(Translation from the Italian original which remains the definitive version)

Interim financial report

30 June 2022

This document is available at:

www.webuildgroup.com

Webuild S.p.A.
Company managed and coordinated by Salini Costruttori S.p.A.
Fully paid-up share capital €600,000,000
Head office in Rozzano (Milan), Milanofiori Strada 6 – Palazzo L
Tax code and Milan Monza Brianza Lodi Company Registration: 00830660155
R.E.A. no. 525502 - VAT no. 02895590962

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Company officers

Board of directors (i)

Chairperson	Donato Iacovone
Deputy chairperson	Nicola Greco
Chief executive officer	Pietro Salini
Directors	Davide Croff
	Pierpaolo Di Stefano
	Barbara Marinali
	Flavia Mazzarella
	Teresa Naddeo
	Marina Natale
	Ferdinando Parente
	Tommaso Sabato
	Alessandro Salini
	Serena Maria Torielli
	Michele Valensise
	Laura Zanetti

Control, risk and sustainability committee

Chairperson	Teresa Naddeo
	Donato Iacovone
	Flavia Mazzarella
	Marina Natale
	Ferdinando Parente
	Serena Maria Torielli

Compensation and nominating committee

Chairperson	Ferdinando Parente
	Barbara Marinali
	Laura Zanetti

Committee for related-party transactions

Chairperson	Barbara Marinali
	Davide Croff
	Ferdinando Parente

Board of statutory auditors (ii)

Chairperson	Giacinto Gaetano Sarubbi
Standing statutory auditors	Roberto Cassader
	Paola Simonelli
Substitute statutory auditors	Stefania Mancino
	Chiara Segala

Independent auditors (iii)

KPMG S.p.A.

The strategic committee was dissolved on 25 March 2022 after the board resolution on the completion of Progetto Italia.

(i) Appointed by the shareholders on 30 April 2021; in office until approval of the financial statements as at and for the year ending 31 December 2023

(ii) Appointed by the shareholders on 4 May 2020; in office until approval of the financial statements as at and for the year ending 31 December 2022

(iii) Engaged by the shareholders on 30 April 2015; term of engagement from 2015 to 2023

Highlights

Our results

€3.9 billion
Revenue[1]

€47.2 billion
Total order backlog

Our commitment

Group KPI | Generated shared value

Planet
We protect our planet

99%
EU taxonomy eligible turnover[2]

≈24 Mt CO_2
Annual emissions avoidable thanks to ongoing metro and hydro projects

People
We care for our people

>31,000
Direct workers

7
jobs created for each direct group employee[3]

Partnership
We embrace partnerships

≈100
Main ongoing projects

>15,000
Direct suppliers

Progress
We foster progress

90%
Construction order backlog[2] from projects that contribute to progress towards the UN's SDGs

89 million
People who benefit from the projects in place

Prosperity
We advocate prosperity

€251.3 million
EBITDA[1]

3.6
Contribution to GDP (in €) generated by each Euro of added value created by the Group[3]

Supported SDGs

[1] Adjusted figure, consisting of the reported figure including the results of the non-subsidiary joint ventures of Lane Industries.
[2] Reference should be made to the "Climate change" section of the 2021 Consolidated Non-financial Statement for more information.
[3] Amount related to the Group's main markets, calculated using output-input parameters. More information is available in the "Social" section of the 2021 Consolidated Non-financial Statement.
[4] Includes Fisia Italimpianti.

Webuild Group: Our vision and performance

Who we are

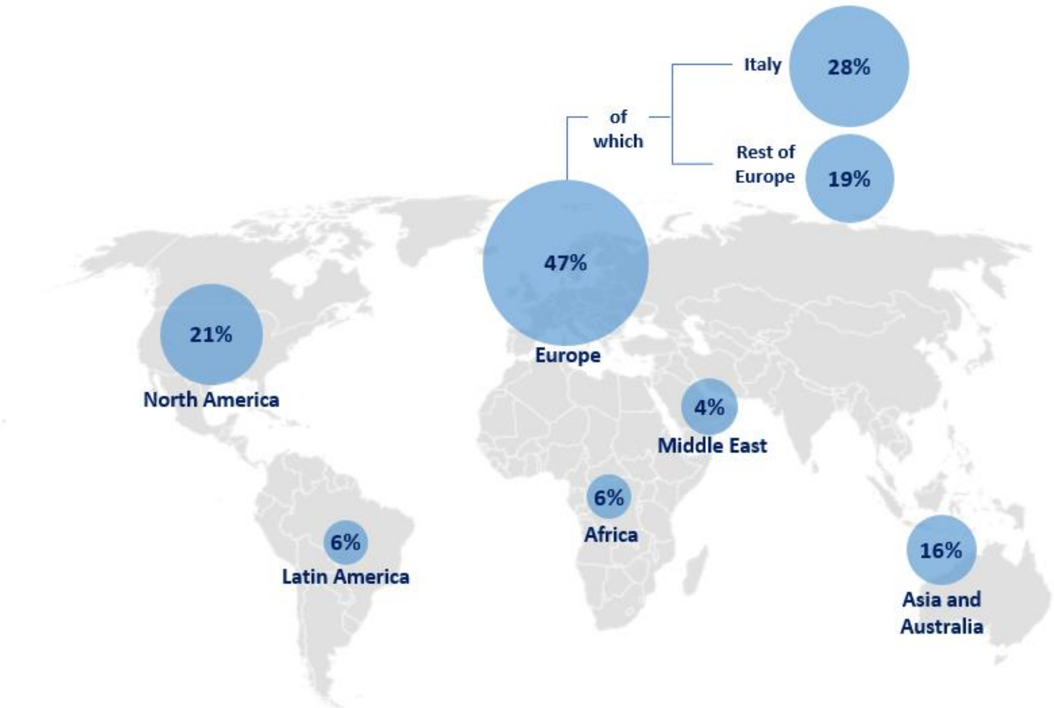
Webuild is a global construction operator specialised in building large complex infrastructure for the sustainable mobility, hydropower, water and green buildings sectors. Market leader in Italy and one of the main players on the international stage, the Group supports its customers in pursuing the United Nations' Sustainable Development Goals (SDGs).

Recognised by Engineering News-Record (ENR) as one of the top contractors in the world in the water infrastructure sector (dams and hydropower plants, water treatment plants, desalination and wastewater, hydraulic works and drinking water and irrigation water reservoirs), the Group is also a global leader in sustainable mobility (metros and railways, roads, motorways, bridges, ports and sea works) as well as one of the top 10 contractors in the environment sector.

At 30 June 2022, the Group has an order backlog of €47.2 billion (including approximately €38.5 billion for construction contracts) and revenue of €3,873.1 million[5]. 90% of the construction backlog is tied to achievement of the SDGs.

It works in around 50 countries focusing on its operations in Italy, Europe, North America and Australia.

H1 2022 revenue by geographical area



During the first half of 2022, the project to consolidate the Italian construction sector, Progetto Italia[6], was completed with achievement of all the set objectives.

Webuild achieved robust results in terms of new orders of approximately €5 billion in strategic geographical areas such as Australia, North Europe and the US during the six months. It also continued to work on its key projects in Italy, most of which are funded by the National Recovery and Resilience Plan ("NRRP").

[5] Adjusted figure, comprising the reported figure increased by the results of the non-subsidiary joint ventures of Lane Industries.
[6] More information is available on the website https://progettoitalia.webuildgroup.com/it

The Group continues to prioritise sustainability, focusing on infrastructure for sustainable mobility and climate change. It successfully placed a new sustainability-linked bond issue of €400 million in the first quarter of the year, demonstrating its commitment to fully integrate sustainability into its business and financial strategies. The new issue is linked to achievement of a 50% reduction in the Group's carbon intensity emissions (scope 1 & 2) by 2025, thus contributing to progress towards the United Nations SDGs. The issue was oversubscribed by more than 2.2 times for orders received of approximately €900 million, with significant interest from Italian and international investors, mostly based in the UK, Germany and France.

Business model

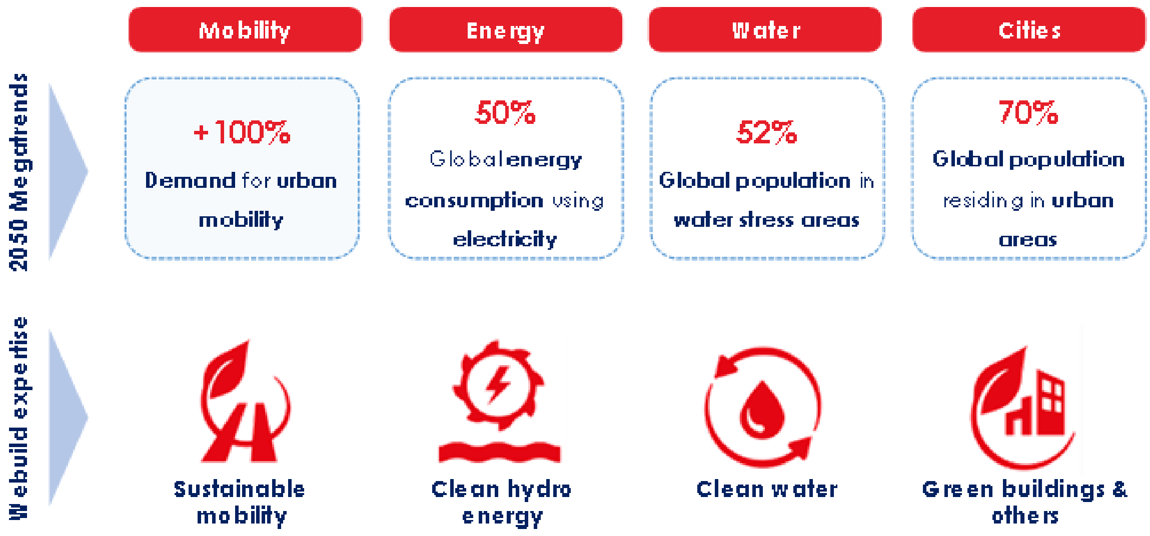
A signatory of the United Nations Global Compact, Webuild has developed a robust business model capable of creating economic value for its shareholders, investors and customers while generating social and environmental value for its employees and the stakeholders of the areas in which it operates, adopting an approach designed to create shared value.

The Group has developed its business model to optimise results in terms of quality, to comply with the customer's budget and timeline and to be economically, socially and environmentally sustainable. Its model is designed to support customers build complex infrastructure in response to the ongoing megatrends, leveraging three distinctive strategic pillars: expertise and innovation, centralised governance and sustainability. Thanks to its business model, Webuild creates shared value for its shareholders, investors, customers, employees, suppliers and other stakeholders and contributes to achievement of 11 of the main SDGs.

Global challenges

Webuild's business is closely linked to the main global megatrends, such as demographic growth, urbanisation, resource scarcity and climate change. They are significantly changing people's needs, influencing the priorities of public bodies and investors and modifying market competition.

Main megatrends that affect the infrastructure market [7]



The international initiatives undertaken to manage the changes underway, such as the United Nations' 2030 Agenda for Sustainable Development (which includes the SDGs) and the Paris Climate Agreement, have been supplemented by national and supranational policies of many countries in recent years. For example, the EU has set the objectives of a reduction of at least 55% in GHG emissions by 2030 and to become climate neutral by 2050.

Infrastructure directly and indirectly contributes to achievement of 92% of all the targets linked to the SGDs[8]. It is a fundamental part of the fight against climate change as it contributes more than 60% of the global GHG emissions[9].

After the economic and social upheaval triggered by the Covid-19 pandemic starting from 2020, international institutions and national governments rolled out ambitious recovery plans in 2021 to get their economies back on track.

Many of these plans include both reforms and investments designed to kick start the economy and employment in the short term and to improve national economic systems' resilience to future external shocks in the medium to long term by promoting innovation and sustainability.

Specifically, investments in infrastructure are pivotal to most of these recovery plans, thanks to their ability to create jobs, rekindle demand and improve local infrastructure and its capacity to adapt to climate change.

The European Union alone intends to earmark at least 30% of the investments included in the long-term EU budget 2021-2027 and the post-Covid-19 recovery plan (the NextGenerationEU)[10] to projects that combat climate change.

The market has acknowledged the role that large construction operators such as Webuild can play in implementing the public investments destined for infrastructure envisaged in these recovery plans.

[7] Source: United Nations Office for Project Services, the Global Commission on the Economy and Climate, Global Infrastructure Outlook, Infrastructure investment needs to 2040

[8] Source: Thacker S, Adshead D, Morgan G, Crosskey S, Bajpai A, Ceppi P, Hall JW & O'Regan N. (2018). Infrastructure: Underpinning Sustainable Development, UNOPS

[9] Source: The Sustainable Infrastructure Imperative, New Climate Economy - The Global Commission on the Economy and Climate, 2016

[10] Source: https://www.consilium.europe.eu/en/meetings/european-council/2020/12/10-11/

Core business: Our performance in the business areas linked to market trends

Webuild has a privileged position in the infrastructure sector as it is one of the few 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 economy.

Sustainable mobility

- Metros
- Railways
- Roads and motorways
- Bridges and viaducts
- Ports and sea works

Clean hydro energy

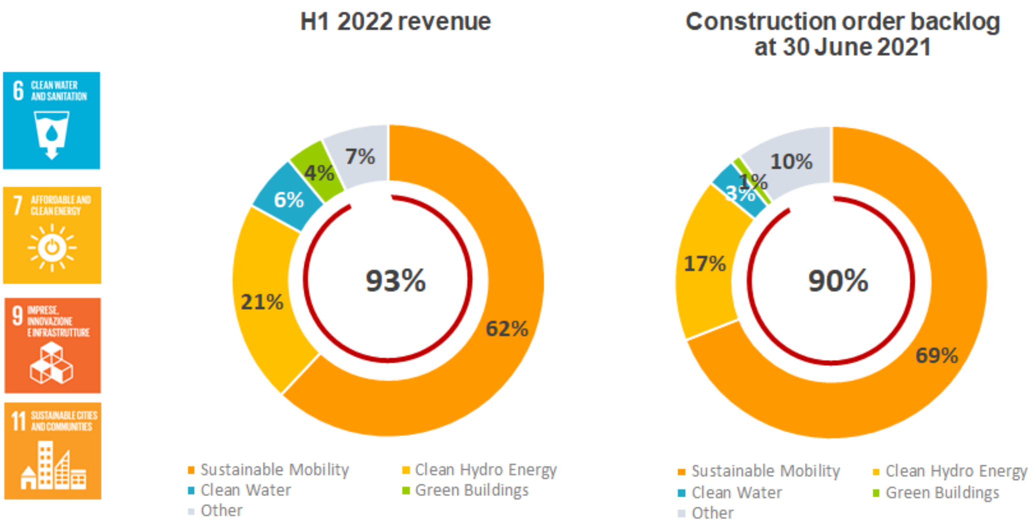
- Hydropower plants
- Pumped storage

Clean water

- Drinking water and desalination plants
- Wastewater management plants
- Hydraulic projects
- Drinking water and irrigation water reservoirs

Green buildings

- Civil and industrial buildings
- Airports
- Stadiums
- Hospitals



Ongoing or completed projects of the first half of 2022 in the sustainable mobility sector accounted for **62%** of contract revenue and **69%** of the construction order backlog.

Ongoing clean hydro energy projects contributed **21%** to contract revenue and **17%** to the construction order backlog.

Completed or ongoing clean water projects made up **6%** of contract revenue and **3%** of the construction order backlog in the first half of 2022, while green building projects accounted for **4%** of contract revenue and **1%** of the construction order backlog.

The majority of the Group's projects are eligible under the EU taxonomy for sustainable economic activities as they make a significant contribution to mitigation and/or adaptation to climate change. Specifically, its railway, metro, light rail, hydropower and water projects in general, along with some high-performance buildings contribute to mitigation of climate change (i.e., the reduction of GHG emissions) while certain road and hydraulic projects mostly contribute to the adaptation to climate change (i.e., the reduction of infrastructure's vulnerability to climate change effects).

Sustainable Mobility

Webuild is one of the key global operators in the urban (metros and light rail) and non-urban (high speed railways) sustainable mobility sectors as well as in the land transport (roads and motorways), sea (ports and navigable channels) and air (airports) infrastructure sectors.

The Group has built 13,637 km of metros and railway lines, 80,291 km of roads, 946 km of bridges and viaducts and 2,373 km of tunnels and underground works.

It has constructed some of the largest metros in the world like those in Riyadh, Doha, Copenhagen, Paris, Milan and Rome, high-speed railways in Italy, Austria, Norway, Sweden, Turkey and the US, unique works like the new Panama Canal, which has enabled post-Panamax ships to cross the American continent since 2016 rather than going around it, leading to an approximate 16 million tonne reduction in CO_2 emissions a year.

The Group again focused on the sustainable mobility sector, which is one of the most promising business areas for the next few years. It is expected that passenger traffic alone will grow by 50% within 2030, to then double by 2050, while only 16% of global urban travel takes place using public means of transport[11].

The transport sector accounts for two-thirds of global oil consumption and continues to be the fastest growing source of GHG emissions[12].

Rail transport is pivotal to government plans to counter climate change. The Sustainable and Smart Mobility Strategy announced by the European Commission at the end of 2020 includes doubling the high speed rail traffic by 2030 while high speed railway lines could double by 2035, to span 100,000 km worldwide[13].

The role played by the metro systems in urban centres is equally important in terms of a reliable, accessible service to all population brackets, safety and reduced pollution. Metro systems exist in around 180 cities, transporting more than 50 billion people a year and keeping the equivalent of 133 million vehicles off the roads each day[14].

The metro projects under construction alone will allow the fast, efficient and sustainable transportation of roughly 4.2 million people a day on state-of-the-art infrastructure, avoiding emissions of around 2 million tonnes of CO_2 a year. The high speed railway projects will shorten travel times by an average of 50%, providing around 35 million 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. The ongoing railway projects will lead to an annual reduction in emissions of about 8.8 million tonnes of CO_2.

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

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

[13] Source: Global Construction 2021 Outlook, Bloomberg Intelligence, December 2020

[14] Source: UITP (Union Internationale des Transports Publics, https://www.uitp.org/topics/metro/

Road infrastructure works will continue to be fundamental to move goods and people both in the developed economies (where the focus is mainly on modernisation and traffic decongestion) and low-income countries (where around one billion people still lack access to an all-weather road)[15].

Clean Hydro-Energy

The Group is one of the main players in the hydropower sector and has been acknowledged as a sector leader by ENR for five years with a track record of 313 plants built in five continents for installed capacity of 52,900 MW (completed and ongoing projects).

Webuild has strong experience in the various construction methods (concrete, RCC and loose materials) and environmental contexts as it has carried out projects at all latitudes in Europe, North and South America, Africa, Asia and Oceania. It always complies fully with the applicable environmental and social standards.

Hydropower is the largest source of renewable energy in the world, providing around 70% of all renewable electricity worldwide[16]. The energy sector accounts for about 60% of the world's GHG emissions[17], with 759 million people still without access to electricity[18].

Hydropower's great reliability and flexibility are key to the global energy transition as it can balance and stabilise the energy injected into the grid by other intermittent renewable sources like wind and solar power.

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 active hydropower plants make it possible to avoid emitting four billion tonnes of GHG and 150 million tonnes of atmospheric pollutants (e.g., PM) a year[19]. IRENA (the International Renewable Energy Agency) estimates that the installed hydropower capacity needs to be increased by 25% by 2030 and by 60% by 2050 to keep the increase in the global temperature to below 2°C. This could create up to 600 thousand new jobs over the next decade[20].

The ongoing hydropower projects will have capacity of more than 14,000 MW and will provide low-cost clean energy to the equivalent of over 23 million residents around the world, especially in the Horn of Africa (Ethiopia and surrounding countries), Central Asia (Tajikistan and adjacent countries) and Australia. This should avoid emissions of roughly 13 million tonnes of CO_2 a year.

[15] Source: The World Bank, Transport, https://www.worldbank.org/en/topic/transport/overview
[16] Source: IEA Renewables Information 2020 https://www.iea.org/subscribe-to-date-services/renewables-statistics
[17] Source: United Nations – Sustainable development, Energy, Facts and figures, https://www.un.org/sustainabledevelopment/energy/
[18] Source: United Nations - Department of Economic and Social Affairs, SDG7 Overview, Progress and info (2019), https://sdgs.un.org/goals/goal7
[19] Source: International Hydropower Association, https://www.hydropower.org/resources/factsheets/greenhouse-gas-emissions
[20] Source: Global Renewables Outlook 2020 – Energy transformation 2050, IRENA, pp. 28, 114

Clean Water

The Group is a global leader in the water infrastructure sector and active in the entire water cycle, from supply to drinking water to irrigation and the final treatment of wastewater.

Thanks to the group company Fisia Italimpianti, which leads the desalination, drinking water and water treatment sector, the Group is a strategic partner for public and private sector customers in areas subject to water stress like the Middle East where it builds essential water infrastructure for millions of people. Webuild also has immense experience in building water storage for drinking water and/or irrigation, environmental recovery projects and works to upgrade urban wastewater management infrastructure to make it more resilient to the increasingly frequent extreme weather events, protecting areas affected by flooding and preventing the pollution of the receiving water bodies.

The efficient management of water is one of the principal global challenges, especially given that the effects of climate change are happening faster than expected. Around 2.3 billion people live in areas subject to water stress, 2 billion people do not have access to drinking water, 3.6 billion to modern sanitation services[21] and 80% of water discharges are released into the environment without proper treatment[22].

Every day, more than 20 million people are served by just the plants built by Fisia Italimpianti while another approximate 16 million people will benefit from the hydraulic infrastructures currently being built by the Group.

Green Buildings

The Group has built dozens of civil, institutional, commercial, industrial, cultural, public health, sporting and religious buildings. It has extensive experience in Eco-design & Construction systems, which allow a reduction in the works' environmental footprint over their life cycle.

Its projects include iconic works such as the Stravos Niarchos Foundation Cultural Centre in Athens, the Al Bayt Stadium in Doha, the new ENI offices under construction in San Donato Milanese (Milan) and many hospitals built according to the most advanced environmental and sustainability criteria.

The sustainability of buildings is key to the future of urban areas, where 70% of the world's population will live by 2050[23] and which are already highly polluted and subject to environmental stress with the related fall-out on the health of residents and public finances. Estimates indicate that 90% of the global urban population breathes air of a quality below the standards set by the World Health Organisation[24].

The construction of green buildings, i.e., buildings with certifiable sustainability valuation systems (e.g., Leadership in Energy and Environmental Design - LEED) allows both a reduction in the environmental footprint during construction, thanks to the use of low-environmental 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.

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[21] Source: United Nations - Department of Economic and Social Affairs, SDG6 Overview, Progress and info (2020), https://sdgs.un.org/goals/goal6
[22] Source: United Nations - Sustainable development, Water and Sanitation, Facts and figures, https://www.un.org/sustainabledevelopment/water-and-sanitation/
[23]Source: United Nations - Sustainable development, Cities, Facts and figures, https://www.un.org/sustainabledevelopment/cities/
[24] Source: United Nations - Department of Economic and Social Affairs, SDG11 Overview, Progress and info (2016), https://sdgs.un.org/goals/goal11

The environmental advantages of using Eco-design & Construction systems are measured by comparing them to environmental performances obtained using standard design and construction methods. The Group has found that green buildings generate lower environmental impacts of between 30% and 50%, which can increase if on-site energy generation systems using renewable sources are used. This is one of the reasons why the Group's projects have garnered important accolades at international level for their innovative and environmental sustainability characteristics.

Strategic pillars

Given the complexity of global challenges and the competitive playing field, the Group has to be agile and dynamic, ready to pre-empt the market's needs before it is even aware of them and the related business opportunities.

Accordingly, the Group has revisited its organisational model significantly in recent years to ensure continuous improvement and a sharper focus on expertise and innovation, centralised governance and sustainability.

Expertise and innovation

The large complex infrastructure sector the Group works in requires niche skills to guarantee the customisation of the processes, techniques and technologies deployed depending on the nature of the works to be performed. Each project is unique and requires the development of bespoke solutions achieved thanks to highly specialised know-how.

Webuild's track record of thousands of works successfully built around the world testifies to its high level of expertise. The Group considers investments in employee upskilling and training and innovation as the main levers in its long-term sustainable growth.

The rapidity of global changes and swift development of technological innovation make it essential to meld the Group's skill set with best-in-class innovative technologies and processes to hone its competitive edge.

Innovation is a strategic tool that improves skills and processes and is an area in which the Group plans to increase its investments. It contributes to making core processes more efficient, ensuring greater optimisation of the times and costs to perform the works and the support processes. It also assists the Group's social and environmental performance because it translates into an improvement in safety conditions and a reduced impact on the environment, and, thus, on the communities where the Group operates.

Development process and innovative areas

Research, development and innovation initiatives take place at project and corporate level. They involve the Group's technical departments and its partners (suppliers, professionals, universities and research centres) in the development of innovative solutions to improve internal processes and develop tailored projects to meet customers' requirements right from the bidding phase. Innovation at corporate level mostly relates to the optimisation of governance, organisation and management of operations.

During the 2017-2021 five-year period, Webuild has invested on average around €22 million per year in innovation, research and development activities for a total of more than €111 million and an average annual involvement of circa 290 specialised employees. More information on these activities performed and planned is available in the 2021 Consolidated Non-financial Statement

Centralised governance

Over the last few years, Webuild has strengthened the Group's organisational structure and this has had a profound impact on its internal culture and 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.

Webuild has a centralised governance system of corporate competence centres that ensure the application of best practices and the Group's guidelines by all subsidiaries as well as optimisation of operating competencies and synergies along the entire value chain. They also monitor reputation risks and the brand's value.

Organisational model

A key facilitator of the organisational re-engineering project undertaken by the Group is the Performance Dialogue tool. It allows continuous monitoring of the ongoing projects through regular debriefing sessions that involve various internal levels of the Group's organisation. The tool ensures a structured exchange of information between the resources in the field and at headquarters, shared objectives and management priorities, the definition of agreed action plans and activation of operating tools to resolve any critical issues and benefit from potential opportunities.

Webuild's organisational model has proven very resilient to external shocks, such as the Covid-19 pandemic. Its centralised oversight system and robust peripheral organisation responded promptly to the emergency, taking all measures necessary to protect employees' health, contain the diffusion of the virus and continue production activities in full compliance with the instructions of the local authorities. It made it possible for headquarters to be in constant contact with the more than 100 ongoing projects in over 50 countries around the world.

Thanks to its centralised governance system, Webuild was able to efficiently coordinate global communication within the Group and with its external stakeholders via digital channels. Similarly, internal communication allowed the more efficient onboarding of new resources following the inclusion of new companies in the Group as part of Progetto Italia and the development of a shared culture, necessary to achieve strategic (e.g., health safety & environment), reputation and business objectives.

Sustainability

The principles of sustainable development are disseminated through the Group, both at core business and internal process level, as shown by Webuild's sustainability strategy, which identifies the sustainability of its projects and its work sites as the two cornerstones underpinning the Group's dedication and reputation.

In addition to developing works that contribute to the sustainable development of the communities where they are built, Webuild has a coordinated framework of management policies and systems designed to ensure compliance with the highest ethical, integrity, social and environmental principles as well as transparency and stakeholder engagement.

The Group’s sustainability priorities and targets are formalised in its 2021-2023 ESG plan, which has three areas of intervention: Green Builders, focused on the fight against climate change and promotion of the circular economy, “Safe and Inclusive Builders”, focused on the health and safety of its workers and the enhancement of diversity, and “Smart and Innovative Builders” focused on innovation as a strategic driver for sustainability and the improvement of business efficiency.

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. Its main ESG ratings and awards in 2021 and the first half of 2022 are shown below.

Rating provider	*Rating*
MSCI	MSCI confirmed Webuild’s **A** rating, with the result that it ranks alongside its peers at the top of the sector thanks to its improvement over the previous years (BB in 2018 and BBB in 2019)
vigeo eiris	Webuild has achieved an **Advanced** rating, the highest on the four-point scale (weak, limited, robust, advanced), confirming its leadership role in the international heavy construction sector
CDP DISCLOSURE INSIGHT ACTION	Webuild has obtained a **B** rating in the Climate Change questionnaire, well above the construction sector average of D
ISS-oekom	The company has obtained a **C+** rating and qualifies as “**Prime**” as a sector leader (alongside Acciona and JM)
GOLD 2021 ecovadis Sustainability Rating	Webuild held on to its “**Gold**” status in the sustainability rating for the fourth consecutive year, well above the sector average
MIB ESG INDEX	Webuild has been included in the **MIB® ESG Index**, the new ESG (Environmental, Social and Governance) index for Italian blue chips, launched by Borsa Italiana (Euronext Group), which includes the top 40 Italian listed issuers based on their firm commitment to environmental, social and governance issues
LEADER DELLA SOSTENIBILITÀ 2022 statista	Webuild has been included in the **Italian Sustainable Leaders 2022** classification drawn up by Sole24Ore and Statistica including the top 200 Italian companies with the best sustainability performances
FT FINANCIAL TIMES CLIMATE LEADERS 2022 statista	Webuild has been re-confirmed in the European **Climate Leaders 2022** ranking prepared by Statista and Financial Times. This ranking comprises the European companies that have achieved the largest reductions in their GHG emissions compared to their revenue in the 2015-2020 period.

Shared development

The Group generates value in its works, its operations and its relations with internal and external stakeholders and shares this value with its shareholders, investors, customers, employees, suppliers, partners, institutions and local communities.

Webuild has formalised its commitment to sustainability in its 5P Sustainability Manifesto, a comprehensive representation of its ability to generate shared value. The manifesto sets out the five priorities that the Group pursues to ensure excellence, innovation and respect for its stakeholders. The five priorities are: Planet, People, Partnership, Progress and Prosperity[25].

5P Sustainability Manifesto

[25] More information is available on the website www.webuildgroup.com/it/sostenibilita.

Key events of the period

Placement of sustainability-linked notes for €400 million

On 28 January 2022, Webuild successfully placed sustainability-linked notes with an aggregate nominal amount of €400 million reserved to institutional investors. The issue, the first for the parent in the sustainability-linked market, matures on 28 July 2026 and has an annual coupon of 3.875%. It demonstrates Webuild’s commitment to fully integrate sustainability into its business, including its financial strategy. The new issue is linked to the achievement of the reduction by 50% of carbon intensity emissions (scope 1 & 2) by 2025, contributing to United Nations SDG 9 (Industry, Innovation and Infrastructure) and SDG 13 (Climate Action), in line with Webuild’s Sustainability-Linked Financing Framework.

The notes are listed on the Global Exchange Market of Euronext Dublin. The proceeds from the issue will mostly be used to refinance the Group’s existing debt.

Progetto Italia

The industrial project, Progetto Italia, designed to create a large operator in the Italian infrastructure sector, has been completed the the filing of its new by-laws with the company registrar after achievement of all its objectives. Starting from 2019, the business combinations performed as part of this project have included the integration of Astaldi and the acquisitions of Cossi Construzioni (the non-controlling interests were acquired on 2 May 2022), Seli Overseas and Società Condotte d’Acqua’s share of the contracts to build the high speed/capacity Milan - Genoa and Verona - Padua railway lines. These acquisitions have both bolstered the Group’s scale and provided it with innovative technical and engineering skills that can be used to respond faster to governments’ infrastructure investment programmes, including those designed to promote progress towards the SDGs and the fight against climate change.

The entry of CDP Equity and Italy’s major banks (Intesa Sanpaolo, Unicredit and Banco BPM) into Webuild’s ownership base made it possible to create of a large domestic infrastructure player and consolidate the entire national construction industry. The investment agreement, effective from 2 August 2019, between, inter alia, Salini Costruttori, CDP Equity and Webuild established corporate governance rules that Webuild will abide by up until 2 August 2024 as they been automatically renewed for another two years.

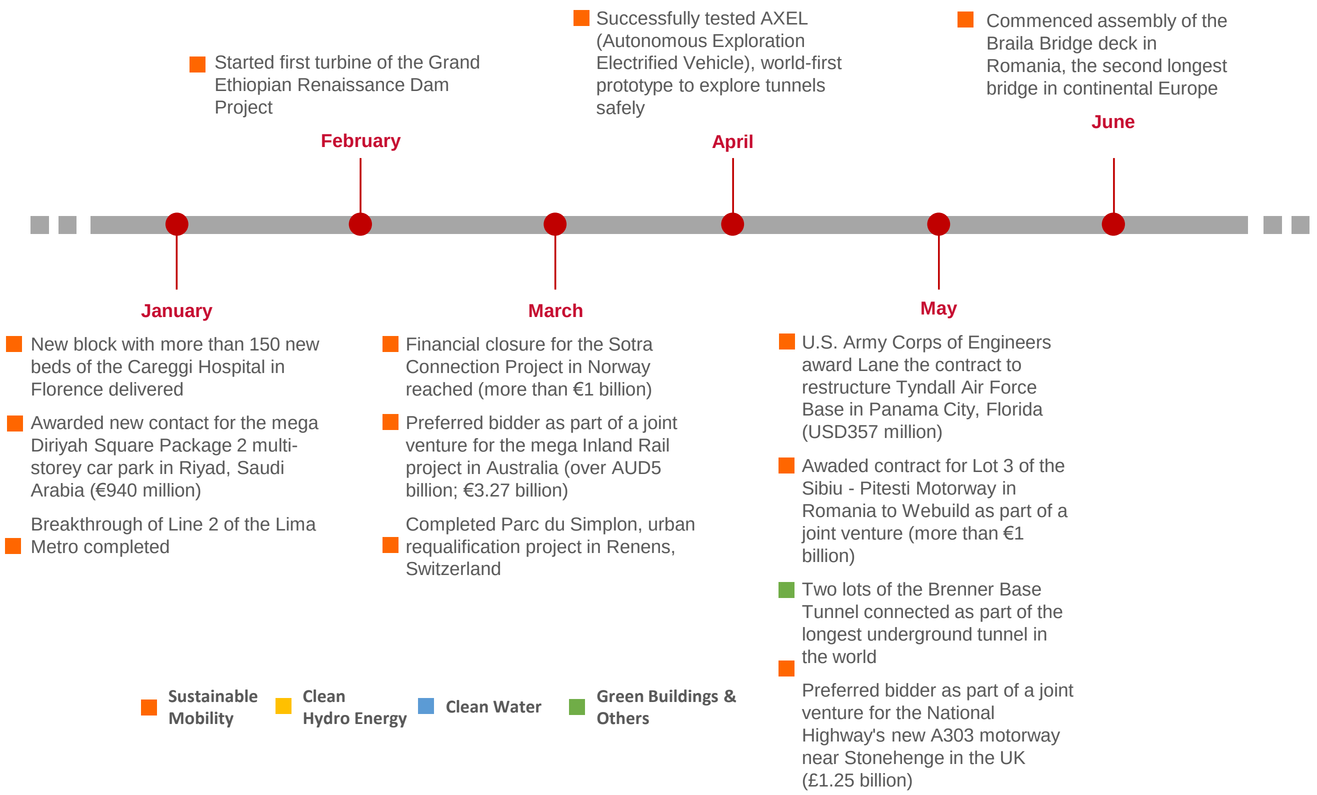
Share buy-back programme

On 27 January 2022, Webuild announced the launch of a share buy-back programme pursuant to the resolution passed by its shareholders at their ordinary meeting of 30 April 2021, subsequently revoked and renewed in their meeting of 28 April 2022. The buy-back programme, to be performed within 18 months from the date of the shareholders’ resolution, covers up to a maximum amount of ordinary treasury shares equal to 10% of the total number of ordinary shares outstanding at the transaction date.

New orders and milestones achieved in the first half of 2022

The new projects and main milestones achieved during the six months are described below while more information is available in the section on the Group's performance by geographical area.

New orders and main milestones of the first half of 2022



Directors’ report - Part I

Covid-19 and the Russian-Ukrainian crisis

During the first six months of 2022, governments started to lift the restrictions adopted to contain the Covid-19 emergency, thanks in part to the progress made in rolling out the vaccination campaign.

The Group's 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 pandemic.

At the date of preparation of this report, all the work sites have resumed activities although not all of them are operating at pre-Covid-19 production and efficiency levels. At global level, production has been less efficient than expected, mainly caused by the restrictions on the movement of people and supplies imposed by local authorities to curb the pandemic's spread.

The current situation may vary depending on how the pandemic evolves. During the six months, the Group continued negotiations with customers on specific contractual issues, mainly the delays due to the shuttering of work sites and the consequent inefficiencies incurred since the pandemic's outbreak, and to have the additional costs incurred due to the crisis situation acknowledged.

With respect to the Russian-Ukrainian crisis that broke out in February 2022, the Group does not currently operate in either country although it has a total net credit exposure of €20.2 million due from the Ukrainian customer Ukravtodor for work carried out in the period from 2013 to 2016 (after the impairment test which led Webuild to prudently impair its exposure by €45.9 million)[26].

The Group is carefully monitoring developments in the crisis to identify the repercussions for its business, also in the light of the restrictions introduced by the Council of the European Union and other western countries.

The Russian-Ukrainian crisis has created new uncertainties and risks for the global markets and economies, the effects of which are hard to foresee as they also depend on its outcome. One of the indirect effects is the exceptionally volatile prices of raw materials, as commented on below.

The Group is monitoring the situation. Given the uncertainties, which are outside its control, there is a risk that the Group's future results may differ from those currently expected.

Employee management and prevention measures to deal with the pandemic

The Group defined a number of measures to protect/ensure employees' health and safety, coordinated by the committees which monitor application of the anti-contagion measures as set out in the Anti-contagion Protocol for the head office and work sites as well as developments in the crisis.

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

The following measures are still in place:

i) the anti-contagion protocols and organisational instructions to manage the risks related to the pandemic, such as the use of face masks, social distancing and body temperature detection systems;

ii) the emergency plans for cases when workers were unable to return to the work sites or their return was delayed due to the mandatory quarantine periods by reorganising shifts or, when possible, facilitating remote working, also to ensure proper healthcare assistance;

iii) 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.

Measures introduced to prevent the spread of the disease included:

1) adoption of anti-contagion security protocols;

[26] More information is available in the "Main risk factors and uncertainties" section of this report and the "Complex accounting estimates" section of the notes to the condensed interim consolidated financial statements.

2) meetings with the Employer, the delegated officers and the Prevention and Protection Unit to monitor the situation regularly and coordinate responses;
3) dissemination of communications and organisational measures to assist personnel in a period of ongoing regulatory change;
4) continuation of healthcare measures focusing on people who are vulnerable because they have an underlying health condition or because of their age, and workers who became ill with Covid-19 and required hospitalisation;
5) introduction of a psychological support service to assist workers co-exist with the Covid-19 measures as easily as possible and to deal with the related stress, facilitating their return to work;
6) management of common areas to decrease gatherings;
7) special measures to provide healthcare assistance (set up of multilingual help centres open 24/7 around the world to provide prompt assistance with the medical evacuation of Covid-19 patients) when the local healthcare units were unable to treat them;
8) employee awareness raising campaigns about the protocols.

Supply chain

The pandemic, and more recently the Russian-Ukrainian crisis, have seriously disrupted supply chains and caused massive volatility in raw material prices in a period already characterised by rising inflation.

The mitigation measures rolled out starting from 2020 to deal with the Covid-19 pandemic are still in place and have been effective in containing its impact on the supply chain, including in the first half of 2022. They have mitigated the very volatile raw material prices and ensured business continuity through the identification of alternative procurement solutions and the urgent transfer of equipment from one work site to another.

In addition, the majority of the contracts in place with customers or the applicable local laws have mechanisms to mitigate the impact of any increases in the prices of raw materials on the profit margins of projects in progress.

Most of the foreign contracts are drawn up in accordance with the international standards of the International Federation of Consulting Engineers (FIDIC), which provide for risk mitigation clauses including risks related to changes in the cost of works due to increases in raw materials prices.

The Italian government has tackled the price hikes with the “Sostegni-bis decree” of 25 May 2021, converted with amendments by Law no. 106 of 23 July 2021, and Decree law no. 50 of 17 May 2022. The government approved radical provisions with this second decree law to deal with the surging prices of construction materials, introducing measures to offset the increases in the prices of raw materials, fuel and energy.

In June 2022, the text of the delegated law on public contracts was published in the Italian Official Journal setting out the fundamental principles to relaunch the sector. Such principles will be taken into consideration by the legislative decrees reforming the Italian public contract code, including the provision on the price revision clause.

Cyber risk associated with the Russian-Ukrainian crisis

The Group has introduced the main cyber security measures at head office and branch level as recommended by Bank of Italy, Consob, IVASS (the Italian Institute for Insurance Supervision) and UIF (Bank of Itay’s Financial Intelligence Unit) in their joint communication of 7 March 2022 and the recommendations of the Italian Cyber Security Agency.

It has engaged the services of leading international cyber security and cyber intelligence companies to regularly monitor developments and adopt all necessary risk mitigation measures.

ESG risk management

Transition to a low-carbon economy that is more environmentally sustainable can create risks for companies due to the possible acceleration in the tightening-up of environmental and climate policies, as well as developments in technologies and stakeholders' increasing focus on environmental issues. Moreover, the intensification of climate change phenomena and their impact on the main areas of the value chain are one of the greatest challenges that companies face in the short and medium to long term.

Webuild Group supports the global effort to combat climate change and the transition to a low-carbon economy. In 2020, it identified and assessed the risks associated with climate change, defining a transparent, structured Climate Strategy to act as a beacon in the infrastructure industry supporting its customers in their journey to mitigate and adapt to climate change.

The Group's commitment and priorities are summarised in its 2021-2023 ESG plan which includes the Green Builders area of intervention, focused on the fight against climate change and promotion of the circular economy.

Considering the above and in line with ESMA's Annual Public Statement of 29 October 2021, the Group has performed a specific analysis of the risks and opportunities of climate change, and how to manage them. The "Climate Change" section of its 2021 Consolidated Non-financial Statement, prepared in accordance with Legislative decree no. 254/2016 and available on the parent's website https://www.webuildgroup.com/en/investor-relations/financial-results/reports, provides more information about this.

Order backlog

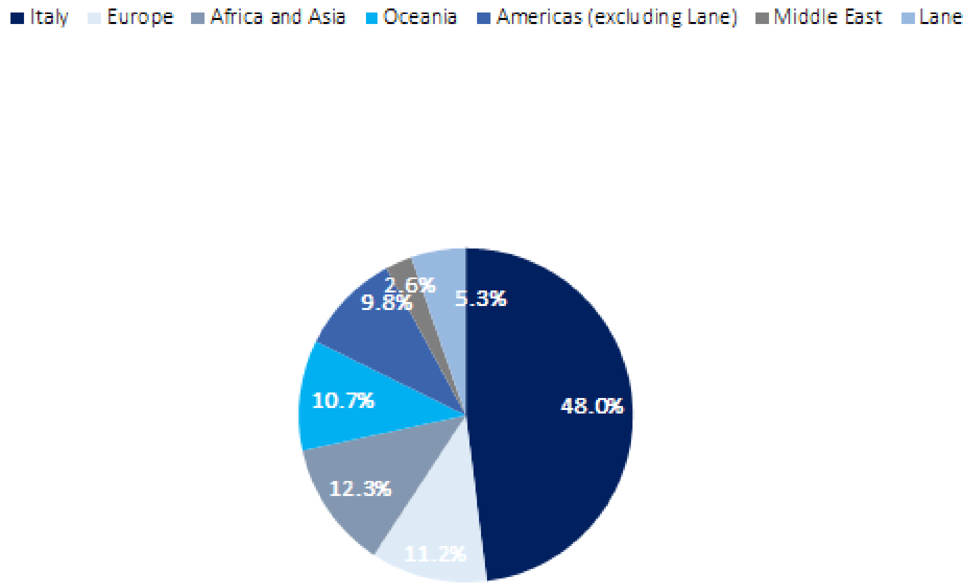
The order backlog by geographical area for the construction and concession segments is as follows:

(Share in millions of Euros)

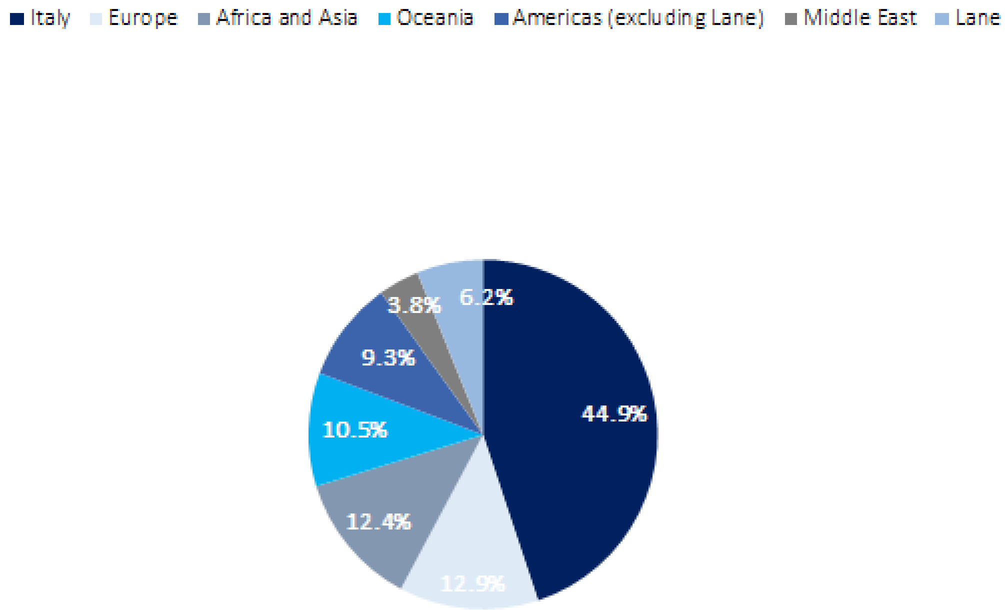
Area	Residual order backlog at 31 December 2021	Percentage of total	Residual order backlog at 30 June 2022	Percentage of total
Italy	**21,803.0**	**48.0%**	**21,200.8**	**44.9%**
Europe	5,107.1	11.2%	6,094.5	12.9%
Africa and Asia	5,601.7	12.3%	5,871.9	12.4%
Oceania	4,857.9	10.7%	4,968.6	10.5%
Americas (excluding Lane)	4,455.7	9.8%	4,393.0	9.3%
Middle East	1,168.3	2.6%	1,790.5	3.8%
Abroad	**21,190.7**	**46.7%**	**23,118.5**	**49.0%**
Lane	2,412.9	5.3%	2,906.2	6.2%
Total	**45,406.5**	**100.0%**	**47,225.4**	**100.0%**

The following chart provides a breakdown of the order backlog by geographical area:

Breakdown of the order backlog 31 December 2021

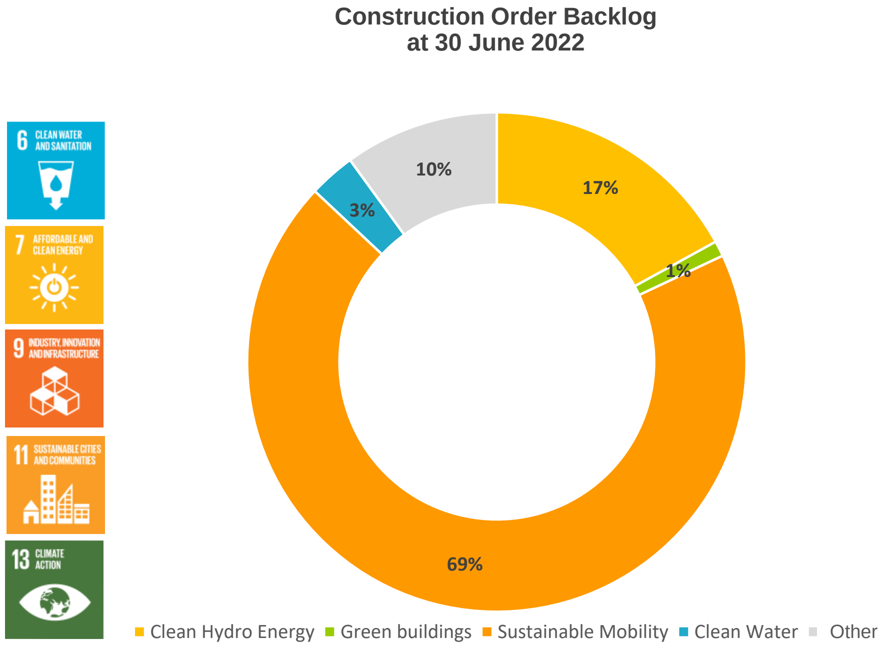


Breakdown of the order backlog 30 June 2022



The following chart provides a breakdown of the order backlog by type of business:

Breakdown of the construction order backlog at 30 June 2022 by business area



Information on the main ongoing projects and their sustainability characteristics is provided in the section on the performance by geographical area of this report.

Order backlog

The order backlog shows the amount of the long-term construction and concession contracts awarded to the Group, net of revenue recognised at the reporting date. The Group records the current and outstanding contract outcome in its order backlog. Projects are included when the Group receives official notification that it has been awarded the project by the customer, which may take place before the definitive binding signing of the related contract.

The Group’s contracts usually provide for the activation of specific procedures (mainly arbitrations) to be followed in the case of either party’s contractual default.

The order backlog includes the amount of the projects, including when they are suspended or deferred (e.g. Venezuela and Libya), pursuant to the contractual conditions.

The value of the order backlog decreases:

- when a contract is cancelled or decreased as agreed with the customer;
- in line with the recognition of contract revenue in profit or loss.

The Group updates the order backlog to reflect amendments to contracts and agreements signed with customers. In the case of contracts that do not have a fixed consideration, the related order backlog reflects any contract variations agreed with the customer or when the customer requests an extension of the execution times or amendments to the project that had not been provided for in the contract, as long as these variations are agreed with the customer or the related revenue is highly probable.

The measurement method used for the order backlog is not a measurement parameter provided for by the IFRS and is not calculated using financial information prepared in accordance with such standards. Therefore, the calculation method used by the Group may differ from that used by other sector operators. Accordingly, it cannot be considered as an alternative indicator to the revenue calculated under the IFRS or other IFRS measurements.

Moreover, although the Group’s accounting systems update the related data on a consolidated basis once a month, the order backlog does not necessarily reflect the Group’s future results, as the order backlog data may be subject to significant variations.

The above measurement method differs from the method used to prepare the disclosure on performance obligations yet to be satisfied in accordance with IFRS 15 as set out in note 29 to the condensed interim consolidated financial statements. Specifically, the main contract revenue included in the order backlog and not considered in the notes includes:

- revenue from concession contracts as it is earned mainly by equity-accounted investees;
- revenue from the non-subsidiary joint ventures of 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.

Performance by geographical area

Italy

In Italy, the Group operates in the construction segment, mostly in the areas of sustainable mobility and green buildings, and the concessions segment in Italy.

Reference context and macroeconomic scenario

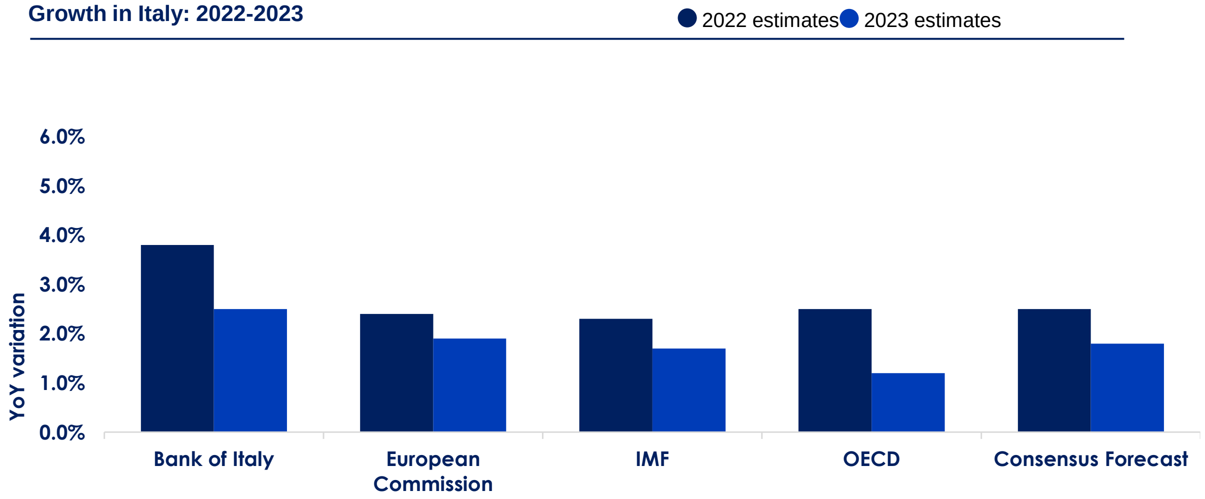
Italy is ranked 26th in the SDG Global Rank, the index that measures progress towards achievement of the SDGs in 165 countries around the world. Italy shows progress in the majority of the goals that are most pertinent to the Group's business areas although there is still room for improvement with respect to, in particular, mobility and the fight against climate change.

SDG	AREAS FOR IMPROVEMENT RELATED TO THE GROUP'S BUSINESS AREAS	KPI	TREND	GROUP CONTRIBUTION
6	Wastewater treated	58.8%	In line with objectives	The ongoing projects are mostly for the Sustainable Mobility (railways, metros and road projects) and Green Buildings (civil and industrial) areas, with a positive contribution to achievement of the SDGs in terms of improved transport and lower GHG emissions.
7	Renewable energy in final consumption	18.2%	In line with objectives	
9	Quality of transportation infrastructure (1=very unsatisfactory, 5=excellent)	3.9	In line with objectives	
11	Satisfaction with public transport	48%	Improving	
13	CO_2 emissions per capita linked to energy and cement production (ton)	5.6	Stable	

Along with Germany, Italy is one of the biggest importers of Russian gas. According to the International Monetary Fund (IMF), this dependency, together with high inflation and the new procurement difficulties encountered by companies caused by the ongoing conflict in Ukraine and possible new waves of Covid, may make it difficult for the Italian economy to recover, especially some of its sectors like the automotive one.

The IMF's projections of April 2022 include growth of 6.6% in GDP and this trend is expected to continue, albeit at a slower rate in 2022 (2.3%) and 2023 (1.7%).

Growth in Italy: 2022-2023



Sources:
Bank of Italy, June 2022

Turning to the construction sector, in May 2022, the Ministry of Infrastructure and Sustainable Mobility presented the Infrastructure attachment to the 2022 Economic and Financial Document. This document describes the government's decisions about infrastructure, mobility and logistics in Italy, also considering the National Recovery and Resilience Plan (NRRP) and the National Plan for Complementary Investments to the NRRP. It also illustrates the government's plan for reforms and investments to develop railway, road, logistics, port, airport and water infrastructure, urban mobility and cycling as well as public housing.

The plan provides for investments of up to approximately €300 billion to be made by 2036, including around €220 billion already earmarked for projects, as follows:

1. **priority investments for the national integrated transport system**: €280 billion, mostly for railways (€147 billion), roads and motorways (€84 billion) and mass rapid transit infrastructure (€33 billion);
2. **investments in water infrastructure**: €12 billion;
3. **investments in sustainable construction**: €7 billion.

The Italian government published Decree law no. 50 of 17 May 2022 to tackle the rise in construction material prices. To ensure the public works underway continue and to encourage companies to participate in new calls for tenders, the government introduced measures to deal with the rising prices of raw materials, fuel and energy. It set aside an envelope of more than €10 billion, including €3 billion for 2022, €2.55 billion for 2023 and €1.5 billion for the years from 2024 to 2026 to cover the adjustments to contract prices.

In June 2022, the text of the delegated law on public contracts was published in the Italian Official Journal setting out the fundamental principles to relaunch the sector. They are designed to inform the legislative decrees reforming the Italian public contract code, including: i) the mandatory price revision obligation; ii) simplification of the procedures for the approval of public works; iii) simplification and acceleration of payment methods; iv) expansion and strengthening of the dispute resolution mechanisms; and v) review of the disciplinary and award system.

Main ongoing projects

The following table shows the amounts involved in the main contracts in portfolio:

(Share in millions of Euros)

Project	Residual order backlog at 31 December 2021	Percentage of completion	Residual order backlog at 30 June 2022	Percentage of completion
Iricav Due	3,936.5	7.3%	3,846.0	10.1%
Cociv	2,194.4	59.6%	2,061.6	63.3%
Pedemontana Lombarda B2, C	1,259.6	0.0%	1,259.6	0.0%
Naples - Bari railway line (Hirpinia - Orsara section)	1,068.0	0.6%	1,060.3	1.4%
Other	7,711.9		7,347.3	
Total	**16,170.4**		**15,574.8**	

High-speed/capacity Verona - Padua Railway Project (Iricav Due)

The Iricav Due consortium (Webuild: 82.93%) is RFI's (Rete Ferroviaria Italiana S.p.A.) general contractor for the design and construction of the high speed/capacity Verona - Padua railway line section as per the agreement of 15 October 1991.

The 78.8 km railway line will cross 19 municipalities (six in the Verona Province, nine in the Vicenza Province and four in the Padua Province), to quadruple the existing line, increase the quality of the Italian railway system and assist its integration with the European network.

On 6 August 2020, RFI and the consortium agreed the rider to the TAV/Consorzio Iricav Due agreement of 1991 for the first functional lot, the Verona - Vicenza junction section, extending it by 44.2 km for approximately €2.5 billion. The rider was immediately effective for the first construction lot (worth €873.7 million).

On 17 May 2021, after formalisation of the second amendment to the rider of 8 August 2020, the second construction lot for €1,596.3 million became effective and the entire first functional lot became operational.

In December 2021, RFI paid the additional advance for up to 30% of the total contract advance pursuant to article 207.2 of Law decree no. 34 of 19 May 2020.

In 2021, RFI and Iricav Due signed an agreement for the definitive designs of the second functional lot and the third functional lot with two separate deeds, both necessary for the works' contractualisation.

The definitive design of the second functional lot was completed in the first half of 2022 and the related financial offer has been presented to RFI.

During the six months, the executive designs were continued, as did the expropriation work and the ordnance clearance activities. The parties also defined the agreements necessary to resolve the inferences of the high speed/capacity section under construction with the existing underground utility cables and the A4 Motorway. Moreover, work continued at the Verona work site.

Seven of the nine planned EU calls for tenders were published for 60% of the works, for which two tenders have been accepted, three calls are being awarded and the others are either being published or republished as no tenders were received.

High-speed/capacity Milan - Genoa Railway Project (COCIV)

The project for the construction of the Giovi third railway crossing of the high speed/capacity Milan - Genoa railway line section was assigned to the COCIV consortium as general contractor by RFI (formerly TAV S.p.A. - as Ferrovie dello Stato's operator) with the agreement of 16 March 1992 and subsequent rider of 11 November 2011.

The Group is the consortium leader with a percentage of 99.999%.

The works began on 2 April 2012 and the contract is worth approximately €4.8 billion.

It is split into six non-functional construction lots, integrated by the activities for the Genoa railway junction tunnels, with a timeline of roughly 153 months excluding the pre-operating/inspection phase.

All the six lots provided for in the rider of 11 November 2011 are fully financed and the Giovi third railway crossing project was contractually joined with the Genoa railway junction project for the development of the related tunnels in 2020 when the second rider was signed.

On 24 and 25 January 2022, change order no. 18 for the lot of WBS NV08 in the section from location marker km 603.94 to location marker km 694.30 was signed and change order no. 19 followed in the period from 4 to 8 February 2022 for the works as per article 2.1.e) of the deed of 19 December 2016 amending the framework agreement between the Liguria bodies. These orders did not make additional amendments to the contract completion date for the Giovi third railway crossing.

In the period from 11 to 14 March 2022, the technical change order agreement for the technical specifications of interoperability SRT 2014 - First lot: FFP di Fegino, Polcevera, Val Lemme and Pozzolo (VAR008 - First lot) was signed to allow the work to be commenced pending the signing of the related change order.

The activities to award the works of contract 01 (permanent way) to third parties continued with a public call for tenders. As no bids had been received at the final deadline (13 September 2021), the customer was requested to resolve the financial and contractual issues without any positive results.

On 4 May 2022, the agreement for the lump-sum consideration for the works to update the 2020 designs for the tunnels as per article 4.2.1.(i) of the second rider was signed.

On 8 June 2022, the second addendum to the rider of 11 November 2011 on the technical consultancy board was signed.

Information about the orders issued by the Rome and Genoa public prosecutors, which also involved certain parties related to the consortium, is available in the "Main risk factors and uncertainties" section.

Naples - Bari railway line, Hirpinia - Orsara section (Hirpinia Orsara AV)

On 21 June 2021, RFI announced that it had awarded the consortium to be set up by Webuild (70%) and Pizzarotti (30%) the design and build contract for the Hirpinia - Orsara section of the Naples - Bari railway line. The €1,074.8 million project consists of the development of a section mainly in tunnels over a length of 28.1 km. The main works are the single track twin tube Hirpinia Tunnel (27.1 km) and the Cervaro Viaduct (roughly 314 m).

In December 2021, RFI paid an additional contract advance for up to 30% of the total contract advance pursuant to article 207.2 of Decree law no. 34 of 19 May 2020.

On 8 February 2022, the executive designs were delivered to the works manager Italferr S.p.A. and the customer RFI.

During the first six months of 2022, the executive design and geognostic investigations were completed and the clearing of ordnance and site start-up activities commenced.

Other projects in Italy

Napoli - Bari railway line, Naples - Cancello section (Napoli Cancello High Velocità S.c.r.l.)

In December 2017, Webuild (60%) and Astaldi (40%) (now Webuild Group: 100%) signed the contract for the Naples - Cancello section of the Naples - Bari railway line.

On 26 November 2019, 7 May 2020, 20 November 2020, 5 January 2022 and 26 January 2022, five riders were signed with RFI for the supply of crushed stone by it, the removal of the above-ground materials, the movement of underground utility cables and additional archaeological investigations and excavations. They increased the contract consideration to approximately €453.4 million.

During the first half of 2022, work continued including the laying of the foundations and elevations and abutments of the viaducts and construction of the tunnel diaphragm walls and slabs as well as the activities to resolve interferences with underground utility cables.

Work on the temporary deviation of the existing Naples - Cassino line was completed and the preparatory activities for the excavation of the hyperbaric tunnel are underway.

Palermo - Catania railway line, Bicocca - Catenanuova section (S. Agata FS S.c.r.l.)

In January 2018, a consortium (Webuild: 60%; Astaldi: 40%, now Webuild Group: 100%) signed a contract with RFI to double the tracks on the Bicocca - Catenanuova section of the Palermo - Catania railway line, including the executive design. The contract is worth approximately €206 million.

Works carried out in the first half of 2022 covered the:

- viaducts, including completion and installation of the metal girder span of the Buttaceto VI15 viaduct; installation of the decks with interlinking metal beams; commencement of the weighing and installation phases of the definitive supports, as well as the laying of the predalles slabs, of the Vigne Vecchie VI01 viaduct, assembly of the metal girders of the Simeto VI11 viaduct and the Vallone delle Rose VI02 viaduct; completion of the pier caps of the piers for the Simeto VI11 viaduct;
- overpass, completion of the abutments and of the side walls of IV07 and IV08, completion of the retaining walls of the north ramp of IV06, execution of the foundation pilings of IV09;
- completion of the reinforced concrete structures of the Gallerodotto OC04;
- preparation of the subgrade with lime-stabilised materials near WBS RI05, TR03, RI08, RI14, RI15 and RI29;
- renovation of the passenger terminal at Bicocca Station;
- continuation of the ordnance clearance activities.

In March 2022, RFI paid the last part of the contract advance (30% in total).

Naples - Bari railway line, Apice - Hirpinia section (Consorzio Hirpinia AV)

On 28 March 2019, RFI announced that the consortium to be set up by Webuild (60%) and Astaldi (40%) (now Webuild Group: 100%) had been awarded the design and build contract for the Apice - Hirpinia section of the Naples - Bari railway line worth €608.1 million.

On 1 July 2019, the two partners set up Consorzio HIRPINIA AV and it signed the related contract with RFI on 31 July 2019.

On 22 February 2020, the consortium delivered the executive design to the works manager Italferr S.p.A. and the customer RFI, which approved it on 21 September 2020. Subsequently on 25 September 2020, Conformity Deed no. 1 was signed amending the contract consideration to €603.3 million.

In December 2021, RFI paid an additional contract advance for up to 30% of the total contract advance pursuant to article 207.2 of Decree law no. 34 of 19 May 2020. On 22 December 2021, the parties signed Conformity Deed no. 2 amending the contract consideration to €603.7 million.

On 14 January 2021, construction work commenced and the site start-up activities were carried out during the six months (set up of the tunnel boring machine - TBM - areas) as well as work on the foundations (foundation pilings and diaphragm walls), reinforced cement works, excavation of the bored tunnel entrances and pre-fabrication of the tunnel sections.

Messina - Catania railway line,Lot 2 Taormina - Giampilieri (Messina Catania lotto Nord)

On 18 March 2021, RFI announced that it had awarded the consortium to be set up by Webuild Group (70%) and Pizzarotti (30%) the design and build contract to double the Messina - Catania railway line, Giampilieri - Fiumefreddo section, Taormina - Giampilieri second functional lot. The project, worth €1,003.9 million, includes the construction of roughly 28.3 km of new double tracks, including two single tube bored tunnels, six twin tube bored tunnels and seven viaducts.

On 8 June 2021, the final award became effective.

On 21 June 2021, Consorzio Messina Catania Lotto Nord was set up and the urgent services report subject to legal reservations was signed on 23 June 2021, providing for the receipt of the contract advance.

In December 2021, RFI paid an additional contract advance for up to 30% of the total contract advance pursuant to article 207.2 of Decree law no. 34 of 19 May 2020.

In January 2022, the executive design was presented and is currently being analysed.

Fortezza - Verona railway line, Fortezza - Ponte Gardena section (Dolomiti Webuild Implenia)

On 8 June 2021, RFI announced that it had awarded the consortium to be set up by Webuild (51%) and Implenia (49%) the €1,071.4 million design and build contract for Lot 1 of the quadrupling of the Fortezza - Ponte Gardena section of the Fortezza - Verona railway line. The work will be carried out over a length of around 22.5 km, nearly entirely all underground.

On 18 June 2021, the two partners set up Consorzio Dolomiti Webuild Implenia and the urgent services report subject to legal reservations was signed on 23 June 2021, meaning the consortium could receive the contract advance.

In December 2021, RFI paid an additional contract advance for up to 30% of the total contract advance pursuant to article 207.2 of Decree law no. 34 of 19 May 2020.

During the first half of 2022, the documents for the executive design of the four contract phases were delivered to the customer and the related preliminary procedures are underway.

Part A of the works is slated to take place in the next few months, as well as the clearance of explosive devices and the work site set-up activities for Part B.

Naples - Bari railway line, Orsara - Bovino section (Bovino Orsara AV)

On 14 June 2021, RFI announced that it had awarded the consortium to be set up by Webuild (70%) and Pizzarotti (30%) the design and build contract worth €367.2 million for the Orsara - Bovino section of the Naples - Bari railway line. The 11.8 km line will mostly run through tunnels and the main work is the 9,871 metre single-track twin tube Orsara Tunnel.

On 22 June 2021, the two partners set up Consorzio Bovino Orsara AV and the urgent services report subject to legal reservations was signed on 24 June 2021, meaning the consortium could receive the contract advance.

In December 2021, RFI paid an additional contract advance for up to 30% of the total contract advance pursuant to article 207.2 of Decree law no. 34 of 19 May 2020.

On 18 January 2022, the executive designs were delivered to the works manager Italferr S.p.A. and the customer RFI.

During the first six months of 2022, the executive design and geognostic investigations were completed and the clearing of explosive devices and site start-up activities commenced.

Messina - Catania railway line, Lot 1 Taormina - Fiumefreddo (Messina Catania lotto Sud)

On 24 June 2021, RFI announced it had awarded the consortium to be set up by Webuild (70%) and Pizzarotti (30%) the design and build contract to double functional lot 1 Fiumefreddo - Taormina subsection of the Giampilieri - Fiumefreddo section of the Messina - Catania railway line. The project is worth €620.2 million and includes a new double-track section of around 13.9 km, including two bored tunnels, one artificial tunnel and two viaducts. One bored tunnel will be one tube for a length of 3.3 km (the Calatabiano Tunnel) while the other will be twin tube and 6.1 km long (the Taormina Tunnel).

On 6 July 2021, Consorzio Messina Catania Tratto Nord was set up and the urgent services report subject to legal reservations was signed on 21 June 2021, providing for the receipt of the contract advance.

In December 2021, RFI paid an additional contract advance for up to 30% of the total contract advance pursuant to article 207.2 of Decree law no. 34 of 19 May 2020.

In February 2022, the executive design was presented and is currently being analysed.

In September 2021, the consortium appeared in court after the contract award was challenged by a joint venture led by Rizzani de Eccher. On 20 October 2021, the Catania Regional Administrative Court set the date for the public hearing on the merits of the dispute in response to the applicant's waiver of the precautionary petition. At the hearing of 12 May 2022, the judicial panel of the Catania Regional Administrative Court adjourned the case for decision.

Milan - Metro Line 4 (Metro Blu S.C.r.l.)

Metro Blu S.c.r.l. (Webuild: 100%) was set up to carry out the works and services related to the civil works to build the new Line 4 of the Milan Metro.

The new line, which will be fully automated (i.e., driverless) with intelligent traffic control technology to ensure the highest safety standards, will cover a 15.2 km stretch from Linate to Lorenteggio. It will increase Milan's public sustainable mobility system carrying an additional 24 thousand passengers an hour in each direction.

The contract includes the construction of two single track tunnels, one in each direction, 21 stations and a depot/workshop. Work started in 2013 under an accessory agreement pending approval of the concession agreement of 22 December 2014 and the subsequent rider no. 1 of 5 February 2019.

As a result of the above rider and the new construction contract agreed on 25 September 2019, the consideration for the EPC contract is roughly €1.8 billion.

The work on the first functional lot (Linate - Forlanini F.S.) has been completed and the section has already been delivered to the customer.

At the date of preparation of this report, the works to complete and deliver the second functional section (Forlanini F.S. - Dateo), slated for September 2022, are underway which will allow the entire section from Linate to Dateo to be open to the public.

SS-106 state road Jonica - Third maxi-lot (Sirjo S.C.p.A.)

Sirjo S.c.p.A. (Webuild: 100%) is the general contractor for the design and build contract signed on 12 March 2012 for the third maxi-lot of SS-106 state road Jonica. The contract is worth approximately €980 million as defined in the second rider to the contract signed on 19 November 2020.

The works were formally delivered on 19 May 2020.

As provided for by article 207 "Urgent measures for the liquidity of construction companies" of Decree law no. 34 of 19 May 2020 (the Relaunch decree), Sirjo S.C.p.A. requested of ANAS and obtained a contract advance on 10 September 2020.

During the first half of 2022, in addition to the ongoing works, the underground excavation of the Roseto 1 Tunnel commenced as well as the construction of the foundation pilings for the viaducts of the North section and excavation of the artificial tunnels. Excavation of the north entrance of the Trebisacce Tunnel continued while the south entrances and the window have been completed and underground excavation on all fronts (north, south and window) has been started. With respect to the south front, the viaduct's foundation works have been completed and the elevating works are underway which will enable all the decks to be installed by the end of the year.

ENI headquarters (CDE S.c.a.r.l.)

The Group does not limit itself to infrastructure. It is also engaged in acquiring orders in the commercial building sector, thus availing of development opportunities mostly created by the growth of Italy's large metropolitan areas. In partnership with a leading group of investors and acting as contractor, Webuild signed a contract on

28 July 2017 for the building of ENI's new headquarters in San Donato Milanese. This construction contract is worth roughly €151 million (Webuild's share: 60%).

Work began at the end of 2017 and continued throughout the first half of 2022 with the completion of the internal finishings, external pavements, systems and facades.

On 5 February 2021 and 29 December 2021, addenda to the turnkey contract were signed covering the internal finishings of the buildings, increasing the contract's value to €195 million. As a result, the supply and installation works for the customisation of the building interiors has been started.

Pedemontana Lombarda

In October 2021, the consortium comprising Webuild Italia - Partecipazioni Italia and Pizzarotti, which was awarded the design and build contract worth approximately €1.2 billion for the Pedemontana Lombarda Motorway project, appeared in court after the formalised award was challenged by Consorzio SIS. The first hearing deferred the case to 22 March 2022 when the Lombardy Regional Administrative Court decided to discuss the petition presented by Consorzio SIS as access to the appellant's documents had been completed. On 25 March 2022, the Lombardy Regional Administrative Court issued and published order no. 375/2022 rejecting the petition, facilitating the signing of the contract by Autostrada Pedemontana Lombarda and the consortium. It also set the date of 21 September 2022 for the merits hearing. On 31 March 2022, Consorzio SIS appealed to the council of state requesting order no. 375/2022 be cancelled and/or amended. On 28 April 2022, the council of state rejected Consortium SIS' appeal and reconfirmed order no. 375/2022 issued by the Lombardy Regional Administrative Court with its order no. 1957/2022 thereby allowing the contract between Autostrada Pedemontana Lombarda and the consortium to be formalised.

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Some of the contracts underway have incurred unforeseen costs and the contractors have accordingly presented their requests for additional consideration. The costs are included in the measurement of contract assets and contract liabilities for the part deemed highly probable to be recovered, based also on the opinions of the Group's advisors.

Italian concessions

The Group's concessions activities in Italy mainly consist of investments in the operators still involved in developing projects and constructing the related infrastructure.

These concessions principally relate to the mobility sector (motorways, metros and car parks).

The following tables show the key figures of the most significant Italian concessions at the reporting date, broken down by business area:

MOTORWAYS

Country	Operator	% of investment	Total km	Stage	Start date	End date
Italy (Pavia)	SaBroM S.p.A. (Broni Mortara)	60	50	Not yet active	2010	2057

METROS

Country	Operator	% of investment	Total km	Stage	Start date	End date
Italy (Milan)	SPV Linea 4 S.p.A. (Milan Metro Line 4)	19.3	15	Not yet active	2014	2045

CAR PARKS

Country	Operator	% of investment	Stage	Start date	End date
Italy (Terni)	Corso del Popolo S.p.A.	55.0	Active	2016	2046

OTHER

Country	Operator	% of investment	Stage	Start date	End date
Italy (Terni)	Piscine dello Stadio S.r.l.	96.0	Active	2014	2041

Lane

The Group is active in the US through the subsidiary Lane Industries Incorporated, which mainly operates in the sustainable mobility and clean water sectors.

Reference context and macroeconomic scenario

The US is ranked 32nd in the SDG Global Rank, the index that measures progress towards achievement of the SDGs in 165 countries around the world. The US shows progress in the majority of the goals that are most pertinent to the Group's business areas although there is still room for improvement with respect to, in particular, renewable energy and the fight against climate change.

SDG	AREAS FOR IMPROVEMENT RELATED TO THE GROUP'S BUSINESS AREAS	KPI	TREND	GROUP CONTRIBUTION
6	Wastewater treated	58.9%	In line with objectives	The ongoing projects are mostly for the Sustainable Mobility (railways, metros and road projects) and Clean Water (hydraulic engineering works and environmental remediation projects) areas, with a positive contribution to achievement of the SDGs in terms of improved transport, water management and water quality, and lower GHG emissions.
7	Renewable energy in final consumption	7.9%	Stable	
9	Quality of transportation infrastructure (1=very unsatisfactory, 5=excellent)	4.0	In line with objectives	
11	Satisfaction with public transport	65.0%	In line with objectives	
13	CO_2 emissions per capita linked to energy and cement production (ton)	16.1	Stable	

The IMF's most recent forecasts of April 2022 estimate that GDP in the US grew by 5.7% in 2021 and should grow by 3.7% and 2.3% in 2022 and 2023, respectively.

The main factors holding back the country's real growth are the building inflationary pressure, an increasingly saturated labour market, with the related increase in nominal wages, and interest rates continuing to rise. The war in Ukraine only has a limited impact on the US related to the potential difficulties of some of its trading partners.

According to IHS Markit's May 2022 estimates, infrastructure construction expenditure should bounce back in 2023, increasing by an expected 10.0% as the first results of the Bipartisan Infrastructure Deal, with a budget of approximately USD1.2 trillion (including USD110 billion for roads, bridges and motorways, USD66 billion for railways and USD55 billion for clean drinking water), should be seen.

Some of the main objectives are to upgrade roads and motorways, rebuild bridges, upgrade ports, airports and transit systems, repair hundreds of stations and provide clean drinking water, a revamped electricity grid and high-speed broadband connections to all Americans.

In this respect and related to the railway sector, Webuild signed the definitive contract for the new high speed railway line between Dallas and Houston in Texas with Texas Central in 2021. In June 2022, the Texas Supreme Court confirmed the customer's right to purchase the land necessary to carry out the project. This ruling is decisive for the financial closure of the mega project, after which work can be started to provide the residents of the two cities with a fast, safe and environmentally friendly means of transport while concurrently stimulating the economy thanks to the creation of thousands of new jobs, including for companies along the supply chain.

Main ongoing projects

The following table shows the amounts involved in the main contracts in portfolio:

(Share in millions of Euros)

Project	Residual order backlog at 31 December 2021	Percentage of completion	Residual order backlog at 30 June 2022	Percentage of completion
I-495 NEXT - Washington, D.C.	-	0.0%	399.8	7.8%
Tyndall Airforce Base - Florida	-	0.0%	340.2	1.2%
C43 Water Management Builders - Florida	310.7	34.8%	279.9	47.4%
I-10 Corridor - California	248.2	57.0%	237.4	66.4%
I-40 - Orange County - North Carolina	204.3	2.1%	216.7	4.5%
Kansas City's Levees Flood Protection Project - Missouri	189.0	2.5%	202.0	5.0%
I-440 Beltline Widening - North Carolina	206.1	38.0%	201.1	45.2%
Complete 540 (Southern Wake Freeway) - North Carolina	227.2	40.4%	201.1	50.9%
I-405 Renton/Bellevue (Flatiron-Lane JV) - Washington	187.2	24.8%	179.7	33.1%
I-4 Ultimate - Orlando - Florida	15.4	97.5%	8.0	98.8%
Other	824.8		1,040.0	
Total	**2,412.9**		**2,906.2**	

I-10 Corridor - California

In August 2018, the Lane-Security Paving joint venture won a design-build contract for the I-10 Corridor Express Lanes (Contract 1) in California. The project's overall value approximates USD670 million, with Lane acting as project leader with a 60% share of the joint venture. Once completed, the lanes are expected to reduce traffic congestion in this area of southern California which has seen large population growth in the last few years.

During the period, drainage activities of some segments continued and the above ground lighting posts were installed, the road surface was levelled and paved.

I-440 Beltline Widening - North Carolina

In October 2018, Lane Construction won a contract worth approximately USD350 million to widen the I-440/US 1 to six lanes from four for approximately 12 km and replace the pavement and bridges in the Raleigh, NC area.

During the first six months of 2022, the exit ramp on the eastbound carriageway of the I-440 was completed while excavation and drainage works continued on the western areas.

Complete 540 (Southern Wake Freeway) - North Carolina

In December 2018, the Lane-Blythe Construction joint venture was awarded the design-build contract worth roughly USD400 million to extend the Triangle Expressway from U.S. 401 to I-40 in the Wake and Johnston Counties. It is part of the Complete 540 project to improve the highway system in Raleigh, the state capital. Lane has a 50% stake in the joint venture with Blythe Construction, a subsidiary of Eurovia (Vinci Group).

C43 Water Management Builders - Florida

In March 2019, the Lane-Salini Impregilo (now Webuild) joint venture (70%:30%, respectively) was awarded a contract worth USD524 million to build the Caloosahatchee (C43) storage reservoir in southern Florida. Commissioned by the South Florida Water Management District as part of the Comprehensive Everglades Restoration Plan to restore the wetlands and contain wastewater, the project is designed to reduce harmful discharges into the Caloosahatchee Estuary in Hendry County and includes the construction of an earth-fill dam and a separator dam.

During the six months, work continued on the foundations and banks of the reservoir while excavation of the canal for regrading began in April 2022.

I-405 Renton/Bellevue (Flatiron-Lane JV) - Washington

In October 2019, as part of a joint venture with a 40% stake, Lane won a design-build contract with an overall value of USD705 million to widen the highway and install a dual express toll system on Washington's I-405 between the I-405/SR Interchange at Renton and NE 6th Street in Bellevue, one of the state's most travelled and congested corridors.

During the first six months of 2022, the joint venture completed the excavation work and the laying of piling in some of the sections.

Kansas City's Levees Flood Protection Project - Missouri

In April 2021, Lane was awarded Kansas City's Levees Flood Risk Management Project by the U.S. Army Corps of Engineers worth approximately USD260 million.

Contract works include raising the existing levees and floodwalls by an average of four feet, replacing and modifying them, building new sections, and numerous rail yard flood gate closure structures located in the states of Kansas and Missouri, along some 17 miles of the units Argentine and Armourdale, and the Central Industrial District Levee (CID), on the Kansas River.

I-40 - Orange County - North Carolina

In August 2021, Lane was awarded a design-build contract worth USD236 million to widen 11 miles of the I-40 from four to six lanes, from the interconnection with I-85 to Durham County Line in Orange County, North Carolina. This will help relieve heavy congestion that develops during peak hour times.

I-495 NEXT - Washington, D.C.

In October 2021, Lane Construction was selected to build the 495 Express Lanes Northern Extension (495 NEXT) in Virginia with Transurban, one of the biggest international developers and operators of toll roads. The contract is worth USD441 billion. The project is fundamental to improve mobility in one of the most congested corridors in the US in the Washington, D.C. area. The 495 NEXT will connect to the future I-495 (Capital Beltway) in Maryland to enhance multimodal mobility and connectivity in the area, including an expansion of the American Legion Bridge between Virginia and Maryland to accommodate the travel needs of a growing population in the Washington, D.C. area.

The notice to proceed was issued in March 2022 and Lane Construction continued the planning for the definitive presentation of the road plans during the period.

Tyndall Airforce Base - Florida

In May 2022, Lane Construction was awarded a contract worth USD357 million by the U.S. Army Corps of Engineers (USACE) to rebuild part of the Tyndall Airforce Base (AFB) and build more functional and resilient infrastructure to cope with future exceptional climate events. This design & build contract is part of a more far-reaching long-term plan to upgrade the AFB and includes the design and building of roadways, car parks, electrical, hydraulic, wastewater, storm water, communication and fire protection systems and related works.

I-4 Ultimate - Orlando - Florida

In September 2014, I-4 Mobility Partners entered into a concession agreement with the Florida Department of Transportation (FDOT) to design, build, finance and operate the USD2.3 billion I-4 Ultimate Project (the contract value was increased to approximately USD2.5 billion to include contract variations). The operator subsequently assigned the works to a joint venture composed of Skanska (40%, leader), Granite (30%) and Lane Construction (30%).
The project includes the reconstruction of 21 miles of I-4 from west of Kirkman Road in Orange County to east of SR 434 in Seminole County, including the addition of four lanes and sections in Orlando.

The project was substantially completed in the first few months of 2022 while the intelligent transport system (ITS) should be finished during the year.

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Some of the contracts underway have incurred unforeseen costs and the joint ventures have accordingly presented their requests for additional consideration. The costs are included in the measurement of contract assets and liabilities for the part deemed highly probable to be recovered, based also on the opinions of the Group's advisors.

Abroad

The Group is active in the construction sector abroad, mainly in the sustainable mobility, clean hydro energy and clean water areas, and in the concessions sector.

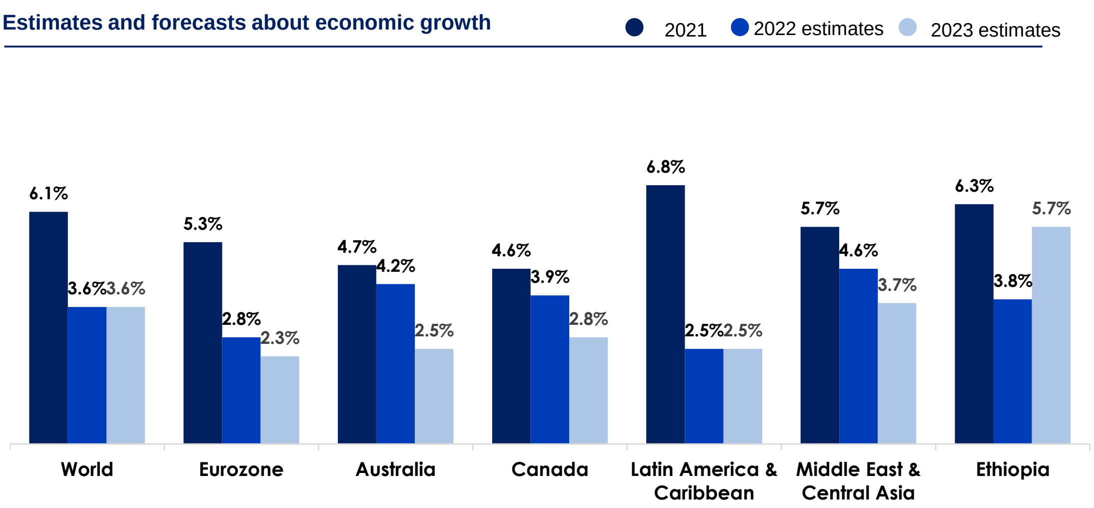
Macroeconomic scenario

According to the IMF's most recent estimates of April 2022, global GDP is expected to grow 3.6% in 2022 and 2023, a correction to the previous estimates, after rebounding 6.1% in 2021.

The main factors leading to this downwards revision are the direct and indirect backlash of the war in Ukraine and the effects of the Covid pandemic, especially in China, where several temporary lockdowns have decreased production capacity.

The war in Ukraine has triggered both a humanitarian and economic crisis, especially for the countries directly involved. Indirect fallout includes global repercussions on commodity markets, trade and finance. Inflation has concurrently spiralled. Fuel and food prices have risen rapidly, with low-income countries being the most vulnerable. High inflation has complicated the role of central banks faced with containing price pressure while simultaneously protecting growth. The IMF expects interest rates to increase as central banks tighten monetary policy, putting pressure on the emerging and developing economies.

This geopolitical crisis has heightened the economic tensions caused by the pandemic. While most of the world seems to have overcome the acute phase of the Covid pandemic, the death rate remains high, especially in those countries with low vaccination rates. The recent lockdowns in the main production and commercial centres in China have increased trade difficulties and will probably cause disruption to the supply chains of various business segments.



Source: IMF, April 2022;
Latin America & Caribbean includes Brazil and Mexico
Middle East & Central Asia includes Saudi Arabia

According to an IHS Markit report of May 2022, global investments in the Group's sectors will increase by 3.3% in 2022 and 5.2% in 2023, with steady growth continuing the increase of 1.1% seen in 2021.

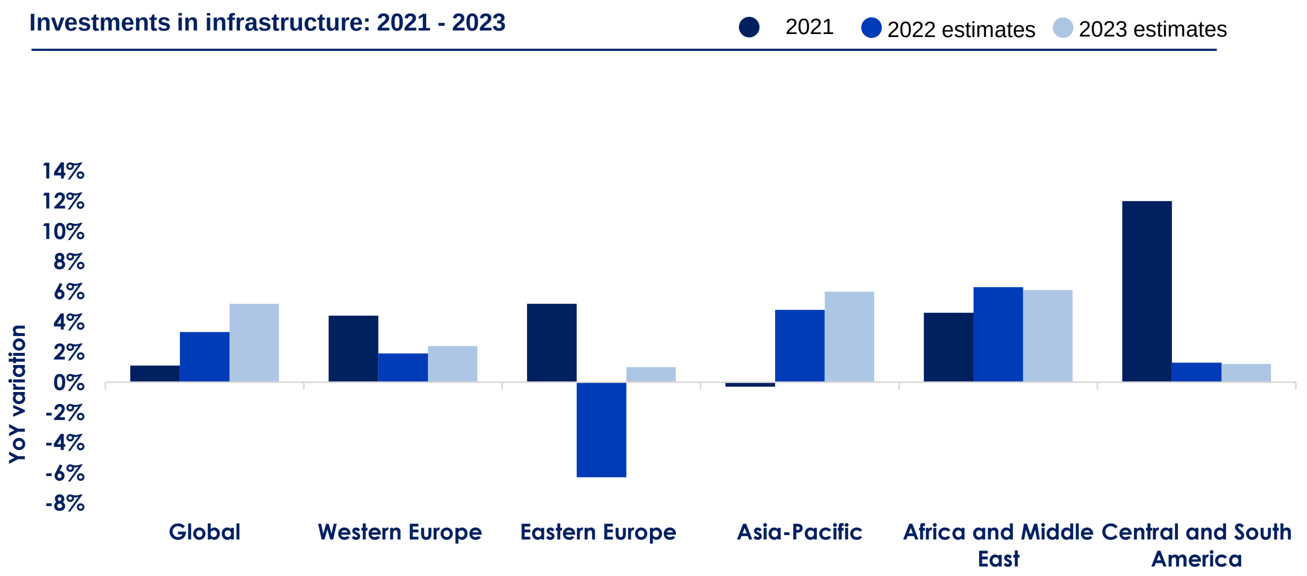
Investments in infrastructure in Western Europe are forecast to increase by roughly 1.9% in 2022 and by more than 2.4% in 2023 after 4.4% growth in 2021. The infrastructure sector remains essential to the relaunch of Europe's economy despite some difficulties caused by the conflict in Eastern Europe.

After the robust 5.2% growth in Eastern Europe in 2021, investments in infrastructure are expected to contract by 6.3% in 2022, mostly due to the conflict underway, and should creep upwards by a modest 1.0% in 2023.

The Asia Pacific area continues to be one of the areas with the greatest potential with growth rates above 4.8% in 2022 and nearly 6.0% in 2023. The reduction in 2021 was a modest 0.3%. Specifically, in Australia, IHS Market expects investments in infrastructure to grow 4.4% in 2022 to then stabilise above 1.0% in 2023 in line with the growth rates seen in 2021.

Investments in infrastructure in Africa and the Middle East are forecast to take off in the next few years at a rate of 6.3% in 2022 and 6.1% in 2023 after the growth of more than 4.6% in 2021.

Finally, with respect to Latin America, IHS Market expects investments in infrastructure to continue to grow albeit at a slower pace than the 12.0% recorded in 2021 (1.3% and 1.2%, respectively, in 2022 and 2023).



Source: IHS Markit, May 2022

Oceania

Australia

Reference context and market scenario

Australia is ranked 35th in the SDG Global Rank. It shows progress in the majority of the goals that are most pertinent to the Group's business areas in this country, although there is room for improvement with respect to, in particular, renewable and the fight against climate change.

SDG	AREAS FOR IMPROVEMENT RELATED TO THE GROUP'S BUSINESS AREAS	KPI	TREND	GROUP CONTRIBUTION
6	Wastewater treated	92.7%	In line with objectives	The ongoing projects are mostly for the Sustainable Mobility (metros and roads) and Clean Hydro Energy (pumped-storage hydro) areas, with a positive contribution to achievement of the SDGs in terms of improved transport, greater generation of electrical energy from renewable sources and lower GHG emissions.
7	Renewable energy in final consumption	7.1%	Stable	
9	Quality of transportation infrastructure (1=very unsatisfactory, 5=excellent)	4.0	In line with objectives	
11	Satisfaction with public transport	62%	Improving	
13	CO_2 emissions per capita linked to energy and cement production (ton)	16.3	Stable	

Main ongoing projects

The following table shows the amounts involved in the main contracts in portfolio:

(Share in millions of Euros)

Project	Residual order backlog at 31 December 2021	Percentage of completion	Residual order backlog at 30 June 2022	Percentage of completion
Snowy Hydro 2.0	2,634.3	24.3%	2,724.9	32.7%
North East Link project	2,083.3	0.3%	2,118.9	2.0%
Other	71.8		53.8	
Total	**4,789.4**		**4,897.7**	

Snowy Hydro 2.0

On 4 April 2019, as leader of the joint venture (65% stake) with the Australian partner Clough (35%), the Group won the contract for the civil works and electromechanical component of the Snowy 2.0 project.
It involves the construction of a 36 km tunnel to connect the two existing reservoirs Tantagara and Talbingo and an underground power station with pumping capacity. The project will increase the renewable generating capacity of the existing system by 2,000 MW and serve up to 500 thousand additional houses at times of peak demand, with autonomy of 175 hours of continuous large-scale storage.
The project is worth AUD5.3 billion.
On 28 August 2020, the project received the notice to proceed from the customer, certifying the start of the main works.

In December, the commissioning of Kirsten, the most technologically advanced of the three TMBs[27] deployed for the development of the Snowy 2.0 project, was celebrated in the presence of the Australian Prime Minister and the customer Snowy Hydro Ltd.
In March 2022, Florence started work at the Tantangara reservoir to bore the access and headrace tunnels in the presence of the local communities.
During the first half of 2022, excavation activities continued using the TBM Eileen from the main access tunnel to the underground power station.
The other tunnels connecting the two existing reservoirs Tantagara and Talbingo are also being bored.

North East Link

On 28 October 2021, the Group was awarded the PPP contract to develop the primary package of the North East Link in Melbourne. The Spark consortium, which includes GS Engineering and Construction, CPB Contractors, China Construction Oceania, Ventia, Capella Capital, John Laing Investments, DIF and Pacific Partnerships as well as Webuild, will perform the works including a three lane tunnel to complete the missing link in Melbourne's freeway network to the east between Metropolitan Ring Road (M80) and the city. Up to 135 thousand vehicles will use the North East Link a day, reducing congestion in the north-east part of the city, keeping local roads free for short journeys and improving the environmental impact.

Webuild Group is the consortium leader for the design and build works with a 29% share (its partners are CPB Contractors - 28%, GS Engineering & Construction - 28% and China Construction Oceania - 15%).

The contract is worth AUD11.2 billion.

Webuild is also involved in the 32-year concession as an equity provider of the operator (with a share of 7.5%).

Europe

France

Reference context and market scenario

France is one of the countries where the Group operates with the highest sustainability levels. It is ranked 8th in the SDG Global Rank. France shows progress in the majority of the goals that are most pertinent to the Group's business areas although there is room for improvement with respect to, in particular, public transport and the fight against climate change.

[27] Kirsten, designed to deal with hard rock conditions, is able to excavate long inclined routes with challenging slopes at steep angles.

SDG	AREAS FOR IMPROVEMENT RELATED TO THE GROUP'S BUSINESS AREAS	KPI	TREND	GROUP CONTRIBUTION
6	Wastewater treated	88%	In line with objectives	
7	Renewable energy in final consumption	10.7%	Improving	
9	Quality of transportation infrastructure (1=very unsatisfactory, 5=excellent)	4.0	In line with objectives	The ongoing projects are mostly for the Sustainable Mobility (metros and railways) area, with a positive contribution to achievement of the SDGs in terms of improved transport and lower GHG emissions.
11	Satisfaction with public transport	60%	Deteriorating	
13	CO_2 emissions per capita linked to energy and cement production (ton)	5.0	Stable	

Main ongoing projects

The following table shows the amounts involved in the main contracts in portfolio:

(Share in millions of Euros)

Project	Residual order backlog at 31 December 2021	Percentage of completion	Residual order backlog at 30 June 2022	Percentage of completion
TELT - Turin-Lyon Tunnel - Lot 2	715.3	0.1%	706.2	1.4%
TELT puits d'Avrieux	137.4	15.3%	130.3	24.1%
Metro Line 16 Lot 2	208.2	58.6%	129.3	74.4%
Other	1.1		0.7	
Total	**1,062.1**		**966.5**	

TELT lot 2

This contract covers a section of the base tunnel running from Turin to Lyon, which is part of the European TEN-T infrastructure programme. The works relate to lot 2, operating work sites 6 (La Praz) and 7 (Saint-Martin-de-la-Porte) and entail the excavation of 46 km, including two parallel tunnels and auxiliary tunnels between the towns of Saint-Martin-de-la-Porte and La Praz on the French side of the border. Traditional excavation methods and TBMs will be used for the two parallel tunnels.

Works started in 2021 and the niches for the La Praz access adit were completed in the first six months of 2022, while the studies were started and the external installations finished.

The contract's total value is approximately €1,432 million and the Group's share is 50%.

Line 16 Lot 2

The project is part of the construction of the future Line 16 of the Paris Metro (Grand Paris Express), including the construction of ten stations and a line between Noisy-Champs and Saint-Denis Pleyel via Aulnay-sous-Bois to serve an area of 800 thousand residents. It will have a capacity of 200 thousand passengers a day. Webuild will build Lot 2 as part of a joint venture with NGE GC. This involves the excavation of an 11.1 km tunnel, construction of four stations and 11 ventilation/rescue shafts.

Work started on the contract in 2019 and both TBMs continued tunnelling in the first half of 2022. The joint venture also carried on with the civil building works for the stations and ventilation shafts.

The contract's total value is approximately €776 million and the Group's share is 65%.

TELT puits d'Avrieux

The contract for Lot 5A, commissioned by Tunnel Euralpin Lyon Turin (TELT), consists of the preparatory works for the safety site at Modane, located at the centre of the 57.5 km base tunnel between the train stations of Susa in Italy and Saint-Jean-de-Maurienne in France. It also comprises the excavation of four shafts to ventilate the future base tunnel. The excavations will allow the creation of a logistics hub 500 metres below ground for the drilling of 18 km of tunnel under the Ambin Massif in the direction of Italy.

By 2030, the Turin-Lyon railway link will ensure a reduction in road traffic equal to 3 million tonnes of CO^2 emissions a year.

The project was started in 2020 and the work to lower the slab in the access adit and the connection passage was completed in the first half of 2022 while the injections for the Avrieux platform were commenced as well as the boring for the ventilation tunnel.

The contract's total value is approximately €450 million and the Group's share is 33.33%.

Romania

Reference context and market scenario

Romania is ranked 39th in the SDG Global Rank. It shows progress with respect to the quality of transport infrastructure although there is room for improvement in the other goals that are most pertinent to the Group's business areas.

SDG	AREAS FOR IMPROVEMENT RELATED TO THE GROUP'S BUSINESS AREAS	KPI	TREND	GROUP CONTRIBUTION
6 CLEAN WATER AND SANITATION	Wastewater treated	**30.3%**	N.A.	The ongoing projects are mostly for the Sustainable Mobility (railways, roads and bridges) area, with a positive contribution to achievement of the SDGs in terms of improved public transport and lower GHG emissions.
7 AFFORDABLE AND CLEAN ENERGY	CO2 emissions to generate energy (Mton/TWh)	**1.2**	Stable	
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Quality of transportation infrastructure (1= very unsatisfactory, 5=excellent)	**2.9**	In line with objectives	
11 SUSTAINABLE CITIES AND COMMUNITIES	Satisfaction with public transport	**57%**	Deteriorating	
13 CLIMATE ACTION	CO_2 emissions per capita linked to energy and cement production (ton)	**3.9**	Stable	

Main ongoing projects

The following table shows the amounts involved in the main contracts in portfolio:

(Share in millions of Euros)

Project	Residual order backlog at 31 December 2021	Percentage of completion	Residual order backlog at 30 June 2022	Percentage of completion
Sibiu - Pitesti Motorway, Lot 3	-	0.0%	968.6	0.0%
Sibiu - Pitesti Motorway, Lot 5	430.5	7.6%	454.8	15.0%
Braila Bridge	134.0	57.8%	124.0	65.6%
Frontieră - Curtici - Simeria railway line, lot 3	112.0	61.8%	83.6	70.9%
Frontieră - Curtici - Simeria railway line, lot 2B	61.2	69.4%	54.3	73.9%
Frontieră - Curtici - Simeria railway line, lot 2A	47.7	70.6%	35.6	78.0%
Other	47.8		45.3	
Total	**833.3**		**1,766.2**	

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Sibiu - Pitesti Motorway, Lot 5

The contract (Webuild: 100%), signed in May 2020, covers the construction of over 30 km of the Sibiu-Pitesti Motorway, the most important section under construction in Romania. It is an EPC contract and provides for the design and construction of Lot 5 of the motorway from location marker Km 92+600 to location marker Km 122+950. The contract, worth the equivalent of approximately €535 million, is financed partly with European funds (85%) and partly with the state budget (15%) and provides for the adjustment of contract prices starting from the date of the submission of the bid. The customer is CNAIR, the state company owned by the Romanian Ministry of Transport and Infrastructure.

The contract covers the development of a four-lane motorway section of around 30 km with a width of 26 metres, three intersections and 21 main structures comprising bridges and viaducts with reinforced concrete and steel decks for a total of about 6 km. It also includes the construction of more than 100 smaller structures including precast and box-shaped culverts, consolidation works of the embankment surface, retaining walls and hydraulic engineering works. There will also be a rest area with a car park, service area and two control and maintenance centres. Finally, the contract comprises the installation of traffic information, control and monitoring systems (ITS) and work to move the underground utility cables.

During the first six months of 2022, part of the consolidation works on the embankment surface were performed, around 50% of the bored foundation pilings were installed and roughly 20% of the reinforced concrete foundations and elevation works for the bridges and viaducts was carried out. In addition, about 21% of the total hydraulic/vehicular crossings were built.

Braila Bridge

The contract covers the design and construction of a 1,975-metre suspension bridge over the Danube River, the second longest suspension bridge in continental Europe, as well as roughly 21 km of access roads. The customer is CNAIR, the state company owned by the Romanian Ministry of Transport and Infrastructure. The works, worth approximately RON2.0 billion (around €403.2 million) are included in the country's transport master plan and are financed using EU funds as part of the LIOP (Large Infrastructure Operational Programme). Design and construction will be performed as a joint venture between Webuild (main contractor, 60%) and the Japanese company IHI Infrastructure Systems Co Ltd. (40%).

In 2021, the joint venture substantially completed the assembly of the bridge's two supporting cables, consisting of intertwining more than 18,000 steel wires (over 9,000 per cable), weighing 6,775 tonnes for a total length of around 38,000 km (nearly the Earth's circumference). During the first half of 2022, the lifting of the 86 metal segments making up the bridge's metal deck began. Achievement of this new milestone means that the project is around 80% complete. Construction activities have continued regularly for the bridge but there was a delay with respect to the road works, due to the fact that the customer did not issue the works commencement order for roughly 5% of the project work area (obligation to move the underground utility cables which is the customer's direct responsibility) and the termination of the subcontracting contract which meant the joint venture took over its share of the works.

An agreement with the customer for the extension of the contract timeline is near finalisation.

Frontieră - Curtici - Simeria railway line (Lots 2A and 2B and Lot 3)

The contract covers the rehabilitation of 120 km of the Frontieră - Curtici - Simeria railway line (split into three lots), which is part of the Pan European Corridor IV. The customer is CFR (the Romanian National Railways Company). The works are 75% funded by the EU as part of the LIOP and 25% by the state.

Lots 2A and 2B - These lots include the rehabilitation of around 80 km of the railway line as well as the construction of seven stations, four stops, 36 bridges and a tunnel. The contract has been awarded to a joint venture of Webuild (leader, 49.5%), FCC Construction (49.5%) and Salcef (1%), while the signalling and telecommunications work was awarded to Thales.

During 2021, the following new lines were opened for railway traffic:

- Lot 2A: in August 2021, a section of about 14 km along the Radna - Milova route was made available, carried out mainly by rehabilitating the existing railway line;
- Lot 2B: a section of around 10 km along the Ilteu - Savarsin route was opened in June 2021 and another 6 km on the Varadia - Savarsin section in November 2021. This new section was mostly built separately to the existing line and will allow trains to reach a speed of 160 km/h.

Thanks to these new sections, 38% of the total approximate 80 km of Lots 2A and 2B can now be used.

The following sections should be opened for railway traffic in 2022:

- Lot 2A: opening of a section of approximately 14 km along the Milova - Barzava Cap Y, mainly by rehabilitating the existing railway line and changing it; this section includes the two crossings of the Mures River with large-span reticular viaducts;
- Lot 2B: opening of a section of approximately 7 km along the Savarsin - Cap Y Ilteu section, which connects with the subsequent Lot 2C and will resolve all the interface and technical and executive coordination issues.

In December 2021, a rider for the price updating was formalised for both lots. Another rider will be signed for an additional update of the prices in accordance with that set out by the Romanian government in its communication no. 15 of 30 August 2021 to cover the unusual increase in the cost of raw materials in 2021. According to the most recent information, the ratification rider will be signed by July to allow the related certification and subsequent payment.

Lot 3 - The contract includes the rehabilitation of 40 km of the railway line and specifically, the line between Gurasada and Simeria of the 614 km Radna - Simeria section. The scope of the contract also includes the construction of 17 bridges, electrification, the renovation of eight railway stations and some minor works. The works have been awarded to a joint venture including Webuild (49.5%), FCC Construction (leader, 49.5%) and Convesa (1%).

The total contract value is approximately RON3.1 billion (excluding VAT) after formalisation of the rider of December 2021 which updated the prices.

In May 2022, another section of around 3.5 km at Simeria Station was opened to railway traffic. As a result, 38% of the total approximate 40 km is now in use. The secondary line L214 Simeria - Hunedoara of roughly 3 km has been completed and opened to railway traffic.

In June 2022, the rider for the extension of the contract timeline was formalised. The joint venture is also involved in negotiations with the customer and the works manager to formalise a rider for another price review as per that established by the Romanian government in its communication no. 15 of 30 August 2021 to cover the unusual increase in the cost of raw materials in recent months.

Sibiu - Pitesti Motorway, Lot 3

In the first six months of 2022, Webuild won a contract worth more than the equivalent of €1 billion to build Lot 3 of the Sibiu - Pitesti Motorway in Romania.

Commissioned by CNAIR, the state company owned by the Romanian Ministry of Transport and Infrastructure, the works will be carried out by the consortium led by Webuild (90%) together with the local company Tancrad (10%). The contract will be 85% financed by European Union funds and the remaining 15% by state funds.

Lot 3 covers the design and construction of 23.3 km of a double-lane motorway, 48 bridges and viaducts for a total of 12.5 km, the twin-tube Poiana Tunnel of 1.7 km, two interchanges at Valeni and Cornetu, 18 km of consolidation works, the construction of a maintenance and control centre, and work to preserve the environment. There will also be a wildlife crossing at Olt River. The contract will help reduce traffic congestion between Cornetu and Tigveni by proving an alternative route to national roads.

Norway

Reference context and market scenario

Norway is ranked 7th in the SDG Global Rank. It shows progress in the majority of the goals that are most pertinent to the Group's business segments although there is room for improvement with respect to, in particular, the fight against climate change.

SDG	AREAS FOR IMPROVEMENT RELATED TO THE GROUP'S BUSINESS AREAS	KPI	TREND	GROUP CONTRIBUTION
6	Wastewater treated	64.3%	In line with objectives	
7	Renewable energy in final consumption	54.6%	In line with objectives	The ongoing projects are mostly for the Sustainable Mobility (railways and roads) area, with a positive contribution to achievement of the SDGs in terms of improved transport and lower GHG emissions.
9	Quality of transportation infrastructure (1=very unsatisfactory, 5=excellent)	3.7	In line with objectives	
11	Satisfaction with public transport	66%	In line with objectives	
13	CO_2 emissions per capita linked to energy (ton)	7.9	Stable	

Main ongoing projects

The following table shows the amounts involved in the main contracts in portfolio:

(Share in millions of Euros)

Project	Residual order backlog at 31 December 2021	Percentage of completion	Residual order backlog at 30 June 2022	Percentage of completion
Sotra Link	-	0.0%	407.3	2.4%
Nykirke - Barkaker railway line	216.8	48.8%	130.0	70.1%
Total	**216.8**		**537.2**	

Nykirke - Barkaker railway line

On 10 October 2019, the Group was awarded a contract worth roughly €390 million to upgrade a 13.6 km section of a railway line between the towns of Nykirke and Barkaker, south of Oslo.

The joint venture, comprising Webuild as leader (51% share) won the contract from Bane NOR, the state-owned company responsible for Norway's railway infrastructure. Under the terms of the contract, the joint venture will design and build a double-track line, including two bridges, three tunnels and a station near the town of Skoppum.

In 2021, the excavation of the Gramunk Tunnel was completed and work began on the two bridges.

Early 2022 saw the achievement of some milestones: the re-opening of the E18 Motorway in its original location after the partial completion of the tunnel using the cut & cover method; the reorganisation of the road network near the Viulsrød intersection; completion of the railway section in the southern area, including roughly 3 km of railway embankment, a wildlife crossing built using the cut & cover method of around 90 metres and the Gråmunk Bridge over the Sølerodveien.

As a result of the Covid-19 pandemic, Bane Nor and the joint venture (SAPI NOR) signed a variation order for NOK110 million (roughly €10 million). The customer also presented and subsequently defined 71 variation orders in 2021.

Rv.555 The Sotra Connection

On 15 March 2022, the contract of approximately €1.2 billion, called Rv.555 - The Sotra Connection, was signed for the design and construction of a four-lane highway more than 9 km long. It comprises a 4.4 km twin tube tunnel along the main section (12.5 km including the secondary tunnels and 0.5 km of upgrading of existing tunnels) and a four-lane suspension bridge, which will be around 900 metres long (including the access viaducts) and 30 metres wide with towers 114 metres high. The contract also includes the construction of 24 smaller bridges and 17 underpasses and culverts, pedestrian and bicycle paths.

This design & build contract is part of a public-private partnership (PPP), where the end customer is Statens Vegvesen (the Norwegian Public Roads Administration), the concession owner is Sotra Link AS (the consortium in which Webuild has a 10% share, Macquarie 70% and SK ecoplant 20%), the operator is Intertoll and the contractor is Sotra Link Construction AS (a joint venture comprising FCC Construction - 35%, Webuild - 35% and SK ecoplant - 30%).

The new road network is of great strategic importance for Norway's internal mobility system and one of the biggest PPP envisaged in the infrastructure upgrading plan rolled out by the Norwegian government for the 2018-2029 period.

The design activities and related additional geotechnical investigations are in progress.

Sweden

Reference context and market scenario

Sweden is one of the countries where the Group operates with the highest sustainability levels. It is ranked 2nd in the SDG Global Rank. Sweden shows progress in the majority of the goals that are most pertinent to the Group's business areas, although there is room for improvement mainly with respect to the fight against climate change.

SDG	AREAS FOR IMPROVEMENT RELATED TO THE GROUP'S BUSINESS AREAS	KPI	TREND	GROUP CONTRIBUTION
6	Wastewater treated	100%	Goal achieved	The ongoing projects are mostly for the Sustainable Mobility (railways and roads) area, with a positive contribution to achievement of the SDGs in terms of improved transport and lower GHG emissions.
7	Renewable energy in final consumption	40.8%	In line with objectives	
9	Quality of transportation infrastructure (1= very unsatisfactory, 5=excellent)	4.2	In line with objectives	
11	Satisfaction with public transport	71%	In line with objectives	
13	CO_2 emissions per capita linked to energy and cement production (ton)	4.3	Stable	

Main ongoing projects

The following table shows the amounts involved in the main contracts in portfolio:

(Share in millions of Euros)

Project	Residual order backlog at 31 December 2021	Percentage of completion	Residual order backlog at 30 June 2022	Percentage of completion
Gothenburg Rail Link - Haga Station	407.5	32.1%	370.0	38.3%
Gothenburg - Kvarnberget Rail Link	75.8	55.4%	75.2	59.2%
Total	483.3		445.3	

Gothenburg Rail Link - Haga Station (West Link - Lot E04 Haga Station)

The EPC contract includes the design and construction of a new underground station in the city centre, a 1.7 km main tunnel and around 2.3 km of service and emergency tunnels. The works are being carried out by the AGN Haga AB joint venture, a subsidiary of Webuild (leader, 40%) with Gülemark (40%) and NRC Group (20%). The customer is Trafikverket, the Swedish infrastructure and transport authority. The works are financed using European funds and the state budget.

The West Link Project (which includes E04 Haga) is one of the most important and complex works currently under construction as part of the drive to upgrade public infrastructure in Sweden to meet its ongoing economic and demographic growth. Railways are seen as the means of transport that can contribute to western Sweden's growth sustainably and over the long term.

The contract was originally worth roughly SEK2,333 million which has increased to SEK2,624 million, mostly due to the updating of contractual indexes (such as the price of iron during the contract award phase) and the variations agreed with the customer.

At the date of preparation of this report, most of the executive designs (about 65%) have been completed and approved by the customer. The tunnel excavation work has continued regularly during the first six months of 2022 but there has been delays in the clay excavation area due to the lack of approval of the design.

Kvarnberget Rail Link (West Link - Lot E03 Kvarnberget)

The EPC contract covers the construction of roughly 600 metres of railway tunnel as part of the Gothenburg Rail Link (West Link) project. The tunnel is being built using the cut & cover method and will link the Centralen and Haga lots. The works are being carried out by the AGN Haga AB joint venture, a subsidiary of Webuild (leader, 40%) with Gülemark (40%) and NRC Group (20%). The customer is Trafikverket, the Swedish infrastructure and transport authority. The works are financed using European funds and the state budget.

The West Link Project (which includes E03 Kvarnberget) is one of the most important and complex works currently under construction as part of the drive to upgrade public infrastructure in Sweden to meet its ongoing economic and demographic growth. Railways are seen as the means of transport that can contribute to western Sweden's growth sustainably and over the long term.

The contract was originally worth roughly SEK817 million which has increased to SEK1,262 million, mostly due to the updating of contractual indexes (such as the price of iron during the contract award phase) and the variations agreed with the customer (e.g., Götatunnel).

Construction of the diaphragms in the clay area and the works to reinforce Götatunnel were completed in 2021 while work has continued to bore the tunnels through the rockface in the first half of 2022.

The customer has accepted a four-month extension of the contract timeline given the changes to the designs it had requested.

Africa and Asia

Ethiopia

Reference context and market scenario

Ethiopia is ranked 136th in the SDG Global Rank. With respect to the goals that are most pertinent to the Group's business areas, it has achieved the targets for the fight against climate change, mainly thanks to the massive investments in renewable energy, although there is still ample room for improvement with respect to water and mobility.

SDG	AREAS FOR IMPROVEMENT RELATED TO THE GROUP'S BUSINESS AREAS	KPI	TREND	GROUP CONTRIBUTION
6	Population with access to basic drinking water services	41.1%	Stable	The ongoing projects are mostly for the Clean Hydro Energy (hydropower plants) area, with a positive contribution to achievement of the SDGs in terms of greater generation of electrical energy from renewable sources and lower GHG emissions.
7	Population with access to electricity	45%	In line with objectives	
9	Quality of transportation infrastructure (1=very unsatisfactory, 5=excellent)	2.1	N.A.	
11	Satisfaction with public transport	51%	In line with objectives	
13	CO_2 emissions per capita linked to energy and cement production (ton)	0.1	Goal achieved	

Main ongoing projects

The following table shows the amounts involved in the main contracts in portfolio:

(Share in millions of Euros)

Project	Residual order backlog at 31 December 2021	Percentage of completion	Residual order backlog at 30 June 2022	Percentage of completion
Koysha	1,451.7	44.4%	1,351.4	49.1%
Gerd	583.0	86.0%	561.2	86.6%
Total	**2,034.7**		**1.912.6**	

Koysha Hydroelectric Project

This project is on the Omo River, about 370 km south west of the capital Addis Ababa. It was commissioned by Ethiopian Electric Power (EEP) and includes the construction of a dam with a 9 billion cubic metre capacity reservoir and annual energy generation of 1,800 MW. The project also includes access roads, a new bridge over the river and a 400 KW transmission line from GIBE III to Koysha. The contract is worth approximately €2.5 billion and Webuild's share is 100%.

This project, together with GIBE III and GERD (the Grand Ethiopian Renaissance Dam) on the Blue Nile, will enable Ethiopia to become Africa's leader in terms of energy production.

The work site's operations have been affected by delays in payments by the customer, due to the lack of international financing.

Following the customer's request to decrease the number of turbines from eight to six units, the contract's value was redefined at €105 million in March 2021.

In April 2022, the Gibe III-Koysha electrical line (400 KV) was placed in service. Work at the site continued with the pouring of the RCC and the laying of the structural concrete for the powerhouse. Webuild also started to design the penstocks and the MLO gates and should complete this during the year and commence the procurement activities.

Gerd

The GERD project, located approximately 500 km north west of the capital Addis Ababa, consists of the construction of a hydroelectric power plant, the Grand Ethiopian Renaissance Dam (GERD), and the largest dam in the African continent (1,800 metres long, 170 metres high). The project also includes the construction of two power stations on the banks of the Blue Nile, equipped with 16 turbines with total installed capacity of 6,350 MW. The customer notified a reduction of the turbines from 16 to 13 for which the issue of a variation order was requested for the change in the plant's configuration and additional design costs. The amended project is currently being repriced.

The contract wholly assigned to Webuild is worth approximately €3.5 billion, including addenda of €149.6 million. The works are of great local importance as the energy will be distributed through Ethiopia's national grid to bolster development of both the country's rural and urban areas.

On 22 January 2020, EEP confirmed its intention of carrying out the reservoir's first stage to allow early impounding and, hence, the early generation of energy from June 2020.

On 19 March 2020, EEP requested that the reservoir wall be raised to 560 metres ASL and the reservoir's first stage be started by implementing the necessary acceleration measures. On 2 July 2020, the raising of the wall to 560 metres ASL was completed with the spillway at the same level on 19 July 2020. The acceleration measures were completed on 23 July 2020. The related variation order no. 9 (addendum no. 10), Acceleration Measures for Impounding in year 2020, was signed on 18 May 2021 after 10 months of negotiations.

The discussions for the amicable settlement of Webuild's claims presented to EEP were successfully concluded with the signing of addendum no. 11 (amicable settlement of claims) on 18 May 2021 for the payment of €450 million already certified, settling all the disputes made up to 13 March 2021. In the period from the date on which the settlement agreement was signed up until 30 June 2022, Webuild collected approximately €412 million while the other €38 million should be collected in the third quarter of the year and will lead to the immediate dissolution of the DAB and suspension of the arbitration commenced before the ICC, which will be withdrawn and discontinued by Webuild only after receipt of the last instalment settling the claims.

In February 2022, the Ethiopian Prime Minister Abiy Ahmed Ali started up the power station's first turbine.

The reservoir wall will be raised to 600 metres ASL in 2022, equal to 30% of the reservoir's total volumes.

Tajikistan

Reference context and market scenario

Tajikistan is ranked 78th in the SDG Global Rank. It shows progress in the majority of the goals that are most pertinent to the Group's business areas, although there is still room for improvement with respect to, in particular, water and mobility.

SDG	AREAS FOR IMPROVEMENT RELATED TO THE GROUP'S BUSINESS AREAS	KPI	TREND	GROUP CONTRIBUTION
6	Wastewater treated	2.3%	N.A.	The ongoing projects are mostly for the Clean Hydro Energy (hydropower plants) area, with a positive contribution to achievement of the SDGs in terms of greater generation of electrical energy from renewable sources and lower GHG emissions.
7	CO2 emissions to generate energy (Mton/TWh)	0.4	In line with objectives	
9	Quality of transportation infrastructure (1=very unsatisfactory, 5=excellent)	2.2	Deteriorating	
11	Satisfaction with public transport	80%	In line with objectives	
13	CO_2 emissions per capita linked to energy and cement production (ton)	1.0	In line with objectives	

Main ongoing projects

The following table shows the amounts involved in the main contract in portfolio:

(Share in millions of Euros)

Project	Residual order backlog at 31 December 2021	Percentage of completion	Residual order backlog at 30 June 2022	Percentage of completion
Rogun Hydropower Project	1,283.1	45.7%	1,657.9	41.3%
Total	**1,283.1**		**1,657.9**	

Rogun Hydropower Project

On 1 July 2016, Webuild signed a framework agreement with the Tajikistani government worth approximately USD3.9 billion to build a hydroelectric power plant (split into four functional lots). The Group, with a 100% share, has been assigned the first executive lot (Lot 2) of roughly USD1.9 billion to build a 335 metre-high rockfill dam with a clay core, the tallest in the world, on the Vakhsh River in Pamir, one of Central Asia’s main mountain ranges. The contract term is 11 years (plus two years warranty).

The Rogun Hydropower Project is of fundamental importance to boost the country’s economic growth over the next few years with the export of electrical energy generated by the hydroelectric power plant.

On 16 November 2018, the first of the six power house turbines (each with a full capacity of about 600 megawatt) successfully became operational. On 9 September 2019, the second turbine also became operative marking another important milestone in the completion of the early generation stage. On 13 October 2020, another milestone was reached during this stage with the filling of the reservoir up to 1,070 metres which meant the customer could significantly increase its electrical energy generation.

In 2021, the upstream dam reached an altitude of 1,125 m ASL and work began to excavate the core, thus marking the beginning of another important construction stage of this project.

Excavation of the core was completed in the first half of 2022 and work began to clear the foundations. The Group also completed construction of the permanent housing for workers.

Americas

Peru

Reference context and market scenario

Peru is ranked 63rd in the SDG Global Rank. It shows progress in the some of the goals that are most pertinent to the Group’s business areas, although there is room for improvement with respect to, in particular, water and mobility.

SDG	AREAS FOR IMPROVEMENT RELATED TO THE GROUP'S BUSINESS AREAS	KPI	TREND	GROUP CONTRIBUTION
6	Wastewater treated	46.4%	N.A.	
7	CO2 emissions to generate energy (Mton/TWh)	0.9	In line with objectives	
9	Quality of transportation infrastructure (1= very unsatisfactory, 5=excellent)	2.3	Deteriorating	The ongoing projects are mostly for the Sustainable Mobility (metros) area, with a positive contribution to achievement of the SDGs in terms of improved transport and lower GHG emissions.
11	Satisfaction with public transport	55%	Stable	
13	CO_2 emissions per capita linked to energy and cement production (ton)	1.7	In line with objectives	

Main ongoing projects

The following table shows the amounts involved in the main contract in portfolio:

(Share in millions of Euros)

Project	Residual order backlog at 31 December 2021	Percentage of completion	Residual order backlog at 30 June 2022	Percentage of completion
Lima Metro Line 2	486.1	34.7%	503.9	38.0%
Total	**486.1**		**503.9**	

Lima Metro Line 2 and Ramal Av. Fuacett - Av. Gambeta

On 28 March 2014, the international consortium comprising Salini Impregilo Group (now Webuild Group) and other international groups won the contract for the construction and operation of the extension to Lima's metro network under concession from Agencia de Promociòn de la Inversiòn Privada. The project includes the construction of the works and operation of the infrastructure over the 35-year concession. Line 2 will make a very important contribution to the capital's sustainable mobility, as it will be able to carry 665 thousand passengers a day.

The Group's share of the construction work is 25.5% of the civil works.

On 13 December 2018, the consortium and the Ministry of Transport and Telecommunications signed addendum no. 2, which established the new delivery dates with a revised work schedule and billing programme. It also defined new concession areas in some cases.

On 21 October 2020, the regulator announced that the contractual obligations were suspended due to force majeure events as a result of the pandemic. As a result, the project completion dates have been moved forwards.

On 6 July 2021, the International Arbitration Tribunal issued its decision about the jurisdiction and responsibility (*Decisión sobre competencia y responsabilidad*) by overwhelming majority in favour of the operator, concurrently cancelling the grantor's petition.

This decision, res judicata and binding for the parties, is the tribunal's final ruling on the legal and contractual interpretation of the case. The related award should be issued in 2022.

On 20 August 2021, a new application for international arbitration was presented for the events and impacts that have taken place after addendum no. 2 of December 2018 was signed attributable to the grantor.

The mechanised excavation of part of the tunnels commenced in 2021 with the deployment of the first TBM ever to be used underneath Lima.

Although the country continues to be afflicted by the ongoing Covid-19 pandemic, the civil works and tunnel excavation works for the metro line continued in the first half of 2022.The second TBM should start operating in the second half of 2022.

The contract consideration is approximately USD3 billion.

Canada

Reference context and market scenario

Canada is ranked 21st in the SDG Global Rank. It shows progress in the majority of the goals that are most pertinent to the Group’s business areas, although there is room for improvement with respect to, in particular, renewable energy and the fight against climate change.

SDG	AREAS FOR IMPROVEMENT RELATED TO THE GROUP'S BUSINESS AREAS	KPI	TREND	GROUP CONTRIBUTION
6	Wastewater treated	67.4%	Goal achieved	
7	Renewable energy in final consumption	16.4%	Deteriorating	
9	Quality of transportation infrastructure (1= very unsatisfactory, 5=excellent)	3.8	In line with objectives	The ongoing projects are mostly for the Sustainable Mobility (light rail), Green Buildings and other areas, with a positive contribution to achievement of the SDGs in terms of improved transport, the built environment and lower GHG emissions.
11	Satisfaction with public transport	65%	Improving	
13	CO_2 emissions per capita linked to energy and cement production (ton)	15.4	Stable	

Main ongoing projects

The following table shows the amounts involved in the main contracts in portfolio:

(Share in millions of Euros)

Project	Residual order backlog at 31 December 2021	Percentage of completion	Residual order backlog at 30 June 2022	Percentage of completion
Hurontario Light Rail Project	465.6	28.6%	399.3	42.9%
Other	26.8		21.9	
Total	**492.4**		**421.2**	

Hurontario Light Rail Project

On 21 October 2019, together with Canadian and non-Canadian partners, Webuild was awarded a civil engineering, design, procurement and construction contract worth €917 million (Webuild’s share: 70%, roughly €642 million) by Infrastructure Ontario and Metrolinx for the Hurontario Light Rail Transit (HuLRT).

The Group is also a member of the Mobilinx consortium with John Laing, Hitachi, Amico, Bot and Transdev, which will design, build, finance and operate the HuLRT for a 30-year term.

The HuLRT is an 18-kilometre, 19-stop light rail transit system, able to transport up to 14 million passengers a year, that runs along Hurontario Street from Port Credit in Mississauga to the Brampton Gateway Terminal. The HuLRT will operate in a separated guideway with traffic priority throughout most of the corridor.

During the first six months of 2022, construction of the Operations Maintenance Storage Facility was nearly completed while work to relocate the underground utility cables along the entire section continued in preparation for the ongoing road works and installation of the tracks.

Middle East

Saudi Arabia

Reference context and market scenario

Saudi Arabia is ranked 98th in the SDG Global Rank. It shows progress in the majority of the goals that are most pertinent to the Group's business segments, although there is ample room for improvement with respect to, in particular, water management, renewable energy and the fight against climate change.

SDG	AREAS FOR IMPROVEMENT RELATED TO THE GROUP'S BUSINESS AREAS	KPI	TREND	GROUP CONTRIBUTION
6	Wastewater treated	11.8%	N.A.	
7	CO2 emissions to generate energy (Mton/TWh)	1.4	Improving	The ongoing projects are mostly for the Sustainable Mobility (metros) and Green Buildings and other (civil and commercial buildings, urbanisation, etc.) areas, with a positive contribution to achievement of the SDGs in terms of improved transport, the built environment and lower GHG emissions.
9	Quality of transportation infrastructure (1=very unsatisfactory, 5=excellent)	3.1	In line with objectives	
11	Satisfaction with public transport	71%	In line with objectives	
13	CO_2 emissions per capita linked to energy and cement production (ton)	17.0	Improving	

Main ongoing projects

The following table shows the amounts involved in the main contracts in portfolio:

(Share in millions of Euros)

Project	Residual order backlog at 31 December 2021	Percentage of completion	Residual order backlog at 30 June 2022	Percentage of completion
Diriyah Square - Super Basement	-	0.0%	784.7	1.5%
Riyadh National Guard Military (SANG Villas)	750.6	36.8%	756.8	41.6%
Riyadh Metro Line 3	126.9	95.9%	90.9	97.3%
Other	85.1		83.6	
Total	**962.6**		**1,716.0**	

Riyadh Metro Line 3

On 29 July 2013, Webuild, as leader of an international consortium, won a portion of the maxi contract awarded by ArRiyadh Development Authority to design and construct the new Riyadh Metro line (Line 3, 41.2 km), the longest line of the challenging project for the metro system of Saudi Arabia's capital. It will have a transportation capacity of five thousand people per hour in each direction.

On 11 July 2018, the parties finalised a contract variation which increased the value of the works being performed by the consortium to design and construct the entire Line 3.

As a result of this variation, the contract's value increased from roughly USD6.0 billion to roughly USD6.4 billion, including approximately USD5.3 billion for the civil works (previously approximately USD4.9 billion). Webuild's share is 66%.

Riyadh National Guard Military (SANG Villas)

In December 2017, Salini Impregilo (now Webuild) signed the agreements for a contract in Riyadh worth roughly USD1.35 billion with the Saudi Arabia National Guard (SANG Villas).

The project includes housing and urban planning on a large scale with the construction of about 5,750 villas in an area of 7 million square metres to the east of Riyadh and more than 250 kilometres of main roads and secondary routes and related services, as well as a sewage treatment plant.

Construction work is underway for the prefabricated villas in five districts. The Group is building 472 villas in District A together with the related services and roads to be delivered in 2022. Work on additional villas is being carried out in the other three quarters of the district and construction of two mosques has commenced.

Diriyah Square - Super Basement Riyadh

In January 2022, the Group was awarded a contract worth approximately €840 million to build the Diriyah Square - Package 2 Super Basement Works through its subsidiary Salini Saudi Arabia Ltd.

Commissioned by Diriyah Gate Development Authority, the contract comprises civil works, structural works, tunnels and works for a mega multi-storey car park for 10,500 vehicles. The car pack will have three underground floors and a total surface area of around 1 million square metres. It will be built in the new district in the north-west area of the Saudi capital along the Western Ring Road and will be part of an ambitious urban development plan for the historical district which is a UNESCO heritage site. The contract includes the development of a network of pedestrian streets, public squares, courtyards, souks and bazaars.

…

Some of the contracts underway have incurred unforeseen costs and the contractors have accordingly presented their requests for additional consideration. The costs are included in the measurement of contract assets and liabilities for the part deemed highly probable to be recovered, based also on the opinions of the Group's advisors.

Foreign concessions

The Group’s foreign concessions comprise both investments in the operators, which are fully operational and, hence, provide services for a fee or at rates applied to the infrastructure’s users, and operators that are still developing and constructing the related infrastructure and will only provide the related service in future years.

The current concessions are held in Latin America (Argentina, Colombia and Peru), Australia, Canada, the UK, Norway and Turkey. They refer to the transportation sector (motorways and metro systems), hospitals, renewable energy and water treatment sectors.

In 2022, Webuild reached financial closure for the Sotra Connection Project, which includes the financing, design, construction and long-term operation of a network of roads, tunnels and bridges in Vestland County in western Norway. The contract will improve mobility between Bergen and the island of Sotra on the west coast and is the largest transport contract in Norwegian history to date. The project involves the building and operation over 15 years of a four-lane highway of a total length of approximately 14 km (the new RV555), including tunnels of around 10 km and a 1-km long suspension bridge (the new Sotra Bridge).

The liquidation process for the Group’s concessions in Chile should be completed in 2022.

The following tables show the main figures of the foreign concessions at the reporting date, broken down by business area:

MOTORWAYS

Country	Operator	% of investment	Total km	Stage	Start date	End date
Argentina	Autopistas del Sol S.A.	19.8	120	Active	1993	2030
Argentina	Puentes del Litoral S.A.	26.0	59.6	In liquidation	1998	n.a.
Argentina	Mercovia S.A.	60.0	18	Active	1996	2021
Australia	Spark North East Link Pty Limited	7.5	6.5	Under construction	2021	2053
Colombia	Yuma Concessionaria S.A. (Ruta del Sol)	48.3	465	Active	2011	2036
Norway	Sotra Link HoldCo A.S.	10.0	14	Under construction	2022	2042

METROS

Country	Operator	% of investment	Total km	Stage	Start date	End date
Canada	Mobilink Hurontario General Partnership	35.0	20	Under construction	2024	2054
Peru	Metro de Lima Linea 2 S.A.	18.3	35	Under construction	2014	2049

ENERGY FROM RENEWABLE SOURCES

Country	Operator	% of investment	Installed voltage	Stage	Start date	End date
Argentina	Yacylec S.A.	18.7	T line	Active	1992	2091
Argentina	Enecor S.A.	30.0	T line	Active	1995	2094

INTEGRATED WATER CYCLE

Country	Operator	% of investment	Pop. served	Stage	Start date	End date
Argentina	Aguas del G. Buenos Aires S.A.	42.6	210 k	In liquidation	2000	n.a.

HOSPITALS

Country	Operator	% of investment	No. of beds	Stage	Start date	End date
GB	Ochre Solutions Ltd (Oxford Hospital)	40.0	220	Active	2005	2038
Turkey	Gaziantep Hastane Sağlık Hizmetleri İşletme Yatırım A.Ş. (Gaziantep Hospital)	24.5	1,875	To be sold	2016	2044

Operations & Maintenance

The Group has decided to leverage this segment to strengthen its foothold in the sector of integrated management of services for high tech infrastructure. As well as being complementary and synergistic to the Group's core business, the O&M segment generates stable revenue over time and requires low deployment of working capital. The Group is particularly interested in the hospital segment, where it has already has significant expertise thanks to its prior experience gained in the concessions segment. It has already identified interesting opportunities for long-term contracts for a variety of services (hard maintenance and heat/energy management, healthcare technology - electro-medical services, related services, commercial and hotel services, etc.).

The main O&M companies in which the Group has an investment are:

- GE.SAT. S.C.a.r.l. (53.85%), set up to operate the four Tuscan hospitals in Italy, all of which are operational;
- Etlik Hospital (51%), set up to operate Etilik Integrated Health Campus in Ankara, Turkey. The related O&M contract has not yet been activated as the facility is still under construction;
- Otoyol Isletme Ve Bakim A.S. (18.14%); set up to operate the Gebze Orangazi Izmir Motorway in Turkey, which is in operation;
- M.O.MES S.C.r.l. (60%), set up to manage the routine maintenance and technological qualification of civil works and lift systems of the Ospedale dell'Angelo;
- management of two contracts for the extraordinary maintenance of car parks in Verona, Bologna and Turin with Parkinge S.r.l..

The following tables show the key figures of the O&M contracts at the reporting date, broken down by business area:

HOSPITALS

Country	Operator	% of investment	No. of beds	Stage	Start date	End date
Italy (Prato)	GE.SAT. - 4 Tuscan hospitals	53.9	2019	Active	2007	2033
Italy (Mestre)	M.O.MES. - Mestre Hospital (Ospedale dell'Angelo)	60.0	n.a.	Active	2008	2032

CAR PARKS

Country	Operator	% of investment	No. of parks	Stage	Start date	End date
Italy (Bologna, Verona, Turin)	Extraordinary maintenance contracts with Parkinge	n.a.	3675	Active	2014	2039

MOTORWAYS

Country	Operator	% of investment	Total km	Stage	Start date	End date
Turkey	Otoyol Isletme Ve Bakim	18.1	402	Under operation	2016	2035

Financial highlights

The “Adjusted reclassified statement of profit or loss” table presents the Group’s adjusted key figures for the first half of 2022 compared to those for the corresponding period of 2021.

Adjustments are not provided for by the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and endorsed by the European Union. The Group deems that these adjusted figures and data provide information useful to management and investors to assess the Group’s performance and compare it to other companies active in the same sector. They also provide an additional picture of the results.

As a result, the Group has adjusted its IFRS accounting figures to reflect the effects summarised below.

Non-subsidiary joint ventures

The Group monitors the key figures of Lane Group for management purposes adjusting the IFRS figures prepared for consolidation purposes to present the results of the non-subsidiary joint ventures consolidated on a proportionate basis. These figures show the status of contracts managed directly by Lane or through non-controlling investments in joint ventures.

Amortisation of intangible assets as part of Astaldi’s PPA

For management purposes, management has presented the Group’s operating results net of the effects not strictly related to the business operations related to the purchase price allocation (PPA) procedure for the acquisition of control of Astaldi Group.

Therefore, the amortisation of intangible assets identified during the PPA of €39.7 million and €36.9 million has been eliminated from the adjusted statement of profit or loss for the first half of 2022 and 2021, respectively, as well as the related tax effects.

Impairment - Ukraine

Given the negative developments caused by the significantly worsening in Ukraine’s credit rating as a result of the war with Russia, the Group has calculated the recoverable amount of its total exposure for the works performed in Ukraine in the period from 2013 to 2016.

It recognised an impairment loss of €52.3 million at 30 June 2022 after performing the impairment test.

Adjusted reclassified statement of profit or loss

(€m)	1st half 2021 adjusted				1st half 2022 adjusted				
	Webuild Group (*)	Joint ventures not controlled by Lane (**)	Amortisation of intangible assets as part of Astaldi's PPA	Adjusted	Webuild Group	Joint ventures not controlled by Lane (**)	Amortisation of intangible assets as part of Astaldi's PPA	Impairment - Ukraine	Adjusted
Revenue	3,038.7	90.3	-	3,129.0	3,835.5	37.6	-	-	3,873.1
Gross operating profit (EBITDA)	**174.9**	**14.2**	**-**	**189.1**	**255.7**	**(4.4)**	**-**	**-**	**251.3**
Gross operating profit margin (EBITDA) %	*5.8%*	*15.7%*		*6.0%*	*6.7%*	*-11.7%*			*6.5%*
Operating profit (EBIT)	**36.8**	**14.2**	**39.7**	**90.7**	**39.4**	**(4.4)**	**36.9**	**52.3**	**124.2**
R.o.S. %	*1.2%*	*15.7%*		*2.9%*	*1.0%*	*-11.7%*			*3.2%*
Net financing income (costs)	(52.8)	-	-	(52.8)	49.5	-	-	-	49.5
Net losses on equity investments	(3.7)	(14.2)	-	(17.9)	(4.4)	4.4	-	-	-
(Profit) loss before tax (EBT)	**(19.8)**	**-**	**39.7**	**19.9**	**84.5**	**-**	**36.9**	**52.3**	**173.7**
Income taxes	(54.7)	-	(9.5)	(64.2)	(51.5)	-	(8.8)	(11.0)	(71.3)
Profit (loss) from continuing operations	**(74.5)**	**-**	**30.2**	**(44.3)**	**33.0**	**-**	**28.1**	**41.3**	**102.4**
Loss from discontinued operations	(3.4)	-	-	(3.4)	(14.8)	-	-	-	(14.8)
Non-controlling interests	8.6	-	-	8.6	(23.8)	-	-	-	(23.8)
Profit (loss) for the period attributable to the owners of the parent	**(69.4)**	**-**	**30.2**	**(39.2)**	**(5.6)**	**-**	**28.1**	**41.3**	**63.8**

(*) The Group's IFRS statement of profit or loss figures for the first half of 2021 have been restated after completion of Astaldi's PPA.

(**) The Group monitors the key figures of Lane Group for management purposes adjusting the IFRS figures prepared for consolidation purposes to present the results of the non-subsidiary joint ventures consolidated on a proportionate basis. These figures show the status of contracts managed directly by Lane or through non-controlling investments in joint ventures.

Adjusted revenue for the period is €3,873.1 million compared to €3,129.0 million for the corresponding period of 2021. The increase of €744.1 million (23.8%), achieved despite the difficult macroeconomic context and inflation, is due to the quality of the order backlog, the work performed in partnerships with the Group's customers and network and its efficient contract and supply chain management.

The main contributors are the projects underway in Italy that benefited, inter alia, from the positive effects of the National Resilience and Recovery Plan, such as the high speed/capacity Milan - Genoa, Naples - Bari and Verona - Padua railway lines as well as Lane Group's contracts in the US, the Snowy 2.0 contract in Australia, the Hurontario Light Rail Project in Canada, the Koysha Hydroelectric Project in Ethiopia, the Nykirke - Barkaker railway line in Norway and additional contracts in progress in the Americas (Colombia), Europe (France, Romania and Sweden), Tajikistan and Turkey.

The adjusted gross operating profit amounts to €251.3 million (€189.1 million) while the adjusted operating profit comes to €124.2 million (€90.7 million). The €33.5 million increase in the adjusted operating profit confirms the expected profitability of the order backlog, which has been secured thanks to pass through clauses and risk mitigation mechanisms in the Group’s contracts, which are mostly agreed with state bodies.

The net financing income approximates €49.5 million compared to net financing costs of €52.8 million for the corresponding period of 2021. It includes:

- net exchange gains of €71.7 million (net gains of €19.5 million);
- financial income of €66.7million (€30.1 million);
- partly offset by financial expense of €88.9 million (€102.4 million).

The adjusted profit before tax amounts to €173.7 million compared to €19.9 million for the corresponding period of the previous year.

Adjusted income taxes for the period amount to €71.3 million (€64.2 million). They are mainly affected by the profitability of the group companies and the different tax regimes of the countries where the Group operates.

The loss from discontinued operations of €14.8 million relates to the foreign divisions of Astaldi S.p.A. that do not fit in with the Group’s commercial and industrial strategies (mainly the “Astaldi Georgia” division for the first half of 2022).

The profit attributable to non-controlling interests is €23.8 million compared to a loss of €8.6 million for the first half of 2021 and mostly refers to the subsidiaries SLC Snowy Hydro Joint Venture (Snowy 2.0 project in Australia), AGN HAGA AB (Gothenburg rail link in Sweden), SA.PI. NOR Salini Impregilo - Pizzarotti J.V. (Nykirke - Barkaker railway line in Norway) and Lane Group.

As a result of the above, the adjusted profit attributable to the owners of the parent amounts to €63.8 million compared to a loss of €39.2 million for the corresponding period of 2021.

Performance

This section presents the Group's reclassified statement of profit or loss and statement of financial position and a breakdown of its financial position at 30 June 2022. It also provides an overview of the main changes in the Group's financial position and results of operations compared to the corresponding period of the previous year.

Unless indicated otherwise, figures are provided in millions of Euros and those shown in brackets relate to the previous year.

The "Alternative performance indicators" section gives a definition of the financial statements indicators used to present the Group's financial position and results of operations for the period.

Group performance

The following table shows the Group's reclassified IFRS statement of profit or loss.

Table 1 - Reclassified statement of profit or loss

(€'000)	Note (*)	1st half 2021 (**)	1st half 2022	Variation
Revenue from contracts with customers		2,838,288	3,637,002	798,714
Other income		200,433	198,479	(1,954)
Total revenue and other income	29	**3,038,721**	**3,835,481**	**796,760**
Operating expenses	30	(2,863,793)	(3,579,812)	(716,019)
Gross operating profit (EBITDA)		**174,928**	**255,669**	**80,741**
Gross operating profit margin (EBITDA) %		*5.8%*	*6.7%*	
Impairment losses	30.6	(6,360)	(53,775)	(47,415)
Amortisation, depreciation and provisions	30.6	(131,812)	(162,503)	(30,691)
Operating profit (EBIT)		**36,756**	**39,391**	**2,635**
R.o.S. %		*1.2%*	*1.0%*	
Financing income (costs) and gains (losses) on equity investments				
Net financing income (costs)	31	(52,845)	49,538	102,383
Net losses on equity investments	32	(3,730)	(4,407)	(677)
Net financing income (costs) and net losses on equity investments		**(56,575)**	**45,131**	**101,706**
Profit (loss) before tax (EBT)		**(19,819)**	**84,522**	**104,341**
Income taxes	33	(54,708)	(51,505)	3,203
Profit (loss) from continuing operations		**(74,527)**	**33,017**	**107,544**
Loss from discontinued operations	18	(3,448)	(14,765)	(11,317)
Profit (loss) before non-controlling interests		**(77,975)**	**18,252**	**96,227**
Non-controlling interests		8,583	(23,823)	(32,406)
Loss for the period attributable to the owners of the parent		**(69,392)**	**(5,571)**	**63,821**

(*) The note numbers refer to the notes to the condensed interim consolidated financial statements where the captions are analysed in detail

(**) The Group's IFRS statement of profit or loss figures for the first half of 2021 have been restated after completion of Astaldi's PPA.

Revenue

Revenue for the period amounts to €3,835.5 million (€3,038.7 million), including €2,139.6 million earned abroad (€1,624.1 million), €1,078.3 million in Italy (€945.8 million) and €617.6 million in the US (€468.8 million).

The main contributors are the projects underway in Italy that benefited, inter alia, from the positive effects of the National Resilience and Recovery Plan, such as the high speed/capacity Milan - Genoa, Naples - Bari and Verona - Padua railway lines as well as Lane Group's contracts in the US, the Snowy 2.0 contract in Australia, the Hurontario Light Rail Project in Canada, the Koysha Hydroelectric Project in Ethiopia, the Nykirke - Barkaker railway line in Norway and additional contracts in progress in the Americas (Colombia), Europe (France, Romania and Sweden), Tajikistan and Turkey.

Operating expenses

The operating expenses reflect the production trends and, specifically, progress on the large projects in Italy and, more generally, the countries where the Group has a stronger presence (US, Australia, Ethiopia, Saudi

Arabia, France, Norway, Sweden, Romania, Turkey and Tajikistan). Prices of raw materials rose again in the period due to limited supplies, partly caused by the upturn in demand driven by the global economy's recovery. As a result, the Group introduced mitigation measures to contain price increases. Its contracts with customers usually include price adjustment clauses.

Operating profit

The operating profit amounts to €39.4 million compared to €36.8 million for the corresponding period of the previous year.

Impairment losses of €53.8 million (€6.4 million) were mostly recognised on the Group's trade receivables for activities performed in Ukraine in the period from 2013 to 2016 (€52.3 million).

Amortisation, depreciation and provisions of €162.5 million (€131.8 million) comprise:

- depreciation of property, plant and equipment of €77.9 million (€33.3 million);
- depreciation of right-of-use assets of €39.4 million (€35.5 million);
- amortisation of contract costs and intangible assets of €55.4 million (€59.1 million), including €36.9 million (€39.7 million) on the contract costs recognised as a result of the PPA procedure for Astaldi;
- utilisations of provisions for €10.2 million (accruals of €3.9 million), chiefly reflecting the review of the assessments made about the costs of complying with onerous contracts, principally in the US and Poland.

Financing income (costs) and gains (losses) on equity investments

The Group recorded net financing income of €49.5 million (net financing costs of €52.8 million).

The item comprises:

- net exchange gains of €71.7 million (€19.5 million);
- financial income of €66.7 million (€30.1 million);
- financial expense of €88.9 million (€102.4 million).

Net exchange gains of €71.7 million mostly relate to the Euro's performance against the US dollar, the Canadian dollar, the Ethiopian birr, the Qatari riyal and the Colombian peso.

The rise in financial income is due to, inter alia: (i) the prior year gains from the discharging of debts of €18.0 million, recognised after authorisation of the composition with creditors procedure for Afragola FS S.C.r.l. (wholly controlled by the Group) in March and (ii) interest of €11.0 million collected after the Court of International Commercial Arbitration attached to the Bucharest Chamber of Commerce closed the proceedings awarding the Group payment of the higher costs and expenses incurred to develop Lot 4 of the Orastie - Sibiu Motorway in Romania for a total consideration of the equivalent of €30 million (including interest).

The €13.5 million reduction in financial expense compared to the corresponding period of 2021 is mostly due to more modest average debt achieved in the period and the Group's more prudent treasury management.

Net losses on equity investments amount to €4.4 million (€3.7 million). They comprise the Group's share of the losses of the equity-accounted investees (mostly belonging to Lane Group).

Income taxes

Income taxes of €51.5 million (€54.7 million) mostly reflect the temporary non-recovery in Italy of taxes paid abroad under the legislation of the countries where the parent's branches operate. The IRES tax base for the period is not currently sufficient to allow the full recovery of these foreign taxes although this situation may change in the future depending on the enacted legislation. In addition, the Group has estimated its tax base for the entire year.

Loss from discontinued operations

The loss from discontinued operations of €14.8 million relates to the foreign divisions of Astaldi S.p.A. that do not fit in with the Group's commercial and industrial strategies (mainly the "Astaldi Georgia" division for the first half of 2022).

Non-controlling interests

The profit attributable to non-controlling interests is €23.8 million compared to a loss of €8.6 million for the first half of 2021 and mostly refers to the subsidiaries SLC Snowy Hydro Joint Venture (Snowy 2.0 project in Australia), AGN HAGA AB (Gothenburg rail link in Sweden), SA.PI. NOR Salini Impregilo - Pizzarotti J.V. (Nykirke - Barkaker railway line in Norway) and Lane Group.

The Group's financial position

The following table shows the Group's reclassified IFRS statement of financial position.

Table 2 - Reclassified statement of financial position

(€'000)	Note (*)	31 December 2021	30 June 2022	Variation
Non-current assets	6.1-6.2-6.3-8	1,992,499	2,058,358	65,859
Goodwill	7	78,496	84,906	6,410
Net non-current assets held for sale	18	24,848	27,890	3,042
Provisions for risks	24	(222,591)	(221,391)	1,200
Post-employment benefits and employee benefits	23	(50,687)	(57,071)	(6,384)
Net tax assets	10-15-26	374,999	434,147	59,148
- Inventories	11	217,607	237,909	20,302
- Contract assets	12	2,787,252	3,317,496	530,244
- Contract liabilities	12	(3,422,846)	(3,005,769)	417,077
- Receivables (**)	13	2,482,480	2,851,657	369,177
- Liabilities (**)	25	(3,208,770)	(3,721,578)	(512,808)
- Other current assets	16	905,056	891,508	(13,548)
- Other current liabilities	27	(565,421)	(582,896)	(17,475)
Net working capital		(804,642)	(11,673)	792,969
Net invested capital		**1,392,922**	**2,315,166**	**922,244**
Equity attributable to the owners of the parent		**1,587,308**	**1,610,417**	**23,109**
Non-controlling interests		272,291	307,786	35,495
Equity	19	**1,859,599**	**1,918,203**	**58,604**
Net financial position (indebtedness)		**(466,677)**	**396,963**	**863,640**
Total financial resources		**1,392,922**	**2,315,166**	**922,244**

(*) The note numbers refer to the notes to the condensed interim consolidated financial statements where the captions are analysed in detail

(**) This item shows loans and receivables of €2.9 million classified in net financial position (indebtedness) and related to the Group's net amounts due from/to consortia and consortium companies (SPEs) operating under a cost recharging system and not included in the consolidation scope. The balance reflects the Group's share of cash and cash equivalents or debt of the SPEs.

The Group's exposure to the SPEs was shown under "Receivables" for €15.8 million at 31 December 2021.

Net invested capital

This item increased by €922.2 million on the previous year end to €2,315.2 million at 30 June 2022. The main changes are due to the factors listed below.

Non-current assets

Non-current assets increased by €65.9 million. They may be analysed as follows:

(€'000)	31 December 2021	30 June 2022	Variation
Property, plant and equipment	620,277	715,688	95,411
Right-of-use assets	169,639	131,065	(38,574)
Intangible assets	466,350	416,919	(49,431)
Equity investments	736,233	794,686	58,453
Total non-current assets	**1,992,499**	**2,058,358**	**65,859**

Property, plant and equipment increased by €95.4 million, chiefly due to the investments made for the ongoing projects in Australia (Snowy 2.0) and Italy (Naples - Bari and Milan - Genoa railway lines and the SS-106 state road Jonica mega lot 3).

The right-of-use-assets, mostly comprising plant, machinery and buildings, amount to €131.1 million showing a reduction of €38.6 million principally due to depreciation.

Intangible assets show a net decrease of €49.4 million, mainly as a result of the amortisation of €55.4 million, of which €36.9 million related to contract costs recognised as part of the PPA procedure for Astaldi.

The net increase of €58.5 million in equity investments is due to their measurement under the IFRS (principally the SPE Grupo Unidos por el Canal).

Net tax assets

The following table analyses the item:

(€'000)	31 December 2021	30 June 2022	Variation
Deferred tax assets	348,480	336,727	(11,753)
Deferred tax liabilities	(56,504)	(38,773)	17,731
Net deferred tax assets	**291,976**	**297,954**	**5,978**
Current tax assets	104,708	105,395	687
Current tax liabilities	(170,358)	(109,261)	61,097
Net current tax liabilities	**(65,650)**	**(3,866)**	**61,784**
Other current tax assets	249,459	242,575	(6,884)
Other current tax liabilities	(100,786)	(102,516)	(1,730)
Net other current tax assets	**148,673**	**140,059**	**(8,614)**
Net tax assets	**374,999**	**434,147**	**59,148**

The item mostly shows the reversal of deferred tax assets and liabilities arising on temporary differences between statutory and tax regulations.

The decrease in current tax liabilities chiefly refers to the Ethiopian branch.

Net working capital

Net working capital increased by €793.0 million to a negative €11.7 million at 30 June 2022 from a negative €804.6 million at 31 December 2021. This variation reflects the typical trend of the Group's payment cycle with greater growth in net working capital in the first half of the year, as well as the strong production drive and the partial postponement of collections of the compensation for the increase in the prices of raw materials in Italy, envisaged by the measures adopted by the Italian government in May 2022 to the second six months of the year.

Early in July 2022, the Group collected the equivalent of roughly €100 million of the contract advance for the Diriyah Square - Package contract in Saudi Arabia, which will be accounted for in its financial reporting for the second half of the year.

The main changes in the individual items making up net working capital are summarised below:

- loans and receivables increased by €369.2 million, principally due to the contracts underway in (i) Saudi Arabia (Line 3 of the Riyadh Metro, SANG Villas and Diriyah Square - Package), (ii) Australia (Snowy 2.0, North East Link Project and Forrestfield-Airport Link Project), (iii) Romania (mainly the Braila Bridge), and (iv) Tajikistan (Rogun Dam). This effect is partly countered by the impairment of the trade receivables due from the Ukrainian customer Ukravtodor (€45.9 million) described in more detail elsewhere in this report;
- trade payables increased by €512.8 million, mainly in (i) Italy (Naples - Bari, Verona - Padua and Milan - Genoa railway lines), (ii) US (Lane Group and I-405), (iii) Australia (Snowy 2.0, North East Link Project and Forrestfield-Airport Link Project), (iv) Ethiopia (Koysha Hydroelectric Project and GERD), and (v) Tajikistan (Rogun Dam);
- contract assets and liabilities amount to €3,317.5 million (€2,787.3 million) and €3,005.8 million (€3,422.8 million), respectively. The difference compared to 31 December 2021 is due to the significant progress made during the six months on projects underway in (i) Italy (high speed/capacity Milan - Genoa railway line), (ii) US (Lane Group), (iii) Australia (Snowy 2.0), (iv) Ethiopia (Koysha Hydroelectric Project) and (v) Tajikistan (Rogun Dam);
- other current assets and liabilities come to €891.5 million (€905.1 million) and €582.9 million (€565.4 million), respectively.

Net financial indebtedness

Table 3 - Net financial indebtedness of Webuild Group

The following table shows the Group's net financial position (indebtedness) at 30 June 2022 and 31 December 2021:

(€'000)	Note (*)	31 December 2021	30 June 2022	Variation
Non-current financial assets	9	418,511	472,236	53,725
Current financial assets	14	313,241	377,521	64,280
Cash and cash equivalents	17	2,370,032	1,520,000	(850,032)
Total cash and cash equivalents and other financial assets		**3,101,784**	**2,369,757**	**(732,027)**
Bank and other loans and borrowings	20	(317,265)	(318,796)	(1,531)
Bonds	21	(1,487,852)	(1,884,394)	(396,542)
Lease liabilities	22	(101,673)	(86,263)	15,410
Total non-current indebtedness		**(1,906,790)**	**(2,289,453)**	**(382,663)**
Current portion of bank loans and borrowings and current account facilities	20	(667,066)	(371,640)	295,426
Current portion of bonds	21	(11,881)	(39,999)	(28,118)
Current portion of lease liabilities	22	(68,808)	(74,070)	(5,262)
Total current indebtedness		**(747,755)**	**(485,709)**	**262,046**
Derivative assets	9-14	3,684	5,560	1,876
Net financial position with unconsolidated SPEs (**)		15,754	2,882	(12,872)
Total other financial assets		**19,438**	**8,442**	**(10,996)**
Net financial position (indebtedness) - continuing operations		**466,677**	**(396,963)**	**(863,640)**
Net financial position - discontinued operations		23,687	24,735	1,048
Net financial position (indebtedness) including discontinued operations		**490,364**	**(372,228)**	**(862,592)**

(*) The note numbers refer to the notes to the condensed interim consolidated financial statements where the captions are analysed in detail

(**) This item shows the Group's net amounts due from/to unconsolidated consortia and consortium companies operating under a cost recharging system. The balance reflects the Group's share of cash and cash equivalents or debt of the SPEs. The items making up these balances are shown under trade receivables and payables, respectively, in the condensed interim consolidated financial statements.

Net financial indebtedness from continuing operations for the first half of 2022 amounts to €397.0 million, an improvement of €143.1 million on 30 June 2021 (€540.0 million). The reduction of €863.6 million compared to 31 December 2021 (net financial position of €466.7 million) reflects the typical trend of the Group's payment cycle which traditionally shows greater growth in net working capital in the first half of the year and the partial postponement of collections of the compensation for the increase in the prices of raw materials in Italy, envisaged by the measures adopted by the Italian government in May 2022 to the second six months of the year.

Early in July 2022, the Group collected the equivalent of roughly €100 million of the contract advance for the Diriyah Square - Package contract in Saudi Arabia, which will be accounted for in its financial reporting for the second half of the year.

Gross indebtedness of €2,775.2 million shows an increase of €120.6 million on the 31 December 2021 balance of €2,654.5 million. The actions taken by management for the more prudent management of the Group's treasury have led to the repayment of debt and less resort to credit facilities. Therefore, despite the financial outlays and the increase in net working capital in the six months, gross indebtedness is much better than that of one year earlier at 30 June 2021 (€2,967.5 million).

The Group's cash and cash equivalents amount to €1,520.0 million, including approximately €491 million available at head office level (including the subsidiary Lane).

The debt/equity ratio (based on the net financial indebtedness from continuing operations) is 0.21 at group level at the reporting date compared to -0.25 at 31 December 2021.

Webuild has given guarantees of €149.4 million in favour of unconsolidated group companies securing bank loans.

Reference should be made to note 20 to the condensed interim consolidated financial statements for the calculation of the Group's net financial indebtedness in accordance with the ESMA Guidelines of 4 March 2021 and the related reconciliation with the figures shown in table 3 above.

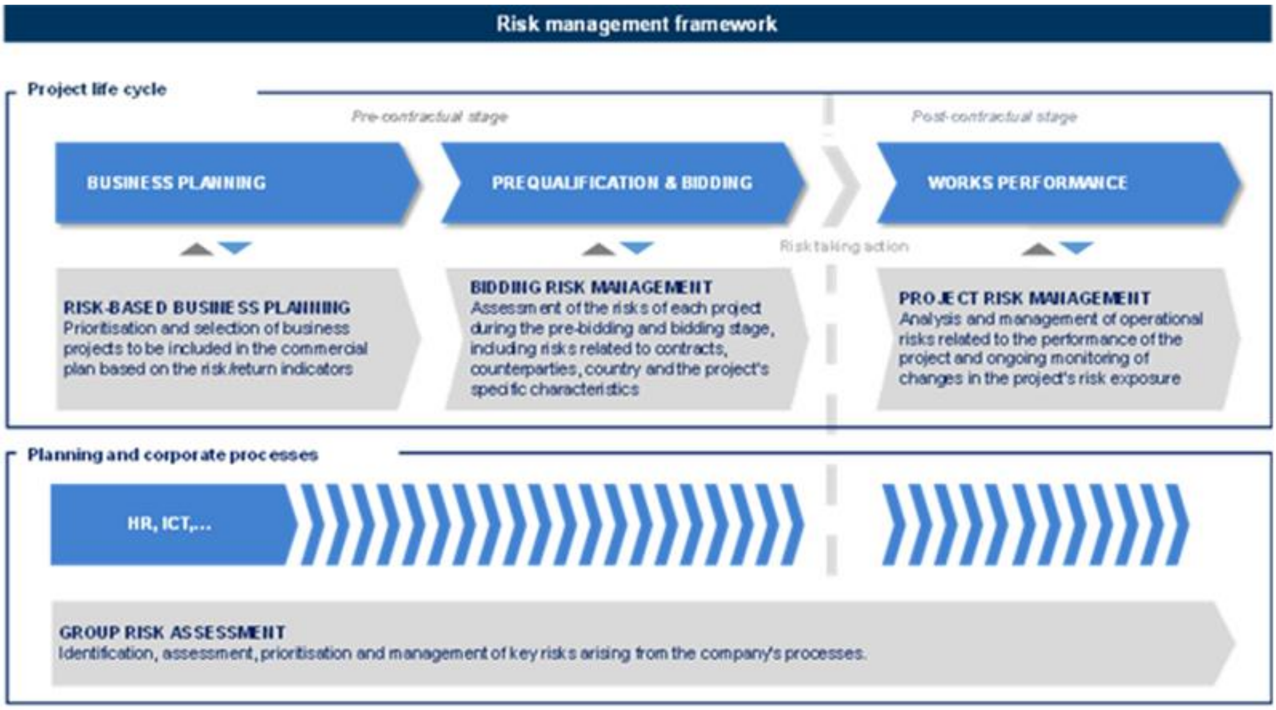
Directors’ report -
Part II

Risk management system

The context in which the Group currently operates, characterised by rapid macroeconomic changes, financial markets' instability and progressive developments of legal and regulatory compliance regulations, especially as a result of the spread and continuation of Covid-19 and the outbreak of the war in Ukraine, and affected by megatrends such as climate change and resource scarcity in the medium to long-term, requires clear strategies and effective management processes aimed at preserving and maximising value.

As part of its internal controls and risk management system, the Group has a risk management framework, which it keeps up-to-date, is an integral part of internal procedures and is extended to all operating companies to identify, assess, manage and monitor risks in accordance with industry best practices.

Development, implementation and circulation of the risk management framework (presented in the following chart) is designed to assist senior management with strategic and commercial planning and operations through the comprehensive, in-depth analysis of relevant factors for the Group's business, the local contexts in which it operates and the particular operating requirements of its individual contracts, facilitating the identification and monitoring of related risks, be they economic, financial or non-financial (sustainability or ESG risks).



During the first half of 2022, the outbreak of conflict between Russia and Ukraine worsened the macroeconomic context in which the Group and its supply chain operate, heightening the inflationary effect of raw material and commodity prices already seen during the pandemic. Accordingly, the Group's risk management activities focused on the identification and handling of the repercussions of the conflict between Russia and Ukraine and the continuation of the Covid-19 pandemic on its projects underway and general operations.

At the first signs of the emergency, the Group promptly acquired the tools and processes for the ongoing monitoring and timely activation of crisis teams to deal with urgent issues caused by the pandemic in all the areas where the Group operates. The day-to-day operating management of work sites and monitoring of the entire order backlog have been seamlessly integrated with specific processes to prevent and manage pandemic-triggered emergencies.

With respect to the volatile commodity prices and in line with its approach adopted in 2021, the risk management unit and other competent units undertook specific checks and monitored the trends of construction material prices to keep senior management informed and in a position to promptly define risk mitigation strategies. This approach enabled the Group to present its application for compensation for the hikes in the more significant construction material prices in the second half of 2021 for its Italian contracts in accordance with article 1-septies of Decree law no. 73/2021, converted with amendments by Law no. 106 of 23 July 2021. Decree law no. 50/2022 defined specific measures to cover the exceptional increases in the prices of construction materials in 2022.

Starting from 2021, the Group extended the roles and duties of the first level control functions to strengthen its risk management framework and ensure greater oversight and integration of the risk assessment models and risk mitigation actions in the business control model. During the first half of 2022, its risk management first level controls have been implemented and are operational.

The Group concurrently rolled out a project to implement a structured business continuity management system in compliance with ISO 22301, designed to develop procedures to manage critical events that could undermine its operations using a procedure for the introduction of proactive and flexible business continuity strategies.

These procedures and the Group's ongoing development of the frameworks allow it to promptly and carefully analyse its risk profile and identify how to manage those more relevant risk events with tailored measures.

Business risks

External risks are those that may compromise the Group's achievement of its objectives, i.e. all events whose occurrence is not influenced by corporate decisions. This category includes all risks arising from a country's macroeconomic and socio-political dynamics, global megatrends (climate change, resource scarcity, urbanisation and commodity prices), sector trends and competitive scenario, as well as from industry-specific technological innovation and regulatory developments and the projects' long-term nature.

Given the nature of such risks, the Group must rely on its forecasting and managing abilities. Specifically, Webuild integrates risk vision in its strategic and business planning processes through the definition of commercial and risk guidelines and the development of a process for the prioritisation and selection of initiatives to be pursued, also and above all based on the assessment of relevant risks linked to the country and/or sector in which operations are planned, rather than to the counterparty. Risk control is also ensured by monitoring the progress of strategic objectives, including in terms of composition and diversification of the portfolio and its development over time in terms of risk profile.

Strategic risks

These risks arise from strategic, business and organisational decisions that may adversely impact the Group's performance and ultimately result in the non-achievement of strategic objectives. They include risks resulting from the choice of business or organisational models through which the Group intends to operate, those arising from M&A transactions, or the ineffective management of the order portfolio or the relationships with key counterparties (customers, partners, suppliers, sub-contractors, etc.).

Webuild considers risk a key element for the preliminary assessment of decisions and strategic choices, so much so that it provided for integration of the strategy definition and development process with that for the identification, measurement and management of risks. The choices pertaining to the adoption of a business or organisational model, the assessment about the opportunity of proceeding with an extraordinary transaction or establishing a partnership are subject to preliminary analysis and evaluation of the related risks and opportunities, with the concurrent identification of risk management methods and strategies to be promptly activated should such risks arise.

Financial risks

Risks linked to the availability of group resources, depending on the management of receivables and cash and cash equivalents and/or the volatility of market variables such as interest and exchange rates, are included in this category.

Specifically, liquidity management has the objective of ensuring the financial autonomy of contracts in progress, taking into account the structure of consortia and special purpose entities, which can tie the availability of financial resources to the execution of the relevant projects. Moreover, liquidity management takes into account restrictions to currency transfers imposed by the legislation of some countries.

Webuild engages constantly in developing effective financial planning tools to allow, inter alia, prudent management of cash, debt exposure and guarantee commitments based on various risk scenarios. It evaluates specific risk areas such as the counterparty's credit rating and raw materials price volatility.

Legal and compliance risks

This risk class includes risks for the management of legal issues and/or risks related to compliance with laws and regulations (e.g., taxation, local legislation, etc.) required in order to operate in the sector and/or specific countries and the risks arising from the management of contracts with business partners. Webuild deems that monitoring contractual issues linked to contract management and, particularly, the relationship with relevant counterparties, is fundamental. This also includes any internal and external fraud risks, and, more generally, the compliance with procedures and policies established by the Group to govern its operations.

With respect to the aforementioned factors, Webuild implements a regulatory risk monitoring and management policy in order to minimise the impact of such risk, through a multi-level control system that entails collaborative and ongoing liaison with relevant counterparties and business units affected by regulatory developments and the comprehensive assessment of any potential impacts.

Operational risks

These are risks that could jeopardize value creation and are due to an inefficient and/or ineffective management of the Group's core business, particularly those linked to bid management and actual execution of contracts. The various risk areas that fall into this class include bid design and planning, logistics and inventory management, as well as those linked to the management of IT systems, planning and reporting, effective supply chain and personnel management, including with respect to health and safety, the environment, human rights and local communities.

The Group monitors operational risks starting from the bidding stage for each project to evaluate its potential risks and benefits and possible order backlog concentration. As part of a wider process, Webuild prepares a pre-bid risk assessment aimed at identifying potential risks and impacts linked to the project, as well as the necessary mitigation and/or contingency measures to counter them. The risk surveillance activity is updated constantly during the tender stage and is then monitored and updated during contract execution in order to promptly detect the risk of changes in its risk exposure and swiftly implement adequate remediation measures.

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As part of the aforementioned framework for the identification and classification of risks applicable to group operations, Webuild has adopted a cross-functional approach for the analysis of risk dimensions that are considered more relevant due to the specific features of its business. These dimensions include various risk areas identified and belonging to Webuild's risk universe as described later.

Country risk

The Group pursues its objectives by operating almost everywhere in the world, leveraging business opportunities in different countries and hence exposing itself to the risks resulting from the characteristics and conditions dictated by them, such as the political, economic and social scenario, local regulations, taxation and operational complexity and, last but not least, work and safety conditions.

Being aware of and constantly monitoring country risk through specific indicators enables the Group first and foremost to define informed commercial strategies, as well as to gain an optimal understanding of the operating scenario and, therefore, adopt precautions and/or implement actions aimed at removing barriers and mitigating potential threats.

Counterparty risk

Management of counterparty risk requires identification of potential criticalities linked to relationships with the Group's customers, shareholders, subcontractors and suppliers, so as to create a comprehensive overview of the features of the partners with which Webuild may start or continue to collaborate. For each of the above counterparty types, risk factors linked to financial and operational reliability apply to a different extent, as does the potential strategic role of a partnership for a specific business initiative, as well as all legal and compliance aspects and those related to the applicable standards (ethics, quality, health and safety, environment, human rights) that safeguard the lawfulness of the relationship. The group risk officer coordinates and supervises a counterparty analysis for each new project, involving all the competent departments, which is updated during the contract's performance. This analysis allows the more precise identification and management of the critical issues that could arise during the contract's operational stages and more accurate planning of the possible mitigation actions.

Contract risk

The contract dimension is key for an effective analysis of all risks linked to the Group's core business, since it is considered to define tools capable of identifying and monitoring so-called contract risks starting from the bidding stage in a risk prevention perspective, as part of an in-depth analysis of the risks and opportunities linked to the pursuit of a specific activity. Another fundamental aspect is the ongoing tracking of risks once they have been consciously taken on by management, managing the resulting risk exposure in a proactive, dynamic way, as well as its ongoing development over time.

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The analysis of key risk dimensions and the related risk areas has the aim of providing management with a two-sided overview: a detailed one (i.e., at individual country, counterparty and contract level) and a portfolio one (for assessment of the overall exposure to such dimension), in order to assess the Group's risk profile as well as its compliance with the exposure limits imposed by its risk management capacity. Moreover, the portfolio overview enables the performance of systematic assessments about the potential development of the risk profile upon the occurrence of certain events and/or specific choices, through the use of dedicated risk management tools.

The risk management framework, as outlined above and subject to further and future developments, has been designed to support decision-making and operational processes at every stage of the management of projects, in order to reduce the possibility that certain events could compromise the Group's normal business operations or attainment of its defined strategic objectives: to this end, it is integrated in strategic, business planning, bidding and operating processes to allow the ongoing monitoring of the Group's risk profile and the impact that possible strategic and operating decisions could have on its risk profile, also considering its risk appetite.

Main risk factors and uncertainties

In addition to that set out in the "Business risk management" section above, the following specific situations linked to major outstanding disputes, country risk exposure and situations characterised by risk and/or uncertainty profiles at 30 June 2022 should be added to risks that may potentially impact on operations.

Civil litigation

USW Campania projects

The Group became involved in the urban solid waste disposal projects in the Province of Naples and other provinces in Campania at the end of the 1990's through its subsidiaries Fibe S.p.A. and Fibe Campania S.p.A..

The major issues that have characterised the Group's activities in service contracts since 1999-2000, which have been discussed in detail and reviewed in all of the reports published by the Group starting from that time, have evolved and became more complex over the years, giving rise to a large range of disputes, some of which are major and in part still ongoing. Even given the positive developments, the general situation in terms of pending disputes is still very complex. A brief overview is provided below, especially in relation to existing risk positions.

Since Fibe Campania S.p.A. was merged into Fibe S.p.A. in 2009, unless otherwise stated, reference is made exclusively to Fibe S.p.A. in the rest of this section, even with regard to positions and events that affected the merged company.

The USW Campania issue comprises various proceedings in different jurisdictions and pending at different court levels. The main aspects of the key civil, administrative and criminal proceedings are described below.

Civil proceedings

1. In May 2005, the government commissioner filed a motion requesting compensation from Fibe S.p.A. ("Fibe") and FISIA Ambiente S.p.A. ("Fisia Ambiente") for alleged damage of about €43 million. During the hearing, the commissioner increased its claims to approximately €700 million, further to the additional claim for damage to its reputation, calculated to be approximately €1,000 million. The companies appeared before the court and, in addition to disputing the claims made by the government commissioner, filed a counterclaim requesting compensation for damage due to contract default and sundry expenses for over €650 million, plus a further claim for reputation damage quantified at €1.5 billion. In the same proceeding, the banks that issued Fibe and Fibe Campania S.p.A.'s ("Fibe Campania") performance bonds to the government commissioner also requested the commissioner's claim be dismissed and, in any case, to be held harmless by Webuild, which appeared before the court and disputed the banks' requests. In ruling no. 4253/2011, the judge declared their lack of jurisdiction referring the case to the administrative judge. The attorney general filed an appeal which was rejected on 14 February 2019 and the first level ruling was upheld. The attorney general has appealed to the Supreme Court.
2. On 30 November 2015, the Office of the Prime Minister received a new claim form served by both Fibe and other group companies involved in various ways in the activities performed in Campania for the waste disposal service, containing claims for the damage suffered as a result of termination of the contracts in 2005.
   The total amount claimed is €2,429 million. Considering that some requests are already included in other proceedings, the net amount is €2,258 million. The Office of the Prime Minister filed a counterclaim for €845 million for reasons already included in other proceedings. The court appointed an expert to appraise the subordinated claim filed by Fibe that prepared two alternative appraisals of the amount due to Fibe of approximately €56 million or approximately €114 million. The competent judge handed down the ruling on 25 October 2019, finding that Fibe was due approximately €114 million and the Office of the Prime Minister approximately €80 million. After offsetting the two amounts, the Office of the Prime Minister was ordered to pay Fibe approximately €34 million plus interest accruing from 4 December 2015. Both Fibe and the Office of the Prime Minister have filed separate appeals.
3. There is another proceeding commenced by the Office of the Prime Minister for the return of the advance

of approximately €52 million paid for the construction of the waste-to-energy plants ("WtE plants"). Fibe has claimed that the receivables due from the Office of the Prime Minister, mostly for work performed on its behalf and for the fees due to Fibe, would offset this advance. The first level hearing ended with ruling no. 4658/2019 in which the Naples Court only allowed part of Fibe's receivables (the fees already collected by the Office of the Prime Minister) for offsetting purposes, ordering the company to return the difference between the advance collected and the receivables allowed for offsetting, with the result that Fibe owed roughly €10 million, plus interest, to the Office of the Prime Minister. This ruling is contrary to the report prepared by the court-appointed expert which found that Fibe was due the entire amount of its receivables. Fibe has filed its appeal. The above amount (approximately €10 million) could be offset against Fibe's larger receivable as per the ruling described in the section on the administrative litigation - the USW Campania projects below.

Given the complexity and range of the different disputes, the Group cannot exclude that events may arise in the future that cannot currently be foreseen which might require changes to these assessments.

Panama Canal extension project

Certain critical issues arose during the first stage of full-scale production on the project to expand the Panama Canal which, due to their specific characteristics and the materiality of the work to which they relate, made it necessary to significantly negatively revise the estimates made during the early phases of the project. The most critical issues related, inter alia, to the geological characteristics of the excavation areas, 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 customer of operational and management procedures substantially different from those contractually agreed, specifically with regard to the processes for the approval of technical and design solutions suggested by the contractor. These facts, which were the subject of specific disclosures in previous reports published by the Group, continued in 2013 and 2014. Faced with the customer's persistent unwillingness to reasonably implement appropriate, contractually provided for measures to manage such disputes, the contractor - and thus the original contracting partners - was forced to acknowledge the resulting impossibility to continue the construction activities needed to complete the project at its full and exclusive risk by undertaking the relevant full financial burden without any guarantee of the commencement of objective negotiations with the counterparty. In this context, at the end of 2013, formal notice was sent to the customer to inform it of the intention to immediately suspend work if the customer refused once again to address this dispute in accordance with a contractual approach based on good faith and the willingness of all parties to reach a reasonable agreement.

Negotiations between the parties, supported by the respective consultants and legal experts, were carried out through February 2014 and, on 13 March 2014, an agreement was signed. The essential elements of the agreement provided that the contractor would resume works and functionally complete them by 31 December 2015, while the customer and contracting companies agreed to provide financial support for the works to be finished up to a maximum of about €1.3 billion. The customer met its obligation by granting a moratorium on the refunding of already disbursed contract advances totalling about €729 million and disbursing additional advances amounting to approximately €91 million. The group of contracting companies met their obligation by directly disbursing approximately €91 million and additional financial resources, through the conversion into cash of existing contractual guarantees totalling around €360 million.

While the 13 March 2014 agreement provided for financial support to complete the Canal, claims were made by the contractor Grupo Unidos Por el Canal ("GUPC") to the customer during the contract's execution.

After the pre-litigation stage before the Dispute Adjudication Board ("DAB") to discuss the claims as provided for contractually, there are a number of separate arbitration hearings ongoing before the International Chamber of Commerce in Miami, Florida between GUPC (with its European partners Sacyr, Webuild (previously Salini Impregilo) and Jan De Nul) and the Panama Canal Authority ("PCA") as described below:

1. arbitration about the DAB's decisions on the claims presented by GUPC about the inadequate quality of the basalt compared to the quality guaranteed by PCA and the lengthy delays caused by PCA to approve the design formula for the concrete mix. The DAB had found that GUPC was due USD265.3 million, which it

collected in full. After the proceeding confirming the arbitration tribunal's competence to rule on the damages incurred by the individual consortium members, the tribunal issued a partial award at the end of September 2020, accepting some of GUPC's claims for USD20.7 million as well as some claims for which the parties have agreed the amounts. PCA also paid GUPC an additional approximate USD6.1 million. The arbitration tribunal defined the arbitration costs with a final award as USD33.4 million (USD13.5 million for Webuild). At the end of November 2020, GUPC's legal advisors filed a petition for the cancellation of the partial award with the Miami Court (Florida, USA). In February 2021, after the arbitration tribunal's final award, Grupo Unidos por el Canal S.A. paid approximately USD272 million to settle its liabilities with the customer, using the financial support provided by its European partners (Webuild's share: roughly USD110 million). At the end of April 2021, a petition for cancellation of the final award. On 18 November 2021, the arbitration tribunal rejected GUPC's petition and confirmed the arbitration award; GUPC has already requested its legal advisors to file an appeal;

2. arbitration about the extra costs incurred by GUPC due to certain unjustified conditions imposed by PCA for the design of the lock gates and other claims about labour costs;
3. arbitration commenced at the end of 2016 involving the sundry claims mentioned in the completion certification; the arbitration tribunal has already been set up and GUPC presented its first brief in October 2021. The arbitration tribunal will define the other proceeding dates during the hearing expected to take place in the second half of 2022.

On 11 March 2020, Webuild filed its arbitration application with the International Centre for Settlement of Investment Disputes (ICSID) against Panama. It has claimed damage for the Central American country's repeated violations of the bilateral investment treaty agreed by its government with the Italian government in 2009 to promote and protect investments. The arbitration tribunal was set up on 4 December 2020. The proceedings are still at an initial stage. The related procedural timetable has already been defined and a hearing will take place in November 2023.

Already in previous years, the Group applied a valuation approach to the project on the basis of which significant losses to complete the contract were recognised, offset in part by the corresponding recognition of the additional consideration claimed from the customer and determined based on the expectation that recognition of such consideration could be reasonably deemed to be highly probable based on the opinions expressed by its legal experts and in light of the damages awarded by the DAB.

In the first half of 2022, the estimate of the extra costs to complete the project was updated, as well as the additional consideration claimed from the customer (again with the support of the Group's experts). The Group has reflected this situation in its condensed interim consolidated financial statements.

Considering the uncertainties linked to the dispute stage, the Group cannot exclude that currently unforeseeable events may arise in the future which could require changes to the assessments made to date.

CAVTOMI Consortium (high speed/capacity Turin-Milan line)

With respect to the contract for the high speed/capacity Turin - Milan railway line - Novara - Milan sub-section, the general contractor Fiat S.p.A. (FCA N.V., "FCA" and now Stellantis N.V., "Stellantis") is required to follow the registered claims of the general subcontractor CAVTOMI Consortium ("CAVTOMI" or the "consortium"), in which Webuild has a share of 74.69%, against the customer Rete Ferroviaria Italiana ("RFI").

Accordingly, in 2008, FCA initiated contractual arbitration proceedings against RFI for the award of damages suffered for delays in the works ascribable to the customer, non-achievement of the early completion bonus also due to the customer and higher consideration. On 9 July 2013, the arbitration tribunal handed down an award in favour of FCA, ordering RFI to pay approximately €187 million (of which about €185 million pertaining to CAVTOMI).

RFI appealed against the award before the Rome Appeal Court in 2013 and paid the amount due to FCA, which in turn forwarded the relevant share to CAVTOMI. The ruling of 23 September 2015 of the Rome Appeal Court cancelled a large part of the aforementioned arbitration award. FCA appealed to the Supreme Court and the revocation application is currently pending before it after being rejected by the Appeal Court in October 2019.

Following the Appeal Court's ruling, RFI notified FCA of a writ of enforcement of approximately €175 million and subsequently the two parties reached an agreement whereby FCA (i) paid approximately €66 million, and (ii) issued RFI a bank surety of €100 million (€75 million by Webuild).

On 2 February 2022, the Supreme Court handed down its ruling rejecting FCA's appeal, based on which the parent had adjusted the claims' estimated realisable value and the carrying amount of contract assets in the consolidated financial statements at 31 December 2021.

In addition, FCA and the consortium have commenced the following actions:

- filing of an appeal by FCA with the Lazio Regional Administrative Court on 11 November 2016 for the claims of approximately €18 million presented during the contract's term and not covered by the previous award of 2013. This proceeding was firstly suspended from the register and then resumed. It is currently pending before the competent administrative judge;
- on 12 October 2017, presentation of a claim form to the Rome Court by FCA for claims made during the contract term and not covered by the previous award for €109 million. The court-appointed expert found that approximately €14.8 million was due to FCA, the non-application of the penalty and release of the performance guarantee of about €45.2 million;
- on 1 June 2022, Stellantis filed an appeal with the European Court of Human Rights challenging the legitimacy of the Appeal Judge's ruling (confirmed by the Supreme Court) which cancelled the arbitration award after reviewing the merits of the evidence already assessed by the arbitration tribunal and which did not properly reconcile the legitimate interests of the two parties.

Strait of Messina bridge - Eurolink

In March 2006, as lead contractor of the joint venture created for this project (interest of 45%) (subsequently merged into the SPE Eurolink S.C.p.A., "Eurolink"), Impregilo (now Webuild) signed a contract with Stretto di Messina S.p.A. ("SDM") for its engagement as general contractor for the final and executive designs and construction of the Strait of Messina Bridge and related roadway and railway connectors.

A bank syndicate also signed the financial documentation required in the General Specifications after the joint venture won the tender, for the concession of credit lines of €250 million earmarked for this project (subsequently decreased to €20 million in 2010). The customer was also given performance bonds of €239 million, as provided for in the contract.

SDM and Eurolink signed a rider in September 2009 which covered, inter alia, suspension of the project works carried out since the contract was signed and until that date. As provided for by the rider, the final designs were delivered to the customer and its board of directors approved them on 29 July 2011.

Decree law no. 187 was issued on 2 November 2012 providing for "Urgent measures for the renegotiation of the contracts with Stretto di Messina S.p.A. (the customer) and for local public transport". Following enactment of this decree and given the potential implications for its position, Eurolink, led by Webuild, notified the customer of its intention to withdraw from the contract under the contractual terms, also to protect the positions of all the Italian and foreign co-venturers. However, given the immense interest in constructing the works, Eurolink also communicated its willingness to review its position should the customer demonstrate its real intention to carry out the project. To date, the ongoing negotiations have not been successful despite the efforts made. Eurolink has commenced various legal proceedings in Italy and the EU, arguing that the provisions of the above decree are contrary to the Constitution and EU treaties and that they damage Eurolink's legally acquired rights under the contract. It has also requested that SDM be ordered to pay the amounts requested due to the termination of the contract for reasons not attributable to it. With regard to the actions filed at EU level, in November 2013, the European Commission communicated its decision not to follow up the proceedings, as no treaties were violated, and confirmed this on 7 January 2014, with a communication dismissing the case. As regards the civil action in Italy, Webuild and all the members of Eurolink have jointly and separately asked that SDM be ordered to pay the amounts due, for various reasons, as a result of the termination of the contract for reasons not attributable to them (€657 million). The various actions and related rulings have been joined.

With its ruling no. 22386/2018 issued on 16 October 2018, the Rome Court rejected the applications filed by the claimants and the counterclaims filed by SDM. Conversely, the Rome Court declared that the customer's termination of the contract with Parsons Transportation Group Inc. ("Parsons"), engaged by SDM for the project management services, was legitimate (referring calculation of the compensation for damage to Parsons to the judgment of the Constitutional Court). As the process is joined to that of Eurolink, Webuild deems that the legal approach which led to the ruling in the latter case is, mutatis mutandis, also applicable to Eurolink.

Eurolink and Webuild filed their appeal against this ruling before the Rome Appeal Court on 28 December 2018.

In accordance with the envisaged methods, the parties involved in appeal hearing no. 29/2019 presented themselves in court: (i) the Ministry of Infrastructure and the Office of the Prime Minister, without presenting a counter appeal; (ii) Stretto di Messina S.p.A. in liquidation presenting a counter appeal; and (iii) Parsons presenting a counter appeal for its part of the proceedings. The ruling has not yet been handed down at the date of preparation of this report.

Eurolink sent formal letters (letters before action) dated 24 December 2020 requesting payment of approximately €60 million as compensation for the costs incurred, the legally-due compensation and the release of the bank surety of €239 million. At the date of preparation of this report, these letters have led solely to the release of the bank surety.

In the meantime, the Constitutional Court found the issue of legitimacy of the Decree law for Parson's position to be inadmissible as the order for its re-examination by the court was insufficiently documented and not because it found the amount of the compensation to be irrelevant or unfounded. The Rome Court will now have to review the application and possibly defer it again to the Constitutional Court.

The Constitutional Court's ruling does not affect the Appeal Court's hearing about constitutionality refiled by Eurolink.

Given the complexity of the pending proceedings, while the experts assisting Webuild and the general contractor are confident about the positive outcome of the legal actions and recovery of the outstanding assets (mainly contract assets recognised for this project), they cannot exclude that currently unforeseeable events may arise which would require changes to the assessments made to date.

Orastie - Sibiu motorway

In July 2011, Salini Impregilo (now Webuild) commenced work on the motorway contract to build the Orastie - Sibiu section (Lot 3), which included 22.1 km of two lane motorway in each direction (in addition to the emergency lanes).

The contract was entered into with the Romanian National Road & Highways Company ("CNAIR") and 85% financed with EU structural funds and 15% by the Romanian government.

Progress on the contract has been adversely affected by a number of events outside Webuild's control such as unpredictable vast landslides on approximately 6.6 km of the route.

Despite this, the lot was delivered to the customer and opened to the traffic on 14 November 2014 while additional work made necessary by the landslides was still under completion.

Notwithstanding the first favourable ruling by the DAB and the award of approximately €6 million to Webuild, the customer refused to acknowledge the unpredictable nature of the landslides and to pay the amounts due.

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

In September 2015, Webuild presented an application for arbitration and the first partial award of RON83.8 million (approximately €18.2 million) was issued in March 2017 which it subsequently collected.

In January 2016, with works completion at 99.9%, following a number of disputes between the parties, the customer terminated the contract and enforced the contractual guarantees of RON60.5 million (approximately €13.5 million) on 20 April 2016, motivating such unilateral decision as being due to the alleged non-resolution of non-compliances notified by works management. The parent promptly formally contested the contract termination.

With respect to the arbitration proceedings commenced before the Paris International Chamber of Commerce for the delays and additional costs of €57 million, on 17 October 2019, the award was handed down rejecting the Group's requests and awarding damages for delays to the customer of approximately €19 million. The parent has presented an application for the cancellation of the final award to the Romanian courts. On 2 July 2020, the Bucharest Appeal Court cancelled this award and the related suspended enforcement. On 12 September 2020, CNAIR challenged the Appeal Court's decision before the Supreme Court and the related hearing will take place at the end of 2022. On 19 October 2020, the Bucharest Appeal Court confirmed the suspension of the attempted enforcement of the final award by CNAIR until the Romanian courts hand down their final ruling on this award's validity. Should the final award be rejected by the Supreme Court as well, the Group could commence arbitration proceedings before the Court of International Commercial Arbitration attached to the Chamber of Commerce and Industry of Romania ("CCIR").

In the meantime, on 17 February 2021, the Bucharest Court confirmed Webuild's obligation to return RON83.8 million collected on the basis of the partial award, seeing that it has been cancelled. In May 2022, Webuild obtained suspension of the enforcement of this amount by CNAIR from the Appeal Court until after the other pending disputes have been settled.

On 17 February 2020, the Group filed a new different application for arbitration to the CCIR challenging the validity of CNAIR's enforcement of the performance bond and requesting the return of the related amounts plus damages and interest. The CCIR notified the parties of its final award on 25 February 2021. The sole arbitrator ordered CNAIR to repay RON60.5 million of the performance bond which was unfairly enforced and to reimburse the legal costs and interest as well as the arbitration costs (approximately €0.2 million in total).

Webuild is confident that its arguments will be accepted at the end of the dispute supported by the opinion of its legal advisors.

Unforeseen costs have been incurred and the Group has accordingly presented its request for additional consideration. The costs are included in the measurement of contract assets and liabilities for the part deemed highly probable to be recovered, based also on the opinions of the Group's advisors.

Considering the uncertainties linked to the dispute stage, the Group cannot exclude that currently unforeseeable events may arise in the future which could require changes to the assessments made to date.

Contorno Rodoviario Florianópolis (Brazil)

On 21 September 2016, the Salini Impregilo (now Webuild) and Cigla Constructora Impregilo e Associados S.A. ("CCSIC") joint venture signed a contract with Autopista Litoral Sul S.A. worth approximately €75 million for the construction of a new dual carriageway roughly 30 km in length to reduce the large volume of traffic in the Florianópolis metropolitan region.

The project immediately ran into critical engineering problems due to the damp soil and the area's weather conditions, which CCSIC attempted to resolve by proposing new solutions to the customer (although it was not contractually obliged to do so).

In June 2018, CCSIC presented claims to the customer for higher costs and extension of the contract term. Despite the fact that the negotiations were still ongoing and the related memorandum of understanding was supposed to be signed in the near future, in January 2019, the customer informed CCSIC of its intention to terminate the contract.

CCSIC deems that this termination is illegal and contrary to the principle of good faith. Therefore, in 2019, it filed an appeal with the competent local judicial authorities (the Joinville first level court) requesting payment of the higher dismantlement costs of approximately €2 million and ratification of the memorandum of understanding, confirmation of the validity of the arbitration clause in such memorandum of understanding and the finding that termination of the contract by the customer was invalid.

In addition, Webuild's legal advisors requested the urgent and precautionary suspension of the enforcement of CCSIC's guarantees.

The competent Brazilian judge (Joinville Court) has guaranteed the judicial blocking of enforcement of the bank guarantee for the advance (roughly €2.3 million) and the insurance performance bond (around €7 million) by the customer on a precautionary basis.

Pending the civil trial of 4 October 2019, CCSIC also commenced an international arbitration proceeding (based on the arbitration clause included in the memorandum of understanding) for the claims of approximately €20 million notified before the contract had been terminated.

The customer in turn obtained the suspension of the arbitration proceedings from the competent Brazilian judge (Joinville Court), which CCSIC immediately appealed before the Santa Caterina Appeal Court.

In January 2021, the Appeal Court ruled i) to maintain suspension of the enforcement of CCSIC's guarantees (which the customer has not appealed) and ii) to continue to suspend the arbitration proceedings. CCSIC appealed this ruling before Brazil's Supreme Court (Corte Superior de Justicia) and intends to apply for resumption of the arbitration.

In the meanwhile, the Joinville first level court handed down its ruling on 6 July 2021 finding the application filed in 2019 by CCSIC to be groundless, finding the customer's termination of the contract to be legitimate, cancelling the international arbitration, blocking the enforcement of the guarantees and rejecting the appeal to recommence arbitration that had been filed in the third appeal before the Supreme Court.

On 6 August 2021, CCSIC appealed against this ruling before the Santa Caterina Appeal Court. On 10 November 2021, the Court accepted CCSIC's application for the precautionary blocking of the guarantees until a decision has been taken on the merits of the case.

On 29 June 2022, the Appeal Court's ruling confirmed the first level ruling. Assisted by its legal advisors, CCSIC will assess whether to challenge the ruling before the Supreme Court with respect to the continuation of the arbitration and the termination of the contract.

Unforeseen costs have been incurred and the joint venture has accordingly presented its request for additional consideration. The costs are included in the measurement of contract assets and liabilities for the part deemed highly probable to be recovered, based also on the opinions of the Group's advisors.

Considering the uncertainties linked to the dispute stage, the Group cannot exclude that currently unforeseeable events may arise in the future which could require changes to the assessments made to date.

Rome Metro

As part of the contract for the design and construction of the works for the B1 line of the Rome Metro, Webuild (formerly Salini Impregilo) commenced three legal proceedings in its name and as lead contractor of the joint venture against Roma Metropolitane S.r.l. ("Roma Metropolitane") and Roma Capitale requesting they be ordered to pay the disputed claims recorded during works execution, for which a technical appraisal by a court-appointed expert was provided.

1. Supreme Court - claims for the final billing for the Bologna - Conca d'Oro section

The Rome Court's ruling of August 2016 settled the first level proceedings involving the claims made for the Bologna - Conca d'Oro section and partly accepted the joint venture's requests, ordering Roma Metropolitane to pay roughly €11 million, plus VAT and related costs.

The joint venture commenced the necessary actions to collect the receivable based on this temporary enforceable ruling, which allowed it to collect the accepted amounts. It also presented an appeal for the award of a greater amount.

The Rome Appeal Court handed down its ruling of July 2018 rejecting the grounds for the joint venture's appeal and concurrently partly accepted the counter appeal presented by Roma Metropolitane, finding claim no. 38 to be ungrounded, although it had been partly accepted by the first level court for €4 million (already collected by the joint venture after the court's ruling).

The joint venture has appealed to the Supreme Court against the Appeal Court's ruling and a hearing date is yet to be set.

2. Rome Court - first set of claims for the Conca d'Oro - Jonio section

The second proceeding relates to the first set of claims for the Conca d'Oro - Jonio section. The initial stage has been deferred with the interim ruling of 2018 issued after the hearing for the conclusions. The judge accepted some claims made by the joint venture and ordered the court-appointed expert to recalculate the amounts due to the joint venture for just the claims rejected.

This ruling partly contradicted the findings of the first court-appointed expert which had confirmed the joint venture's claims for approximately €27.5 million.

Webuild challenged the interim ruling of January 2018, solely for the part that rejected some claims already examined by the court-appointed expert earlier, as did Roma Metropolitane.

The expert completed their appraisal in December 2018 and filed their additional report which included four possible amounts ranging from approximately €12 million to €23 million in favour of the joint venturers. Roma Metropolitane has requested the appraisal be reperformed by a new expert.

The Rome Court handed down its final ruling no. 6142/2020 of 15 April 2020 defining the second judgement on the extension of the B1 line and ordering Roma Metropolitane to pay the entire amount of €23.3 million, increased by the monetary revalution and interest since 31 August 2018, and the court costs and the court-appointed expert's cost.

Finally, with its ruling of 15 July 2020 on the partial ruling of January 2018, the Rome Appeal Court rejected Webuild's applications and partly accepted Rome Metropolitane's counter appeal, stating that two of the claims, accepted by the first level judge, were ungrounded.

Specifically, one of the two claims found to be ungrounded related to the irregular performance of the works which had been quantified by the court as part of the total compensation to be paid to the contractor for all the claims related to this issue (the irregular performance of the works), without specifying an individual amount for each claim. The appeal ruling reformulated the first level ruling finding the claim to be ungrounded but did not determine the amount of the related compensation. Therefore, it did not directly intervene with respect to the amount paid as per the first level ruling as compensation for the irregular performance of the works.

Webuild has appealed against the Rome Appeal Court's ruling before the Supreme Court and Roma Metropolitane has, in turn, presented its counter appeal.

The customer has also appealed against the Rome Court's ruling no. 6142/2020.

3. Rome Court - second set of claims for the Conca d'Oro - Jonio section

The third proceeding refers to the second and last set of claims for the Conca d'Oro - Jonio section, was commenced in September 2016 and the court-appointed expert completed their work in November 2018 and filed their definitive report. The expert found that the joint venture's claims of approximately €3 million were admissible. The Rome Court ordered Roma Metropolitane and Roma Capitale to jointly pay the total amount of €2.9 million increased by the accrued legal interest in its ruling no. 5861/2020 of 7 April 2020. Webuild appealed against the ruling on 18 September 2020 requesting that its claims be accepted and concurrently commenced the executive measures for collection of the amount due by Roma Capital as per the first level court ruling.

Webuild is confident that joint venture's arguments will be accepted supported by the opinion of its legal advisors.

Unforeseen costs have been incurred and the joint venture has accordingly presented its request for additional consideration. The costs are included in the measurement of contract assets and liabilities for the part deemed highly probable to be recovered, based also on the opinions of the Group's advisors.

Considering the uncertainties linked to the dispute stage, the Group cannot exclude that currently unforeseeable events may arise in the future which could require changes to the assessments made to date.

Colombia - Yuma and Ariguani

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

The construction works were delivered to the EPC contractor Constructora Ariguani S.A.S. en Reorganización ("Ariguani"), wholly owned by the parent, on 22 December 2011.

In November 2017, the customer ANI commenced administrative procedures against Yuma to have the contract terminated.

Yuma deems that the contract was significantly affected by a series of unexpected events outside its control which led to a significant imbalance in the contract that the customer is obliged to rectify.

After more than a year of negotiations, on 20 February 2020, the parties signed a rider to the concession agreement that provided for, inter alia, the interruption of the procedure commenced by ANI for the alleged serious breaches of the concession contract by Yuma and extended the contract term to complete the project by 56 months while not changing the concession term.

The addendum partially settled some claims made as part of the arbitration proceedings in place for the contract variations covered by the national arbitration at the Bogotà Chamber of Commerce and the claims before the International Chamber of Commerce as part of the international arbitration.

Webuild concurrently withdrew its application for arbitration to the International Chamber of Commerce, presented in November 2017. As a result and with the acceptance by ANI, this international arbitration proceeding has been discontinued and the only international arbitration still in place is that before the International Chamber of Commerce commenced by Yuma.

At the same time, two other addenda to the EPC contract were signed by Yuma and the EPC contractor Ariguani, covering the new financial terms and timeline agreed by them.

On 8 May 2020, the arbitration tribunal with the Bogotà Chamber of Commerce issued an award in Yuma's favour for six variations as part of the proceedings for the definition of 14 variations to the original contract. The tribunal has not defined the amounts to be paid by ANI to Yuma but ordered the parties to come to an agreement based on the calculation method established by the arbitrators. On 13 October 2020, the parties signed an agreement providing that the amount due to Yuma is COP247,514.9 million (around €52 million).

Due to the dispute and the difficulties encountered during the project, in 2018, both Yuma and Ariguani commenced their reorganisation ("Reorganización") pursuant to the local laws (Law no. 1116 of 2006) and this process is still ongoing.

As established by the additional three addenda (nos 10, 11 and 12) to the concession contract, on 4 June 2021, the loan agreement signed by the Italian banks (i) Banca Intesa Sanpaolo and (ii) Banca Popolare di Sondrio and Webuild S.p.A. was presented to ANI. This €100 million loan has been taken out to fund and complete the works. On 18 June 2021, Webuild and Yuma Concesionaria signed the related loan agreement.

Project S8 (Poland)

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

Although the main road section was opened to traffic on 22 December 2017, in May 2018, the customer informed the joint venture that the contract was considered to be terminated due to the latter's alleged breach of contract and concurrently requested payment of fines of €4.1 million.

On 22 May and 7 June 2018, the joint venture informed the customer that it considered termination of the contract to be invalid and legally ineffective and also asked for payment of the outstanding amount of €1.7 million and the contractually provided-for fines. Finally, it noted that the contract terminated due to the customer's default. The customer has attempted to enforce the performance bonds of approximately €8 million, which the joint venture had provided. The joint venture obtained a court order from the Parma Court preventing this on a precautionary basis.

On 31 October 2019, the Group filed a claim form with the Warsaw first level court for the recovery of the costs not paid before termination of the contract, claims and compensation for the irregular termination. In February 2020, the customer filed a counterclaim for approximately €2.9 million as contractual fines due to the termination of the contract for reasons allegedly attributable to the joint venture.

Unforeseen costs have been incurred and the joint venture has accordingly presented its request for additional consideration. The costs are included in the measurement of contract assets and liabilities for the part deemed highly probable to be recovered, based also on the opinions of the Group's advisors.

Moreover, the Group cannot exclude that events may take place in the future that cannot currently be foreseen and that could make it necessary to change its valuations.

Project A1F (Poland)

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

On 29 April 2019, the customer informed the joint venture that the contract was considered to be terminated due to the latter's alleged breach of contract and concurrently requested payment of fines of roughly €18 million.

On 6 May 2019, the joint venture informed the customer that it considered termination of the contract to be invalid and legally ineffective. On 14 May 2019, it notified that the contract terminated for reasons attributable to the customer as a result of reported defaults that were not remedied by the customer.

The customer obtained enforcement of the performance bonds, retentions and fines of approximately €37 million, which the joint venture had provided.

The joint venture has commenced proceedings against the customer before the Warsaw Court to receive payment for the works performed and claims of approximately €54 million.

Unforeseen costs have been incurred and the joint venture has accordingly presented its request for additional consideration. The costs are included in the measurement of contract assets and liabilities for the part deemed highly probable to be recovered, based also on the opinions of the Group's advisors.

Moreover, the Group cannot exclude that events may take place in the future that cannot currently be foreseen and that could make it necessary to change its valuations.

Project S3 (Poland)

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

On 29 April 2019, the customer informed the joint venture that the contract was considered to be terminated due to the latter's alleged breach of contract and concurrently requested payment of fines of roughly €25 million.

The customer has attempted to enforce the performance bonds of approximately €13 million, which the joint venture had provided. After the filing of an appeal against this enforcement, Salini Impregilo (now Webuild) provided for payment.

On 6 May 2019, the joint venture informed the customer that it considered termination of the contracts to be invalid and legally ineffective. On 14 May 2019, it noted that the contract terminated for reasons attributable to the customer as a result of reported defaults that were not remedied by the customer.

On 31 October 2019, the Group filed a claim form with the Warsaw first level court for the return of the amounts related to the undue enforcement of the performance bonds and payment of the fines due to termination. The customer's rejoinder and replication was received on 8 January 2021 and it includes a counterclaim for around

€11 million for delays, payments made by it to subcontractors, costs for work site maintenance, costs to reorganise traffic and interest. In April 2021, the judge excluded the customer's counterclaim from the proceedings for its examination in a separate proceeding.

Unforeseen costs have been incurred and the joint venture has accordingly presented its request for additional consideration. The costs are included in the measurement of contract assets and liabilities for the part deemed highly probable to be recovered, based also on the opinions of the Group's advisors.

Moreover, the Group cannot exclude that events may take place in the future that cannot currently be foreseen and that could make it necessary to change its valuations.

Project S7 Kielce (Poland)

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

The customer has enforced approximately €15 million of Webuild's bank guarantees.

The Group filed its first claim form with the Warsaw first level court for the return of the amounts related to the undue enforcement of the bank guarantees.

Unforeseen costs have been incurred and the joint venture has accordingly presented its request for additional consideration. The costs are included in the measurement of contract assets and liabilities for the part deemed highly probable to be recovered, based also on the opinions of the Group's advisors.

Moreover, the Group cannot exclude that events may take place in the future that cannot currently be foreseen and that could make it necessary to change its valuations.

Project S7 Wydoma (Poland)

Webuild was awarded this contract in October 2017.

On 7 December 2020, the customer informed the Group that the contract was considered to be terminated due to the latter's alleged breach of contract.

On 16 December 2020, Webuild informed the customer that it considered termination of the contract to be invalid and legally ineffective. It requested payment of the contractual fine of approximately €35 million (not yet received) and the return of the performance bond. It also noted that the contract terminated for reasons attributable to the customer.

On 21 December 2020, Webuild filed an update of its first claim form (filed on 4 November 2020) with the Warsaw first level court. It has asked that the judge find the contract to be terminated unjustly and that it be due the additional consideration of approximately €68.8 million.

At the start of July 2022, GDDKiA enforced the advance and performance bonds for a total of approximately €2.7 million; the Milan Court immediately prohibited this enforcement.

Unforeseen costs have been incurred and the Group has accordingly presented its request for additional consideration. The costs are included in the measurement of contract assets and liabilities for the part deemed highly probable to be recovered, based also on the opinions of the Group's advisors.Moreover, the Group cannot exclude that events may take place in the future that cannot currently be foreseen and that could make it necessary to change its valuations.

Copenhagen Cityringen

As a result of critical issues about this project related to its specific features and the significance of the works, the Group had to significantly revise the cost estimates for the early stages of this project. They mainly related to the construction of the concrete works, the electromechanical works and the architectural finishings.

The negotiations with the customer, assisted by their consultants and technical/legal advisors, led to the signing of an interim agreement on 30 December 2016 (which allowed the Group to collect €145 million) and other agreements which enabled it to collect additional amounts (for a total of €260 million). This settled some claims with the outstanding claims related to the pending arbitration proceeding before the Building and Construction Arbitration Board.

On 12 July 2019, the Group delivered the project and the metro was officially opened to the public on 29 September 2019.

In 2020, a year after the handover, when the performance bonds were to be reduced from 3% to 1%, the customer presented counterclaims for approximately €39 million blocking this reduction. The Group deems that these counterclaims are completely groundless and lacking the minimum requirements to be considered as such, by virtue of their failure to provide even the most basic information, such as a description of the events, timing, place of the facts, the cause effect link, contractual justification and support for quantification. On the basis of the above, CMT entirely rejected the counterclaims, judging them without any foundation.

On 26 April 2021, the Group presented the Building and Construction Arbitration Board with its Supplementary Statement of Claim. Therefore, at that date, all its claims have been formally filed for arbitration. The arbitration tribunal has not yet been constituted.

On 17 September 2021, CMT presented a new separate application for arbitration to the Building and Construction Arbitration Board asking for a reduction in the performance bonds from €52.1 million to €17.3 million. The proceeding is at an initial stage.

Unforeseen costs have been incurred and the Group has accordingly presented its request for additional consideration. The costs are included in the measurement of contract assets and liabilities for the part deemed highly probable to be recovered, based also on the opinions of the Group’s advisors.

Moreover, the Group cannot exclude that events may take place in the future that cannot currently be foreseen and that could make it necessary to change its valuations.

North West Rail Link (Australia)

This project included the design and building of a 36 km metro line north west of Sydney, of which 4.6 km as a viaduct (the Skytrain bridge). The metro opened in May 2019.

The Group participated in the project through a joint venture of Salini Impregilo (now Webuild) and Salini Impregilo PTY Limited.

After the joint venture presented claims, the DAB issued a decision acknowledging its right to AUD34.5 million (roughly €21.4 million) on 9 December 2019.

The contract with Sydney Metro provides for resort to the Australian Centre for International Commercial Arbitration should one or both of the parties be unsatisfied with the DAB’s decision.

In fact, on 31 January 2020, both the joint venture and the customer presented the DAB with a notice of dissatisfaction.

The joint venture subsequently applied for arbitration to the Australian Centre for International Commercial Arbitration on 20 July 2021. The arbitration tribunal has been constituted and the hearing is underway.

Webuild is confident that the joint venture’s arguments will be accepted at the end of the dispute supported by the opinion of its legal advisors.

Unforeseen costs have been incurred and the joint venture has accordingly presented its request for additional consideration. The costs are included in the measurement of contract assets and liabilities for the part deemed highly probable to be recovered, based also on the opinions of the Group’s advisors.

Considering the uncertainties linked to the dispute stage, the Group cannot exclude that currently unforeseeable events may arise in the future which could require changes to the assessments made to date.

Al Bayt Stadium (Qatar)

On 25 October 2019, the joint venture comprising Leonardo S.p.A. and PSC S.p.A. (“Leonardo/PSC JV”) commenced an arbitration proceeding before the International Chamber of Commerce against the joint venture consisting of Galfar Al Misnad Engineering and Contracting, Salini Impregilo (now Webuild) and Cimolai S.p.A. ("GSIC JV" in which the Group has a 40% interest) with respect to the contract to build the Al Bayt Stadium in Doha, Qatar.

As subcontractor of the contract to supply mechanical and electrical works, the Leonardo/PSC joint venture claimed damages for the acceptance of variations and other compensation from the contractor GSIC JV for QAR1,289 million (approximately €300 million). As part of the same arbitration proceedings, GSIC JV presented its counterclaim, which includes, inter alia, acknowledgement of the costs incurred on the subcontractor's behalf and compensation for the higher costs incurred due to the latter's delays and negligence.

In turn, GSIC JV has claimed damages of not less than QAR715 million (approximately €173 million).

The defence briefs are being prepared and the arbitration tribunal has requested the related documentation be presented.

With respect to the arbitration proceedings commenced by the Leonardo/PSC JV, Webuild is confident that GSIC JV's arguments will be accepted at the end of the dispute supported by the opinion of its legal advisors.

During preparation of the contract budget and the condensed interim consolidated financial statements, Webuild considered the above costs and compensation for the subcontractor's delays and negligence to the extent it deems it is highly probable that GSIC JV's counterclaim will be successful, also based on the opinion of the Group's legal advisors.

However, it cannot exclude that events may take place in the future that cannot currently be foreseen and that could make it necessary to change its valuations.

Saudi Arabia

With respect to the contract to build Line 3 of the Riyadh Metro, on 25 January 2021, the Arab company United Code Contracting Corporation commenced an ICC arbitration proceeding against the joint venture comprising Webuild, Larsen & Toubro, Salini Saudi Arabia and Nesma.

As subcontractor for the works supply contract, United Code Contracting Corporation has claimed damages of USD162.5 million from the joint venture for the undue termination of the subcontracting contract, non-payment of interim payment certificates, failure to pay the final bill and the undue allocation of works to third parties.

The Webuild/Larsen & Toubro/Salini Saudi Arabia/Nesma joint venture has claimed an initial amount of USD114.5 million from United Code Contracting Corporation as fines, undue payments, unclaimed payments and compensation for damages as well as the claims previously agreed by the parties in a contract addendum but no longer accepted by the customer and the additional costs to recover the above amounts.

The Group has a 59.14% interest in the joint venture.

The arbitration tribunal was set up in September 2021 and the proceedings are at an initial stage with the exchange of the defence briefs.

Webuild is confident that the joint venture's arguments will be accepted at the end of the dispute supported by the opinion of its legal advisors.

Considering the uncertainties linked to the dispute stage, the Group cannot exclude that currently unforeseeable events may arise in the future which could require changes to the assessments made to date.

Tajikistan

With respect to the contract to build the Rogun Dam, Webuild commenced arbitration proceedings in the period between January to July 2021 under the aegis of the International Chamber of Commerce of Paris against OJSC Rogun and the Tajikistani state. It has presented monetary claims and requested an extension of the contract deadline.

The amounts involved in the main proceedings are USD6.2 million, USD7.0 million, USD0.5 million and USD16.5 million, respectively.

The initial documentation is being filed and the arbitrators are being appointed for all the proceedings, which may be joined.

Slovakia

On 6 March 2019, the joint venture comprising Salini Impregilo (now Webuild) and the Slovakian company Duha and the customer signed an agreement to terminate the contract for the design and construction of a major motorway section. This agreement provides for the recognition of the works awaiting certification and also establishes that:

- the customer will certify most of the works performed and awaiting approval for bureaucratic reasons in the short term;
- a dispute adjudication board (DAB) will be appointed, consisting of international members rather than the Slovakian members provided for in the original contract, to decide on the additional consideration requested by the joint venture;
- should the DAB's ruling not be agreeable to the parties, they may apply to an international arbitration tribunal (ICC Vienna) rather than a Slovakian tribunal as provided for in the original contract.

After the joint venture's presentation of its many claims, on 18 November 2019, the DAB issued its first decision on the unexpected geological events and excavations of the tunnel, finding that the joint venture was due approximately €8 million. In December 2019, both the joint venture and the customer sent the DAB a notice of dissatisfaction. As the parties were unable to come to an agreement, Webuild applied to ICC for arbitration on 14 February 2021.

On 18 June 2021, the DAB issued its second decision on the greater costs related to the extension of the contract timeline and fines (milestones 2 and 3), finding that the joint venture was due around €7 million.

The joint venture filed its second application for arbitration with ICC on 28 June 2021. The parties have agreed to join the two arbitration proceedings and the arbitration tribunal has been constituted. The proceeding is at an initial stage.

Unforeseen costs have been incurred and the joint venture has accordingly presented its request for additional consideration. The costs are included in the measurement of contract assets and liabilities for the part deemed highly probable to be recovered, based also on the opinions of the Group's advisors.

Moreover, the Group cannot exclude that events may take place in the future that cannot currently be foreseen and that could make it necessary to change its valuations.

Administrative litigation

This section describes the main administrative proceedings involving the group companies.

USW Campania projects

The special commissioner tasked by the Regional Administrative Court to collect receivables of the former operators of the waste disposal service performed until 15 December 2005 submitted their final report in November 2014, in which they stated that the competent public administration had already collected directly €46.4 million of the fee due to Fibe for its services rendered until 15 December 2005 (when the contracts were terminated ope legis), without forwarding it to Fibe, and that total outstanding receivables totalled €74.3 million.

In its ruling no. 7323/2016, the Regional Administrative Court decided that the special commissioner should pay the amounts claimed by Fibe only after the assessment is completed and, hence, including amounts already collected by the administration. Fibe challenged this ruling with the Council of State which rejected it with its ruling no. 1759/2018. A petition for the conclusion of the proceedings was then filed. After the resignation of the special commissioner, the Regional Administrative Court appointed a new commissioner on 16 April 2018. As this commissioner did not accept the position, on 10 January 2019, another commissioner was appointed that filed a report on 13 January 2020 confirming the findings reported by the previous commissioner in

November 2014. Due to the interim payments made which reduced the total amounts due, the commissioner calculated the amounts outstanding as fees to be €54.8 million and deferred the definitive calculation of the amounts of €3.1 million in addition to that already ascertained and the total amount of interest and fines due to Fibe to a second stage. On 29 January 2021, the commissioner filed another report setting out the definitive calculation of the amounts due to be €57.3 million and the interest and fines due to Fibe as €62.7 million. The Regional Administrative Court ruled on 4 March 2021 that the mandate given to the special commissioner had ended and confirmed the amounts ascertained by them.

In 2009, Fibe filed a complaint with the Lazio Regional Administrative Court about the slackness of the competent authorities in completing the administrative procedures for the recording and recognition of the costs incurred by the former service contractors for activities carried out pursuant to law and the work ordered by the administration and performed by the companies during the years from 2006 to 2008 (i.e., after the contracts had been terminated).

As part of the aforementioned ruling, the Regional Administrative Court appointed an inspector who, on 21 December 2017, submitted a final report finding that, in short, the amounts stated by Fibe in its appeal and the supporting documentation were substantially consistent. The company requested a more in-depth review of certain items and the correction of some errors. The Regional Administrative Court ordered an additional inspection. On 28 September 2018, the inspector filed their final report, which addressed the requests made by Fibe for a more in-depth review and corrections. The Lazio Regional Administrative Court with its ruling of 21 March 2019 ordered the Office of the Prime Minister to pay €53 million, including VAT and interest, as the fee for services carried out after the contracts were terminated. The Office of the Prime Minister challenged this ruling before the Council of State. In its ruling no. 974 of 7 February 2020, the Council of State identified a logical legal error in the Regional Administrative Court's ruling where it ordered the Office of the Prime Minister to pay the amounts requested and documented by Fibe (private part) not yet checked by it. The Council of State amended in part the first level ruling finding that Fibe is due the smaller amount of €21 million, increased by legal interest (instead of the amount of €53 million ordered by the Regional Administrative Court). It ordered the administration to check the difference between the amount due to Fibe and that established by the Regional Administrative Court.

In May 2020, Fibe filed: (i) an appeal before the Supreme Court for excessive jurisdictional power, (ii) an appeal before the Council of State for revision due to inconsistent rulings and the error of fact made by the Appeal Judge. The Council of State accepted the appeal for revision and recognised Fibe's subjective right to the amounts due to it with its ruling no. 1674/21 of 26 February 2021. Nevertheless, it referred the completion of the checks to the Office of the Prime Minister, setting a deadline of 180 days. Fibe appealed against this ruling before the Supreme Court challenging the backwardness of the jurisdictional function as per article 362 of the Code of Civil Procedure (appeal no. 20137/2021). Appeal no. 13875/2020 against the Council of State's ruling no. 974/2020, partly overturned by the Council of State's subsequent ruling no. 1674/2021, was joined with this appeal).

The Supreme Court handed down a joint ruling filed on 4 February 2022 rejecting both appeals and confirming the Council of State's ruling no. 1674/21 on the revision and related obligation of the public administration to complete the procedure and, should it fail to do so, to appoint a special commissioner (the state general accounting office) to do so. The Office of the Prime Minister had stated that it was unable to carry out the investigation due to the lack of available data and short period of time allowed and referred to the special commissioner to check and confirm the reported amounts.

The Rome Court assigned Fibe the total amount of approximately €71 million with a deadline of 20 days for Bank of Italy to pay the amount starting from the date of notification of the ruling handed down on 20 June 2022 as part of the enforcement procedure commenced by Fibe for receipt of the amounts recognised by the Council of State's ruling no. 974/2020 and those due under the civil proceedings described in point 2 of the previous section on civil litigation. The ruling was notified on 22 June 2022.

With ruling no. 3886/2011, the Lazio Regional Administrative Court upheld Fibe's appeal and ordered the administration to pay the undepreciated costs at the termination date for the RDF plants to Fibe, for a total amount of €205 million, plus legal and default interest from 15 December 2005 until settlement.

Following the enforcement order filed by Fibe and opposed by the Office of the Prime Minister, Fibe obtained the allocation of €241 million (collected in previous years) as a final payment for the receivables for principal and legal interest and suspended the enforcement procedure for the further amount of default interest claimed. Both parties initiated proceedings about the merits of the case. The judge rejected the request for default interest submitted by Fibe in the ruling of 12 February 2016, which Fibe challenged.

As part of the USW Campania projects, the Group was notified of a large number of administrative measures regarding reclamation and the implementation of safety measures at some of the landfills, storage areas and RDF plants. For the proceedings regarding the characterisation and emergency safety measures at the Pontericcio site, the RDF plant in Giugliano and the temporary storage area at Cava Giuliani, the Lazio Regional Administrative Court rejected the appeals filed by Fibe with ruling no. 6033/2012. An appeal against this ruling, based on contamination found at a site different to those subject of the proceedings, was filed with the Council of State. It denied Fibe's precautionary motion to stay the enforcement of the decision. The Council of State subsequently accepted Fibe's appeal in its ruling no. 5076/2018, reversing the first level ruling and cancelling the measures challenged by Fibe. With respect to the Cava Giuliani landfill, the Lazio Regional Administrative Court, with ruling no. 5831/2012, found that it lacked jurisdiction in favour of the Superior Court of Public Waters, before which the appeal was summed up and this court rejected the appeal with its ruling no. 119/2020 filed on 28 December 2020. Fibe has appealed this ruling. Before the judges' rulings, Fibe had completed the characterisation operations for the above sites, but this does not constitute any admission of liability whatsoever.

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

S.a.Bro.M. S.p.A. ("SABROM") is the operator for the design, construction and operation of the new regional Broni-Mortara motorway under the terms of the concession contract signed with the customer Infrastrutture Lombarde S.p.A. ("ILSpA") on 16 September 2010.

In July 2016, the Ministry for the Environment, Land and Sea Protection ("MATTM") issued a measure containing a negative opinion on the project's environmental compatibility.

SABROM asked the customer to protect the project by appealing against the Ministry's measure and also communicated its willingness to work with the customer to modify the designs so that the project could be re-assessed by the Ministry and other competent bodies.

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

On 14 February 2019, ILSpA filed an appeal with the Council of State and the date of the hearing has not yet been set.

Webuild deems the risk of an unfavourable ruling is remote and that the assets recognised under intangible assets at 30 June 2022 are recoverable, supported by its legal advisors.

However, it cannot exclude that events may take place in the future that cannot currently be foreseen and that could make it necessary to change its valuations.

Criminal litigation

This section describes the main criminal proceedings involving the group companies.

USW Campania projects

In 2008, as part of an investigation into waste disposal in the Campania region carried out after the ope legis termination of the relevant contracts (on 15 December 2005), the Preliminary Investigations Judge, upon a request by the public prosecutor, issued personal preventive seizure measures against some managers and employees of Fibe, Fibe Campania (subsequently merged into Fibe) and Fisia Ambiente and managers of the

commissioner’s office. As part of this investigation, the former service providers and Fisia Ambiente are also charged with the administrative liability attributable to companies pursuant to Legislative decree no. 231/2001 without claims for compensation being made against these companies.
In the hearing of 21 March 2013, the Preliminary Hearing Judge ordered that all the defendants and companies involved pursuant to Legislative decree no. 231/2001 be committed for trial for all charges, transferring the proceedings to the Rome Court as a result of an acting judge being listed by the Naples public prosecutor as under investigation.

On 16 June 2016, the Rome Court accepted the public prosecutor’s request and found all the individuals involved in the proceedings not guilty. The hearing will continue for the companies involved and the public prosecutor is currently examining the motions.

COCIV consortium

On 26 October 2016, some managers and employees of COCIV were arrested as were other persons (including the chairman of Reggio Calabria - Scilla S.C.p.A., who promptly resigned) with warrants issued on 7 October 2016 by the Genoa Court and 10 October 2016 by the Rome Court. The above two legal entities were informed that the Genoa and Rome public prosecutors are investigating alleged obstruction of public tender procedures, corruption and, in some cases, criminal organisation.

Specifically, the proceeding before the Genoa Court (involving COCIV managers and employees) covers alleged obstruction of public tender procedures for supplies or works on individual lots (for which the public prosecutor also intends to investigate Webuild’s chief executive officer) as well as two cases of corruption. The proceeding originally before the Rome Court (consisting of two separate investigations), and now joined and transferred to the Alessandria public prosecutor, relates to the alleged bribery of works management by senior management of the contractors (COCIV, Reggio Calabria - Scilla S.C.p.A. and Salerno-Reggio Calabria S.c.p.A.) in order to encourage the works manager (also under investigation) to perform acts contrary to their official duties.

On 11 January 2017, as part of the proceedings commenced on 16 November 2016, ANAC sent the Rome Prefecture a proposal for adoption of the extraordinary measures pursuant to article 32 of Decree law no. 90 of 24 June 2014 against COCIV. On 3 March 2017, the Rome Prefecture appointed a special commissioner for the extraordinary and temporary administration of COCIV in accordance with article 32.1.b) of the above Decree law for a six-month period, which was then extended to 15 January 2019.

The Rome Prefecture acknowledged termination of the extraordinary and temporary administration of COCIV on 31 October 2018 with its decree of 14 November 2018, given that the set objectives had been met.

Specifically, in 2018, the Genoa public prosecutor notified the completion of the preliminary investigations for the criminal proceedings to the parties under investigation, which did not include COCIV. During 2019, the public prosecutor requested and obtained a hearing of an excerpt of the relevant interceptions, which was followed, on 21 February 2020, by a further notification of the notice of conclusion of the investigations pursuant to article 415-bis of the Italian Criminal Code. The public prosecutor subsequently filed a substantial application for indictment, which was followed by the opening of the preliminary hearing phase, completed on 15 March 2021 with a double ruling by the Judge for the Preliminary Hearing: a ruling not to proceed with the first allegation as it had become time-barred, except for the chief executive officer of Webuild who was found not guilty of committing the alleged crime, even though that part of the case was not time-barred. The judge also ordered that criminal proceedings be commenced for the other alleged crimes.

On 27 February 2020, the public prosecutor requested that the proceeding be filed with respect to COCIV’s position, under investigation for the alleged administrative offence as per article 25 of Legislative decree no. 231/2001 given that the consortium had put in place a suitable and appropriate organisation model as per Legislative decree no. 231/2001 before the alleged crimes took place and, moreover, the alleged crimes were not performed to the advantage or in the interests of COCIV.

The filing request also covered some parties under investigation in the main proceeding in relation to numerous additional alleged crimes charged to them during the investigation stage and found to be ungrounded (articles 416, 353, 353-bis, 319, 321 and 346-bis of the Italian Criminal Code and article 2635 of the Italian Civil Code).

Following the most recent notice as per article 415-bis of the Italian Code of Criminal Procedure and the application for commitment for trial, it has been confirmed that the investigation focuses on assumed collusive bidding and bribery, all of which took place quite some time ago (2012 to 2016).

The charges refer to alleged conduct that could only be carried out by the individuals in charge of managing the related procedures. This implies that the alleged involvement of key management personnel (the then chairman of the consortium) and the parent's chief executive officer, would not lead to the identification of any real activities and/or conduct that these persons actually undertook.

With respect to the criminal proceedings commenced by the Rome public prosecutor for the alleged crime of association for criminal purposes, the dismissal of the related criminal proceedings was applied for and obtained on 5 September 2018 as the related charge cannot be sustained. With respect to all the alleged corruption practices, involving the alleged administrative liability of COCIV and Reggio Calabria - Scilla S.C.p.A. for the administrative offence as per articles 5 and 25 of Legislative decree no. 231/2001, the Rome Court declared its lack of jurisdiction and referred all the cases to the Bolzano public prosecutor which joined them in a single case and requested that it be heard. During the preliminary hearing of 26 June 2019, the judge declared its lack of jurisdiction and ordered the case be referred to the Alessandria Court, where it has been again included in the investigation phase.

At the hearing before the Judge for the Preliminary Hearing at the Alessandria Court held on 17 June 2022, the Judge declared their lack of territorial jurisdiction and that the Judge for the Preliminary Hearing at the Bolzano Court was competent to hear the case. They submitted the case to the Supreme Court for a decision due to the negative conflict of jurisdiction.

With respect to the alleged bribery, COCIV deems that, as already found by the Genoa public prosecutor, the crimes allegedly committed by its personnel (should they be found guilty by the court) were to its detriment and were essentially committed in their own interests by fraudulently circumventing the rules in place to control its activities. Moreover, these alleged offences would not have required RFI to pay a larger or undue amount or create economic benefits for COCIV but rather would have required it to pay higher costs. The consortium's new structure (senior management and operating personnel) is committed to ensuring that the works can continue while concurrently dealing with the social and employment issues arising from the discontinuity measures that the consortium has had to put in place vis-à-vis the third party companies involved in the legal proceedings. The consortium has carefully checked the quality of the materials used in the works previously carried out although this is not an issue raised by the public prosecutors. Its results are wholly in line with the findings of the expert appointed by the Genoa Court, which both found the full compliance of the materials used by COCIV with the quality levels specified in the contracts and relevant legislation.

Rome Court investigations (notice of completion of the preliminary investigations)

Webuild has been informed by the legal advisors of a person under investigation of the notice of completion of the preliminary investigations as per article 415-bis of the Italian Criminal Code involving a group manager on 11 February 2022. The public prosecutor has alleged this manager's responsibility for manslaughter for violation of the rules on safety in the workplace as an employee who had a fatal accident and did not receive medical assistance in time at the Gibe III work site in Ethiopia on 13 July 2013 had not been provided with the required training.

Webuild's liability under Legislative decree no. 231/2001 has also been assumed.

With regard to the parent, the lawyers consulted deem that its alleged administrative offence has become time-barred.

Ministry of the Environment / Autostrade per l'Italia S.p.A. - Todini Costruzioni Generali (now HCE Costruzioni + others)

In June 2011, upon conclusion of the investigations commenced in 2005, the Florence public prosecutor charged the CEOs and former employees of Todini C.G. S.p.A. with environmental crimes with respect to the management of excavated soil and rocks, water regulation, waste management and damage to environment assets as part of the Tuscan lots of the "Valico variation".

The Ministry of the Environment joined the criminal proceedings as a civil party, suing Autostrade per l'Italia S.p.A., Todini C.G. S.p.A., Impresa S.p.A. and Toto S.p.A. for their civil liability and quantifying the alleged environmental damage to be compensated as "*not less than €810,000,000.00 or any amount that may be established during the proceedings and/or established in an equitable manner*". As evidence of the damage, the Ministry presented a preliminary report prepared by I.S.P.R.A. (a body which is part of the Ministry).

The judge held that the I.S.P.R.A. report was not a document that could be used in the proceedings as it had not been prepared inter partes and, moreover, did not include the name of the individual that had physically prepared it. At the date of preparation of this report, the claim for compensation is not supported by proof about its size.

On 30 October 2017, the Florence Court found all the defendants not guilty and the public prosecutor appealed the ruling on 20 June 2019. The Supreme Court accepted the public prosecutor's appeal on 19 January 2021 and overturned the Florence Court's ruling, remitting continuation of the case to the Appeal Court. The appeal hearing started in July 2022.

For completeness purposes, after the claim for compensation presented by the Ministry of the Environment, the Group commissioned a report on the possible effect of the criminal proceeding on the consolidated financial statements. The opinion was that the Ministry's joining the proceedings as a civil party did not require any provision to be made in the separate or consolidated financial statements or the condensed interim consolidated financial statements.

The Group is confident that the claim for compensation will not be accepted.

Other situations characterised by risk and/or uncertainty profiles

Società Italiana per Condotte d'Acqua S.p.A. under extraordinary administration

Società Italiana per Condotte d'Acqua S.p.A. under extraordinary administration ("Condotte"), which has investments in group companies, filed a petition as per article 161.6 of the Bankruptcy Law after which, on 17 July 2018, it applied for immediate application of the extraordinary administration procedure pursuant to article 2 of Decree law no. 347/2003 to the Ministry of Economic Development.

The Ministry issued its decree on 6 August 2018 authorising Condotte to enter extraordinary administration as per Decree law no. 347/2003 converted by Law no. 39 of 18 February 2004 (the "Marzano Law").

The Rome Court declared Condotte insolvent in its ruling of 14 August 2018.

On 22 October 2018, the special commissioners invited Condotte's creditors to file their claims for inclusion in the insolvency proceedings for their receivables originated up to 6 August 2018 (the date on which it entered extraordinary administration) before 12 December 2018.

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

- Consorzio Alta Velocità Torino Milano (CAVTOMI);
- Consorzio Collegamenti Integrati Veloci (COCIV);
- Lybian Expressway Contractors;
- Eurolink S.C.p.A.;
- Reggio Calabria Scilla S.C.p.A.;
- Salerno Reggio Calabria S.C.p.A.;
- Consorzio Iricav Due.

Their claims were based on the following:

a) offsetting their receivables from Condotte that were due before 6 August 2018 against their payables due to Condotte which were also due before 6 August 2018;

b) filing of the outstanding balances after the offsetting in the insolvency proceeding:

- as a pre-preferential claim as provided for by article 51.3 of Law no. 270/1999 (the “Prodi Law”) and article 74 of the Bankruptcy Law;
- alternatively and subject to appeal, as a preferential claim in accordance with article 2761.2 of the Italian Civil Code for the principle and article 2758 of the Italian Civil Code for the VAT collected at source;
- as a secured claim as a further alternative and subject to appeal.

On 14 February 2019, Condotte’s special commissioners filed the claims with the court office.

On 22 February 2019, the consortia/consortium companies filed their comments on the claims for the purposes of the related hearing.

During 2019 and 2020, the hearings about the claims took place at the Rome Court. The judge confirmed the acceptance of the claims of Eurolink S.C.p.A., Libyan Expressway Contractors, Salerno Reggio Calabria S.C.p.A. and Reggio Calabria Scilla S.C.p.A. as unsecured claims, as well as the interest calculated in the comments, on 11 June 2020.

CAVTOMI’s claims were not accepted as they were offset by its payables. The consortium’s legal counsel noted that the commissioners had not provided proof of the existence of these payables and requested they be given additional time to better analyse the accounting documentation presented in court. The judge has not accepted the request given the need to finalise the claims during the hearing and given that appeals can be made by challenging the accepted claims.

As the COCIV consortium and Iricav Due consortium had entered into agreements with Condotte’s special commissioners in the meantime, with the result that they transferred their interests, rights and obligations, and amounts due to and from Condotte to Webuild, they waived their right to have their claims included in the insolvency proceedings.

Webuild has rolled out a long-term industrial operation (“Progetto Italia”) to create a new national construction group to include some of the major Italian construction companies. As a result, the parent made an offer to invest in Astaldi (whose composition with creditors proposal had been authorised by the Rome Court) and is assessing whether to engage in similar transactions with other infrastructure operators such as Condotte.

Lybian Expressway Contractors, Eurolink S.c.p.a., Reggio Calabria Scilla S.C.p.A. and Salerno Reggio Calabria S.C.p.A. have challenged the accepted claims before the Rome Court, asking that their requests be accepted and, specifically, that the pre-preferential nature of the accepted claims be acknowledged (including conditional upon Condotte’s taking over of the consortium’s relationships) and the amounts due as interest.

On 10 November 2021, the Rome Court rejected the appeal challenging the accepted claims presented by Reggio Calabria Scilla S.C.p.A. in liquidation against Società Italiana per Condotte d’Acque S.p.A. under extraordinary administration.

The Rome Court subsequently accepted the appeal filed by Salerno Reggio Calabria S.C.p.A. in liquidation (“SARC”) challenging the accepted claims in its ruling of 25 May 2022. It found that the consortium company’s claim of €22.8 million from Condotte can be considered to be pre-preferential conditional upon the commissioners taking over the consortium’s relationships. The Court also accepted another appeal made by SARC for interest of €9.9 million accrued on the receivable in the same ruling. The competent judge had excluded the inclusion of interest in the claims while the Court accepted it and found it to also be pre-preferential. As a result, SARC has a conditional pre-preferential claim of approximately €32.7 million.

The group companies in which Condotte has investments are carefully monitoring developments in the situation.

Supported by its legal advisors, Webuild is confident that the receivables and payables will be offset and that the receivables should be recovered (net of offsetting) by the SPEs in which Condotte had an investment.

Moreover, the Group cannot exclude that events related to the above-mentioned extraordinary administration procedure may take place in the future.

Astaris (formerly Astaldi)

Composition with creditors on a going concern basis as per article 186-bis of the Bankruptcy Law and partial proportionate demerger of the core assets scope

On 28 September 2018, Astaldi S.p.A. ("Astaldi" or "Astaris") filed its application (no. 63/2018) with the bankruptcy section of the Rome Court for its composition with creditors on a going concern basis procedure as per article 161 and following articles of the Bankruptcy Law (the "procedure").

On 19 June 2019, Astaldi filed the definitive composition with creditors plan (the "plan") together with the proposal and additional documentation requested (subsequently updated on 16 July 2019, 20 July 2019 and 2 August 2020 - the "composition with creditors proposal").

The plan is underpinned, inter alia, by the offer for financial and industrial assistance made by Webuild on 13 February 2019, subsequently integrated and confirmed on 15 July 2019 (the "Webuild offer"). On 5 November 2020, after subscribing the capital increase reserved to it, Webuild became Astaldi's controlling shareholder and had an investment therein of 66.10% at 30 June 2021.

The Rome Court authorised the composition with creditors procedure with immediate and definitive effect with its ruling no. 2900/2020 published on 17 July 2020 (no. 26945/2020) and authorised its full execution with its ruling of 28 July 2021.

Partial proportionate demerger of the core assets scope

On 29 and 30 April 2021, respectively, extraordinary meetings of the shareholders of Webuild and Astaldi were held to approve the proposed partial proportionate demerger of Astaldi to Webuild, after which Astaldi's core assets scope will be definitively separated, including legally, from the separate unit set up by it on 24 May 2020 as part of its composition with creditors procedure.

On 1 August 2021, the partial proportionate demerger became effective and Webuild took over all the assets and legal relationships of Astaldi's core assets, without prejudice to the effects of the composition with creditors procedure and excluding those transferred to the separate unit set up by Astaldi pursuant to article 2447-bis and following articles of the Italian Civil Code as part of its composition with creditors proposal authorised by the Rome Court and to be used solely to satisfy its unsecured creditors. As a result, Webuild received Astaldi's liabilities related to the core assets scope after Astaldi discharged its debts resulting from the composition with creditors procedure. This implies that it did not receive, inter alia, liabilities for claims to be considered as unsecured pursuant to the authorised composition with creditors proposal related to Astaldi's transactions, settled or not before 1 August 2021, even when they were acknowledged in the proceedings or out-of-court after that date. Webuild is solely obliged to issue shares for such claims in accordance with that set out in the demerger proposal.

On 1 August 2021, but effective before the demerger, the transfer of the business unit including Astaldi's Italian operations to a wholly-owned newco, Partecipazioni Italia S.p.A., took place.

As a result of the demerger, Webuild has obtained control of 100% of Partecipazioni Italia S.p.A., owned by Astaldi S.p.A., with effect from 1 August 2021.

NBI S.p.A. - Separate composition with creditors procedure

On 5 November 2018, NBI S.p.A. ("NBI"), wholly-owned by the Group, submitted an application for a separate composition with creditors on a going concern basis procedure to the Rome Court as per article 161.6 of the Bankruptcy Law. On 9 October 2020, the Rome Court published its ruling authorising NBI's composition with creditors procedure. This ruling, handed down without opposition as per article 180.3 of the Bankruptcy Law, cannot be appealed and is, therefore, res judicata with immediate effect. NBI's composition with creditors procedure entails the settlement of all the pre-preferential and preferential claims in full and payment of 10.1% of the unsecured claims in cash over the plan period as well as payment of the unsecured claims using the proceeds from the sale of some non-core assets. The court has entrusted the performance of the composition with creditors procedure to NBI while the judicial commissioners will oversee its proper execution. The court appointed a receiver to sell the non-core assets in line with the information provided in NBI's composition with creditors proposal and assigned them the duty of satisfying the creditors. The court's authorisation implies that NBI is again a going concern.

Afragola FS S.C.r.l. - Separate composition with creditors procedure

On 3 June 2019, Afragola FS S.C.r.l. ("Afragola", wholly-owned by the Group) submitted an application for a separate composition with creditors procedure to the Rome Court as per article 161.6 of the Bankruptcy Law. The Rome Court authorised Afragola's application for the composition with creditors procedure with its ruling of 4 October 2020 filed on 5 November 2020. On 10 March 2021, the creditors' meeting was held and the company's proposal was approved by the majority of the creditors with voting rights pursuant to article 178.4 of the Bankruptcy Law in the following 20 days. The court set the date for the hearing to authorise the composition with creditors procedure at 15 December 2021. On 25 March 2022, the related authorisation was filed.

Partenopea Finanza di Progetto S.C.p.A. - Separate composition with creditors procedure

Partenopea Finanza di Progetto S.C.p.A. ("PFP", 99% controlled by the Group) received a winding up petition before the Naples Court on 6 February 2019. As it did not have sufficient funds to cover its debts (its main asset is a financial asset with Astaldi that cannot be collected given Astaldi's composition with creditors procedure), it in turn filed an appeal pursuant to article 161.6 of the Bankruptcy Law with the Naples Court. The court authorised PFP's composition with creditors procedure with its ruling of 21 October 2020 and appointed the judicial receiver in charge of selling the company's assets and distributing the proceeds to its creditors.

Civil litigation

Metro C (Italy)

Actions related to default of the implementing act:

1. Opposition proceedings against the order for payment - Appeal against the first level ruling

Metro C (Webuild's investment: 34.5%) applied for and obtained an order from the Rome Court against Roma Metropolitane for payment of the amounts provided for in the implementing act of September 2013 (€296 million) in January 2014. Roma Metropolitane, which had paid roughly €224 million to Metro C during the proceedings, opposed the order. In April 2021, an additional €16 million was received. Therefore, at the date of preparation of this report, Metro C has collected €240 million. Given that it has received only part of the amount outstanding, Metro C has continued to claim the remainder of approximately €56 million plus default interest. The Rome Court overturned the order for payment on 15 June 2018 and dismissed Metro C's payment application for the remainder. Metro C has appealed against this ruling and the related proceedings are pending before the Rome Appeal Court.

2. Action for damages due to the customer's unlawful acts

Metro C commenced an action for damages with its claim form of 21 May 2019 against Roma Metropolitane and Roma Capitale for unjustly incurred financial charges and damage caused by the non-payment of the sums due under the implementing act of September 2013 as well as the unlawful deductions applied by Roma Metropolitane. Metro C has claimed damages of approximately €55 million for the reasons cited in the claims form, based on an appraisal, in addition to another €18 million for the deductions made by Roma Metropolitane as arbitrary claims for refunds of the new prices agreed and paid during the contract term.

The court appointed an expert which prepared its report finding that the deductions made by Roma Metropolitane of a net amount of around €2.2 million are incorrect and should, therefore, be returned in full to the general contractor.

As the pre-trial stage has been completed, the proceedings are before the judge for their ruling.

CO.MERI (SS-106 state road Jonica, Lot DG–21) (Italy)

As part of the dispute about the construction of E-90, the section of SS-106 state road Jonica from the Squillace interchange (km 178+350) to the Simeri Crichi interchange, on 29 October 2020, the Rome Appeal Court entirely rejected the appeal presented by the customer ANAS against the arbitration award of 28 October 2013 which found that CO.MERI was to be paid approximately €103 million plus the legally required amounts. ANAS has appealed to the Supreme Court and a date for the hearing has still to be set.

Alto Piura hydroelctric project (Peru)

The Obrainsa Astaldi joint venture was awarded the contract to build the Alto Piura hydroelectric project with the customer PEIHAP (Proyecto Especial de Irrigacion e Hidroenergetico del Alto Piura). On 23 October 2018, the customer terminated the contract and the joint venture commenced a number of local arbitration proceedings before the arbitration centre of the Piura Chamber of Commerce ("Centro de Arbitraje de la Camara de Comercio di Piura) against PEIHAP for €25.4 million (Astaldi's share: €12.9 million). The customer presented its counterclaim for approximaely €56 million, mainly for alleged indirect damages. The first three arbitration hearings have ruled in favour of the joint venture, awarding it approximately €3.2 million.

On 1 September 2021, PEIHAP enforced a guarantee for the return of contract advances of USD7.1 million provided by Astaldi. Astaldi's Peruvian legal advisors immediately requested and obtained a provisional measure from the arbitration tribunal to block payment of the guarantee and this tribunal confirmed the measure on 6 December 2021 until the award is handed down on the arbitration proceedings.

Arturo Merino Benítez International Airport in Santiago (ICC arbitration no. 25888/GR) (Chile)

On 12 March 2015, Supreme decree no. 105 signed by the President of Chile and the Minister of Public Works (Mnisterio de Obras Públicas), as grantor, was issued awarding the concession for the construction, restructuring, maintenance and operation of Arturo Merico Benítez International Airport in Santiago to Sociedad Concesionaria Nuevo Pudaahuel S.A. ("NPU"), 45% owned by Aéroports de Paris, 40% by VINCI Airports and 15% by Astaldi Concessioni (now transferred to the separate unit). On 18 November 2015, NPU awarded an EPC contract to a joint venture comprising Astaldi and VINCI Construction Grands Projects (VCGP) to design, build and restructure the airport. Due to the grantor's delay in approving the definitive design prepared by the contractor, the contract was immediately beset by serious delays, generating additional costs for the joint venture, mostly due to the general difficulty in planning the work activities leading to the lack of productivity and significant diseconomies as a result of the continued interruptions in the approval process.

The non-productivity caused both the need for additional resources to resolve the delays and the greater resort to those scheduled. In addition, Astaldi found that the leader VCGP had immediately imposed a work site organisation which was very costly and a contract strategy which was not favourable to the operator NPU. This management model and the operating decisions taken, most of which Astaldi did not agree with, meant the contract outcome decreased over time. VCGP continued to refuse the proposals made by Astaldi over the contract term to improve its management and make the processes more efficient, leading Astaldi to communicate its intention of commencing a dispute for mismanagement. In the meantime, Astaldi found itself in financial difficulties which led to its application for a composition with creditors procedure and meant it was unable to cover the joint venture's significant funding requirements. VCGP agreed to provide the joint venture with Astaldi's share of the funding.

Astaldi holds that the conflict of interest between VCGP and the group company VINCI Airports, which has a 40% interest in NPU, meant that it could not apply to NPU or the Ministry for the immediate cover of the higher costs incurred.

Astaldi always queried this policy to no avail. Due to this growing level of disagreement, on 23 November 2020, VCGP exercised its right to withdraw from the interim agreement, signed in June 2019 whereby it agreed to provide the joint venture with necessary funding, also on behalf of Astaldi. Its formal reason for this was the positive conclusion of Astaldi's composition with creditors procedure and subsequent capital increase of 5 November 2020. In addition, on 4 December 2020, VCGP requested Astaldi return the funding provided to the joint venture (and interest thereon) by VCGP on its behalf of around €38 million.

As Astaldi deems that the joint venture's difficulties were caused by its bad management unilaterally decided upon by the leader (VCGP) and given that its proposal to settle the dispute amicably was rejected, it challenged VCGP's request and presented an application for arbitration to the International Chamber of Commerce against its partner VCGP on 14 December 2020. It requested that VCGP cover all the costs of its management decisions and to hold Astaldi harmless from any other risks arising from the contract.

VCGP objected that Astaldi had defaulted and announced that it was excluded from the joint venture. Under the terms of the agreement between the parties and without prejudice to the fact that ascertainment of liability is the subject of the currently pending arbitration, the defaulting party is excluded from the joint venture and an expert (appointed jointly by the parties or, if they cannot come to an agreement, by the International Chamber of Commerce) defines the receivable (or payable) due from or to the excluded party, considering the reasonably foreseeable losses to complete the contract and the revenue accrued at the exclusion date. The proceeding is at an initial stage.

Upon completion of the contract, the excluded party does not have any rights should the contract outcome be better than expected while should it be worse (smaller profits or larger losses), the excluded party bears its share in proportion to its original investment.

As part of the same dispute, VCGP filed an appeal with the Rome Court on 15 April 2021 for the preventive attachment of Astaldi's real estate, movable property and receivables for €37.2 million, plus interest, as protection for its alleged claim related to the share of the loan given to the joint venture that it has counterclaimed in the arbitration proceeding commenced by Astaldi. While awaiting the exchange of the authorised briefs, the parties are waiting for the judge to hand down their measure.

At the end of October 2021, VINCI Agencia en Chile presented an application for the preventive attachment of €56 million to the Chilean courts against Astaldi Sucursal Chile. The relevant court rejected this application.

In addition, Astaldi was notified by VCGP by registered letter received on 1 July 2021 that the latter has sued Astaldi's chairperson and CEO and the same Astaldi as the party civilly liable (for the symbolic amount of €1 as compensation plus the costs of publishing the ruling and payment of another €20 thousand) before the Nanterre Court in France for the alleged crime of public defamation under the French Criminal Code.

Based on the documentation received, the alleged defamation took pace with the publication of the 2020 Annual Report which described the ongoing dispute with VCGP and the complaints made by Astaldi Group (like above). According to VCGP, these complaints were seriously defamatory and prejudicial.

Assisted by their expert advisors, Astaldi and its two directors deem that VCGP's allegations are completely unfounded at factual level as well as legally. They have taken the appropriate legal action.

VCGP has also sued Webuild and its chairperson as part of the same criminal proceeding and for the same reasons.

On 25 November 2021, VCGP filed a new arbitration application (ICC no. 26708/PAR) against Webuild, requesting that Webuild be ordered to pay Astaldi's cash calls for the Santiago del Chile Airport of €52 million and that the two proceedings be joined. The ICC joined the two proceedings and has set up a new arbitration tribunal. At the date of preparation of this report, the arbitration proceedings are at an initial phase.

In addition, on 2 November 2021, VCGP obtained the preventive attachment of Webuild's French accounts of €38.8 million and has managed to have €1.8 million frozen.

ESO E-ELT (European Extremely Large Telescope) Observatory (Chile)

On 3 December 2018, Astaldi's joint venture partner Cimolai claimed Astaldi had defaulted on the commitments made under the deed of partnership and thus requested its investment in the joint venture be diluted to 0.01%. On 5 December 2018, Astaldi disputed Cimolai's claim as being ungrounded and unlawful. On 17 June 2019, Cimolai commenced arbitration proceedings, claiming damages of roughly €100 million. Astaldi deems all claims to be unfounded and has requested payment of damages of €6.5 million.

The arbitration tribunal decided that an expert was to be appointed to analyse certain technical and accounting issues with its order of 7 September 2020. In an attempt to amicably resolve the dispute, Cimolai and Astaldi asked the arbitration tribunal to suspend the proceedings. The arbitration tribunal granted the suspension and the next hearing will take place at the end of 2022.

With respect to the above dispute, supported by the opinions of the Group's legal advisors, the directors deem the risk of losing the case is possible, leading to additional costs to those already provided for in the condensed interim consolidated financial statements.

Chacayes hydroelectric plant (Chile)

In October 2008, Pacific Hydro Chacayes S.A. and Constructora Astaldi Cachapoal Ltda. signed an EPC contract for the design, supply and construction of the Chacayes hydroelectric plant in Chile. In August 2017, Pacific Hydro Chacayes S.A. applied for arbitration against Constructora Astaldi Cachapoal Ltda. and Astaldi for their alleged breach of the EPC contract. It noted that in February 2016 and, therefore, before Astaldi's composition with creditors procedure, one of the structures of the hydroelectric plant collapsed (the emergency spillway). Pacific Hydro has claimed damages of USD50 million.

On 10 December 2021, the arbitration tribunal issued its final award ordering Astaldi and Constructora Astaldi Cachapoal Ltda to pay USD30.7 million.

The legal advisors have filed an application for the cancellation of the award within the due terms with the Santiago Appeal Court.

With respect to the above dispute, supported by the opinions of the Group's legal advisors, the directors deem the risk of losing the case is possible, leading to additional costs to those already provided for in the condensed interim consolidated financial statements.

Felix Bulnes Hospital (Chile)

In January 2019, Sociedad Concesionaria Metropolitana de Salud S.A. (SCMS) unduly terminated the construction contract after requesting the guarantees of approximately €30 million be enforced. The contractor, Astaldi Succursal Chile, challenged the termination and requested arbitration before the Santiago Chamber of Commerce, claiming that termination was unlawful, payment for the work performed, compensation for damage and lost profit and return of the enforced guarantees for a total of around €103 million. SCMA presented its rejoinder and replication for approximately €70 million. The final award was notified to the parties on 4 January 2022, rejecting Astaldi's claims and ordering Astaldi Sucursal Chile to pay SCMS approximately €111 million. Astaldi Succursal Chile has appealed against the award to the Appeal Court.

With respect to the above dispute, supported by the opinions of the Group's legal advisors, the directors deem the risk of losing the case is possible, leading to additional costs to those already provided for in the condensed interim consolidated financial statements.

Muskrat Falls hydroelectric project (Canada)

During the performance of this project in Canada, a number of unforeseeable events took place which, together with operating difficulties during the start-up phase, led to an increase in the project's total cost. Specifically, the productivity level of the local labour was unexpectedly and unusually low.

In December 2016, Astaldi Canada Inc. ("ACI") and the customer, Muskrat Falls Corporation ("MFC"), wholly-owned by Nalcor Energy, signed a rider, whereby the customer acknowledged the higher costs incurred by Astaldi to carry out the project. However, the difficulties in performing the works continued. During the performance of the works (95% completed), on 27 September 2018, ACI notified MFC that it was requesting arbitration for payment quantum meruit of the actual value of the works performed due to the fact that MFC had arbitrarily imposed a pain/gain share mechanism to its sole advantage and to ACI's cost, thus causing the contractor to incur financial difficulties in performing the works. In addition, ACI claimed that MFC had not fulfilled its obligation of good faith or its contractual obligations.

The estimated amount of damages set out in the application was CAD429 million (the equivalent of €280 million). In reply, the customer sent a notice of default on 28 September 2018 and subsequently a notice of termination on 8 November 2018, and enforced the letters of credit acting as performance bond (CAD100 million, the equivalent of €65 million) and advance payment bond (CAD84 million, the equivalent of approximately €55 million) for a total of CAD184 million (the equivalent of €120 million), generically alleging lack of funds and non-payment of subcontractors and third parties.

On 26 November 2018, the arbitration tribunal was set up. ACF requests that MFC be ordered to pay compensation for damages incurred (in terms of the work performed and not paid for, costs incurred after termination of the contract, unfairly enforced letters of credit and lost profit) of CAD378.2 million (including CAD50.0 million for punitive damages) and the return of the letter of credit which acted as the performance bond. MFC requested ACI pay CAD38.1 million (the equivalent of approximately €25.0 million) for alleged damage incurred due to ACI's conduct.

At the start of February 2022, the tribunal handed down a partial award confirming that MFC was correct to terminate the contract and rejecting some of ACI's claims finding them to be illegitimate. However, it also ordered MFC to compensate ACI for delays and loss of productivity and for the work already completed while ACI is to compensate MFC for the additional costs due in relation to the contract termination and to return the amounts paid by MFC to ACI's creditors.

On 27 April 2022, the tribunal issued its final award, incorporating the settlement agreement signed by the parties on 19 April 2022 for the pending issues after the partial award.

The settlement agreement and the agreements with the sureties provide that, inter alia: 1) the parties agree not to appeal the final award; 2) MFC will pay approximately CAD118 million to a trust fund managed by its legal advisors, which will (i) pay some key creditors a total of roughly CAD10.8 million and withhold another CAD20 million (securing pending claims from third parties); (ii) pay approximately CAD15.7 million to a trust fund managed by the legal advisors of the sureties (which will immediately pay CAD3.7 to the sureties and will hold CAD12 million of the cash collateral set aside for various bonds in the trust); (iii) transfer the difference, i.e., roughly CAD71 million, to a trust fund managed by ACI's legal advisors; 3) the proceeds from the sale of the machinery, net of the costs incurred by MFC, will be collected by ACI.

In addition, the tribunal found that each party was to bear their legal costs.

I-405 Expressway (USA)

Astaldi Construction Corporation ("ACC") was assigned this contract as part of a joint venture with the Spanish company Obrascón Huarte Lain S.A. ("OHL") which presented an arbitration application requesting that ACC be excluded from the joint venture on 16 June 2021. It claims that both ACC and Astaldi (its parent and guarantor) are insolvent. This application was made years after Astaldi commenced its composition with creditors procedure.

The arbitration complies with the Construction Industry Arbitration Rules of the American Arbitration Association (jurisdiction of New York, state of New York law). ACC has challenged OHL's claims and has requested in turn that OHL be excluded from the joint venture for the same reasons as it appears that the Spanish company is in severe financial difficulties according to news in the specialist press and verified by Astaldi's US-based legal advisors. The arbitration tribunal has been constituted and the proceeding is at an initial stage.

Railway project E-59 (Poland)

On 27 September 2018, Astaldi notified the customer (PKP, Polskie Linie Koejowe S.A.) of the termination of the contract due to the extraordinary and unforeseeable change in the works performance as evidenced by the abnormal increase in materials and labour costs, as well as the serious unavailability of materials, services and labour on the market, including rail transport of construction materials.

On 5 October 2018, the customer replied by terminating the contract alleging the contractor's default and requesting payment of the fine (PLN130.9 million, the equivalent of around €29 million) and enforcing the guarantees totalling €18.8 million (including the advance payment bond). On 7 February 2019, PKP filed a petition with the Warsaw Court, requesting the payment of fines of PLN87.25 million (the equivalent of €19 million), net of the enforced performance bond (€9.4 million). The customer also requested repayment of PLN8.1 million (including interest) (the equivalent of approximately €1.8 million) it had paid to the subcontractors. Astaldi filed its defence brief on 2 December 2019 and the first level ruling is still pending.

Following the termination of the contract, Astaldi filed a claim before the Warsaw Court on 17 March 2020 for the non-payment of work performed and certified worth PLN17.6 million (the equivalent of approximately €4 million). Subsequently, it filed an additional claim on 26 May 2020 requesting payment of a further PLN16.8 million (the equivalent of €3.9 million, of which around €1.3 million for unpaid invoices and roughly €2.6 million for work performed but not certified). The proceeding is underway.

Railway project 7, Dęblin - Lublin line (Poland)

On 27 September 2018, as leader of the consortium (94.98% share) set up to develop the Dęblin-Lublino railway line, Astaldi notified the customer (PKP, Polskie Linie Koejowe S.A.) of the termination of the contract due to the extraordinary and unforeseeable change in the works performance as evidenced by the abnormal increase in materials and labour costs, as well as the serious unavailability of materials, services and labour on the market, including rail transport of construction materials.

On 5 October 2018, the customer replied by terminating the contract alleging the consortium's default and requesting payment of the fine (PLN248.7 million, the equivalent of around €55 million) and enforcing the guarantees totalling €18.8 million (including the advance payment bond). On 7 February 2019, PKP filed a petition with the Warsaw Court, requesting the payment of fines of PLN155.6 million (the equivalent of approximately €34.4 million), net of the enforced payment bond (€21.7 million). The customer also requested repayment of PLN66.8 million (including interest) (the equivalent of approximately €15 million) it had paid to the subcontractors.

Astaldi filed its defence brief on 2 December 2019 and the first level ruling is still pending. Following termination of the contract, Astaldi presented its claim to the Warsaw Court for non-payment of work performed and certified by the works manager of PLN37.9 million (the equivalent of approximately €8.4 million). It subsequently filed a second claim on 26 May 2020 requesting payment of a further PLN135.3 million (the equivalent of approximately €30 million) for work performed but not certified. The proceeding is underway.

E60 Zemo Osiauri - Chumateleti (Georgia)

Due to the customer's default, Astaldi notified termination of the contract on 22 December 2018 and commenced an arbitration proceeding before the ICC requesting the contractual termination be found to be legitimate and reimbursement of the higher charges and costs due to the customer's contractual breaches. In December 2018, the customer responded by enforcing the guarantees for a total of the equivalent of €24.1 million. The arbitration proceeding also includes the application for the return of the enforced performance bond of the equivalent of €12.0 million.

On 1 April 2022, the ICC handed down the final award finding Astaldi's termination of the contract to be illegitimate and ordering it to pay the customer the equivalent of roughly €15 million. Astaldi's legal advisors have identified a calculation error in the final award (which should reduce the amount by approximately €6 million) and have requested the calculation be corrected within the due timeline.

Criminal litigation

Investigations related to Ospedale del Mare di Napoli (Italy)

In January 2021, the ceiling of a reinforced concrete building in the car park of Ospedale del Mare di Napoli collapsed. As a result, the Naples public prosecutor is carrying out an investigation to ascertain the causes and accountability. In order to carry out the necessary unrepeatable technical checks, the public prosecutor included in the register of suspects for the crime of negligent collapse all the parties involved in various capacities in the development of the project, including some former Astaldi managers and employees. The technical inspections are underway.

Country risk

Libya

Webuild S.p.A. operates in Libya through a permanent establishment and a subsidiary, Impregilo Lidco Libya General Contracting Company (Impregilo Lidco), which has been active in Libya since 2009 and is 60% owned by Webuild with the other 40% held by a local partner.

The directors do not deem that significant risks exist with respect to the permanent establishment's contracts as work thereon has not started, except for the Koufra Airport project worth around €64 million. Moreover, the Group's exposure for that project is not material. The Group is also involved in the Libyan Coastal Highway project (approximately €1.1 billion) which leads to the Egyptian border for the stretch through Cyrenaica, which had not yet been started at the reporting date.

Impregilo Lidco had been awarded important contracts for approximately LYD2.0 billion.

They related to the construction of:

- infrastructural works in Tripoli and Misuratah;
- university campuses in Misuratah, Tarhunah and Zliten;
- a new Conference Hall in Tripoli.

Due to the dramatic political and social events that materialised in Libya from 2011, the subsidiary was obliged due to force majeure to suspend work on the contracts before they even started. Despite this, Webuild has always acted in accordance with the contractual terms.

This political upheaval has not yet subsided, impeding the subsidiary from developing its business. At present, Webuild does not expect activities to be resumed in the near future as there are serious security problems.

Impregilo Lidco continues to be present in Libya and to maintain contacts with its customers, complying promptly with legal and corporate requirements. It informed its customers immediately of the activation of the force majeure clause (provided for contractually).

The customers have acknowledged the contractual rights and the validity of the claims presented for the costs, losses and damages incurred as a result of the above-mentioned unrest. Once the local situation has normalised and the country's institutions are working again, these claims will be discussed with the customers. During the six months, the subsidiary continued to liaise with its customers but production activities have not recommenced.

The impairment losses on net assets and costs incurred starting from the 2012 financial statements are fully included in contract liabilities. The subsidiary has presented claims to the customers for these amounts, which it deems are fully recoverable as they are due to *force majeure*.

In addition, the investments made to date are covered by the contract advances received from the customers.

The subsidiary's legal advisors agree with this approach as can be seen in their reports.

No significant risks are deemed to exist for the recovery of the net assets attributable to the subsidiary, thanks in part to actions and claims filed against the customers.

As this country's situation continues to be complex and critical, the Group does not expect that operations can be resumed in the short term.

On 10 March 2021, the House of Representatives in Tobruk met at Sirte and approved the interim government of national accord led by the Prime Minister Abdul Hamid Ddeibah. The government has won a vote of confidence to lead the country until new elections.

Webuild will continue to guarantee the subsidiary's business continuity. However, it cannot be excluded that events which cannot currently be foreseen may take place after the date of preparation of this report that require changes to the assessments made to date.

Argentina

In recession since 2018, this country's challenging macroeconomic situation has been worsened by the global health emergency caused by Covid-19.

The economic slump, the containment measures put in place to deal with the pandemic and the drop in global demand have not helped the country's ongoing recession. According to the World Bank, Argentina is one of the Latin American countries that has lost the most wealth.

The additional hike in the inflation rate is partly due to the government's decision to contain the peso's devaluation through restrictive measures on the currency market.

The government reached an agreement with the IMF to restructure its public debt in the first few months of the year. This agreement provides for the receipt of USD40 billion over 30 months against Argentina's commitment to enact important structural macroeconomic reforms.

The Group is carrying out two projects in Argentina mostly funded by the World Bank: a hydraulic tunnel (lot 3) and a wastewater pre-treatment plant (lot 2), both of which are part of a mega project for the environmental restoration of the Matanza Riachuelo River Basin in the Buenos Aires Metropolitan Area. These projects have continued despite the country's difficult macroeconomic situation.

Nigeria

This country's outlook continues to be uncertain as the campaign for the elections (presidential and governmental) to be held in May 2023 has kicked off.

At the date of preparation of this report, Covid has not had a significant impact on Nigeria in social or health terms.

The economic outlook does not prospect the recovery of the construction sector, which is currently on standby, except for limited progress on a few strategically important projects.

The Group is present in Nigeria via its subsidiaries Salini Nigeria Limited (eight contracts), PGH and Rivigo JV (a joint venture with Rivers State for the Ogoni contract in which the Group has a 70% stake). The projects are affected by the customers' limited financial resources, which has led to delays.

Some activities are being carried out for three priority projects: Sulega-Minna Road (the main thoroughfare for the state of Niger), Inner Northern Expressway (a main road in the Abuja network) and Adiyan (the Logos water treatment plant).

Another factor holding back recommencement of the works is the need to approve variations for the increase in unit prices or commissions for price variations and/or currency fluctuations for some of the ongoing projects.

The Group cannot exclude that events which cannot currently be foreseen may take place after the date of preparation of this report that require changes to the assessments made to date.

Ukraine

Tensions blew up again with Russia early in 2022 leading to the armed intervention of the Russian military forces in Ukraine, which is still underway. This has clearly contributed to significantly worsening the expected macroeconomic outlook for this country.

The Group does not currently have operations in this country but at 31 December 2021 it had trade receivables of €66.1 million from the Ukrainian customer Ukravtodor as part of the contract to update the Kiev - Kharkiv - Dovzhanskiy section of the M03 motorway from 2013 to 2016. These receivables have been the subject of litigation for several years after the customer terminated the contract in August 2016. Since then, various proceedings have been commenced, including an arbitration with the International Chamber of Commerce ("ICC") in Paris, which awarded a total amount of €83 million, including interest, to Webuild.

Given the recent serious negative developments and the results of the impairment test performed in accordance with IFRS 9, the Group determined the amount of its total credit exposure to be approximately €20.2 million and recognised an impairment loss of €45.9 million.

Note 13 to the condensed interim consolidated financial statements at 30 June 2022 provides more information about the method used to determine the recoverable exposures of these trade receivables.

Main contract events and effect of the sale of Todini

The parent's sale in April 2016 of Todini Costruzioni Generali (which had been awarded the M03 contract) was one of the factors that led to the customer's termination of the contract in August 2016.

The Group defended its position and obtained positive rulings from the Dispute Board (DB) with respect to both its financial requests and the principal of the issue, including the illegality of the termination.

The customer's continued refusal to comply with the DB's rulings, including after the Group had made significant concessions, led to the effective termination of the contract in March 2017, the dismantlement of the work site and commencement of arbitration proceedings before the International Chamber of Commerce (ICC) in Paris.

Arbitration proceedings before the Paris International Chamber of Commerce

As part of the pending arbitration proceedings, the ICC issued two partial awards substantially confirming the amounts awarded by the DB on a provisional basis and without prejudice to the assessment of the merits of the claims presented.

On 26 June 2018, it issued its first partial award for an amount equivalent to approximately €54 million. On 30 January 2019, it issued the second partial award for the interest accrued on the amounts awarded with the first award of approximately €7 million.

The ICC also established that additional interest is to be charged on the amounts due to the Group up until the date of effective payment of the contractual consideration.

The claims presented by the Group to the ICC total UAH1,389 million (the equivalent of approximately €149 million at 30 June 2022), as per the amounts claimed via the DB plus the additional claims and related financial expense made directly to the ICC.

In October 2019, the Kiev Court of Appeal acknowledged the applicability of the ICC's first partial award and issued a writ of execution for payment by Ukravtodor to Todini Costruzioni Generali S.p.A. of UAH34 million, €20 million and USD39 million.

The customer appealed this decision before the Supreme Court.

In February 2020, the Supreme Court rejected the customer's appeal and confirmed the Kiev Court of Appeal's ruling of October 2019.

In April 2020, the Group presented the writ of execution to the local authorities to formalise the payment request for the amounts covered by the first partial award.

The customer has confirmed it is willing to pay the amounts due under the first partial award in local currency. The Group is waiting for additional clarifications from the central bank to obtain authorisation to transfer the amounts in hard currency to Italy.

On 31 March 2021, a fifth partial award was notified setting out the criteria to be applied but not the amounts related to most of Todini's requests. It established that the customer's decision to terminate the contracts in August 2016 was contractually valid: Todini had assigned the contracts without the customer's prior consent. The award led to a reduction of the equivalent of approximately €20 million in the initial *petitum* equal to around the equivalent of €137 million, net of interest that continues to accrue in Todini's favour. Todini's legal counsel filed an appeal as per article 36 of the ICC arbitration regulation for the correction of material errors, deeming that certain numerical and logical contradictions in the provisions of the award should be corrected. Specifically, it requested that the number of days for suspension of the contract granted by the award be corrected. The appeal also included corrections to the consideration for the additional designs.

The appeal was rejected with the measure of 21 August 2021. This led to another reduction in the initial *petitum* of the equivalent of approximately €137 million by the equivalent of approximately €10 million.

At the date of preparation of this report, it is not possible to establish the amounts of the remaining requests. The court has asked the parties' experts to apply the criteria to calculate the amounts due to Todini. Their findings will be included in the final award which will also set out the arbitration costs. The ongoing conflict in the country has slowed down the entire process and the final award may be issued in 2022. Todini has maintained the right to payment for the partial awards accepted many years ago by the Ukrainian court.

In view of the present critical situation, it cannot be excluded that other events may arise in the future requiring changes to the assessments made to date.

Alternative performance indicators

As required by Consob communication no. 0092543 of 3 December 2015, details of the performance indicators used in this Report and in the Group's institutional communications are given below.

Financial ratios:

Debt/equity ratio: this ratio shows net financial position as the numerator and equity as the denominator. The items making up the financial position are presented in a specific table in the notes to the consolidated financial statements. The equity items are those included in the relevant section of the statement of financial position. For consolidation purposes, equity used for this ratio also includes that attributable to non-controlling interests.

Debt indicators:

Liquidity and other financial assets is the sum of the following items:

a. Current and non-current financial assets;

b. Cash and cash equivalents.

Short and medium to long-term debt is the sum of the following items:

a. Current account facilities and other loans;

b. Bonds;

c. Lease liabilities.

Other financial assets and liabilities is the sum of the following items:

a. Derivatives;

b. The Group's net amounts due from/to consortia and consortium companies operating under a cost recharging system and not included in the consolidation scope.

Performance indicators:

1. **Gross operating profit**: this indicator 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

This can also be shown as the ratio of gross operating profit to total revenue.

2. **Operating profit**: the operating profit given in the statement of profit or loss, being the sum of total revenue and total costs.

3. **Return on sales or R.o.S.**: given as a percentage, shows the ratio of operating profit (as calculated above) to total revenue.

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Disclosure on the adjusted figures

The Group monitors the key figures of Lane Group for management purposes adjusting the IFRS figures prepared for consolidation purposes to present the results of the joint ventures not controlled by Lane which are consolidated on a proportionate basis. These figures ("Non-subsidiary joint ventures") show the status of contracts managed directly by Lane Group or through non-controlling investments in joint ventures.

Moreover, profit or loss items are considered to be adjusting factors, if they are material and when:

a) they arise from events or transactions that do not take place frequently in the normal course of business;

b) they arise from events or transactions that are not representative of the Group's normal business.

For management purposes, the IFRS figures have been adjusted to reflect the following adjusting effects:

Reclassified statement of profit or loss for the first half of 2021

- elimination of the amortisation of the intangible assets arising from the PPA procedure for the acquisition of control of Astaldi Group.

Reclassified statement of profit or loss for the first half of 2022

- elimination of the accounting effects of the amortisation of the intangible assets arising from the PPA procedure for the acquisition of control of Astaldi Group;
- elimination of the accounting effects of the impairment losses recognised on the trade receivables due from the Ukrainian customer Ukravtodor as a result of the impairment test.

The effects of these adjustments are presented in the "Financial highlights" section of this report.

Events after the reporting period

Awarded contract for a new highway project in Florida (USA) worth USD223 million

In July, Webuild, through its U.S. subsidiary Lane, won a USD223 million highway contract in Florida USA. The project involves the design and performance of works to improve the safety and operational efficiency of the I-275/I-4 Downtown Interchange.

Commissioned by the Florida Department of Transportation, the contract, 100% owned by Lane, covers the widening and requalification of the highway section, which will become a main hurricane evacuation route for the greater Tampa Bay area. It includes widening ramps, updating signage and erecting noise barriers.

Awarded contract for a new highway project in Florida (USA) worth USD233 million

In July, Webuild, through its U.S. subsidiary Lane, won a USD233 million contract in Florida. Commissioned by Florida's Turnpike Enterprise, the contract, 100% owned by Lane, includes rebuilding and widening from four to eight lanes a section of the Mainline Turnpike between the Minneola Interchange to US 27 in Lake County, near Orlando. Other work will include new bridge structures, new tolling sites, lighting, intelligent traffic systems, interchange improvements and safety works.

Outlook

The Group's results achieved in the first half of 2022 confirm once again its resilience and strength notwithstanding the current geopolitical tensions, the (diminishing) effects of the Covid-19 pandemic and the generalised rise in prices of the principal raw materials.

In order to deal with this last issue, the Group's foreign contracts are drawn up in accordance with the FIDIC's international standards, which provide for risk mitigation clauses, while in Italy, the "Aiuti decree" has earmarked funds of more than €10 billion up until 2026 to be used to compensate these rocketing prices and support both contracts underway and new calls for tenders.

Excluding currently unforeseeable events caused by the public health emergency and the possible worsening in the military conflict between Russia and Ukraine (where the Group is not present), based on its ongoing projects, the sizeable order backlog and growing demand in the core sustainable infrastructure markets, the Group can confirm its financial guidance for 2022:

- **book to bill:** average >1.0x in the 2022-2024 period;
- **revenue:** €7.0 - €7.5 billion, fully covered by the existing order backlog;
- **EBITDA margin**: 7-7.5%, supported by the ongoing cost efficiency measures;
- **maintaining a positive net financial position** (net cash).

Webuild will continue to:

1. **execute its order backlog that covers over 95% of its 2022-2024 targeted revenue**, with strict control over cost and contract management;
2. **pursue de-risking strategies** focusing on low-risk regions;
3. **implement the planned operating efficiency actions** , for its direct and indirect costs, to be achieved before 2023, thanks to the digitalisation of core processes and synergies with Astaldi;
4. **focus on cash generation and deleveraging**, as a result of the de-risking, operating efficiencies and asset monetisation;
5. **expand into related sectors**, to diversify the order backlog and stabilise cash flows, enhancing its franchise value and capabilities (such as infrastructure maintenance in Italy, etc.);
6. **pursue sustainability objectives**, favouring projects that reduce CO_2 emissions and guarantee high safety standards.

Other information

Research and development

Webuild carried out industrial research and experimental development activities during the first six months of the year. 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 period are described below:

- research, design and development of an innovative integrated platform for advanced construction production processes, comprising four strongly inter-related pillars:
  - Big Data & Digital Twins;
  - Knowledge Management and Collaboration & Process Revision and BPM System;
  - Fleet Management System;
  - Procurement Platform;
- study and experimental development of innovative energy systems and an integrated platform for work site monitoring, management and efficiency to promote the energy transition and digitalisation;
- design, analysis and development of high energy efficient mechanised excavation systems to minimise excavation machines' energy consumption without compromising their performances;
- study, analysis and experimental development of fully electric or hybrid propulsion multi-service means of transport to transport materials and personnel underground at the work sites and to assist the TBM with the mechanised excavation works;
- study and experimental development of an innovative automated, robotic industrial facility for prefabrication of tunnel lining sections with low environmental impact and powered with renewable energy;
- 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.**

Compliance with the conditions of article 15 of the Stock Exchange Regulation

Webuild confirms that it complies with the conditions of article 15 of Consob regulation no. 20249 ("Regulation on markets"), based on the procedures adopted before article 15 was effective and the availability of the related information.

Repurchase of treasury shares

On 28 April 2022, in their ordinary meeting, the parent's shareholders authorised the board of directors to adopt a treasury share repurchase plan as per the terms and methods approved by them (available in the "Shareholders' meeting" part of the "Governance" section on the parent's website www.webuildgroup.com).

At 30 June 2022, the parent had 13,322,954 treasury shares.

Related parties

Reference should be made to note 34 to the condensed interim consolidated financial statements for a description of related party transactions.

On behalf of the board of directors

Chairman

Donato Iacovone

(signed on the original)

Condensed interim consolidated financial statements at 30 June 2022

Condensed interim consolidated financial statements
Statement of financial position

ASSETS (€'000)	Note	31 December 2021	of which: related parties	30 June 2022	of which: related parties
Non-current assets					
Property, plant and equipment	6.1	620,277		715,688	
Right-of-use assets	6.2	169,639		131,065	
Intangible assets	6.3	466,350		416,919	
Goodwill	7	78,496		84,906	
Equity investments	8	736,233		794,686	
Derivatives and non-current financial assets	9	418,511	207,617	472,236	252,913
Deferred tax assets	10	348,480		336,727	
Total non-current assets		**2,837,986**		**2,952,227**	
Current assets					
Inventories	11	217,607		237,909	
Contract assets	12	2,787,252		3,317,496	
Trade receivables	13	2,498,234	385,865	2,854,539	422,593
Derivatives and other current financial assets	14	316,925	69,130	383,081	70,674
Current tax assets	15	104,708		105,395	
Other current tax assets	15	249,459		242,575	
Other current assets	16	905,056	71,748	891,508	36,850
Cash and cash equivalents	17	2,370,032		1,520,000	
Total current assets		**9,449,273**		**9,552,503**	
Non-current assets held for sale and disposal groups	18	42,997	23,592	47,563	24,633
Total assets		**12,330,256**		**12,552,293**	

EQUITY AND LIABILITIES (€'000)	Note	31 December 2021	of which: related parties	30 June 2022	of which: related parties
Equity					
Share capital		600,000		600,000	
Share premium reserve		367,763		367,763	
Other reserves		248,901		250,577	
Other comprehensive expense		(169,819)		(86,287)	
Retained earnings		845,412		483,935	
Loss for the period/year		(304,949)		(5,571)	
Equity attributable to the owners of the parent		**1,587,308**		**1,610,417**	
Non-controlling interests		272,291		307,786	
Total equity	19	**1,859,599**		**1,918,203**	
Non-current liabilities					
Bank and other loans and borrowings	20	317,265	6,515	318,796	6,515
Bonds	21	1,487,852		1,884,394	
Lease liabilities	22	101,673		86,263	
Post-employment benefits and employee benefits	23	50,687		57,071	
Deferred tax liabilities	10	56,504		38,773	
Provisions for risks	24	222,591		221,391	
Total non-current liabilities		**2,236,572**		**2,606,688**	
Current liabilities					
Current portion of bank loans and borrowings and current account facilities	20	667,066	7,633	371,640	46,772
Current portion of bonds	21	11,881		39,999	
Current portion of lease liabilities	22	68,808		74,070	
Contract liabilities	12	3,422,846		3,005,769	
Trade payables	25	3,208,770	146,711	3,721,578	170,840
Current tax liabilities	26	170,358		109,261	
Other current tax liabilities	26	100,786		102,516	
Other current liabilities	27	565,421	66,413	582,896	60,408
Total current liabilities		**8,215,936**		**8,007,729**	
Liabilities directly associated with non-current assets held for sale	18	18,149		19,673	
Total equity and liabilities		**12,330,256**		**12,552,293**	

Statement of profit or loss

(€'000)	Note	1st half 2021 (*)	of which: related parties	1st half 2022	of which: related parties
Revenue					
Revenue from contracts with customers	29	2,838,288	71,711	3,637,002	94,254
Other income	29	200,433	7,488	198,479	30,610
Total revenue and other income		**3,038,721**		**3,835,481**	
Operating expenses					
Purchases	30.1	(432,189)	(239)	(636,150)	(372)
Subcontracts	30.2	(969,509)	(13,235)	(1,160,871)	(9,522)
Services	30.3	(781,000)	(105,965)	(947,111)	(105,952)
Personnel expenses	30.4	(503,009)		(667,613)	(17)
Other operating expenses	30.5	(178,086)	(8,342)	(168,067)	(2,672)
Impairment losses	30.6	(6,360)		(53,775)	
Amortisation, depreciation and provisions	30.6	(131,812)		(162,503)	
Total operating expenses		**(3,001,965)**		**(3,796,090)**	
Operating profit		**36,756**		**39,391**	
Financing income (costs) and gains (losses) on equity investments					
Financial income	31.1	30,055	6,199	66,724	8,960
Financial expense	31.2	(102,360)	(4,101)	(88,884)	(2,751)
Net exchange gains	31.3	19,461		71,698	
Net financing income (costs)		(52,844)		49,538	
Net losses on equity investments	32	(3,730)		(4,407)	
Net financing income (costs) and net losses on equity investments		**(56,574)**		**45,131**	
Profit (loss) before tax		**(19,818)**		**84,522**	
Income taxes	33	(54,708)		(51,505)	
Profit (loss) from continuing operations		**(74,526)**		**33,017**	
Loss from discontinued operations	18	(3,448)		(14,765)	
Profit (loss) for the period		**(77,974)**		**18,252**	
Profit (loss) for the period attributable to:					
Owners of the parent		(69,392)		(5,571)	
Non-controlling interests		(8,582)		23,823	

(*) The Group's IFRS statement of profit or loss figures for the first half of 2021 have been restated after completion of Astaldi's PPA.

Statement of comprehensive income

(€'000)	Note	1st half 2021 (*)	1st half 2022
Profit (loss) for the period (a)		**(77,974)**	**18,252**
Items that may be subsequently reclassified to profit or loss, net of the tax effect:			
Net exchange gains (losses) on the translation of foreign companies' financial statements	19	(17)	50,183
Net gains on cash flow hedges, net of the tax effect	19	2,121	934
Net fair value gains (losses) recognised in OCI	19	(1)	-
Other comprehensive income related to equity-accounted investees	19	17,435	48,174
Items that may not be subsequently reclassified to profit or loss, net of the tax effect:			
Net actuarial gains (losses) on defined benefit plans	19	6,728	(1,930)
Other comprehensive income (b)		**26,266**	**97,361**
Comprehensive income (expense) (a) + (b)		**(51,708)**	**115,613**
Comprehensive income (expense) attributable to:			
Owners of the parent		(43,673)	77,962
Non-controlling interests		(8,035)	37,651

Earnings (loss) per share			
From continuing and discontinued operations	35		
Basic		(0.07)	0.01
Diluted		(0.08)	(0.01)
From continuing operations	35		
Basic		(0.07)	0.01
Diluted		(0.08)	(0.01)

(*) The Group's IFRS statement of comprehensive income figures for the first half of 2021 have been restated after completion of Astaldi's PPA.

Statement of cash flows

(€'000)	Note	1st half 2021 (*)	1st half 2022
Operating activities			
Profit (loss) from continuing operations		(74,525)	33,018
adjusted by:			
Amortisation of intangible assets	30	59,098	55,361
Depreciation of property, plant and equipment and right-of-use assets	30	68,858	117,315
Net impairment losses and provisions		10,215	43,601
Accrual for post-employment benefits and employee benefits	23	9,744	10,889
Net gains on the sale of assets		(10,146)	(7,637)
Deferred taxes	33	2,660	(3,470)
Share of losses of equity-accounted investees	8 - 24	3,265	4,293
Income taxes	33	52,048	54,975
Net exchange gains	31	(19,459)	(71,698)
Net financial expense	31	72,303	22,160
Other non-monetary items		3,765	36,116
		177,827	**294,923**
Decrease (increase) in inventories and contract assets		210,484	(343,340)
Increase in trade receivables		(393,730)	(291,036)
(Decrease) increase in contract liabilities		45,440	(720,486)
Increase in trade payables		200,770	507,084
Decrease in other assets/liabilities		52,118	23,193
Total changes in working capital		**115,082**	**(824,584)**
Increase in other items not included in working capital		(26,142)	(17,060)
Financial income collected		5,010	22,206
Interest expense paid		(43,523)	(30,721)
Income taxes		(60,484)	(106,784)
Cash flows generated by (used in) operating activities		**167,771**	**(662,020)**
Investing activities			
Investments in intangible assets	6.3	(17,411)	(6,250)
Investments in property, plant and equipment and right-of-use assets	6.1- 6.2	(108,692)	(127,591)
Proceeds from the sale or reimbursement value of property, plant and equipment and intangible assets		28,519	21,330
Investments in non-current financial assets and capital transactions	8	(104,363)	(12,522)
Dividends and capital repayments from equity-accounted investees	8	17,858	9,954
Proceeds from the sale or reimbursement value of non-current financial assets		1,224	(754)
Cash and cash equivalents from change in consolidation scope		-	74
Cash flows used in investing activities		**(182,865)**	**(115,758)**
Financing activities			

(€'000)	Note	1st half 2021 (*)	1st half 2022
Dividends distributed	19	(51,775)	(62,301)
Repurchase of treasury shares			(19,558)
Capital injection by non-controlling interests in subsidiaries		3,946	9,237
Increase in bank and other loans	20	441,565	1,213,995
Decrease in bank and other loans	20	(1,007,313)	(1,140,868)
Decrease in lease liabilities	22	(48,175)	(50,231)
Change in other financial assets/liabilities		(11,633)	(64,760)
Cash flows used in financing activities		**(673,386)**	**(114,486)**
Net exchange gains on cash and cash equivalents		**11,867**	**52,256**
Decrease in cash and cash equivalents		**(676,612)**	**(840,009)**
Cash and cash equivalents	17	2,455,125	2,370,032
Current account facilities	20	(68,446)	(13,244)
Total opening cash and cash equivalents		**2,386,679**	**2,356,788**
Cash and cash equivalents	17	1,714,739	1,520,000
Current account facilities	20	(4,674)	(3,222)
Total closing cash and cash equivalents		**1,710,065**	**1,516,779**

(*) Figures restated after completion of Astaldi's PPA.

Statement of changes in equity

(€'000)		Share capital	Share premium reserve	Other reserves: Legal reserve	Share capital increase related charges	IFRS 2 reserve	Reserve for treasury shares	Inflation reserve	Extraordinary and other reserves	Total other reserves	Other comprehensive income (expense): Translation reserve	Hedging reserve	Actuarial reserve	Fair value reserve including tax	Total other comprehensive income (expense)	Retained earnings	Profit (loss) for the period	Equity attributable to the owners of the parent	Non-controlling interests	Total
As at 1 January 2021 (*)	19	600,000	654,486	120,000	(10,988)	-	(3,291)	56,759	136	162,617	(240,800)	(1,737)	(2,760)	32	(245,264)	110,161	138,396	1,420,395	650,494	2,070,889
Allocation of profit and reserves	19	-	(237,638)	-	-	-	-	-	-	-	-	-	-	-	-	376,033	(138,396)	(1)	-	(1)
Dividend distribution	19	-	(49,085)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(49,085)	-	(49,085)
Change in consolidation scope	19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	847	847
Capital increase	19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,946	3,946
Other changes and reclassifications	19	-	-	-	-	-	-	8,310	-	8,310	-	-	-	-	-	*713*	-	9,023	1,840	10,863
Dividend distribution to non-controlling interests	19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,690)	(2,690)
Loss for the period	*19*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	*(69,392)*	(69,392)	(8,582)	(77,974)
Other comprehensive income	*19*	-	-	-	-	-	-	-	-	-	*15,596*	*3,394*	*6,728*	-	25,718	-	-	25,718	548	26,266
Comprehensive expense	*19*	-	-	-	-	-	-	-	-	-	*15,596*	*3,394*	*6,728*	-	*25,718*	-	*(69,392)*	(43,674)	*(8,034)*	(51,708)
As at 30 June 2021 (*)	19	600,000	367,763	120,000	(10,988)	-	(3,291)	65,069	136	170,927	(225,204)	1,657	3,968	32	(219,546)	486,907	(69,392)	1,336,660	646,401	1,983,061
As at 1 January 2022	19	600,000	367,763	120,000	(10,988)	76,525	(10,342)	73,570	136	248,901	(178,859)	1,788	7,251	-	(169,819)	845,412	(304,950)	1,587,308	272,291	1,859,599
Allocation of loss and reserves	19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(304,950)	304,950	-	-	-
Dividend distribution	19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(54,217)	-	(54,217)	1	(54,217)
Change in consolidation scope	19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,555)	-	(6,555)	(6,250)	(12,805)
Repurchase of treasury shares	19	-	-	-	-	-	(19,559)	-	-	(19,559)	-	-	-	-	-	-	-	(19,559)	-	(19,559)
Stock option	19	-	-	-	-	3,361	-	-	-	3,361	-	-	-	-	-	-	-	3,361	-	3,361
Capital increase	19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,237	9,237
Other changes and reclassifications	19	-	-	-	-	(3,329)	-	21,203	-	17,873	-	-	-	-	-	*4,244*	-	22,117	2,941	25,058
Dividend distribution to non-controlling interests	19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(8,084)	(8,084)
Profit for the period	*19*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	*(5,571)*	(5,571)	23,823	18,252
Other comprehensive income	*19*	-	-	-	-	-	-	-	-	-	*81,705*	*3,757*	*(1,930)*	-	83,532	-	-	83,532	13,829	97,361
Comprehensive income	*19*	-	-	-	-	-	-	-	-	-	*81,705*	*3,757*	*(1,930)*	-	*83,532*	-	*(5,571)*	77,962	*37,651*	115,613
As at 30 June 2022	19	600,000	367,763	120,000	(10,988)	76,557	(29,901)	94,772	136	250,577	(97,154)	5,545	5,321	-	(86,287)	483,935	(5,571)	1,610,417	307,786	1,918,203

(*) The Group's IFRS statements of financial position at 31 December 2020 and 30 June 2021 and statements of profit or loss figures for the year and six months then ended have been restated after completion of Astaldi's PPA.

Notes to the condensed interim consolidated financial statements

1. Basis of preparation

Webuild S.p.A. (the "parent" or "Webuild") has its registered office in Italy. These condensed interim consolidated financial statements at 30 June 2022 include the financial statements of the parent and its subsidiaries (the "Group"). The Group is a global player in the large-scale infrastructure sector.

The parent's board of directors approved the condensed interim consolidated financial statements on 28 July 2022.

Webuild Group has prepared its condensed interim consolidated financial statements at 30 June 2022 on a going concern basis. The directors have checked that events that could affect the Group's ability to meet its commitments in the near future and, specifically, in the next 12 months do not exist. Preparation of condensed interim consolidated financial statements requires management to make judgements and complex estimates about the Group's future profitability and financial position, based also on its sector. These complex estimates underpin assumptions about going concern and the carrying amounts of assets, liabilities, revenue and costs. They do not consider non-recurring events that management cannot foresee at the date of preparation of the condensed interim consolidated financial statements. Reference should be made to the "Complex accounting estimates" section for details of the assumptions made in the specific context of the pandemic and the Ukraine crisis.

Webuild Group has prepared its condensed interim consolidated financial statements at 30 June 2021 in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), endorsed by the European Union as required by Regulation 1606/2002 issued by the European Parliament and Council, implemented in Italy by Legislative decree no. 38/2005. Specifically, these condensed interim consolidated financial statements have been drawn up pursuant to IAS 34 - Interim financial reporting and should be read in conjunction with the 2021 Annual Report. They do not include all the information required for a full set of IFRS-compliant financial statements although they comprise certain disclosures to present significant events and transactions useful to understand variations in the Group's financial position and performance of the period.

The accounting policies adopted to draw up these condensed interim consolidated financial statements at 30 June 2022 are consistent with those used to prepare the 2021 annual consolidated financial statements, to which reference should be made, except for the changes summarised in note 2.

Complex accounting estimates

Preparation of condensed interim consolidated financial statements and the related notes in accordance with the IFRS requires management to make judgements and accounting estimates that affect the carrying amount of assets and liabilities and financial statements disclosures. The estimates are used to:

- recognise goodwill;
- determine amortisation and depreciation;
- recognise impairment losses;
- recognise employee benefits;
- recognise taxes and the effect of deferred tax, especially as regards the recoverability of deferred tax assets
- recognise provisions for risks and charges;
- determine contract revenue, including claims for additional consideration, total contract costs and the related stage of completion. A significant part of the Group's activities is typically performed on the basis of contracts which provide that a specific consideration is agreed when the contract is awarded. This implies that the profit margins on these contracts may undergo change compared to the original estimates

depending on the recoverability of greater expenses and/or costs the Group may incur during performance of such contracts. Recognition of additional consideration by associates may entail adjustment of their equity due to standardisation with the Group's accounting policies.

The actual results may differ from those estimated due to uncertainties underlying the assumptions and the conditions on which the estimates are based.

Fundamental assumptions about the future and other reasons for uncertainty when making the estimates at the reporting date that may lead to material adjustments to the carrying amount of the assets and liabilities are described in the specific section of the Directors' report on the main risk factors and uncertainties.

Given Webuild Group's reference markets, assumptions about Covid-19 and the crisis in Ukraine are particularly relevant.

Covid-19 and the Russian-Ukrainian crisis

As discussed in the relevant section of the Directors' report, during the first six months of 2022, governments started to lift the restrictions adopted to contain the Covid-19 emergency, thanks in part to the progress made in rolling out the vaccination campaign.

At the date of preparation of this report, all the work sites have resumed activities although not all of them are operating at pre-Covid-19 production and efficiency levels. At global level, production has been less efficient than expected, mainly caused by the restrictions on the movement of people and supplies imposed by local authorities to curb the pandemic's spread.

The current situation may vary depending on how the pandemic evolves. During the six months, the Group continued negotiations with customers on specific contractual issues, mainly the delays due to the shuttering of work sites and the consequent inefficiencies incurred since the pandemic's outbreak, and to have the additional costs incurred due to the crisis situation acknowledged.

With respect to the Russian-Ukrainian crisis that broke out at the start of 2022, the Group does not currently operate in either country although it has a total net credit exposure of €20.2 million, net of the impairment loss described in note 13, due from the Ukrainian customer Ukravtodor for work carried out in the period from 2013 to 2016.

The Group has analysed the repercussions for its business, also in the light of the restrictions introduced by the Council of the European Union and other western countries.

The Russian-Ukrainian crisis has created new uncertainties and risks for the global markets and economies, the effects of which are hard to foresee as they also depend on its outcome.

Finally, the pandemic and the Russian-Ukrainian crisis have caused, inter alia, massive volatility in raw material prices in a period already characterised by rising inflation since 2021. The Group took measures at supply chain level to identify alternative procurement solutions and the urgent transfer of equipment from one work site to another.

In addition, the majority of the contracts in place with customers or the applicable local laws have mechanisms to mitigate the impact of any increases in the prices of raw materials on the profit margins of projects in progress.

Most of the foreign contracts are drawn up in accordance with the international standards of the International Federation of Consulting Engineers (FIDIC), which provide for risk mitigation clauses including risks related to changes in the cost of works due to increases in raw materials prices. In Italy, the government has tackled the price hikes with the "Sostegni-bis decree" of 25 May 2021, converted with amendments by Law no. 106 of 23 July 2021, and Decree law no. 50 of 17 May 2022. The government approved radical provisions with this second decree law to deal with the surging prices of construction materials, introducing measures to offset the increases in the prices of raw materials, fuel and energy. In addition, in June 2022, the text of the delegated law on public contracts was published in the Italian Official Journal setting out the fundamental principles to relaunch the sector. Such principles will be taken into consideration by the legislative decrees reforming the Italian public contract code, including the provision on the price revision clause.

The Group is monitoring the situation. Given the uncertainties, which are outside its control, there is a risk that the Group's future results may differ from those currently expected.

The preparation of condensed interim consolidated financial statements in accordance with the IFRS requires management to make judgements and accounting estimates that affect the carrying amounts of assets and liabilities and financial statements disclosures. Given the current situation where the shockwaves of the Covid-19 pandemic are still reverberating, overlapped by the consequences of the Russia-Ukraine crisis and the volatile raw materials prices, the judgements and accounting estimates were made considering the uncertainties caused by the above events.

The utilisation of up-to-date group 2022 forecasts that reflect the uncertainties as a basis for the judgements is essential. The Group's procedures include a planning process split into two parts that take place before the preparation of the annual and interim consolidated financial statements. In this case, the group 2022 forecasts were prepared considering the above critical issues.

Firstly, the condensed interim consolidated financial statements at 30 June 2022 have been prepared assuming the group can continue as a going concern as described earlier. This assumption was made using all the information available over at least 12 months, including the projected profitability and the availability of financial resources. Specifically, the directors considered the following aspects, which have already been referred to in the relevant section of the Directors' report:

- no contracts were cancelled as a result of the pandemic. All the Group's activities have resumed at the date of preparation of this report although not all of them are operating at pre-Covid-19 levels. The revenue not earned since the outbreak of the pandemic and up to the reporting date as a result of the inefficiencies described has not been lost but simply deferred to the future;
- the Group's 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 pandemic; therefore, it has maintained its safety protocols as agreed with its customers and ensured compliance with the government measures. In addition, the Group continued negotiations on specific contractual issues, mainly the delays due to the shuttering of work sites and the consequent inefficiencies and the procedure to have the additional costs incurred, due to the crisis situation which the Group has so far borne almost in full, acknowledged;
- with respect to available financial resources, article 207 of Decree law no. 34/2020 (the Relaunch decree), converted with amendments by Law no. 77 of 17 July 2020, 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.

  At the date of preparation of this report, the Group is not exposed to potential financial stress scenarios. It has cash and cash equivalents and revolving credit facilities sufficient to meet its short-term requirements.

  In 2021 and early 2022, the Group issued notes for €600 million, including the sustainability-linked notes in January 2022, to cover its main short-term repayments in line with its strategy to optimise the timelines of its financial commitments by lengthening their average term.

Given this situation, the complex accounting estimates related to:

- impairment of non-financial assets (IAS 36). When there is an indication of impairment of property, plant and equipment and intangible assets, the Group estimates the asset's recoverable amount to determine any impairment losses. This impairment test is usually carried out once a year for goodwill.

  Checking for impairment losses using information obtained during the planning process is particularly important. One of the external sources of information considered by IAS 36 to determine if there is an indication that an asset may be impaired is whether the carrying amount of the net assets of an entity is more than its market capitalisation. Due to the above-described general situation, the Group's shares have lost value and, therefore, management monitored this indicator. During the first half of 2022, the carrying amount of its net assets was more than its market capitalisation for a limited period of time which was the same period in which the non-recurring events of this six months took place. As a result and considering the measures proposed by ESMA (the European Securities and Markets Authority) and Consob (the Italian commission for listed companies and the stock exchange), the assets subject to impairment testing as per IAS 36 were carefully checked in line with the reference procedures, the reporting standards and these supervisory authorities' guidelines, evaluating carefully the rise in interest rates seen in the period and the uncertain context.

Management's analyses did not identify any impairment, except for that related to the assets in Ukraine recognised in accordance with IFRS 9 (described below);

- impairment of financial assets (IFRS 9). The Group tests the recoverable amount of financial assets not measured at fair value through profit or loss using the expected credit loss model. This model develops estimates of the impact of changes in economic factors on the expected credit losses using a probability-weighted outcome.

  The Group found that, given the characteristics of its business sector, credit risk is that deriving from its exposure to potential losses arising from the customers' (which are almost entirely governments or state bodies) non-compliance with their obligations.

  Management of this risk is complex, starting as early as the assessment of offers, through a careful analysis of the characteristics of the countries in which the Group's activities should be carried out and the customers, which are usually state or similar bodies, requesting an offer.

  Therefore, this risk can be essentially assimilated to the country risk. An analysis of this risk based on the age of the outstanding amounts is not very meaningful, since the receivables should be assessed together with the other working capital items, especially those reflecting the net exposure to customers in relation to contract work in progress as a whole.

  Given the current situation, the Group estimated the effect of the uncertainties and short-term outlook for the economies of the countries in which it operates on the measurement of impaired financial assets over the entire expected life of financial instruments. It recognised an impairment loss on its credit exposure with the Ukrainian customer referred to above (see note 13);

- measurement of contract assets and liabilities and revenue from customers in accordance with IFRS 15. Application of this standard requires management to make judgements and estimates to determine contract revenue, including claims for additional consideration, contract costs and the stage of completion. A significant part of the Group's activities is typically performed on the basis of contracts which provide that a specific consideration is agreed when the contract is awarded. This implies that the profits on these contracts may undergo change compared to the original estimates depending on the recoverability of greater expenses and/or costs the Group may incur during the performance of such contracts. In addition, recognition of additional consideration by associates may entail adjustment of their equity due to standardisation with the Group's accounting policies. Application of IFRS 15 requires the Group to check the existence of the right to additional consideration and the degree of probability of collecting such consideration. Moreover, the Group is required to estimate possible contract fines such as fines for the late delivery of the works compared to the agreed deadlines.

  The Group carefully analysed these elements, especially as part of its planning process which led it to update the group 2022 forecasts before preparation of the condensed interim consolidated financial statements to reflect assumptions based on the uncertainties described above and, in particular, the volatile raw material prices. It also considered all available information (as described earlier) to confirm the judgements used in making accounting estimates.

Given the uncertainty generated by the effects described above, actual results may differ from those estimated.

Fundamental assumptions about the future and other reasons for uncertainty when making the estimates at the reporting date that may lead to material adjustments to the carrying amount of the assets and liabilities are described in the specific section of the Directors' report on the main risk factors and uncertainties.

IAS 29 - Financial reporting in hyperinflationary economies

After a lengthy observation period of inflation rates, which have exceeded 100% in the last three years, Argentina has been considered a hyperinflationary economy pursuant to the IFRS since 2018. As a result, all the companies operating in Argentina have applied IAS 29 - Financial reporting in hyperinflationary economies in their financial reports starting from 1 July 2018.

These conditions were applicable in the first half of 2022 as well.

As of February 2022, the Turkish cumulative inflation rate for the past three years has exceeded 100%[28]. As a result and based on the prevailing interpretative guidelines, the Turkish economy should be considered a hyperinflationary economy starting from the first six months of 2022 with the related application of the provisions of IAS 29 for the preparation of financial statements whose functional currency is the local currency. The significant production activities performed in this country by the Group are carried out by reporting entities whose functional currency is not the Turkish lira.

2. Changes in standards

New endorsed standards and interpretations effective from 1 January 2022

This section lists the standards, amendments and interpretations published by the IFRS, endorsed by the European Union and applicable since 1 January 2022:

Standard/Interpretation	IASB application date
Amendments to: ▪ IFRS 3 - Business combinations; ▪ IAS 16 - Property, plant and equipment; ▪ IAS 37 - Provisions, contingent assets and contingent liabilities Annual Improvements 2018-2020 issued on 14 May 2020	1 January 2022

The adoption of the amendments applicable since 1 January 2022 has not had a significant impact on these condensed interim consolidated financial statements.

Endorsed standards and interpretations not adopted early by the Group

The standards, amendments and interpretations published by the IASB and the International Financial Reporting Standards Interpretations Committee (IFRS-IC) and endorsed by the competent EU bodies at the reporting date are set out below:

[28] Information derived from the analyses performed by the International Monetary Fund and local information about inflation.

Standard/Interpretation	IASB application date
Amendments to IAS 1 (Presentation of financial statements) and IFRS Practice Statement 2: Disclosure of accounting policies (issued on 12 February 2021)	1 January 2023
Amendments to IAS 8 - Accounting policies, changes in accounting estimates and errors: definition of accounting estimates (issued on 12 February 2021)	1 January 2023
IFRS 17 (Insurance contracts) issued on 18 May 2017, including the amendments to IFRS 17 issued on 25 June 2020	1 January 2023

The standards that became applicable on 1 January 2023 are not expected to have a significant effect on the consolidated financial statements.

Published standards and interpretations whose endorsement process has not been completed

The standards, amendments and interpretations published by the IASB and the International Financial Reporting Standards Interpretations Committee (IFRS-IC) but not yet endorsed by the competent EU bodies at the reporting date are set out below:

Standard/Interpretation	IASB application date
Amendments to IFRS 17 (Insurance contracts) - Initial application of IFRS 17 and IFRS 9 - Comparative information issued on 9 December 2021	1 January 2023
Amendments to IAS 1 (Presentation of financial statements): Classification of liabilities as current or non-current (issued on 23 January 2020, and subsequent amendment issued on 15 July 2020)	1 January 2023
Amendments to IAS 12 - Income taxes: deferred tax related to assets and liabilities arising from a single transaction (issued on 7 May 2021)	1 January 2023

3. Non-current assets held for sale and discontinued operations

At 30 June 2022, the Group found that the conditions existed to apply IFRS 5 - Non-current assets held for sale and discontinued operations to the following disposal groups:

- divisions held for disposal in the Honduras area;
- Astaldi’s foreign divisions, whose industrial activities have been discontinued;
- investment in Gaziantep Hastane Saglik Hizmetleri Isletme ve Yatirim A.S..

More information is available in note 18.

4. Business combinations

Business combinations performed in the first half of 2022

None.

Definitive allocation of the transaction price for the assets acquired and liabilities assumed of Astaldi Group

As set out in more detail in the 2020 and 2021 Annual Reports, on 5 November 2020, Webuild completed its acquisition of a controlling investment in Astaldi Group through a cash capital increase of €225 million reserved for Webuild, the proceeds of which were partly used to settle the preferential and pre-preferential claims and partly to support Astaldi's continuity plan. Webuild financed the transaction using the liquidity obtained with the capital increase that was fully subscribed and paid up by Salini Costruttori, CDP Equity, Banco BPM, Intesa Sanpaolo, UniCredit and other institutional investors in November 2019.

Webuild accounted for the acquisition in accordance with IFRS 3 - Business combinations which requires application of the acquisition method. After calculating the consideration transferred, Webuild allocated it to the identifiable assets acquired and liabilities assumed, both measured at fair value, as part of the purchase price allocation ("PPA") procedure. Any negative difference between the consideration transferred, any non-controlling interest in the acquiree and the net identifiable assets acquired, net of the related tax effect, is the gain from the bargain purchase.

The Group availed of the 12-month measurement period established by IFRS 3 to finalise the fair value of the identifiable assets acquired and liabilities assumed. It remeasured the related amounts during preparation of the consolidated financial statements at 31 December 2021 (see the 2021 Annual Report available on the website https://www.webuildgroup.com/en/investor-relations/financial-results/reports for more information).

The effects on the comparative figures for the first half of 2021, obtained from the definitive determination of the fair value of the identifiable assets acquired and the liabilities assumed as part of the business combination are presented below.

Statement of profit or loss

(€'000)	1st half 2021 Published	Effects of Astaldi PPA adjustments	1st half 2021 Restated
Revenue			
Revenue from contracts with customers	2,846,715	(8,427)	2,838,288
Other income	200,433	-	200,433
Total revenue and other income	**3,047,148**	**(8,427)**	**3,038,721**
Operating expenses			
Purchases	(432,189)	-	(432,189)
Subcontracts	(969,509)	-	(969,509)
Services	(781,000)	-	(781,000)
Personnel expenses	(503,009)	-	(503,009)
Other operating expenses	(178,086)	-	(178,086)
Impairment losses	(6,360)	-	(6,360)
Amortisation, depreciation and provisions	(129,905)	(1,907)	(131,812)
Total operating expenses	**(3,000,058)**	**(1,907)**	**(3,001,965)**
Operating profit	**47,090**	**(10,334)**	**36,756**
Financing income (costs) and gains (losses) on equity investments			
Financial income	29,101	954	30,055
Financial expense	(102,360)	-	(102,360)
Net exchange gains	19,461	-	19,461
Net financing costs	(53,798)	954	(52,844)
Net losses on equity investments	(3,730)	-	(3,730)
Net financing costs and net losses on equity investments	**(57,528)**	**954**	**(56,574)**
Loss before tax	**(10,438)**	**(9,380)**	**(19,818)**
Income taxes	(54,052)	(656)	(54,708)
Loss from continuing operations	**(64,490)**	**(10,036)**	**(74,526)**
Loss from discontinued operations	(3,448)	-	(3,448)
Loss for the period	**(67,938)**	**(10,036)**	**(77,974)**
Loss for the period attributable to:			
Owners of the parent	(59,355)	(10,036)	(69,391)
Non-controlling interests	(8,583)	-	(8,583)

Provisional purchase price allocation to the assets acquired and liabilities assumed of Seli Overseas S.p.A.

Webuild acquired 100% of Seli Overseas S.p.A., specialised in tunnelling, as part of the Grandi Lavori Fincosit composition with creditors procedure with effect from 27 July 2021. This final step consolidates Webuild's expertise in the mechanised tunnelling sector.

The acquisition was the result of Webuild's successful offer presented in 2018 as part of the auction commenced by the judicial liquidator of Grandi Lavori Fincosit, completed in April 2021.

Webuild availed of the option allowed by IFRS 3 (revised) to provisionally allocate the consideration to the fair value of the assets acquired and the liabilities and contingent liabilities assumed.

Based on the provisional figures at 31 December 2021, the business combination generated goodwill of €3 million calculated as the difference between the cost of the business combination (€12.7 million) and the fair value of the net assets acquired (€9.7 million).

Changes to the Group's investments in subsidiaries as a result of transactions that did not lead to the acquisition/loss of control

The main changes that took place in the first half of 2022 are described below.

Cossi Costruzioni S.p.A.

On 2 May 2022, Webuild completed its acquisition of the remaining 36.5% of Cossi Costruzioni, specialised in tunnelling and road maintenance, from Banca Popolare di Sondrio and Liri S.r.l. (Cossi family), which each held 18.25% stakes in the construction company. This transaction had been provided for in the investment and shareholder agreements entered into by the parties in March 2019, when Webuild acquired 63.5% of the investee.

The Group paid €14 million to acquire a portion of the investee's equity with a carrying amount of €9.5 million. It has recognised the difference in equity as provided for by paragraph B96 of IFRS 10 - Consolidated financial statements.

This acquisition strengthens Webuild Group's already considerable experience in the tunnelling sector, as shown by its track record of approximately 2,400 km of excavated tunnels. Key projects include important sections of the Brenner Tunnel and the Giovi third railway crossing - Genoa railway junction, as well as large projects for hydraulic tunnels in the US.

Infraflegrea Progetto S.p.A.

Acquisition of another stake (25%) in this company was completed during the six months, giving the Group a total investment of 76%.

The Group paid €3 million to acquire a portion of the investee's equity with a carrying amount of €1 million. It has recognised the difference in equity as provided for by paragraph B96 of IFRS 10 - Consolidated financial statements.

Infraflegrea is the general contractor for the infrastructure works commissioned by the President of Campania Region - special commissioner as per Law no. 887/84 under Agreement no. 7 of 25 May 2006 and related implementing deeds. At the date of preparation of this report, the works covered by implementing deed no. 15 for the Monte Sant'Angelo railway connector are underway while the designs for the extension and upgrading of Pozzuoli Port have been approved by the services conference.

Other changes in the consolidation scope

No other significant changes in the consolidation scope took place during the six months.

The number of consolidated companies varies due to the set up and the winding up of companies to manage ongoing contracts.

5. Segment reporting

Segment reporting is presented according to macro geographical regions, based on the management review approach adopted by management, for the '"Italy", "Abroad" and "Lane Group" operating segments.

Costs relating to activities which are carried out by the parent, Webuild, called "Corporate" costs, are attributed to the Italy segment and relate to:

- planning of human and financial resources;
- coordination and assistance with the group companies' administrative, tax, legal/corporate and institutional and business communications requirements.

These costs amounted to €90.8 million for the first half of 2022 compared to €73.8 million for the corresponding period of the previous year.

Management measures the segments' results by considering their operating profit.

It measures their equity structure using their net invested capital.

Disclosures on the Group's performance by business segment are set out in the Directors' report. The condensed interim consolidated financial statements figures are summarised below by operating segment with comparative figures for 2021 (statement of profit or loss) and at 31 December 2021 (statement of financial position).

Statement of profit or loss by operating segment - First half of 2021 (§)

(€'000)	Italy (*)	Abroad	LANE Group (**)	Total
Revenue from contracts with customers	858,793	1,523,354	456,141	2,838,288
Other income	86,993	100,795	12,645	200,433
Total revenue and other income	**945,786**	**1,624,149**	**468,786**	**3,038,721**
Operating expenses				
Production costs	(644,062)	(1,211,247)	(327,389)	(2,182,698)
Personnel expenses	(132,319)	(240,115)	(130,576)	(503,009)
Other operating expenses	(133,171)	(40,559)	(4,356)	(178,086)
Total operating expenses	**(909,552)**	**(1,491,921)**	**(462,321)**	**(2,863,794)**
Gross operating profit	**36,234**	**132,228**	**6,465**	**174,927**
Gross operating profit margin %	*3.8%*	*8.1%*	*1.4%*	*5.8%*
Impairment losses	(4,438)	(1,538)	(383)	(6,359)
Amortisation, depreciation and provisions	(75,146)	(39,049)	(17,617)	(131,812)
Operating profit	**(43,350)**	**91,641**	**(11,535)**	**36,756**
Return on Sales				*1.2%*
Net financing costs and net losses on equity investments				(56,574)
Loss before tax				**(19,818)**
Income taxes				(54,708)
Loss from continuing operations				**(74,526)**
Loss from discontinued operations				(3,448)
Loss for the period				**(77,974)**

(§) The Group's IFRS statement of profit or loss figures for the first half of 2021 have been restated after completion of Astaldi's PPA.

(*) The operating profit includes the costs of the central units and other general costs of €73.8 million.

(**) Lane Group includes the figures for the fully-consolidated companies in Argentina (Iglys S.A. and Mercovia S.A.), the Middle East (Lane Mideast Contracting and Lane Mideast Qatar) and Europe (Seli Tunneling Denmark and Impregilo New Cross).

Statement of profit or loss by operating segment - First half of 2022

(€'000)	Italy (*)	Abroad	LANE Group	Total
Revenue from contracts with customers	979,714	2,040,130	617,158	3,637,002
Other income	98,537	99,490	452	198,479
Total revenue and other income	**1,078,251**	**2,139,620**	**617,610**	**3,835,481**
Operating expenses				
Production costs	(761,829)	(1,546,868)	(435,435)	(2,744,134)
Personnel expenses	(167,614)	(333,734)	(166,265)	(667,613)
Other operating expenses	(108,549)	(50,644)	(8,874)	(168,067)
Total operating expenses	**(1,037,992)**	**(1,931,246)**	**(610,574)**	**(3,579,813)**
Gross operating profit	**40,259**	**208,374**	**7,036**	**255,668**
Gross operating profit margin %	*3.7%*	*9.7%*	*1.1%*	*6.7%*
Impairment losses	1,136	(54,911)	-	(53,775)
Amortisation, depreciation and provisions	(81,850)	(61,699)	(18,953)	(162,502)
Operating profit	**(40,455)**	**91,763**	**(11,917)**	**39,391**
Return on Sales				*1.0%*
Net financing income and net losses on equity investments				45,131
Profit before tax				**84,522**
Income taxes				(51,505)
Profit from continuing operations				**33,017**
Loss from discontinued operations				(14,765)
Profit for the period				**18,252**

(*) The operating profit includes the costs of the central units and other general costs of €90.8 million.

The figures for Lane Group shown in the above tables are presented in accordance with the IFRS. Therefore, the profits or losses of the non-subsidiary joint ventures are included in "Net financing income (costs) and net losses on equity investments".

The Group monitors the key figures of Lane Group solely for management purposes adjusting the IFRS figures prepared for consolidation purposes to present its share of revenue and costs of the non-subsidiary joint ventures. These figures show the status of contracts managed directly by Lane or through non-subsidiary joint ventures. Reference should be made to the section on "Financial highlights" of the Directors' report for more information.

Statement of financial position at 31 December 2021 by operating segment

(€'000)	Italy	Abroad	LANE Group	Total
Non-current assets	1,054,969	833,150	182,876	**2,070,996**
Net assets held for sale	26,368	(1,520)	-	**24,848**
Provisions for risks	(96,447)	(46,026)	(80,118)	**(222,591)**
Post-employment benefits and employee benefits	(24,536)	(14,406)	(11,745)	**(50,687)**
Net tax assets	413,358	(72,151)	33,793	**374,999**
Net working capital	**(1,375,286)**	**651,280**	**(80,636)**	**(804,642)**
Net invested capital	**(1,575)**	**1,350,328**	**44,169**	**1,392,922**
Equity				1,859,599
Net financial position				(466,677)
Total financial resources				**1,392,922**

Statement of financial position at 30 June 2022 by operating segment

(€'000)	Italy	Abroad	LANE Group	Total
Non-current assets	799,397	1,152,313	191,553	**2,143,264**
Net assets held for sale	27,265	626	-	**27,891**
Provisions for risks	(70,081)	(66,063)	(85,248)	**(221,391)**
Post-employment benefits and employee benefits	(25,667)	(15,470)	(15,934)	**(57,071)**
Net tax assets	410,037	(18,296)	42,407	**434,148**
Net working capital	**(1,037,692)**	**1,048,508**	**(22,489)**	**(11,673)**
Net invested capital	**103,260**	**2,101,617**	**110,289**	**2,315,167**
Equity				1,918,205
Net financial indebtedness				396,963
Total financial resources				**2,315,167**

6. Property, plant and equipment, intangible assets and right-of-use assets

Property, plant and equipment, intangible assets and right-of-use assets are analysed in the table below:

(€'000)	31 December 2021	30 June 2022	Variation
Property, plant and equipment	620,277	715,688	95,411
Right-of-use assets	169,639	131,065	(38,574)
Intangible assets	466,350	416,919	(49,431)
Total	**1,256,266**	**1,263,672**	**7,406**

6.1. Property, plant and equipment

Property, plant and equipment amount to €715.7 million, up from the 31 December 2021 figure by €95.4 million. The historical cost and carrying amounts are given in the following table:

	31 December 2021			30 June 2022		
(€'000)	Cost	Acc. depreciation	Carrying amount	Cost	Acc. depreciation	Carrying amount
Land	13,384	-	13,384	13,837	-	13,837
Buildings	185,057	(100,363)	84,694	210,246	(93,166)	117,080
Plant and machinery	1,147,577	(779,570)	368,007	1,207,066	(788,241)	418,825
Industrial and commercial equipment	114,864	(100,062)	14,802	118,516	(102,128)	16,388
Other assets	87,105	(74,454)	12,651	84,488	(68,440)	16,048
Assets under const. and payments on account	126,739	-	126,739	133,510	-	133,510
Total	**1,674,726**	**(1,054,449)**	**620,277**	**1,767,663**	**(1,051,975)**	**715,688**

Changes during the period are summarised below:

(€'000)	31 December 2021	Increases	Depreciation	Reversals of imp. losses (Imp. losses)/Reval.	Reclassifications	Disposals	Net exchange gains	Change in consolidation scope	30 June 2022
Land	13,384	-	-	-	-	-	453	-	13,837
Buildings	84,694	42,745	(10,064)	-	372	(2,713)	2,045	-	117,080
Plant and machinery	368,007	82,779	(62,224)	(784)	26,996	(9,448)	13,499	-	418,825
Industrial and commercial equipment	14,802	5,619	(3,411)	-	(6)	(564)	(5)	(46)	16,388
Other assets	12,651	5,715	(2,183)	-	(56)	(206)	127	-	16,048
Assets under const. and payments on account	126,739	6,751	-	-	(1,737)	(762)	2,520	-	133,510
Total	**620,277**	**143,609**	**(77,882)**	**(784)**	**25,569**	**(13,693)**	**18,639**	**(46)**	**715,688**

The most significant changes include:

- increases of €143.6 million, mainly related to investments made (i) for the Australian Snowy Hydro 2.0 project (€46.8 million) to complete the base camp, place the third tunnel boring machine (TBM) in service and purchase equipment for the mechanical excavation of the tunnels and (ii) by Consorzio Hirpinia (33.3 milion) to purchase prefabricated modules, equipment and machinery;
- depreciation of €77.9 million, principally recognised on the Snowy Hydro 2.0 project (Australia), the Milan - Genoa railway line project and Lane Group's projects;
- reclassifications of €25.6 million, chiefly related to machinery and equipment under lease at the end of 2021;
- disposals of €13.7 million, mostly the building used for offices and accommodation in Via Agrigento, Rome (€2.4 million) and equipment no longer necessary for contracts in Italy (mainly the Milan - Genoa railway line), the US and southern Africa.

6.2. Right-of-use assets

Right-of-use assets amount to €131.1 million, showing a decrease of €38.5 million on the 31 December 2021 balance.

The historical cost and carrying amounts of the right-of-use assets are shown in the following table:

	31 December 2021			30 June 2022		
(€'000)	Cost	Acc. depreciation	Carrying amount	Cost	Acc. depreciation	Carrying amount
Land	4,308	(2,453)	1,855	5,367	(3,300)	2,067
Buildings	91,169	(46,681)	44,488	91,408	(48,653)	42,755
Plant and machinery	249,734	(128,635)	121,099	220,810	(137,449)	83,361
Industrial and commercial equipment	1,632	(1,566)	66	575	(543)	32
Other assets	5,286	(3,154)	2,132	5,340	(2,489)	2,851
Total	**352,128**	**(182,489)**	**169,639**	**323,499**	**(192,434)**	**131,065**

Changes during the period are summarised below.

(€'000)	31 December 2021	Increases	Depreciation	Reversals of imp. losses (Imp. losses)/Reval.	Reclassifications	Remeasurement	Net exchange gains	Change in consolidation scope	30 June 2022
Land	1,855	472	(393)	-	-	43	89	-	2,067
Buildings	44,488	13,158	(8,298)	-	(6,512)	(702)	620	-	42,755
Plant and machinery	121,099	5,646	(30,250)	-	(19,040)	(334)	6,241	-	83,361
Industrial and commercial equipment	66	-	(38)	-	(12)	13	2	-	32
Other assets	2,131	1,097	(453)	-	(4)	3	77	-	2,851
Total	**169,639**	**20,373**	**(39,432)**	**-**	**(25,568)**	**(977)**	**7,029**	**-**	**131,065**

The item mainly comprises operating assets (plant, machinery and equipment) used for projects underway mostly in (i) France (Line 16 of the Paris Metro), (ii) US (Lane Group and I-405 in California), (iii) Tajikistan (the Rogun Dam), (iv) Italy (the high speed/capacity Milan - Genoa railway line) and Seli Overseas Group, and (v)

Chile, as well as the buildings where the Rome and Milan offices are located and the buildings housing the offices of the branches and foreign subsidiaries. The most significant changes of the period are summarised below:

- the increase of €20.4 million, chiefly related to Lane Group (€8.4 million) and the Tajikistani branch (€3.4 million);
- depreciation (€39.4 million);
- reclassifications, mostly due to the transfer of machinery and equipment held under lease at 31 December 2021 to proprietary assets (€25.6 million).

6.3. Intangible assets

Intangible assets amount to €416.9 million, down from the 31 December 2021 figure by €49.4 million. The item may be analysed as follows:

	31 December 2021			30 June 2022		
(€'000)	Cost	Acc. amortisation	Carrying amount	Cost	Acc. amortisation	Carrying amount
Rights to infrastructure under concession	67,477	(10,013)	57,464	66,720	(9,477)	57,243
Contract costs	744,343	(337,269)	407,074	746,838	(393,056)	353,782
Other	9,905	(8,093)	1,812	14,243	(8,349)	5,894
Total	**821,725**	**(355,375)**	**466,350**	**827,801**	**(410,882)**	**416,919**

Changes in this item are shown below:

(€'000)	31 December 2021	Increases	Amortisation	Impairment losses/Revaluations	Net exchange losses	Reclassifications and change in consolidation scope	30 June 2022
Rights to infrastructure under concession	57,464	78	(190)	-	52	(161)	57,243
Contract acquisition costs	349,635		(48,874)		-	4	300,765
Incremental costs of obtaining a contract	10,041	1,946	(1,800)		(441)		9,746
Costs to fulfil a contract	47,398	(96)	(4,050)		19		43,271
Contract costs	407,074	1,850	(54,724)	-	(422)	4	353,782
Other	1,812	639	(449)	-	117	3,775	5,894
Total	**466,350**	**2,567**	**(55,363)**	**-**	**(253)**	**3,618**	**416,919**

The largest item, contract costs of €353.8 million, decreased by €53.3 million on 31 December 2021. It comprises contract acquisition costs, the incremental costs of obtaining a contract and costs to fulfil a contract.

Contract acquisition costs include considerations paid to acquire stakes in projects/contracts representing intangible assets with a finite useful life, which are amortised in line with the stage of completion of the related contracts.

The decrease in contract acquisition costs is mostly due to the amortisation of the EPC backlog recognised as part of the PPA procedure performed with the acquisition of control of Astaldi Group in 2020.

The incremental costs of obtaining a contract mainly relate to Lot 2 of the Riachuelo project in Argentina awarded to Fisia Italimpianti.

The costs to fulfil a contract mostly comprise the COCIV consortium's pre-operating costs.

There are no indicators of impairment for the contracts to which the costs refer based on the contracts' performance.

7. Goodwill

Goodwill of €84.9 million at the reporting date entirely relates to the acquisition of Lane Group finalised in 2016 net of the decrease due to Lane's sale of the Plants & Paving division on 12 December 2018.

(€'000)	31 December 2021	Increases	Impairment losses	Net exchange gains	30 June 2022
Lane Group	75,481	-	-	6,410	81,891
Seli Overseas	3,015	-	-	-	3,015
Total	**78,496**	**-**	**-**	**6,410**	**84,906**

No information came to light during the period that would have indicated that goodwill was impaired.

8. Equity investments

Equity investments increased by €58.5 million to €794.7 million.

(€'000)	31 December 2021	30 June 2022	Variation
Investments in equity-accounted investees	656,010	714,103	58,093
Other equity investments	51,101	51,041	(60)
Participating financial instruments	29,123	29,542	419
Total	**736,234**	**794,686**	**58,452**

The main changes that led to differences in the carrying amounts of the equity investments are summarised below:

(€'000)	30 June 2022
Capital transactions	5,332
Acquisitions, capital injections and disinvestments	594
Share of loss of equity-accounted investees	(1,993)
Dividends from equity-accounted investees	(3,735)
Reclassifications	404
Other changes including change in the translation reserve	57,850
Total	**58,452**

Capital transactions reflect the injections into Grupo Unidos por el Canal (€5.3 million).

The share of loss of equity-accounted investees is summarised in note 32. It includes the changes in the provision for risks on equity investments (see note 24).

As already described in previous reports, the financial statements utilised to measure some of the investments using the equity method include requests for additional consideration as its payment is highly probable, based also on the technical and legal opinions of the Group's advisors. More information is available in the "Main risk factors and uncertainties" section of the Directors' report.

Dividends from equity-accounted investees mainly refer to the non-consolidated joint ventures of Lane Group (€1.3 million) and Renovation Palais Des Nations S.A. (€1.6 million).

Other changes including change in the translation reserve show a positive balance due to the translation of the assets, liabilities, income and expenses in currencies other than the Euro, mostly related to the translation of the financial statements of foreign operations prepared in US dollars (principally the SPE Grupo Unidos por el Canal).

No indicators of impairment were identified in respect of the equity investments at 30 June 2022.

Participating financial instruments

The participating financial instruments of €29.5 million include the equity instruments (IAS 32.16.C) assigned to Astaldi's creditors as partial settlement of their unsecured claims. They were measured using the estimated net proceeds from the sale of the assets transferred to Astaris S.p.A.'s ("Astaris", formerly Astaldi) separate unit and earmarked for the holders of these instruments.

9. Derivatives and non-current financial assets

Derivatives and non-current financial assets of €472.2 million are analysed in the following table:

(€'000)	31 December 2021	30 June 2022	Variation
Loans and receivables - third parties	187,819	194,024	6,205
Loans and receivables - unconsolidated group companies and other related parties	207,616	252,913	45,297
Other financial assets	23,076	25,299	2,223
Total	**418,511**	**472,236**	**53,725**

The main changes in non-current assets mostly relate to: (i) additional injections of €44.5 million to the SPE Yuma Concesionaria S.A. and (ii) sale advances of €7.8 million granted to Astaris' separate unit.

Loans and receivables - third parties of €194.0 million mainly include:

- €66.0 million related to the CAV.TO.MI. consortium paid as a result of the Appeal Court ruling of 23 September 2015 for the ongoing dispute with the customer about the high speed/capacity Turin - Milan railway line project. More information is available in the "Main risk factors and uncertainties" section of the Directors' report;
- sales advances of €72.2 million disbursed to Astaris' separate unit in accordance with the approved composition with creditors plan. These advances will be repaid using the proceeds from the sale of the separate unit's assets before the distribution of such proceeds to the holders of the participating financial instruments;
- €50.6 million related to the enforcement of the performance bond for the A1F, S3 Nowa Sol and S7 Checiny motorway contracts in Poland. The Group is confident that it will recover this amount, based also on the opinion of its legal advisors assisting it in the dispute with the customer. More information is available in the "Main risk factors and uncertainties" section of the Directors' report.

Loans and receivables - unconsolidated group companies and other related parties of €252.9 million (31 December 2021: €207.6 million) mainly relate to:

- €143.4 million due from Yuma Concessionaria (more details are available in the "Main risk factors and uncertainties" section of the Directors' report);
- the loans of €89.9 million granted to SPV Linea M4 S.p.A. (up €2.2 million on 31 December 2021).

The other financial assets of €25.3 million include:

- unlisted guaranteed-return securities, which mature after one year, amount to €10.8 million and relate to the fund financing Yuma;

- securities of €11.3 million for the I-405 project in the US, related to performance bonds deposited by the customer in an escrow account which will be released upon completion of the project.

10. Deferred tax assets and liabilities

Deferred tax assets and liabilities amount to €336.7 million and €38.8 million at 30 June 2022, respectively. They are classified under non-current assets and liabilities and are offset when the conditions provided for by the IFRS are met. More information about their recoverability is available in the "Complex accounting estimates" section of note 1.

Changes in the period are shown in the following table:

(€'000)	31 December 2021	30 June 2022	Variation
Deferred tax assets	348,480	336,727	(11,753)
Deferred tax liabilities	(56,504)	(38,773)	17,731

The item mostly shows the reversal of deferred tax assets and liabilities arising on temporary differences between statutory and tax regulations.

11. Inventories

Inventories total €237.9 million at the reporting date, as shown in the following table:

	31 December 2021			30 June 2022			
(€'000)	Gross amount	Allowance	Carrying amount	Gross amount	Allowance	Carrying amount	Variation
Real estate projects	23,528	(17,534)	5,994	5,994	-	5,994	-
Finished products and goods	7,429	-	7,429	7,753	-	7,753	324
Semi-finished products	793	-	793	357	-	357	(436)
Raw materials, consumables and supplies	227,216	(23,825)	203,391	246,857	(23,052)	223,805	20,414
Total	**258,966**	**(41,359)**	**217,607**	**260,961**	**(23,052)**	**237,909**	**20,302**

Real estate projects

Real estate projects amount to €6.0 million and mainly relate to a car park in Arezzo and an area zoned for agricultural use on which it was planned to construct a trade point in Lombardy, as well as real estate owned by the subsidiary NBI S.p.A. which it intends to sell.

Finished products and goods, Semi-finished products and Raw materials, consumables and supplies

The carrying amount of these items totals €7.8 million, €0.4 million and €223.8 million respectively, and mainly relates to materials and goods to be used in large foreign projects, including those in Ethiopia (€69.7 million) and Australia (Snowy 2.0 for €27.6 million). Seli Overseas' Italian projects account for €16.7 million, mostly relating to pre-fabricated sections for the Milan - Genoa railway line.

The carrying amount of inventories is net of an allowance of €23.1 million, analysed below.

Changes in the allowance during the period are shown below:

(€'000)	31 December 2021	Accruals	Utilisations	Reversals	Change in cons. scope	Other changes and exchange gains (losses)	30 June 2022
Allowance - real estate projects	17,534	-	-	-	-	(17,534)	-
Allowance - raw materials	23,825	134	(221)	(836)	-	150	23,052
Total	**41,359**	**134**	**(221)**	**(836)**	**-**	**(17,384)**	**23,052**

12. Contract assets and liabilities

Contract assets and liabilities can be analysed as follows:

(€'000)	31 December 2021	30 June 2022	Variation
Contract assets	2,787,252	3,317,496	530,244
Contract liabilities	3,422,846	3,005,769	(417,077)

Contract assets represent the amount due from customers for work performed net of progress payments and advances (i.e., financial milestones that have yet to be approved).

Contract liabilities comprise the unsatisfied performance obligations of the group companies to transfer the promised goods and services to customers against the progress payments and advances received.

Revenue recognised in the period on satisfied (or partly satisfied) performance obligations mostly relates to changes in estimates of the percentage of completion and the variable consideration.

Contract assets

Contract assets of €3,317.5 million include contracts in Italy (€484.8 million) and abroad (€2,832.7 million, of which €262.8 million for Lane's contracts).

The following table shows contract assets calculated using the stage of completion method, net of progress billings and advances:

(€'000)	31 December 2021	30 June 2022	Variation
Contract work in progress	41,105,731	47,590,907	6,485,176
Progress billings (on approved work)	(37,346,332)	(42,654,642)	(5,308,310)
Advances	(972,147)	(1,618,769)	(646,622)
Total contract assets	**2,787,252**	**3,317,496**	**530,244**

The increase in this item is due to the considerable progress made on projects in the Americas (those of Lane Group and principally those carried out by Lane-Security Paving J.V. and LMH-Lane Cabot Yard J.V.); Europe (the Braila Bridge in Romania and Line 16 of the Paris Metro in France); and Asia (the Rogun Hydropower Project in Tajikistan and Al Bayt Stadium in Al Khor City in Qatar). Amounts due from customers for the Koysha contract in Ethiopia and the Milan - Genoa high speed/capacity railway line were reclassified from contract liabilities to this item at 30 June 2022.

The advances mainly refer to the contract for the Copenhagen metro line in Denmark (€283.8 million) and the Rogun Hydropower Project in Tajikistan (€266.6 million).

The following table shows a breakdown of the item by geographical segment:

(€'000)	31 December 2021	30 June 2022	Variation
Italy	654,150	484,786	(169,364)
EU (excluding Italy)	739,682	836,238	96,556
Other European countries (non-EU)	14,374	40,414	26,040
Asia/Middle East	949,831	960,469	10,638
Africa	105,761	407,006	301,245
Americas	170,373	418,432	248,059
Oceania	153,081	170,151	17,070
Total	**2,787,252**	**3,317,496**	**530,244**

With respect to the breakdown of this item by geographical segment, the following comments are made.

Contract assets for work in Italy mostly relate to the projects being carried out by Partecipazioni Italia S.p.A. and Webuild Italia S.p.A. (principally maxi lot 2 of the Marche-Umbria road system, the Monte Sant'Angelo railway connector, Line 4 of the Milan Metro and the high speed/capacity Milan - Genoa railway line).

The largest contributors in Europe are the contracts underway in (i) Poland (mainly the Warsaw Southern Bypass, motorway projects and the Rzeszow-Gdansk waste-to-energy plant) and (ii) Romania (chiefly lots 2A, 2B and 3 of the Curtici - Simeria railway line, the Braila Bridge and motorway lots).

Significant balances for Asia and the Middle East relate to the contracts being carried out in Tajikistan (the Rogun Hydropower Project), Qater (mainly the Doha Metro and the Al Bayt Stadium in Al Khor City) and the United Arab Emirates (principally the Meydan One Mall).

Contract assets in the Americas mostly relate to progress on the projects in (i) the US (Lane Group and I-405 in California) and (ii) Chile (El Teniente Mine).

In Africa, contract assets include those for the projects underway in Ethiopia (Koysha Hydroelectric Project), Algeria (Saida - Tiarte - Moulay railway line) and Nigeria.

Oceania's contribution to this item mostly refers to the Australian contracts.

Contract liabilities

Contract liabilities of €3,005.8 million refer to contracts in Italy (€2,101.2 million) and abroad (€871.2 million, of which €138.5 million for Lane Group's contracts).

The item may be analysed as follows:

(€'000)	31 December 2021	30 June 2022	Variation
Contract work in progress	(22,645,081)	(20,483,738)	2,161,343
Progress payments (on approved work)	22,836,482	20,974,324	(1,862,158)
Advances	3,231,445	2,515,183	(716,262)
Total	**3,422,846**	**3,005,769**	**(417,077)**

The reduction in this item is mostly due to the reclassification of the balances for the Koysha project in Ethiopia and the high speed/capacity Milan - Genoa project in Italy to contract assets. Specifically, as a result of the production drive on these projects in the six months, the amounts due from the customers are higher than the progress payments and advances received. This effect is partly offset by the advances invoiced after the reporting date for the Diriyah Square - Package contract in Saudi Arabia (the equivalent of €95 million excluding VAT).

The following table shows a breakdown of the item by geographical segment:

(€'000)	31 December 2021	30 June 2022	Variation
Italy	2,125,223	2,101,223	(24,000)
EU (excluding Italy)	31,440	26,929	(4,511)
Other European countries (non-EU)	335,265	86,738	(248,527)
Asia/Middle East	13,292	87,539	74,247
Africa	114,786	45,989	(68,797)
Americas	264,542	225,307	(39,235)
Oceania	538,298	432,044	(106,254)
Total	**3,422,846**	**3,005,769**	**(417,077)**

With respect to the breakdown of this item by geographical segment, the following comments are made.

In Italy, contract liabilities refer to the work performed on the high speed/capacity Verona - Padua railway line, the two sections of the Messina - Catania railway line (North section - Lot 2 Taormina - Giampilieri and South section - Lot 1 Taormina - Fiumefreddo), the Naples - Bari railway line (Hirpinia - Orsara, Apice - Hirpinia and Orsara - Bovino sections) and mega lot 3 of SS-106 state road Jonica.

Contract liabilities for the Americas mostly relate to progress made on projects in (i) the US (Lane Group) and (ii) Canada (Hurontario Light Rail Transit Project and civil buildings works carried out by the subsidiary TEQ Construction Enterprise Inc.).

The main contributions to its item in Oceania are the Snowy 2.0 contract and North East Link Project in Australia.

Contract assets and liabilities, comprising progress payments, progress billings and advances, include claims for additional consideration of €2,483.8 million and €248.7 million, respectively.

They are recognised to the extent that their payment is deemed highly probable, based also on the legal and technical opinions of the Group's advisors. The additional consideration recognised in this item is part of the total consideration formally requested of the customers.

The "Main risk factors and uncertainties" section of the Directors' report provides information on pending disputes and assets exposed to country risk.

The section on the "Performance by geographical area" in the Directors' report provides more details about the contracts and the progress made on the main contracts.

13. Trade receivables

At 30 June 2022, trade receivables amount to €2,854.5 million, a net increase of €356.3 million compared to 31 December 2021. The item includes receivables of €422.6 million from unconsolidated group companies and other related parties.

This item may be analysed in the following table:

(€'000)	31 December 2021	30 June 2022	Variation
Third parties	2,112,369	2,431,946	319,578
Unconsolidated group companies and other related parties	385,865	422,593	36,727
Total	**2,498,234**	**2,854,539**	**356,305**

Trade receivables from third parties may be broken down as follows:

(€'000)	31 December 2021	30 June 2022	Variation
Third parties	2,536,536	2,902,281	365,746
Loss allowance	(424,167)	(470,335)	(46,168)
Total	**2,112,369**	**2,431,946**	**319,578**

The balance consists of amounts due from customers and consortium partners for invoices issued and for work performed and approved by customers but still to be invoiced.

This item shows an increase of €319.6 million, which is mainly due to the greater trade receivables for the Saudi contracts (€190.3 million), the SLC Snowy Hydro J.V. contract in Australia (€49.9 million), the Rogun Hydropower Project in Tajikistan (€21.8 million) and Lane Group's projects (€18.9 million). This upturn is partly offset by the impairment losses recognised on trade receivables described later in these notes.

The item mainly includes:

- approximately €290 million, due mostly from consortium partners for recently awarded railway projects (Messina - Catania and Naples - Bari railway lines). This is substantially compensated by the same amount shown under trade payables to consortium partners for the same projects;
- €153.9 million related to the high speed/capacity Verona - Padua (Iricav Due) railway line;
- €136.6 million due to the subsidiary Salini Saudi Arabia Company Ltd, mostly related (for approximately €100 million) to the contract advance invoiced for the Diriyah Square - Package contract collected at the start of July;
- €103.9 million due to Fibe S.p.A. ("Fibe") by the Campania municipalities for its services provided under contract until 15 December 2005 and the subsequent transition period (reference should be made to the "Main risk factors and uncertainties" section of the Directors' report for more information about this complicated situation and the directors' related assessments);
- amounts due to Lane Group of €132.6 million;
- €100.9 million from Ethiopian customers;
- €99.4 million for the Salerno-Reggio Calabria contract.

Retentions amount to €190.1 million at the reporting date compared to €175.8 million at 31 December 2021.

The loss allowance amounts to €470.3 million at the reporting date, up €46.2 million on 31 December 2021. It mainly refers to:

- trade receivables of €303.3 million from Venezuelan customers;
- trade receivables of €45.9 million from the Ukrainian customer Ukravtodor;
- default interest of €60.6 million, mostly related to Fibe.

Reference should be made to the "Main risk factors and uncertainties" section of the Directors' report for more information.

Changes in the loss allowance during the period are as follows:

(€'000)	31 December 2021	Impairment losses	Utilisations	Reversals	Change in cons. scope	Reclassifications and other changes	Net exchange gains	30 June 2022
Trade receivables	362,011	48,048	(88)	(1,212)	-	14	965	409,738
Default interest	62,156	-	-	(1,633)	-	-	74	60,597
Total	**424,167**	**48,048**	**(88)**	**(2,845)**	**-**	**14**	**1,039**	**470,335**

Impairment of the Ukrainian trade receivables

The Group does not currently have operations in this country but it has a total net credit exposure of €66.1 million with the Ukrainian customer Ukravtodor for the contract to update the Kiev - Kharkiv - Dovzhanskiy section of the M03 motorway from 2013 to 2016. This exposure has been the subject of litigation for several years after the customer terminated the contract in August 2016. Since then, various proceedings have been commenced, including an arbitration with the International Chamber of Commerce ("ICC") in Paris, which awarded a total amount of €83 million, including interest, to Webuild.

On 24 February 2022, Russia invaded Ukraine with the intention of overturning the government and demilitarizing the country in order to make it geopolitically neutral. Due to strong resistance and operating problems, the Russian offensive in north Ukraine ran into difficulties in March, forcing Russia to concentrate its military efforts in Ukraine's eastern regions. Continuation of the military conflict has increased the risks for the economy, public finances and financial stability of Ukraine which could undermine the government's ability to meet its financial commitments.

Given this situation, Webuild tested its trade receivables for impairment in line with IFRS 9 given the growing country risk that has emerged due to Ukraine's current political and financial situation.

Due to the many uncertainties about the outcome of the conflict and its financial effects, management deemed it appropriate to test the trade receivables' recoverable amount for impairment with the assistance of leading advisors. They considered various assessment scenarios and performed sensitivity analyses using the market prices of Ukrainian shares as a benchmark. As a result, management identified an impairment loss of between €24.6 million and €45.9 million.

The Group calculated its total exposure to the Ukrainian customer to be approximately €20.2 million, recognising an impairment loss of approximately €45.9 million[29] (the maximum amount defined in the impairment test).

Unconsolidated group companies and other related parties

Trade receivables from unconsolidated group companies and other related parties increased by €36.7 million to €422.6 million at 30 June 2022.

The item mainly comprises trade receivables from unconsolidated SPEs for work carried out by them under contracts with Italian and foreign public administrations.

The balance includes €2.9 million (€15.8 million at 31 December 2021) related to the Group's receivables with consortia and consortium companies (SPEs) that operate by recharging costs and are not included in the consolidation scope. It is shown in the item "Net financial position (debt) with unconsolidated SPEs" as part of net financial position (indebtedness).

[29] The amount of €52.3 million shown in note 30.6 "Amortisation, depreciation, provisions and impairment losses" refers to the impairment loss recognised on the Group's total credit exposure (trade receivables and other assets) for its activities performed in Ukraine in the years from 2013 to 2016.

Breakdown of trade receivables by geographical segment

The following table provides a breakdown of the item by geographical segment:

(€'000)	31 December 2021	30 June 2022	Variation
Italy	1,230,014	1,188,007	(42,007)
EU (excluding Italy)	208,712	287,514	78,802
Other European countries (non-EU)	244,494	121,104	(123,390)
Asia/Middle East	199,544	459,263	259,719
Africa	113,840	132,548	18,708
Americas	446,795	531,228	84,433
Oceania	54,835	134,875	80,040
Total	**2,498,234**	**2,854,539**	**356,305**

14. Derivatives and other current financial assets

At 30 June 2022, this item of €383.1 million (31 December 2021: €316.9 million) includes the following:

(€'000)	31 December 2021	30 June 2022	Variation
Loans and receivables - third parties	238,005	293,372	55,367
Loans and receivables - unconsolidated group companies and other related parties	69,130	70,674	1,544
Government bonds and insurance shares	6,106	13,475	7,369
Derivatives	3,684	5,560	1,876
Total	**316,925**	**383,081**	**66,156**

Loans and receivables - third parties increased by €55.4 million, including €46.6 million as a result of the ruling handed down by the Rome Court on 20 June 2022 ordering Bank of Italy to pay the amounts due to Fibe for the USW Campania projects.

The item also comprises:

- approximately €206.4 million disbursed to non-controlling investors of group companies, mainly active in Australia, Italy, Kuwait and Qatar;
- roughly €12.2 million due from the Romanian Ministry of Infrastructure and Transport due to the enforcement of the performance bond in 2017 for the disputes with the customer for the Orastie - Sibiu motorway contracts. The Court of International Commercial Arbitration attached to the Chamber of Commerce and Industry of Romania ("CCIR") announced the final award on 25 February 2021 ordering the customer to return the unfairly enforced amounts. As a result and based on the assessments made with the Group's legal advisors, management deems that the receivable is fully recoverable. More information is available in the "Main risks and uncertainties" section of the Directors' report;
- €6.6 million related to the net investment in leases of the COCIV consortium for assets given to subcontractors.

The government bonds and insurance shares amount to €13.5 million compared to €6.1 million at 31 December 2021. The item principally comprises securities held by the Group's Argentine companies.

Derivatives include:

- the reporting-date fair value of commodity hedges of €5.4 million entered into by Lane Group to hedge against fluctuations in diesel and petrol costs that meet the criteria for application of hedge accounting for cash flow hedges under the IFRS;

- the reporting-date fair value recognised in profit or loss of currency swaps of €0.2 million agreed by the parent, which do not meet the criteria for application of hedge accounting under the IFRS.

Their fair value was a positive €5.6 million at the reporting date as shown below:

(€'000)	31 December 2021	30 June 2022
Currency swaps - FVTPL	-	233
Commodity swaps - Cash flow hedges	3,684	5,327
Total current derivatives shown in net financial indebtedness	**3,684**	**5,560**

15. Current tax assets and other current tax assets

Current tax assets amount to €105.4 million as follows:

(€'000)	31 December 2021	30 June 2022	Variation
Direct taxes	43,092	44,076	984
IRAP	2,427	2,609	182
Foreign direct taxes	59,189	58,711	(478)
Total	**104,708**	**105,396**	**688**

The 30 June 2022 balance mainly consists of:

- direct tax assets for excess taxes paid in previous years, which the Group has correctly claimed for reimbursement and which bear interest;
- foreign direct taxes for excess taxes paid abroad by the foreign group companies which will be recovered as per the relevant legislation.

Other current tax assets decreased by €6.9 million to €242.6 million at the reporting date as follows:

(€'000)	31 December 2021	30 June 2022	Variation
VAT	234,404	229,147	(5,257)
Other indirect taxes	15,056	13,428	(1,628)
Total	**249,460**	**242,575**	**(6,885)**

VAT, substantially unchanged from 31 December 2021, mostly refers to Italian contracts with public administrations to which a split payment regime[30] applies (mostly the high speed/capacity Milan - Genoa railway line, the high speed/capacity Verona - Padua railway line, maxi lot 2 of the Marche - Umbria road system and SS-106 state road Jonica mega lot 3).

16. Other current assets

Other current assets of €891.5 million show a decrease of €13.5 million on the previous year end and may be analysed as follows:

[30] Article 17-ter of Presidential decree no. 633/1972

(€'000)	31 December 2021	30 June 2022	Variation
Other	271,589	265,995	(5,594)
Advances to suppliers	335,440	352,843	17,403
Unconsolidated group companies and other related parties	71,745	36,851	(34,894)
Prepayments and accrued income	226,282	235,819	9,537
Total	**905,056**	**891,508**	**(13,548)**

Specifically, this item includes:

- €47.6 million (unchanged from 31 December 2021) from the public bodies involved in managing the waste emergency in Campania to Fibe. More information about the USW Campania projects and assessments about the recoverability of the outstanding amounts is provided in the "Main risks and uncertainties" section of the Directors' report;
- €34.9 million due from the Argentine Republic as compensation for damage following the favourable award issued on 21 June 2011 and confirmed by the Buenos Aires Arbitration Tribunal on 24 January 2014. This award settled the proceedings commenced by the shareholders of the investee Aguas del Buenos Aires S.A. in liquidation (operator) against the Argentine Republic. More information on country risk is available in the "Main risk factors and uncertainties" section of the Directors' report;
- amounts due on the sale of goods and provision of services related to the Group's works (leases of machinery and equipment, sale of goods and provision of services) to suppliers and subcontractors.

Advances to suppliers amount to €352.8 million. At the reporting date, the item mostly refers to suppliers and subcontractors for the high speed/capacity Milan - Genoa railway line (€124.4 million), the high speed/capacity Verona - Padua railway line (€31.6 million), the works in Riyadh and the SANG Villas project in Saudi Arabia (€47.9 million), and the Etilik Integrated Health Campus in Ankara and the Gaziantep project in Turkey (€21.6 million).

The item "Unconsolidated group companies and other related parties" decreased by €34.9 million to €36.9 million. At the reporting date, it chiefly comprises amounts due from Salini Costruttori S.p.A. and partners of the joint operations working on projects in Romania.

Prepayments and accrued income of €235.8 million show an increase of €9.5 million on 31 December 2021. The item mainly consists of insurance premiums, commissions on sureties and other contract costs which will be recognised in profit or loss in future periods based on the stage of completion of the related contracts.

(€'000)	31 December 2021	30 June 2022	Variation
Accrued income:			
- Other	9,769	9,444	(325)
Total accrued income	**9,769**	**9,444**	**(325)**
Prepayments:			
- Insurance	97,567	120,210	22,643
- Sureties	30,746	32,006	1,260
- Other contract costs	88,200	74,159	(14,041)
Total prepayments	**216,513**	**226,375**	**9,862**
Total	**226,282**	**235,819**	**9,537**

17. Cash and cash equivalents

At 30 June 2022, cash and cash equivalents amount to €1,520.0 million, down by €850.0 million, as shown below:

(€'000)	31 December 2021	30 June 2022	Variation
Cash and cash equivalents	2,370,032	1,520,000	(850,032)

A breakdown by geographical segment is as follows:

(€'000)	31 December 2021	30 June 2022	Variation
Italy	1,201,786	410,794	(790,992)
EU (excluding Italy)	142,770	161,589	18,819
Other European countries (non-EU)	108,720	79,983	(28,738)
Asia/Middle East	82,207	135,816	53,609
Africa	45,246	32,461	(12,786)
Americas	593,680	535,043	(58,636)
Oceania	195,623	164,315	(31,308)
Total	**2,370,032**	**1,520,000**	**(850,032)**

The balance includes bank account credit balances at the end of the year and the amounts of cash, cheques and valuables at the registered offices, work sites and foreign branches. Liquidity management is designed to ensure the financial independence of ongoing contracts, considering the structure of the consortia and SPEs, which may limit the availability of financial resources to achievement of the related projects. Liquidity management also considers the existence of constraints to the transfer of currency imposed by certain countries. In this respect, the liquidity in Africa mainly comprises local currency that cannot be exported and is used for the Ethiopian projects.

The statement of cash flows and the section on the Group's net financial indebtedness in the Directors' report show the reasons for changes in this item and current account facilities (note 20).

At the reporting date, the cash and cash equivalents attributable to non-controlling interests of the consolidated SPEs amount to €83.0 million and mainly refer to Lane Group (€33.7 million), the entities carrying out the railway projects for the Naples - Bari line (€8.2 million) and the Messina - Catania line (€13.0 million).

The item comprises tied-up amounts of approximately €18.4 million, which includes €7.6 million related to the Astaldi-Turkerler Joint Venture and €6.8 million to Lane Group.

18. Non-current assets held for sale and disposal groups, liabilities directly associated with non-current assets held for sale and loss from discontinued operations

<u>Net non-current assets held for sale</u>

Net non-current assets held for sale approximate €27.9 million at 30 June 2022 (an increase of €3.0 million on 31 December 2021).

This item may be analysed as follows:

(€'000)	31 December 2021	30 June 2022	Variation
Non-current assets held for sale	42,996	47,564	4,568
Liabilities directly associated with non-current assets held for sale	(18,148)	(19,674)	(1,526)
Net non-current assets held for sale	**24,848**	**27,890**	**3,042**

At 30 June 2022, net non-current assets held for sale amount to €27.9 million and mostly consist of the investment (capital and shareholder loan) held by the parent in Gaziantep Hastane Saglik Hizmetleri Isletme ve Yatirim A.S. (€27.3 million) and the divisions to be sold in the Honduras area (€0.6 million).

Gaziantep Hastane Saglik Hizmetleri Isletme ve Yatirim A.S. (€27.3 million)

In September 2021, the parent signed a preliminary agreement with the Turkish group Rönesans to sell the investment (capital and shareholder loan) in Gaziantep Hastane Saglik Hizmetleri Isletme ve Yatirim A.S. (Gaziantep SPE), owner of the project financing contract for the design, construction and operation under concession of the Integrated Health Campus in the Sahinbey District of Gaziantep in southern Turkey. As a result of the subsequent addenda, the agreement also includes the sale of the investment (24.5% of the SPE) if certain conditions precedent are met. Management believes it is highly probable that the sale will be completed by the end of 2022. In 2021 and pending completion of the sale, the Group classified the equity investment and the shareholder loan held by the parent as assets held for sale. At the date of preparation of this report, it measured the assets related to Gaziantep SPE at the lower of their carrying amount and fair value less costs to sell as required by IFRS 5. The Group determined fair value less costs to sell considering the terms of the sales agreement. It found the assets' carrying amount to be fully recoverable and that there was no need to impair them.

Honduras discontinued operations (€0.6 million)

Given Astaldi's well-known financial difficulties, in 2019, the local judicial authorities appointed an administrator with full powers over the assets of the Astaldi group companies based in Honduras, to manage and preserve them, in order to sell the assets to satisfy their creditors. In light of the above and considering that the industrial activities in progress in the country were interrupted upon the appointment of the administrator, management classified the assets and liabilities of the Honduras operations under liabilities directly associated with non-current assets held for sale as such amount will only be recovered when the assets are sold to satisfy the creditors.

Breakdown of net non-current assets held for sale and directly associated liabilities (€'000)	31 December 2021	30 June 2022	Variation
Non-current assets	4,006	3,154	(852)
Current assets	38,991	44,410	5,419
Non-current assets held for sale	**42,997**	**47,564**	**4,567**
Non-current liabilities	(5,618)	(5,621)	(3)
Current liabilities	(12,530)	(14,052)	(1,522)
Liabilities directly associated with non-current assets held for sale	**(18,148)**	**(19,673)**	**(1,525)**
Net non-current assets held for sale	**24,849**	**27,891**	**3,042**
- Of which net financial position	*23,687*	*24,734*	*1,047*

Loss from discontinued operations

This item shows the results of Astaldi's foreign operations that no longer complied with the Group's commercial and industrial strategies. Industrial operations in these countries (mainly the Astaldi Georgia division for the statement of income figures for the first half of 2022) have been discontinued for some time and the administrative procedures for the definitive closure of the relevant reporting entities are currently nearing completion. Given these circumstances and since the requirements of paragraph 32.a) and b) of IFRS 5 - Non-current assets held for sale and discontinued operations have been met, the directors have classified the results of the operations in those countries as part of the loss from discontinued operations.

The loss from discontinued operations of €14.8 million for the first half of 2022 mostly relates to the Astaldi Georgia division. After the ICC award issued in the second quarter of 2022 on the proceedings commenced by the customer about the works to upgrade the E60 Zemo Osiauri - Chumateleti Motorway, the Group revised the previous estimates about the outcome of the arbitration to reflect its unexpected developments. More information is available in the "Main risk factors and uncertainties" section of the Directors' report.

The item may be broken down as follows:

(€'000)	1st half 2021	1st half 2022	Variation
Revenue			
Operating revenue	288	(14,306)	(14,594)
Other revenue	1,719	4,683	2,964
Total revenue and other income	**2,007**	**(9,623)**	**(11,630)**
Operating expenses			
Purchases	(680)	(70)	610
Subcontracts	-	(5,466)	(5,466)
Services	-	(1,032)	(1,032)
Other operating expenses	(1,299)	(2,739)	(1,440)
Personnel expenses	(897)	(563)	334
Amortisation, depreciation, provisions and impairment losses	96	(2,784)	(2,880)
Total operating expenses	**(2,780)**	**(12,654)**	**(9,874)**
Operating loss	**(773)**	**(22,277)**	**(21,504)**
Financing income (costs) and gains (losses) on equity investments			
Financial income	5,555	5,555	11,110
Financial expense	(10,307)	(10,307)	(20,614)
Net financing income (costs)	(2,648)	7,693	10,341
Net financing income (costs) and net losses on equity investments	**(2,648)**	**7,693**	**10,341**
Loss before tax	**(3,421)**	**(14,584)**	**(11,163)**
Income taxes	(26)	(181)	(155)
Loss from discontinued operations	**(3,447)**	**(14,765)**	**(11,318)**

19. Equity

Equity increased to €1,918.2 million at 30 June 2022 from €1,859.6 million at the end of 2021 as follows:

(€'000)	31 December 2021	30 June 2022	Variation
Equity attributable to the owners of the parent			
Share capital	600,000	600,000	-
Share premium reserve	367,763	367,763	-
- Legal reserve	120,000	120,000	-
- Reserve for share capital increase related charges	(10,988)	(10,988)	-
- Reserve for treasury shares	(3,291)	(22,921)	(19,630)
- Reserve for treasury shares held by group companies	(7,051)	(6,980)	71
- LTI reserve	1,843	5,204	3,361
- Inflation reserve	73,570	94,772	21,202
- IFRS 2 reserve	74,682	71,353	(3,329)
- Extraordinary and other reserves	136	136	-
Total other reserves	248,901	250,577	1,675
Other comprehensive expense			
- Translation reserve	(178,858)	(97,154)	81,704
- Hedging reserve	1,788	5,545	3,757
- Actuarial reserve	7,251	5,321	(1,930)
Total other comprehensive expense	(169,819)	(86,287)	83,531
Retained earnings	845,412	483,935	(361,477)
Loss for the period/year	(304,949)	(5,571)	299,378
Equity attributable to the owners of the parent	**1,587,308**	**1,610,417**	**23,107**
Share capital and reserves attributable to non-controlling interests	246,108	283,963	37,855
Profit for the period/year attributable to non-controlling interests	26,183	23,823	(2,360)
Share capital and reserves attributable to non-controlling interests	272,291	307,786	35,495
Total	**1,859,599**	**1,918,203**	**58,602**

Share capital

At 30 December 2022, the parent's share capital continues to amount to €600,000,000 and currently consists of 1,002,121,087 shares, comprising 1,000,505,596 ordinary shares (including 4,999,867 ordinary shares to be assigned to potential creditors) and 1,615,491 savings shares, all without a nominal amount.

During the period, the number of shares increased due to the assigning of 125,402 ordinary shares to creditors not provided for and the issue of 435,748 ordinary shares after anti-dilutive warrants were exercised.

Financial instruments giving the right to new shares

During their extraordinary meeting of 30 April 2021 as part of their resolutions about the partial proportionate demerger of Astasldi to Webuild (the "**demerger**"), Webuild's shareholders resolved, inter alia:

- to issue 80,738,448 2021-2030 Webuild warrants (ISIN IT0005454423) to the holders of ordinary Webuild shares in proportion to the shares held by them on the open market date before the demerger's effectiveness date (i.e., 30 July 2021) (the "**anti-dilutive warrants**"), as well as (b) to authorise the board of directors to issue and assign, under the terms and conditions of the anti-dilutive warrants regulation, in more than one instalment, a maximum of 80,738,448 ordinary Webuild shares, without a nominal amount, reserved for the exercise of (free) subscription rights by the anti-dilutive warrant holders. The anti-dilutive warrants were assigned free of charge on a dematerialised basis, using a ratio of 0.090496435 warrants for every ordinary Webuild share held at that date. During the first half of 2022, 435,748 anti-dilutive warrants were exercised leading to the assigning of 435,748 ordinary Webuild shares to the warrant holders;

- (a) to issue 15,223,311 warrants (the "**lender warrants**") to Unicredit S.p.A., Intesa San Paolo S.p.A., Sace S.p.A., BNP Paribas SA Succursale Italia and Banca Monte dei Paschi di Siena S.p.A. (the "**lending banks**") to replace, due to the demerger, a maximum of 74,991,680 Astaldi S.p.A. 2020-2023 warrants issued as part of the loan agreements signed on 2 August 2020 by Astaldi and its lending banks which gave them the right to subscribe ordinary Webuild shares in the ratio of one share to every lender warrant before 5 July 2023, as well as (b) to authorise the board of directors to issue and assign, under the terms and conditions set out in the lender warrants' regulation, in more than one instalment, a maximum of 15,223,311 ordinary Webuild shares, without a nominal amount, reserved for the exercise (at a unit price of €1.133 per share) of the above lender warrants;
- to authorise the board of directors to issue, in more than one instalment and before 31 August 2030, a maximum of 8,826,087 ordinary shares, without a nominal amount, to be reserved to the creditors not provided for (as defined in the demerger proposal). They will have the right to receive Webuild shares using: (a) the ratio established by Astaldi's composition with creditors plan for the exchange of claims with shares (i.e., 12,493 Astaldi shares for each €100.00 of claims), and (b) the assignment ratio (i.e., 203 Webuild shares to every 1,000 Astaldi shares). In the first half of 2022, 125,402 ordinary Webuild shares were issued and assigned to the creditors not provided for.

Changes of the period in the different equity items are summarised in the relevant schedule of the condensed interim consolidated financial statements.

Resolution of the parent's shareholders on the allocation of the loss for 2021

In their meeting held on 28 April 2022, the parent's shareholders resolved to:

- cover the loss of €245,727,865.15 shown in the 2021 separate financial statements by using the parent's distributable reserves;
- distribute a dividend of €0.055, gross of the withholding tax required by law, to each ordinary share and savings shares with dividend rights at the ex-dividend date (for a total of €54,217,105.08 at the payment date).

Other reserves

Reserve for treasury shares

During their ordinary meeting of 28 April 2022, the parent's shareholders authorised the board of directors to adopt a treasury share repurchase plan as per the terms and methods approved by them (available in the "Shareholders' meeting" part of the "Governance" section on the parent's website www.webuildgroup.com).

At 30 June 2022, the parent had 13,322,954 treasury shares for €22.9 million.

Reserve for treasury shares held by group companies

After completion and as a result of the demerger, the parent integrated the reserve for treasury shares to include its shares issued in November 2021 to Astaldi's shareholders and assigned to the group companies that received new Astaldi shares in 2020 in exchange for their unsecured claims (the "capital increase for conversion purposes"). Considering the above and the assignment ratio defined for the demerger, the group companies held 3,564,695 Webuild shares at the reporting date, equal to approximately €7.0 million.

Inflation reserve

The inflation reserve was set up following application of IAS 29 to the Argentine group companies (more information is available in note 1 and the "Main risk factors and uncertainties" section of the Directors' report).

Other comprehensive expense

The main change in this item relates to the effect of fluctuations in exchange rates, mostly the US dollar and principally in connection with the associate Grupo Unidos por El Canal S.A. and Lane Group.

20. Bank and other loans, current portion of bank loans and current account facilities

Bank and other loans and borrowings decreased by €293.9 million from 31 December 2021 to €690.4 million at period end, as summarised below:

(€'000)	31 December 2021	30 June 2022	Variation
Non-current portion			
- Bank and other loans and borrowings	317,265	318,796	1,531
Current portion			
- Current account facilities and other loans	667,066	371,640	(295,426)
Total	**984,331**	**690,436**	**(293,895)**

The Group's financial indebtedness is broken down by loan type in the following table:

	31 December 2021			30 June 2022		
	Non-current	Current	Total	Non-current	Current	Total
(€'000)						
Bank corporate loans	241,747	454,793	696,540	258,984	92,347	351,331
Bank construction loans	24,209	54,419	78,628	29,082	65,123	94,205
Bank concession financing	11,267	1,289	12,556	10,840	1,290	12,130
Other financing	33,527	114,599	148,126	13,376	138,872	152,248
Total bank and other loans and borrowings	**310,750**	**625,100**	**935,850**	**312,282**	**297,632**	**609,914**
Current account facilities	-	13,244	13,244	-	3,222	3,222
Factoring liabilities	-	21,088	21,088	-	24,015	24,015
Loans and borrowings - unconsolidated group companies	6,515	7,634	14,149	6,514	46,771	53,285
Total	**317,265**	**667,066**	**984,331**	**318,796**	**371,640**	**690,436**

Bank corporate loans

Bank corporate loans amount to €351.3 million at the reporting date (31 December 2021: €696.5 million) and refer to the parent.

The main conditions of the bank corporate loans in place at 30 June 2022 are as follows:

	Company	Interest rate	Expiry date	Note
Banca IMI - Term loan (2017 - 2022)	Webuild	Euribor	2022	(1)
Monte dei Paschi di Siena	Webuild	Fixed	2022	(1)
Banca Popolare di Milano (2016 - 2024)	Webuild	Euribor	2024	
Banca Popolare di Milano (2017 - 2025)	Webuild	Euribor	2025	
Banca IMI - Term loan (2016 - 2024)	Webuild	Euribor	2024	(1)
Banca IMI Yuma	Webuild	Fixed	2025	
BPER	Webuild	Euribor	2024	

(1) As part of a wide-ranging action plan implemented at group level to mitigate the impacts of Covid-19, Webuild negotiated the temporary suspension of checks of certain financial covenants at 30 June 2022 with its lending banks.

The reduction in bank corporate loans during the period is mostly due to the repayment of credit facilities, partly by using the proceeds from the placement of the €400 million sustainability-linked notes issued in January 2022.

Bank construction loans

Bank construction loans amount to €94.2 million at the reporting date and mainly relate to the subsidiaries Salini Saudi Arabia (€28.6 million), Astaldi Construction Corporation (€16.7 million) and CSC Costruzioni (€15.5 million).

The increase in these loans is mostly due to the draw-down of credit facilities by the subsidiary Salini Saudi Arabia (€16.6 million).

The conditions of the main construction loans in place at year end may be summarised as follows:

		Country	Interest rate	Expiry date
AIG Ltd / Zurich Insurance Ltd	Astaldi Construction Corporation	United States	Fixed	2024
Various banks	CSC Construction	Switzerland	Fixed	2024
Riyad Bank	Salini Saudi Arabia Company L.t.d.	Saudi Arabia	Fixed	2022

Bank concession financing

At 30 June 2022, bank concession financing amounts to €12.1 million as follows:

€'000				31 December 2021			30 June 2022		
		Currency	Country	Total concession financing	Current	Non-current	Total concession financing	Current	Non-current
Monte dei Paschi di Siena	Corso del Popolo S.p.A.	Euro	Italy	6,243	567	5,676	5,963	582	5,380
Credito Sportivo	Piscine dello Stadio S.r.l.	Euro	Italy	6,313	722	5,591	6,167	707	5,460
Total Bank concession financing				**12,556**	**1,289**	**11,267**	**12,130**	**1,290**	**10,840**

The conditions of the main bank concession financing in place at year end may be summarised as follows:

	Company	Country	Interest rate	Expiry date
Monte dei Paschi di Siena	Corso del Popolo S.p.A.	Italy	Euribor	2028
Credito Sportivo	Piscine dello Stadio	Italy	IRS	2035

The interest rates shown in the table have floating spreads depending on the term and conditions of the financing.

Other financing

This item may be analysed as follows:

€'000			31 December 2021			30 June 2022		
	Company	Country	Total other financing	Current	Non-current	Total other financing	Current	Non-current
Various	Galfar Cimolai JV	Qatar	21,380	21,380	-	27,141	27,141	-
Various	Webuild head office	Various	3,503	3,503	-	13,246	9,246	4,000
Società Italiana Condotte d'Acqua	Webuild Italia	Italy	9,628	1,000	8,628	8,629		8,629
Non-controlling interests	Sabrom	Italy	8,325	8,325	-	8,314	8,314	-
Non-controlling interests	NRW JV	Australia	5,233	5,233	-	5,451	5,451	-
Various	SCI ADI Ortakligi	Turkey	3,648	3,648	-	5,012	5,012	-
Various	Impregilo-SK E&C-Galfar al Misnad J.V.	Qatar	3,157	3,157	-	3,674	3,674	-
Various	Other former Astaldi Group entities	Various	66,459	58,959	7,500	70,652	70,643	9
Various	French branch	France	11,123	-	11,123	-	-	-
Non-controlling interests	Cossi Costruzioni	Italy	4,011	-	4,011	-	-	-
Other	Other	Various	11,659	9,394	2,265	10,129	9,391	738
Total			**148,126**	**114,599**	**33,527**	**152,248**	**138,872**	**13,376**

Other financing increased by €4.1 million, mostly as a result of:

- the increase of €9.7 million in the head office's financing, principally due to the acquisition of the non-controlling interests in Cossi Costruzioni S.p.A.;
- the increase of €5.8 milion in the subsidiary Galfar Cimolai J.V.'s financing;
- the €11.1 million reduction in the French branch's financing.

Current account facilities

Current account facilities decreased by €10.0 million to €3.2 million at the reporting date.

Factoring liabilities

(€'000)	31 December 2021	30 June 2022	Variation
Isarco S.C.r.l. (Unicredit Factoring)	16,858	13,272	(3,586)
Salini Saudi Arabia	-	5,993	5,993
Ethiopian branch (Factorit)	1,995	2,690	695
Former Astaldi Panama branch	1,674	1,878	204
Webuild head office (various)	561	182	(379)
Total	**21,088**	**24,015**	**2,927**

Factoring liabilities relate to the factoring of receivables. The 2.9 million increase is mostly attributable to the subsidiary Salini Saudi Arabia Ltd. (€6.0 million), partly offset by the subsidiary Isarco S.C.r.l. (€3.6 million).

Loans and borrowings - unconsolidated group companies

This item increased by €39.2 million to €53.3 million at 30 June 2022, mostly due to the amount due to the subsidiary Webuild Italia S.p.A. from the associate Dolomiti Webuild Implenia, charged with the development of lot 1 of the Fortezza - Verona railway line (€28.1 million).

Net financial indebtedness of Webuild Group

(€'000)	Note (*)	31 December 2021	30 June 2022	Variation
Non-current financial assets	9	418,511	472,236	53,725
Current financial assets	14	313,241	377,521	64,280
Cash and cash equivalents	17	2,370,032	1,520,000	(850,032)
Total cash and cash equivalents and other financial assets		**3,101,784**	**2,369,757**	**(732,027)**
Bank and other loans and borrowings	20	(317,265)	(318,796)	(1,531)
Bonds	21	(1,487,852)	(1,884,394)	(396,542)
Lease liabilities	22	(101,673)	(86,263)	15,410
Total non-current indebtedness		**(1,906,790)**	**(2,289,453)**	**(382,663)**
Current portion of bank loans and borrowings and current account facilities	20	(667,066)	(371,640)	295,426
Current portion of bonds	21	(11,881)	(39,999)	(28,118)
Current portion of lease liabilities	22	(68,808)	(74,070)	(5,262)
Total current indebtedness		**(747,755)**	**(485,709)**	**262,046**
Derivative assets	9-14	3,684	5,560	1,876
Net financial position with unconsolidated SPEs (**)		15,754	2,882	(12,872)
Total other financial assets		**19,438**	**8,442**	**(10,996)**
Net financial position (indebtedness) - continuing operations		**466,677**	**(396,963)**	**(863,640)**
Net financial position - discontinued operations		23,687	24,735	1,048
Net financial position (indebtedness) including discontinued operations		**490,364**	**(372,228)**	**(862,592)**

(*) The note numbers refer to the notes to the condensed interim consolidated financial statements where the items are analysed in detail.

(**) This item shows the group's net amounts due from/to unconsolidated consortia and consortium companies operating under a cost recharging system. The balance reflects the group's share of cash and cash equivalents or debt of the SPEs. The items making up these balances are shown under trade receivables and payables, respectively, in the condensed interim consolidated financial statements.

More information about changes in the Group's net financial indebtedness during the six months is available in the Directors' report.

Net financial indebtedness as per the ESMA guidelines of 4 March 2021

The following table shows the Group's net financial indebtedness as required by Consob's warning notice no. 5/21 of 29 April 2021, which refers to the ESMA guidelines issued on 15 July 2020 and applicable from 5 May 2021.

	(€'000)	31 December 2021	30 June 2022
A	Cash	2,368,088	1,520,000
B	Cash equivalents	-	
C	Other current financial assets	6,106	13,475
D	**Cash and cash equivalents (A+B+C)**	**2,374,194**	**1,533,475**
E	Current loans and borrowings (including debt instruments but excluding the current portion of non-current loans and borrowings)	25,140	82,773
F	Current portion of non-current loans and borrowings	757,786	402,937
G	**Current financial indebtedness (E+F)**	**782,926**	**485,710**
H	**Net current financial position (G-D)**	**(1,591,268)**	**(1,047,765)**
I	Non-current loans and borrowings (excluding the current portion and debt instruments)	1,891,485	2,289,452
J	Debt instruments	-	
K	Trade payables and other non-current financial liabilities	53,921	25,632
L	**Non-current financial indebtedness (I+J+K)**	**1,945,406**	**2,315,084**
M	**Net financial indebtedness (H+L)**	**354,138**	**1,267,319**

The next table provides a reconciliation between the Group's net financial indebtedness as per the ESMA guidelines of 4 March 2021 and its management accounts:

(€'000)	31 December 2021	30 June 2022
Difference compared to Webuild's net financial indebtedness	**813,287**	**895,090**
Due to:		
Non-current financial assets	418,511	472,236
Current financial assets with a maturity of more than 90 days (*)	307,120	364,046
Derivatives	3,684	5,560
Net financial position with unconsolidated SPEs	6,364	2,882
Net financial position - discontinued operations	23,687	24,734
Trade payables and other non-current liabilities	53,921	25,632
Total difference	**813,287**	**895,089**

(*) The exclusion of current financial assets with a maturity of more than 90 days is based on current professional guidance.

Trade payables and other non-current financial liabilities comprise:

(€'000)	31 December 2021	30 June 2022
Suppliers	36,927	16,064
Employees	597	777
Social security institutions	339	54
Guarantee deposits	164	164
Other liabilities	15,894	8,573
Total	**53,921**	**25,632**

21. Bonds

The outstanding bonds at 30 June 2022 relate to the parent, Webuild (€1,924.4 million). They are analysed in the following table.

(€'000)	31 December 2021	30 June 2022	Variation
Non-current portion	1,487,852	1,884,394	396,542
Current portion	11,881	39,999	28,118
Total	**1,499,733**	**1,924,393**	**424,660**

The following table analyses the item:

		31 December 2021			30 June 2022		
(€'000)	Expiry date	Nominal amount	Non-current portion (net of related charges)	Current portion (accrued interest)	Nominal amount	Non-current portion (net of related charges)	Current portion (net of related charges)
Webuild 1.75% Call 26ot24	26.10.2024	500,000	497,823	1,582	500,000	498,206	5,921
Webuild 5.875% Call 15dc25	15.12.2025	750,000	745,222	1,932	750,000	745,486	23,782
Webuild 3.625% Call 28ge27	28.01.2027	250,000	244,807	8,367	250,000	245,234	3,799
Webuild Sdg Link Tf 3.875% Lg26 Call Eur	28.07.2026				400,000	395,468	6,497
Total		**1,500,000**	**1,487,852**	**11,881**	**1,900,000**	**1,884,394**	**39,999**

The bonds are listed on the Dublin Stock Exchange and are backed by covenants, which were fully complied with at the reporting date.

On 19 January 2022, Webuild successfully placed new sustainability-linked notes with an aggregate nominal amount of €400,000,000 reserved to institutional investors. Their maturity date is 28 July 2026 and they have an annual coupon of 3.875%.

22. Lease liabilities

Lease liabilities may be broken down as follows at 30 June 2022:

(€'000)	31 December 2021	30 June 2022	Variation
Non-current portion	101,673	86,263	(15,410)
Current portion	68,808	74,070	5,262
Total	**170,481**	**160,333**	**(10,148)**

The present value of the minimum future lease payments is €160.3 million (31 December 2021: €170.5 million) as follows:

(€'000)	31 December 2021	30 June 2022
Minimum lease payments:		
Due within one year	72,996	76,886
Due between one and five years	105,065	89,046
Due after five years	724	1,461
Total	**178,785**	**167,393**
Future interest expense	(8,304)	(7,060)
Net present value	**170,481**	**160,333**

The net present value is as follows:		
Due within one year	68,808	74,070
Due between one and five years	101,050	85,000
Due after five years	623	1,263
Total	**170,481**	**160,333**

23. Post-employment benefits and employee benefits

At 30 June 2022, the Group's liability due to its employees determined using the criteria set out in IAS 19 is €57.1 million.

Employee benefits mostly consist of the Italian post-employment benefits regulated by article 2120 of the Italian Civil Code and the defined benefit plans for Lane Group's full-time employees.

<u>Post-employment benefits governed by article 2120 of the Italian Civil Code</u>

Plan characteristics

At 31 December 2006, the Italian post-employment benefits (TFR) qualified as a defined benefit plan. Law no. 296 of 27 December 2006 (the 2007 Finance Act) and related implementing decrees issued in early 2007 introduced changes, according to which companies with at least 50 employees now classify the TFR as a defined benefit plan solely with reference to the benefits vested up to 1 January 2007 (if not paid at the reporting date), while those accrued after that date are classified as part of a defined contribution plan.

Accordingly, the liability for post-employment benefits recognised in the Group's statement of financial position, net of any advances paid, reflects (i) for companies with more than 50 employees, the residual obligation for the Group for the benefits vested up to 31 December 2006 that will be paid when the employees leave the company and (ii) for the other companies, the accumulated benefits accrued by employees over their employment term, recognised on an accruals basis on the basis of the service necessary to accrue them.

<u>Main assumptions</u>

The main assumptions used for the actuarial estimate of the TFR at the reporting date are:

- turnover rate: 7.25%;
- advance payment rate: 3%;
- inflation rate: 1.75%.

The Group has used the Eurocomposite AA index, which has an average financial duration in line with the fund being valued, to calculate the discount rate.

<u>Other defined benefit plans</u>

This item mainly consists of the liability for Lane Group's defined benefit plan for its full-time employees. This liability is calculated on the basis of the employees' years of service and remuneration and is subjected to an actuarial valuation. Lane Group also provides healthcare cover to retired employees, hired before 31 December 1992 with at least 20 years of service.

<u>Composition and changes in employee benefits</u>

The following tables provide a breakdown of this item and changes of the period:

(€'000)	31 December 2021	Accruals	Payments	Contributions paid to INPS treasury and other funds	Net actuarial gains	Other changes	30 June 2022
Post-employment benefits and employee benefits	50,687	10,889	(4,258)	(3,566)	1,931	1,388	57,071

Management availed of the services of leading independent experts to perform the actuarial calculation of the employee benefits.

"Net actuarial gains" include the actuarial gains and losses recognised in the actuarial reserve as per the revised IAS 19.

24. Provisions for risks

These provisions amount to €221.4 million at the reporting date, as follows:

(€'000)	31 December 2021	30 June 2022	Variation
Provisions for risks on equity investments	85,257	93,597	8,340
Other provisions	137,334	127,794	(9,540)
Total	**222,591**	**221,391**	**(1,200)**

The provisions for risks on equity investments relate to expected impairment losses on the carrying amount of the Group's investments in associates and joint ventures for the part that exceeds their carrying amounts. The €8.3 million increase is mostly related to the unconsolidated Lane Group companies.

The main changes that led to this increase are summarised below:

(€'000)	1st half 2022
Capital transactions	971
Acquisitions, capital injections and disinvestments	160
Share of profit of equity-accounted investees	4,406
Reclassifications	(1)
Other changes including change in the translation reserve	(7,171)
(Accruals) / Utilisation	(6,705)
Reclassifications	
Total	**(8,340)**

Other provisions comprise:

(€'000)	31 December 2021	30 June 2022	Variation
Provisions set up by entities in liquidation	8,665	8,555	(110)
USW Campania projects	27,165	27,165	-
Provision for ongoing litigation	18,548	17,076	(1,472)
Provisions for risks relating to ongoing contracts	56,188	49,198	(6,990)
Other	26,766	25,798	(968)
Total	**137,334**	**127,794**	**(9,540)**

The provisions set up by entities in liquidation include accruals made for probable future charges related to the closing of contracts and possible developments in ongoing litigation.

The provision for the USW Campania projects mainly consists of the estimated potential costs for the environmental remediation. The "Main risk factors and uncertainties" section of the Directors' report includes a description of the litigation and risks related to the USW Campania projects.

The provisions for risks relating to ongoing contracts mainly refer to contracts in Turkey (€12.7 million), Lane Group (€5.9 million, mostly for the Cabot Yard contract) and Poland (€4.1 million).

These provisions are measured in accordance with paragraphs 66-69 of IAS 37 - Provisions, contingent liabilities and contingent assets and cover the estimated costs to fulfil certain contracts (net of the related economic benefits).

The provision for ongoing litigation mostly relates to litigation in Canada and Europe.

"Other" refers to additional obligations deemed probable for disputes with third parties and group companies' commitments taken on mainly in Italy, the Americas and Europe.

Changes in the item in the period are summarised below:

(€'000)	31 December 2021	Accruals	Utilisations / Releases	Change in consolidation scope	Exchange gains (losses) and other changes	30 June 2022
Total	**137,334**	**8,873**	**(21,843)**	**-**	**3,430**	**127,794**

The main accruals for the period mostly relate to Italy and Poland.

Utilisations/releases refer to the updating of valuations about the costs necessary to complete onerous contacts mainly in the US and Poland.

More information is available in the section on the "Main risk factors and uncertainties" of the Directors' report.

25. Trade payables

Trade payables amount to €3,721.6 million at the reporting date, an increase of €512.8 million on 31 December 2021. They are made up as follows:

(€'000)	31 December 2021	30 June 2022	Variation
Third parties	3,062,060	3,550,738	488,678
Unconsolidated group companies and other related parties	146,711	170,840	24,129
Total	**3,208,770**	**3,721,578**	**512,808**

The increase in this item is mostly due to the higher trade payables to third parties (€488.7 million). Specifically, it relates to Lane Group's contracts (€76.2 million), the SLC Snowy Hydro J.V. contract (€69.8 million), the high speed/capacity Verona - Padua railway line project (Iricav Due) (€49.6 million), the Rogun Hydropower Project in Tajikistan (€28.5 million) and the Apice - Hirpinia railway line section (€44.9 million).

The item includes trade payables to consortium partners for the newly acquired railway projects in Italy (Messina - Catania and Naples - Bari railway lines for approximately €290 million) (see note 13 on trade receivables).

Trade payables to unconsolidated group companies and other related parties mainly comprise amounts due to unconsolidated SPEs for work carried out by them under contracts with public administrations.

At 30 June 2022 and 31 December 2021, the item does not include any amounts due to consortia and consortia companies (SPEs) that operate by recharging costs and are not included in the consolidation scope at the reporting date.

26. Current tax liabilities and other current tax liabilities

Current tax liabilities decreased by €61.1 million to €109.3 million at the reporting date. This decrease is mostly due to the reduction in foreign taxes, principally related to the Ethiopian branch.

The item may be analysed as follows:

(€'000)	31 December 2021	30 June 2022	Variation
IRES	4,735	7,976	3,241
IRAP	7,667	10,349	2,682
Foreign taxes	157,956	90,936	(67,020)
Total	**170,358**	**109,261**	**(61,097)**

The other current tax liabilities of €102.5 million increased by €1.7 million over 31 December 2021.

They may be analysed as follows:

(€'000)	31 December 2021	30 June 2022	Variation
VAT	66,265	71,103	4,838
Other indirect taxes	34,521	31,413	(3,108)
Total	**100,786**	**102,516**	**1,730**

27. Other current liabilities

Other current liabilities of €582.9 million (€565.4 million) comprise:

(€'000)	31 December 2021	30 June 2022	Variation
State bodies	33,288	33,288	-
Other liabilities	175,789	181,785	5,996
Employees	102,920	102,855	(65)
Social security institutions	41,563	47,896	6,333
Unconsolidated group companies and other related parties	66,413	60,408	(6,005)
Compensation and compulsory purchases	109,745	112,957	3,212
Accrued expenses and deferred income	35,703	43,707	8,004
Total	**565,421**	**582,896**	**17,475**

"State bodies" (€33.3 million) entirely relate to the transactions with the commissioner, the provincial authorities and municipalities of Campania in connection with the USW Campania projects. Reference should be made to the "Main risk factors and uncertainties" section of the Directors' report for more information about the complicated situation surrounding the USW Campania projects.

"Other liabilities" of €181.8 million (€175.8 million) increased by approximately €6.0 million. At the reporting date, the balance principally refers to the Italian high speed/capacity projects and some foreign contracts in Poland.

"Unconsolidated group companies and other related parties" amount to €60.4 million. The period-end balance principally refers to the Shimmick-FCC-IGL joint venture operating in the US mobility sector, the Argentine group companies involved in the environmental remediation project in the Buenos Aires area and the Churchill Hospital joint venture active in the UK hospital sector.

The "Compensation and compulsory purchases" amount to €113.0 million and mostly refer to Iricav Due for the development of the high speed/capacity Verona - Padua railway line.

Accrued expenses and deferred income increased by €8.0 million to €43.7 million as follows:

(€'000)	31 December 2021	30 June 2022	Variation
Accrued expenses:			
- Commissions on sureties	10,940	11,818	878
- Other	21,444	29,573	8,129
Total accrued expenses	**32,384**	**41,391**	**9,007**
Deferred income:			
- Provision of services	3,319	2,316	(1,003)
Total deferred income	**3,319**	**2,316**	**(1,003)**
Total	**35,703**	**43,707**	**8,004**

28. Guarantees, commitments, risks and contingent liabilities

Guarantees and commitments

The key guarantees given by the Group are set out below:

- contractual sureties: these total €19,232.8 million (including €7,435.8 million issued directly by Lane Group) and are given to customers as performance bonds, to guarantee advances, retentions and involvement in tenders for all ongoing contracts. In turn, the group companies have guarantees given by its subcontractors;
- sureties for bank loans: they amount to €149.4 million;
- sureties granted for export credit: €6.6 million;
- other guarantees: they amount to €2,107.3 million and comprise guarantees related to customs and tax obligations (€12.4 million);
- collateral related to a lien on the shares of an SPE (€22.3 million).

Tax disputes

Webuild S.p.A.

With respect to the principal dispute with the tax authorities:

- the Supreme Court hearing was held on 17 January 2020 to discuss the reimbursement of tax assets with a nominal amount of €12.3 million plus interest acquired from third parties as part of previous non-recurring transactions. The court quashed the second level ruling ordering the case to be transferred to the Regional Tax Commission. The parent filed a petition for the resumption of the hearing within the legal term;

- a dispute related to 2005 about the technique used to "realign" the carrying amount of equity investments as per article 128 of Presidential decree no. 917/86 (greater assessed tax base of €4.2 million) is still pending before the first level court while with respect to another dispute with the same subject but for 2004 (greater assessed tax base of €0.4 million), the Supreme Court accepted the parent's grounds and ordered the case be sent to the Lombardy Regional Tax Commission which fully accepted the parent's appeal in the hearing of 14 January 2019 with its ruling of 12 February 2019. The tax authorities appealed this ruling on 11 September 2019 and the appeal still has to be allocated to the relevant section of the court;
- after their tax inspection into 2015, the tax authorities notified the Constructor M2 Lima consortium of an assessment notice claiming approximately €15.9 million. The main allegation made by the local tax authorities (SUNAT) is due to a different interpretation of the accounting treatment of revenue from contracts with customers for work carried out under the IFRS. The parent's investment in the consortium is 25.5%, which means the portion of assessed tax attributable to it is about €4.06 million. Since the consortium deems that the accounting treatment it adopted is correct, it challenged the above assessment notice within the term prescribed by the local law.

Furthermore, considering the demerger and the principal disputes of the demerged company Astaldi (now Astaris) with the tax authorities:

- In 2010, Astaldi's Costa Rican branch received an assessment notice of a higher taxable amount due to the disallowance of the deductibility of various costs (amortisation and depreciation, personnel remuneration, losses and travel and transport costs), for an amount due of CRC776,803,156 (the equivalent of approximately €1.2 million). A separate notice imposed fines of CRC194,200,789 (the equivalent of approximately €0.3 million at current exchange rates). With the assistance of its advisors, the branch has commenced the local administrative and legal procedures to challenge the above assessment and to defend the correctness of its actions. On 3 December 2020, the tax authorities issued a resolution confirming the branch's amounts.

  In 2015, the same branch received a notice from the local tax authorities that disallowed certain withholding tax assets for 2011, 2012 and 2013. The initial assessed amount is CRC640,694,557 (the equivalent of about €0.9 million) against which the branch has commenced the local administrative and legal procedures with the assistance of its advisors. The tax authorities subsequently decreased the assessed amount to CRC132,305,779 (the equivalent of approximately €0.2 million). In the first half of 2022, the court disallowed the branch's reimbursement application and the branch, assisted by its consultants, is currently evaluating whether to appeal this ruling;
- in 2016, the El Salvadoran branch received an assessment notice from the local tax authorities relating to its tax base and related income taxes for 2012. In this assessment, the local tax authorities alleged: (i) allegedly undeclared revenue of USD23.5 million (the equivalent of approximately €20.5 million) for the proceeds arising from the out-of-court agreement settling the dispute related to the El Chaparral hydroelectric power plant project, (ii) interest income of USD0.8 million (the equivalent of about €0.7 million) allegedly accrued on intragroup loans, (iii) revenue and income reported as tax-exempt or non-taxable amounting to USD13.4 million (the equivalent of roughly €11.7 million), and (iv) costs of USD15.4 million (the equivalent of approximately €13.5 million) whose deductibility was contested. As a result, the local tax authorities recalculated the income tax due by the branch for 2012 and assessed higher taxes of USD9.1 million (the equivalent of approximately €8 million), plus fines and interest. With the assistance of its advisors, the subsidiary has commenced the procedures to challenge all assessments;

- in 2021, Astaldi's Nicaraguan branch received an assessment notice from the tax authorities related to the audit of the financial statements for 2017 and 2018. The local tax authorities challenged: i) exchange differences; ii) social security contributions for employees; iii) depreciation of machinery; iv) undocumented costs. As a result, they assessed taxes for both years of NIO50,584,287.72 as well as fines of NIO12,646,071.42 (for a total of approximately €1.7 million) and interest. The branch duly appealed against this assessment notice within the locally-established terms and the tax authorities rejected the appeal. On 29 April 2022, the branch presented a review appeal with the assistance of its consultants.

In Italy:

- on 28 August 2020, the Italian tax authorities notified Astaldi of a recovery notice for alleged undue offsetting of excess VAT transferred by its subsidiaries under the 2017 group VAT scheme. The assessed amount is €4.8 million, plus fines and interest of €1.4 million and €0.5 million, respectively. The assessment is based on the recalculation of the interim offsetting of VAT that, according to the tax authorities, resulted in excess and unsecured offset VAT. The recalculation also led to the recalculation of the annual VAT asset claimed for reimbursement at year end, with the consequent disallowance of the reimbursement and authorisation to carry forward. Astaldi challenged both the recovery notice and the disallowance of the reimbursement in court. The Rome Provincial Tax Commission allowed Astaldi's appeal about the recovery notice and the tax authorities still have time to present a counter-appeal. The second appeal about the disallowance of the reimbursement is currently pending before the Rome Provincial Tax Commission and the first level ruling was unfavourable to Astaldi. Should this be confirmed, it will however lead to larger carryforward tax assets and solely led to the payment of fines and interest.

With respect to the above pending disputes, after consulting its legal advisors, Astaldi believes that it has acted correctly and deems that the risk of an adverse ruling is not probable. When it deemed it appropriate to settle the dispute, as explained earlier in more detail, it did so to avail of the various options provided for by the relevant legislation, such as the voluntary settlement procedure for the pending tax disputes or the positions assigned to the tax collection agency, the court-ordered settlement procedure and the mutually-agreed settlement procedure.

Fisia Ambiente S.p.A.

After the 2013 IRES tax audit and the 2013, 2014 and 2015 VAT audit, the Genoa tax office inspectors identified findings for IRES purposes for 2013 related to alleged undue deductions of €1.5 million for the use of the loss allowance and the alleged undue deduction of VAT of €0.3 million on costs incurred for the defence of managers and other employees in criminal court proceedings in 2013, 2014 and 2015. Fisia Ambiente S.p.A. appealed against these assessments in fact and in law with its comments and applications filed in accordance with article 12.7 of Law no. 212/2000. The tax authorities fully accepted the inspectors' findings and notified two assessment notices for 2013, one for IRES and one for VAT. In turn, the subsidiary has filed reasoned requests for a mitigation hearing as per article 6 and following articles of Legislative decree no. 218/1997.

The mutually-agreed settlement procedure for the VAT was not successful and, in June 2019, the subsidiary appealed to the competent tax commission commencing the relevant legal proceedings. The competent tax commission has issued its ruling (i) partly accepting the subsidiary's appeal for 2013, (ii) rejecting the appeal for 2014, and (iii) fully accepting its appeal for 2015 thereby cancelling the assessment notice. An appeal has been filed for all cases.

With respect to the above pending disputes, after consulting its legal advisors, the subsidiary believes that it has acted correctly and deems that the risk of an adverse ruling is not probable. When it deemed it appropriate to settle the dispute, as explained earlier in more detail, it did so to avail of the various options provided for by the relevant legislation, such as the voluntary settlement procedure for the pending tax disputes or the positions assigned to the tax collection agency, the court-ordered settlement procedure and the mutually-agreed settlement procedure.

Fibe S.p.A.

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

In January 2013, the subsidiary received tax assessment notices from the Acerra municipality with respect to the waste-to-energy plant, which requested payment of local property tax and related penalties for approximately €14.3 million for the years 2009-2011. The amount requested by the municipality and challenged by Fibe was confirmed as far as its applicability but reduced in terms of its amount and penalties by the Naples Regional Tax Commission.

The subsidiary appealed against the second level ruling with the Supreme Court and the case is still pending. However, in 2015, the subsidiary set aside a provision for an amount equal to the assessed tax plus accrued interest on a prudent basis. On 7 March 2018, Fibe applied for the procedure for the out-of-court settlement of the positions assigned to the collection agency as per article 1 of Decree law no. 148/2017 converted with modifications into Law no. 172/2017.

The disputes about the following are still pending:

1) Assessment notice for 2003 IREPG, IRAP and VAT issued by the Casoria tax office about assessed taxes of €6.5 million. The subsidiary has been challenged for the following violations: (i) undue deduction of costs of €3.1 million contrary to the principle of pertinence/accruals basis and (ii) undue deduction of VAT of €2.0 million as a result of the application of a higher-than-allowed rate.

The Naples Provincial Tax Commission accepted the subsidiary's appeal in its ruling no. 497 filed on 25 June 2009, which the tax office appealed. The subsidiary presented its defence brief and counter-appeal. The Naples Regional Tax Commission confirmed that costs of €2,771,179.66 were to be taxed, due to their non-compliance with the pertinence/accruals basis principle in its ruling no. 27/1/12 filed on 23 January 2012 while also confirming the deductibility of VAT of €1,839,943.61. The tax office appealed to the Supreme Court which has referred the dispute to the Campania Regional Tax Commission.

2) Assessment notice for 2004 VAT issued by the Casoria tax office about alleged unpaid 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 subsidiary'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 subsidiary 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 against the ruling before the Supreme Court which quashed the previous ruling. The subsidiary has filed a petition for the resumption of the hearing within the legal term.

3) Assessment notice for the 2012 IMU property tax, issued by the Acerra municipal authorities for the assessed tax of €551 thousand for the WtE 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 subsidiary's favour. The subsidiary has appealed to the Supreme Court.

With respect to the above pending disputes, after consulting its legal advisors, the subsidiary believes that it has acted correctly and deems that the risk of an adverse ruling is not probable. When it deemed it appropriate to settle the dispute, as explained earlier in more detail, it did so to avail of the various options provided for by the relevant legislation, such as the voluntary settlement procedure for the pending tax disputes or the positions assigned to the tax collection agency, the court-ordered settlement procedure and the mutually-agreed settlement procedure.

CO.MERI S.p.A.

On 3 November 2010, upon completion of a general direct and indirect tax audit, this group company received a preliminary assessment report from the Rome tax police. In 2015, the tax authorities notified the company of the related assessment notice that repeated the same issues raised in the above preliminary assessment report.

The group company promptly appealed against the above-mentioned notice and concurrently started discussions with the tax authorities to obtain the administrative cancellation of the assessment. The Rome Provincial Tax Commission allowed the appeal with ruling no. 29543/50/16 handed down on 17 November 2016 and filed on 20 December 2021.The Lazio Regional Tax Commission reviewed the first level hearing on 14 April 2021 and accepted the tax authorities' appeal with its ruling no. 1902/17/2021. The group company has given its legal advisors a mandate to appeal this second level ruling before the Supreme Court. For completeness, it should be noted that the above preliminary assessment report challenges the tax treatment of the out-of-court agreement signed by the group company and ANAS S.p.A. on 3 May 2010 to settle the technical claims recognised in the work site's accounts up to 31 December 2008. The tax police had mistakenly considered the amounts as additional consideration rather than compensation for damage, therefore applying VAT at 20%. Furthermore, CO.MERI S.p.A. had previously submitted the out-of-court agreement in question to the tax authorities on 15 June 2010, which requested and accepted payment of the proportional registration tax on the above claims, confirming, by conduct, that they should be subject to indirect taxes, having considered them to have a compensation nature and being, therefore, VAT-exempt. The tax authorities found unpaid VAT of €8.5 million and fines and interest of €10.6 million. Supported by the opinion of its advisors, the group company believes that the risk of losing the case is remote.

Astaldi Canada Inc.

In September 2019, as a result of an audit carried out by the local tax authorities, Astaldi Canada Inc. received a tax notice alleging omitted withholdings of about CAD1.7 million (the equivalent of about €1.1 million) on Astaldi's fees for the guarantees it gave on behalf and in the interest of the Canadian subsidiary in 2015 and 2016. With the assistance of its advisors, the latter has commenced the procedure to challenge the assessment notice and defend its position to support the fact that it had acted correctly. On 7 April 2022, the local tax authorities notified the Canadian subsidiary that they fully accepted its position and cancelled the tax notice.

Obrainsa - Astaldi consortium

In August 2021, as the result of an audit commenced by the local tax authorities in 2019, Obrainsa - Astaldi consortium (Peru) received a tax notice disallowing the deduction of some costs. The amount in question is SOL38,942,205 (the equivalent of roughly €9.4 million), of which Astaldi's share is SOL19,860,524 (the equivalent of roughly €4.8 million) based on its 51% interest in the consortium.

Assisted by its local advisors, the consortium has activated the relevant procedures to challenge the notice and present its reasons supporting the correctness of its approach. The case is still pending and the consortium believes that the risk of losing it is remote, supported by the opinion of its advisors.

Statement of profit or loss

29. Revenue

Revenue for the first half of 2022 amounts to €3,835.5 million, up 26.2% on the corresponding period of 2021.

(€'000)	1st half 2021	1st half 2022	Variation
Revenue from contracts with customers	2,838,288	3,637,002	798,714
Other income	200,433	198,479	(1,954)
Total	**3,038,721**	**3,835,481**	**796,760**

"Revenue from contracts with customers" refers to works performed and approved by the relevant customers, including the work performed during the period on long-term contracts not yet completed.

"Other income" includes income not directly related to contracts with customers but nonetheless relative to industrial activities carried out as part of projects and works related to the core business.

Revenue increased by €796.8 million, mostly due to continuation of work on projects underway in Italy, the Americas (US, Canada and Colombia), Europe (Norway, France, Romania and Sweden), Oceania (Australia), Africa (Ethiopia), Tajikistan and Turkey.

A breakdown of revenue and other income by geographical segment is as follows:

	1st half 2021		1st half 2022	
(€'000)		Percentage of total		Percentage of total
Italy	**945,786**	**31%**	**1,078,251**	**28%**
Oceania	324,308	11%	551,886	14%
EU (excluding Italy)	338,329	11%	325,549	8%
Americas (excluding Lane)	298,637	10%	401,674	10%
Other European countries (non-EU)	162,268	5%	335,183	9%
Africa	159,716	5%	246,790	6%
Middle East	264,944	9%	153,915	4%
Asia	75,947	2%	124,622	3%
Abroad	**1,624,149**	**53%**	**2,139,620**	**56%**
Lane	**468,786**	**15%**	**617,610**	**16%**
Total	**3,038,721**	**100%**	**3,835,481**	**100%**

Revenue from contracts with customers

A breakdown of revenue from contracts with customers is given in the following table:

(€'000)	1st half 2021	1st half 2022	Variation
Works invoiced to customers	2,793,686	3,576,797	783,111
Services	35,130	57,395	22,265
Sales	9,472	2,810	(6,662)
Total	**2,838,288**	**3,637,002**	**798,714**

Revenue from contracts with customers amounts to €3,637.0 million for the first half of 2022, an increase of €798.7 million (approximately 28.1%) on the corresponding period of the previous year.

The main contributors to revenue are:

- continuation of the projects in Italy that benefited, inter alia, from the positive effects of the National Resilience and Recovery Plan: (i) the high speed/capacity Milan - Genoa railway line, (ii) the high speed/capacity Naples - Bari railway line, (iii) the high speed/capacity Verona - Padua railway line, (iv) Line 4 of the Milan Metro, and (v) SS-106 state road Jonica mega lot 3;
- progress on the large ongoing foreign projects in (i) the US (Lane Group and I-405), (ii) Australia (Snowy 2.0 and North East Link Project), (iii) Ethiopia (Koysha Hydroelectric Project and GERD), (iv) Saudi Arabia (Line 3 of the Riyadh Metro and SANG Villas), (v) Norway (the Nykirke - Barkaker railway line), (vi) Canada (Hurontario Light Rail Project), (vii) Tajikistan (the Rogun Dam), (viii) France (Line 16 of the Paris Metro), (ix) Sweden (Haga and Kvarnberget Rock Tunnel), (x) Romania (the Braila Bridge), (xi) Turkey (Etilik Integrated Health Campus in Ankara), and (xii) Colombia (section 3 of the Ruta del Sol Motorway).

Variable consideration made up 10.3% of revenue from contracts with customers during the period.

The transaction price of ongoing contracts allocated to the unsatisfied performance obligations amounts to €34,554.4 million at the reporting date. The Group will recognise this amount as revenue in future periods in line with the available forecasts.

Other income, substantially unchanged from the first half of 2021, mostly consists of (i) revenue from services provided as part of commercial initiatives carried out as a partnership with other sector operators, mostly to develop the ongoing activities in Australia and (ii) income from the recharging of costs to consortium partners, mostly related to the high speed/capacity Verona - Padua railway line, the new ENI offices and operation & maintenance activities for the four Tuscan hospitals. Webuild Group's activities involve its participation in numerous SPEs that, especially in Italy, use the consortium structure, which works using a cost recharging system whereby the costs incurred by the SPE are invoiced to the consortium members in line with their investment percentages. As this income does not arise on the performance of the contract obligations or contract negotiations, it is recognised as "Other income".

30. Operating expenses

Operating expenses for the period amount to €3,796.1 million compared to €3,002.0 million for the corresponding period of the previous year.

The item may be broken down as follows.

(€'000)	1st half 2021	1st half 2022	Variation
Purchases	432,189	636,150	203,961
Subcontracts	969,509	1,160,871	191,362
Services	781,000	947,111	166,111
Personnel expenses	503,009	667,613	164,604
Other operating expenses	178,086	168,067	(10,019)
Amortisation, depreciation, provisions and impairment losses	138,171	216,277	78,106
Total	**3,001,964**	**3,796,089**	**794,125**

Changes in this item reflect the production trends of the six months with greater volumes achieved (see note 29) for projects in Italy, the Americas (US, Canada and Colombia), Europe (Norway, France, Romania and Sweden), Oceania (Australia), Africa (Ethiopia), Tajikistan and Turkey.

Prices of raw materials rose again in the period due to limited supplies, partly caused by the upturn in demand driven by the global economy's recovery. As a result, the Group introduced mitigation measures to contain price increases. Its contracts with customers usually include price adjustment clauses. More information is available in the "Covid-19 and the Russian - Ukrainian crisis" section of the Directors' report.

The composition of this item may vary from one reporting period to another, including in relation to the same project and with identical production volumes, due to changes made by management to the industrial operating model. Moreover, as these are large-scale infrastructural works that take several years to complete, resort to normal production factors for any one contract depends on the stage of completion of each one in any given year. These changes may generate significant variations in the percentage of the related cost categories depending on the contract and the year, while not affecting the total percentage of costs of total revenue.

30.1 Purchases

The cost of raw materials and consumables incurred in the first six months of 2022 increased by €204.0 million to €636.1 million compared to the corresponding period of 2021.

(€'000)	1st half 2021	1st half 2022	Variation
Purchases of raw materials and consumables	431,836	648,386	216,550
Change in raw materials and consumables	353	(12,236)	(12,589)
Total	**432,189**	**636,149**	**203,961**

The increase is mostly due to full-scale operation of some contracts in the US (Lane Group), Australia (Snowy 2.0), Turkey (Etilik Integrated Health Campus in Ankara) and Italy.

30.2 Subcontracts

Costs of subcontracts increased to €1,160.9 million, up €191.4 million on the corresponding period of 2021 as shown in the following table:

(€'000)	1st half 2021	1st half 2022	Variation
Subcontracts	969,509	1,160,871	191,362
Total	**969,509**	**1,160,871**	**191,362**

The increase is chiefly a result of the satisfactory development of industrial activities on contracts, mostly in Italy (high speed/capacity Milan - Genoa railway line, high speed/capacity Verona - Padua railway line and SS-106 state road Jonica, mega lot 3), Australia (Snowy 2.0), Turkey (Etilik Integrated Health Campus in Ankara) Sweden (Haga and Kvarnberget Rock Tunnel), Romania (Braila Bridge), Ethiopia (Koysha Hydroelectric Project) and Lane Group.

30.3 Services

This item increased to €947.1 million, up €166.1 million on the corresponding period of the previous year, as shown in the following table:

(€'000)	1st half 2021	1st half 2022	Variation
Consultancy and technical services	413,927	478,670	64,743
Recharging of costs by consortia	101,215	98,086	(3,129)
Leases	100,069	150,474	50,405
Transport and customs	36,883	66,094	29,211
Insurance	35,450	47,108	11,658
Maintenance	30,667	34,343	3,676
Fees to directors, statutory auditors and independent auditors	6,861	9,068	2,207
Other	55,928	63,268	7,340
Total	**781,000**	**947,111**	**166,112**

The recharging of costs by consortia relates to works carried out with other sector operators and mostly refer to the Brenner Base Tunnel (Lot Mules 2.3) and Line C of the Rome Metro in Italy as well as the projects performed through the Swiss consortia involving the subsidiary CSC Costruzioni S.A..

Leases include rent and leases with variable payments for assets of a low value and leases with a term of less than 12 months. The related payments are recognised immediately in profit or loss. The increase in this item is mostly due to the continuation of work for the Snowy 2.0 project in Australia, the I-405 project in California and the Hurontario Light Rail Project in Canada.

"Consultancy and technical services" mainly consist of the design and construction costs incurred by the SPEs and legal and administrative consultancy fees.

The €64.7 million increase over the corresponding period of 2021 is chiefly due to the design activities for the Hurontario Light Rail Project in Canada and the Snowy 2.0 hydropower plant and North East Link Project in Australia.

A breakdown of this item is as follows:

(€'000)	1st half 2021	1st half 2022	Variation
Design and engineering services	238,975	324,981	86,006
Construction	82,671	65,565	(17,106)
Legal, administrative and other services	91,683	87,038	(4,645)
Other	598	1,086	488
Total	**413,927**	**478,671**	**64,744**

30.4 Personnel expenses

Personnel expenses for the period amount to €667.6 million, up €164.6 million on the corresponding period of 2021. The item is made up as follows:

(€'000)	1st half 2021	1st half 2022	Variation
Wages and salaries	378,284	494,335	116,051
Social security and pension contributions	78,000	117,033	39,033
Post-employment benefits and employee benefits	9,744	11,029	1,285
Other	36,981	45,216	8,235
Total	**503,009**	**667,613**	**164,604**

The increase in personnel expenses is mostly due to the progress made on the contracts in Australia (Snowy 2.0), the US (Lane Group and I-405 in California), Norway (the Nykirke - Barkaker railway line) and Canada (Hurontario Light Rail Project).

The higher personnel expenses in Italy is partly due to the acquisition of Seli Overseas Group in July 2021.

"Other" mainly relates to termination benefits and reimbursements of travel expenses.

A breakdown of the Group's workforce by category at 30 June 2022 is as follows:

	30 June 2021	31 December 2021	30 June 2022
Managers	518	477	475
White collars	8,351	8,518	9,292
Blue collars	22,206	21,803	23,601
Total	**31,075**	**30,798**	**33,368**

30.5 Other operating expenses

Other operating expenses amount to €168.1 million, down €10.0 million on the corresponding period of 2021.

This item is made up as follows:

(€'000)	1st half 2021	1st half 2022	Variation
Other operating costs	103,485	68,395	(35,090)
Commissions on sureties	54,666	71,245	16,579
Losses on disposals	4,803	6,192	1,389
Bank charges	4,277	2,772	(1,505)
Other non-recurring costs	10,854	19,462	8,608
Total	**178,085**	**168,066**	**(10,019)**

The reduction is mostly due to the higher expenses incurred in the first half of 2021 for the compulsory purchases made by Iricav Due of the areas necessary to carry out the definitive and temporary works.

Commissions on sureties increased, mainly related to Lane Group.

30.6 Amortisation, depreciation, provisions and impairment losses

This item includes amortisation, depreciation and provisions of €162.5 million and impairment losses of €53.8 million, showing an increase of €30.7 million and €47.4 million on the previous year, respectively. It may be analysed as follows:

(€'000)	1st half 2021	1st half 2022	Variation
Total impairment losses	**6,360**	**53,775**	**47,415**
- Depreciation of property, plant and equipment	33,341	77,882	44,541
- Depreciation of right-of-use assets	35,516	39,433	3,917
- Amortisation of contract costs	57,953	54,726	(3,227)
- Amortisation of rights to infrastructure under concession	761	187	(574)
- Amortisation of intangible assets	385	449	64
Amortisation and depreciation	127,956	172,677	44,721
Provisions	3,856	(10,174)	(14,030)
Total amortisation, depreciation and provisions	**131,812**	**162,503**	**30,691**
Total	**138,172**	**216,278**	**78,106**

Impairment losses amount to €53.8 million (€6.4 million). It includes €52.3 million related to the Group's total exposure (trade receivables and other assets) for its activities performed in Ukraine in the period from 2013 to 2016.

Note 13 provides more information about the impairment of the Group's exposure with the Ukrainian customer Ukravtodor.

Amortisation, depreciation and provisions of €162.5 million (€131.8 million) include amortisation of €55.4 million (€59.1 million) on contract costs and intangible assets, of which €36.9 million for the PPA procedure carried out as a result of the Astaldi acquisition.

Depreciation of property, plant and equipment increased by €44.5 million in the period, mostly related to the Snowy 2.0 project in Australia where another two TBMs were placed in service flanking the TBM that had already been in use in the first half of 2021.

31. Net financing income

Net financing income amounts to €49.5 million compared to net financing costs of €52.8 million for the corresponding period of 2021.

The item may be broken down as follows:

(€'000)	1st half 2021	1st half 2022	Variation
Financial income	30,055	66,724	36,669
Financial expense	(102,360)	(88,884)	13,476
Net exchange gains	19,461	71,698	52,237
Net financing income (costs)	**(52,844)**	**49,538**	**102,382**

31.1 Financial income

Financial income totals €66.7 million (€30.1 million) and is made up as follows:

(€'000)	1st half 2021	1st half 2022	Variation
Interest and other financial income	20,532	54,310	33,778
- Other	12,553	34,406	21,853
- Interest on receivables	5,843	17,345	11,502
- Bank interest	2,136	2,559	423
Interest and other income from unconsolidated group companies and other related parties	6,199	8,938	2,739
Income from inflation adjustment	2,953	1,980	(973)
Gains on securities	371	1,496	1,125
Total	30,055	66,724	36,669

The increase in financial income is mostly due to: (i) the prior year income from the discharging of debts of €18.0 million, recognised after authorisation of the composition with creditors procedure for Afragola FS S.C.r.l. in March, and (ii) the interest of €11.0 million collected after completion of the proceedings begun before the Court of International Commercial Arbitration attached to the Bucharest Chamber of Commerce about Lot 4 of the Orastie - Sibiu Motorway in Romania.

31.2 Financial expense

Financial expense totals €88.9 million (€102.4 million in the corresponding period of 2021) and is made up as follows:

(€'000)	1st half 2021	1st half 2022	Variation
Intragroup interest and other expense	(4,101)	(2,751)	1,350
- Interest expense	(80)	(655)	(575)
- Financial expense	(1,255)	(22)	1,233
Interest and other financial expense	(98,259)	(86,133)	12,126
- Interest on bonds	(35,792)	(38,611)	(2,819)
- Other	(27,196)	(12,535)	14,661
- Interest on bank accounts and financing	(19,998)	(12,922)	7,076
- Bank fees	(4,339)	(10,736)	(6,397)
- Leases	(2,882)	(3,266)	(384)
- Expense for inflation adjustments	(7,894)	(7,546)	348
- Interest on tax liabilities	(158)	(517)	(359)
Total	(102,360)	(88,884)	13,476

The €13.5 million reduction in financial expense is mostly due to the smaller average indebtedness compared to the corresponding period of 2021.

31.3 Net exchange gains

Net exchange gains of €71.7 million mostly relate to the Euro's performance against the US dollar, the Canadian dollar, the Ethiopian birr, the Qatari riyal and the Colombian peso.

32. Net losses on equity investments

Net losses on equity investments amount to €4.4 million compared to €3.7 million for the corresponding period of the previous year.

(€'000)	1st half 2021	1st half 2022	Variation
Share of loss of equity-accounted investees	(3,834)	(4,448)	(614)
Dividends	24	15	(9)
Loss on the disposal of equity investments	-	(112)	(112)
Other income	80	138	58
Total	**(3,730)**	**(4,407)**	**(677)**

33. Income taxes

The Group's income taxes for the period, shown below, amount to €51.5 million. They mostly reflect the temporary non-recovery in Italy of taxes paid abroad under the legislation of the countries where the parent's branches operate. The IRES tax base for the period is not currently sufficient to allow the full recovery of these foreign taxes although this situation may change in the future depending on the enacted legislation.

The Group has calculated income taxes by duly applying the applicable tax legislation.

(€'000)	1st half 2021	1st half 2022	Variation
Current taxes (income taxes)	50,652	48,692	(1,960)
Deferred taxes	2,660	(3,470)	(6,130)
Prior year taxes	260	3,190	2,930
Total	**53,572**	**48,412**	**(5,160)**
IRAP	1,136	3,093	1,957
Total	**54,708**	**51,505**	**(3,203)**

34. Related party transactions

Related party transactions carried out during the period involved the following counterparties:

- directors, statutory auditors and key management personnel, solely related to the contracts regulating their positions within Webuild Group;
- associates and joint arrangements; these transactions mainly relate to:
  - commercial assistance with purchases and procurement of services necessary to carry out work on contracts, contracting and subcontracting;
  - services (technical, organisational, legal and administrative), carried out at centralised level;
  - financial transactions, namely loans and joint current accounts as part of cash pooling transactions and guarantees given on behalf of group companies.

Most of the Group's production is carried out through SPEs, set up with other partners that have participated with Webuild S.p.A. in calls for tenders. The SPEs carry out the related contracts on behalf of their partners. These transactions refer to revenue and costs for design and similar activities, incurred when presenting bids and over the contracts' term. A significant number of the transactions with group companies are with consortia, consortium companies and similar companies that operate by recharging costs and revenue as per their by-laws. Therefore, the intragroup relationship is substantially represented by the group companies' relationships with unrelated parties.

All the above transactions are part of the Group's normal business activities given that, in order to complete its contracts, Webuild mostly operates through SPEs.

Transactions are carried out with associates in the interests of Webuild, aimed at building on existing synergies in the Group in terms of production and sales integration, efficient use of existing skills, streamlining of centralised structures and financial resources. These transactions are regulated by specific contracts and are carried out on an arm's length basis;

Transactions with group companies performed during the six months are presented in the "Group companies" column of the table showing related party transactions at the end of this note;

- other related parties: the main transactions with other related parties, identified pursuant to IAS 24, including companies managed and coordinated by Salini Costruttori S.p.A., are summarised below:

Related party (€'000)	Loans and receivables	Financial assets	Other assets	Trade payables	Lease liabilities	Guarantees	Total revenue	Total operating expenses	Net financing income (costs)
Salini Costruttori:									
Casada S.r.l.	152	-	-	-	-	-	8	-	-
CEDIV S.p.A.	2,369	3,241	-	-	-	-	16	-	56
C.Tiburtino	142	-	-	-	-	-	7	-	-
Dirlan S.r.l.	138	-	-	-	-	-	10	-	-
G.A.B.I.RE S.r.l.	3,532	18,001	-	-	-	-	10	-	312
Galla Placida S.c.a.r.l.	158	-	-	-	-	-	7	-	-
Imm. Agricola San Vittorino S.r.l.	210	-	-	-	-	-	9	-	-
Infernetto S.r.l.	49	-	-	-	-	-	4	-	-
Madonna dei Monti S.r.l.	93	-	-	-	-	-	10	-	-
Nores S.r.l.	98	-	-	(31)	-	-	5	-	-
Plus S.r.l.	-	-	-	-	-	-	16	-	-
Salini Costruttori S.p.A.	68	3,573	11,956	-	-	483,925	68	(1,731)	100
Zeis S.r.l.	262	2,459	-	(7)	-	-	118	-	47
C.D.P.:									
CDP S.p.A.	-	-	930	(611)	-	677,969	-	(3,635)	-
CDP Equity S.p.A.	-	-	-	(253)	-	-	-	(369)	-
Eni S.p.A.	-	-	-	(833)	-	-	-	-	-
Fincantieri Infrastruc. S.p.A.	755	-	-	(21,698)	-	-	-	(3,454)	-
Fintecna S.p.A.	41	-	-	(146)	-	-	10	-	-
Gruppo PSC S.p.A.	23,096	-	-	(17,860)	-	-	-	(2)	-
Poste Italiane S.p.A.	-	-	-	(2)	-	-	-	(1)	-
Rete S.r.l.	-	-	-	(396)	-	-	-	(324)	-
Simest S.p.A.	-	-	-	-	(6,514)	-	-	-	-
SNAM Rete Gas S.p.A.	-	-	-	(9,835)	-	-	-	-	-
Terna S.p.A.	-	-	-	(7,881)	-	-	-	(5,742)	-
Terna Rete Italia S.p.A.	-	-	28	(171)	-	-	-	-	-
Trevi Finanziaria Industriale S.p.A.	-	-	-	(128)	-	-	-	-	-
Other	100	-	-	(167)	-	-	7	(150)	-
Total	**31,263**	**27,274**	**12,914**	**(60,019)**	**(6,514)**	**1,161,894**	**305**	**(15,408)**	**515**

Transactions with Salini Costruttori and its subsidiaries mostly refer to service contracts for tax, administration, corporate and HR assistance.

With respect to the guarantees provided by Salini Costruttori, they are measured using a group intragroup guarantee pricing policy on a case-by-case basis (e.g., considering the reference market, type of entity/agreement and type of guarantee). This policy complies with the OECD guidelines and is reviewed once a year. The cost to the Group of applying the policy in the first six months of 2022 is €1.7 million.

Since 2020, Cassa Depositi e Prestiti S.p.A. (“CDP”) and its subsidiaries and associates have been included in the list of related parties as Cassa Depositi e Prestiti S.p.A. has significant influence over Webuild. Transactions with these related parties include in particular the guarantees issued by CDP related to:

- tax requirements in favour of the tax authorities;
- advance payment bonds, performance bonds and other guarantees to customers;
- guarantees to secure financing to banks.

The most significant transactions include:

- subcontracting contracts agreed in previous years with Fincantieri for foreign contracts acquired through Astaldi for a total cost of €3.5 million for the first half of 2022;
- activities performed by Terna for a cost of €5.7 million related to the resolution of interference issues for high speed contracts in Italy.

The above transactions qualify as ordinary transactions agreed at conditions identical to those that would be stipulated on the market or that are standard, based on the parent’s related party transactions procedure. Therefore, they are exempt from such procedure.

Significant transactions as defined in the above procedure were not carried out during the year.

The next table shows the impact of transactions with the above related parties on the statement of financial position and the income statement (including as a percentage):

(€'000)	Total at 30 June 2022	Group entity	Other related parties	Total	%
Non-current financial assets	472,236	252,913	-	252,913	53.6%
Trade receivables	2,854,539	391,329	31,263	422,593	14.8%
Current financial assets	383,081	43,400	27,275	70,674	18.4%
Other current assets	891,508	23,937	12,914	36,850	4.1%
Non-current assets held for sale and disposal groups	47,564	24,633	-	24,633	51.8%
Non-current portion of lease liabilities	86,263	-	-	-	0.0%
Bank loans and borrowings	318,796	-	6,514	6,514	2.0%
Current portion of loans	371,640	46,772	-	46,772	12.6%
Current portion of lease liabilities	74,070	-	-	-	0.0%
Trade payables	3,721,578	110,821	60,019	170,840	4.6%
Other current liabilities	582,896	60,408	-	60,408	10.4%

(€'000)	Total for the first half of 2022	Group entity	Other related parties	Total	%
Revenue from contracts with customers	3,637,002	93,976	278	94,254	2.6%
Other income	198,479	30,582	28	30,610	15.4%
Purchases	(636,150)	(3)	(369)	(372)	0.1%
Subcontracts	(1,160,871)	-	(9,522)	(9,522)	0.8%
Services	(947,111)	(103,018)	(2,934)	(105,952)	11.2%
Personnel expenses	(667,613)	(17)	-	(17)	0.0%
Other operating expenses	(168,067)	(90)	(2,583)	(2,672)	1.6%
Impairment losses	(53,775)	-	-	-	0.0%
Amortisation, depreciation and provisions	(162,502)	-	-	-	0.0%
Financial income	66,724	8,445	515	8,960	13.4%
Financial expense	(88,884)	(2,751)	-	(2,751)	3.1%

35. Earnings (loss) per share

Earnings (loss) per share are disclosed at the foot of the statement of comprehensive income.

Basic earnings (loss) per share are calculated by dividing the profit (loss) for the period attributable to the owners of the parent by the weighted average of the shares outstanding during the period. Diluted earnings (loss) per share are calculated considering the weighted average of the outstanding shares adjusted by assuming the conversion of all the shares with potentially diluting effects.

The following table summarises the calculation. At the reporting date, the parent's share capital consists of 1,000,505,596 ordinary shares and 1,615,491 savings shares.

With respect to the weighted average number of shares used to calculate the earnings per share:

- in the first half of 2022, 435,748 anti-dilutive warrants were exercised leading to the assigning of 435,748 ordinary Webuild shares to the holders of the warrants while 125,402 ordinary Webuild shares were issued and assigned to the creditors not provided for. The total number of ordinary shares includes 4,999,867 ordinary shares to be assigned to potential creditors;

- as a result of and after the demerger, the number of treasury shares increased by 3,564,695 shares[31] assigned to the group companies included in the consolidation scope that had received new Astaldi shares to settle their claims (the "capital increase for conversion purposes").

More information is available in note 19 "Equity".

(€'000)	1st half 2021 (*)	1st half 2022
Profit (loss) from continuing operations	(74,526)	33,018
Non-controlling interests	8,582	(23,823)
Profit (loss) from continuing operations attributable to the owners of the parent	**(65,944)**	**9,195**
Profit (loss) from continuing and discontinued operations	(77,974)	18,253
Non-controlling interests	8,582	(23,823)
Loss from continuing and discontinued operations attributable to the owners of the parent	**(69,392)**	**(5,570)**
Profit earmarked for holders of savings shares	**588**	**588**
Average outstanding ordinary shares	890,842	983,961
Average outstanding savings shares	1,615	1,615
Average number of shares	**892,457**	**985,576**
Average number of diluted shares	**892,457**	**985,576**
Basic earnings (loss) per share (from continuing operations)	**(0.07)**	**0.01**
Basic loss per share (from continuing and discontinued operations)	**(0.08)**	**(0.01)**
Diluted earnings (loss) per share (from continuing operations)	**(0.07)**	**0.01**
Diluted loss per share (from continuing and discontinued operations)	**(0.08)**	**(0.01)**

(*) The Group's IFRS statement of profit or loss figures for 2020 and the six months ended 30 June 2021 have been restated after completion of Astaldi's PPA.

36. Events after the reporting date

Reference should be made to the related section of the Directors' report for information about events after the reporting date.

37. Significant non-recurring events and transactions

The Group's financial position, performance and cash flows were not affected by significant non-recurring events and transactions, as defined by Consob communication no. DEM/6064293[32].

[31] Based on the ratio defined for the demerger.
[32] Significant non-recurring events and transactions are those that do not frequently occur in the normal course of business.

38. Balances or transactions arising from atypical and/or unusual transactions

During the period, Webuild Group did not carry out any atypical and/or unusual transactions, as defined in the above Consob communication no. DEM/6064293[33].

On behalf of the board of directors

Chairman

Donato Iacovone

(signed on the original)

[33] Atypical and/or unusual transactions are those that, due to their significance and relevance, the counterparty, the object of the transaction, exchange pricing and timing, may cast doubts as to the accuracy and completeness of disclosures, conflicts of interest, protection of the Group's assets and non-controlling interests.

List of Webuild Group companies

List of Webuild Group companies

	Country	Currency	Share/quota capital subscribed	Investment %	% direct	% indirect	Indirect parent	Consolidation or measurement method
Webuild S.p.A.	Italy	Euro	600,000,000	100	100			line-by-line
3E System S.r.l. (in liq.)	Italy	Euro	10,000	100	-	100	NBI S.p.A.	line-by-line
A1 Motorway Tuszyn-Pyrzowice lot F Joint Venture	Poland	PLN		100	94.99	5	Salini Polska Ltd Liability	line-by-line
						0.01	HCE Costruzioni S.p.A.	
A10 S.c.r.l.	Italy	Euro	10,000	62.52	-	62.52	NBI S.p.A.	line-by-line
Afragola FS S.c.a r.l. (in liq.)	Italy	Euro	10,000	100	82.54	17.46	NBI S.p.A.	line-by-line
AGN HAGA AB	Sweden	SEK	1,000	40	40			line-by-line
Aguas de Punilla Sociedad Concesionaria S.A.	Chile	CLP	40,000,000,000	99.998		99.998	Astaldi Concessions S.p.A.	line-by-line
Al Maktoum International Airport J.V.	United Arab Emirates			29.4		29.4	Lane Mideast Contrac. LLC	line-by-line
AR.GI. S.c.p.A. (in liq.)	Italy	Euro	35,000,000	99.99		99.99	Partecipazioni Italy S.p.A.	line-by-line
AS.M. S.c.r.l.	Italy	Euro	10,000	75.91		75.91	Partecipazioni Italia S.p.A.	line-by-line
Astaldi Algerie-E.u.r.l.	Algeria	DZD	50,000,000	100	100			line-by-line
Astaldi Arabia Ltd.	Saudi Arabia	SAR	5,000,000	100	60	40	Astaldi International Ltd.	line-by-line
Astaldi Bulgaria L.t.d. (in liq.)	Bulgaria	BGN	5,000	100	100			line-by-line
Astaldi Canada Design and Construcion Inc.	Canada	CAD	20,000	100		100	Astaldi Canada Enterp. Inc.	line-by-line
Astaldi Canada Enterprises Inc.	Canada	CAD	10,000	100	100			line-by-line
Astaldi Canada Inc.	Canada	CAD	20,000	100	100			line-by-line
Astaldi Concessions S.p.A.	Italy	Euro	300,000	100	100			line-by-line
Astaldi Construction Corporation	USA	USD	18,972,000	65.813	65.813			line-by-line
Astaldi de Venezuela C.A.	Venezuela	VEB	110,300	99.803	99.803			line-by-line
Astaldi India Services LLP	India	INR	30,003,000	99.99	99.99			line-by-line
Astaldi International Inc.	Liberia			100	100			line-by-line
Astaldi International Ltd. (in liq.)	UK			100	100			line-by-line
Astaldi Mobilinx Hurontario GP Inc.	Canada			100		100	Astaldi Canada Enterp. Inc.	line-by-line
Astaldi Polska zo.o. (in liq.)	Poland	PLZ	120,000	100	100			line-by-line
Astaldi-Max Bogl-CCCF J.V.	Romania	RON	40,000	66	66			line-by-line
Astalnica S.A.	Nicaragua	NIO	2,000,000	98	98			line-by-line
Astalrom S.A.	Romania	RON	3,809,897	99.707	99.707			line-by-line
Astur Construction and Trade A.S.	Turkey	TRY	35,500,000	100	100			line-by-line
Beyond S.r.l. (in liq.)	Italy	Euro	10,000	100	100			line-by-line
Bielle Impianti S.c.r.l. (in liq.)	Italy	Euro	100,000	75	-	75	NBI S.p.A.	line-by-line
Bovino Orsara AV	Italy	Euro	10,000	70		45	Webuild Italia S.p.A.	line-by-line
						25	Partecipazioni Italia S.p.A.	
Brennero Galleriaacque S.c.r.l. (in liq.)	Italy	Euro	10,000	51		51	Fisia Italimpianti S.p.A.	line-by-line
Bussentina S.c.r.l. (in liq.)	Italy	Euro	25,500	78.902	78.902			line-by-line

List of Webuild Group companies

	Country	Currency	Share/quota capital subscribed	Investment %	% direct	% indirect	Indirect parent	Consolidation or measurement method
C.O.MES. S.c.r.l. (in liq.)	Italy	Euro	20,000	55		55	Partecipazioni Italia S.p.A.	line-by-line
C43 Water Management Builders	USA			100	30	70	Lane Constr. Corporation	line-by-line
Capodichino AS.M. S.c.r.l.	Italy	Euro	10,000	66.83		66.83	Partecipazioni Italia S.p.A.	line-by-line
CDE S.c.a.r.l.	Italy	Euro	10,000	60		60	Webuild Italia S.p.A.	line-by-line
CO.ME.NA. S.c.r.l. (in liq.)	Italy	Euro	20,658	70.433	70.433			line-by-line
CO.MERI S.p.A.	Italy	Euro	35,000,000	99.99		99.99	Partecipazioni Italia S.p.A.	line-by-line
CO.VA. S.c.r.l. (in liq.)	Italy	Euro	10,000	60	-	60	NBI S.p.A.	line-by-line
Collegamenti Integrati Veloci C.I.V. S.p.A.	Italy	Euro	20,000	85		85	Webuild Italia S.p.A.	line-by-line
Compagnia Gestione Macchinari CO.GE.MA. S.p.A.	Italy	Euro	200,000	100	100			line-by-line
Consorcio Constructor Webuild - Cigla (florianopolis)	Brazil			100	60	40	Cigla S.A.	line-by-line
Consorcio Impregilo Yarull	Dom. Republic			70	70			line-by-line
Consortium Front Sud TETO3	Switzerland			70		70	CSC Costruzioni S.A.	line-by-line (b)
Consortium Ouest TETO4	Switzerland			70		70	CSC Costruzioni S.A.	line-by-line (b)
Consorzio Alta Velocità Torino/Milano - C.A.V.TO.MI.	Italy	Euro	5,000,000	74.69	74.69			line-by-line
Consorzio C.A.V.E.T. - Consorzio Alta Velocità Emilia/Toscana	Italy	Euro	5,422,797	75.983	75.983			line-by-line
Consorzio Cociv	Italy	Euro	516,457	99.999		92.753	Webuild Italia S.p.A.	line-by-line
						7.246	C.I.V. S.p.A.	
Consorzio Cossi LGV Ceneri	Switzerland			100		80	Cossi Costruzioni S.p.A.	line-by-line
						20	CSC Costruzioni S.A.	
Consorzio Hirpinia AV	Italy	Euro	10,000	100		60	Webuild Italia S.p.A.	line-by-line
						40	Partecipazioni Italia S.p.A.	
Consorzio Iricav Due	Italy	Euro	510,000	82.93		45.44	Webuild Italia S.p.A.	line-by-line
						37.49	Partecipazioni Italia S.p.A.	
Consorzio Italvenezia (in liq.)	Italy	Euro	77,450	100		100	Partecipazioni Italia S.p.A.	line-by-line
Consorzio Libyan Expressway Contractor	Italy	Euro	10,000	78.91	78.91			line-by-line
Consorzio Scilla (in liq.)	Italy	Euro	1,000	51		51	HCE Costruzioni S.p.A.	line-by-line
Consorzio Stabile Busi (in liq.)	Italy	Euro	100,000	95.025	-	94	NBI S.p.A.	line-by-line
						0.025	C.I.T.I.E. (in liq.)	
						1	3E System S.r.l. (in Liq.)	
Consorzio Stabile Operae	Italy	Euro	500,000	100		98	Partecipazioni Italia S.p.A.	line-by-line
						1	Webuild Italia S.p.A.	
						1	NBI S.p.A.	
Constructora Ariguani SAS En Reorganizacion	Colombia	COP	100,000,000	100	100			line-by-line
Construtora Impregilo y Associados S.A.-CIGLA S.A.	Brazil	BRL	2,480,849	100	100		Cigla S.A.	line-by-line
Copenaghen Metro Team I/S	Denmark			99.989	99.989			line-by-line
Corso del Popolo Engineering S.c.r.l. (in liq.)	Italy	Euro	10,000	64.707		64.707	HCE Costruzioni S.p.A.	line-by-line

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Corso del Popolo S.p.A.	Italy	Euro	1,200,000	55		55	HCE Costruzioni S.p.A.	line-by-line
Cossi Costruzioni S.p.A.	Italy	Euro	10,000,000	100	100			line-by-line
CSC Costruzioni S.A.	Switzerland	CHF	2,000,000	100	100			line-by-line
CSI Simplon Consorzio	Switzerland			100	0.01	99.99	CSC Costruzioni S.A.	line-by-line
DCSC Data Center Swiss Contractor	Switzerland			99.9		99.9	CSC Costruzioni S.A.	line-by-line
DEAS S.c.r.l.	Italy	Euro	10,000	57	-	57	NBI S.p.A.	line-by-line
DIRPA 2 S.c.r.l.	Italy	Euro	50,020,000	100	-	100	Consorzio Stabile Operae	line-by-line
DMS Design Consortium S.c.r.l.	Italy	Euro	10,000	60	60			line-by-line
Fibe S.p.A.	Italy	Euro	3,500,000	99.998	99.989	0.003	Impregilo Intern. Infr. N.V.	line-by-line
						0.006	Fisia Ambiente S.p.A.	
Fisia - Alkatas Joint Venture	Turkey			51		51	Fisia Italimpianti S.p.A.	line-by-line
Fisia Ambiente S.p.A.	Italy	Euro	3,000,000	100	100			line-by-line
Fisia Italimpianti S.p.A.	Italy	Euro	3,400,000	100	100			line-by-line
Fisia LLC	Oman	OMR	250,000	70		70	Fisia Italimpianti S.p.A.	line-by-line
Fisia Muhendislik VE Insaat Anonim Sirketi	Turkey			100		100	Fisia Italimpianti S.p.A.	line-by-line
Fisia-Alkatas-Alke J.V.	Turkey			48		48	Fisia Italimpianti S.p.A.	line-by-line
Forum S.c.r.l. (in liq.)	Italy	Euro	51,000	99.98		79.98	Partecipazioni Italia S.p.A.	line-by-line
						20	Webuild Italia S.p.A.	
Galfar - Salini Impregilo - Cimolai J.V.	Qatar			40	40			line-by-line
Garbi Linea 5 S.c.r.l. (in liq.)	Italy	Euro	10,000	100		100	Partecipazioni Italia S.p.A.	line-by-line
GE.SAT. S.c.a r.l.	Italy	Euro	10,000	53.85		35	Partecipazioni Italia S.p.A.	line-by-line
						18.85	Astaldi Concessions S.p.A.	
Generalny Wykonawca Salini Polska - Impregilo - Kobylarnia S.A.	Poland			66.68	33.34	33.34	Salini Polska Ltd Liability	line-by-line
Grupo ICT II SAS	Colombia	COP	9,745,180,000	100	100			line-by-line
HCE Costruzioni S.p.A.	Italy	Euro	2,186,743	100	100			line-by-line
HCE Costruzioni Ukraine LLC	Ukraine	Euro	10,000	100	1	99	HCE Costruzioni S.p.A.	line-by-line
Hirpinia Orsara AV	Italy	Euro	10,000	70		45	Webuild Italia S.p.A.	line-by-line
						25	Partecipazioni Italia S.p.A.	
IGLYS S.A.	Argentina	ARS	10,000,000	100		100	Impregilo Intern. Infr. N.V.	line-by-line
Impregilo International Infrastructures N.V.	Netherlands	Euro	45,000	100		100	Astaldi Concessions S.p.A.	line-by-line
Impregilo Lidco Libya Co	Libya	DL	5,000,000	60	60			line-by-line
Impregilo New Cross Ltd	UK	GBP	2	100		100	Impregilo Intern. Infr. N.V.	line-by-line
Impregilo-SK E&C-Galfar al Misnad J.V.	Qatar			41.25	41.25			line-by-line
INC - Il Nuovo Castoro Algerie S.a.r.l.	Algeria	DZD	301,172,000	99.983	99.983			line-by-line
Infraflegrea Progetto S.p.A.	Italy	Euro	500,000	76		76	Partecipazioni Italia S.p.A.	line-by-line

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IS Joint Ventures	Australia			100	50	50	Salini Australia PTY L.t.d.	line-by-line
Isarco S.c.r.l.	Italy	Euro	10,000	79.98		79.98	Webuild Italia S.p.A.	line-by-line
Italstrade CCCF JV Romis S.r.l.	Romania	RON	540,000	51	51			line-by-line
Italstrade S.p.A.	Italy	Euro	611,882	100	100			line-by-line
Joint Venture Impregilo S.p.A. - S.G.F. INC S.p.A.	Greece			100	100			line-by-line
Kayi Salini Samsung Joint Venture	Turkey			33	33			line-by-line
Laguna S.c.r.l. (in liq.)	Italy	Euro	10,000	84.7	-	84.7	NBI S.p.A.	line-by-line
Lane Abrams Joint Venture	USA			51		51	Lane Constr. Corporation	line-by-line
Lane Construction Corporation	USA	USD	1,392,955	100		100	Lane Industries Incorporated	line-by-line
Lane Corman Joint Venture	USA			60		60	Lane Constr. Corporation	line-by-line
Lane DS - NC Consortium (Ada)	United Arab Emirates			24.5		24.5	Lane Mideast Contrac. LLC	line-by-line
Lane Industries Incorporated	USA	USD	5	100		100	Salini Impregilo - US Holdings Inc.	line-by-line
Lane Infrastructure Inc.	USA	USD	10	100		100	Lane Industries Incorporated	line-by-line
Lane Mideast Contracting LLC	United Arab Emirates	AED	300,000	49		49	Impregilo Intern. Infr. N.V.	line-by-line
Lane Mideast Qatar LLC	Qatar	QAR	5,000,000	49		49	Impregilo Intern. Infr. N.V.	line-by-line
Lane Securety Paving J.V.	USA			60		60	Lane Constr. Corporation	line-by-line
Lane Worldwide Infrastructure Inc..	USA	USD	10	100		100	Lane Industries Incorporated	line-by-line
LMH_lane Cabot Yard J.V.	USA			50		50	Lane Constr. Corporation	line-by-line
MEL PP Trust	Australia	AUD	1,000	100		100	Salini Australia PTY L.t.d.	line-by-line (a)
MEL PP Pty Ltd	Australia	AUD	1,000	100		100	Salini Australia PTY L.t.d.	line-by-line
Melito S.c.r.l. (in liq.)	Italy	Euro	77,400	66.667		66.667	HCE Costruzioni S.p.A.	line-by-line
Mercovia S.A.	Argentina	ARS	10,000,000	60		60	Impregilo Intern. Infr. N.V.	line-by-line
Messina Catania lotto Nord	Italy	Euro	10,000	70		45	Webuild Italia S.p.A.	line-by-line
						25	Partecipazioni Italia S.p.A.	
Messina Catania lotto Sud	Italy	Euro	10,000	70		45	Webuild Italia S.p.A.	line-by-line
						25	Partecipazioni Italia S.p.A.	
Messina Stadio S.c.r.l. (in liq.)	Italy	Euro	30,600	100	100			line-by-line
Metro B S.r.l.	Italy	Euro	20,000,000	52.52		52.52	Webuild Italia S.p.A.	line-by-line
Metro B1 S.c.a.r.l.	Italy	Euro	100,000	80.7	80.7			line-by-line
Metro Blu S.c.r.l.	Italy	Euro	10,000	100		50	Webuild Italia S.p.A.	line-by-line
						50	Partecipazioni Italia S.p.A.	
Mondial Milas-Bodrum Havalimani Uluslararasi Terminal İşletmeciliği Ve Yatirim A.S.	Turkey	TRY	37,518,000	80		80	Astaldi Concessions S.p.A.	line-by-line
Mosconi S.r.l.	Italy	Euro	100,000	100		100	Cossi Costruzioni S.p.A.	line-by-line
Napoli Cancello Alta Velocità S.c.r.l.	Italy	Euro	10,000	100		60	Webuild Italia S.p.A.	line-by-line
						40	Partecipazioni Italia S.p.A.	

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NBI Elektrik Elektromekanik Tesisat Insaat Ve Ticaret I.S.	Turkey	TRY	10,720,000	100		94.999	NBI S.p.A.	line-by-line
						5.001	Astur Construction and Trade A.S.	
NBI S.p.A.	Italy	Euro	7,500,000	100	100			line-by-line
Nuovo Ospedale Sud Est Baresen S.c.r.l. – NOSEB S.c.r.l.	Italy	Euro	35,000	100		100	Partecipazioni Italia S.p.A.	line-by-line
Ospedale del Mare S.c.r.l. (in liq.)	Italy	Euro	50,000	100		100	Partecipazioni Italia S.p.A.	line-by-line
Ospedale Monopoli Fasano S.c.r.l. (in liq.)	Italy	Euro	10,000	51		51	NBI S.p.A.	line-by-line
Partecipazioni Italia S.p.A.	Italy	Euro	1,000,000	100	100			line-by-line
Partenopea Finanza di Progetto S.c.p.A. (in liq.)	Italy	Euro	9,300,000	99.99		99.99	Partecipazioni Italia S.p.A.	line-by-line
Passante Dorico S.p.A.	Italy	Euro	24,000,000	71		47	Webuild Italia S.p.A.	line-by-line
						24	Partecipazioni Italia S.p.A.	
PGH Ltd	Nigeria	NGN	52,000,000	100	100			line-by-line
Pietrarossa S.c.r.l. (in liq.)	Italy	Euro	10,200	100		100	HCE Costruzioni S.p.A.	line-by-line
Piscine dello Stadio S.r.l.	Italy	Euro	851,000	96.023		96.023	HCE Costruzioni S.p.A.	line-by-line
Portovesme S.c.r.l. (in liq.)	Italy	Euro	25,500	99.98	99.98			line-by-line
Radimero S.c.r.l. (in liq.)	Italy	Euro	10,000	100		100	Seli Overseas S.p.A.	line-by-line
Redo-Association Momentanée	Congo			100	75	25	Astaldi Internationale Inc.	line-by-line
Reggio Calabria - Scilla S.c.p.a. (in liq.)	Italy	Euro	35,000,000	51	51			line-by-line
RI.MA.TI. S.c.a.r.l. (in liq.)	Italy	Euro	100,000	83.42	83.42			line-by-line
Rivigo J.V. (Nigeria) Ltd	Nigeria	NGN	100,000,000	70		70	PGH Ltd	line-by-line
Romairport S.r.l.	Italy	Euro	500,000	99.263	99.263			line-by-line
S. Agata FS S.c.r.l.	Italy	Euro	20,000	100		60	Webuild Italia S.p.A.	line-by-line
						40	Partecipazioni Italia S.p.A.	
S. Filippo S.c.r.l. (in liq.)	Italy	Euro	10,200	80	80			line-by-line
S.P.T.-Società Passante Torino Sc.r.l. (in liq.)	Italy	Euro	50,000	82.5		82.5	Partecipazioni Italia S.p.A.	line-by-line
SA.PI. NOR Salini Impregilo - Pizzarotti J.V.	Norway			51	51			line-by-line
Salerno-Reggio Calabria S.c.p.a. (in liq.)	Italy	Euro	50,000,000	51	51			line-by-line
Salini Australia Pty Ltd	Australia	AUD	4,350,000	100	100			line-by-line
Salini Impregilo - Duha Joint Venture	Slovakia			75	75			line-by-line
Salini Impregilo - Healy J.V. (Tunnel 3RPORT Indiana)	USA			100	30	70	Lane Constr. Corporation	line-by-line
Salini Impregilo - Healy J.V. NEBT	USA			100	30	70	Lane Constr. Corporation	line-by-line
Salini Impregilo - NRW Joint Venture	Australia			80	80			line-by-line
Salini Impregilo - Tristar	United Arab Emirates			60	60			line-by-line
Salini Impregilo Canada Holding Inc.	Canada			100	100			line-by-line
Salini Impregilo Civil Works	Canada			100		100	Salini Impregilo Canada Holding Inc.	line-by-line
Salini Impregilo Mobilink Hurontario GP Inc.	Canada			100		100	Salini Impregilo Canada Holding Inc.	line-by-line

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Salini Impregilo S.p.A. - The Lane Construction Co. - Jose J Chediack S.A. UTE	Argentina	ARS	10,000	75	73	2	Lane Constr. Corporation	line-by-line
Salini Insaat Taahhut Sanayi Ve Ticaret Anonim Sirketi (in liq.)	Turkey	TRY	50,000	100	100			line-by-line
Salini Malaysia SDN BHD	Malaysia	MYR	1,100,000	100	90	10	CO.GE.MA. S.p.A.	line-by-line
Salini Namibia Proprietary L.t.d.	Namibia	NAD	100	100	100			line-by-line
Salini Nigeria L.t.d.	Nigeria	NGN	10,000,000	100	99	1	CO.GE.MA. S.p.A.	line-by-line
Salini Polska - Todini - Salini Impregilo - S7 JV	Poland	PLN		100	74.99	25	Salini Polska Ltd Liability	line-by-line
						0.01	HCE Costruzioni S.p.A.	
Salini Polska - Todini - Salini Impregilo - Pribex - S3 JV	Poland	PLN		95	71.24	23.75	Salini Polska Ltd Liability	line-by-line
						0.01	HCE Costruzioni S.p.A.	
Salini Polska - Todini - Salini Impregilo - Pribex - S8 JV	Poland	PLN		95	71.24	23.75	Salini Polska Ltd Liability	line-by-line
						0.01	HCE Costruzioni S.p.A.	
Salini Polska L.t.d. Liability Co	Poland	PLN	393,450	100	100			line-by-line
Salini Saudi Arabia Company L.t.d.	Saudi Arabia	SAR	1,000,000	51	51			line-by-line
Sartori Tecnologie Industriali S.r.l. (in liq.)	Italy	Euro	500,000	100	-	100	NBI S.p.A.	line-by-line
SC Hydro Pty Ltd	Australia			50		50	Salini Australia PTY L.t.d.	line-by-line
SCI ADI Ortakligi	Turkey	TRY	10,000	50	50			line-by-line
SCLC Polihali Diversion Tunnel J.V.	Lesotho			69.99	69.99			line-by-line
Scuola Carabinieri S.c.r.l. (in liq.)	Italy	Euro	50,000	76.4		76.4	Partecipazioni Italia S.p.A.	line-by-line
Seac S.c.r.l. (in liq.)	Congo			100	100			line-by-line
Seli Middle East Construction Co. W.L.L.	Qatar	QA	200,000	49		49	Seli Overseas S.p.A.	line-by-line
Seli Overseas S.p.A.	Italy	Euro	3,000,000	100	100			line-by-line
Seli Overseas USA Inc.	USA	USD	1,000	100		100	Seli Overseas S.p.A.	line-by-line
Seli Tunneling Denmark A.p.s.	Denmark	DKK	130,000	100		100	HCE Costruzioni S.p.A.	line-by-line
Sirjo S.c.p.A.	Italy	Euro	30,000,000	100		60	Partecipazioni Italia S.p.A.	line-by-line
						40	Webuild Italia S.p.A.	
SLC Snowy Hydro Joint Venure	Australia			65	64.99	0.01	Lane Constr. Corporation	line-by-line
So Chile S.p.A.	Chile	CLP	1,000,000	100		100	Seli Overseas S.p.A.	line-by-line
So Tunneling India Private Limited	India	INR	100,000	100		100	Seli Overseas S.p.A.	line-by-line
Sociedad Austral Mantenciones y Operaciones S.p.A.	Chile	CLP	1,000,000	100		75	Astaldi Concessions S.p.A.	line-by-line
						25	NBI S.p.A.	
Società Autostrada Broni - Mortara S.p.A.	Italy	Euro	28,902,600	60		60	Webuild Italia S.p.A.	line-by-line
Suramericana de Obras Publicas C.A.- Suropca C.A.	Venezuela	VEB	2,874,118,000	100	99	1	CSC Costruzioni S.A.	line-by-line
Susa Dora Quattro S.c.r.l. (in liq.)	Italy	Euro	51,000	90	90			line-by-line
T.E.Q Construction Enterprise Inc.	Canada	CAD	10,000	100		100	Astaldi Canada Enterp. Inc.	line-by-line
TB Metro S.r.l. (in liq.)	Italy	Euro	100,000	51	51			line-by-line
Texas High Speed Rail	USA			100	50	50	Lane Constr. Corporation	line-by-line

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The Lane Blythe Construction J.V.	USA			50		50	Lane Constr. Corporation	line-by-line
Thessaloniki Metro CW J.V. (AIS JV)	Greece			50	50			line-by-line
Tione 2008 S.C.ar.l. (in liq.)	Italy	Euro		76.02	-	76.02	Consorzio Stabile Busi (in Liq.)	line-by-line
Todini Akkord Salini	Ukraine			100	25	75	HCE Costruzioni S.p.A.	line-by-line
Toledo S.c.r.l. (in liq.)	Italy	Euro	50,000	90.394		90.394	Partecipazioni Italia S.p.A.	line-by-line
Transmisora del Sur S.p.A.	Chile	CLP	1,000,000	100		100	Astaldi Concessions S.p.A.	line-by-line
Valle Aconcagua S.A.	Chile	CLP	19,064,993	84.308		84.308	Astaldi Concessions S.p.A.	line-by-line
VSL Electrical, Signing, Lighting LLC	USA			100		100	Lane Constr. Corporation	line-by-line
Webuild - US Holdings Inc.	USA	USD	1,100	100	100			line-by-line
Webuild Italia S.p.A.	Italy	Euro	100,000	100	100			line-by-line
Webuild-Terna SNFCC J.V.	Greece	Euro	100,000	51	51			line-by-line
Western Station J.V,	Saudi Arabia			51	51			line-by-line
Abeinsa Infr. e Fisia Italimpianti UTE Salalah	Spain			51		51	Fisia Italimpianti S.p.A.	joint oper.
Arriyad New Mobility Consortium	Saudi Arabia			33.48	33.48			joint oper.
Asocierea Astaldi - Euroconstruct Trading 98	Romania			70	70			joint oper.
Asocierea Astaldi S.p.A-IHI Infrastructure Systems SO, L.t.d. (Braila)	Romania			60	60			joint oper.
Asocierea Astaldi Spa – Max Boegl Romania Srl – Astalrom Sa – Consitrans S.R.L. (Ogra-Campia Turzii)	Romania			49.971	40	9.971	Astalrom S.A.	joint oper.
Asocierea Astaldi Spa -Euroconstruct Trading 98 SRL - RCV Global Group SRL (Piata Sudului)	Romania			50	50			joint oper.
Asocierea Astaldi-FCC-Salcef-Thales, lot 2°a	Romania			49.5	49.5			joint oper.
Asocierea Astaldi-FCC-Salcef-Thales, lot 2°b	Romania			49.5	49.5			joint oper.
Asocierea Astaldi-FCC-UTI-ACTIV (Metro 5)	Romania			38.99	38.99			joint oper.
Asocierea JV Astaldi S.p.A. - Max Bogl (Medgidia-Costanza)	Romania			60	60			joint oper.
Asocierea Lot 3 FCC-Astaldi- Convensa	Romania			49.5	49.5			joint oper.
Astadim S.C.	Poland	PLZ	10,000	90	90			joint oper.
Astaldi S.p.A. – Astalrom S.A. Joint Venture (Mihai Bravu)	Romania			99.927	75	24.927	Astalrom S.A.	joint oper.
Astaldi-FCC Joint Venture (Basarab Overpass)	Romania			50	50			joint oper.
Astaldi-FCC-Delta ACM-AB Construct (Metro 5 Bucarest struttura)	Romania			47.495	47.495			joint oper.
Astaldi-Gulermak Joint Venture	Turkey	TRY	1,500	51	51			joint oper.
Astaldi-Max Boegl Romania - Nadlac Arad Lot 2 Joint Venture (Cernavoda)	Romania			50	50			joint oper.
Astaldi-Max Boegl Romania-Nadlac Arad Lot 2 Joint Venture	Romania			50	50			joint oper.
Astaldi-Max Bogl-Euroconstruct-Tecnologica-Priect Bucuresti J.V. (A1 Ciuriel)	Romania			27.66	27.66			joint oper.
Astaldi-SC Euroconstruct Tranding 98-SC Astalrom Asocierea (Orastie - Sibiu)	Romania			99.975	94.99	4.985	Astalrom S.A.	joint oper.
Astaldi-Tukerler Ortak Girisimi Joint Venture	Turkey	TRY	1,500	51	51			joint oper.
Astaldi-UTI-Romairport J.V. (Clui Napoca)	Romania			78.779	49	29.779	Romairport S.r.l.	joint oper. (a)
Aster Astaldi-TIM-Termomeccanica Ecologica	Poland			51	51			joint oper.
Aster Dantiscum	Poland	PLZ	10,000	51	51			joint oper.
Aster Resovia TM e Termomeccanca Ecologica Astaldi S.C.	Poland			49	49			joint oper.
Avrasya Metro Grubu - AMG J.V.	Turkey	TRY	1,000	42	42			joint oper.

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BSS-KSAB JV	Saudi Arabia			37.5	37.5			joint oper.
Civil Works Joint Ventures	Saudi Arabia			59.14	52	7.14	Salini Saudi Arabia Company L.t.d.	joint oper.
CMC - Mavundla - Impregilo J.V.	Sud Africa			39.2	39.2			joint oper.
Consorcio Ana Cua	Paraguay			55	55			joint oper.
Consorcio Constructor Tumarin	Nicaragua			50	50			joint oper.
Consorcio Contuy Medio Grupo A C.I. S.p.A. Ghella Sogene C.A., Otaola C.A.	Venezuela			36.4	36.4			joint oper.
Consorcio Europeo Hospital de Chinandega	Nicaragua			29.65	29.65			joint oper.
Consorcio Rio Mantaro	Peru			50	50			joint oper.
Consorcio Rio Urubamba	Peru			40	40			joint oper.
Consorzio Constructor M2 Lima	Peru			25.5	25.5			joint oper.
Consorzio Constructora El Arenal	Honduras			49	49			joint oper.
Consorzio Gdansk	Poland			51	51			joint oper.
Consorzio Lublino (Astaldi - PBDIM)	Poland			94.98	94.98			joint oper.
Consorzio Obrainsa - Astaldi	Peru			51	51			joint oper.
FCC - Astaldi Constanza Bypass	Romania			50	50			joint oper.
FCC Construccion S.A. – Astaldi S.p.A., Joint Venture (Arad - Timisoara)	Romania			50	50			joint oper.
Fisia Abeima Salalah J.V.	Oman	OMR		35.7		35.7	Fisia LLC	joint oper.
Fisia Italimpianti suc. Argentina-Acciona Agua suc. Argentina UTE	Argentina			65		65	Fisia Italimpianti filiale Argentina	joint oper.
Gebze-İzmir Otoyolu İnşaati (NOMAYG) Adi Ortakligi	Turkey	TRY	50,000	17.5	17.5			joint oper.
Ghazi-Barotha Contractors J.V.	Pakistan			57.8	57.8			joint oper.
G.R.B.K. Barrage de Kerrada et Adduction Chelif-Kerrada du Transfert M.A.O	Algeria			68.68	68.68			joint oper. (a)
Groupement Astaldi-Somatra Get (G.A.S.)	Tunisia			60	60			joint oper. (a)
Groupement ASTEH	Algeria			51	51			joint oper. (a)
Groupement GR-RDM	Algeria			51	51			joint oper. (a)
GS Inima -Fisia Italimp. S.p.A. UTE Ghubrah III Swro	Oman	OMR	6,000	50		50	Fisia Italimpianti S.p.A.	joint oper.
I 405 Partners Joint Venture	USA			26.325		26.325	Astaldi Construction Corporation	joint oper.
Ilka Metro Yapim Joint Venture	Turkey	TRY	10,000	15		15	Astur Construction and Trade A.S.	joint oper.
Lodz Consorzio	Poland			40	40			joint oper.
Mobilinx Hurontario Contractor	Canada			70		42	Salini Impregilo Civil Works	joint oper.
						28	Astaldi Canada Design & Construction Inc.	
Mobilinx Hurontario DBJV	Canada			48.692		48.692	Mobilinx Hurontario Contractor	joint oper.
Nadlac-Arad JV	Romania			50	50			joint oper.
Nathpa Jhakri J.V.	India	USD	1,000,000	60		60	HCE Costruzioni S.p.A.	joint oper.
NBI-A4 Joint Venture (Elektromak)	Turkey	TRY	1,500	99.99		99.99	NBI Elektrik Elekt. Tesisat Insaat	joint oper.
NBI-A4 Tunnel Joint Venture	Turkey			99.99		99.99	NBI S.p.A.	joint oper.
NGE Genie Civil S.a.s. - Salini Impregilo S.p.A.	France			50	50			joint oper.
Rinfra-Astaldi, J.V.	India			26	26			joint oper.
Sailini Impregilo - NGE Genie Civil S.a.s	France			65	65			joint oper.
Sotra Link AS J.V.	Norway			35	35			joint oper.
South Al Mutlaa J.V.	Kuwait			55	55			joint oper.

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Southland Astaldi, Joint Venture	Canada			30		30	Astaldi Canada Design & Construction Inc.	joint oper.
Telt Lot 2	France			50	50			joint oper.
Telt Villarodin-Bourget Modane Avrieux	France			33.33	33.33			joint oper.
Tristar Salini Joint Venture	United Arab Emirates			40	40			joint oper.
UTE Abeima Fisia Shoaibah	Saudi Arabia			50		50	Fisia Italimpianti S.p.A.	joint oper.
Uti Grup S.A.-Astaldi S.p.A. (pattinaggio)	Romania			65	65			joint oper.
Spark NEL DC Joint Venture	Australia			29	29			joint oper.
Webuild - Kolin	Turkey			50.01	50.01			joint oper. (a)
101 Gaggio Consorzio	Switzerland			35		35	CSC Costruzioni S.A.	equity
Aegek-Impregilo-Aslom J.V.	Greece			45.8	45.8			equity
AGL JV	USA			20		20	Lane Constr. Corporation	equity
Aguas del Gran Buenos Aires S.A. (in liq.)	Argentina	ARS	45,000,000	42.588	16.503	23.727	Impregilo Intern. Infr. N.V.	equity
						2.358	Iglys. S.A.	
AM S.c.r.l.	Italy	Euro	10,000	42.74		42.74	NBI S.p.A.	equity
Ankara Etlik Hastane Isletme Ve Bakim Anonim Sirketi	Turkey	TRY	50,000	51		51	Astaldi Concessions S.p.A.	equity
Arge BBT - Baulos H41 - Sillschlucht - Pfons	Austria	Euro	100,000	50	25	25	CSC Costruzioni S.A.	equity
Arge Haupttunnel Eyholz	Switzerland			36		36	CSC Costruzioni S.A.	equity
Arge Secondo Tubo	Switzerland			40	5	35	CSC Costruzioni S.A.	equity
Associazione Astaldi-SOMET-TIAB-UTI GRUP	Romania			40	40			equity (a)
Atayde North Holding	Mexico			40	40			equity (a)
Autopistas del Sol S.A.	Argentina	ARS	175,396,394	19.818		19.818	Impregilo Intern. Infr. N.V.	equity
Avola S.c.r.l. (in liq.)	Italy	Euro	10,200	50	50			equity
Avrasya Metro Grubu S.r.l . (in Liq.)	Italy	Euro	10,000	42	42			equity
Biomedica S.c.r.l. (in liq.)	Italy	Euro	10,000	42.666		42.666	Consorzio Stabile Busi (in liq.)	equity (a)
Brennero Tunnel Construction S.c.r.l.	Italy	Euro	100,000	47.23		47.23	Partecipazioni Italia S.p.A.	equity
C.F.M. S.c.r.l. (in liq.)	Italy	Euro	40,800	50	50			equity
C.P.R.2	Italy	Euro	2,066	35.97		35.97	HCE Costruzioni S.p.A.	equity
C.P.R.3	Italy	Euro	2,066	35.97		35.97	HCE Costruzioni S.p.A.	equity
Cagliari 89 S.c.r.l. (in liq.)	Italy	Euro	10,200	49		49	HCE Costruzioni S.p.A.	equity
Churchill Construction Consortium	UK			30		30	Impregilo New Cross Ltd	equity
Churchill Hospital J.V.	UK			50		50	Impregilo New Cross Ltd	equity
CMC - Consorzio Monte Ceneri lotto 851	Switzerland			40		40	CSC Costruzioni S.A.	equity
CMR Consorzio	Switzerland			47.5		47.5	CSC Costruzioni S.A.	equity
CMS Consorzio	Switzerland			70		70	CSC Costruzioni S.A.	equity
CO.SAT S.c.r.l. (in liq.)	Italy	Euro	10,000	50		50	Partecipazioni Italia S.p.A.	equity
Col De Roches	Switzerland			90		90	CSC Costruzioni S.A.	equity
Colli Albani S.c.r.l. (in liq.)	Italy	Euro	25,500	60	60			equity
Consorcio Contuy Medio	Venezuela			57.34	57.34			equity
Consorcio Federici/Impresit/Ice Cochabamba	Bolivia	USD	100,000	25		25	HCE Costruzioni S.p.A.	equity
Consorcio Grupo Contuy-Proyectos y Obras de Ferrocarriles	Venezuela			66.658	66.658			equity

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Consorcio Normetro	Portugal			13.18	13.18			equity
Consorcio OIV-TOCOMA	Venezuela			40	40			equity
Consorcio V.I.T. - Tocoma	Venezuela			35	35			equity
Consorcio V.I.T. Caroni - Tocoma	Venezuela			35	35			equity
Consorcio V.S.T. Tocoma	Venezuela			30	30			equity
Consortium CSC S.A.-Zuttion Construction S.A.	Switzerland			50		50	CSC Costruzioni S.A.	equity
Consorzio 201 Quintai	Switzerland			60		60	CSC Costruzioni S.A.	equity
Consorzio 202 Quintai	Switzerland			30		30	CSC Costruzioni S.A.	equity
Consorzio ACE Chiasso	Switzerland			50		50	CSC Costruzioni S.A.	equity
Consorzio ACE Chiasso 2	Switzerland			50		50	CSC Costruzioni S.A.	equity
Consorzio Astaldi-Federici-Todini (in liq.)	Italy	Euro	46,000	66.67	33.33	33.34	HCE Costruzioni S.p.A.	equity
Consorzio Astaldi-Federici-Todini Kramis	Italy	Euro	100,000	99.99	49.995	49.995	HCE Costruzioni S.p.A.	equity
Consorzio Cà di Ferro	Switzerland			50		50	CSC Costruzioni S.A.	equity
Consorzio Consarno	Italy	Euro	20,658	25	25			equity
Consorzio del Sinni	Italy	Euro	51,646	43.16		43.16	HCE Costruzioni S.p.A.	equity
Consorzio di Penta Ugo Vitolo (in liq.)	Italy	Euro	2,582	50	50			equity (a)
Consorzio di Riconversione Industriale Apuano - CO.RI.A. S.c.r.l.	Italy	Euro	46,481	10		10	HCE Costruzioni S.p.A.	equity
Consorzio EPC	Peru			18.25	18.25			equity
Consorzio Ferrofir (in liq.)	Italy	Euro	30,987	100	66.667	33.333	HCE Costruzioni S.p.A.	equity
Consorzio Fonomen	Switzerland			33.33		33.33	CSC Costruzioni S.A.	equity
Consorzio GI.IT. (in liq.)	Italy	Euro	2,582	50	50			equity
Consorzio GIC	Switzerland			30		30	CSC Costruzioni S.A.	equity
Consorzio H20 Morobbia	Switzerland			50		50	CSC Costruzioni S.A.	equity
Consorzio Imprese Lavori FF.SS. di Saline - FEIC	Italy	Euro	15,494	33.333		33.333	HCE Costruzioni S.p.A.	equity
Consorzio Iniziative Ferroviarie - INFER (in liq.)	Italy	Euro	41,316	35.001		35.001	HCE Costruzioni S.p.A.	equity
Consorzio Iricav Uno	Italy	Euro	520,000	42.853		42.853	Partecipazioni Italia S.p.A.	equity
Consorzio Ital.Co.Cer. (in Liq.)	Italy	Euro	51,600	30	30			equity
Consorzio Kallidromo	Greece	Euro	8,804	23		23	HCE Costruzioni S.p.A.	equity
Consorzio Masnan	Switzerland			70		70	CSC Costruzioni S.A.	equity
Consorzio MEGE	Switzerland			25		25	CSC Costruzioni S.A.	equity
Consorzio MM4	Italy	Euro	200,000	64.27		32.135	Webuild Italia S.p.A.	equity
						32.135	Partecipazioni Italia S.p.A.	
Consorzio NOG.MA (in liq.)	Italy	Euro	600,000	16.767		16.767	HCE Costruzioni S.p.A.	equity
Consorzio Novocen (in liq.)	Italy	Euro	51,640	40.76	40.76			equity
Consorzio Pizzarotti Todini-Kef-Eddir. (in liq.)	Italy	Euro	100,000	50		50	HCE Costruzioni S.p.A.	equity
Consorzio Portale Vezia (CPV Lotto 854)	Switzerland			60		60	CSC Costruzioni S.A.	equity
Consorzio Probin	Switzerland			50		50	CSC Costruzioni S.A.	equity
Consorzio Sarda Costruzioni Generali - SACOGEN	Italy			25		25	HCE Costruzioni S.p.A.	equity
Consorzio Sotpass Bess	Switzerland			36		36	CSC Costruzioni S.A.	equity
Consorzio Torretta	Switzerland			50		50	CSC Costruzioni S.A.	equity

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Consorzio Trevi - S.G.F. INC per Napoli	Italy	Euro	10,000	45	45			equity
Consorzio Vedeggio	Switzerland			99		99	CSC Costruzioni S.A.	equity
Consorzio Vertiaz	Switzerland			100	0.01	99.99	CSC Costruzioni S.A.	equity
Consorzio Zeb	Switzerland			25		25	CSC Costruzioni S.A.	equity
Constructora Astaldi Cachapoal Limitada	Chile	CLP	10,000,000	99	99			equity (a)
CS Consorzio	Switzerland			85		85	CSC Costruzioni S.A.	equity
Depurazione Palermo S.c.r.l. (in liq.)	Italy	Euro	20,000	50		50	HCE Costruzioni S.p.A.	equity
Diga di Blufi S.c.r.l. (in liq.)	Italy	Euro	45,900	50	50			equity
Dolomiti Webuild Implenia	Italy	Euro	10,000	51		51	Webuild Italia S.p.A.	equity
E.R. Impregilo/Dumez y Asociados para Yaciretê - ERIDAY	Argentina	USD	539,400	20.75	18.75	2	Iglys S.A.	equity
Ecosarno S.c.r.l. (in Liq.)	Italy	Euro	50,490	33.334	33.334			equity
EDIL.CRO S.c.r.l. (in liq.)	Italy	Euro	10,200	16.65		16.65	HCE Costruzioni S.p.A.	equity
Enecor S.A.	Argentina	ARS	8,000,000	30		30	Impregilo Intern. Infr. N.V.	equity
Etlik Hastane P.A. S.r.l.	Italy	Euro	110,000	51	51			equity
Eurolink S.c.p.a.	Italy	Euro	150,000,000	45		45	Webuild Italia S.p.A.	equity
Fisia Abeima LLC	Saudi Arabia	SAR	500,000	50		50	Fisia Italimpianti S.p.A.	equity
Fisia GS Inima (Al Ghubra) LLC	Oman	OMR	250,000	50		50	Fisia Italimpianti S.p.A.	equity
Flatiron West Inc.- The Lane Constr. Corp. J.V.	USA			40		40	Lane Constr. Corporation	equity
Fluor-Lane 95 LLC	USA			35		35	Lane Constr. Corporation	equity
Fluor-Lane LLC	USA			35		35	Lane Constr. Corporation	equity
Fluor-Lane South Carolina LLC	USA			45		45	Lane Constr. Corporation	equity
Fosso Canna S.c.r.l. (in liq.)	Italy	Euro	25,500	32	32			equity
Gaziantep Hastane Sanglik Hizmetleri Isletme Yatrim Joint Stock Company	Turkey	TRY	175,200,000	24.5	24.5			equity
Gaziantep Hastanesi Isletme Ve Bakim Hizmetleri	Turkey	TRY	6,050,000	50	50			equity
Groupement Astaldi - Consider TP	Algeria			60	60			equity (a)
Groupement de Raccordement de la Station d’El Hamma (G.R.S.H.)	Algeria			100	51	49	Astaldi Algerie - E.u.r.l.	equity (a)
Grupo Empresas Italianas - GEI	Venezuela	VEB	10,500,000	66.666	66.666			equity
Grupo Unidos Por El Canal S.A.	Panama	USD	1,000,000	48	48			equity
I4 Leasing LLC	USA			30		30	Lane Constr. Corporation	equity
ICA LT Limited Liability Company	Russia			50	50			equity (a)
Impregilo Arabia Ltd	Saudi Arabia	SAR	40,000,000	50	50			equity
Impresit Bakolori Plc	Nigeria	NGN	100,800,000	50.707	50.707			equity
Infraflegrea S.c.r.l. (in liq.)	Italy	Euro	46,600	50	50			equity
IRINA S.r.l. (in liq.)	Italy	Euro	103,300	36		36	HCE Costruzioni S.p.A.	equity
Isibari S.c.r.l. (in liq.)	Italy	Euro	15,494	100		100	HCE Costruzioni S.p.A.	equity
J.V. Salini Impregilo - Doprastav	Czech Republic			50	50			equity
Joint Venture Aktor-Webuild-Ansaldo-STS-Hitachi Rail Utaly (ex AIASA JV)	Greece			26.7	26.7			equity
Joint Venture Impregilo S.p.A. - Empedos S.A. - Aktor A.T.E. (in liq.)	Greece			66		66	HCE Costruzioni S.p.A.	equity
Joint Venture Terna - Impregilo	Greece			45	45			equity
JV Salini - Secol	Romania			80	80			equity
Kallidromo Joint Venture	Greece	Euro	29,347	23		20.7	HCE Costruzioni S.p.A.	equity
						2.3	Consorzio Kallidromo	

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La Maddalena	Switzerland			66.67	5	61.67	CSC Costruzioni S.A.	equity
La Quado S.c.a.r.l. (in liq.)	Italy	Euro	10,000	35		35	HCE Costruzioni S.p.A.	equity
Line 3 Metro Stations	Greece			50	50			equity
M.N. Metropolitana di Napoli S.p.A.	Italy	Euro	3,655,397	22.62		22.62	Partecipazioni Italia S.p.A.	equity
M.O.MES. S.c.r.l.	Italy	Euro	10,000	60		60	Partecipazioni Italia S.p.A.	equity
Messina Catania tratto Nord	Italy	Euro	10,000	70	45	25	Partecipazioni Italia S.p.A.	equity (a)
Metro C S.c.p.a.	Italy	Euro	150,000,000	34.5		34.5	Partecipazioni Italia S.p.A.	equity
Metro de Lima Linea 2 S.A.	Peru	PEN	368,808,060	18.25	18.25			equity
Metrogenova S.c.r.l. (in liq.)	Italy	Euro	25,500	57.439	57.439			equity
Mobilink Hurontario General Partnership	Canada			35		21	Salini Impregilo Mobilink Hur. GP Inc.	equity (a)
						14	Astaldi Mobilinx Hur. GP Inc.	
Mobilinx Hurontario Services L.t.d.	Canada			20	12	8	Astaldi Canada Enterprises Inc.	equity
Mose Bocca di Chioggia S.c.r.l.	Italy	Euro	10,000	15		15	Partecipazioni Italia S.p.A.	equity
Mose-Treporti S.c.r.l.	Italy	Euro	10,000	35		35	Partecipazioni Italia S.p.A.	equity
N.P.F. – Nuovo Polo Fieristico S.c.r.l. (in liq.)	Italy	Euro	40,000	50	50			equity
Nlf Nowa Lodz Fabryczna Sc	Poland			50	50			equity (a)
Ochre Solutions Holdings Ltd	UK	GBP	20,000	40		40	Impregilo Intern. Infr. N.V.	equity
OHL - Posillico - Seli Overseas J.V.	USA			20		20	Seli Overseas USA Inc.	equity (a)
Olbia 90 S.c.r.l. (in liq.)	Italy	Euro	10,200	24.5		24.5	HCE Costruzioni S.p.A.	equity
Otoyol Deniz Tasimaciligi A.S.	Turkey	TRY	5,000,000	17.5	17.5			equity
Otoyol Isletme Ve Bakim A.S.	Turkey	TRY	5,000,000	18.14	18.14			equity
Passante di Mestre S.c.p.A. (in liq.)	Italy	Euro	50,000,000	42.424		42.424	HCE Costruzioni S.p.A.	equity
Pedelombarda S.c.p.a. (in liq.)	Italy	Euro	80,000,000	71	47	24	Partecipazioni Italia S.p.A.	equity
Pegaso S.c.r.l. (in Liq.)	Italy	Euro	260,000	43.75		43.75	Partecipazioni Italia S.p.A.	equity
PerGenova S.c.p.a. (in liq.)	Italy	Euro	1,000,000	50	50			equity
Piana di Licaca S.c.r.l. (in liq.)	Italy	Euro	10,200	43.745	43.745			equity
Puentes del Litoral S.A. (in liq.)	Argentina	ARS	43,650,000	26	22	4	Iglys S.A.	equity
Purple Line Transit Constructors LLC	USA			30		30	Lane Constr. Corporation	equity
Rasoira Consorzio	Switzerland			50		50	CSC Costruzioni S.A.	equity
Renovation Palais Des Nations S.A.	Switzerland	CHF	100,000	17		17	CSC Costruzioni S.A.	equity
S. Benedetto S.c.r.l. (in liq.)	Italy	Euro	25,823	57		57	HCE Costruzioni S.p.A.	equity
S. Ruffillo S.c.r.l. (in liq.)	Italy	Euro	60,000	35	35			equity
S.E.I.S. S.p.A.	Italy	Euro	3,877,500	48.333	48.333			equity
Salini Strabag Joint Ventures	Guinea	Euro	10,000	50	50			equity
SEDI S.c.r.l. (in liq.)	Italy	Euro	10,000	34		34	HCE Costruzioni S.p.A.	equity
Segrate S.c.r.l.	Italy	Euro	10,000	35		35	Webuild Italia S.p.A.	equity (a)
Sellero S.c.r.l. (in liq.)	Italy	Euro	10,000	39		39	Cossi Costruzioni S.p.A.	equity
SFI Leasing Company	USA			30	30			equity
Shimmick CO. INC. - FCC CO S.A. - Impregilo S.p.A -J.V.	USA			30	30			equity
Sibar Arge	Switzerland			60		60	CSC Costruzioni S.A.	equity
Sistranyac S.A.	Argentina	ARS	3,000,000	20.101		20.101	Impregilo Intern. Infr. N.V.	equity

List of Webuild Group companies

	Country	Currency	Share/quota capital subscribed	Investment %	% direct	% indirect	Indirect parent	Consolidation or measurement method
Sotra Link AS	Norway	NOK	30,000	10		10	Sotra Link Holdco AS	equity (a)
Sotra Link Holdco AS	Norway	NOK	30,000	10		10	Astaldi Concessions S.p.A.	equity (a)
Spark Nel DC Workforce Pty Ltd	Australia			34.118		34.118	Salini Australia PTY L.t.d.	equity (a)
Skanska-Granite-Lane J.V.	USA			30		30	Lane Constr. Corporation	equity
Tangenziale Seconda S.c.r.l. (in liq.)	Italy	Euro	45,900	42.73	42.73			equity
Tartano S.r.l. Società Agricola	Italy	Euro	110,000	32.5		32.5	Cossi Costruzioni S.p.A.	equity
Techint S.A.C.I.- Hochtief A.G.- Impregilo S.p.A.-Iglys S.A. UTE	Argentina			35	26.25	8.75	Iglys S.A.	equity
TM-Salini Consortium	Malaysia			90	90			equity
Trieste Due S.c.a.r.l. (in liq.)	Italy	Euro	10,000	45		45	Cossi Costruzioni S.p.A.	equity
Unionport Constructors J.V.	USA			45		45	Lane Constr. Corporation	equity
Valdostana Condotte - Cossi	Italy	Euro	100,000	20.0		20.0	Cossi Costruzioni S.p.A.	equity
VE.CO. S.c.r.l.	Italy	Euro	10,200	25	25			equity
Webuild Apco J.V. (ex Reliance)	India			30	30			equity
Yacylec S.A.	Argentina	ARS	20,000,000	18.67		18.67	Impregilo Intern. Infr. N.V.	equity
Yuma Concessionaria S.A.	Colombia	COP	26,000,100,000	48.326	40	8.326	Impregilo Intern. Infr. N.V.	equity
Acqua Campania S.p.A.	Italy	Euro	4,950,000	0.1		0.1	Impregilo Intern. Infr. N.V.	cost
Arge Tulfes Pfons	Austria	Euro	1,000	0.01	0.01			cost
Asse Sangro Consorzio (in liq.)	Italy	Euro	464,811	4.762	4.762			cost
Astaldi - Gulemark TR - Gulemark PL (C4 -C6)	Poland			0.1	0.1			cost
Astaldi - Gulemark TR - Gulemark PL (Mory)	Poland			0.1	0.1			cost
BSS J.V. - Air Academy project	Saudi Arabia			5	5			cost
C.F.C. S.c.r.l. (in liq.)	Italy	Euro	45,900	0.01	0.01			cost
C.I.T.I.E. Consorzio Inst. Tec. Idr. Elettr. Soc. Cooperativa (in liq.)	Italy	Euro	8,035	0.49		0.39	NBI S.p.A.	cost
						0.10	3E System S.r.l. (in liq.)	
CE.DI.R. S.c.r.l. (in liq.)	Italy	Euro	10,200	1		1	HCE Costruzioni S.p.A.	cost
Centoquattro S.c.r.l.	Italy	Euro	10,000	12.07		12.07	NBI S.p.A.	cost
Centotre S.c.r.l.	Italy	Euro	10,000	12.52		12.52	NBI S.p.A.	cost
CO.SA.VI.D. S.c.r.l.	Italy	Euro	25,500	0.011	0.011			cost
Consorzio Aree Industriali Potentine (in liq.)	Italy	Euro	408,000	2		2	Fisia Ambiente S.p.A.	cost
Consorzio Casale Nei	Italy	Euro	27,889	2.779		2.779	HCE Costruzioni S.p.A.	cost
Consorzio Centro Uno (in liq.)	Italy	Euro	154,937	2	2			cost
Consorzio Cona (in liq.)	Italy	Euro	751,950	4.99		4.99	NBI S.p.A.	cost
Consorzio Costruttori TEEM	Italy	Euro	10,000	0.01		0.01	HCE Costruzioni S.p.A.	cost
Consorzio Groupement Lesi-Dipenta	Italy	Euro	258,228	0.01	0.01			cost
Consorzio infrastruttura area metropolitana - Metro Cagliari (in liq.)	Italy	Euro	129,114	7.5		7.5	HCE Costruzioni S.p.A.	cost
Consorzio Malagrotta	Italy	Euro	2,840	0.035	0.035			cost
Consorzio Nazionale Imballaggi - CO.NA.I.	Italy	Euro	130	1	1			cost
Consorzio Tratta Determinante Città Vitale - TRA.DE.CIV	Italy	Euro	155,535	17.727		17.727	Partecipazioni Italia S.p.A.	cost
Consorzio Utenti Servizi Salaria Vallericca	Italy	Euro	10,500	0.01	0.01			cost
Consorzio Venezia Nuova	Italy	Euro	274,000	17.55		17.55	Consorzio Italvenezia	cost

List of Webuild Group companies

	Country	Currency	Share/quota capital subscribed	Investment %	% direct	% indirect	Indirect parent	Consolidation or measurement method
DIRPA S.c.r.l.	Italy	Euro	50,000,000	98.98		98.98	Consorzio Stabile Operae	cost
Elektromak - Mekatronik - NBI, Joint Venture	Turkey			0.1		0.1	NBI Elektrik Elektromekanik	cost
Emittenti Titoli S.p.A. (in liq.)	Italy	Euro	4,264,000	0.244	0.244			cost
Fusaro S.c.r.l. (in liq.)	Italy	Euro	10,200	0.01	0.01			cost
Grassetto S.p.A. (in liq.)	Italy	Euro	111,650,000	0.001		0.001	HCE Costruzioni S.p.A.	cost
Guida Editori S.c.r.l. (in liq.)	Italy	Euro	10,329	1.05	1.05			cost
Gulemark - TR Astaldi - Gulemark PL (C18-C21)	Poland			0.1	0.1			cost
Hobas Italiana S.p.A. (in liq.)	Italy			8.829		8.829	HCE Costruzioni S.p.A.	cost
Immobiliare Golf Club Castel D'Aviano S.r.l.	Italy	Euro	4,540,340	0.444		0.444	HCE Costruzioni S.p.A.	cost
Impregilo S.p.A.-Avax S.A.-Ate Gnomon S.A., J.V.	Greece	GRD	3,000,000	1		1	HCE Costruzioni S.p.A.	cost
Istituto per lo Sviluppo Edilizio ed Urbanistico - ISVEUR S.p.A. (in liq.)	Italy	Euro	2,500,000	2.6	1.2	1.4	HCE Costruzioni S.p.A.	cost
Istituto Promozionale per l'Edilizia S.p.A. - Ispredil S.p.A.	Italy	Euro	111,045	0.119		0.119	I.L.IM. S.r.l. (in liq.)	cost
Joint Venture Aktor S.A. - Impregilo S.p.A.	Greece			0.1	0.1			cost
Lambro S.c.r.l. (in liq.)	Italy	Euro	200,000	0.01		0.01	HCE Costruzioni S.p.A.	cost
Lane-Developement Co. For Road Works-Tadmur Joint Venture	Qatar			0.49		0.49	Lane Mideast Qatar LLC	cost
Manifesto S.p.A. (in liq.)	Italy			0.36		0.36	CO.GE.MA. S.p.A.	cost
Metro 5 S.p.A.	Italy	Euro	53,300,000	2		2	Partecipazioni Italia S.p.A.	cost
Mika Adi Ortakligi J.V.	Turkey			15		15	Astur Construction and Trade A.S.	cost
MN 6 S.c.r.l.	Italy	Euro	51,000	21.132		20.132	M.N. Metropolitana di Napoli S.p.A.	cost
						1	Partecipazioni Italia S.p.A.	
Mose Operae S.c.r.l.	Italy	Euro	10,000	17.28		17.28	Partecipazioni Italia S.p.A.	cost
Nomisma - Società di Studi Economici S.p.A.	Italy	Euro	20,433,801	0.245		0.245	HCE Costruzioni S.p.A.	cost
Normetro - Agrupamento Do Metropolitano Do Porto, ACE	Portugal	PTE	100,000	2.12		2.12	HCE Costruzioni S.p.A.	cost
Nova Via Festinat Industrias (in liq.)	Italy	Euro	10,329	0.01	0.01			cost
Pavimental S.p.A.	Italy	Euro	10,116,452	0.601	0.601			cost
PROG.ESTE S.p.A.	Italy	Euro	11,956,151	2.698		2.698	NBI S.p.A.	cost
S.A.T. S.p.A.	Italy	Euro	19,126,000	1		1	Partecipazioni Italia S.p.A.	cost
S.I.MA. GEST 3 S.c.r.l. (in liq.)	Italy	Euro	50,000	0.01		0.01	HCE Costruzioni S.p.A.	cost
Salini Impregilo Bin Omran J.V.	Qatar			50	50			cost
Simple Partership Ictas-Astaldi	Russia			0.1	0.1			cost
Skiarea Valchiavenna S.p.A.	Italy	Euro	12,000,000	1.09	0.165	0.925	HCE Costruzioni S.p.A.	cost
Spark North East Holding Pty Ltd	Australia	AUD	1,000	7.5		7.5	MEL PP Pty Ltd	cost
Spark North East Link Pty Ltd	Australia	AUD	2	7.5		7.5	Spark North East Holding Pty Ltd	cost
SPV Linea M4 S.p.A.	Italy	Euro	61,531,500	19.268		9.634	Webuild Italia S.p.A.	cost
						9.634	Partecipazioni Italia S.p.A.	
Tangenziale Esterna S.p.A.	Italy	Euro	464,945,000	0.001	0.001			cost
Todini-Impregilo Almaty Khorgos J.V.	Kazakhstan			0.01	0.01			cost
Transmetro - Construcao de Metropolitano A.C.E.	Portugal			5		5	HCE Costruzioni S.p.A.	cost
UJV Astaldi S.p.A. (Suc. Cile), VCGP (Ag en Chile) e VCGP–Astaldi Ingenieria y Const.Ltd	Chile			0.01	0.01			cost

List of Webuild Group companies

	Country	Currency	Share/quota capital subscribed	Investment %	% direct	% indirect	Indirect parent	Consolidation or measurement method
Valtellina Golf Club S.p.A.	Italy	Euro	2,813,300	0.636		0.46	Cossi Costruzioni S.p.A.	cost
						0.176	Mosconi S.r.l.	
VCGP - Astaldi Ingenieria y Construccion Limitada	Chile	CLP	66,000,000	0.011	0.011			cost
Veneta Sanitaria Finanza di Progetto S.p.A. - V.S.F.P. S.p.A.	Italy	Euro	20,500,000	1		0.5	Partecipazioni Italia S.p.A.	cost
						0.5	Astaldi Concessions S.p.A.	
Wurno Construction Materials - WUCOMAT Ltd	Nigeria	NGN	3,300,000	5.071		5.071	Impresit Bakolori Plc	cost
Consorcio Impregilo - OHL	Colombia			100		100	Impregilo Colombia SAS	(*)
I.L.IM. - Iniziative Lombarde Immobiliari S.r.l. (in liq.)	Italy	Euro	10,000	100	100			(*)
Salini - Impregilo Joint Venture for Mukorsi	Zimbabwe			100	99.9	0.1	HCE Costruzioni S.p.A.	(*)

(*) No longer consolidated

(a) Inactive

(b) Indirectly active

Statement on the condensed interim consolidated financial statements

pursuant to article 81-ter of Consob regulation no. 11971 of 14 May 1999 and subsequent amendments and integrations

1 Pietro Salini, as chief executive officer, and Massimo Ferrari, as manager in charge of financial reporting, of Webuild S.p.A., considering the provisions of article 154-bis.3/4 of Legislative decree no. 58 of 24 February 1998, state:

0) that the administrative and accounting procedures are adequate given the Group's characteristics; and

1) that they were actually applied during the first half of 2022 to prepare the condensed interim consolidated financial statements.

2 No significant issues arose.

3 Moreover, they state that:

3.1 the condensed interim consolidated financial statements:

a) have been prepared in accordance with the applicable International Financial Reporting Standards endorsed by the European Union pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and Council of 19 July 2002;

b) are consistent with the accounting records and entries;

c) are suitable to give a true and fair view of the financial position at 30 June 2022 and the results of operations and cash flows for the six months then ended of the Issuer and its consolidated companies;

3.2 the directors report includes a reliable analysis of the key events that took place during the period and their impact on the condensed interim consolidated financial statements, together with information about the main risks and uncertainties to which the Group is exposed for the second half of the year. It also sets out a reliable analysis of relevant related party transactions.

Milan, 28 July 2022

Chief executive officer	Manager in charge of financial reporting
Pietro Salini	Massimo Ferrari
(signed on the original)	(signed on the original)

Report on review of condensed interim consolidated financial statements

KPMG S.p.A.
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(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Report on review of condensed interim consolidated financial statements

To the shareholders of
Webuild S.p.A.

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of the Webuild Group, comprising the statement of financial position as at 30 June 2022, the statements of profit or loss, comprehensive income, cash flows and changes in equity for the six months then ended and notes thereto. The directors are responsible for the preparation of these condensed interim consolidated financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of the review

We conducted our review in accordance with Consob (the Italian Commission for Listed Companies and the Stock Exchange) guidelines set out in Consob resolution no. 10867 dated 31 July 1997. A review of condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed interim consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of the Webuild Group as at and for the six months ended 30 June 2022 have not been prepared, in all material respects, in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union.

Emphasis of matter

Without modifying our conclusion, we draw attention to the disclosures provided by the directors in the "Main risk factors and uncertainties" section of the directors' report, to which the notes to the condensed interim consolidated financial statements make reference, about the significant litigation, exposure to country risk and other situations characterised by risk and/or uncertainty profiles.

Milan, 1 August 2022

KPMG S.p.A.

(signed on the original)

Angelo Pascali
Director of Audit