional Administrative Court of Lazio, with ruling No. 5831/2012, found that it lacked jurisdiction in favour of the Italian Superior Court of Public Waters (Tribunale Superiore delle Acque Pubbliche), before which the appeal was submitted again and the court's decision is pending. Meanwhile, Fibe has completed the characterization operations for the above sites, without any admission of liability whatsoever in such respect.

S.a.Bro.M. S.p.A.

S.a.Bro.M. S.p.A. ("**SABROM**") is the concessionaire 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 decree containing a negative opinion on the project's environmental compatibility.

SABROM asked ILSpA to protect the project by appealing the MATTM's decree and also communicated its willingness to work with the customer to modify the design so that the project could be re-assessed by the MATTM and other competent political bodies.

As requested by SABROM, the customer appealed the MATTM's decree before the Regional Administrative Court of Lombardy which rejected the appeal with its ruling published on July 30, 2018.

On 14 February 2019, ILSpA filed an appeal with the Council of State and, as of the date of this Offering Circular, the hearing has yet to be scheduled.

Tax proceedings

Set out below is a summary of information relating to the main legal proceedings with the Italian tax authorities.

Webuild

(i) a dispute about the assessment notice challenging the tax treatment of impairment losses pertaining to companies belonging to the Group and losses on the sale of assets recognised by the Issuer in 2003, in particular in relation to the transfer of shares held at the time in Sociedad Concessionaria Costanera Norte S.A. for the fiscal year 2003, has been settled. The main issue related to the sale by Webuild of its investment in the Chilean operator Costanera Norte SA to Impregilo International Infrastructures N.V. had been cancelled by the Milan Regional Tax Commission on 11 September 2009 (higher assessed tax base of

€70.0 million). After the hearing held on 24 April 2018 and the filing of a motion for the suspension of the trial on 14 November 2018, the Supreme Court ordered the case be placed on the court calendar again on 29 November 2018. The Issuer applied the procedure for the out–of–court settlement of tax disputes introduced by Article 6 of Decree Law No. 119 of 23 October 2018, converted into Law No. 136 of 17 December 2018. On 28 May 2019, the Issuer submitted an application for the voluntary settlement procedure (which writes off fines and interest) for the pending tax disputes (payment of €1.2 million) and opted for payment by instalment;

(ii) a 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 terms for resumption of the hearing are pending;

(iii) 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 Issuer's grounds and ordered the case be sent to the Lombardy Regional Tax Commission which fully accepted the Issuer's appeal in the hearing of 14 January 2019 with its ruling of 12 February 2019. On 11 September 2019, the Italian tax authorities appealed this ruling and, as of the date of this Offering Circular, the appeal has not yet been assigned to the relevant section of the Supreme Court;

(iv) with respect to a dispute related to 2005 regarding the costs of a joint venture set up in Venezuela for which the greater tax base of €6.6 million, on 19 May 2015, the Regional Tax Commission filed its ruling entirely in the Issuer's favour. The tax authorities appealed to the Supreme Court on 28 December 2015 challenging the procedure while stating that the findings do not relate to the appeal. The Issuer has filed its defense brief. The hearing was held on 17 January 2020 and the Supreme Court found the tax authorities' appeal to be inadmissible;

(v) in connection with Icelandic taxes, the Italian tax authorities served to Webuild: (a) a first payment order for taxes for €4.6 million, which was cancelled after the first and second level sentences in the Issuer's favour; on 11 May 2017 the tax authorities appealed to the Supreme Court and the Issuer presented its defense brief, and (b) a payment bill which Salini Impregilo appealed. The ruling was in the Issuer's favour again both at first and second level. On 18 January 2016, the Italian tax authorities filed an appeal before the Supreme Court and the Issuer filed its defense brief. The hearing was held on 17 January 2020 and the ruling has been in favour of the tax authority, but it is worth noting that the Issuer made a provision in the past for the relevant amount;

(vi) on 23 December 2019, the Issuer received an assessment notice for assessed IRES tax for 2014 of €1.2 million (plus fines and interest). The notice refers to: (i) for a minimum part, the alleged incorrect application of transfer pricing rules to sureties provided free of charge on behalf of foreign subsidiaries, on which it should allegedly have charged commissions of €0.7 million; (ii) the alleged undue deduction of the "ACE relief" (Aid for Economic Growth) of €3.5 million contrary to the provisions of Article 10 of the Ministry of the Economy and Finance's decree of 14 March 2012. The dispute was settled using the mutually-agreed settlement procedure as proposed by the tax authorities which decreased the total claim (taxes, fines and interest) from roughly €2.4 million to around €0.4 million.

Imprepar

In addition to the tax proceeding described under point (vii) above, the Milan Regional Tax Commission filed a ruling on the IRES assessment notices for the tax years 2006, 2007 and 2008 received by the Group subsidiary, Imprepar, at the end of March 2015 cancelling all the main findings notified by the tax authorities on the assessment notices for 2006, 2007 and 2008 for €12.0 million. In November 2015, the tax authorities appealed against the Milan Regional Tax Commission before the Supreme Court, however, in the meantime, on 29 May 2019 Imprepar paid the first instalment and applied the procedure for the out-of-court settlement of tax disputes introduced by Article 6 of Law Decree No. 119 of 23 October 2018 converted into Law No. 136 of 17 December 2018. On May 30, 2019, it submitted its application for the voluntary settlement procedure (which writes off fines and interest) for the pending tax disputes (payment of €384.0 thousand) and opted for payment by instalment.

On 18 June 2018, Imprepar received a notice to pay assessed registration tax of approximately €0.7 million. The subsidiary has appealed promptly against the applicability of this notice to the competent tax commission which accepted the subsidiary's appeal and cancelled the notice to pay. Notification that the tax authorities have appealed this ruling has not yet been received.

Fisia Ambiente

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 undue deductions of €1.5 million for the use of the loss allowance and the undue deduction of VAT of €0.3 million on costs incurred for the defense of managers and other employees in criminal court proceedings in 2013, 2014 and 2015. Fisia Ambiente appealed against these assessments 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 et seq. 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 company's appeal for 2013, (ii) rejecting the appeal for 2014, and (iii) fully accepting its appeal for 2015 thereby cancelling the assessment notice. The relevant appeals in all cases have been filed.

The IRES procedure had a positive outcome for Fisia Ambiente which, on 27 May 2019, paid the first instalment of the amount due.

Fibe

Fibe has a pending dispute about the local property tax (ICI) in relation to the Acerra waste-to-energy plant.

In January 2013, Fibe 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:

(i) 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 company'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;

(ii) 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;

(iii) assessment notice for the 2012 IMU property tax, issued by the Acerra municipal authorities for the assessed tax of €551 thousand for the WtE plant. 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 relevant appeal has been filed.

Criminal Proceedings

Set out below is a summary of information relating to the main criminal proceedings involving Group companies.

Campania Project/Fibe

In 2008, as part of an investigation into waste disposal in the Campania region carried out after the termination of the contracts *ope legis* (occurred on 15 December 2005), the Judge for preliminary investigations ("GIP"), upon request of the Neapolitan Public Prosecutor's Office, issued interim measures towards some managers and employees of Fibe, and Fisia Ambiente, as well as a number of managers at the commissioner's office. As part of this investigation the former service providers and Fisia Ambiente are charged with the administrative liability attributable to companies pursuant

to Legislative Decree 231/2001. No claims for damages have been filed against the abovementioned companies.

In the hearing of 21 March 2013, the judge in the preliminary hearing ("GUP") ordered that all the defendants and companies involved pursuant to Legislative Decree 231/2001 be committed for trial for all charges and ordered the proceeding to be transferred to the Tribunal of Rome, following the registration in the register of suspects of the Neapolitan Public Prosecutor's Office of a magistrate who performs functions there.

On 16 June 2016, the Tribunal of Rome, upholding the Public Prosecutor's request, found all the individuals involved in the proceedings not guilty on the ground that they are time-barred. The proceeding will continue for the companies involved pursuant Decree 231. As of the date of this Offering Circular, the Public Prosecutor is currently examining witnesses.

COCIV consortium

In execution of the order of the Court of Genoa dated 7 October 2016 and the order of the Court of Rome of 10 October 2016, on 26 October 2016, certain managers and employees of COCIV were arrested together with other persons (including the President of Reggio Calabria – Scilla S.C.p.A., who promptly resigned). The above two legal entities were informed that the Genoa and Rome public prosecutors were investigating alleged bid-rigging, corruption and, in certain cases, criminal conspiracy.

Specifically, the proceeding before the Court of Genoa (involving COCIV managers and employees) concerns (i) alleged bid-rigging for supplies or works on individual lots, in respect of which the public prosecutor also subjected the Issuer's CEO to investigation *a titolo di concorso*; and (ii) two cases of corruption. The proceeding before the Court of Rome (composed of two separate investigation files, now joined and transferred to the Alessandria public prosecutor) relates to alleged cases of corruption of works management allegedly committed by the top management of the said companies entrusted with major projects (COCIV, Reggio Calabria – Scilla S.C.p.A. e Salerno-Reggio Calabria s.c.p.a.), with the aim of having the works director (also under investigation) carrying out acts contrary to his official duties.

On 11 January 2017, as part of the proceedings commenced on 16 November 2016, the Italian Anti-Corruption Authority (ANAC) sent to the Rome Prefecture a proposal for the 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 issued its decree appointing a commissioner for the extraordinary and temporary administrative management of COCIV in accordance with Article 32(1)(b) of Decree Law No. 90 of 24 June 2014, for a six–month period, 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 objectives established in the above-mentioned measure 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's Office demanded and obtained a hearing for the removal of the relevant wiretaps, which was followed, on 21 February 2020, by a further notification of completion of the preliminary investigations pursuant to Article 415-*bis* of the Italian criminal code and a significant claim for commitment to trial. The claim for committal to trial was recently notified to only some of the defendants.

On 27 February 2020, the Public Prosecutor's Office requested the dismissal (*archiviazione*) of the relevant criminal proceeding with respect to COCIV Consortium, under investigation for the alleged administrative offence as per Article 25 of Legislative Decree 231/2001, given that the consortium had adopted a suitable and adequate organizational model pursuant to Legislative Decree 231/2001 even before the occurrence of the alleged events of corruption and that, in any case, the alleged corrupt conducts were not performed to the advantage or in the interests of COCIV.

The request for dismissal of the criminal proceeding also concerns several suspects in the main proceeding in relation to numerous additional offences alleged against them during the investigation and then turned out to be completely groundless (Articles 416, 353, 353 *bis*, 319, 321 and 346 *bis* of the Italian criminal code and Article 2635 of the Italian civil code).

Following the last notice of completion of the preliminary investigations and the claim for commitment to trial, it is still confirmed that, in any case, the investigations focused on alleged episodes of bid rigging and a case of corruption which are all quite dating back in time (from 2012 to 2016).

Moreover, the charges refer to alleged behaviours 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 president of the consortium) and the Issuer's CEO, would not lead to the identification of any specific activity and/or conduct that these persons could actually have undertaken.

With respect to the criminal proceeding commenced by the Rome public prosecutor, in connection with the alleged criminal offence of criminal association, the Public Prosecutor's Office requested and obtained, on 5 September 2018, the dismissal of the relevant criminal proceedings due to the unsustainability of the charge.

With respect to all the alleged corruption practices, involving the alleged administrative liability of the COCIV consortium and Reggio Calabria – Scilla S.C.p.A. for the administrative offence as per Articles 5 and 25 of Decree 231, the Court of Rome declared its lack of territorial jurisdiction and transferred all the proceedings to the Bolzano public prosecutor which, after joining all the proceedings in a unique one, requested the committal to trial. The preliminary hearing date was set for 26 June 2019. In such hearing, the judge declared its lack of territorial jurisdiction over the proceeding and ordered the case be transferred to the Alessandria Court, where it has been again included in the investigation phase.

As of the date of this Offering Circular, the preliminary hearing before the preliminary hearing judge of the Court of Alessandria has yet to be scheduled.

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 committed to the detriment of COCIV itself, and were essentially committed in the interest of such individuals by fraudulently circumventing the rules in place to control and protect COCIV's activities. Moreover, these alleged offences would not have required RFI to pay a larger or undue amount or create economic benefits for the consortium but rather would have caused COCIV to pay higher costs. COCIV'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 works previously carried out although this is not an issue raised by the public prosecutors. The results of such verification are wholly in line with the findings of the expert appointed by the Court of Genoa which found the full compliance of the materials used by COCIV with the quality levels specified in the contracts and relevant legislation.

Cossi S.p.A.

Cossi S.p.A., acquired by Webuild in March 2019, has been notified of the commencement of proceedings before the Court of Rimini, in connection with the administrative offence set forth under Article 25–septies(3) of Decree 231. As of the date of this Offering Circular, the proceeding is currently under investigation.

Ministry of the Environment/Autostrade per l'Italia S.p.A. – Todini C.G. S.p.A. (now HCE Costruzioni) and others

In June 2011, at the conclusion of investigations conducted from 2005, the Public Prosecutor's Office of Florence charged the managing directors and former Todini Costruzioni Generali S.p.A. (formerly a Group subsidiary who was sold in 2016, "**Todini**") employees with alleged environmental offences relating to the management of excavated earth and rocks, water management, waste management and damage to environmental assets, within of the execution of the Tuscan lots of the so-called "Variante di Valico".

In the course of the criminal proceedings, the Ministry of the Environment joined as a civil plaintiff against the defendants, suing the civil defendants Autostrade per l'Italia S.p.A., Todini, Impresa S.p.A. and Toto S.p.A., and quantifying the alleged environmental damage for which compensation was claimed "for an amount of not less than €810.0 million or such other amount as may be considered just, and/or such other amount as may be determined on an equitable basis". A preliminary report signed by I.S.P.R.A. (institute established within the same Ministry) was produced as proof of the damage.

However, since I.S.P.R.A. report had not been cross-examined, the judge stated that it could not be admitted as a trial's evidence also due to the circumstance that it did not contain the name of the person who drafted it; at present, the claim for compensation is not supported by evidence as to the extent of the claim.

On 30 October 2017, the Court of Florence acquitted all the defendants and the Public Prosecutor appealed the decision on 20 June 2019. The hearing will be held in October 2021.

For the sake of completeness, it should be noted that, following the claim for compensation filed by the Ministry of the Environment, an opinion was requested in relation to the possible effects of the criminal proceeding on the consolidated financial statements of the Group. Such opinion stated that the joining as a civil plaintiff of the Ministry of the Environment did not require any provision to be made in the separate or consolidated financial statements or the condensed interim consolidated financial statements.

Other situations characterised by risk and/or uncertainty profiles

Condotte

Società Italiana per Condotte d'Acqua S.p.A. under extraordinary administration ("**Condotte**"), which holds interests in legal entities participated by the Webuild Group, after filing application for a pre-composition with creditors procedure (*concordato preventivo in bianco*) pursuant to Article 161, paragraph 6, of the Italian Bankruptcy Law, subsequently requested to the Ministry of Economic Development (*Ministero dello Sviluppo Economico*), on 17 July 2018, immediate admission to the procedure of extraordinary administration (*procedura di amministrazione straordinaria*) as per Article 2 of Legislative Decree no. 347/2003.

By decree of the Ministry of Economic Development (*Ministero dello Sviluppo Economico*) issued on 6 August 2018, Condotte was admitted to the extraordinary administration procedure pursuant

to Legislative Decree no. 347/2003, converted by Law no. 39 of 18 February 2004 (so-called "Legge Marzano").

With a ruling dated 14 August 2018, the Court of Rome declared the state of insolvency of Condotte.

By notices sent on 22 October 2018, the extraordinary commissioners of Condotte invited the creditors to file, by 12 December 2018, their claims for inclusion in the insolvency proceeding (*domande di insinuazione al passivo*) for receivables originated towards Condotte until 6 August 2018 (i.e., the date of admission to the extraordinary administration procedure).

The following consortia or consortium companies, in which the Group holds interests, filed their claims by the due date:

- Consorzio Alta Velocità Torino Milano (Cavtomi);
- Consorzio Collegamenti Integrati Veloci (Cociv);
- Lybian Expressway Contractors Consortium;
- Eurolink S.c.p.a.;
- Reggio Calabria Scilla S.c.p.a.;
- Salerno Reggio Calabria S.c.p.a.;
- Consorzio Iricav Due.

The filing of claims (*domande di insinuazione al passivo*) were drafted on the basis of the following guidelines:

(i) set-off of the liquid and collectable receivables of consortia/consortium companies vis-à-vis Condotte originated prior to 6 August 2018 with the liquid and collectable counter-receivables of Condotte vis-à-vis the consortia/consortium companies arisen prior to 6 August 2018;

(ii) on the amount residual at the outcome of the said set-off, the filing of claims has been made:

- primarily, as super senior (*prededucibile*) pursuant to Articles 51, paragraph 3, of Law No. 270/1999 ("Legge Prodi") and 74 of the Italian Bankruptcy Law;
- subordinately and subject to appeal, as preferential (*con privilegio*) pursuant to Article 2761, paragraph 2, of the Italian Civil Code, as per the principal amount, and pursuant to Article 2758 of the Italian Civil Code as per VAT compensation;
- further subordinately and subject to appeal, as non-preferential (*chirografario*).

On 14 February 2019, the extraordinary commissioners of Condotte filed the statement of liabilities (*progetto di stato passivo*) at the Court's Registry.

Subsequently, on February 22, 2019, the consortia/consortium companies filed precise observations on the statement of liabilities for the purposes of the verification hearing.

The hearings for the verification of the statement of liabilities were held before the Court of Rome in the course of 2019 and 2020. On 11 June 2020, at the last hearing, the judge confirmed the non-preferential admission (*ammissione in via chirografaria*) of the receivables of Eurolink S.c.p.a., Consorzio Lybian Expressway Contractors, Salerno Reggio Calabria S.c.p.a. and Reggio Calabria Scilla S.c.p.a., as well as the interest as calculated in the observations.

With reference to the Cavtomi's position, whose receivable had not been admitted because of a set-off against Condotte's alleged counter-receivables, the Consortium's defendant pointed out that the commissioners had not proven the existence of the said counter-receivables and requested the granting of a deadline for a better analysis of the accounting documentation produced at the hearing. The judge did not accepted the request due to the need to close the statement of liabilities at the end of the hearing and considering that any objections could be raised with the opposition to the statement of liabilities (*opposizione allo stato passivo*).

With reference to Cociv's and Consorzio Iricav Due's positions, since in the meantime agreements were reached with the Condotte Procedure, whose effect is the transfer to Webuild of the shares, contractual rights and obligations, debts and receivables previously pertaining to Condotte with regard to the two aforementioned consortia, the relative filing of the claims have been waived.

The legal entities in which the Group holds interests are closely monitoring the evolution of Condotte's situation.

It cannot be excluded that, in the future, some events may arise in connection with the progress of the extraordinary administration procedure described above.

Slovakia

On 6 March 2019, the client and the joint venture, composed of Webuild and the Slovakian company Duha, signed a termination agreement in relation to the contract for the design and construction of a major motorway section. This termination agreement provides for the recognition of works awaiting certification and establishes that:

- the client shall certify in the short term most of the works already completed and still awaiting approval due to bureaucratic reasons;
- a Dispute Adjudication Board (DAB) composed of international members, rather than Slovakian members as provided for in the original agreement, will appointed to decide on the additional compensations requested to the client;
- in case of dissatisfaction with any resolution of the DAB, the parties may apply to an international arbitration tribunal (ICC arbitration, seated in Vienna) instead of a Slovakian Court as provided for in the original agreement.

Following the submission of claims by the joint venture, on 18 November 2019, DAB issued a decision awarding to the joint venture a sum of approximately €8.0 million. In December 2019, both the joint venture and the client sent a notice of dissatisfaction to the DAB. Should the parties fail to find an amicable solution, the arbitration will be commenced in accordance with the agreement.

Astaldi

On 27 September 2018, Astaldi filed to the Court of Rome an application pursuant to Article 161, paragraph 6, of the Italian Bankruptcy Law, reserving the right to submit the plan and the proposal for a composition with creditors (*concordato preventivo*) pursuant to Articles 160 et seq. and 186-*bis* of the Italian Bankruptcy Law.

By decree of 16 October 2018, the Court of Rome granted a term until 16 December 2018 (later extended to 14 February 2019) for the filing of the proposal and the plan for composition with creditors, as well as of the additional documents requested by the Italian Bankruptcy Law, and appointed the judicial commissioners to monitor the company's activities until this date, requesting Astaldi to comply with a number of disclosure obligations.

On 13 February 2019, Webuild made an articulated binding offer, with terms promptly communicated to the market, aimed at the strengthening of Astaldi's equity, financial and economic position as part of the composition with creditors procedure (*procedura di concordato preventivo*).

Astaldi then filed with the Court of Rome the plan and the proposal for the composition with creditors as per the application for composition with creditors on a business continuity basis (*procedura di concordato preventivo in continuità aziendale*) pursuant to Articles 160, 161 and 186-*bis* of the Italian Bankruptcy Law, containing the terms for the satisfaction of creditors.

Astaldi's offer and, accordingly, the plan and the proposal of composition with creditors were subsequently updated and confirmed by Webuild and Astaldi on, respectively, 15 July and 3 August 2019, also in order to reflect the progressive fulfilment of some of the main conditions precedent to which the effectiveness of Astaldi's offer was subject, including the signing, by Webuild, of agreements with institutional and financial partners aimed at obtaining the necessary support to carry out the Astaldi Transaction, also from a systemic perspective. The offer is based on the contents of the plan and the proposal of composition with creditors, as lastly amended, and provides, among other:

(i) the direct continuity of the business unit relating solely to infrastructure construction activities (the so-called "EPC business unit"), facility management activities and management of complex systems activities (the so-called "O&M activities") and some minor concessions underlying EPC activities; and

(ii) the liquidation of the other assets, which will be transferred into a segregated pool of assets dedicated to a specific business (*patrimonio destinato a uno specifico affare*) to be established pursuant to Articles 2447-*bis* et seq. of the Italian Civil Code, in line with the economic and financial projections set out in the plan.

The Court of Rome, by decree issued on 5 August 2019, admitted Astaldi to the composition with creditors on a business continuity basis, founding that the plan and the proposal of composition with creditors submitted by Astaldi – in accordance with the offer – were feasible within the terms and in the manner proposed.

By a separate decree, the Court also authorised Astaldi to enter into new super senior (*prededucibile*) financing, in order to support the company's financial needs until the Court's approval of the plan, and also scheduled the hearing for the creditors' meeting and related vote for 6 February 2020.

On 10 January 2020, the following consortia filed their proof of receivable vis-à-vis Astaldi, indicating, when found, any differences with respect to Astaldi's records:

- Consorzio Iricav Due;
- Consorzio MM4;
- NACAV S.c.a.r.l.;
- S. Agata S.c.a.r.l.;
- Passante Dorico S.p.A.;
- Ferrofir S.c.a.r.l.;
- Webuild.

On 9 April 2020, after some postponements due to the COVID-19 epidemiological emergency, the creditors' meeting was held. They voted in favour of the approval of the composition with creditors proposal.

The Court of Rome set the date of 23 June 2020, at 11:00 a.m., for the hearing in closed session (*udienza in camera di consiglio*) for the approval of the composition with creditors pursuant to Article 180 of the Italian Bankruptcy Law. At the above hearing, the judge took note of a proposal by Webuild to pay Astaldi's debts in relation to which an appeal was filed (roughly €100 thousand Euro) and granted to the opposing creditors one day to waive their opposition. On 24 June 2020, the opposing creditors waived their opposition.

On 17 July 2020, the Court of Rome published the approval decree (*decreto di omologa*) of Astaldi's composition with creditors.

Four appeals have been filed by some Astaldi's creditors before the Italian Supreme Court pursuant to Article 111 of the Italian Constitution and Article 360 of the Italian civil procedure code to request the annulment of the said approval decree.

The legal entities in which the Group holds interests are closely monitoring the evolution of Astaldi's situation.

It cannot be excluded that, in the future, some events may arise in connection with the progress of the composition with creditors procedure described above.

Legal proceedings of Astaldi

Set out below is a description of the most significant legal proceedings of Astaldi, as resulting from pages from 159 to 174 of the English translation of the Astaldi Prospectus. Since the Issuer has not yet direct knowledge of the legal proceedings of Astaldi nor of information relating to such proceedings (as, by way of example, the *petitum* or the valuation of the competent bodies on the risk of losing the relevant cases), the description of the said legal proceedings is entirely extracted from pages from 159 to 174 of the English translation of the Astaldi Prospectus and is a mere reproduction of the contents of such pages. Capitalised terms used in such reproduction will have the same meaning ascribed to them in the said English translation of the Astaldi Prospectus.

Judicial and arbitration proceedings

At the date of the Astaldi Prospectus (the "**Prospectus Date**"), the Group companies are engaged in various civil, administrative and criminal proceedings and in proceedings involving labour law, related to the ordinary performance of their respective activities. At the Prospectus Date there are no proceedings concerning the Issuer's liability pursuant to Legislative Decree 231/2001 for events in the periods relating to the financial information included in the Prospectus, nor have any proceedings of this nature arisen in the period from 30 June 2020 to the Prospectus Date.

At the Prospectus Date, the claims against the Group (*contenzioso passivo*) amount to about €895 million (of which about €340 million for civil litigation in Italy and about €521 million for civil litigation abroad, about €29.8 million for tax litigation and about €4.1 million for labour law litigation). At 30 June 2020, the liabilities that are considered likely and recognised in the half-yearly consolidated financial statements amounted to €156.7 million (€166.3 million at 31 December 2019). The related provisions were made in accordance with IFRS principles.

Below is a summary of the disputes outstanding at the Prospectus Date, broken down by geographical area, which in the event of a negative outcome could have significant repercussions on the financial situation or profitability of the Issuer or the Group. The claims relating to the following

disputes (approximately €188 million for Italy and approximately €503 million for abroad) represents approximately 77% of the total claims at the Prospectus Date.

Civil litigation

ITALY

1) VELA S.P.A.

With summons dated 12 July 2013, Vela S.p.A., owner of the land, sued RFI, the tenant, for damages estimated at €7,457,000. The land is adjacent to the construction area of the AV Station in Bologna. The alleged damages relate to the failure to provide the material excavated from the Station to the land owned by Vela S.p.A. necessary to fill the quarries that Vela S.p.A. managed for the Municipality of Bologna. Once filed, RFI challenged the breach and joined Astaldi as a party, contractor of the AV Station in Bologna. On 18 September 2018 sentence no. 2492/2018 of the Civil Court of Bologna was published which rejected Vela S.p.A. 's application and RFI's joinder. At the Prospectus Date, the first instance judgement had been appealed.

2) CIMOLAI S.p.A.

On 3 December 2018, Cimolai S.p.A. ("**Cimolai**"), partner with Astaldi in the ATI awarded the ESO OBSERVATORY project (Extremely Large Telescope), challenged Astaldi for an alleged serious breach of the obligations laid out in the by-laws and the regulation, which should result in the reduction of Astaldi's shareholding to 0.01%. On 5 December 2018 Astaldi forcefully challenged Cimolai's accusation as unfounded and illegitimate. Subsequent reciprocal disputes between the parties followed. Meanwhile, in an effort to find a solution to allow the work to continue, Cimolai temporarily assumed the role of agent of the temporary consortium. On 17 June 2019 Cimolai initiated an arbitration and appointed its arbitrator (Prof. Matteo Rescigno). The claim is for compensation of approximately €100 million in damages, of which €38.2 million for receipts received in excess of the work carried out, €43.5 million for damages (higher costs that Cimolai will have to bear compared to Astaldi's budget forecasts) and €12 million for damages due to delays. Astaldi considers these claims to be completely unfounded. On 8 July 2019 Astaldi appointed the second arbitrator, the lawyer Dattrino of the Court of Milan. Astaldi submitted its counterclaim. On 5 September 2019 the arbitrators identified the third member of the board, who will act as President, in the person of the lawyer Prof. Angelo Castagnola. On 18 November 2019, Astaldi submitted its defence brief, in which, in addition to rejecting and contesting all the opposing party's arguments, it submitted a counterclaim. On 30 January 2020 the first appearance hearing (*udienza di comparizione*) was held, during which the Arbitration Board assigned the parties the terms for the preliminary briefs (*memorie istruttorie*). The discussion hearing was held on 18 June 2020. With order dated 7 September 2020, the Arbitration Board appointed an expert to analyse some technical and accounting issues, subject to the formulation of the relief sought during the appearance hearing scheduled for 20 November 2020.

3) VIANINI

As part of the legal disputes that arose between Astaldi, Metro C and a factoring company, that caused a temporary financial difficulty for Metro C, with writ of summons dated 24 October 2019 Vianini (which participates in Metro C S.c.p.A.) sued Astaldi for alleged damages for various reasons, including damages for defamation and/or in any case damage to its image vis-à-vis the banking system, having allegedly been associated in the view of banks with Metro C's financial troubles. Vianini's claim (quantified in €40 million) appears specious and in any case difficult to reconcile with the values of the request. Vianini also filed a complaint to ascertain any criminal implications related to the matter in question. In its defence response Astaldi fully contested Vianini's accusations, also underscoring that no offence had been committed and/or in any case ascertained

by the competent judicial authority, and therefore there were no grounds for any compensation due to Vianini. The hearing of first appearance is scheduled for 14 December 2020, and based on the elements available to date the likelihood of losing the case is remote. Indeed, in September 2020 Astaldi, Metro C and the factoring company settled their mutual dispute, and this also led to the elimination of Metro C's financial difficulties, which in the meantime the company had managed to resolve. Consequently, since the reasons for the suit brought against Astaldi no longer existed, Vianini undertook to renounce the fulfilment of Astaldi's obligations under the aforementioned settlement agreements.

4) A4 HOLDING – BRESCIA–PADUA MOTORWAY

The subsidiary Astaldi Concessioni (as well as Astaldi as guarantor) received the notices of claim filed by Abertis Infraestructuras S.A. and Abertis Internacional S.A. that originate from the sale contract stipulated on 9 May 2016 between, on the one hand, Astaldi, In.Fra Investire nelle Infrastrutture S.p.A., Iniziative Logistiche S.r.l., Compagnia Italiana Finanziaria S.r.l., and 2G Investimenti S.r.l. (the "**Sellers**"), and on the other hand Abertis Infraestructuras S.A. (the "**SPA**"), pursuant to which on 8 September 2016 the Sellers sold to Abertis Internacional S.A. ("**Abertis**") their controlling interest in A4 Holding (controlling holding company of the concessionaire of the "Serenissima" motorway). Abertis sent the Sellers some notices of claim (the last one was received in November 2019) complaining of alleged violations of the representations and warranties issued by the Sellers, resulting in an alleged obligation of the latter to indemnify and hold Abertis harmless against alleged damages suffered and still being suffered (at the Prospectus Date the Group's share of the claim is approximately €12 million). The Sellers have contested what Abertis detailed in its notices of claim and their updates, and rejected any liability under the SPA and/or other legal provisions.

5) ANAS S.P.A. (NICOSIA CONTRACT)

With regard to the modernisation of SS 117 Centrale Sicula, a first arbitration award issued on 2 November 2005 gave Astaldi the total amount of €9,598,092.34 from ANAS. The appeal brought by ANAS against this arbitration award ended with ruling 934/2015, which fully rejected ANAS's requests. ANAS appealed to the Supreme Court on 9 April 2015. At the Prospectus Date, the discussion hearing has yet to be scheduled. Furthermore, a second arbitration proceeding was initiated for the reserves recorded after the issuance of the award on 2 November 2005 and amounting to a total of €20,893,000. The report of the court-appointed expert witness, filed on 6 December 2010, recognised the amount of €14,298,562. With the arbitration award of 31 March 2011, decided unanimously and filed on 15 April 2011, ANAS was ordered to pay Astaldi the total amount of €12,940,717 plus ancillary charges. ANAS appealed against this arbitration award. The Court of Appeals of Rome ruled in favour of the appeal filed by ANAS and declared award no. 38/2011 null and void due to a defect in the arbitration clause. On 30 November 2016 Astaldi therefore initiated a new civil suit on the second generation of reserves, already subject to the arbitration award, and updated the amounts, for a total claim of €36,048,136. The provisional report of the court-appointed expert witness recognised an amount of approximately €7 million. At the Prospectus Date, the next hearing has yet to be scheduled. It should be noted that in this case ANAS filed a counterclaim for approximately €62 million due to alleged higher costs incurred for having to re-contract the works in question and for damages to its image. In September 2020, the final expert report was filed, which substantially confirmed the amount of the provisional expert report (i.e. approximately €7 million).

6) EXTRAORDINARY APPEALS TO THE SUPREME COURT PURSUANT TO ART. 111 OF THE CONSTITUTION

On 14 and 15 September 2020, 13 October 2020 and 14 October 2020, the Company has been notified of four separate appeals to the Supreme Court pursuant to Article 111 of the Constitution and Article 360 of the Italian Civil Procedure Code, requesting the cancellation of the Court of Rome's measure of 17 July 2020 that approved the arrangement with creditors (*concordato preventivo*) of Astaldi S.p.A.

The Issuer stresses that the filing of appeals has no effect on the execution of the Arrangement with Creditors, since pursuant to article 180, paragraph 5 of the Bankruptcy Law the decree approving a proposal for an arrangement with creditors is provisionally enforceable, and any challenges do not have any suspensive effect, nor do they exempt the proposing company from promptly fulfilling its commitments towards creditors.

In the opinion of the Issuer, opposing legal initiatives are to be considered inadmissible in consideration of the operating procedures of the approval procedure envisaged by bankruptcy legislation and the conduct of the applicants with respect to this judgement. In fact, under Italian law the extraordinary remedy envisaged in art. 111 of the Constitution is residual in nature and has the purpose of allowing the Supreme Court to intervene where an alternative protection is denied to those who have been injured in their rights by a judicial decision. In short, the Issuer believes that in order to counter the approval of the arrangement, all dissenting creditors, including those holding Company bonds, had the possibility and therefore the responsibility to oppose with a suit filed with the first-instance Court to make their claims. Not having done so of their own volition, they have lost the chance to challenge the approving decree with ordinary remedies, and even more so with extraordinary remedies, as they can only be employed where the former are lacking. In this specific case, the non-claimability of the Approval measure derives from the choice of the noteholders appearing in the Supreme Court pursuant to art. 111 of the Constitution not to file suit with the first-instance Court.

Without prejudice to the aforementioned nullifying exception, with regard to the grounds of appeal the following is a summary of the arguments made and the reasons why they are considered unfounded by the Issuer.

Appeal of the individual noteholder Benincasa dated 14 September 2020

The first grounds for appeal are based on the alleged failure to notify the applicant of the decree scheduling the hearing for approval of the arrangement. The Issuer considers that this is manifestly unfounded on the merits because the approval decree was served to the common representative of the bond (Prof. Tiziano Onesti) as per law and because Astaldi served the decree for public proclamations pursuant to art. 150 of the Code of Civil Procedure following the Court's authorisation.

The second grounds for appeal concern the alleged lack of independence of the Certifier and the investigations initiated by the Public Prosecutor's Office of Rome. In this regard, it is useful to note that the propriety of the procedure, even following the initiation of the criminal proceedings referred to by the applicant, was confirmed by the Court of Rome which on 12 November 2019 ordered that the arrangement could continue.

The third grounds for appeal concern the alleged unlawful participation of the "*partner and lending banks of Salini Impregilo*" in the vote because, according to the applicant, they should have been excluded due to a conflict of interest. The complaint is unfounded because even if the votes of the banks mentioned by the applicant had been excluded, Astaldi's arrangement with creditors would in any case have been approved, having obtained in any case the favourable vote of the absolute majority of the credits admitted.

The fourth reason concerns the failure to classify the creditors, given the attribution of the Lender Warrants to the banks instead of to the noteholders. The attribution of the Lender Warrants is not part of the proposal for an arrangement addressed to creditors, but is rather a component of the consideration paid to the parties who insured Astaldi's pre-deductible loans, authorised by the Court of Rome and envisaged in the Plan, essential to ensure business continuity.

The fifth grounds for appeal concern the alleged illegality of Astaldi's current shareholders' minority shareholding in the outcome of the execution of the arrangement with creditors. The Issuer considers the objection raised by the applicant to be unfounded by virtue of the provisions of art. 186-*bis* of the Bankruptcy Law.

The sixth grounds of appeal concern the alleged infringement of the rules on appeals to public savings, and in particular the rules on public tender and swap offers. The Issuer considers that this claim is unfounded, as the creditors of an arrangement are not comparable to investors. This principle is also detailed in Consob Communication no. DIE/13042882, which clarifies that the procedure for converting credits into shares envisaged in an arrangement with creditors procedure is not comparable to an "offer" pursuant to art. 94 of the Financial Consolidated Act.

Collective appeal of the group of noteholders of 15 September 2020

The first grounds for appeal concern the alleged illegality of the deadline for the submission of the proposal for an arrangement with creditors granted by the Court of Rome. The Issuer complied with the deadline specified by the Court of Rome, whose order setting the deadline was not challenged (neither by the applicants nor by others).

The second grounds for appeal concern the treatment of FIN.AST's deferred credit, which the applicants complain is illegal due to the violation of the fairness condition among creditors (*par condicio* principle) and the rules on subordination. The issue has already been extensively addressed by the Court in the approval decree. The Issuer considers the reason to be unfounded since during the Plan's period of execution no satisfaction is offered to subordinated creditors (neither in money nor in securities).

The third grounds for appeal concern the alleged inadmissibility of a proposal for an arrangement that envisages the establishment of designated assets for the satisfaction of unsecured creditors by subtracting such assets, according to the applicants, from the guarantee of pre-deductible and privileged creditors, without guaranteeing their prior full satisfaction. The Issuer considers that the claimants – being unsecured creditors – have no standing to assert this claim, and that the issue instead concerns the economic value of the proposal, whose legitimacy cannot be reviewed as this pertains exclusively to creditors.

The fourth grounds for appeal concern the alleged illegality of the treatment of the debts of Astaldi's Chilean and Turkish branches, which were not placed in a special class despite having received different treatment from the other unsecured creditors, with consequent alteration of the majorities. The Issuer considers the reason unfounded since the treatment of Chilean and Turkish debts was authorised by the Court, which has shared the view that the debts in question are exempt from the rules under Italian law as they arose abroad, towards local branches of Astaldi and in countries (in this case Chile and Turkey) that do not recognise Italian procedures for arrangements with creditors.

The fifth grounds allege that the procedure is unlawful because of the lack of independence of the certifier. The Issuer considers the grounds unfounded for the same reasons specified above regarding the similar complaint raised by the noteholder Ms Benincasa.

With the sixth grounds, the claimants lament the Arrangement with Creditors' treatment of the privileged portion of Sace's credit, which will be paid in cash through the proceeds of the Designated

Assets and not with the resources of the Company, as envisaged for the other privileged creditors. According to the counterparties, this circumstance demanded the formation of a class. The Issuer considers the complaint to be unfounded, as (i) Sace's preferential claim will be paid in cash and in full, exactly as envisaged for all preferential claims; (ii) the designated assets are also a resource of the company, and the fact that Sace has agreed to wait to be paid until the designated assets have been sold benefits the proposing company and does not in any way harm the unsecured creditors, whose claims are in any case legally postponed until after those of the privileged creditors. Regarding the lack of a class, since it is a privileged debt destined to be fully satisfied, the Issuer considers that a class was not necessary, and even if it had been formed it would have been a class without the right to vote, and as such irrelevant to the formation of the majorities.

With the seventh grounds, the applicants complain that certain suppliers were not included in a separate class even though, by virtue of a rule that entered into force during the arrangement with creditors procedure (so-called "Save Works" fund (*Fondo "Salva Opere"*)), they were recipients "*of a payment from the State for an amount different and additional to what was envisaged in the arrangement proposal*". The Issuer considers the complaint to be unfounded.

In their eighth argument, the applicants complain of the alleged erroneous date of reference of the arrangement's accounting data (28 September 2018), since it is different from the relevant date (which, according to the counterparties, should be 14 February 2019), resulting in a lack of truthfulness of the company data. The Issuer considers the grounds in question to be unfounded as strictly linked to the first, relating to the alleged error of the Court of Rome in assigning the deadline for the submission of the final proposal.

With the ninth complaint, the applicants claim that the benefit of the arrangement with creditors with respect to the available alternatives was clearly confirmed by the Certifier, which did not take into account the mass and liability actions that could be enacted in an extraordinary administration procedure. The Issuer considers the claim to be inadmissible, regarding aspects that cannot be examined at the legitimacy stage.

For the tenth grounds, the applicants complain that there is insufficient information. The Issuer considers the reason to be inadmissible both because of its generality and because it has aspects that cannot be examined at the legitimacy stage.

Appeal of the eight noteholders of 13 October 2020

The appeal is substantially – albeit more succinctly – based on the same complaints as those in the suit brought by the group of noteholders and described in the preceding section. For reasons of inadmissibility and groundlessness, reference is therefore made to what was explained above.

Appeal of 18 noteholders of 14 October 2020

The appeal is substantially – albeit more succinctly – based on the same complaints as those in the suit brought by the group of noteholders and described in the preceding section. For reasons of inadmissibility and groundlessness, reference is therefore made to what was explained above.

INTERNATIONAL

1) CANADA - MUSKRAT FALLS

During the construction of the Muskrat Falls Hydroelectric Project in Canada, a series of unforeseeable circumstances together with some operational difficulties during the start-up phase of the works led to an increase in the costs of the entire project. More specifically, the level of productivity of the local workforce was unpredictably and abnormally low. In December 2016, Astaldi Canada Inc. and the customer Muskrat Falls Corporation ("**MFC**") signed a supplement to the

contract (Completion Contract) in which the client acknowledged the higher costs incurred by the contractor in the construction of the project. However, the difficulties continued and the contractor submitted a further request for an extension of the execution time and for the reimbursement of additional costs, in particular for civil works in the hydroelectric power plant. MFC did not accept the contractor's requests and the contractor was therefore forced to initiate arbitration proceedings. On 27 September 2018 Astaldi notified MFC of a request for arbitration for the recognition of the actual value of the work performed due to the fact that MFC had arbitrarily imposed an allocation mechanism for its sole benefit and to the detriment of Astaldi, thus causing financial difficulties for the contractor in the execution of the work, as well as for the violation of the duty of good faith and correct fulfilment of the contractual relationship. In response, MFC first sent a Notice of Default and subsequently terminated the contract, enforcing the Letter of Credit guaranteeing the proper execution of the works. The Arbitration Tribunal was established on 26 November 2018. Astaldi filed its brief on 31 May 2019, requesting the Arbitration Tribunal to order the client to pay (i) CAD 284.4 million (equivalent to about €181.8 million) for work performed and unpaid, (ii) CAD 14.2 million (equivalent to about €9.0 million) for costs incurred by the contractor following the termination of the contract, (iii) CAD 100.0 million (equivalent to about €63.9 million) to return the value of the Letter of Credit and (iv) CAD 30.8 million (equivalent to about €19.6 million) for machinery, materials and loss of profit, for a total amount of CAD 429.4 million (equivalent to about €274.5 million). On 26 August 2019 MFC filed its defence brief with a counterclaim, with which it requested the Arbitration Tribunal to order Astaldi to pay approximately CAD 315.4 million (equivalent to approximately €201.6 million) as damages; considering the balance of the values to be executed and the amount of the Letter of Credit enforced, the amount requested by the client was reduced to approximately CAD 55.7 million (equivalent to approximately €35.5 million). The hearing for witnesses will take place in the first half of November 2020, while the hearing for the testimony of experts will take place in the period 1-12 March 2021. The award is expected in the fourth quarter of 2021. Based on the opinions of the external lawyers the likelihood of losing against the opponent’s claim for damages is remote.

2) CHILE – CHACAYES DAM

On 9 October 2008 a turnkey EPC contract was signed between Pacific Hydro Chacayes Sa as client and Constructora Astaldi Fe Grande Cachapoal Ltda as contractor for the construction of a 110 MW hydroelectric power plant on the Cachapoal river (Region VI, Chile). In addition to the plant itself, the project also included the construction of a feeder channel, an adjustment basin, a tunnel and related electromechanical equipment. In 2011, the project was completed with the simultaneous commissioning of the plant and the subsequent issue of the Final Taking Over certificate on 31 July 2013. On 31 July 2017, Pacific Hydro Chacayes Sa filed two arbitration applications (subsequently consolidated) against Constructora Astaldi Cachapoal Limitada and Astaldi (as parent company) before the International Chamber of Commerce (ICC) of Santiago de Chile, accusing them of responsibility for the collapse of the emergency spillway of the Chacayes dam and requesting extremely high damages of USD 50 million (approximately €42.2 million). Constructora Astaldi Cachapoal Limitada, with regard to the merit of the matter, dismissed the claimant's accusation in its entirety, considering it unfounded and specious, arguing on the contrary that the cause of the accident was due to poor maintenance and inadequate management of the plant. Due to the resignation of one of the arbitrators, the hearing on the merits was postponed to the week of 3 April 2020. The new arbitrator, also following a request for recusal (*istanza di ricusazione*) of the one appointed by Astaldi, was appointed on 23 March 2020. The hearing on the merits will take place in November 2020. It is therefore reasonable to expect the award to be decided in the first quarter of 2021. Based on the opinions of the external lawyers, the likelihood of losing against the opponent’s claim for damages is remote.

3) CHILE - FELIX BULNES HOSPITAL

The *Ministerio de Obras Públicas* (MOP) awarded Astaldi Concessioni the concession contract for the construction, maintenance and management of the Félix Bulnes Hospital in Santiago de Chile. In accordance with the requirements of the tender documents, Astaldi Concessioni founded Sociedad Concesionaria Metropolitana de Salud S.A. ("**SCMS**"). This concessionaire subsequently entrusted Astaldi Sucursal Chile with the turnkey construction of all the hospital works. However, starting from the contractor's design phase events and circumstances beyond the contractor's responsibility impacted the work programme, resulting in higher costs and delays. On 2 January 2019 the client SCMS terminated the construction contract and the contractor challenged this termination, filing a request for arbitration with the Santiago Chamber of Commerce claiming the illegality of the termination and requesting the return of the guarantees that had been enforced (performance bonds and advance payment bonds), the payment of the works performed, the reimbursement of the damages suffered and the loss of profits. On 10 April 2019, both parties filed their briefs, followed by their replies and objections in May 2019. On this occasion, the contractor requested the payment of UF 3,200,248 (approximately €113.5 million) (among other things for direct costs, changes and overheads and for non-payment of some invoices) while the client requested an amount equal to approximately €78.5 million. According to the schedule of the proceedings, the preliminary investigation phase is under way, during which the expert report ordered by the Arbitrator was filed (on 7 July 2020). The award is expected to be decided in the first quarter of 2021. Based on the opinions of the external lawyers, the likelihood of losing against the opponent's claim for damages is remote.

4) GEORGIA – E60 ROAD DEPARTMENT

On 6 September 2017, the *Roads Department of the Ministry of Regional Development and Infrastructure of Georgia* awarded Astaldi with the contract for the construction of a lot of the E-60 motorway from Zemo Osiauri to Chumateleti. In July 2018, the contractor submitted a technical report with a review of the design of some viaducts, highlighting some critical issues and the possible consequences in terms of the works' stability. The report therefore concluded that the executive project was not executable. While the Works Management substantially agreed with the proposals submitted by the contractor to address the design deficiencies, the client sent Astaldi a notification to comply, with the relative instruction to immediately start construction of the viaducts according to the client's original project. In response to this document, on 22 November 2018 Astaldi notified the client of the termination of the contract. Upon receipt of this notification, the client reacted with the enforcement of the guarantees, promptly contested by the contractor. Therefore, on 30 November 2018 the contractor initiated arbitration proceedings at the International Chamber of Commerce (ICC) in Paris (case 24093/FS) requesting a decision of the Tribunal on the legitimacy of the termination of the contract, the return of the performance bond and the reimbursement of the higher charges and costs resulting from the termination for a total amount of €44.4 million. On 30 September 2019 the client filed its reply and counterclaim for a total of €82.7 million. On 16 October 2020, with the filing of the defence brief, the client updated the counterclaim bringing the remedy sought to €95.2 million. At the Prospectus Date the proceedings are still ongoing and the award is expected to be made in the first quarter of 2022. Based on the elements available to date and the opinions of the external lawyers, the likelihood of losing against the opponent's claim for damages is remote.

5) POLAND – RAILWAY LINE NO. 7 DĚBLIN-LUBLIN

On 29 May 2017 a contract was signed by the consortium (with Astaldi as leader) and PKP Polskie Linie Kolejowe S.A. ("**PKP**") (Polish Railways) for the modernisation of Railway no. 7 in the section Warszawa Wschodnia – Lublin – Dorohusk – Granica Państwa – Dęblin lot – Lublin km 107.2+83 – 175.8+50. The project consists in the reconstruction of the railway headquarters, catenary and drainage system, platforms, pedestrian crossings, crossings, technological and access roads and

control rooms. The work start order was received on 5 June 2017 with a work end date scheduled for 5 April 2019. On 27 September 2018, shortly after the start of the works, Astaldi – as leader of the consortium – notified the customer PKP of the termination of the contract due to the extraordinary and unforeseeable change in the circumstances of execution of the works, as evidenced by the abnormal increase in the costs of materials and personnel, as well as the serious unavailability of materials, services and personnel on the market, including, for example, the transport services for construction materials. On 5 October 2018, PKP reacted to the aforementioned action, in turn terminating the contract, requesting the payment of the contractual penalty (which amounted to approximately €59 million) and enforcing the guarantees for a total of €42.3 million (including the guarantee for the return of the advance). With regard to this dispute, at the end of December 2018 PKP obtained a protective measure for about PLN 313.9 million (equivalent to about €73.0 million). The Judge therefore ordered the attachment of the following assets of Astaldi: *a*) the shares and dividends in Astaldi Polska Sp. Z o.o.; *b*) all Astaldi's movable property (including the TBMs – Tunnel Boring Machines); *c*) bank accounts specified by the Judge. In May 2020 the Company filed an appeal against the attachment order. However, this request was rejected by the court, and therefore in July 2020 Astaldi filed an appeal against this rejection with the relevant court. In consideration of the decree approving the arrangement issued on 17 July 2020 by the Court of Rome, on 24 July 2020 the Company submitted a new request to declare the aforementioned protective measures ineffective. The contractor has also served claims for approximately €50 million deriving mainly from the abnormal progress of the works, in addition to the claim for the cancellation of the aforementioned penalty, and for the updating of the unit contract prices for approximately €17 million. In addition to the enforcement of the guarantees, in reaction to the contractor's decision to terminate the contract the client filed a writ of summons before the Court of Warsaw requesting the payment of penalties (for about €35.9 million) net of the amount already enforced and the reimbursement of direct payments made to subcontractors (for about €15.4 million). On 2 December 2019 Astaldi submitted its defence brief to the Court. The Warsaw Court has not yet set the date for the next hearings. Following the termination of the contract, the contractor submitted the Final Statement to the client for the recognition of the works done and not yet paid for. However, due to the non-payment of said statement and the unsuccessful attempt at an amicable resolution, on 17 March 2020 the contractor filed a lawsuit in the Court of Warsaw regarding non-payments for the works performed and certified by the Works Management, for approximately €8.8 million. Subsequently, on 26 May 2020 the contractor filed a further lawsuit to also request the payment of the works performed and not certified by the Works Management for an additional €31.2 million. Based on the opinions of its external lawyers, in its financial statements and consolidated financial statements as at 31 December 2018 the Company has allocated the amount of penalties that are estimated to derive from the termination of the contract in question.

6) POLAND - RAILWAY LINE NO. E59

On 23 June 2017 a contract was signed by the consortium (with Astaldi as leader) and PKP Polskie Linie Kolejowe S.A. ("**PKP**") (Polish Railways) for the reconstruction of the track and ancillary infrastructure of railway line E59 – Lower Silesia section in Leszno. The project consists in the technical upgrading of the existing railway line to the quality standards of the European transport market in terms of speed, safety and interoperability. The work start order was received on 3 July 2017 with a work end date of 3 December 2019. On 27 September 2018, Astaldi notified the customer PKP of the termination of the contract due to the extraordinary and unforeseeable change in the circumstances of execution of the works, as evidenced by the abnormal increase in the costs of materials and personnel, as well as the serious unavailability of materials, services and personnel on the market, including, for example, the transport services for construction materials. On 5 October 2018 the client reacted to the aforementioned action, in turn terminating the contract, requesting the payment of the contractual penalty of approximately €30.4 million and enforcing the guarantees for

a total of €20.3 million (including the guarantee for the return of the advance). With regard to this dispute, at the end of December 2018 PKP obtained a protective measure for about PLN 140.7 million (equivalent to about €32.7 million). The Judge therefore ordered the attachment of the following assets of Astaldi: *a*) the shares and dividends in Astaldi Polska Sp. Z o.o.; *b*) all Astaldi's movable property (including the TBMs – Tunnel Boring Machines); *c*) bank accounts specified by the Judge. In May 2020 the Company filed an appeal against the attachment order. However, this request was rejected by the court, and therefore in July 2020 Astaldi filed an appeal against this rejection with the relevant court. In consideration of the decree approving the arrangement with creditors issued on 17 July 2020 by the Court of Rome, on 24 July 2020 the Company submitted a new request to declare the aforementioned protective measures ineffective. The contractor has also served claims for €3.6 million, in addition to the claim for the cancellation of the aforementioned penalty. Moreover, it has claimed a reserve for the updating of the unit contract prices for approximately €10 million. In addition to the enforcement of the guarantees, in reaction to the contractor's decision to terminate the contract, on 7 February 2019 the client filed a writ of summons before the Court of Warsaw requesting the payment of penalties (for about €20.15 million) net of the amount already enforced and the reimbursement of direct payments made to subcontractors (for about €2.47 million). On 2 December 2019 the contractor submitted its defence brief. The Warsaw Court has not yet set the date for the next hearings. Following the termination of the contract, the contractor submitted the Final Statement to the client for the recognition of the works done and not yet paid for. However, due to the non-payment of said final statement and the unsuccessful attempt at an amicable resolution, on 17 March 2020 the contractor filed a first lawsuit in the Court of Warsaw regarding non-payments for some works performed and certified by the Works Management, for approximately €4 million. Subsequently, on 26 May 2020 the contractor filed a further lawsuit to request the payment of the additional €3.9 million, of which about €1.3 million related to unpaid invoices and about €2.6 million for the works performed and not certified by the Works Management. Based on the opinions of its external lawyers, in its financial statements and consolidated financial statements as at 31 December 2018 the Company has allocated the amount of penalties that are estimated to derive from the termination of the contract in question.

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.

Poland Branch – In December 2019 an audit of the local Astaldi branch was initiated by the Polish Revenue and Customs Agency. The audit concerns the reliability of the taxable income declared and the periodic VAT payments for the period March 2018-January 2019. At the Prospectus Date, the audit is still ongoing and no objections have been served or otherwise formalised.

Costa Rica Branch – In 2013, the local tax authority initiated an audit of the local Astaldi branch to calculate the correct taxable income for the purposes of direct income taxes for the year 2010. The audit ended with the notification of a higher taxable amount due to the non-recognition of the deductibility of costs of various kinds (amortisation/depreciation, costs for salaries and other remunerations to personnel, losses and travel and transportation costs) for a total amount of 776,803 thousand Colones (equivalent to approximately €1.2 million). Separately fines were imposed for 194,200 thousand Colones (equivalent to €300,000). With the help of its consultants, the Company has taken local administrative steps to contest the aforementioned assessment and to argue the correctness of its work. At the Prospectus Date such proceedings are ongoing. It should also be noted that in 2015 Astaldi's branch in Costa Rica received a measure regarding the non-recognition of certain withholding tax credits by the local tax authority for the tax periods 2011, 2012 and 2013. Faced with an initial request of 640,694.6 Colones (equivalent to €900,000), with the help of its consultants the Company initiated the administrative procedures envisaged by local legislation to

challenge the aforementioned measure. At the Prospectus Date, such proceedings are still ongoing and the claim has been restated to 132,305 Colones (equivalent to approximately €200,000).

El Salvador Branch – In 2016 Astaldi's El Salvador Branch received an assessment from the local tax authority regarding the restatement of the taxable income and related income taxes for the year 2012. With the aforementioned assessment, the local tax authority raised issues with the Astaldi branch regarding alleged undeclared revenues and income, and costs and charges whose deductibility was not recognised, specifically: (*i*) revenues deemed to be undeclared for USD 23.5 million (equivalent to about €20.5 million), as income from the signing of the settlement agreement for the dispute relating to the El Chaparral Hydroelectric Project; (*ii*) interest income allegedly arising from certain intercompany loans for USD 800,000 (equivalent to about €700,000); (*iii*) revenues and income declared as exempt or non-taxable for USD 13.4 million (equivalent to about €11.7 million); (*iv*) costs whose deductibility for USD 15.4 million (equivalent to about €13.5 million) was contested. In view of the aforementioned findings, the local tax authority therefore restated the income taxes due from the Astaldi branch for the year 2012 for a higher amount of approximately USD 9.1 million (equivalent to approximately €8 million), plus penalties and interest. With the help of its local consultants, the Company initiated the procedures envisaged to challenge all the findings made by the local tax authority.

COMERI – At the Prospectus Date, the Italian subsidiary CO.MERI is party to a litigation concerning a VAT assessment for fiscal year 2010 for approximately €19 million, for taxes and penalties. At the Prospectus Date, the litigation is pending at the appeal stage, following a first instance ruling favourable to the Company.

Astaldi Canada Inc. – In September 2019, following an audit by the local tax authority, Astaldi Canada Inc., Canadian subsidiary of Astaldi, received an assessment notice contesting omitted withholdings for about CAD 1.7 million (equivalent to about €1.1 million) on the fees due to Astaldi for the remuneration of counter-guarantees assumed by the latter on behalf of and in the interest of the subsidiary for the years 2015 and 2016. With the help of its local consultants, Astaldi Canada Inc. initiated the procedures necessary to challenge the aforementioned notice and to argue the correctness of its work. At the Prospectus Date such proceedings are still ongoing.

Astaldi S.p.A. – The Revenue Agency rejected the proposal for a tax settlement pursuant to art. 182-ter of the Bankruptcy Law, submitted as part of the arrangement with creditors procedure initiated by the Company. The refusal order was served on 14 April 2020. It should be noted that the aforementioned proposal is based on the request for settlement due to the non-application of penalties for approximately €8 million on tax liabilities exclusively attributable to the prohibition imposed by the arrangement with creditors procedure to pay amounts due prior to the date of submission of the petition. The Company filed an appeal against this denial on 9 July 2020, challenging some aspects on the merits and in law. In execution of the Proposal for an Arrangement with Creditors and in light of the aforementioned rejection, the Company will proceed with the priority payment of the entire tax debt, and, in the event of a settlement with a favourable outcome to the Company, it will recover the excess paid.

Astaldi S.p.A. – On 6 December 2018, the Revenue Agency notified the Company of the denial of its request for reimbursement of the annual VAT credit for the year 2017 for the amount of €4.9 million, deeming the amount of €4.7 million non-refundable. According to the arguments put forward by the Agency, the credit, while existing, does not meet the requirements of current legislation to be eligible for reimbursement. With the help of its consultants, the Company challenged the aforementioned measure and the Agency's arguments. Proceedings are still ongoing. It should be noted that in the event of bankruptcy the credit becomes available to the company once again as part of ordinary VAT management.

As a consequence of the aforementioned refusal, and also according to the arguments put forward by the Revenue Agency, on 28 August 2020 the Company was served with an order to recover credit surpluses transferred under the Group VAT regime by the subsidiaries, offset during 2017. The alleged undue offset is €4.7 million, plus interest for €469,000 and penalties for €1.4 million. Subsequently, on 9 October 2020 the Agency served an "invitation" to pay, in execution of the guarantee provided by the Company as parent company under the Group VAT regime in place in 2017, thus assuming the obligation to make payments as required by current legislation. With the help of its consultants, the Company filed suit in court challenging the debt recovery for (alleged) undue offsets, and according to the terms established by law it will also challenge the aforementioned payment invitation. Again in this case, in the event of bankruptcy, with regard to the requested VAT payment, the Company may report the corresponding amount in its ordinary VAT management as a credit that can be included in the declaration, possibly subject only to penalties and interest.

Criminal litigation

Investigations related to Metro C

In July 2016 the Company became aware of preliminary investigations carried out by the Public Prosecutor's Office of Rome as part of a criminal investigation relating to the construction of Line C of the Rome Underground. The works were awarded by Roma Metropolitane S.r.l. to Metro C S.c.p.A., a special-purpose company 34.5% owned by Astaldi. The alleged offence was aggravated fraud involving public disbursements (art. 640-*bis* of the Criminal Code), and the investigations have focused on some executives of Roma Metropolitane S.r.l. and Metro C S.c.p.A., including the current Managing Director of Astaldi and three other executives of the Company, who at the time worked for Metro C S.c.p.A. On 19 July 2018, the conclusion of the preliminary investigations pursuant to art. 415-*bis* of the Code of Criminal Procedure was served. The preliminary hearing was held on 12 September 2020 and, since the necessary formalities were not completed, further hearings were scheduled for 3 November 2020 and 15 December 2020. That day the civil claimants appeared (Ministry of Infrastructure and Transport, Lazio Region, Municipality of Rome and Roma Metropolitane S.r.l.). At the Prospectus Date, therefore, the case is still in its initial phase. However, any conviction could render the CEO unfit for office due to a breach of the requirements established by law for holding such office, as well as adversely affect the reputation and performance of the Issuer's Shares.

As part of the investigation, on 11 July 2016 Metro C S.c.p.A. was served a search and seizure warrant and is also being investigated pursuant to Legislative Decree no. 231/2001. With regard to Metro C S.c.p.A., it should be noted that it has implemented an organisational model pursuant to Legislative Decree no. 231/2001 by resolution of the board of directors on 20 December 2007. With regard to this last investigation, at the request of the Public Prosecutor the judge for preliminary investigations ordered the closure (*archiviazione*) of the proceeding, having found that the evidence gathered is not sufficient to support the accusations in court.

Proceeding relating to Jonica State Road SS-106 (Lot DG-21)

On 16 March 2017 the Court of Catanzaro ordered the indictment (*rinvio a giudizio*) of three employees of Astaldi, officials of CO.MERI, in charge of the works on the Jonica State Road SS-106 (Lot DG21) on behalf of ANAS S.p.A. The proceeding concerns alleged negligent damage followed by flooding, landslide or avalanche (art. 427 and art. 449 of the Criminal Code) due to alleged errors in rainfall calculations during the design phase, which allegedly affected the dispersal of rainwater affecting an area of 100 metres of private property. On 9 April 2018 it was decided to postpone the hearing to 12 November 2018, which was then further postponed to 3 June 2019. At the hearing on 3 June 2019, the technical consultant of the Public Prosecutor was heard and a

postponement was ordered to hear two prosecution witnesses and the two civil claimants at the hearing scheduled for 21 October 2019, then postponed to 24 May 2020. The hearing set on 24 May 2020 to hear the two witnesses and the two civil claimants was postponed due to the pandemic, but the clerk of the Court of Catanzaro has not yet sent the electronic certified email with the new date.

Investigations relating to the Jonica State Road (Lot DG21)

On 28 June 2017, as part of an ongoing investigation of unknown persons following the collapse of a wall, the Public Prosecutor's Office of Catanzaro ordered the seizure of a section of the Jonica State Road SS-106, built by CO.MERI, a 99.99% subsidiary of Astaldi. On 26 July 2017 ANAS S.p.A. informed the Group of the release of the area. CO.MERI is working with ANAS S.p.A. to ascertain the reasons behind the accident, in order to prepare a project for the repair works. As part of this investigation, on 20 March 2018 the designer of CO.MERI, currently an Astaldi executive, the works manager and the tester were notified of the conclusion of the preliminary investigations and accused of negligent collapse (art. 434 and art. 449 of the Criminal Code). The preliminary hearing was first set for 15 October 2018, then postponed to 20 November 2011 and finally to 5 February 2019. At this hearing ANAS and the Consumer Protection Association appeared as civil claimants, and the Judge postponed the proceedings to 19 March 2019 to decide on the admissibility of the consumer association and for discussion. At the hearing, the preliminary hearing judge ordered an evidentiary hearing and postponed it to 17 June 2019, and then to 2 July 2019, assigning technical consultants with the task of ascertaining the causes of the collapse and who was responsible for it. Having made the assignment, the preliminary hearing judge postponed the trial to 29 January 2020 for the hearing of the court-appointed expert. The hearing of 29 January 2020 for the court-appointed expert witness was postponed at the request of the defence to 6 April 2020 and then, due to the pandemic, it was postponed to 30 October 2020.

At the end of 2017, the outer part of the deceleration lane of the Borgia exit collapsed. Road traffic was restricted to the overpass lane only. In November 2017 the *Guardia di Finanza* performed an inspection and requested the General Contractor to produce any relevant documentation. In December 2017 CO.MERI started a geognostic survey and prepared a project (already approved by the works management), and preparatory activities are currently in progress. On 28 February 2018 and 1 March 2018, the Public Prosecutor's consultant performed tests on site. The defendants (including an Astaldi employee – designer) were charged with the crime of abetting negligent disaster for having caused, due to general and specific fault, the collapse of the SS 106 road travelling north near the exit for Borgia. The preliminary hearing was scheduled for 7 February 2020. At the preliminary hearing on 7 February 2020, the preliminary hearing judge of the Court of Catanzaro rejected the defendants' motion to dismiss and ordered them to stand trial, the hearing being scheduled for 8 July 2020.

Della Monica accident, proceedings relating to the Fiera di Milano project

In 2012, at the Fiera di Rho Milano area, a gate caused the death of a worker. On 13 June 2016, the Milan Public Prosecutor’s Office initiated a criminal proceeding with an accusation of manslaughter against two Astaldi executives (at the time working at NPF S.c.a.r.l., a 50% subsidiary of Astaldi, and which performed the works for the Fiera di Rho Milano project). On 9 March 2017 the Court of Milan declared its lack of jurisdiction and the consequent transfer of the case to the Court of Bergamo, before which the proceedings were resumed. The first hearing of the trial was to be held on 9 July 2018 but was postponed to 29 October 2018. The Judge set a deadline of 10 October 2018 to allow Astaldi to prepare its observations of the list of documents which the Public Prosecutor had requested. Furthermore, the Public Prosecutor was authorised to summon two eyewitnesses and a judicial police officer who intervened at the scene of the accident. Hearings were finally

scheduled on 25 January 2019, 15 February 2019 and 22 February 2019. With regard to these proceedings, other defendants – not related to the Astaldi Group – who were officials at the specialised company in charge of the design, construction and installation of the gate concluded the proceedings with a settlement. On 10 June 2020, the Court of Bergamo acquitted one of the two Astaldi executives involved in the proceedings (Nicoletta Miniero), together with another defendant unrelated to the Astaldi Group, but sentenced the other (Gennaro Fiscina) to 9 months' imprisonment with a suspended sentence and the conviction expunged from the criminal record. From the reading of the sentence, the 90 days term begins for the filing of the judgement. Three other defendants not related to the Astaldi Group were sentenced to the same penalty with the same dual legal benefits.

Proceedings relating to the Mare Hospital in Naples

In July 2009, the Public Prosecutor's Office of Naples initiated a criminal proceeding with an accusation of aggravated fraud against the State (art. 640, paragraph 2, no. 1 of the Criminal Code) with regard to the concession of the Mare Hospital. The proceeding involves criminal accusations against numerous public officials and technical consultants, as well as against a former official of Astaldi and the concessionaire SPV Partenopea Finanza di Progetto S.c.p.A. (59.99% owned at the time by Astaldi, which subsequently increased its shareholding to 99.99%) pursuant to Legislative Decree no. 231/2001. The criminal proceeding is at the preliminary investigation phase. The next hearing is scheduled for 15 October 2020.

Investigation related to Unicredit Factoring

In June 2019, the Issuer learned that the Chairman and CEO of Astaldi were being investigated for the crime of misappropriation in criminal proceedings 21903/2019 (Public Prosecutor's Office at the Court of Rome) following a complaint filed by Unicredit Factoring. At the Prospectus Date the details of the investigation are not known.

Investigation related to the Chaparral Project – El Salvador

On 21 January 2019 the Issuer became aware of an action by the Public Prosecutor's Office of El Salvador (*Fiscalia*) charging certain natural persons with crimes against the public administration. One of the persons under investigation is an employee of Astaldi, having the responsibility of representing Astaldi's El Salvador Branch. The accusation of alleged bribery referred to the "closure" transaction of the El Chaparral Project signed in 2012, and was accompanied by a request for a precautionary measure. This agreement called for the termination of the contract due to the extraordinary and unforeseen geological situation of the site, which made it impossible to proceed with the construction of the aforementioned project. This agreement included an indemnity to the Company of USD 28.7 million (€24.4 million) paid between November 2012 and February 2013. This amount was derived from the total of approximately USD 108.5 million (USD 85 million (€72.3 million) for works performed and USD 23.5 million (€20.0 million) as reimbursement of the increased costs incurred for the partial execution of the work and subsequent termination), with subsequent deduction of the sums previously paid by the client for approximately USD 79.8 million (€67.9 million). The same Public Prosecutor's Office of El Salvador also initiated proceedings against another employee of the El Salvador Branch (as legal representative of Astaldi's branch in El Salvador) for the offence of evading income tax due to the omission of income related to the aforementioned transaction. The investigation phase of the proceedings is ongoing. Both proceedings have been suspended since 22 March 2020 due to the COVID-19 pandemic, although the work of the experts appointed by the Public Prosecutor's Office has continued. For the proceeding relating to the crime of corruption, on 11 June 2020 the Court (*Juzgado Noveno de Instruccion*) set the deadline for the submission of expert reports on 16 November 2020, and set 7 December 2020 as the deadline for the conclusion of the preliminary investigation phase, which involved geological and design elements but also an accounting and financial reconstruction of the

movements of money allegedly directed at committing the crime. In the meantime the Company learned (on 6 July 2020) that the former client of the El Chaparral Project, the Hydroelectric Executive Commission of the Rio Lempa ("**CEL**"), filed a request on 25 June 2020 for preventive seizure against Astaldi with the same criminal court for the sum of USD 173 million (€147 million), of which: (i) USD 61.3 million (€52.1 million) for damages consisting of payments not due to Astaldi (CEL disputes both the valuation of the works carried out and the higher charges recognised in the transaction); and (ii) USD 111.6 million (€94.9 million) for loss of profit caused by the lack of electricity generation due to the failure to build the dam until 2020. The aforementioned request was then increased to USD 227 million (€193.2 million), a further USD 54 million (€45.9 million), according to CEL due as financial charges and interest on the amount requested as damages.

On 28 September 2020 the Salvadoran Court issued a preventive cautionary seizure order on Astaldi's assets, up to the amount of USD 227 million (Euro 191.5 million), in relation to the subsidiary civil liability provided for by El Salvador regulations for legal entities whose employees or attorneys are responsible for corruption offences. The Salvadoran Court also requested mutual judicial assistance from the Italian Republic based on Article 46 of the United Nations Convention against Corruption. Astaldi was informed of the aforementioned measure first on 29 September 2020 through reports of the foreign press, and subsequently on 2 October 2020 via formal notification. On 8 October 2020 the Company then filed an appeal for the revocation of the decree granting the aforementioned precautionary measure. At the Prospectus Date the precautionary measure – still pending appeal – is enforceable exclusively in El Salvador, where the Group does not own any attackable assets. However, it is always possible that the Salvadoran Authority could employ international procedures to make this measure applicable in Italy and/or in other countries where the Group owns assets.

Based on the known facts and the opinions of its consultants, the Issuer nevertheless maintains that the aforementioned precautionary measure, aside from appearing unfounded, should not have any impact on the resources allocated to the Scope of Going Concern (and therefore on the cash available for the Group's ordinary activities) as its execution would be precluded by the bankruptcy rules, given that any credits recognised with respect to the matter under investigation would be subject to the same treatment as envisaged by the Proposal for an Arrangement with Creditors for Unsecured Creditors (in particular for Unforeseen Unsecured Creditors, see Part One, Section XIV, Paragraph 14.1.2 of the Prospectus), as the alleged and not ascertained credits arose prior to the publication in the Register of Companies of the application submitted by the Company pursuant to art. 161 of the Bankruptcy Law for admission to the arrangement with creditors procedure. Specifically: (a) the alleged claims – even where definitively ascertained – would be unsecured claims; (b) they would therefore be subject to the terms and conditions of the Arrangement with Creditors, covered by the composition by abatement of debt and being satisfied with the attribution of Shares and EFIs; (c) in any case, the rules governing the arrangement with creditors exclude the possibility for creditors to obtain protective and conservative measures, meaning that the aforementioned protective measure requested by the local court would not be enforceable in Italy.

Based on the aforementioned considerations and the legal opinions of experts (even on site), although the criminal proceedings have yet to commence, at the Prospectus Date the Issuer considers the likelihood of its involvement with resulting liabilities to be remote, as there does not seem to be any concrete or immediate risk of a conviction that could lead to any civil liability of the Issuer, if proven, for damages related to the crime. For the aforementioned reasons, the Issuer has not set aside any provisions related to this matter in the Condensed Half-Year Consolidated Financial Statements 2020. Regarding any liability pursuant to Legislative Decree no. 231/2001, based on the information available at the Prospectus Date, the Issuer considers that the related administrative offence abstractly attributable to it pursuant to art. 25 of Legislative Decree 231/2001

must be considered as non-prosecutable pursuant to art. 22 of Legislative Decree no. 231/2001 since five years has elapsed since the commission of the act, in the absence of significant interrupting acts.

With regard to the treatment of any credits that may emerge from the case in question (which on the basis of the assessments made by the Issuer at the Prospectus Date will fall into the category of Unforeseen Unsecured Creditors), it should be noted that the Extraordinary Shareholders' Meeting of 31 July 2020 approved a capital increase dedicated to the issue of any Shares to be allocated to Unforeseen Unsecured Creditors (the so-called Unscheduled Creditors Capital Increase, see Part I, Section XII, Paragraph 12.1.2 of the Prospectus). As at that date it was not objectively possible to precisely determine the total amount necessary to satisfy all Unforeseen Unsecured Creditors, the Extraordinary Shareholders' Meeting resolved to provide for a maximum amount (€10 million). At the same time, the Extraordinary Shareholders' Meeting resolved that in the event that the amount of the Unforeseen Unsecured Credits exceeded the amount considered for the purpose of the capital increase, the Company would resolve on a further capital increase in service of the Unforeseen Unsecured Creditors. In this event, the further issue of Anti-Dilutive Warrants benefiting Webuild would be resolved, as would the issue of additional Astaldi S.p.A. ordinary shares (bonus shares) intended exclusively and irrevocably to service the newly issued Anti-Dilutive Warrants. Therefore, even if the alleged claims that are the subject of the proceedings in question were judicially recognised, at the Prospectus Date the amount of the Unscheduled Creditors Capital Increase is sufficient and it would not be necessary for the Company to resolve on new capital increases to service them. In any case, as described above, the Proposal for an arrangement with creditors allows the Company to resolve further capital increases if needed to satisfy any additional Unforeseen Unsecured Creditors that may appear after the aforementioned capital increase was fully released.

Honduras – Hotel Complex Bahia de Tela investigation

With a letter dated 16 February 2018, as part of an investigation related to the Bahia de Tela project, the *Dirección Nacional de Investigacion e Inteligencia – Division de Investigacion* of Honduras asked Astaldi for information regarding the construction of the road leading to the Bahia de Tela complex, the construction contract of the project itself, as well as other related information. This project was completed almost ten years ago (December 2010). Based on the information available at the Prospectus Date, the investigation does not seem to involve Astaldi and the content of the letter is very general (no alleged criminal offences are indicated nor does it specify the involvement of natural persons).

Astaldi Construction Corporation – United States Attorney of the U.S. Department of Justice – District of Columbia

On 22 January 2020 Astaldi Construction Corporation received a communication from the *United States Attorney of the U.S. Department of Justice – District of Columbia* regarding a criminal investigation. Said communication accompanied a subpoena (a typical act of the US legal system which, in the Italian legal system of criminal procedure, is equivalent to a summons to appear before the Authority for the purpose of providing information) in which the Company was invited to provide documents and information relating to persons of Honduran nationality who may have had relations with the company and with the Group. At the Prospectus Date Astaldi is making every effort to provide the US authorities with the required documentation and information, and investigations are still ongoing. At the same time, on 9 July 2020 Astaldi signed a document provided by the US authorities aimed at interrupting the statute of limitations until March 2021 with regard to a purely theoretical or possible liability that could concern Group companies with respect to the ongoing investigation. At the Prospectus Date the matter does not concern other Group companies with the

exception of ACC. Furthermore, at the Prospectus Date there are no proceedings concerning the Issuer's liability under Legislative Decree 231/2001 for events in the periods relating to the financial information included in the Prospectus, nor have any proceedings of this nature arisen in the period from 30 June 2020 to the Prospectus Date.

Other insolvency proceedings

NBI S.p.A. – NBI S.p.A. ("**NBI**"), a company wholly owned by Astaldi, initiated an autonomous arrangement with creditors on a going concern basis procedure before the Court of Rome, filing a specific appeal on 5 November 2018 pursuant to art. 161, paragraph 6, of the Bankruptcy Law. Subsequently, NBI was authorised to continue some of the orders announced under the new Procurement Code and obtained clearance from the Court of Rome for the issuance of a DURC unified tax compliance certificate, as well as the collection of some receivables due from customers. The arrangement proposal was then filed on 7 June 2019, within the time authorised by the Court of Rome. Subsequently, in compliance with the clarifications requested and in compliance with the deadline granted by the Court of Rome, on 6 November 2019 NBI filed a new proposal for an updated arrangement with the corresponding documentation. With the authorisation of the Court of Rome, NBI also initiated an autonomous debt restructuring procedure in Chile (equal to €6.3 million at the year-end exchange rate) in consideration of the non-recognition of the Italian arrangement with creditors procedure in other countries. For the sake of completeness, it should be noted that subsequently, with a note dated 7 February 2020, NBI informed the Court of Rome that the majorities required by Chilean law for the approval of the proposal to restructure local debt submitted in Chile had been achieved. The Court of Rome admitted NBI to the arrangement with creditors procedure by decree dated 26 February 2020, ordering the convening of the related creditors' meeting on 24 June 2020. On 9 May 2020, the relevant court-appointed receivers issued a positive opinion of the plan and proposal pursuant to art. 172 of the Bankruptcy Law. On 24 June 2020 the creditors' meeting was held electronically and, after voting, the proposal for an arrangement with creditors and the arrangement with creditors plan submitted by NBI were approved by a large majority, equal to 78.12% of the total amount of credits admitted to the voting. On 30 September 2020 a hearing was held for the approval of the NBI arrangement, during which no objection was filed. The Court of Rome issued an approval order on 9 October 2020. In short, NBI's arrangement provides for the full payment of pre-deductible and preferential debts together with the cash settlement of a portion of unsecured debts equal to 10.1% over the period of the plan – in addition to any further payments to unsecured creditors deriving from the sale of certain assets as a possible upside of the guaranteed recovery – resulting in a debt relief benefit within the subsidiary of approximately €70 million. It should be noted that at the consolidated level the positive effect of the debt relief amounts to approximately €59 million.

AFRAGOLA FS S.C.R.L. – On 3 June 2019, the company Afragola FS S.c.r.l. ("**Afragola**", 82.54% owned by Astaldi and the remaining 17.46% by NBI) initiated an arrangement with creditors with reserve procedure at the Court of Rome pursuant to art. 161, paragraph 6 of the Bankruptcy Law, preparatory to the submission of a proposal for arrangement with creditors and the additional documentation required by law. By decree of 12 June 2019, the Court of Rome assigned Afragola a period of sixty days for the submission of the final proposal, the arrangement with creditors plan and the additional documentation required by law. In the same decree, the Court of Rome appointed Lucio Francario as court-appointed receiver. With a subsequent petition dated 30 August 2019, pursuant to art. 161, last paragraph of the Bankruptcy Law Afragola asked the Court of Rome to grant a sixty-day extension of the deadline, otherwise expiring on 3 September 2019, for the submission of the arrangement proposal and plan, as well as the additional documentation referred to in art. 161, paragraphs 2 and 3 of the Bankruptcy Law. With the decree dated 5 September 2019 the Court of Rome authorised the extension requested. On 4 November 2019 Afragola filed a

proposal for an arrangement with creditors pursuant to art. 160 et seq. of the Bankruptcy Law with liquidation instructions, accompanied by the legal documentation. With a decree issued on 22 January 2020 the competent Delegated Judge made some remarks on the arrangement proposal submitted by the company, to which Afragola replied on 25 February 2020 with clarifications, accompanied by an update of the plan, the related declaration and other documents. At the Prospectus Date, the proposal and settlement plan submitted by Afragola (and subsequent updates) are being considered by the Court of Rome. If the procedure is approved, the benefit from the subsidiary's debt relief will amount to approximately €18 million.

PARTENOPEA FINANZA DI PROGETTO Società Consortile per Azioni – The consortium Partenopea Finanza di Progetto (hereinafter, "**PFP**"), 99% owned by Astaldi and established for the design and construction of the Mare Hospital in Naples, was filed a petition for bankruptcy with the Court of Naples and, not having sufficient means to meet its debts (the main asset of the consortium company is a receivable from Astaldi, not collectable due to the arrangement procedure of the parent company), has in turn filed an appeal pursuant to art. 161, sixth paragraph of the Bankruptcy Law. The Court of Naples granted PFP until 1 June 2019, subsequently extended to 31 July 2019, for the submission of the final proposal for an arrangement with creditors. On 31 July 2019 PFP submitted the proposal, and on 8 August 2019 the Court of Naples requested clarification, setting a hearing for 18 September 2019. Subsequently, in compliance with the clarifications requested and in compliance with the deadline granted by the court, the company filed a new proposal for an updated arrangement with the corresponding documentation. At the Prospectus Date: (i) with a decree issued on 15 January 2020 the Court of Naples admitted PFP to the arrangement with creditors procedure; (ii) with a Report pursuant to art. 172 of the Bankruptcy Law dated 16 March 2020 the competent insolvency receiver expressed a "*positive opinion on the plan, both with regard to its legal and economic feasibility*", clarifying that "*the plan proposed by PFP appears to have substantial logic and reasonableness and should be considered feasible with respect to the possible concrete alternatives (bankruptcy)*"; and (iii) with a provision of 27 April 2020 the creditors' meeting, originally scheduled for 30 April 2020, was postponed to 17 June 2020. At the creditors' meeting on 17 June 2020 a majority was achieved and therefore the proposal was approved. With a decree issued on 23 July 2020, the Court of Naples declared the PFP proposal to be approved, setting the hearing for the approval of the company's arrangement with creditors for 23 September 2020 pursuant to art. 180 of the Bankruptcy Law. If the procedure is approved, the benefit from the subsidiary's debt relief will amount to approximately €1 million.

ASTALDI CHILE BRANCH – JUDICIAL REORGANISATION PROCEDURE – On 6 November 2018, the Chilean branch through which Astaldi operates in Chile (the "**Chilean Branch**") had applied to the Court of Santiago (the "**Chilean Court**") for approval of the Astaldi arrangement procedure in order to assert the effects of the Italian arrangement in Chile. In accordance with Chilean bankruptcy law, the approval of the cross-border arrangement temporarily grants the debtor protection against individual enforcement actions of creditors. Initially, under Chilean law, the Branch of Chile had applied to the local court for an interim financial protection order pursuant to art. 57, no. 1 of the local bankruptcy law ("**Financial Protection**"). Subsequently, however, at the request of a creditor, the Chilean Court revoked the Financial Protection of the Chilean Branch. Consequently, on 25 February 2019, the Chilean Branch requested access to the Chilean judicial reorganisation procedure (as an alternative to liquidation), which, in short, provides for: (*i*) the Chilean Branch's drafting of a proposal to restructure its debts, to be submitted to creditors; (*ii*) the appointment by the three main creditors of a body (the so-called "*Veedor*") that supports the debtor in the definition of the proposal and expresses an opinion on its feasibility; (*iii*) the convocation of creditors, called to vote on the debtor's proposal. On 27 March 2019 Astaldi filed an application with the Court of Rome to obtain the authorisation necessary for the implementation of the aforementioned procedure, then granted by the Court of Rome itself by decree of 29 March 2019. However, given the non-recognition

of the Italian arrangement with creditors procedure relating to the Issuer, on 29 March 2019 the Chilean Branch submitted an autonomous proposal for an agreement for the judicial restructuring of its debts (equal to €53.7 million) to the 11th Civil Court of Santiago. This proposal was put to the vote of creditors on 15 April 2019 and was approved by a largely sufficient majority (over 90% of qualified creditors, by amount and per capita). The Chilean restructuring proposal is therefore to be considered effective as of that date as per Chilean bankruptcy law, and therefore the payment of the instalments envisaged in the agreement has started according to the schedule and in the manner outlined in the approved proposal. Subsequently, as a result of the COVID-19 pandemic that has significantly affected the Chilean economy, CODELCO – the main client of the Astaldi Chile Branch – instructed the stoppage/slowdown of activities on two operating sites, Miniera Chuquicamata and Miniera El Teniente. As of June 2020 the payment of the amounts envisaged in the original judicial restructuring agreement was therefore impacted, and consequently an amendment to the payment plan was presented to Chilean creditors (and approved by the creditors in September 2020), which takes into account the consequent change in flows to service the judicial restructuring. This amendment calls for the payment of the two remaining capital shares relative to the current year 2020 by 2022. The two deferred shares are those of 15 July 2020 and 15 October 2020 for an amount equal to CLP 2,674 million each (equivalent to a total of €5.7 million). The new reorganisation provides for the payment of instalments of varying amounts from April 2022 (last instalment of the old reorganisation) to July 2023 (last instalment of the new reorganisation).

ASTALDI HONDURAS BRANCH – At the request of certain creditors and in accordance with local regulations, Astaldi's representatives had to make a formal statement before the local Court regarding the value of the assets held by the Company in the country. On 25 May 2019 the Judicial Authority appointed a "Judicial Administrator" with full powers to manage the assets of the Astaldi Honduras Branch (while Astaldi representatives were deprived of any dispositive authority) for the purpose of their management and conservation in order to liquidate them in favour of local creditors.

PERU BRANCH – BANKRUPTCY PROCEEDINGS – On the initiative of a Peruvian creditor and following a series of audits performed in joint consultation with Astaldi's lawyers, the competent local Commission (*Instituto Nacional de Defensa de la Competencia y de la Protección de la Propiedad Intelectual* – INDECOPI) initiated ordinary bankruptcy proceedings of the Astaldi Peru Branch with Resolution no. 3178-2019/CCO-INDECOPI of 18 March 2019. On 4 April 2019 the branch of the Company appealed against this Resolution. Pursuant to applicable legislation (Ley no. 27809, Ley General del Sistema Concursal – LGSC), on 22 October 2019 the competent authority (*Sala Especializada en Procedimientos Concursales*) determined that the Company's appeal was unfounded, and therefore confirmed the commencement of bankruptcy proceedings. On 9 December 2019 the procedure was formally initiated through publication and the credit reconciliation phase is currently under way.

FINANCING

€428,264,000 3.75% Notes due 24 June 2021 and €171,736,000 3.75% Notes due 24 June 2021

In the context of an exchange offer launched by Webuild regarding its then outstanding €400,000,000 6.125% Notes due 1 August 2018 (the "**2018 Notes**"), on 24 June 2016 Webuild issued €428,264,000 3.75% Notes due 24 June 2021 (the "**Original 2021 Notes**"), €300 million of which were allocated to new investors and approximately €128 million of which were allocated to the holders of 2018 Notes that accepted the exchange offer.

On 20 July 2016, Webuild issued an additional €171,736,000 3.75% Notes due 24 June 2021 (the "**New 2021 Notes**" and, together with the 2021 Original Notes, the "**2021 Notes**"), which are consolidated with and form a single series with the 2021 Original Notes.

The 2021 Notes are in the denomination of €100,000 each and bear interest at a rate of 3.75% per annum. The 2021 Notes are governed by English law and are traded on the regulated market of Euronext Dublin.

The 2021 Notes were offered to qualified investors only and when the 2021 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 2021 Notes, taking into account the unsecured and non-preferred nature of the 2021 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 2021 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-	10 August, 2020
Fitch Ratings	BB	8 July, 2020

The proceeds of the issuance of the 2021 Notes were used to repay the 2018 Notes and part of the then existing bank indebtedness, as well as for general corporate purpose.

The 2021 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 2021 Notes include standard provisions for financing agreements of this nature, in line with market practice.

A portion of the 2027 Notes (as defined below) was issued in exchange of the 2021 Notes.

On 1 December 2020, the Issuer launched a tender offer for the purchase of the 2021 Notes up to an amount equal to the total aggregate principal amount of the Notes, subject to increase or decrease at the Issuer's sole and absolute discretion, for cash at a purchase price of 101.625 per cent. (the "**Tender Offer**"). The deadline for the participation in the Tender Offer will expire on 8 December 2020 (the "**Expiration Deadline**") and holders who have participated in the Tender Offer prior to the Expiration Deadline and whose 2021 Notes are accepted for repurchase by the Issuer will receive the tender consideration on or about the Issue Date, subject to the Subscription Agreement (as defined in "*Subscription and Sale*" herein) remaining in full force and effect as at the Issue Date. Part of the net proceeds of the issue of the Notes may be used by the Issuer to fund the Tender Offer. See "*Estimated Net Amount and Use of Proceeds*".

€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-	10 August 2020

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-	10 August 2020

€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.

€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 (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, covenants on limitations on indebtedness and negative pledge and events of default (including, for instance, cross-default in relation to certain selected items of the definition of "financial indebtedness" (set out therein) 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 (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 right to make voluntary early total or partial repayments.

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, covenants on limitations on indebtedness and negative pledge and events of default (including, for instance, cross-default in relation to certain selected items of the definition of "financial indebtedness" (set out therein) for an amount exceeding certain materiality thresholds).

€50,000,000 2017 Financing Agreement

In May 2017, Webuild entered into a financing agreement with a bank for an amount of €50,000,000 (the "**€50,000,000 2017 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 the outstanding principal indebtedness is €50,000,000.

The financing is not secured by any collateral and is not guaranteed by any personal guarantee. The financing, which is governed by Italian law, matures in May 2021 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 €50,000,000 2017 Financing Agreement includes standard provisions for facilities agreements of this nature, in line with market practice, including, *inter alia*, financial covenants, covenants on limitations on indebtedness and negative pledge and events of default (including, for instance, cross-default in relation to certain selected items of the definition of "financial indebtedness" (set out 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 (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 right to make voluntary early total or partial repayments.

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, covenants on limitations on indebtedness and negative pledge and events of default (including, for instance, cross-default in relation to certain selected items of the definition of "financial indebtedness" (set out therein) for an amount exceeding certain materiality thresholds).

€200,000,000 RCF 2017 Facility Agreement

In October 2017, Webuild entered into a €200,000,000 revolving facility agreement with a pool of banks (the "**€200,000,000 RCF 2017 Facility Agreement**"), to refinance part of its outstanding financial indebtedness and to finance the ordinary financial needs of Webuild.

As of the date of this Offering Circular, the revolving facility is fully drawn down.

The €200,000,000 RCF 2017 Facility Agreement is governed by Italian law.

Webuild shall repay (i) each loan granted to it under the revolving facility on the last day of its interest period determined in the relevant utilisation request (which shall not extend beyond October 2022) and (ii) the revolving facility in full in October 2022, without prejudice to Webuild's right to make total or partial voluntary early repayments.

The rate of interest on the €200,000,000 RCF 2017 Facility Agreement is the aggregate of the applicable Euribor plus a margin. The €200,000,000 RCF 2017 WB Facility Agreement is not secured by any collateral and is not guaranteed by any personal guarantee.

The €200,000,000 RCF 2017 Facility Agreement includes standard provisions for facilities agreements of this nature, in line with market practice, including, *inter alia*, information covenants, financial covenants, covenants on limitations on indebtedness and negative pledge 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).

€100,000,000 RCF Facility Agreement

In February 2018, Webuild entered into a €100,000,000 revolving facility agreement ("**€100,000,000 RCF Facility Agreement**") with a bank, to finance the ordinary financial needs of the Group.

As of the date of this Offering Circular, the revolving facility is fully drawn down.

The €100,000,000 RCF Facility Agreement is governed by Italian law.

Webuild shall repay (i) each loan granted to it under the revolving facility on the last day of its interest period determined in the relevant utilisation request (which shall not extend beyond February 2021) and (ii) the revolving facility in full in February 2021, without prejudice to Webuild's right to make total or partial voluntary early repayments.

The rate of interest on the €100,000,000 RCF Facility Agreement is the aggregate of the applicable Euribor plus a margin. The €100,000,000 RCF Facility Agreement is not secured by any collateral and is not guaranteed by any personal guarantee.

The €100,000,000 RCF Facility Agreement includes standard provisions for facilities agreements of this nature, in line with market practice, including, *inter alia*, information covenants, financial covenants, negative pledge 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).

€50,000,000 RCF Facility Agreement

In April 2018, Webuild entered into a €50,000,000 revolving facility agreement (the "**€50,000,000 RCF Facility Agreement**") with a bank, to finance the ordinary financial needs of Webuild.

As of the date of this Offering Circular, the revolving facility is fully drawn down.

The €50,000,000 RCF Facility Agreement is governed by Italian law.

Webuild shall repay (i) each loan granted to it under the revolving facility on the last day of its interest period determined in the relevant utilisation request (which shall not extend beyond March 2024) and (ii) the revolving facility in March 2024, without prejudice to Webuild's right to make total or partial voluntary early repayments.

The rate of interest on the €50,000,000 RCF Facility Agreement is the aggregate of the applicable Euribor plus a margin. The €50,000,000 RCF Facility Agreement is not secured by any collateral and is not guaranteed by any personal guarantee.

The €50,000,000 RCF Facility Agreement includes standard provisions for facilities agreements of this nature, in line with market practice, including, *inter alia*, information covenants, financial covenants, negative pledge 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).

€200,000,000 RCF 2019 Facility Agreement

In December 2019, Webuild entered into a €200,000,000 revolving facility agreement with a pool of banks (the **"€200,000,000 RCF 2019 Facility Agreement**"), to finance the general corporate and working capital purposes of the Group.

As of the date of this Prospectus, the revolving facility is fully drawn down.

The €200,000,000 RCF 2019 Facility Agreement is governed by Italian law.

Webuild shall repay (i) each loan granted to it under the revolving facility on the last day of its interest period determined in the relevant utilisation request (which shall not extend beyond December 2024) and (ii) the revolving facility in full in December 2024, without prejudice to Webuild's right to make total or partial voluntary early repayments.

The rate of interest on the €200,000,000 RCF 2019 Facility Agreement is the aggregate of the applicable Euribor plus a margin.

The €200,000,000 RCF 2019 Facility Agreement is not secured by any collateral and is not guaranteed by any personal guarantee.

The €200,000,000 RCF 2019 Facility Agreement includes standard provisions for facilities agreements of this nature, in line with market practice, including, *inter alia*, information covenants, financial covenants, covenants on limitations on indebtedness and negative pledge 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).

€384,000,000 Astaldi Guarantee Facility Agreement

In August 2019, Astaldi entered into a €384,000,000 facility agreement with a pool of banks (the **"€384,000,000 Astaldi 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 €209 million.

The €384,000,000 Astaldi Guarantee Facility Agreement is governed by Italian law.

The facility matures in August 2024, without prejudice to Astaldi'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 Astaldi Guarantee Facility Agreement is guaranteed by an unconditional and irrevocable first demand corporate guarantee issued by Webuild up to a maximum amount of €384,000,000.

The €384,000,000 Astaldi Guarantee Facility Agreement includes standard provisions for facilities agreements of this nature, in line with market practice, including, *inter alia*, information covenants, covenants on limitations on indebtedness and negative pledge 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 Astaldi Group (other than "project companies" identified therein) for an amount exceeding certain materiality thresholds).

€200,000,000 RCF Astaldi Facility Agreement

In October 2020, Astaldi entered into a €200,000,000 revolving facility agreement with a pool of banks (the **"€200,000,000 RCF Astaldi Facility Agreement**"), ranking super senior (*prededucibile*) pursuant to Article 182-*quarter*, paragraph 1, of the Italian Bankruptcy Law, to (i) refinance the indebtedness outstanding and arising from the Euro 75,000,000 Super-senior Secured PIYC Floating Rate Notes due 12 February 2022 issued on 12 February 2019 by Astaldi and the up to

Euro 190,000,000 Super-senior Secured PIYC Floating Rate Notes due 12 February 2022 issued on 2 December 2019 and 10 February 2020 by Astaldi and (ii) finance the general corporate and working capital purposes of Astaldi.

As of the date of this Offering Circular, the revolving facility is fully drawn down..

The €200,000,000 RCF Astaldi Facility Agreement is governed by Italian law.

Astaldi shall repay (i) each loan granted to it under the revolving facility on the last day of its interest period determined in the relevant utilisation request (which shall not extend beyond 19 October 2025) and (ii) the revolving facility in full in October 2025, without prejudice to Astaldi's (i) right to make total or partial voluntary early repayments and (ii) mandatory prepayment obligations in case of, *inter alia*, illegality, change of control or issuance of a judgement by the Italian Supreme Court whereby any of the petitions brought before it against the decree approving (*decreto di omologa*) Astaldi's proposal for the composition with creditors with going concern (*concordato in continuità*) is accepted.

The rate of interest on the €200,000,000 RCF Astaldi Facility Agreement is the aggregate of the applicable Euribor plus a margin.

The €200,000,000 RCF Astaldi Facility Agreement is guaranteed by an unconditional and irrevocable first demand corporate guarantee issued by Webuild up to a maximum amount of €220,000,000.

The €200,000,000 RCF Astaldi Facility Agreement includes standard provisions for facilities agreements of this nature, in line with market practice, including, *inter alia*, information covenants, financial covenants, covenants on limitations on indebtedness and negative pledge and events of default (including, for instance, cross-default in relation to the "financial indebtedness" (whose definition is set out therein) of Webuild, Astaldi or any other member of the Astaldi Group (other than "project companies" identified therein) for an amount exceeding certain materiality thresholds).

Webuild corporate guarantees in relation to Astaldi

In November 2020, Webuild issued two unconditional and irrevocable first demand corporate guarantees to guarantee the obligations of Astaldi arising from (i) the €384,000,000 Astaldi Guarantee Facility Agreement, up to a maximum amount of €384,000,000 and (ii) the €200,000,000 Astaldi RCF Facility Agreement, up to a maximum amount of €220,000,000.

MATERIAL CONTRACTS

Sale of the Plants & Paving Division of Lane

On 16 August 2018, the Group's US subsidiary, Lane Construction, entered into an asset purchase agreement (the "**Plants & Paving APA**") with Eurovia SAS ("**Eurovia"**) for the sale to Eurovia of the assets related to its asphalt production and pavement division ("**Plants & Paving Division**"). The closing of the transaction occurred on 12 December 2018.

The purchase price paid on the closing date was equal to USD 573.6 million, subject to a post-closing adjustment mechanism. As of 31 December 2018, provisional estimates showed a downwards adjustment of USD 5.7 million.

Pursuant to the Plants & Paving APA, in addition to a set of customary representations, warranties and indemnification obligations in favour of Eurovia, the Group also agreed to a five-year non-competition undertaking with respect to conducting the asphalt production and paving business in certain US states.

The Group's indemnification obligations under the agreement are subject to certain limitations, in terms of duration and amount, which vary according to the nature of the representations and warranties or contractual provisions breached. Pursuant to the APA, the Group retained certain liabilities relating to the pension plans of the employees of the Plants & Paving Division existing as of the closing date and undertook, *inter alia*, to maintain such plans for the exclusive benefit of the retired staff of the Plants & Paving Division and certain other employees of Lane.

Other material contracts

Other than the financing agreements and the Plants & Paving APA' 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 as at the date of this Offering Circular and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes. This summary is based upon the laws and/or practice in force as at the date of this Offering Circular. Italian tax laws and interpretations may be subject to frequent changes which 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.

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 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.

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 must, however, be included in the relevant Noteholder's income tax return and is therefore subject to general Italian corporate income taxation and, in certain circumstances, depending on the status of the Noteholder, also to the Italian regional tax on productive activities ("**IRAP**").

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:

(a) 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

(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-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, subject to timely filing of required documentation provided by Regulation of the Director of Italian Revenue Agency No. 2013/84404 of 10 July 2013.

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:

(i) the Notes being deposited with an Italian bank, SIM or certain authorised financial intermediaries; and

(ii) 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.

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 the 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.

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 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. 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.

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.

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*.

SUBSCRIPTION AND SALE

The Managers have, in a subscription agreement dated 11 December 2020 (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, BofA Securities Europe SA does 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. BofA Securities Europe SA 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, BofA Securities Europe SA 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

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 Financial Services and Markets Act 2000, as amended ("**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 and UK 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 or the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of 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 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.

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 European Union (Withdrawal) Act 2018 or have been implemented in UK domestic law, as appropriate.

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 Regulation (EU) No. 1129 of 14 June 2017 (the "**PD 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 PD 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 a resolution (*determina*) of the managing director of the Issuer dated 3 December 2020 pursuant to the powers delegated to the managing director by the resolution of the board of directors of the Issuer passed on 30 November 2020.

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 138 to 179 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

1. 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 2019 there has been no material adverse change in the prospects of the Issuer or the Group and (ii) since 30 June 2020 there has been no significant change in the financial position or financial performance of the Issuer or the Group (other than the changes deriving from the Astaldi Transaction).

Auditors

1. 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 an unqualified audit report with an emphasis of matter, in accordance with auditing standards recommended by CONSOB for the Financial Years ended 31 December 2018 (please see pages 470-478 of the 2018 Audited Consolidated Financial Statements which is incorporated by reference in this Offering Circular) and 31 December 2019 please see pages 179-182 of the 2019 Audited Consolidated Financial Statements which is 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 2020 (please see pages 207-209 of the 2020 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. 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

2. 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, the Issuer regularly publishes its interim and full year financial statements on its website at http://www.webuildgroup.com.

Clearing Systems

3. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN is XS2271356201 and the common code is 227135620. 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

4. 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

5. Certain of the Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions (including, without limitation, the provision of loan facilities) with, and may perform services for the Issuer and its affiliates in the ordinary course of business.

6. 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.

7. 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 and for general corporate purposes of the Group (as further described in "*Estimated Net Amount and Use of Proceeds*"). Furthermore, each of the Managers will receive a commission (as further described in "*Subscription and Sale*"). MPS Capital Services Banca per le Imprese SpA belongs to Monte dei Paschi di Siena Banking Group and is totally controlled by Banca Monte dei Paschi di Siena SpA that could have provided and should provide credit facilities to the Issuer and/or the Group. In addition Banca Akros S.p.A. – Gruppo Banco BPM is a wholly owned subsidiary of Banco BPM S.p.A. that could have provided and should provide credit facilities to the Issuer and/or the Group. Each of the Joint Lead Managers will also act as dealer managers on the Tender Offer (see "*Description of the Issuer – Financing - €428,264,000 3.75% Notes due 24 June 2021 and €171,736,000 3.75% Notes due 24 June 2021*").

   Furthermore, following the Capital Increase, as of the date of this Prospectus, Intesa Sanpaolo S.p.A. and UniCredit S.p.A. hold an interest equal to respectively 5.27% and 5.37% of the share capital (5.28% and 5.38% of the voting rights) in the Issuer. For the sake of completeness, following the Capital Increase, Banco BPM S.p.A. came to hold an interest equal to 0.67% of the share capital (0.67% of the voting rights) of the Issuer (each as further described in "*Description of the Issuer - Principal Shareholders - Shareholders holding an interest in excess of 3 per cent*"

Yield

8. 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 5.875 per cent. on an annual basis.

Legend Concerning US Persons

9. 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

10. The Issuer will not provide any post-issuance information, except if required by any applicable laws and regulations.

REGISTERED OFFICE OF THE ISSUER

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