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

Interim financial report

30 June 2021

This document is available at:

www.webuildgroup.com

Webuild S.p.A. Company managed and coordinated by Salini Costruttori S.p.A.

Webuild S.p.A.

Fully paid-up share capital €600,000,000

Registered office in Milan, Via dei Missaglia 97

Tax code and Milan Monza Brianza Lodi Company Registration: 00830660155

R.E.A. no. 525502 - VAT no. 02895590962

CONTENTS

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

Strategic committee

Chairperson	Tommaso Sabato
	Nicola Greco
	Barbara Marinali
	Marina Natale
	Pietro Salini

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.

(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

€3.1 million
Revenue[1]

€43.3 billion
Total order backlog

Our commitment

Group KPI | Generated shared value

Planet
We protect our planet

68%
Construction order backlog[2] from low-carbon projects

≈ 21 Mt CO_2
Annual emissions avoidable thanks to ongoing metro and hydro projects

People
We care for our people

>31,000
Direct workers

8
jobs created for each direct group employee[3]

Partnership
We embrace partnerships

≈100
Main ongoing projects

>15,000
Direct suppliers

Progress
We foster progress

92%
Construction order backlog[2] from projects that contribute to progress towards the UN's SDGs

≈ 87 million
People who benefit from the projects in place

Prosperity
We advocate prosperity

€197.6 million
EBITDA[1]

3.5
GDP contribution (in €) generated by each Euro of value added created by the Group[3]

Supported SDGs

[1] Adjusted figure, comprising the reported figure increased by the results of the non-subsidiary joint ventures of Lane Industries.

[2] Figures include Fisia Italimpianti.

[3] Amount related to the Group's main markets, calculated using output-input parameters. More information is available in the Social section of the 2020 Consolidated Non-financial Statement.

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).

The Group is the promoter of Progetto Italia, the operation to consolidate Italy's construction sector. Its aim is to create a large construction group to support the sector's relaunch and assist Italian companies become more competitive in international markets[4].

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 2021, the Group has an order backlog worth €43.3 billion (including approximately €34.2 billion for construction contracts), and revenue of €3,137.4 million[5] for the six months. The construction order backlog includes 92% from projects tied to achievement of the United Nations' SDGs, while 68% relates to climate action projects that allow the avoidance of greenhouse gas (GHG) emissions (hydropower, railway lines and metros, green buildings)[6]. New orders received during the six months confirm the Group's focus on sustainability, with 95% linked to progress towards the SDGs and a very satisfactory 86% consisting of low-carbon projects.

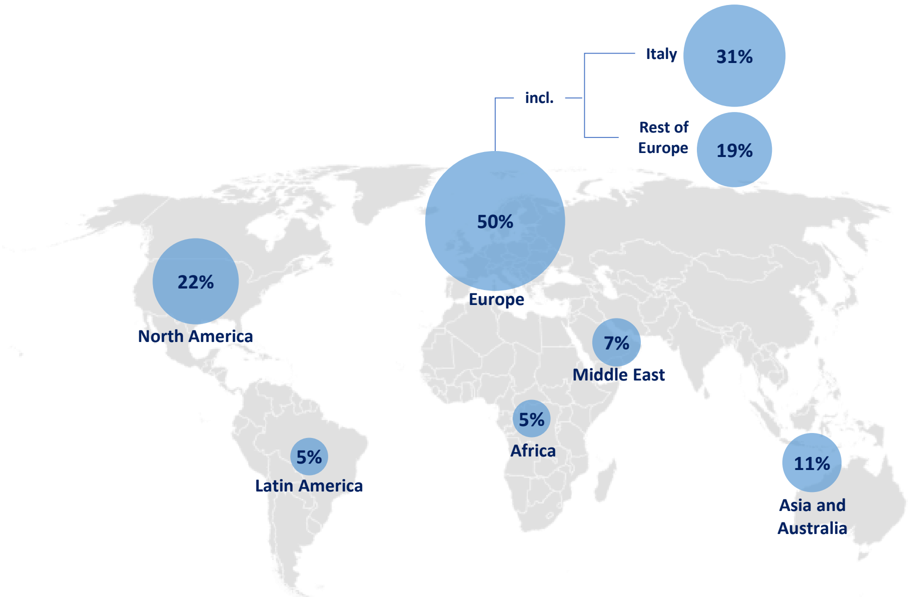
It works in around 50 countries focusing on its operations in Italy, Europe, North America and Australia.

[4] More information is available on the website https://progettoitalia.webuildgroup.com/it.

[5] Adjusted figure, comprising the reported figure increased by the results of the non-subsidiary joint ventures of Lane Industries.

[6] Figures include Fisia Italimpianti.

H1 2021 revenue by geographical area



During the first half of 2021, Webuild kept production going at its main international work sites despite the impact of the Covid-19 pandemic, continuing to invest in additional safety measures for its direct and indirect work site and office workers. The Group also carried on with its investments in innovation, especially digitalisation devices to optimise production and control processes.

On 30 April 2021, the shareholders approved the partial proportionate demerger of Astaldi S.p.A. to Webuild S.p.A..

The countless works built around the world tell the story of a Group that has based its business on its passion to build, the search for excellence in every operating and environmental situation and a commitment to meet global challenges, tied to the essential needs of the local areas and their communities for 115 years. It has built railway lines and metros, roads, motorways and bridges, dams and hydropower plants, hydraulic systems, drinking water, desalination and water treatment plants, airports, and civil and industrial buildings.

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.

Business model

The Group has developed its business model to optimise results in terms of quality, to comply with the customer's budget and timeline and to be economically, socially and environmentally sustainable. Its model is designed to support customers build complex infrastructure in response to the ongoing megatrends, leveraging three distinctive strategic pillars: expertise and innovation, centralised governance and sustainability. 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.

In recent years, there has been an acceleration in the international political and market focus on sustainability, partly as a result of the global emergency caused by Covid-19. This pandemic has highlighted the link between environmental degradation and the spread of disease, as well as the importance of having national and corporate systems that are resilient to external shocks.

Infrastructure continues to be an essential response to global challenges in a situation where it is generally accepted that the specialist know-how of large construction companies like Webuild is fundamental to developing infrastructure solutions to improve people's quality of life.

Main megatrends that affect the infrastructure market[7]

Infrastructures	Mobility	Water	Energy	Climate
70% Unbuilt essential infrastructure in 2050	**70%** Global population residing in urban areas in 2050	**20% / 30%** Growth in global water demand up to 2050	**50%** Global energy consumption using electricity by 2050	**-50%** GHG emissions in 2030 to achieve carbon neutrality
19% Infrastructure investment gap through 2040	**+100%** Demand for urban mobility in 2050	**52%** Global population in water stress areas in 2050	**86%** Energy demand met by renewable sources by 2050	**60%** GHG emissions associated with infrastructure sector

92%
SDGs achievable with adequate infrastructure

The international community has undertaken important initiatives to manage the changes underway, like the United Nations' 2030 Agenda for Sustainable Development (which includes the SDGs) and the Paris Climate Agreement.

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].

As part of the European Green Deal, the European Union has set the objectives of a reduction of at least 55% in GHG emissions by 2030 and to be climate neutral by 2050. The new US president has set the same objective for 2050 while China aims to begin cutting its emissions by 2030 and to be climate neutral by 2060.

The main focus areas identified to reduce emissions are the energy, industrial, transport and construction sectors, which will receive sizeable investments and incentives in the next few years.

The construction sector is expected to play a large part in the post-Covid-19 period, benefiting from economic and fiscal stimuli to build infrastructure for sustainability mobility, smart cities and to fight climate change, all considered essential to contain the effects of future recessions[10].

[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 NO. (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: Global Construction 2021 Outlook, Bloomberg Intelligence, December 2020

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)[11] to projects to combat climate change.

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

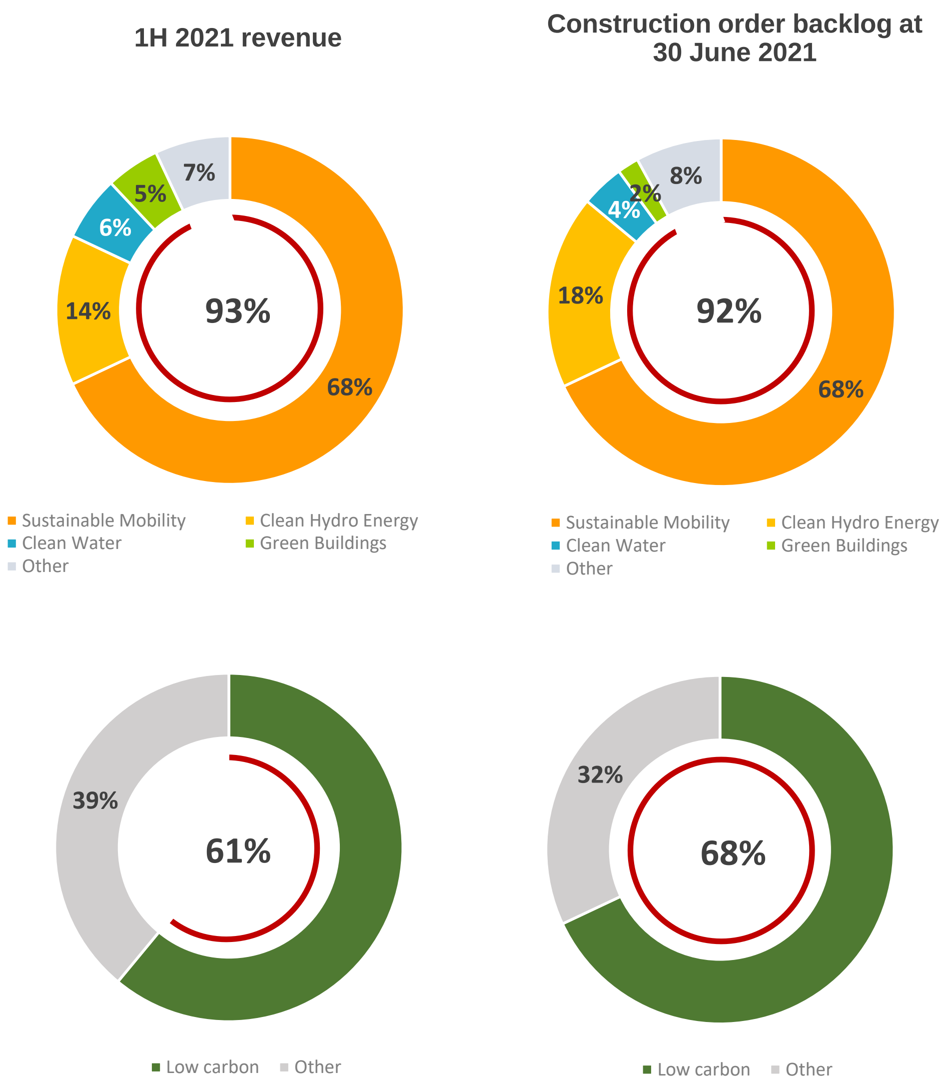
Clean water

- 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

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



Ongoing or completed projects of the first half of 2021 in the sustainability mobility sector accounted for **68%** of contract revenue and the construction order backlog, while new orders received came to a record 84%.

Ongoing clean hydro energy projects contributed **14%** to contract revenue and make up **18%** of the construction order backlog.

Completed or ongoing clean water projects made up **6%** of contract revenue and **4%** of the construction order backlog in the first six months of 2021, while green building projects accounted for **5%** of contract revenue and **2%** of the construction order backlog.

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.

In the first half of 2021, the Group again focused on the sustainability mobility sector, which accounts for 68% of its order backlog (63% in 2020) and 84% of its new orders for the period. This sector is one of the most promising business areas for the next few years. It is expected that passenger traffic alone will grow by 50% within 2023, to then double by 2050, while only 16% of global urban travel takes place using public means of transport[12].

The transport sector accounts for two-thirds of global oil consumption and continues to be the fastest growing source of greenhouse gas emissions[13].

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[14].

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[15].

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

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

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

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

The metro projects under construction alone will allow the fast, efficient and sustainable transportation of roughly 4.1 million people a day on state-of-the-art infrastructure, avoiding emissions of around 1.8 million tonnes of CO_2 a year. The high speed railway projects will shorten travel times by an average of 50%, providing around 25 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 6 million tonnes of CO_2.

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)[16].

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[17]. The energy sector accounts for about 60% of the world's GHG emissions[18], with 789 million people still without access to electricity[19].

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.

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

[17] Source: IEA Renewables Information 2020 https://www.iea.org/subscribe-to-date-services/renewables-statistics

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

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

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[20]. 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[21].

The ongoing hydropower projects will have capacity of more than 14,400 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.

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. More than two billion people live in areas subject to water

[20] Source: International Hydropower Association, https://www.hydropower.org/resources/factsheets/greenhouse-gas-emissions

[21] Source: Global Renewables Outlook 2020 – Energy transformation 2050, IRENA, pages 28, 114

stress, 2.2 billion people do not have access to drinking water, 4.2 billion to modern sanitation services[22] and 80% of the water discharges are released into the environment without proper treatment[23].

Every day, more than 20 million people are served by just the plants built by Fisia Italimpianti while another approximate 17 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[24] 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[25].

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

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 more than 30% and 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.

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

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

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

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

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

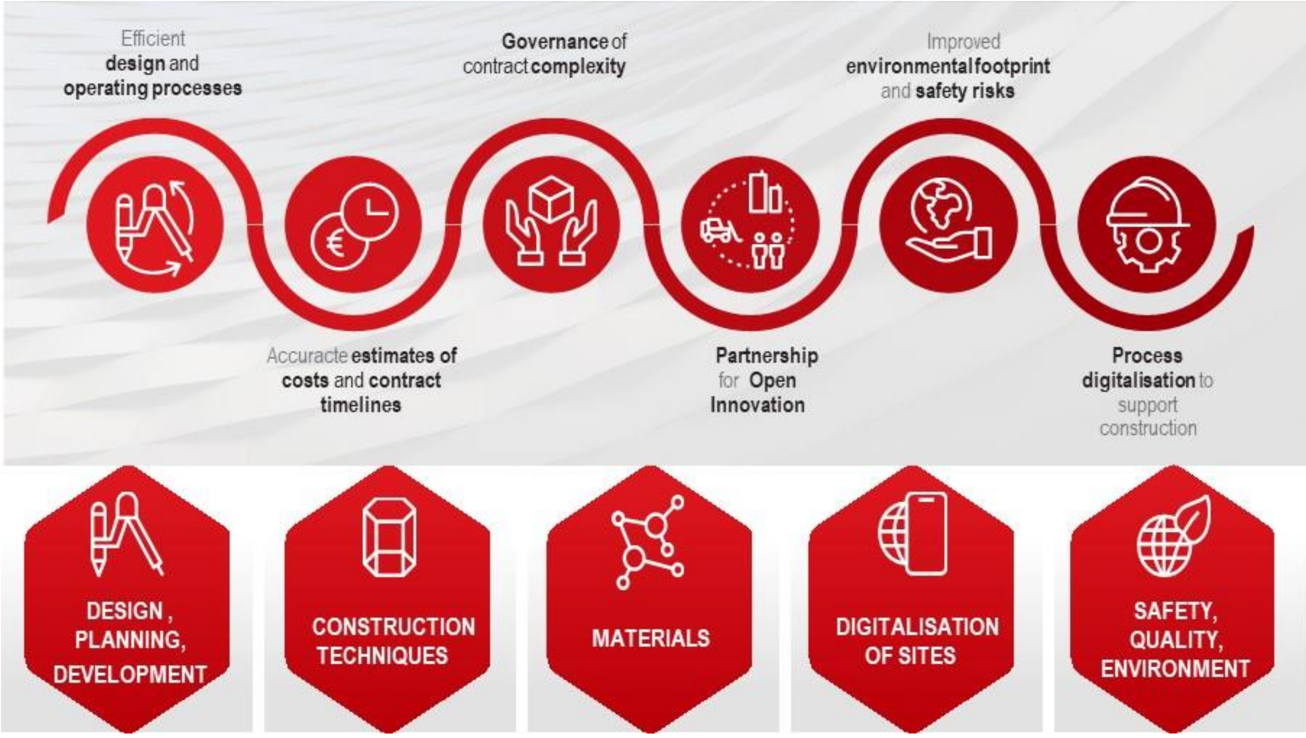
The large complex infrastructure sector the Group works in requires niche skills to guarantee the customisation of the processes, techniques and technologies deployed depending on the nature of the works to be performed. Each project is unique and requires the development of bespoke solutions achieved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



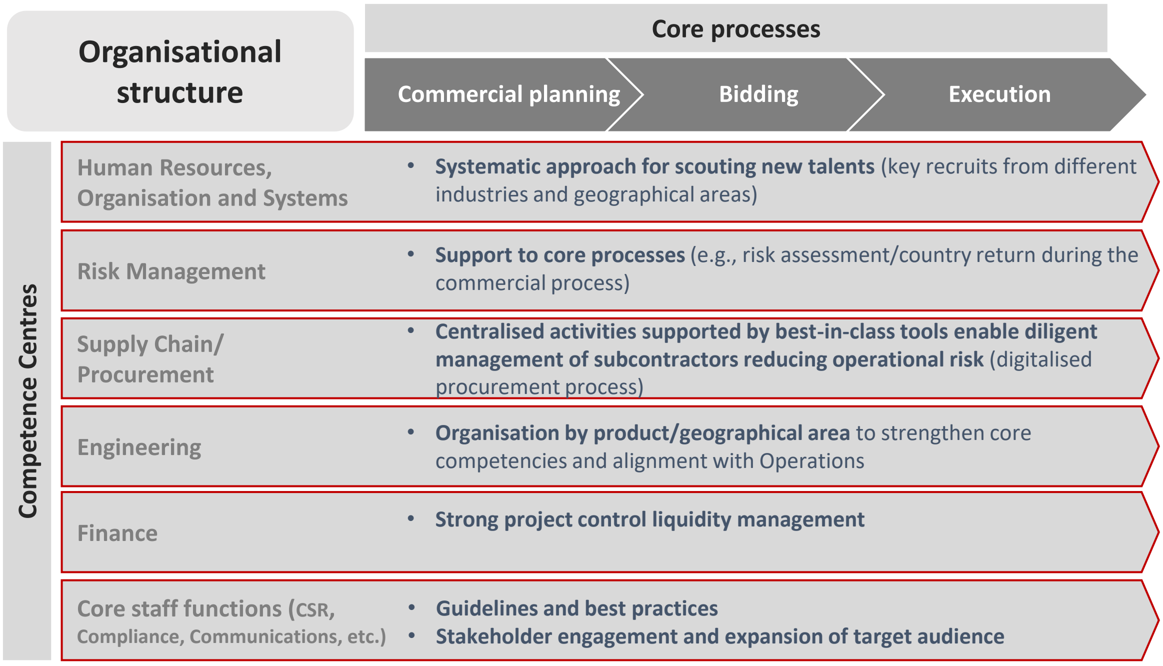
Research, development and innovation initiatives take place at project and corporate level. They involve the Group's technical departments and its partners (suppliers, professionals, universities and research centres) in the development of innovative solutions to improve internal processes and develop 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.

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 at a particularly delicate time, protecting its brand equity and its reputation from risks related to the Covid-19 emergency and high profile projects such as the new Genoa Bridge. It expanded its target audience via digital channels and leveraged the value of the Salini Impregilo brand for the new Webuild brand. Similarly, internal communication allowed the more efficient onboarding of new hires following the inclusion of new companies in the Group as part of Progetto Italia and the development of a shared culture, necessary to achieve strategic (e.g., health safety & environment), reputation and business objectives.

Sustainability

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

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

The Group's ESG (Environmental, Social, Governance) priorities include the fight against climate change and promotion of the circular economy (environment), the protection and enhancement of its people (social), and innovation as a strategic driver for sustainability and the improvement of business efficiency, to guarantee high governance, integrity, transparency and stakeholder engagement (governance).

The efficient implementation of the ESG best practices is confirmed by the Group's regular assessments by its investors, non-financial rating agencies, customers and other stakeholders. Its main ESG ratings are shown below.

Rating provider	*Rating*
MSCI	MSCI confirmed Webuild's **A** rating for the second consecutive year. Continuing the improvement on its previous ratings of BB in 2018 and BBB in 2019, it ranks alongside its main peers at the top of the Construction & Engineering sector
vigeo eiris	Webuild has achieved an **Advanced** rating, the highest on the four-point scale (weak, limited, robust, advanced), placing second 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 2020 ecovadis Sustainability Rating	EcoVadis confirmed Webuild's "**Gold**" status in its sustainability rating for the third consecutive year, thanks to its score of 72 well above the sector average (38 in 2019)
open corporation	The company confirmed its ranking among the Italian companies with the **highest rating** in the construction sector and is ranked first for diversity and transparency.
FT FINANCIAL TIMES statista	Webuild has been included in the **Europe Climate Leaders 2021** ranking prepared by Financial Times and Statista due to its commitment to combating climate change. This ranking comprises the 300 European companies that have reduced their direct GHG emissions the most compared to their revenue in the 2014-2019 period.
Il Sole 24 ORE statista	The company has been included in the **Italian Sustainability Leaders 2021** classification drawn up by Il Sole 24 Ore and Statista thanks to its commitment to sustainability. The classification includes the top 150 Italian companies with the best ESG performances, especially as regards the transparency, completeness and reliability of their disclosures to the market.

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[26].

5P Sustainability Manifesto

Planet
We protect our planet

People
We care for our people

Partnership
We embrace partnerships

Progress
We foster progress

Prosperity
We advocate prosperity

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

Key events of the period

Successful placement of additional unsecured notes reserved to institutional investors

On 21 January 2021, Webuild successsfully placed additional notes with an aggregate nominal amount of €200 million (the "additional notes") reserved to institutional investors at an issue price of €102, increased by the interest accrued on the nominal amount of the additional notes in the period from 15 December 2020 to their issuance date.

They were consolidated and form a single series with the €550 million notes issued on 15 December 2020 with maturity date of 15 December 2025, bringing the total size of such notes to €750 million.

The additional notes have been listed on the Global Exchange Market of the Dublin Stock Exchange (Euronext Dublin) and were settled on 28 January 2021.

Webuild has used the proceeds from the issuance of the additional notes to repay the Group's existing indebtedness.

GUPC arbitration final award (Panama)

In February 2021, Webuild paid approximately USD110 million to settle its liability with the customer after the arbitration tribunal issued its final award (more information is available in the "Main risk factors and uncertainties"section).

2021-2023 ESG plan

On 22 April 2021, Webuild presented its new ESG plan setting out its sustainability objectives for the 2021-2023 period. Its ESG priorities are to combat climate change and promote the circular economy (Environment), safeguard and enhance its people (Social), and innovation as a strategic lever for sustainability and to improve business efficiency, guaranteeing high governance, integrity, transparency and stakeholder engagement standards (Governance).

Webuild's 2021-2023 ESG plan has concise objectives: to decrease GHG emissions (from fossil fuels and electricity) by 35% by 2022 compared to 2017 (this includes Astaldi); to continue to reduce the injury rate with a 40% decrease in the LTIFR by 2022 compared to 2017; to increase the percentage of women in succession planning for key roles to 20% by 2023 and to make additional investments of €30 million in high-impact innovative projects by 2023.

Progetto Italia

On 29 and 30 April 2021, respectively, the shareholders of Webuild and Astaldi approved the proposed partial proportionate demerger of Astaldi to Webuild in their extraordinary meetings. Although the transaction is performed by Webuild with a subsidiary, given its materiality (including as part of Progetto Italia), the parent decided not to avail of the exemption allowed by article 14.2 of the Related Party Transactions Regulation and article 11.f of the Related Party Transactions Procedure. Therefore, it elected to introduce and apply the measures and requirements for "material related party transactions", which include the preparation of an information document in accordance with article 5 of the regulation adopted by Consob (the Italian commission for listed companies and the stock exchange) with resolution no. 17221 of 12 March 2010, as subsequently amended and integrated.

The transaction is described in the information document drawn up as per article 70.6 and Annex 3B, template 2 of the regulation adopted by Consob with resolution no. 11971 of 14 May 1999, as subsequently amended.

Webuild's committee for related-party transactions met on 19 March 2021 and issued its reasoned favourable opinion, stating that the transaction is in the parent's interests and its terms are appropriate and substantially correct.

On 20 March 2021, Astaldi also communicated that its board of directors had approved the transaction, after having received the reasoned favourable opinion of its related parties committee.

The proposed demerger is structured as follows:

1. Webuild will receive all the assets, liabilities and legal relationships of Astaldi after it has discharged its debts that are not part of the separate unit, as defined in the composition with creditors plan;
2. the separate unit's assets, rights and obligations will remain with Astaldi, without altering their transfer to the separate unit as provided for in the composition with creditors' procedure;
3. at the demerger effective date, Astaldi's shareholders will receive newly issued ordinary Webuild shares while all the ordinary Astaldi shares will be cancelled (including those held by Webuild) and Astaldi will be delisted from the Milan Stock Exchange. The exchange ratio is 203 ordinary Webuild shares for every 1,000 ordinary Astaldi shares;
4. any unsecured creditors of Astaldi that present claims after the demerger effective date will have the right to receive ordinary Webuild shares and will maintain their right to receive participating financial instruments linked to the separate unit from Astaldi, as provided for in Astaldi's composition with creditors plan;
5. on the date immediately before the demerger effective date, Webuild's shareholders will receive Webuild warrants giving them the right to receive new Webuild shares so that their investment percentage is not changed should Webuild issue new shares for Astaldi's unsecured creditors (as described above). Webuild will also issue warrants to banks to replace those issued by Astaldi in accordance with the composition with creditors proposal;
6. the demerged company's share capital will be zeroed and concurrently reconstituted through the subscription of new shares by Fondazione Creditori Chirografari which will assist with the management and orderly sale of the separate unit in line with the composition with creditors proposal as Astaldi's sole shareholder.

At the date of approval of these condensed interim consolidated financial statements by Webuild's board of directors, all the conditions precedent for the demerger are met and, accordingly, Webuild and Astaldi have signed the merger deed and concurrently filed it with the Company Registrar's Rome and Milan offices. Therefore, following the deed's registration, the demerger will become effective for statutory, accounting and tax purposes on 1 August 2021.

Appointment of the board of directors for the 2021-2023 period

On 30 April 2021, Webuild's shareholders elected a new 15-member board of directors during their ordinary and extraordinary meeting as follows:

- 14 directors were elected from the first list presented by shareholders Salini Costruttori S.p.A. and CDP Equity S.p.A. (holding investments of 63.67%) which received votes from approximately 90,767% of the shares represented at the meeting. These directors are Donato Iacovone (as chairperson), Davide Croff, Pierpaolo Di Stefano, Nicola Greco, Barbara Marinali, Flavia Mazzarella, Teresa Naddeo, Marina Natale, Tommaso Sabato, Alessandro Salini, Pietro Salini, Serena Torielli, Michele Valensise and Laura Zanetti;
- one director (Ferdinando Parente) was elected from the second list presented by a group of institutional investors which received the votes of roughly 5.311% of the shares represented at the meeting.

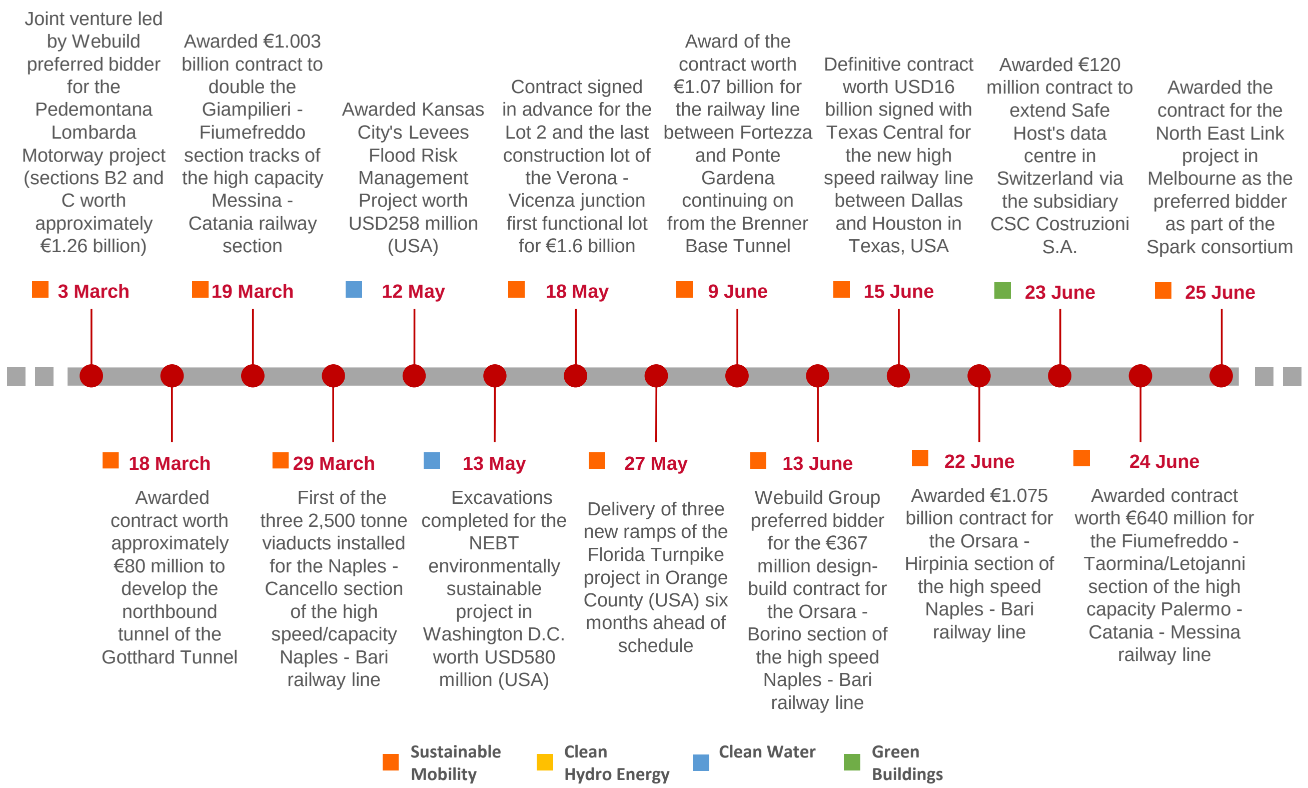
The board of directors met at the end of the shareholders' meeting and:

- confirmed Pietro Salini as the chief executive officer;
- confirmed Nicola Greco as deputy chairperson;
- checked that the directors Davide Croff, Barbara Marinali, Flavia Mazzarella, Teresa Naddeo, Marina Natale, Ferdinando Parente, Serena Torielli, Michele Valensise and Laura Zanetti met the independence requirements of the Consolidated Finance Act and the 2020 Code of Corporate Governance. Given his duties and role as chairperson, Donato Iacovone's independence was confirmed;
- set up the following committees, confirming the duties assigned to them with the previous mandate and appointing their members:
  - Control, risk and sustainability committee: Teresa Naddeo (chairperson), Donato Iacovone, Flavia Mazzarella, Marina Natale, Ferdinando Parente and Serena Torielli;
  - Compensation and nominating committee: Ferdinando Parente (chairperson), Barbara Marinali and Laura Zanetti;
  - Committee for related-party transactions: Barbara Marinali (chairperson), Davide Croff and Ferdinando Parente:
  - Strategic committee: Tommaso Sabato (chairperson), Nicola Greco, Barbara Marinali, Marina Natale and Pietro Salini.

New orders and milestones achieved in the first half of 2021

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 2021



Directors' report -

Part I

Covid-19

Introduction

The global economy was devastated by the diffusion of Covid-19 in 2020. Containment measures adopted by the institutions to curb the public health emergency included the shuttering of non-essential production activities, a ban on movement and quarantine periods.

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

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

Workforce management and prevention measures to deal with the pandemic

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

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

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

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

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

iii) it drafted 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;

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

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

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

Measures introduced to prevent the spread of the disease included:

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

2) intensification of healthcare measures focusing on 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;

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

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

5) management of common areas to decrease gatherings;

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

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

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

Operations and effects on the Group's business

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

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. This situation may change given the uncertainty about how the Covid-19 pandemic may evolve.

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

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 2020 and early 2021, the Group issued notes for €1 billion to cover its main corporate debt repayments of 2021, including the notes maturing on 24 June 2021. This complies with Webuild's strategy to optimise the timelines of its financial commitments by lengthening their average term.

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 a contract without receiving an advance.

An overview of the Group's performance in the various geographical areas is provided below.

Italy

After the slowdowns seen in the first half of 2020 at various work sites in Italy, business has slowly returned to normal although with some general inefficiencies partly due to the prudent anti-contagion measures. During the first six months of 2021, work has continued in accordance with the Covid-19 protocols in place at the various work sites where all employees and workers undergo weekly tests to minimise the pandemic's impacts on production.

Starting from the second quarter of the year, some work sites provide vaccination jabs to their resources on a voluntary basis.

Europe

The pandemic seems to be losing force in France. As per the instructions of the customer SGP, work on Line 16 of the Paris Metro was halted for about a month and a half during the period but was continuing at full spate again at the end of June 2021.

Work at the Swiss sites has continued regularly.

The biggest issue faced by the projects in the Scandinavian countries was international travel. At the date of preparation of this Report, the restrictions introduced a year ago are gradually being lifted (to different extents in the various countries).

Americas

There were no significant slowdowns or suspensions of work, which continued regularly throughout the year in the US. The work site in Canada (Hurontario Light Rail Project), declared to be a priority by the authorities, continued to operate almost as normal.

The Latin American countries were affected differently by the pandemic: work continued relatively smoothly in Argentina and Peru (except in the case of specific events), while the combination of Covid-19 and social unrest in Colombia generated difficulties which are, however, under control.

Africa and Australia

There were no significant slow-downs or shuttering of work, which continued normally, in Africa. The GERD project team encountered, and successfully resolved, some difficulties with personnel rotation and recruitment, given the regulatory constraints and the Group's procedures, which had a minimal effect on the work site's activities.

Progress on the Australian projects was less than expected, mostly as a result of the local authorities' restrictions on the movement of people and goods to prevent the spread of Covid-19.

Middle East and Asia

The Middle East work sites continued to be affected by the local authorities' orders issued to curb contagion. The ongoing travel bans and flight restrictions have hindered the work force's return to projects, with the related effect on productivity. During the period, the Saudi Ministry of Health approved the Group's proposal to set up a vaccination centre at its work sites.

The project in Tajikistan was not affected by the pandemic during the first half of 2021. New cases were identified on 21 June 2021 and the Group is dealing with the situation using its existing protocols.

Supply chain

One of the key aspects of the pandemic was management of the Group's supply chain. In the first half of 2020, the Group introduced a dedicated tool to monitor possible supply-related issues, centralising information from around the world at the head office and tailoring plans to mitigate and/or monitor delays in supplies.

To ensure business continuity, the Group dealt with the risk of supply chain issues by identifying alternative procurement solutions and by urgently transferring equipment from one work site to another.

These mitigation measures adopted during the first six months of last year meant that the supply chain was not too affected by the pandemic in the second half of that year or the first half of 2021.

Raw material prices started to rise at the end of 2020 and this trend has continued throughout the period due to the smaller availability driven by greater demand in an attempt to relaunch the global economy.

The Group introduced management and monitoring tools at centralised level to deal with these price hikes and ensure the availability of raw materials, as well as to take effective action to contain these increases.

Market trends and commercial activities

In 2020, the Group continued to invest in commercial activities thanks to its increasingly accurate scheduling, greater efficiency and greater efforts to scout new opportunities. These actions paid off in the first half of 2021 with the acquisition of new contracts, including those being finalised and others for which it is the preferred bidder, worth approximately €8 billion. These contracts are located in Italy, Australia and Switzerland. The Group also signed a mega contract for a high speed railway line in Texas (US) for USD16 billion (€13.1 billion).

In Italy, the Group intends to leverage the new uptick in infrastructure investments driven by the country's National Recovery and Resilience Plan and the government's understanding of the importance of promoting strategic works and creating employment. Italy is in fact making more investments in infrastructure, and specifically in the sustainability mobility sector, in which Webuild is a global leader.

The main sustainable mobility projects in Italy awarded to Webuild, or for which it is the preferred bidder, include the high capacity Fortezza - Ponte Gardena railway line, the doubling of the high capacity Messina - Catania railway line, the Taormina - Giampilieri and Fiumefreddo - Taormina/Letojanni section, two sections of the high speed Naples - Bari railway line (Hirpinia - Orsara and Orsara - Bovino) and two sections of the Pedemontana Lombarda Motorway.

Outside the Italian borders, Webuild continues to diversify into low risk markets such as the US, Europe and Australia, where governments plan to make new investments in infrastructure to foster the post-pandemic economic rebound. In the US, the Group has been awarded the environmental sustainability project City's Levees Flood Risk Management Project (through the group company Lane Construction) as well as the high speed Dallas - Houston railway line. In Switzerland, Webuild will develop a section of the Gotthard Tunnel and will build Safe Host's new data centre in Gland. In Australia, the Group is part of a consortium selected as the preferred bidder for the North East Link project in Melbourne, the largest road project in Victoria.

Order backlog

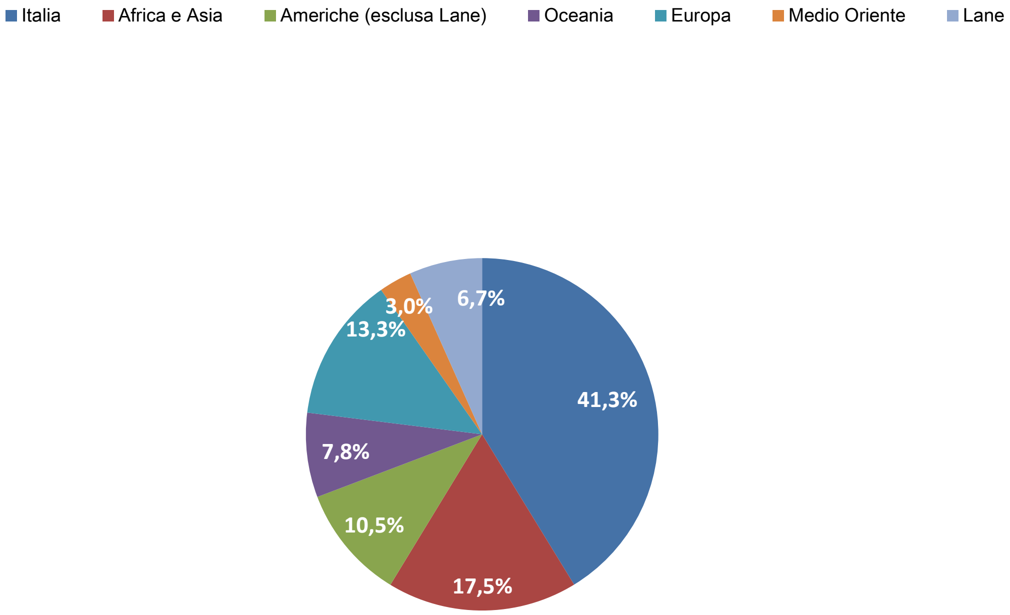
The order backlog by geographical area for the construction and concession segments is as follows:

(Share in millions of Euros)

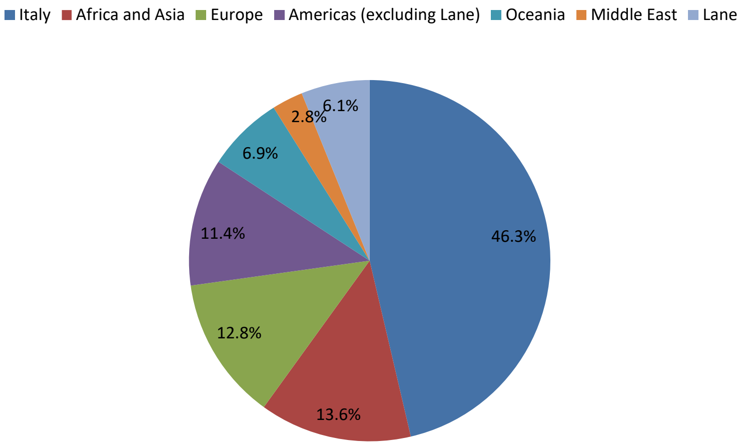
Area	Residual order backlog at 31 December 2020	Percentage of total	Residual order backlog at 30 June 2021	Percentage of total
Italy	**17,199.0**	**41.3%**	**20,067.2**	**46.3%**
Africa and Asia	7,276.5	17.5%	5,897.0	13.6%
Europe	5,552.5	13.3%	5,559.8	12.8%
Americas (excluding Lane)	4,380.0	10.5%	4,947.6	11.4%
Oceania	3,231.5	7.8%	2,972.6	6.9%
Middle East	1,261.4	3.0%	1,204.0	2.8%
Abroad	**21,701.8**	**52.1%**	**20,581.0**	**47.5%**
Lane	2,787.2	6.7%	2,656.0	6.1%
Total	**41,688.0**	**100.0%**	**43,304.2**	**100.0%**

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

Breakdown of the order backlog 31 December 2020

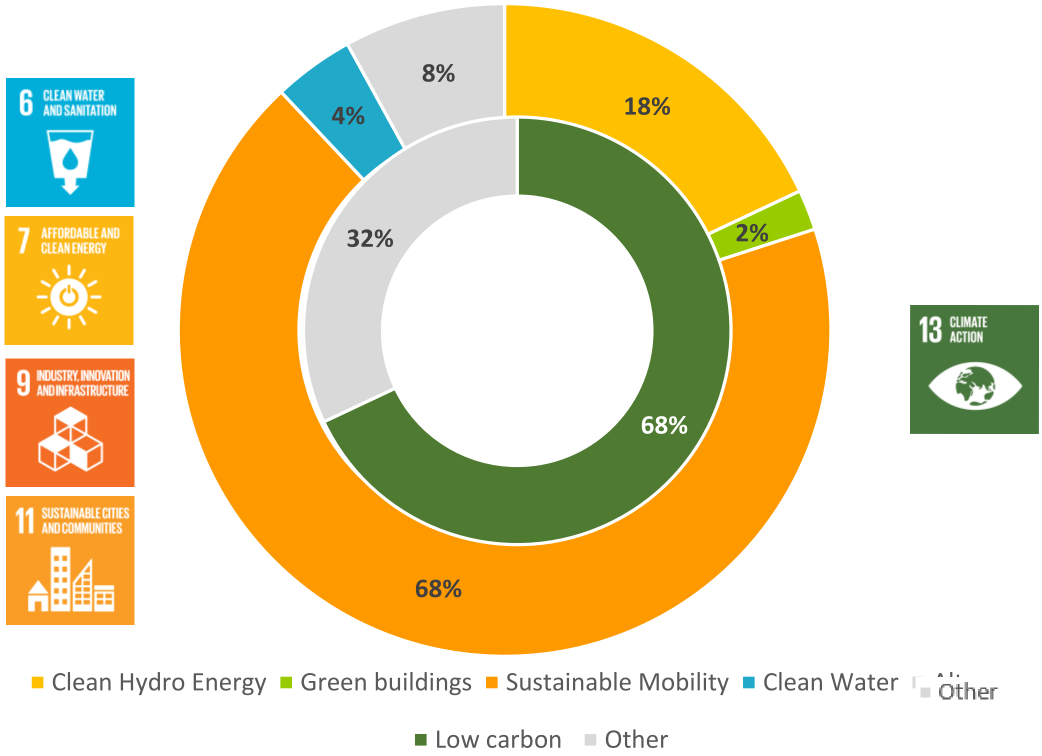


Breakdown of the order backlog 30 June 2021



A breakdown of the construction order backlog by business area and contribution to the fight against climate change (low carbon/non-low carbon) is summarised below:

Breakdown of the construction order backlog at 30 June 2021 by business area



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

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 (i.e., Venezuela and Libya), pursuant to the contractual conditions.

The value of the order backlog decreases:

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

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

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

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

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

- revenue from concession contracts as it is earned mainly by equity-accounted investees;
- revenue from the joint ventures not controlled by Lane Group and measured using the equity method;
- income from cost recharges attributable to non-controlling members of Italian consortia classified as “Other income”;
- contracts signed with customers that do not meet all the criteria of IFRS 15.9 at the reporting date.

Performance by geographical area

Italy

The Group focused on its home market in the first six months of 2021, partly to follow Progetto Italia and the acquisition of Astaldi S.p.A. (the relevant section provides information about this).

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

Reference context and macroeconomic scenario

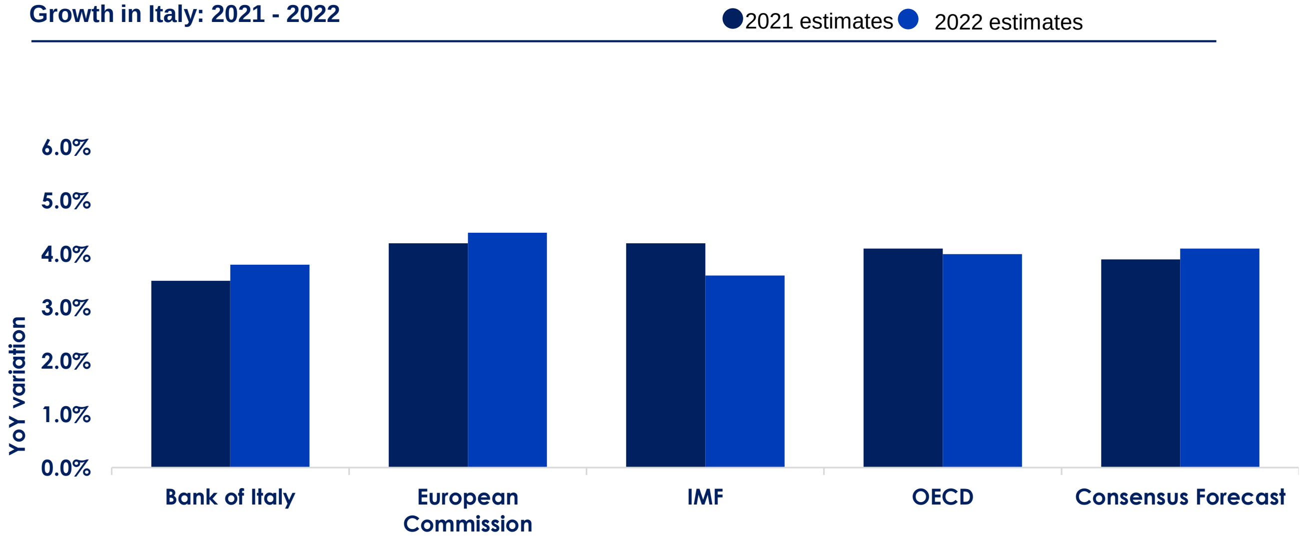
Italy is ranked 30th in the SDG Global Rank, the index that measures progress towards achievement of the SDGs in 166 countries around the world. Italy shows progress in the majority of the goals that are most pertinent to the Group's business areas although it still faces tough challenges with respect 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	17.9%	Improving	
9	Quality of transportation infrastructure (1= very unsatisfactory, 5=excellent)	3.9	In line with objectives	
11	Satisfaction with public transport	34.4%	Deteriorating	
13	CO2 emissions per capita linked to energy (ton)	5.4	Deteriorating	

Italy has been one of the worst-hit countries by Covid-19, which is why the European Union decided to allocate it a large percentage of the funds making up the NextGenerationEU (NGEU) package, put together to relaunch the European economies. Italy is the largest beneficiary of the NGEU's two main tools, the Recovery and Resilience Facility (RRF) and the Recovery Assistance for Cohesion and the Territories of Europe (REACT-EU). The RRF alone has an envelope of €191.5 billion to be allocated in the 2021-2026 period, including €68.9 billion as grants.

The International Monetary Fund's (IMF) projections of April 2021 include growth of 4.2% in 2021 and 3.6% in 2022 after degrowth of 8.9% in 2020.

Growth in Italy: 2021 - 2022



Sources:
Bank of Italy, May 2021

In April 2021, the Italian government presented its National Recovery and Resilience Plan to the European Commission. It has six missions in line with the NGEU's six pillars:

1. **Digitalisation, innovation, competitiveness, culture and tourism:** to promote the country's digital transition, modernisation of its public administration, communication infrastructures and production system.
2. **Green revolution and ecological transition**: to foster sustainable agriculture and improve waste management capacity, to fund investment programmes and research into renewable energy sources and projects to combat hydrogeological instability.
3. **Infrastructure for sustainable mobility:** to consolidate and extend the national high speed railway network and enhance the regional railway system, especially in Southern Italy.
4. **Education and research**: to increase the places available in crèches, facilitate access to third level education, strengthen career orientation tools and revisit the recruitment and training of teachers.
5. **Inclusion and cohesion:** to invest in social infrastructure, consolidate labour policies and support the dual system and female entrepreneurs.
6. **Health:** this has two objectives, to strengthen the local prevention and health services by integrating the healthcare and social services, and modernise the National Health System's technological assets.

The Plan also includes an ambitious reform project covering the public administration, the judicial system, legislation simplification and the promotion of competition.

The Italian government expects the estimated investments to have a significant impact on the main macroeconomic parameters. When the Plan ends in 2026, Italy's GDP is expected to grow by 3.6%. The employment rate will be 3.2% higher in the last three years of the plan's horizon (2024-2026).

The Ministry of Infrastructure and Sustainable Mobility has published a list of its planned investments of around €62 billion, which includes €25 billion to develop the high speed/capacity railway lines such as the Salerno - Reggio Calabria line, the Naples - Bari line, the Palermo - Catania - Messina line, the Brescia - Padua line, including the Vicenza crossing, and the definitive designs for the lot from Vicenza to Padua, the Giovi third railway crossing and the Verona-Brenner line, including the Trento crossing. The Ministry has also earmarked €3.2 billion for the water sector, mostly for dams, reservoirs, aqueducts and distribution networks.

The government revised certain procedures with Decree law no. 77 of 31 May 2021 (the Simplification-bis decree) to speed up some of the works included in the National Recovery and Resilience Plan, make public calls for tenders more transparent and improve the quality of the bidders, which must guarantee qualified and documented past experience as well as expert personnel and adequate technical equipment.

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 2020	Percentage of completion	Residual order backlog at 30 June 2021	Percentage of completion
Iricav Due	4,178.2	0,7%	4,071.6	3.3%
Cociv	2,687.0	47,6%	2,428.1	53.5%
Naples - Bari, Hirpinia - Orsara section	-	0,0%	1,074.9	0.0%
Messina - Catainia, Lot 2 Taormina - Giampilieri section	-	0,0%	1,003.9	0.0%
Other	4,479.8		5,818.8	
Total	**11,345.1**		**14,397.2**	

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 Rete Ferroviaria Italia S.p.A. (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.

Webuild has a 99.999% stake in the consortium as its leader after the specific agreements with Società Italiana per Condotte d'Acqua S.p.A. under extraordinary administration ("Condotte").

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 as part of the activities for the Genoa railway junction tunnels with a completion time of roughly 125 months excluding the pre-operating/inspection phase (three months).

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.

In 2020, RFI paid an additional contract advance (it had already paid an advance at the end of June 2020) in accordance with article 207.2 of Decree law no. 34 of 19 May 2020.

On 8 April 2021, the "Shunt alternative for the Novi Ligure interconnection" variation, defined with RFI in the agreement of 26 June 2020, became effective for the Giovi third railway crossing. The 2021 technical scenario was updated for the Genoa railway junction works as formalised in the related agreement with RFI on 28 May 2021.

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".

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

The Iricav Due consortium (Webuild: 45.44%, Astaldi: 37.49%) is RFI's 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.

On the same date, RFI and the consortium signed an agreement covering the definitive design of the second functional lot, a necessary step for the lot's contractualisation.

In 2020, RFI paid the contract advance for the first construction lot as well as an additional advance in accordance with article 207.2 of Decree law no. 34 of 19 May 2020. The consortium received the contract advance for the second construction lot in the first half of 2021.

The works commenced on 26 November 2020 with the geognostic investigations being commenced along with the executive design stage which was already in progress. In the first half of 2021, the expropriation and work site set-up activities were started.

During the first six months of 2021, the preparatory activities for the publication of EU calls for tenders were commenced to identify the companies to which 60% of the works will be allocated.

Messina - Catania railway line - Lot 2 Taormina - Giampilieri

On 18 March 2021, RFI announced that it had awarded the consortium to be set up by Webuild (45%), Astaldi S.p.A. (25%) 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 17 May 2021, Consorzio Messina Catania Tratto 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.

Naples - Bari railway line, Hirpinia - Orsara section

On 21 June 2021, RFI announced that it had awarded the consortium to be set up by Webuild (45%), Astaldi (25%) 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).

On 22 June 2021, the three partners set up Consorzio Hirpinia Orsara AV. The urgent services report subject to legal reservations, which will allow receipt of the contract advance, has yet to be signed.

Other projects in Italy

Naples - Bari railway line, Naples - Cancello section

In December 2017, Webuild (60%) and Astali (40%) signed the contract for the Naples - Cancello section of the Naples - Bari railway line. They received the contract advance on 5 April 2019.

During the first six months of 2021, work continued including the laying of the foundations and elevation of the viaducts and construction of the tunnel diaphragm walls. The preliminary activities for the steel arch bridges were also performed.

The existing Naples - Cassino line has been temporarily deviated to allow construction of the diaphragm walls under the current railway line.

On 26 November 2019, 7 May 2020 and 20 November 2020, the joint venture signed three riders with RFI for the supply of crushed stone by it and the removal of the above-ground materials in areas located in the Casoria Municipality, for archaeological investigations and excavations, and for the removal of the above-ground materials and additional archaeological investigations and excavations. This increased the contract consideration to approximately €434.4 million.

Palermo - Catania railway line, Bicocca - Catenanuova section

Again with respect to railway works, a consortium (Webuild: 60%; Astaldi: 40%) 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 €194 million.

Following approval of the executive design on 14 December 2018 and delivery of the works on 20 December 2018, the joint venture collected the contract advance on 5 April 2019.

In the first half of 2021, the ongoing works included the construction of the viaducts, railway overpasses and underpasses, the construction of water courses and related manholes, the formation of trenches and the embankment floors, the construction and renovation of railway buildings as well as activities relating to electric traction, light and driving force.

Work also started for the artificial tunnel of the Simeto variation as well as the preliminary activities for the variation covering lime stabilisation with the preparation of the test areas.

Naples - Bari railway line, Apice - Hirpinia section

On 28 March 2019, RFI announced that the consortium to be set up by Webuild (60%) and Astaldi (40%) 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. It collected the contract advance on 25 October 2019.

On 22 February 2020, the consortium delivered the executive design to the site 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.

On 30 June 2020 after the signing of rider no. 2 in accordance with article 207 of Decree law no. 34/2020, the consortium received the additional advance.

On 14 January 2021, construction work commenced and work site activities were carried out in first half of the year (construction of the site tracks and yards) as well as foundation works (plastic piling and foundation piling) and the bored tunnel entrances.

Fortezza - Verona railway line, Fortezza - Ponte Gardena section

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.

Naples - Bari railway line, Orsara - Bovino section

On 14 June 2021, RFI announced that it had awarded the consortium to be set up by Webuild (45%), Astaldi (25%) 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 three 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.

Messina - Catania railway line, Lot 1 Taormina - Fiumefreddo

On 24 June 2021, RFI announced it had awarded the consortium to be set up by Webuild (45%), Astaldi (25%) 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 €640.2 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).

Brenner base tunnel - Isarco River Underpass

This contract consists of underground civil works and external works for the relocation of national road SS12 and a cargo loading/unloading area on the A22 motorway. Webuild is the lead contractor with a share of 41%.

During the first half of 2021, the main activities involved the consolidation, excavation and lining of the northbound tunnels and the Isarco River Underpass tunnels, the lining of the southbound tunnels and the performance of the civil and plant engineering works of the deviation of the existing Brenner railway line.

On 31 July 2020, as the relevant contract requirements were met, the customer BBT approved the establishment of the commission to commence the out-of-court settlement procedure to settle the claims recognised in the contract records (progress report no. 53 for work up to 30 April 2020). The commission was formally set up on 15 December 2020.

The commission issued its proposal for the agreement on 30 April 2021.

On 8 July 2021, the customer BBT and RTI signed the first minutes for the out-of-court agreement for €21.5 million settling the claims, extending the works completion date by 175 consecutive days (setting 8 August 2023 as the new contract deadline) and the preparation and signing of minutes agreeing specific additional prices for the contract to regulate the claims that will affect the regular performance of the works after 30 April 2020 and until their completion.

Milan - Metro Line 4

Metro Blu S.c.r.l. (Webuild: 50%, Astaldi: 50%) 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 the city's public sustainability 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 almost been completed and the commissioning activities are underway before the integrated systems and pre-operating tests, for which an agreement was signed on 2 February 2021 for the delivery of the Linate Airport - Forlanini F.S. section to the operator ATM S.p.A. so it can carry out its familiarisation, pre-operating and staff training activities.

In May 2021, after the appointment of the Ministry of Infrastructure and Transport's new general manager, the technical clearance was issued with a delay of about two months for reasons not attributable to the consortium.

A formal pre-operating period of not less than 15 days was requested for the issue of the operating clearance, again to be provided by the Ministry of Infrastructure and Transport.

Jonica state highway 106 - Third maxi-lot

Sirjo S.c.p.A. (Webuild: 40%, Astaldi: 60%) is the general contractor for the design and build contract signed on 12 March 2012 for the third maxi-lot of Jonica state highway 106. 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 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 2021, factory production continued on the strategic pre-cast sections of the artificial tunnels and the viaducts' metal decking, which began to be transferred to the work site in April (the metal decking of the overpasses and viaducts). With respect to the linear construction work, new sites were set up for the construction of the viaducts' foundation pilings, preparation of the tunnel entrances and stabilisation of the Roseto landslide. The general contractor also continued its archaeological investigations and environmental monitoring activities.

ENI headquarters

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 in 2020 to complete construction of the three buildings. Activities for the bulk of the project, such as the installation of the systems and facades, have been stepped up.

On 5 February 2021, an addendum to the turnkey contract was signed covering the internal finishings of the buildings, increasing the contract's value to €169 million.

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Unforeseen costs have been incurred on the high speed/capacity Milan - Genoa railway line section, the Naples - Cancello section of the Naples - Bari railway line, the Bicocca - Catenanuova section of the Palermo - Catania railway line, Line 4 of the Milan Metro and Eni's headquarters 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 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
Italy (Ancona)	Passante Dorico S.p.A. (Ancona Port)	63.1	11	Not yet active	2013	2049

METROS

Country	Operator	% of investment	Total km	Stage	Start date	End date
Italy (Milan)	SPV Linea 4 S.p.A. (Milan Metro Line 4)	9.7	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.	70.0	Active	2014	2041

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") 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, Webuild gained control over Astaldi, after subscribing the capital increase reserved to it. At 30 June 2021, its investment in Astaldi is 66.10%.

Reference should be made to the 2020 Annual Report for information about the reasons behind Astaldi's application for a composition with creditors procedure and a description of the composition with creditors proposal and plan (authorised by the Rome Court on 17 July 2020).

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.

Information about the proposed demerger (see also the "Key events of the period" section) and its various phases is available in the "Report of the Board of Directors of Webuild S.p.A. on the first item on the agenda - extraordinary part: partial proportionate demerger of Astaldi S.p.A. to the company" available in the "Governance - Shareholders' Meetings 2021" section of Webuild's website www.webuildgroup.com.

Other procedure linked to Astaldi's composition with creditors procedure

NBI S.p.A. - SEPARATE COMPOSITION WITH CREDITORS PROCEDURE

On 5 November 2018, NBI S.p.A. ("NBI"), wholly-owned by Astaldi, 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", 82.54% owned by Astaldi with the other 17.46% held by NBI) 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. At the date of preparation of this Report, the competent court still has to set the date for the hearing to authorise the composition with creditors procedure.

PARTENOPEA FINANZA DI PROJECT S.c.p.A. - SEPARATE COMPOSITION WITH CREDITORS PROCEDURE

Partenopea Finanza di Progetto S.c.p.A. ("PFP"), a consortium company 99% controlled by Astaldi 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 the parent'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 Naples 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.

ASTALDI BRANCH IN CHILE - JUDICIAL REORGANISATION PROCEDURE

On 6 November 2018, the Chilean branch (Astaldi's base in Chile, the "Chilean branch") applied to the Santiago Court to have the parent's composition with creditors procedure endorsed so that the effects of the Italian procedure would be valid in Chile. The Chilean bankruptcy law provides that endorsement of cross border composition with creditors procedures gives the debtor temporary protection from individual enforcement actions by creditors. As provided for by the local law, the Chilean branch firstly applied to the Santiago Court for a precautionary financial protection measure as per article 57.1 of the local bankruptcy law ("financial protection"). Subsequently, upon a creditor's request, the Santiago Court revoked the Chilean branch's financial protection measure. On 25 February 2019, the Chilean branch applied for the Chilean judicial reorganisation procedure (which is an alternative to a winding up procedure) which, in short, provides for (i) the presentation by the branch of a debt restructuring proposal for its creditors, (ii) the appointment of a body by the three main creditors to assist the debtor in preparing its proposal and to express an opinion on its feasibility, and (iii) the calling of a creditors' meeting to vote on the debtor's proposal. On 27 March 2019, the parent presented an application to the Rome Court for its authorisation to activate the procedure, which the court granted on 29 March 2019. Therefore, on the same date, the Chilean branch presented its judicial debt restructuring agreement proposal to the eleventh civil courtroom of Santiago ("Juzgado Civil"). On 15 April 2019, the creditors were asked to vote on the proposal which they approved with a very large majority (more than 90% of the qualified creditors in terms of the amounts and number involved). Starting from that date, the Chilean debt restructuring agreement is valid in accordance with Chilean bankruptcy legislation and, therefore, the branch commenced payment of the instalments as per the agreement within the dates and using the methods approved therein. Due to the Covid-19 pandemic which has significantly affected Chile's economy, the branch's main customer, CODELCO, ordered the shuttering/slowdown of activities at two work sites (the Chuquicamata and El Teniente Mines). Starting from June 2020, payment of the instalments as per the original judicial debt restructuring agreement was affected and the branch presented the Chilean creditors with a modified payment plan (which they accepted in September 2020). This plan reflects the variation in the cash flows servicing the judicial debt restructuring and provides for payment of the two outstanding principal amounts for 2020 in 2022. The two deferred instalments are those of 15 July and 15 October 2020. The modified payment plan provides for instalments of different amounts starting from April 2022 (the last instalment under the previous agreement) to July 2023 (the last instalment under the new agreement). The January and April 2021 instalments (as per the new payment schedule) were paid regularly on the agreed dates. The original payment plan will have to be changed again because of the branch's financial situation (its debt has increased to above sustainable levels mostly due to the delays in payments by CODELCO and the postponement of the construction work phase for the Barros Luco Trudeau Hospital in Santiago). Astaldi deems the risk of possible negative effects is remote.

ASTALDI BRANCH IN HONDURAS - JUDICIAL ADMINISTRATION

Following the application presented by some creditors (three local banks) and in accordance with local laws, Astaldi's representatives in Honduras were required to provide the local court with a formal statement about the parent's assets in the country. The judicial authorities appointed an administrator on 25 May 2019 with full powers over the branch's assets (while Astaldi's representatives were denied any powers of disposal), to manage and preserve them, in order to sell the assets to satisfy its creditors. This administration procedure is still ongoing. Astaldi deems the risk of possible negative effects is remote and has, however, made the necessary provisions.

ASTALDI BRANCH IN PERU - INSOLVENCY PROCEDURE

Prompted by a Peruvian creditor and following a series of checks, including with the parent's legal advisers, the local commission (Instituto Nacional de Defensa de la Competencia y de la Protección de la Propiedad Intelectual - INDECOPI) began an ordinary winding up procedure for Astaldi's Peruvian branch with its decision of 18 March 2019. On 4 April 2019, the branch appealed against such decision. Pursuant to the ruling regulations, the competent authority found the appeal to be without grounds on 22 October 2019. On 9 December 2019, the insolvency proceedings were formally commenced. At the date of preparation of this report, the financial asset is being reconciled. Astaldi deems the risk of possible negative effects is remote.

Astaldi Group’s construction contracts

Foreword

Astaldi Group’s main business is the construction segment.

At 30 June 2021, Astaldi Group has more than 50 construction projects in 11 countries, namely Italy, Romania, Poland, Sweden and Turkey in Europe, Chile, Canada, the US and Paraguay in the Americas, Algeria in Africa and India in Asia. Its construction segment generated approximately 98% of its revenue during the first six months of 2021 and construction projects make up 78% of the order backlog at 30 June 2021.

The table below summarises Astaldi Group’s main contracts (i.e., contacts with an outstanding outcome of at least €150 million at the reporting date), followed by a brief overview of the main geographical segments.

(Share in millions of Euros)

Project	Country	Residual order backlog at 31 December 2020	Percentage of completion	Residual order backlog at 30 June 2021	Percentage of completion
Brenner Base Tunnel Lot Mules 2-3	Italy	211.9	56.6%	167.1	65.7%
Marche - Umbria road system, maxi lot 2	Italy	204.3	67.6%	166.5	74.0%
Sibiu - Pitesti Motorway, Lot 5	Romania	393.1	1.4%	393.0	3.5%
Braila Bridge	Romania	183.3	37.2%	154.9	49.4%
Frontieră - Curtici - Simeria railway line - lot 3	Romania	150.6	44.9%	123.4	54.1%
Frontieră - Curtici - Simeria railway line - lot 2B	Romania	82.8	56.9%	65.9	65.8%
Frontieră - Curtici - Simeria railway line - lot 2A	Romania	65.5	60.0%	54.4	66.8%
Gothenburg Rail Link - Haga Station	Sweden	194.7	37.4%	325.0	31.0%
Etlik Integrated Health Campus, Ankara (Etlik Hastane EPC)	Turkey	212.4	54.7%	169.8	65.1%
Barros Luco Trudeau Hospital in Santiago	Chile	240.4	7.1%	244.6	7.8%
I-405 Highway	USA	231.6	51.3%	167.9	64.4%
Versova - Bandra Sea Link (“VBSL”) in Mumbai	India	364.4	2.0%	367.5	4.1%

Italy

Italy is Astaldi’s home ground and its reference market.

MAIN ONGOING PROJECTS IN ITALY

Brenner Base Tunnel (Lot Mules 2–3)

The contract covers construction of the main section of the Italian portion of the Brenner Base Tunnel, the joint Italian-Austrian project to build a railway tunnel to connect Italy to Austria. This tunnel is part of the project to upgrade the Munich-Verona railway line, which will become the longest underground railway line in the world once completed. Lot Mules 2-3 includes the excavation of roughly 65 km of tunnels using traditional tunnelling methods as well as TBMs. The customer is BBT SE, equally owned by Italy and Austria (50:50) and the works are being carried out by a joint venture including Astaldi (47.23%), Ghella (47.21%), PAC (5.55%) and Cogeis (0.01%). In addition to the emergency station, the exploratory tunnel and side tunnels, the main line tunnels are also being excavated using the traditional method for the southbound tunnel and both traditional and mechanised tunnelling with the TBMs in the northbound tunnel.

Marche - Umbria road system, maxi lot 2

The contract covers the upgrading and extension of the Perugia-Ancona section (roughly 31 km in both directions, double lane, including 22 km of tunnels) and the construction of the Pedemontana delle Marche Road (around 36 km, single lane, including 5 km of tunnels) on a general contracting basis. The customer is Quadrilatero Marche S.p.A., controlled by ANAS (FS Group). The contractor is Dirpa 2 S.C.ar.l., 99.98% owned by Consorzio Stabile Operae, in which Astaldi has a 98% investment with NBI (Astaldi Group) holding 1% and GIT Service the other 1%. Astaldi is performing the works. At 30 June 2021, 17 km of completed motorway of the third and fourth functional lots of the Pedemontana delle Marche have been formally delivered to ANAS and work is continuing on the rest of the section.

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Unforeseen costs have been incurred on the Brenner Base Tunnel (Lot Mules 2.3) and the Marche-Umbria road system (maxi lot 2) for which Astaldi Group has accordingly presented its 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.

Abroad

Europe

Astaldi Group’s foothold in Europe includes Poland, Romania, Turkey and Sweden. It mainly carries out contracts in the transport infrastructure sector (roads, motorways, airports and railways) as well as small energy projects (waste-to-energy plants).

MAIN ONGOING PROJECTS IN EUROPE

Sibiu - Pitesti Motorway, Lot 5 (Romania)

The contract (Astaldi's share: 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 covers the design and construction of Lot 5 of the motorway, from Km 92+600 to Km 122+950. The duration of the works is 60 months, 12 months of which for design and 48 months for construction. The contract is financed partly with European funds (85%) and partly with the state budget (15%) and includes 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, which awarded the contract to Astaldi Group.

Braila Bridge (Romania)

The contract covers the design and construction of a 1,975-metre suspension bridge over the Danube River as well as roughly 23 km of access roads. The customer is CNAIR, the state company owned by the Romanian Ministry of Transport and Infrastructure. The works 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 Astaldi (main contractor, 60%) and IHI (40%).

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

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. Construction work will take 36 months. The contract has been awarded to a joint venture of Astaldi (leader, 49.5%), FCC Construction (49.5%) and Salcef (1%).

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. Construction work will take three years. The works have been awarded to a joint venture including Astaldi (49.5%), FCC Construction (leader, 49.5%) and Convesa (1%).

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

The EPC contract includes the design and construction of a new underground station of the railway link in the city centre and a 1.5 km service tunnel. The works are being carried out by the AGN Haga AB joint venture, which includes Astaldi (leader, 40%), 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. They are expected to take roughly eight years, with completion slated for 2026.

Etlik Integrated Health Campus, Ankara (Etlik Hastane EPC) (Turkey)

The EPC contract includes the design, construction and supply of electro-medical equipment and furnishings, as well as the long-term operation under concession of the healthcare facility that is one of the largest of its kind being built in Europe. The customer is the Turkish Ministry of Health (as the grantor) and the works are being carried out by a joint venture comprising Astaldi (51%) and Turkeler (49%). The works' completion date is 31 December 2021.

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Unforeseen costs have been incurred on the Braila Bridge and the Frontieră - Curtici - Simeria railway line (Lots 2A and 2B and Lot 3) 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.

Americas

This geographical segment includes both Astaldi Group's traditional markets (US and Chile), areas where it has recently started operating (Canada and Paraguay) as well as areas where it is discontinuing its activities (Mexico, Peru and Central America). Its main sectors of interest are transport infrastructure (roads and motorways), civil construction and energy generation plants. Specifically, Chile is Astaldi Group's main market in Latin America, where it is active in the transport infrastructure (airports), healthcare buildings and mining sectors.

MAIN ONGOING PROJECTS

Barros Luco Trudeau Hospital in Santiago (Chile)

The contract (Astaldi's share: 100%) covers the design and construction of a new healthcare facility in Santiago del Cile. The works will take seven years. The customer is the Chilean Ministry of Health and the works, awarded to Astaldi Group, are financed using state funds. At the date of preparation of this Report, the design phase is nearing completion and the entire executive design should be approved by the fourth quarter of 2021 with the start of the construction phase. Once completed, the facility will have 967 beds and 28 operating rooms in a surface area of approximately 200 thousand square metres, housed in two ten-floor buildings (with one underground floor to house the nuclear medicine department). It will also have green areas of 10,000 square metres.

I-405 Highway (USA)

The contract includes the design and construction of the improvement works for 26 km of the I-405 Highway between Los Angeles and San Diego. To date, it is one of the most important projects assigned in California for the infrastructure sector. The customer is OCTA (Orange County Transportation Authority) and the works are being carried out by OC 405 Partners, a joint venture comprising Astaldi Group (40%) and OHL (60%). After completion of the design stage in 2019, construction work has started.

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

Asia

Astaldi Group has recently entered India.

MAIN ONGOING PROJECTS

Versova - Bandra Sea Link ("VBSL") in Mumbai (India)

The EPC contract, (to be carried out by a joint venture in which Astaldi has a 50% interest), covers the work to improve the viability in Mumbai as part of a joint venture with an Indian company Reliance Infrastructure. The new infrastructure will require the construction of complex works at sea and stretch for a length of approximately 17.7 kilometres, linking the neighbourhoods of Bandra, Otter, Juha and Versova. The new infrastructure will be situated about 900-1,800 metres from the coast of the city of Mumbai. In addition, the Main Bridge will also include the construction of a cable-stayed bridge of 150 metres and three bridges of variable sections, with a main span of 100 metres, to allow navigation in the area. Maintenance activities for two years are also planned. The customer is Maharashtra State Road Development Corporation (MSRDC), and the works are financed by a bank syndicate led by SBI (State Bank of India) with a state guarantee. The Marhastra State was seriously affected by the outbreak of Covid-19 which led to the introduction of restrictions and a hard lockdown from March to July 2020. The work sites were gradually re-opened but the efficiency rate was lower due to the lack of workers. The second wave of Covid-19 in March 2021 has affected the initial timeline and the joint venture expects the completion date to be postponed again.

Operations & Maintenance

Over the last ten years, Astaldi Group has honed its recognised expertise in providing O&M services, normally for works which it has built. These services include the ordinary and extraordinary maintenance of civil works and systems, heat and energy management, management of healthcare technologies, electro-medical equipment and the sterilisation of medical devices. They also comprise hotel services such as, for example, cleaning and catering and management of green areas and retail outlets.

Astaldi Group is particularly interested in the hospital segment, where it already has significant expertise thanks to its prior experience gained in the concessions segment.

The O&M activities are usually carried out to provide services that allow the completed infrastructure to be operated. A special purpose entity is set up for each contract in which Astaldi Concessioni initially had an investment and, since June 2020, Astaldi Concessions (after the partial demerger of Astaldi Concessioni) which has received the industrial activities, human resources and expertise as well as the references of ten years of operations, to support astaldi Group in growing its foothold in the O&M segment.

At 30 June 2021, O&M contracts made up 22% of the order backlog.

OPERATING PROJECTS

GE.SAT (Four Tuscan hospitals, Italy) - GE.SAT, over which Astaldi Group has majority control with a 53.85% investment, is the O&M company for the four Tuscan hospitals with capacity of 1,710 beds - Ospedale San Jacopo in Pistoia, Ospedale Santo Stefano in Prato, Ospedale San Luca in Lucca and Ospedale delle Apuane in Massa Carrara - built by Astaldi under concession. The O&M contract agreed with the operator SAT (valid until 2033) establishes that, since 2013, GE.SAT has provided all the non-healthcare and commercial services to the four hospitals, which have all been completed and are in operation.

VENETA SANITARIA FINANZA DI PROGETTO ("**VSFP**") (Ospedale dell'Angelo di Venezia-Mestre, Italy) - VSFP, in which Astaldi Group has a non-controlling interest, performs the O&M activities for the Ospedale dell'Angelo di Venezia-Mestre (680 beds), built by the Group using the project financing formula and in operation since 2008.

ANKARA ETLIK HASTANE IȘLETME VE BAKIM A.Ș. (Etlik Integrated Health Campus in Ankara, Turkey) - Ankara Etlik Hastane Ișletme ve Bakim A.Ș., in which the Group has a 51% interest (through Astaldi Concessions), is the O&M company set up for the Etlik Integrated Health Campus in Ankara that Astaldi is developing under a concession contract as part of a joint venture with a Turkish company. The O&M company is (up until the end of the concession term, which is currently 2044 unless the protocol signed in July 2020 is applied) the sole provider of all the services provided for in the concession contract, which include maintenance (civil works, systems, medical equipment, etc.), healthcare support (healthcare IT system, laboratory, imaging, sterilisation and rehabilitation) and hotel services (catering, cleaning, laundry, waste disposal, security and pest control). At the date of preparation of this Report, the company is engaged in selecting the providers and performing all the normal pre-operating activities so as to be fully operational once the facility has been completed. More information on the related EPC contract is available in the "Europe" subsection of the "Construction" section.

DISPUTED PROJECTS

SAMO (West Metropolitan Hospital in Santiago, Chile) - Sociedad Austral de Mantenciones y Operaciones ("**SAMO**"), wholly owned by Astaldi Group, is the SPE set up in November 2016 to operate the non-healthcare and commercial services at the hospital (also called Hospital Félix Bulnes). Its opening was affected by the dispute that arose between Astaldi's Chilean branch (the EPC contractor) and the operator (Sociedad Concesionaria Metropolitana de Salud S.A., SCMS) after the latter's decision to terminate the related EPC contract in January 2019. In order to safeguard its position, jeopardised by SCMS's serious defaults and the fact that operations were not commenced on the agreed dates, SAMO was obliged to notify the termination of the O&M contract in September 2019 and started arbitration proceedings at the Arbitration Centre with the Santiago Chamber of Commerce ("**CAM**") on 6 December 2019. In response to SAMO's claim for damages presented to the CAM (CLP13,000 million, the equivalent of €15 million), the operator SCMS presented a counter claim in March 2020 for damages of approximately CLP56,000 million (the equivalent of €64 million). On 7 July 2020, the arbitration tribunal stated that the discussion stage had been officially closed and commenced the proceedings' evidentiary stage as it had not received any indication from SCMS that it would be willing to come to an agreement with SAMO about the matters presented to it. In addition, the constitutional state of emergency in Chile caused by Covid-19 led to the suspension of all hearings by CAM throughout the second half of 2020, which meant that the evidentiary stage only resumed in March 2021 with the witness hearings taking place in May and June 2021. Astaldi expects that the arbitration tribunal will issue its award in the second half of the year despite the uncertainty caused by the ongoing Covid-19 pandemic in Chile.

Astaldi Group's main situations characterised by risk and/or uncertainty profiles

Astaldi Group's principal pending disputes and, more generally, the main situations characterised by risk and/or uncertainty at 30 June 2021 are described in this section.

CIVIL LITIGATION

Based on its assessments of each dispute, Astaldi deems that the risk of an unfavourable ruling is remote unless specified otherwise.

San Filippo Stadium in Messina (Italy)

Astaldi reached an agreement with the Messina Municipality about the dispute related to the construction of San Filippo Stadium in Messina on 3 December 2020. The municipality agreed to pay Astaldi €1.7 million by April 2021 thus settling any and all claims (the amount was duly collected in full).

Taranto Port (Italy)

Following the set up of the technical board as per article 6 of Decree law no. 76/2020, the Taranto Port Authority and Astaldi signed an agreement adopting Decision no. 4 of 23 February 2021 and Decision no. 5 of 2 April 2021, under which Astaldi was to be paid the lump sum of €12 million to settle all the claims recognised in its accounting records at 23 February 2021. The agreement also established the contract completion date as 30 June 2022.

New premises of the police academy in Florence (Italy)

On 20 January 2020, the Rome Court accepted Astaldi's application and handed down ruling no. 1239/2020 ordering the Ministry of Infrastructure and Sustainable Mobility (formerly the Ministry of Infrastructure and Transport) to pay €1.5 million, plus interest and revaluations of the balance due in conjunction with the dispute about the construction of the new police academy in Florence for the Carabinieri Military Police. The ruling is res judicata and the executive procedure has been commenced to enforce it. The amount relates to the claims recorded for Lot B not included in the arbitration award of 21 September 2011. At the date of preparation of this Report, the dispute for Lots A and B has led to the order to pay the contractor approximately €55 million plus the legally required amounts, of which it has received €36 million. Following a number of attempted attachments at Bank of Italy, the most recent of which with the court order of 8 March 2020, after the garnishee's new statement, the judge assigned Astaldi (on behalf of the joint venture) €22.4 million, which is the total of the joint venture's receivable for the dispute, net of the Lot A - post-award claims (which is still pending). Bank of Italy made the payment on 24 March 2021. The post-award claims for Lot B have also been settled after the Ministry voluntarily paid approximately €1.5 million as per the res judicata ruling no. 1239/2020.

Ospedale San Luca in Lucca and Ospedale delle Apuane in Massa Carrara (Italy)

The mediation proceeding as per article 5.2 of Legislative decree no. 28 of 4 March 2010 related to two disputes before the Florence Court involving the operator SAT has been completed. The disputes relate to the construction of two hospitals, Ospedale San Luca in Lucca and Ospedale delle Apuane in Massa Carrara. As a result of the mediation proceeding, the competent local healthcare units have paid €7.8 million. SAT and the Astaldi-Pizzarotti joint venture which carried out the works are currently negotiating an agreement on how to divide the amount received.

CO.MERI (state road Jonica, Lot DG-21) (Italy)

As part of the dispute about the construction of E-90, the section of SS-106 state road Jonica from the Squillace interchange (km 178+350) to the Simeri Crichi interchange, on 29 October 2020, the Rome Appeal Court entirely rejected the appeal presented by the 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. The time period for presentation of an appeal to the Supreme Court has lapsed and, therefore, the Appeal Court's ruling is res judicata.

RFI settlement (Italy)

On 25 June 2021, Astaldi and RFI (FS Group) signed an out-of-court agreement covering a number of pending proceedings related to the high speed Naples - Afragola Station, the Milan railway link and the Quattro Venti Station as well as another dispute about the high speed Bologna Central Station. Both parties waived their rights as per articles 306 and 309 of the Code of Civil Procedure and RFI paid Astaldi the all-inclusive lump sum of €14 million on 30 June 2021.

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 difficultly in planning the work activities leading to the lack of productivity and significant diseconomies as a result of the continued interruptions in the approval process. The non-productivity caused both the need for additional resources to resolve the delays and the greater resort to those scheduled.

In addition, the leader VCGP had immediately imposed a work site organisation which was very costly and a contract strategy which was not favourable to the operator NPU, which Vinci has a 40% interest in. This management model and the operating decisions taken, most of which Astaldi did not agree with, 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. The conflict of interest between GCGP 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. In line with its general approach, VCGP found that Astaldi had defaulted and noted 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 responsibility 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. 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 attachment of Astaldi's real estate, movable property and receivables for €37.2 million, plus interest, as protection for its alleged receivable related to the loan given to the joint venture that it has presented 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. In addition, Astaldi was notified by VCGP in a registered letter received on 1 July 2021 that the latter has summonsed Astaldi's chairperson and CEO for a criminal hearing at the Nanterre Court in France, holding them liable (for the symbolic amount of €1 as compensation plus the costs of publishing the ruling and payment of another €20 thousand) for civil purposes for the alleged crime of public defamation under the French Criminal Code. Based on the documentation received, the defamation was allegedly committed with the publication of the 2020 Annual Report which described the ongoing dispute with VCGP (as above) and the actions taken by Astaldi Group. According to VCGP, such actions were seriously defamatory and prejudicial. Assisted by its advisors, Astaldi and the two directors deem that VCGP’s allegations are completely groundless in terms of their facts as well as legally. They will defend themselves accordingly in all the courts.

Muskrat Falls hydroelectric project (Canada)

During the performance of this project in Canada, a number of unforeseeable events took place which, together with operating difficulties during the start-up phase, led to an increase in the project’s total cost. Specifically, the productivity level of the local labour was unexpectedly and unusually low. In December 2016, Astaldi Canada Inc. and the customer, Muskrat Falls Corporation (“**MFC**”) 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 and Astaldi presented an additional request for an extension of the contract timeline and reimbursement of the extra costs, mainly for the civil works in the hydroelectric plant. MFC did not accept this request and Astaldi was thus obliged to commence arbitration proceedings. During the performance of the works (95% completed), on 27 September 2018 - before the presentation of the application for composition with creditors procedure - Astaldi Canada Inc. notified MFC that it was requesting arbitration for payment quantum meruit of the actual value of the works performed due to the fact that Nalcor had arbitrarily imposed a pain/gain share mechanism to its sole advantage and to Astaldi’s cost, thus causing the contractor to incur financial difficulties in performing the works. In addition, Astaldi claimed Nalcor had not fulfilled its obligation of good faith or its contractual obligations as seen in a series of defaults and omissions during the works. 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. During 2019, briefs were exchanged and the preliminary phase commenced and is still in progress. Specifically, Astaldi presented its brief on 31 May 2019, requesting the arbitration tribunal order the customer pay (i) CAD284.4 million (the equivalent of around €186 million) for work performed and not paid for, (ii) CAD14.2 million (the equivalent of €9 million) for costs incurred by the contractor after termination of the contract, (iii) CAD100 million (the equivalent of €65 million) for the letter of credit, and (iv) CAD30.8 million (the equivalent of €20 million) for machinery, materials and loss of profit of CAD429.4 million (the equivalent of €280 million). On 26 August 2019, MFC presented its counter appeal asking the arbitration tribunal to order Astaldi pay compensation for damages of CAD315.5 million (the equivalent of €206 million). Given the amounts to be paid and the enforced letter of credit, the amount requested by the customer decreases to CAD55.7 million (the equivalent of around €36 million). The examination of the witnesses took place in the period from 2 to 12 November 2020 while the experts were heard in March 2021. The award is expected to be handed down in the last quarter of 2021. Astaldi’s separate and consolidated financial statements at 31 December 2018 already reflected the enforcement of the bonds and no changes have been made in the 2019 and 2020 financial statements.

Rehabilitation of the Frontieră - Curtici - Simeria railway line, Lot 2A (ICC arbitration no. ICC/25794/HBH) (Romania)

CFR (the Romanian National Railways Company) and the Astaldi-FCC-Salcef-Thales Lot 2A joint venture signed the contract for the rehabilitation of the railway line and restructuring of some stations on 19 May 2017. Events took place during the performance of the contract that were outside the contractor's control such as non-possession of the work areas, non-receipt of the building permits, delays and lack of expropriations, delays in the delivery of the technical documentation and lack of environmental permits. On 13 November 2020, the contractor presented an application for arbitration as per the rules of the International Chamber of Commerce against the customer CFR to obtain an extension of the contract timeline and to recover the higher costs and expenses incurred. It requested that the arbitration tribunal rule on the customer's non-compliance with its contractual obligations and, accordingly, to grant an extension to allow it to complete the works. It also requested that CFR be ordered to pay not less than RON66.3 million (the equivalent of around €13.4 million) plus interest and the costs of the arbitration proceeding. The amounts claimed were increased in May 2021 with the presentation of an additional application for approximately RON120 million (the equivalent of around €24.2 million). The arbitration tribunal has been set up and the proceeding is underway.

Rehabilitation of the Frontieră - Curtici - Simeria railway line, Lot 2B (ICC arbitration no. ICC/25795/HBH)

CFR and the Astaldi-FCC-Salcef-Thales Lot 2B joint venture signed the contract to rehabilitate the railway line on 19 May 2017. Events took place during the performance of the contract that were outside the contractor's control such as non-possession of the work areas, non-receipt of the building permits, lack of expropriations, delays in the delivery of the technical documentation and lack of environmental permits. On 13 November 2020, the contractor presented an application for arbitration as per the rules of the International Chamber of Commerce against the customer CFR to obtain an extension of the contract timeline and to recover the higher costs and expenses incurred. It requested that the arbitration tribunal rule on the customer's non-compliance with its contractual obligations and, accordingly, to grant an extension to allow it to complete the works. It also requested that CFR be ordered to pay not less than RON78.7 million (the equivalent of around €15.9 million) plus interest and the costs of the arbitration proceeding. The arbitration tribunal has been set up and the proceeding is underway.

Rehabilitation of the Frontieră - Curtici - Simeria railway line, Lot 3 (arbitration no. 88/20)

CFR and the FCC-Astaldi-Convensa joint venture signed the contract for lot 3 of the railway line on 7 August 2017. Events took place during the performance of the contract that were outside the contractor's control such as non-possession of the work areas, non-receipt of the building permits, delays and lack of expropriations, the discovery of archaeological artefacts and delays in the delivery of the technical documentation. On 13 November 2020, the contractor presented an application for arbitration to the Court of International Commercial Arbitration attached to the Bucharest Chamber of Commerce against the customer CFR to obtain an extension of the contract timeline and to recover the higher costs and expenses incurred. It requested that the arbitration tribunal rule on the customer's non-compliance with its contractual obligations and, accordingly, to grant an extension to allow it to complete the works. It also requested that CFR be ordered to pay not less than RON106.1 million (the equivalent of around €21.4 million) plus interest and the costs of the arbitration proceeding. The arbitration tribunal has been set up and the proceeding is underway.

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 will take place in accordance with the American Arbitration Association (jurisdiction of New York, State of New York law). OHL claims that the clauses provided in the various agreements signed with ACC, which establish that an event of default (that can lead to exclusion from the joint venture) can be the insolvency and/or commencement of a procedure to resolve insolvency by one of the partners, are applicable. Astaldi, assisted by Whte & Case, will present its arguments shortly challenging OHL's claims and requesting in turn that OHL be excluded from the joint venture for the same reasons as it appears that the Spanish company is in serious financial difficulties according to news in the specialist press and verified by Astald's legal advisors.

CRIMINAL DISPUTES

Astaldi deems that the risk of it being required to make a financial outlay as a result of the following disputes is remote.

Investigations related to Metro C (Italy)

In July 2016, Astaldi was notified of the preliminary investigations being performed by the Rome public prosecutor as part of a criminal investigation into the construction of Line C of the Rome Metro. The related contract had been awarded by Roma Metropolitane S.r.l. to Metro C. S.c.p.A. ("Metro C"), an SPE in which Astaldi has a 34.5% investment. The alleged crime was aggravated fraud to obtain public subsidies (article 640-bis of the Criminal Code) and the investigations cover some managers of Roma Metropolitane S.r.l. and Metro C, including Astaldi's current CEO as well as four former managers of Astaldi. On 19 July 2018, Astaldi was informed that the preliminary investigations as per article 415-bis of the Code of Criminal Procedure had been completed after which the public prosecutor has prosecuted the individuals. After the preliminary hearing, when the civil parties (the Italian Ministry of Infrastructure and Transport, Lazio Region, Rome Municipality and Roma Metropolitane S.r.l.) joined the proceedings, the Judge for the Preliminary Hearing committed the defendants for trial, acquitting the only defendant (a former Astaldi manager) who chose the simplified procedure.

Proceeding related to Partenopea Finanza di Progetto (Ospedale del Mare di Napoli) (Italy)

In July 2009, the Naples public prosecutor commenced criminal proceedings for the alleged aggravated fraud to the damage of the state (article 640.2.1 of the Code of Criminal Procedure) related to the concession for Ospedale del Mare. The proceeding implies the criminal liability of the numerous public officials and technical consultants as well as a former manager of Astaldi and the operator Partenopea Finanza di Progetto S.c.p.A. (in which Astaldi had a 59.99% interest at that date which it subsequently increased to 99.99%) in accordance with Legislative decree no. 231/2001. During the hearing of 26 November 2020, upon completion of the preliminary investigation, the public prosecutor requested that a statute of limitations be issued for the various crimes relating to natural persons and that only Partenopea Finanza di Progetto be found guilty as per Legislative decree no. 231/2001 (payment of 400 units of €1,550 each and bans). The hearings to hear the defence counsel have been scheduled to take place in 2021. On 2 April 2021, Astaldi's legal advisors informed it that the court has acquitted all the defendants finding that the fraud did not take place. Partenopea Finanza di Progetto was also acquitted in proceeding no. 231/01 for the identical reason.

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 notified all the parties involved in various capacities in the development of the project, including some former Astaldi managers and employees, who have been included in the register of suspects for the crime of negligent collapse. The technical inspections are underway.

Investigations related to El Chaparral hydroelectric project (El Salvador)

On 21 January 2019, Astaldi became aware that the public prosecutor's office of the Republic of El Salvador (Fiscalia) had commenced proceedings alleging crimes against the public administration by certain individuals. One of the people under investigation is an Astaldi employee who acts as a representative of Astaldi's El Salvadoran branch. The alleged corruption, and the request for precautionary measures, refers to the agreement to discontinue the El Chaparral project in 2012. The agreement provided for the mutual termination of the contract due to extraordinary unexpected geological conditions at the site which made it impossible to carry out the project. It established that Astaldi would receive compensation of USD28.7 million (the equivalent of around €24 million), paid between November 2012 and February 2013, being the sum of roughly USD108.5 million (the equivalent of €89 million) (USD85 million for works performed and USD23.5 million as reimbursement of the extra costs incurred to partly carry out the works and their subsequent termination - €70 million and €19 million, respectively) less approximately USD79.8 million (the equivalent of around €66 million) already paid by the customer. The public prosecutor's office also began proceedings against another employee of the El Salvador branch (as the agent of Astaldi's El Salvador branch) for income tax evasion by not recording the income related to the above-mentioned transaction. The proceedings are currently at a preliminary stage. They were both suspended on 22 March 2020 due to the Covid-19 pandemic although the experts appointed by the public prosecutor continued their activities. On 6 July 2020, Astaldi learnt that, on 25 June 2020, the former customer of the El Chaparral project, the Executive Hydroelectric Commission of Rio Lempa ("CEL") had presented a precautionary attachment application against Astaldi to the same criminal court judge for USD173 million (the equivalent of around €143 million) including (i) USD61.3 million (the equivalent of €50 million) for damage related to the undue payments to Astaldi (CEL has challenged the higher costs recognised in the agreement and the assessment of the works performed), and (ii) USD111.6 million (the equivalent of €92 million) for the loss of profit due to the non-generation of electricity as the dam had not been built up to 2020.It subsequently increased this request to USD227 million (the equivalent of €187 million), with the additional USD54 million (the equivalent of €44 million) comprising financial expense and interest on the amount claimed as damages. On 28 September 2020, the local court handed down a precautionary attachment order for Astaldi's assets up to USD227 million (the equivalent of €187 million), citing its civil liability under El Salvadoran law, which provides that a legal entity is liable for corruption crimes carried out by their employees or agents. The court also requested that Italy intervene in accordance with article 46 of the United Nations Convention against Corruption. Astaldi found out about this ruling on 29 September 2020 through foreign press agency articles and was only formally notified on 2 October 2020. On 8 October 2020, it presented its appeal for cancellation of the precautionary measures ruling. The Camara Tercera Penal of the local court subsequently established the invalidity of the attachment with its measure of 26 October 2020 (notified to Astaldi on 31 October) both with respect to the defendants and Astaldi as the ancillary civil party. It referred the case to the Judge for the Preliminary Investigation (Juzgado Noveno de Instruccion) so that they can replace the ruling with another measure to be issued in line with the criteria set by the Camera Tercera which identified several issues in the order. The local court will assess the re-issue of the ruling in line with the Camara Tercera's guidelines in a closed court proceeding, removing the attachment order or reinstating it with new and adequate reasons, which according to Astaldi's local legal advisors (Consortium Legal) is possible. Should any claims emerge, to be settled as part of the issue under investigation, they would be treated similarly to those under the composition with creditors proposal for the unsecured claims. In addition, as provided for by the rules regulating the composition with creditors procedure, the above precautionary attachment measure requested by the local court would not be possible as the alleged unascertained claims relate to the period before the publication of the appeal as per article 161 of the Bankruptcy Law with the Company Registrar, presented to obtain authorisation of its composition with creditors procedure. With respect to the potential liability under Legislative decree no. 231/2001, based on the available information, Astaldi believes that the administrative offence it allegedly committed pursuant to article 25 of Legislative decree no. 231/2001 should be considered time-barred in accordance with article 22 of Legislative decree no. 231/2001 as five years has passed since the alleged crime was committed given the lack of significant acts that interrupted the limitation period. As the criminal proceeding in El Salvador is still at a preliminary stage, the risk that Astaldi may be found guilty of the alleged crime has been assessed as remote as there does not seem to be any material or immediate risk of this, which would, if proven, insinuate its civil liability. Based on these considerations and the legal opinions obtained (including locally), while the criminal proceedings are still ongoing, Astaldi deems the risk of its involvement to currently be remote. Therefore, it has not made any provision therefor in the condensed interim consolidated financial statements. On 3 February 2021, CEL reiterated its application for a precautionary attachment (and related international cooperation). On 10 February 2021, the judge reserved judgement after hearing the appraisals being prepared as part of the criminal proceeding (which is slated for completion by August 2021). Astaldi is also considering whether to present an “amparo constitucional” appeal (protection of constitutional rights) to obtain a precautionary ruling from the constitutional section of El Salvador's Supreme Court to find that the procedure performed for CEL's precautionary attachment application is unconstitutional.

Lane

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

Reference context and macroeconomic scenario

The US is ranked 31st in the SDG Global Rank, the index that measures progress towards achievement of the SDGs in 166 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 it still faces tough challenges 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 CLEAN WATER AND SANITATION	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 AFFORDABLE AND CLEAN ENERGY	Renewable energy in final consumption	7.8%	Stable	
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Quality of transportation infrastructure (1= very unsatisfactory, 5=excellent)	4.0	In line with objectives	
11 SUSTAINABLE CITIES AND COMMUNITIES	Satisfaction with public transport	64.0%	In line with objectives	
13 CLIMATE ACTION	CO2 emissions per capita linked to energy (ton)	15.3	Stable	

The US government has announced an unprecedented relaunch plan, the Bipartisan Infrastructure Deal, to counter the economic repercussions of the lockdown measures brought in to curb the Covid-19 pandemic.

The IMF's most recent forecasts of April 2021 estimate that GDP shrunk by 3.5% in 2020 and should grow by 6.4% and 3.5% in 2021 and 2022, respectively. The US Department of Labour reports that the unemployment rate continues to decrease after peaking at 14.7% in April 2020 and was 5.8% in May 2021.

According to IHS Markit's May 2021 estimates, infrastructure construction expenditure should bounce back in 2022, increasing by an expected 3.1%.

The Bipartisan Infrastructure Deal has 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, to be invested in the next eight years.

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.

With respect to the railway sector, Webuild signed a contract with Texas Central in June 2021 for the construction of a new high speed railway line between Dallas and Houston in Texas. This is the final step before financial closure, after which work on the mega project can start. It will provide the residents of the two cities with a fast, safe and environmentally sustainable railway connection and boost the economy thanks to the creation of thousands of new jobs, including downstream. The project promises to be a pivotal moment for sustainable mobility in the United States allowing it join the ranks of countries that have offered high-speed rail service for years, such as Japan, China, France and Italy.

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 2020	Percentage of completion	Residual order backlog at 30 June 2021	Percentage of completion
I-10 Corridor - California	412.4	26.3%	349.3	37.9%
C43 Water Management Builders - Florida	366.6	15.2%	326.6	26.4%
Southern Wake Freeway - North Carolina	252.6	26.0%	233.5	32.1%
Kansas City's Levees Flood Protection Project - Missouri	-	0.0%	214.7	0.9%
I-440 Beltline Widening - North Carolina	210.7	27.4%	195.1	33.4%
I-405 Renton/Bellevue (Flatiron-Lane JV) - Washington	198.3	14.7%	188.9	20.0%
West Ship Canal CSO - Washington	170.7	18.5%	150.8	29.1%
I-4 Ultimate - Orlando - Florida	78.9	88.1%	38.3	93.9%
Other	1,097.0		958.7	
Total	**2,787.2**		**2,656.0**	

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.

West Ship Canal CSO - Washington

In August 2019, Lane was awarded a contract worth USD255 million to build a water storage tunnel to reduce polluted overflows into the Lake Washington Ship Canal. The main storage tunnel and shafts will consist of a tunnel around 14,000 feet long.

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.

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.

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).

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.

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-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.

...

Unforeseen costs have been incurred on the I-4 Ultimate - Orlando - Florida contract referred to above 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.

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

Based on the IMF's most recent projections of April 2021, global GDP is projected to grow 6.0% in 2021 after the 3.3% contraction in 2020 when many countries had to come to grips with crisis situations in various areas: healthcare, the shuttering of production and economic activities, a collapse in exports and inverted capital flows.

The pandemic's fallout would have been much nastier had governments not stepped in with political and monetary policies to shore up their economies. As noted by the IMF, the downturn in global GDP would have been three times worse if the additional spending by countries had not taken place.

The IMF forecasts steady growth albeit at a more modest pace in 2022 (4.4%) assuming a scenario with additional fiscal policies to power the global rebound and earlier benefits from the vaccination campaign that those expected.

The sizeable fiscal support announced by some countries for 2021, including the US' and Japan's recovery plans and the release of the NextGenerationEU funds, should facilitate the relaunch of the advanced economies, which, in turn, should benefit their commercial partners.

Specifically, the Eurozone is expected to see growth of 4.4% in 2021 and of 3.8% in 2022 after the 6.6% deceleration.

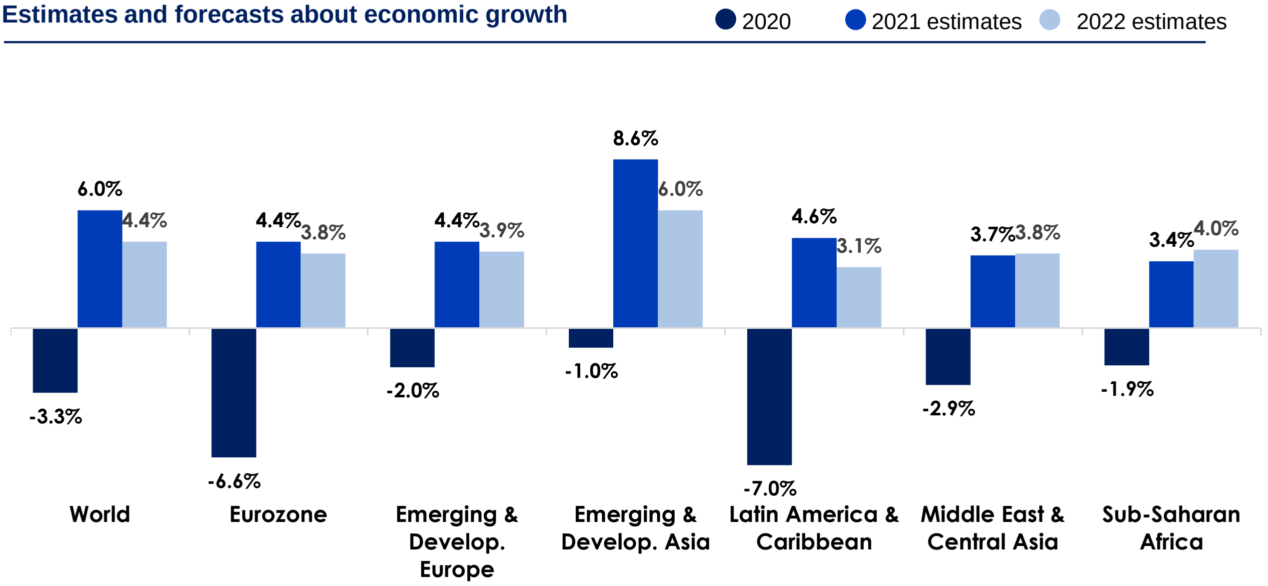
The GDP of Emerging & Developing Asia is forecast to grow by 8.6% and 6.0% in 2021 and 2022, respectively, recouping the 1.0% drop of 2020. The outlook for India is more positive than for most of the other countries in this area and its economy is expected to grow around 12.5% and 6.9% in 2021 and 2022, respectively, once the restrictive measures are eased.

Projections for the Middle East and Central Asia are basically unchanged with growth of 3.7% in 2021 after a contraction of 2.9% in 2020. However, this area's countries have diverging recovery paths depending on the pandemic's grip and their vaccination campaign, as well as their reliance on tourism or the prices of natural resources, such as oil. Steady growth of 3.8% is expected in 2022.

After the worst drop in GDP of 1.9% in 2020 seen in Sub-Saharan Africa, this area's economy should bounce back with growth of 3.4% in 2021 and 4.0% in 2022. The countries more dependent on tourism are expected to be the worst-hit by the pandemic.

Some Latin American countries more reliant on exports of goods and raw materials, like Brazil, Peru and Argentina, have benefited from the upswing in global production during the second half of 2020. The outlook for this area is growth of 4.6% and 3.1% in 2021 and 2022, respectively.

Estimates and forecasts about economic growth



Source: Source: IMF, April 2021;
Emerging & Developing Europe includes Russia
Emerging & Developing Asia includes: China, India, Indonesia, Malaysia, Philippines, Thailand and Vietnam
Latin America & Caribbean includes Brazil and Mexico
Middle East & Central Asia includes Saudi Arabia
Sub-Saharan Africa includes Nigeria and South Africa

As an essential lever of economic growth, the construction and infrastructure sector will be pivotal to a sustainable recovery.

According to an IHS Markit report of May 2021, global investments in infrastructure will increase by 3.3% in 2021 and 4.7% in 2022, with a return to growth after the 4.1% slide seen in 2020.

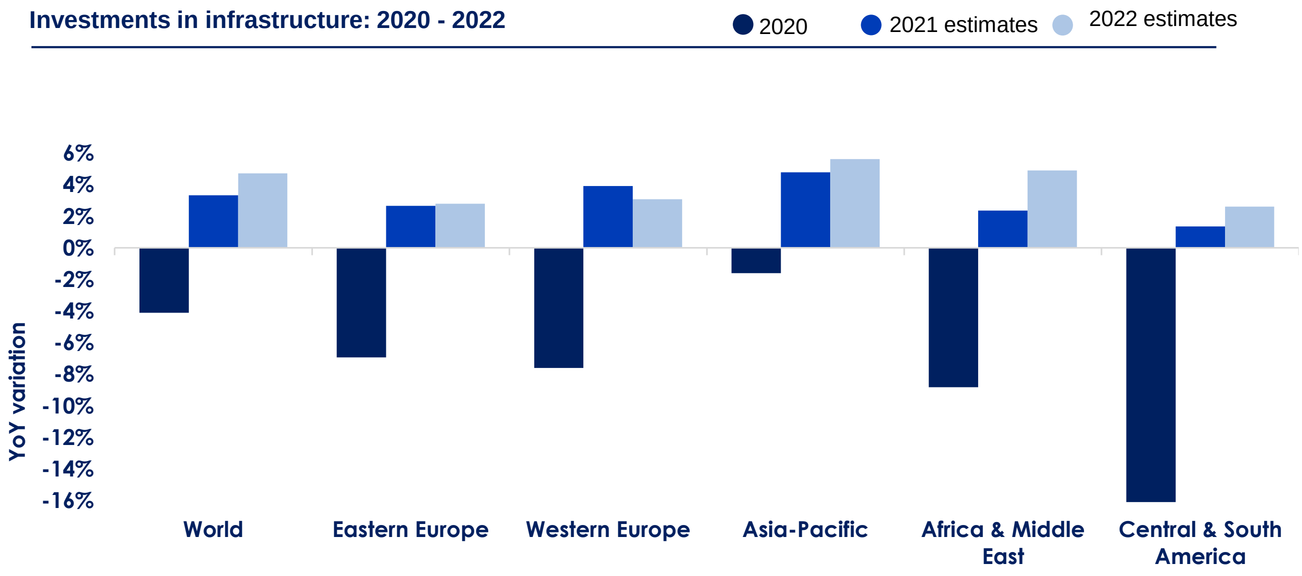
Infrastructure investments in Eastern and Western Europe are forecast to grow by over 2.6% and 2.8% in 2021 and 2022, respectively, compared to the reduction of more than 6.9% in 2020. Governments foresee that the economic relaunch necessary to counter the pandemic's effects will mostly be achieved by extraordinary investment plans, funded thanks to the EU's NextGenerationEU package and non-European financing. The infrastructure sector will be one of the main recipients.

Investments in infrastructure in Africa and the Middle East are forecast to grow by 2.4% in 2021 and 4.9% in 2022 after the steep deceleration of more than 8.8% in 2020.

IHS Markit expects that investments in infrastructure in Latin America will increase by over 1.3% in 2021 and 2.6% in 2022 after the 16.1% degrowth seen in 2020.

Finally, the Asia-Pacific area continues to be one of the areas with the most potential, supported by the wide-ranging urbanisation plan promoted by continental China. Investments in infrastructure are expected to increase by nearly 4.8% in 2021 and 5.6% in 2022. The 2020 reduction was modest at 1.6%.

Investments in infrastructure: 2020 - 2022



Source: IHS Markit, May 2021

Oceania

Australia

Reference context and market scenario

Australia is ranked 37th 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 it still faces tough challenges with respect to, in particular, energy and the fight against climate change.

AREAS FOR IMPROVEMENT RELATED TO THE GROUP'S BUSINESS AREAS	KPI	TREND	GROUP CONTRIBUTION
Population with access to adequate wastewater treatment systems	**75.6%**	Improving	
Renewable energy in final consumption	**6.9%**	Stable	
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 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.
Satisfaction with public transport	**56.6%**	Stable	
CO_2 emissions per capita linked to energy (ton)	**14.8**	Stable	

The Group has been active in Australia since 2013 and currently operates through its local branch, the wholly-owned Salini Australia Pty Ltd, Salini Impregilo - NRW Joint Venture for the performance of the Forrestfield Airport link project, SLC Snowy Hydro Joint Venture for the civil works and electromechanical component of the contract for the Snowy 2.0 project and the recently set up SC Hydro Pty Ltd.

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 2020	Percentage of completion	Residual order backlog at 30 June 2021	Percentage of completion
Snowy Hydro 2.0	3,099.6	8.8%	2,873.4	15.3%
Other	131.9		99.2	
Total	**3,231.5**		**2,972.6**	

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.

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 4th in the SDG Global Rank. With respect to the goals that are most pertinent to the Group's business areas in this country, France shows progress in most of them, although it still faces tough challenges with respect to the fight against climate change.

SDG	AREAS FOR IMPROVEMENT RELATED TO THE GROUP'S BUSINESS AREAS	KPI	TREND	GROUP CONTRIBUTION
6	Population with access to adequate wastewater treatment systems	88.4%	Stable	
7	Renewable energy in final consumption	10.5%	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) area, with a positive contribution to achievement of the SDGs in terms of improved transport and lower GHG emissions.
11	Satisfaction with public transport	67.9%	Deteriorating	
13	CO2 emissions per capita linked to energy (ton)	4.8	Stable	

The Group has a local French branch, investments in the SEP (sociètè en partecipation) set up to carry out the projects to build Lines 14 and 16 of the Grand Paris Express, awarded in 2018, and is part of the Telt Villarodin - Bourget Modane Avrieuz joint venture set up in 2020 for the high speed Turin-Lyon railway line.

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 2020	Percentage of completion	Residual order backlog at 30 June 2021	Percentage of completion
Metro Line 16 Lot 2	321.8	33.3%	267.5	45.1%
TELT puits d'Avrieux	149.9	1.5%	143.1	7.0%
Other	3.2		1.1	
Total	**475.0**		**411.7**	

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 related works.

The contract's total value is approximately €730 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 contract's total value is approximately €450 million and the Group's share is 33.33%.

Norway

Reference context and market scenario

Norway is ranked 6th 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 it still faces tough challenges with respect to, in particular, the fight against climate change and, to a lesser extent, mobility.

SDG	AREAS FOR IMPROVEMENT RELATED TO THE GROUP'S BUSINESS AREAS	KPI	TREND	GROUP CONTRIBUTION
	Population with access to adequate wastewater treatment systems	76.3%	Stable	
	Renewable energy in final consumption	47.1%	In line with objectives	
	Quality of transportation infrastructure (1= very unsatisfactory, 5=excellent)	3.7	In line with objectives	The ongoing projects are mostly for the Sustainable Mobility (railways) area, with a positive contribution to achievement of the SDGs in terms of improved transport and lower GHG emissions.
	Satisfaction with public transport	60.2%	Improving	
	CO2 emissions per capita linked to energy (ton)	8.8	Stable	

The Group is active in Norway through its branch and investment in the SA.PI. NOR Salini Impregilo - Pizzarotti joint venture.

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 2020	Percentage of completion	Residual order backlog at 30 June 2021	Percentage of completion
Nykirke - Barkaker railway line	301.9	18.3%	263.4	32.7%
Total	**301.9**		**263.4**	

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.

During 2020, some work was started such as temporary roads, deforestation and geotechnical surveys, the preparation of the work sites and the excavation of the first tunnel.

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 11 variation orders included in the contract's value in the first few months of the year.

Middle East

Saudi Arabia

Reference context and market scenario

Saudi Arabia is ranked 97th 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 it still faces tough challenges with respect to, in particular, energy and the fight against climate change.

SDG	AREAS FOR IMPROVEMENT RELATED TO THE GROUP'S BUSINESS AREAS	KPI	TREND	GROUP CONTRIBUTION
6	Population with access to adequate wastewater treatment systems	11.8%	Stable	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 and lower GHG emissions.
7	CO_2 emissions to generate energy (Mton/TWh)	1.6	Improving	
9	Quality of transportation infrastructure (1= very unsatisfactory, 5=excellent)	3.1	In line with objectives	
11	Satisfaction with public transport	72.8%	In line with objectives	
13	CO_2 emissions per capita linked to energy (ton)	17.9	Stable	

The Group currently operates in this country through its branch, Salini Saudi Arabia Company Ltd., Civil Works Joint Venture, Western Station J.V., Impregilo Arabia Ltd, Arriyad New Mobility Consortium and the recently set up BSS-KSAB JV.

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 2020	Percentage of completion	Residual order backlog at 30 June 2021	Percentage of completion
Riyadh National Guard Military (SANG Villas)	733.4	30.9%	768.2	33,0%
Riyadh Metro Line 3	219.3	92.6%	158.9	94.6%
Other	89.1		86.7	
Total	**1,041.8**		**1,013.8**	

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.

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 in the country, it shows significant progress with respect to the fight against climate change, mainly thanks to the considerable investments in renewable energy, although it still faces tough challenges with respect to water and mobility.

SDG	AREAS FOR IMPROVEMENT RELATED TO THE GROUP'S BUSINESS AREAS	KPI	TREND	GROUP CONTRIBUTION
	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.
	Population with access to electricity	44.3	In line with objectives	
	Quality of transportation infrastructure (1= very unsatisfactory, 5=excellent)	2.1	N.A.	
	Satisfaction with public transport	39.9%	Stable	
	CO_2 emissions per capita linked to energy (ton)	0.1	In line with objectives	

The Group operates in Ethiopia through its local branch.

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 2020	Percentage of completion	Residual order backlog at 30 June 2021	Percentage of completion
Koysha	1,629.9	35.6%	1,396.7	42.3%
Gerd	751.2	82.4%	614.9	85.2%
Total	**2,381.1**		**2,011.6**	

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%. Work is currently being carried out on the project.

Production activity had slowed down, mainly due to payment delays by the customer. However, this situation was resolved in the first six months of 2020.

During the first half of 2021, progress on the contract was again affected by new payment delays due to the lack of international financing.

In 2019, the customer requested the number of turbines be decreased from eight to six units. This request was finalised in March 2021 with the reduction of two units and a €105 million decrease in the contract's value.

During the first six months of 2021, work continued with the excavations for the dam, the pouring of the RCC and the laying of the structural concrete for the powerhouse.

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.

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 customer and Webuild finalised and signed variation order no. 9 (addendum no. 10) on 18 May 2021 after ten months of negotiations.

In the meantime, discussions were continued for the amicable settlement of Webuild's claims presented to EEP and they were successfully settled in the second week of May 2021. On 18 May 2021, EEP and Webuild signed addendum no. 11 (amicable settlement of claims) for €450 million settling all the disputes made up to 13 March 2021. This entailed 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 scheduled to be made before 7 June 2022.

Webuild's share in this project, which is at an advanced stage of completion, is 100%.

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 in this country, although it still faces tough challenges with respect to, in particular, water and mobility.

SDG	AREAS FOR IMPROVEMENT RELATED TO THE GROUP'S BUSINESS AREAS	KPI	TREND	GROUP CONTRIBUTION
	Population with access to adequate wastewater treatment systems	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.
	Population with access to electricity	99.3	In line with objectives	
	Quality of transportation infrastructure (1= very unsatisfactory, 5=excellent)	2.2	Deteriorating	
	Satisfaction with public transport	84.7%	In line with objectives	
	CO2 emissions per capita linked to energy (ton)	0.4	In line with objectives	

The Group operates in Tajikistan through its local branch.

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 2020	Percentage of completion	Residual order backlog at 30 June 2021	Percentage of completion
Rogun Hydropower Project	1,346.3	40.7%	1,326.0	42.1%
Total	**1,346.3**		**1,326.0**	

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.

Americas

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 in this country, although it still faces tough challenges with respect to, in particular, mobility, water and the fight against climate change.

SDG	AREAS FOR IMPROVEMENT RELATED TO THE GROUP'S BUSINESS AREAS	KPI	TREND	GROUP CONTRIBUTION
6	Population with access to adequate wastewater treatment systems	82.3%	Deteriorating	The ongoing projects are mostly for the Sustainable Mobility (light rail) 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	16.4%	Deteriorating	
9	Quality of transportation infrastructure (1= very unsatisfactory, 5=excellent)	3.8	In line with objectives	
11	Satisfaction with public transport	59.7%	Deteriorating	
13	CO2 emissions per capita linked to energy (ton)	14.4	Stable	

The Group operates in Canada through Salini Impregilo Canada Holding Inc., Salini Impregilo Mobilink Hurontario GP Inc., Salini Impregilo Civil Works Inc. and other entities involved in the Hurontario Light Rail Project, Mobilink Hurontario General Partnership, Mobilinx Hurontario Services L.t.d. and two joint ventures Mobilinx Hurontario Contractor and Mobilinx Hurontario DBJV, as well as the Astaldi Group entities which joined the Group in November 2020.

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 2020	Percentage of completion	Residual order backlog at 30 June 2021	Percentage of completion
Hurontario Light Rail Project	543.2	6.6%	514.4	16.2%
Total	**543.2**		**514.4**	

Hurontario Light Rail Project

On 21 October 2019, Salini Impregilo (now Webuild) and Astaldi, together with Canadian and non-Canadian partners as members of the Mobilinx consortium, were awarded a civil construction contract worth €917 million (around CAD1.3 billion) by Infrastructure Ontario and Metrolinx for the Hurontario LRT (HuLRT). The complete Mobilinx team, which also consists of John Laing, Hitachi, Amico, Bot and Transdev, 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.

With a 70% stake in the joint venture for the civil construction work (Webuild: 42%, Astaldi: 28%), the Group will be responsible for the engineering, design, procurement and construction of the civil works for a value of approximately €642 million.

Peru

Reference context and market scenario

Peru is ranked 61st 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 it still faces tough challenges with respect to, in particular, mobility.

SDG	AREAS FOR IMPROVEMENT RELATED TO THE GROUP'S BUSINESS AREAS	KPI	TREND	GROUP CONTRIBUTION
6 CLEAN WATER AND SANITATION	Population with access to adequate wastewater treatment systems	**74.3%**	Stable	
7 AFFORDABLE AND CLEAN ENERGY	Renewable energy in final consumption	**96.4%**	In line with objectives	
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	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 SUSTAINABLE CITIES AND COMMUNITIES	Satisfaction with public transport	**55.3%**	Stable	
13 CLIMATE ACTION	CO2 emissions per capita linked to energy (ton)	**2.0**	Deteriorating	

The Group operates in Peru through its branch and its investments in Metro de Lima Linea 2 S.A. and Consorzio Constructor M2 Lima as well as the Astaldi Group entities which joined the Group in November 2020.

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 2020	Percentage of completion	Residual order backlog at 30 June 2021	Percentage of completion
Lima Metro Line 2	456.0	30.1%	442.1	33.7%
Total	**456.0**		**442.1**	

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 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. This implies that the project completion dates have been moved forwards.

The contract consideration is approximately USD3 billion.

…

Unforeseen costs have been incurred on Line 16, Lot 2 (France), Koysha Hydroelectric Project (Ethiopia) and Rogun Hydropower Project (Tajikistan) contracts referred to above 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), Canada, the UK and Turkey. They refer to the transportation sector (motorways and metro systems), hospitals, renewable energy and water treatment sectors.

The two Argentine operators are currently in liquidation and their contracts have been terminated. During 2020, the Group sold its stake in Consorcio Agua Azul S.A. for roughly USD13 million. 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	
Argentina	Mercovia S.A.	60.0	18	Active	1996	2021
Colombia	Yuma Concessionaria S.A. (Ruta del Sol)	48.3	465	Active	2011	2036

METROS

Country	Operator	% of investment	Total km	Stage	Start date	End date
Canada	Hurontario Mobilinx G.P.	30.4	20	Under construction	2019	2055
Peru	Metro de Lima Linea 2 S.A.	18.3	35	Not yet active	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	

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	Not yet active	2016	2044

Financial highlights

The "Adjusted reclassified statement of profit or loss" table presents the Group's adjusted key figures for the first half of 2021 compared to those for the corresponding period of 2020.

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.

Joint ventures not controlled by Lane

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.

Condotte out-of-court agreement

Definition of the out-of-court agreement with Società Italiana per Condotte d'Acqua S.p.A. under extraordinary administration ("Condotte") led Webuild, in the first half of 2020, to recognise the cost of the compensation (€35.3 million) paid to Condotte for its discontinuation of the pending disputes related to the COCIV consortium's board of representatives' resolution of 19 December 2019, which provided for the "transfer of title" of Condotte's 31% interest in the COCIV consortium by recognising an impairment loss of €20.3 million on its receivables due from Condotte at 30 June 2020 and compensation of €15.0 million recognised under other operating expenses.

Adjusted reclassified statement of profit or loss

(€m)	1st half 2020 adjusted				1st half 2021 adjusted		
	Webuild Group (**)	Joint ventures not controlled by Lane (*)	Condotte out-of-court agreement	Adjusted	Webuild Group (**)	Joint ventures not controlled by Lane (*)	Adjusted
Revenue	2,033.2	179.9	-	2,213.1	3,047.1	90.4	3,137.5
Gross operating profit (EBITDA)	**87.1**	**8.8**	**15.0**	**110.9**	**183.4**	**14.2**	**197.6**
Gross operating profit margin (EBITDA) %	4.3%	4.9%		5.0%	6.0%	15.7%	6.3%
Operating profit (loss) (EBIT)	**(8.8)**	**8.8**	**35.3**	**35.3**	**47.1**	**14.2**	**61.3**
R.o.S. %	-0.4%	4.9%		1.6%	1.5%	15.7%	2.0%
Net financing costs	(48.6)	-	-	(48.6)	(53.8)	-	(53.8)
Net losses on equity investments	(1.7)	(8.8)	-	(10.5)	(3.7)	(14.2)	(17.9)
Loss before tax (EBT)	**(59.2)**	**-**	**35.3**	**(23.9)**	**(10.4)**	**-**	**(10.4)**
Income taxes	(26.6)	-	-	(26.6)	(54.1)	-	(54.1)
Loss from continuing operations	**(85.8)**	**-**	**35.3**	**(50.5)**	**(64.5)**	**-**	**(64.5)**
Loss from discontinued operations	-	-	-	-	(3.4)	-	(3.4)
Non-controlling interests	2.2	-	-	2.2	8.6	-	8.6
Loss for the period attributable to the owners of the parent	**(83.6)**	**-**	**35.3**	**(48.3)**	**(59.4)**	**-**	**(59.4)**

(*) 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.

(**) On 5 November 2020, Webuild acquired 67.23% of Astaldi (66.28% held directly and 0.95% indirectly). Astaldi Group has been consolidated from the date of acquisition of control, therefore, the corresponding figures at 30 June 2020 included in the condensed interim consolidated financial statements at 30 June 2021 for comparative purposes do not include Astaldi Group.

Adjusted revenue for the period is €3,137.5 million compared to €2,213.1 million for the corresponding period of 2020, showing an increase of €924.4 million or 41.8%. The rise in revenue is due to the Astaldi acquisition as well as the fact that all the work sites have resumed activities although not all of them are operating at pre-Covid-19 production and efficiency levels.

The main contributors to the adjusted revenue are some large projects and, specifically, those of Astaldi Group, the high speed/capacity railway works for the Milan - Genoa railway line, Lane Group's projects, the projects in

Australia to design, build and maintain the Perth Metro and the civil engineering and electromechanical works for the Snowy 2.0 project and the projects in Ethiopia.

The adjusted gross operating profit amounts to €197.6 million (€110.9 million) while the adjusted operating profit comes to €61.3 million (€35.3 million). These figures reflect the amortisation recognised by Astaldi Group and that recognised in the period in connection with the PPA procedure performed after the acquisition of Astaldi (€ 37.8 million).

The net financing costs approximate €53.8 million compared to €48.6 million for the corresponding period of 2020. They include:

- financial expense of €102.4 million (€76.8 million);
- partly offset by financial income of €29.1 million (€ 42.6 million);
- net exchange gains of €19.5 million (net losses of €14.5 million).

The adjusted net losses on equity investments come to €17.9 million compared to €10.5 million for the corresponding period of 2020 and include €15 million related to the SPE Grupo Unidos por el Canal - GUPC (Panama).

The loss before tax amounts to €10.4 million while it was a loss of €23.9 million for the corresponding period of the previous year.

Income taxes for the period amount to €54.1 million (€26.6 million). They are mainly affected by the temporary non-recovery of taxes paid abroad under the legislation of the countries where the branches operate and variations in the performances of the group companies.

The loss from discontinued operations of €3.4 million is entirely due to the divisions being sold by Astaldi.

The loss attributable to non-controlling interests is €8.6 million compared to €2.2 million for the corresponding period of 2020.

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 2021. 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 2020	1st half 2021	Variation
Revenue from contracts with customers		1,936,417	2,846,715	910,298
Other income		96,765	200,433	103,668
Total revenue and other income	29	**2,033,182**	**3,047,148**	**1,013,966**
Operating expenses	30	(1,946,054)	(2,863,793)	(917,739)
Gross operating profit (EBITDA)		**87,128**	**183,355**	**96,227**
Gross operating profit margin (EBITDA) %		*4.3%*	*6.0%*	
Impairment losses	30.6	(27,118)	(6,360)	20,758
Amortisation, depreciation and provisions	30.6	(68,829)	(129,905)	(61,076)
Operating profit (loss) (EBIT)		**(8,819)**	**47,090**	**55,909**
R.o.S. %		*-0.4%*	*1.5%*	
Financing income (costs) and gains (losses) on equity investments				
Net financing costs	31	(48,631)	(53,797)	(5,166)
Net losses on equity investments	32	(1,726)	(3,730)	(2,004)
Net financing costs and net losses on equity investments		**(50,357)**	**(57,527)**	**(7,170)**
Loss before tax (EBT)		**(59,176)**	**(10,437)**	**48,739**
Income taxes	33	(26,577)	(54,052)	(27,475)
Loss from continuing operations		**(85,753)**	**(64,489)**	**21,264**
Loss from discontinued operations	18	-	(3,448)	(3,448)
Loss before non-controlling interests		**(85,753)**	**(67,937)**	**17,816**
Non-controlling interests		2,211	8,582	6,371
Loss for the period attributable to the owners of the parent		**(83,542)**	**(59,355)**	**24,187**

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

Revenue

Revenue for the period amounts to €3,047.1 million (€2,033.2 million), including €1,624.1 million earned abroad (€1,169.9 million), of which €468.8 million in the US (€493.4 million) and €954.2 million in Italy (€369.9 million).

Other income mostly refers to contract work in progress and specifically industrial activities and related works not directly related to contracts with customers. The increase of €103.7 million is mostly due to the higher income from cost recharges to non-controlling consortium members, mostly related to Astaldi Group and the Iricav Due contract. 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".

Operating profit (loss)

The operating profit amounts to €47.1 million for the period (loss of €8.8 million), showing an improvement on the previous year.

Impairment losses amount to €6.4 million compared to €27.1 million for the corresponding period of 2020, which included losses of €35.3 million due to the out-of-court settlement with Società Italiana per Condotte d'Acqua S.p.A. under extraordinary administration ("Condotte").

Amortisation, depreciation and provisions of €129.9 million (€68.8 million) comprise:

- depreciation of property, plant and equipment of €33.3 million (€35.1 million);
- depreciation of right-of-use assets of €35.5 million (€23.4 million);
- amortisation of contract costs and intangible assets of €57.2 million (€10.6 million), a large increase on the corresponding period of 2020 due to the amortisation of €37.8 million of the contract costs recognised after the acquisition of Astaldi Group;
- provisions of €3.9 million (€0.2 million), mostly related to Astaldi Group.

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

The Group recorded net financing costs of €53.8 million (€48.6 million).

The item comprises:

- financial expense of €102.4 million (€76.8 million);
- financial income of €29.1 million (€42.6 million);
- net exchange gains of €19.5 million (net losses of €14.5 million).

The €25.6 million increase in financial expense is mostly due to:

- the inclusion of Astaldi in the consolidation scope (€20.5 million);
- the issue of new bonds in December 2020 and January 2021 (€16.3 million);
- partly offset by the reduction in expense that was recognised in the first six months of 2020 due to the effect of the measurement of certain loan assets (€6.5 million) and interest expense accrued on the Beyond S.r.l. loan, taken out solely to acquire the bonds issued by Astaldi S.p.A. (€5.7 million).

Net exchange gains of €19.5 million mostly relate to the Euro's performance against the US dollar, the Ethiopian birr and the Qatari riyal.

Net losses on equity investments amount to €3.7 million (€1.7 million). They comprise the Group's share of the losses of Grupo Unidos por el Canal (GUPC) in Panama (€15 million) and Yuma Concessionaria (€2.2 million), partly offset by the net profits of the equity-accounted investees (mostly belonging to Lane Group).

Income taxes

Income taxes for the period amount to €54.1 million (€26.6 million). They are mainly affected by the temporary non-recovery of taxes paid abroad under the legislation of the countries where the branches operate and variations in the performances of the group companies.

Loss from discontinued operations

The loss from discontinued operations of €3.4 million is entirely due to the divisions being sold by Astaldi.

Non-controlling interests

The loss attributable to non-controlling interests is €8.6 million compared to €2.2 million for the corresponding period of 2020.

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 2020	30 June 2021	Variation
Non-current assets	6.1-6.2-6.3-8	1,868,750	1,975,270	106,520
Goodwill	7	70,020	72,151	2,131
Net non-current liabilities held for sale	18	(5,062)	(4,562)	500
Provisions for risks	24	(196,351)	(197,009)	(658)
Post-employment benefits and employee benefits	23	(63,349)	(51,509)	11,840
Net tax assets	10-15-26	371,650	382,006	10,356
- Inventories	11	198,325	197,793	(532)
- Contract assets	12	2,754,203	2,538,749	(215,454)
- Contract liabilities	12	(2,132,476)	(2,177,916)	(45,440)
- Receivables (**)	13	1,888,050	2,323,709	435,659
- Liabilities (**)	25	(2,703,236)	(2,895,470)	(192,234)
- Other current assets	16	1,006,796	961,027	(45,769)
- Other current liabilities	27	(530,544)	(577,127)	(46,583)
Working capital		481,118	370,765	(110,353)
Net invested capital		**2,526,776**	**2,547,112**	**20,336**
Equity attributable to the owners of the parent		**1,428,989**	**1,355,286**	**(73,703)**
Non-controlling interests		655,893	651,801	(4,092)
Equity	19	**2,084,882**	**2,007,087**	**(77,795)**
Net financial indebtedness		**441,894**	**540,025**	**98,131**
Total financial resources		**2,526,776**	**2,547,112**	**20,336**

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

(**) This item shows liabilities of €9.4 million and receivables of €4.0 million classified in net financial indebtedness and related to the Group’s net amounts due from/to unconsolidated consortia and consortium companies (SPEs) operating under a cost recharging system. 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 “Liabilities” for €3.3 million and “Receivables” for €1.8 million at 31 December 2020.

Net invested capital

This item increased by €20.3 million on the previous year end to €2,547.1 million at 30 June 2021. The main changes are due to the factors listed below.

Non-current assets

Non-current assets increased by €106.5 million. They may be analysed as follows:

(€'000)	31 December 2020	30 June 2021	Variation
Property, plant and equipment	477,498	536,422	58,924
Right-of-use assets	164,632	147,839	(16,793)
Investment property	120	116	(4)
Intangible assets	586,367	543,848	(42,519)
Equity investments	640,135	747,042	106,907
Total non-current assets	**1,868,752**	**1,975,267**	**106,515**

Property, plant and equipment increased by €58.9 million, chiefly as a result of:

- investments of €111.1 million, mostly for the Snowy 2.0 project in Australia;
- partly offset by depreciation of €33.3 million;
- disposals of €18.8 million.

The right-of-use assets mostly comprise plant and machinery and buildings. The decrease is due to depreciation of €35.5 million partly offset by the new investments made during the six months.

Intangible assets show a net decrease of €42.5 million, mainly as a result of the amortisation of €57.2 million, of which €37.8 million related to the PPA procedure for Astaldi.

The €106.9 million net increase in equity investments is chiefly due to capital transactions which increased the carrying amount of the investment in Grupo Unidos por el Canal by €95.1 million.

Net tax assets

The following table analyses the item:

(€'000)	31 December 2020	30 June 2021	Variation
Deferred tax assets	368,364	296,920	(71,444)
Deferred tax liabilities	(137,186)	(69,256)	67,930
Net deferred tax assets	**231,178**	**227,664**	**(3,514)**
Current tax assets	114,297	106,585	(7,712)
Current tax liabilities	(127,295)	(102,138)	25,157
Net current tax assets (liabilities)	**(12,998)**	**4,447**	**17,445**
Other current tax assets	229,448	240,577	11,129
Other current tax liabilities	(75,978)	(90,682)	(14,704)
Other current tax assets	**153,470**	**149,895**	**(3,575)**
Net tax assets	**371,650**	**382,006**	**10,356**

This item mostly shows the reversal of deferred tax assets and liabilities arising on temporary differences between statutory and tax regulations reviewed in light of the Group's non-recurring transactions.

Working capital

Working capital decreased by €110.4 million from €481.1 million at 31 December 2020 to €370.8 million at the reporting date.

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

- receivables increased by €435.7 million. This is mostly due to the rise in receivables related to the contracts in Saudi Arabia (€129.2 million) and Ethiopia (€63.2 million), the ongoing works to build sector 3 of the Ruta del Sol Motorway in Colombia (€60 million), the new contract for the north section of the Messina - Catania railway line (€60 million) and works for the high speed/capacity Milan - Genoa railway line (€43.1 million);
- liabilities increased by €192.2 million, mostly in relation to the new contract for the north section of the Messina - Catania railway section (€60.2 million) and the greater liabilities of SLC Snowy Hydro Joint Venture, involved in the civil engineering and electromechanical works for the Snowy 2.0 contract in Australia (€43.9 million);
- contract assets and liabilities amount to €2,538.7 million (€2,754.2 million) and €2,177.9 million (€2,132.5 million) respectively. The decrease in contract assets mostly refers to the GERD contract in Ethiopia (€216.3 million) after the two large riders signed in the period related to variation order no. 9 and the settlement of claims. Contract liabilities increased by €45.4 million due to the rise in contract advances, partly offset by the reduction in liabilities for contract work in progress;
- other current assets and liabilities amount to €961.0 million (€1,006.8 million) and €577.1 million (€530.5 million), respectively. The variation in these items is mainly a result of changes in the Iricav Due project, for which work commenced at the end of 2020.

Net financial indebtedness

Table 3 - Net financial indebtedness of Webuild Group

The following table shows the Group's net financial indebtedness at 30 June 2021 and 31 December 2020:

(€'000)	Note (*)	31 December 2020	30 June 2021	Variation
Non-current financial assets	9	321,952	319,094	(2,858)
Current financial assets	14	339,002	388,762	49,760
Cash and cash equivalents	17	2,455,125	1,714,739	(740,386)
Total cash and cash equivalents and other financial assets		**3,116,079**	**2,422,595**	**(693,484)**
Bank and other loans and borrowings	20	(767,494)	(778,487)	(10,993)
Bonds	21	(1,288,620)	(1,486,182)	(197,562)
Lease liabilities	22	(98,881)	(97,902)	979
Total non-current indebtedness		**(2,154,995)**	**(2,362,571)**	**(207,576)**
Current portion of bank loans and borrowings and current account facilities	20	(1,077,309)	(507,384)	569,925
Current portion of bonds	21	(246,910)	(33,502)	213,408
Current portion of lease liabilities	22	(79,557)	(58,644)	20,913
Total current indebtedness		**(1,403,776)**	**(599,530)**	**804,246**
Derivative assets	9-14	2,259	4,895	2,636
Net financial debt with unconsolidated SPEs (**)		(1,461)	(5,414)	(3,953)
Total other financial assets (liabilities)		**798**	**(519)**	**(1,317)**
Net financial indebtedness - continuing operations		**(441,894)**	**(540,025)**	**(98,131)**
Net financial position - discontinued operations		116	117	1
Net financial indebtedness including discontinued operations		**(441,778)**	**(539,908)**	**(98,130)**

(*) 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.

The Group's net financial indebtedness at 30 June 2021 amounts to €539.9 million, an increase of €98.1 million on 31 December 2020, mostly due to the payment of USD110 million to GUPC to settle the Group's share of its debt with the customer as per the arbitration tribunal's final award (more information is available in the "Main risk factors and uncertainties" section while the statement of cash flows provides details of the related cash flows).

The Group continues to decrease its net financial indebtedness, which is €558.6 million less than at 30 June 2020, when it amounted to €1,098.5 million.

Gross indebtedness of €2,967.5 million shows a decrease of €592.7 million on the 31 December 2020 balance of €3,560.2 million. The Group's cash and cash equivalents amount to €1,714.7 million.

The debt/equity ratio (based on the net financial indebtedness from continuing operations) is 0.27 at group level at the reporting date (0.21).

Webuild has given guarantees of €123.6 million in favour of unconsolidated group companies securing bank loans.

Directors' report -

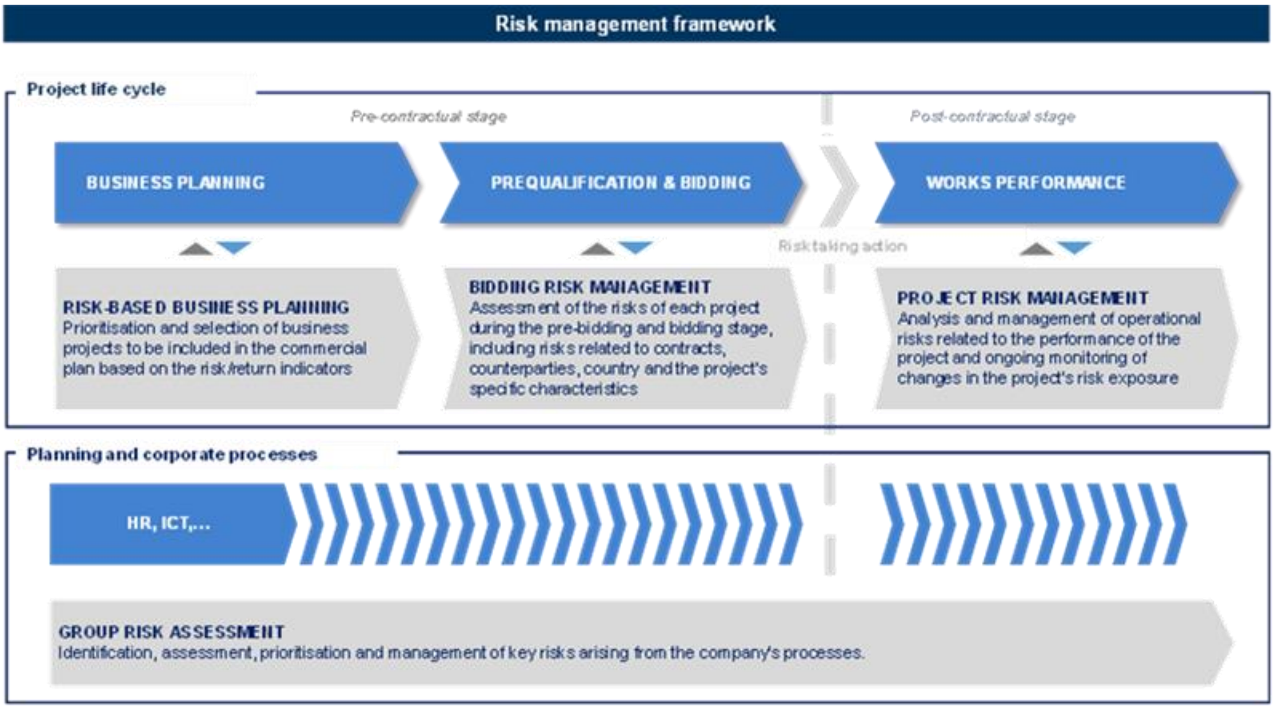
Part II

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 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 six months of 2021, due to the continuation of the Covid-19 pandemic, which broke out in 2020, and for which the Group promptly introduced all the necessary measures to manage the fallout, risk management activities focused on the identification and handling of the repercussions of Covid-19 on the Group's ongoing projects and its general operations.

At the first signs of an emergency, the Group promptly set up a crisis management unit to respond to the emergency and implement the measures set out in the decrees approved by the government during the various stages of the pandemic. It also created a special crisis team, whose duties include proposing suitable measures to manage and monitor changes in the situation at group and individual contract level. It reports regularly to the senior management crisis team, which includes the group risk officer. The team defined and introduced an operating model to be adopted during the crisis period, which includes a dedicated reporting system to be used during the most critical moments by the work sites to communicate with headquarters, which it coordinates. Via this system, senior management is kept up-to-date on developments in the pandemic and its effects on the Group's contracts around the world. Dedicated prevention and emergency management procedures are now an integral part of the day-to-day management of the work sites and the entire order backlog.

The Group has scheduled its annual risk assessment for the second half of the year to analyse its exposure to process risks, given the change in the risks it faces (including the effects of the Covid-19 pandemic) and inclusion of Astaldi in the internal processes. The Group will subsequently implement a mitigation plan based on the outcome of the risk assessment in order to monitor the implementation of the related defined mitigation actions and, therefore, changes in the Group's risk exposure.

As a result of Astaldi's entry into the Group in November 2020, planning activities for the integration and alignment of its risk management model with that of Webuild have been started to ensure a standardised and consistent risk management model in line with best practices and Webuild's standards in the short term. During the six months, the Group also analysed the potential integration risks in order to pre-empt any risks that could affect the post-merger Group's operations and achievement of its objectives.

Astaldi's established procedure of reviewing and updating its risk management model has assisted the Group's regular development and revisiting of its risk analysis methodologies and tools. These activities cover both the bidding and execution stages, focusing on the risk categories deemed most significant to the Group (e.g., country risk and counterparty risk), as well as economic, financial and non-financial risks managed at contract and corporate level.

During the six months, assisted by the competent departments, the risk management unit closely monitored commodity prices to keep senior management updated about any fluctuations and to promptly define risk mitigation 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 also considers specific risk areas such as the counterparty's credit rating, raw materials price volatility and management of insurance issues, equipping itself with effective financial planning tools.

Legal and compliance risk

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.

These risks arise during the bidding stage and/or performance of contracts, should group policies and procedures not be sufficiently adequate for the management of risk factors linked to the level of complexity of the project or unforeseeable events.

To this end, the Group intends to monitor such risks starting at the bidding stage of each contract with a risk/benefit analysis of the project in the event of its award and its impact on the portfolio structure, both in terms of risk concentration and overall risk profile. At this time, Webuild, as part of a wider process, prepares a prebid 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 then performed again at the tender stage and monitored and updated during contract execution in order to promptly detect the risk exposure development 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.

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 occurrence of certain events and/or specific choices that may result in any changes to it, 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 may compromise the Group's normal business operations or attainment of its defined strategic objectives: to this end, it is integrated in strategic and business planning processes, which, therefore, cannot be separated from the Group's risk profile, as well as from its choices in terms of risk appetite.

Main risk factors and uncertainties

In addition to that set out in the “Astaldi” and the “Business risk management” sections, the following specific situations linked to major outstanding disputes, country risk exposure and situations characterised by risk and/or uncertainty profiles at 30 June 2021 should be added to the universe of risk events 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 €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 and, specifically the raw materials required to produce concrete and the processing of such raw materials during normal production activities. Additional problems arose due to the adoption by the customer of operational and management procedures substantially different from those contractually agreed, specifically with regard to the processes for the approval of technical and design solutions suggested by the contractor. These facts, which were the subject of specific disclosures in previous reports published by the Group, continued in 2013 and 2014.Faced with the customer’s persistent unwillingness to reasonably implement appropriate, contractually provided for measures to manage such disputes, the contractor - and thus the original contracting partners - was forced to acknowledge the resulting impossibility to continue the construction activities needed to complete the project at its full and exclusive risk by undertaking the relevant full financial burden without any guarantee of the commencement of objective negotiations with the counterparty. In this context, at the end of 2013, formal notice was sent to the customer to inform it of the intention to immediately suspend work if the customer refused once again to address this dispute in accordance with a contractual approach based on good faith and the willingness of all parties to reach a reasonable agreement.

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

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

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

1. arbitration about the DAB's decisions on the claims presented by GUPC about the inadequate quality of the basalt compared to the quality guaranteed by PCA and the lengthy delays caused by PCA to approve the design formula for the concrete mix. The DAB had found that GUPC was due USD265.3 million, which it collected in full. After the proceeding confirming the arbitration tribunal's competence to rule on the damages incurred by the individual consortium members, the tribunal issued a partial award at the end of September 2020, accepting some of GUPC's claims for USD20.7 million as well as some claims for which the parties have agreed the amounts. PCA also paid GUPC an additional approximate USD6.1 million. The arbitration tribunal defined the arbitration costs with a final award as USD33.4 million (€13.5 million for Webuild). At the end of November 2020, GUPC's legal advisors filed a petition for the cancellation of the partial award with the Miami Court (Florida, USA) and, at the end of April 2021, a petition for cancellation of the final award;
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 the first hearing will take place in September 2021. The arbitration tribunal will define the other proceeding dates during the hearing expected to take place in the first 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 2021, 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. (now FCA N.V., "FCA") is required to follow the registered claims of the general subcontractor CAVTOMI Consortium ("CAVTOMI" or the "consortium"), in which Salini Impregilo (now Webuild) has a share of 74.69%, against the customer Rete Ferroviaria Italiana ("RFI").

Accordingly, in 2008, 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.

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 provided RFI with the following in order to prevent enforcement of the aforementioned ruling, without prejudice to the parties' substantive rights, which are subject to final judgement: (i) payment of an amount of approximately €66 million, and (ii) issue to RFI of a bank surety of €100 million (€75 million by Webuild).

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

A date for the Supreme Court hearing has yet to be set.

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

In addition, 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 is currently carrying out their appraisal.

Strait of Messina bridge - Eurolink

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

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

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

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

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

Eurolink and Webuild filed their appeal against this ruling before the Rome Appeal Court on 28 December 2018. The appeal hearing is at an initial stage.

In accordance with the envisaged methods, the parties involved in appeal hearing no. 29/2019 presented themselves in court: (i) the Ministry of Infrastructure and the Office of the Prime Minister, without presenting a counter appeal; (ii) Stretto di Messina S.p.A. in liquidation presenting a counter appeal; and (iii) Parsons presenting a counter appeal for its part of the proceedings.

At the first hearing held after various postponements on 3 November 2020, due to formal issues, the Appeal Court deferred the hearing to 12 January 2021 and subsequently with a special measure of 3 December 2020 to 8 March 2022 for the conclusions.

Eurolink sent formal letters (letters before action) dated 24 December 2020 requesting payment of approximately €60 million as compensation for the costs incurred, the legally-due compensation and to free the bank surety of €239 million.

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

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

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

Orastie - Sibiu motorway

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

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

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

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

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

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

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

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

With respect to the arbitration proceedings commenced before the Paris International Chamber of Commerce for the delays and additional costs of €57 million, on 17 October 2019, the award was 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.

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 the 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 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 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, 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.

CCSIC intends to appeal against this ruling before the Santa Catarina Appeal Court, assisted by 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 the 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 events may take place in the future that cannot currently be foreseen and that could make it necessary to change its valuations.

Rome Metro

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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 rider partly settled some claims made as part of the arbitration proceedings in place for the contract variations as part of the national arbitration at the Bogotà Chamber of Commerce and the claims before the International Chamber of Commerce as part of the international arbitration.

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

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

On 8 May 2020, the 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 riders (nos 10, 11 and 12) to the concession contract, on 4 June 2021, the credit facility 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.

The Group has already commenced appropriate legal measures to protect its rights and, accordingly, filed a claim form with the Warsaw first level court on 31 October 2019 for the recovery of the costs not paid before termination of the contract, claims and compensation for the irregular termination. In February 2020, the customer filed a counterclaim for approximately €2.9 million as contractual fines due to the termination of the contract for reasons allegedly attributable to the joint venture.

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 the 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 the 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 notified that the contract terminated for reasons attributable to the customer as a result of reported defaults that were not remedied by the customer.

The Group has commenced appropriate legal measures to protect its rights and, accordingly, filed a claim form with the Warsaw first level court on 31 October 2019 for the return of the amounts related to the undue enforcement of the performance bonds and payment of the fines. The customer's rejoinder and replication was received on 8 January 2021 and it includes a counterclaim for around €11 million for delays, payments made by it to subcontractors, costs for work site maintenance, costs to reorganise traffic and interest. In April 2021, the judge excluded the customer's counterclaim from the proceedings for its examination in a separate proceeding.

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 the 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.

Webuild has paid roughly €15 million so that the customer would not enforce the bank guarantees.

The Group has commenced appropriate legal measures to protect its rights and, accordingly, filed the first claim form with the Warsaw first level court for the return of the amounts related to the undue enforcement of the bank guarantees.

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 the 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.

Webuild has commenced appropriate legal measures to protect its rights and, accordingly, filed an update of its first claim form (filed on 4 November 2020) with the Warsaw first level court on 21 December 2020. It has asked that the judge find the contract to be terminated unjustly and that it be due the additional consideration of approximately €55 million.

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

Copenhagen Cityringen

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

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

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

In 2020, a year after the handover, when the performance bonds were to be reduced from 3% to 1%, the customer presented counterclaims for approximately €43 million blocking this reduction. The Group deems that these counterclaims are completely groundless and lacking the minimum requirements to be considered as such, by virtue of their failure to provide even the most basic information, such as a description of the events, timing, place of the facts, the cause effect link, contractual justification and support for quantification. On the basis of the above, CMT entirely rejected the counterclaims, judging them without any foundation.

On 26 April 2021, the Group presented the Building and Construction Arbitration Board with its supplementary statement of claim. Therefore, at that date, all its claims have been formally filed with the arbitration tribunal.

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, after which, the joint venture applied for arbitration to the Australian Centre for International Commercial Arbitration on 20 July 2021.

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, the Galfar/Webuild/Cimolai joint venture has claimed damages of not less than QAR715 million (approximately €161 million).

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

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, they considered the above costs and compensation for the subcontractor's delays and negligence to the extent they deem it is highly probable that GSIC JV's counterclaim will be successful, also based on the opinion of the Group's legal advisors.

However, they cannot exclude that events may take place in the future that cannot currently be foreseen and that could make it necessary to change their 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 S.p.A., Larsen & Toubro, Salini Saudi Arabia and Nesma.

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

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

The arbitration proceedings are at an initial stage. The Group has a 59.14% interest in the joint venture.

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

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

The amounts involved are USD6.2 million, USD7.0 million and USD0.5 million, respectively

The initial documentation is being filed and the arbitrators are being appointed.

The Group has a 100% interest in the joint venture.

Slovakia

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

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

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

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

The joint venture filed its second application for arbitration with ICC on 28 June 2021. The proceeding is at an initial stage and the parties are discussing the joining of the two arbitration proceedings.

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 2015 (when the contracts were terminated ope legis), without forwarding it to Fibe, and that total outstanding receivables totalled €74.3 million.

In its ruling no. 7323/2016, the Regional Administrative Court decided that the special commissioner should pay the amounts claimed by Fibe only after the assessment is completed and, hence, including amounts already collected by the administration. Fibe challenged this ruling with the Council of State which rejected it with its ruling no. 1759/2018. A petition for the conclusion of the proceedings was then filed. After the resignation of the special commissioner, the Regional Administrative Court appointed a new commissioner on 16 April 2018. As this commissioner did not accept the position, on 10 January 2019, another commissioner was appointed that filed a report on 13 January 2020 confirming the findings reported by the previous commissioner in November 2014. Due to the interim payments made which reduced the total amounts due, the commissioner calculated the amounts outstanding as fees to be €54.8 million and deferred the definitive calculation of the amounts of €3.1 million in addition to that already ascertained and the total amount of interest and fines due to Fibe to a second stage. On 29 January 2021, the commissioner filed another report setting out the definitive calculation of the amounts due to be €57.3 million and the interest and fines due to Fibe as €62.7 million. The Regional Administrative Court ruled on 4 March 2021 that the mandate given to the special commissioner had ended and confirmed the amounts ascertained by them.

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

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

In May 2020, Fibe filed: (i) an appeal before the Council of State challenging the rulings and the error identified by the Appeal Judge; (ii) an appeal before the Supreme Count. On 26 February 2021, the Council of State accepted the appeal challenging the rulings and recognised Fibe's subjective right to the amounts due to it. It ordered the administration to complete the initial investigation while immediately appointing a special commissioner (the state general accounting office or its delegate) to step in should the administration fail to comply.

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

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

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

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

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

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

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

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

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

Webuild deems the risk of an unfavourable ruling is remote and that the assets recognised under intangible assets at 30 June 2021 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. 231/01 without claims for compensation being made against these companies.
In the hearing of 21 March 2013, the Preliminary Hearing Judge ordered that all the defendants and companies involved pursuant to Legislative decree no. 231/2001 be committed for trial for all charges, transferring the proceedings to the Rome Court as a result of an acting judge being listed by the Naples public prosecutor as under investigation.

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

COVIV consortium

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

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

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

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

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

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

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

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

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

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

The Alessandra Court has yet to set the date for the preliminary hearing before the Preliminary Hearing Judge.

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

Cossi Costruzioni S.p.A.

Cossi Costruzioni S.p.A. was notified of the commencement of proceedings before the Rimini Court for an alleged administrative offence as per article 25-septies.3 of Legislative decree no. 231/2001. The preliminary investigation is still ongoing.

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

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

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

Ministry presented a preliminary report prepared by I.S.P.R.A. (a body which is part of the Ministry).

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

On 30 October 2017, the Florence Court found all the defendants not guilty and the public prosecutor appealed the ruling on 20 June 2019. The Supreme Court accepted the public prosecutor's appeal on 19 January 2021 and overturned the Florence Court's ruling, remitting continuation of the case to the Appeal Court. The reasons of the ruling have been filed and the Group is currently waiting to receive the application for the reinstatement of proceedings of the Florence public prosecutor.

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.

Investigations by the judiciary - Milan Court (proceeding commenced before the Monza Court)

Following the proceeding commenced by the public prosecutor before the Monza Court involving the chairman of the board of directors and the chief executive officer of the then Impregilo when the events took place, Impregilo S.p.A. (which subsequently became Salini Impregilo S.p.A. and is now Webuild S.p.A.) was subjected to a preliminary investigation. The alleged charge was that Impregilo had prepared and implemented an organisational model that was not suitable to prevent crimes and this was due to the directors involved in the investigation which would have benefited therefrom.

After articulated and complex procedural phases, on 21 March 2012, with respect to the appeal made by the public prosecutor against the first level ruling that had acquitted Impregilo of the responsibilities as per Law no. 231/02, the Milan Appeal Court rejected the requests of the public prosecutor and fully confirmed the first level ruling which, inter alia, found the company's organisational model to be suitable. The public prosecutor appealed this ruling before the Supreme Court which cancelled the Milan Appeal Court's ruling in its sentence no. 4677/14 of 18 December 2013. It referred the case to another section of the same court for a review of its merits. The proceeding was resumed before the Milan Appeal Court which acquitted the company in the hearing of 19 November 2014 and confirmed the remainder of the Milan Court's Judge for the Preliminary Investigation's acquittal ruling of 17 November 2009. The reasonings for this acquittal ruling were only filed with the Appeal Court's secretary on 30 April 2021. The attorney general (represented by the chief prosecutor) presented another appeal to the Supreme Court against the Appeal Court's most recent ruling with an application notified on 14 June 2021. A date has yet to be used to hear this appeal.

Arturo Merino Benitez International Airport in Santiago (ICC arbitration no. 25888/GR) (Chile)

With respect to the dispute described in the section on Astaldi, Vinci Constructions Grands Projets (VCGP) has also summonsed Webuild and its chairperson for the same criminal proceedings about the same case of defamation and claims. Webuild has already taken the appropriate measures to counter VCGP's claims through its lawyers although it deems they are groundless.

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., Lybian 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 administrators 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 has 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 relationships) and the amounts due as interest.

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 also because the ongoing strategic works are expected to be continued.

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

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.

Webuild does 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. Moreover, the Group's exposure for that project is not material. The Group is also involved in the Libyan Coastal Highway project which leads to the Egyptian border for the stretch through Cyrenaica, which had not yet been started at the reporting date.

Impregilo Lidco won important contracts for the construction of:

- infrastructural works in Tripoli and Misuratah;
- university campuses in Misuratah, Tarhunah and Zliten;
- a new Conference Hall in Tripoli.

Despite the dramatic political and social events in Libya from 2011, 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.

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 until the elections of 24 December 2021.

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.

Uncertainty continues to be rife about the Argentine government's ability to meet its commitments with international creditors for the repayment of the public debt falling due during the year. It is engaged in restructuring talks with both the Paris Club and the IMF.

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. The monthly payment certificates have been collected regularly.

Venezuela

Webuild Group has operated in Venezuela for over thirty years and has a stable presence there through its permanent organisation. It carries out important projects to develop the South American country directly or in partnerships with international partners.

The work in progress, mainly in the railway and hydroelectric sectors, relates to the following contracts:

- Railway sector:
  - i) Puerto Cabello - La Encrucijada section project;
  - ii) Guarico project, for the San Juan de Los Morros - San Fernando de Apure and Chaguaramas - Cabruta sections;
- Hydroelectric sector:
  - i) the Tocoma dam project.

The customers for the above projects are all government agencies (the Venezuelan government or related bodies).

In the past, the Venezuelan government reconfirmed its intention to complete the railway and hydroelectrical projects, deemed to be of strategic interest for the country's development. However, these contracts have seen non-payment, temporary suspensions and minimum maintenance activities in the last five years.

Given the country's situation, the Group monitored the local social, economic and political situation during the period applying assessments and methodical decisions in line with the analyses performed during preparation of the consolidated financial statements at 31 December 2020.

Parliamentary elections were held in December 2020 confirming a parliament fully controlled by the political forces that backed the previous government. The currency's additional depreciation, which has continued into the first half of 2021, has meant that the prices of food and services continue to increase.

In April 2021, IFE ("Instituto de Ferrocarriles del Estado") notified the commencement of three administrative procedures for the unilateral termination of the railway contracts. The railway consortia presented their defence briefs for each procedure and filed a preventive seizure measure application with the arbitration tribunal.

In recent years, the Group fully impaired the recoverable amount of its exposure with the government agencies given the negative developments and the significant deterioration in Venezuela's credit rating.

Nigeria

This country's economy continues to be affected by the pandemic, the diffusion of which is hard to quantify. The contagion rate is low although this is probably due to the small number of daily tests. The government has not introduced particularly restrictive measures even though the national health system is inadequate. In March 2021, a small-scale free vaccination campaign was introduced with minimal success due to the population's disinformation and superficiality.

General discontent and the shuttering of many sectors have led to civil unrest in 2021 with frequent violent incidents. The economic outlook does not prospect a recovery for the construction sector, which is currently on standby, except for some limited progress on certain strategically important projects.

The country's income is tied to oil and although prices have increased to around USD67/barrel, this does not cover public spending requirements. The official Naira/Euro exchange rate set by the Central Bank of Nigeria (CBN) has increased from 466 points in December 2020 to the current 487 points in June 2021. The CBN devalued the local currency by around 8% on 21 May 2021.

Nigeria's economic prospects are undoubtedly gloomy. Foreign investment and loans to cover its national budget have been suspended or diversified to other priorities such as public/administrative spending and bolstering healthcare structures. A proper relaunch of the eight ongoing contracts is not foreseeable in the short term although some activity is being carried out on the Suleja-Minna Road, the Adiyan Water Treatment Plant, INEX and ISEX Road.

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.

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.

Nigeria continues to be a major African country and has great potential to transform its economy and lead the way in the continent's future economic recovery

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

This country's political and economic situation is still extremely difficult, even after the recent presidential elections, although great change is expected after the forthcoming parliamentary elections.

While there has been a gradual improvement in the local economic situation, the public accounts continue to suffer, mostly as a result of the lack of internal and external investments and reforms that would boost the country's economy.

During the performance of the contract to upgrade the Kiev - Kharkiv - Dovzhanskiy section of the M03 motorway from 2013 to 2016, there were no significant threats to its activities. The work site, located near Poltava, was far from the areas most affected by the armed conflict between Ukraine and Russia (the Donbass war).

From a financial viewpoint, the Group is not exposed to currency depreciation risk since the contractual amounts are paid in Euros and US dollars at rates agreed when the contract was signed.

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 €137 million at 30 June 2021), 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 has 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 in the initial petitum of approximately €20 million, equal to around the equivalent of €137 million, net of interest that continues to accrue in Todini's favour. 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, expected to be issued by mid-2022 and which will also set out the arbitration costs. Todini has maintained the right to payment for the partial awards accepted many years ago by the Ukraine court.

In view of the present critical situation, it cannot be excluded that events not foreseeable at the date of preparation of this Report 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 condensed interim 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 ("JV not controlled by Lane") show the status of contracts managed directly by Lane Group or through non-controlling investments in joint ventures.

The IFRS figures for the first half of 2020 have also been adjusted to sterilise the effects of the out-of-court agreement with Società Italiana per Condotte d'Acqua S.p.A. under extraordinary administration ("Condotte"), which led Webuild to recognise the cost of the compensation (€35.3 million) paid to Condotte for its discontinuation of the pending disputes related to the COCIV consortium's board of representatives' resolution of 19 December 2019, which provided for the "transfer of title" of Condotte's 31% interest in the COCIV consortium by recognising an impairment loss of €20.3 million on its receivables due from Condotte and compensation of €15.0 million recognised under other operating expenses.

Events after the reporting period

Award of a €1.43 billion contract for the base tunnel of the high speed/capacity Turin - Lyon railway line as part of a joint venture

On 7 July 2021, Webuild was awarded a new contract worth €1.43 billion for the excavation of a section of the base tunnel of the high speed/capacity Turin - Lyon railway line. The new TELT contract will be performed as part of a 50:50 joint venture with the French group Vinci.

Commissioned by Tunnel Euralpin Lyon Turin (TELT), the contract involves Lot 2, Work Sites 6 (La Praz) and 7 (Saint-Martin-de-la-Porte). It entails excavating a combined total of 46 kilometres, including the two parallel tunnels for the railway as well as auxiliary tunnels and caverns between the towns of Saint-Martin-de-la-Porte and La Praz on the French side of the border.

Finalised acquisition of 100% of Seli Overseas S.p.A.

On 27 July 2021, Webuild's acquisition of 100% of Seli Overseas S.p.A. was formalised as part of the auction as per article 163-bis of the Bankruptcy Law commenced in April 2021 by the judicial liquidator of Grandi Lavori Fincosit S.p.A. under composition with creditors procedure. Seli Overseas S.p.A. operates in the construction sector specialising in mechanised tunnelling for underground works.

Outlook

Webuild will continue to:

a) **pursue sustainability objectives**, both during the construction phases and operation of the infrastructure;
b) **continue its ongoing order derisking,** availing of the opportunities created by larger investments in infrastructure in low risk geographical areas;
c) **consolidate its home base in Italy**, to benefit from the possibilities created by the new infrastructure plan, which includes, inter alia, a new advances payment system and a streamlined call for tenders procedure;
d) **expand into related sectors**, to diversify the order backlog and stabilise cash flows, such as the non-recurring maintenance of infrastructure in Italy;
e) **continue the planned operating efficiency actions, for which €120 million has been earmarked**, before 2023;
f) **strengthen its innovative leader status**, including by investing in digitalising its core processes, construction techniques, quality, safety and environment initiatives.

Considering the Group’s current consolidation scope, its 2021 financial forecasts include:

- **Revenue**: between €6.5 billion and €7.2 billion;
- **returning the EBITDA margin** to around 8%, assisting by the ongoing cost streamlining process;
- **reducing net indebtedness**: between €0.5 billion and €0.3 billion.

These objectives may have to be revisited to reflect changes in the current pandemic situation and the unpredictable effects of possible new outbreaks in the countries where the Group operates.

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 six months are described below:

- research, design and development of an innovative integrated platform for advanced construction production processes, comprising four strongly inter-related pillars:
  - Big Data & Digital Twins
  - Knowledge Management e Collaboration & Process Revision and BPM System
  - Fleet Management System
  - Procurement Platform
- study and experimental development of innovative energy systems and an integrated platform for work site monitoring, management and efficiency to promote the energy transition and digitalisation;
- design, analysis and development of high energy efficient mechanised excavation systems to minimise excavation machines' energy consumption without compromising their performances;
- study, analysis and experimental development of fully electric or hybrid propulsion multi-service means of transport to transport materials and personnel underground at the work sites and to assist the TBM with the mechanised excavation works;
- study and experimental development of an innovative automated, robotic industrial facility for prefabrication with low environmental impact and powered with renewable energy;
- 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 30 April 2021, 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' meetings" part of the "Governance" section on the parent's website www.webuildgroup.com).

That being said, at the date of preparation of this report, the Group does not have a treasury share repurchase programme. At 30 June 2021, the parent had 1,330,845 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 2021

Condensed interim consolidated financial statements

Statement of financial position

ASSETS (€'000)	Note	31 December 2020	of which: related parties	30 June 2021	of which: related parties
Non-current assets					
Property, plant and equipment	6.1	477,497		536,423	
Right-of-use assets	6.2	164,632		147,839	
Investment property		120		116	
Intangible assets	6.3	586,367		543,848	
Goodwill	7	70,020		72,151	
Equity investments	8	640,134		747,043	
Derivatives and non-current financial assets	9	322,617	150,050	320,300	162,262
Deferred tax assets	10	368,364		296,920	
Total non-current assets		**2,629,751**		**2,664,640**	
Current assets					
Inventories	11	198,325		197,793	
Contract assets	12	2,754,203		2,538,749	
Trade receivables	13	1,889,929	379,367	2,327,708	355,385
Derivatives and other current financial assets	14	340,596	67,495	392,451	73,000
Current tax assets	15	114,297		106,585	
Other current tax assets	15	229,448		240,577	
Other current assets	16	1,006,796	45,085	961,027	37,511
Cash and cash equivalents	17	2,455,125		1,714,739	
Total current assets		**8,988,719**		**8,479,629**	
Non-current assets held for sale and discontinued operations	18	10,049		10,197	
Total assets		**11,628,519**		**11,154,466**	

EQUITY AND LIABILITIES	Note	31 December 2020	of which: related parties	30 June 2021	of which: related parties
(€'000)					
Equity					
Share capital		600,000		600,000	
Share premium reserve		654,486		367,763	
Other reserves		162,616		170,926	
Other comprehensive expense		(245,264)		(219,547)	
Retained earnings		110,161		495,502	
Profit (loss) for the period/year		146,990		(59,357)	
Equity attributable to the owners of the parent		**1,428,989**		**1,355,287**	
Non-controlling interests		655,893		651,801	
Total equity	19	**2,084,882**		**2,007,088**	
Non-current liabilities					
Bank and other loans and borrowings	20	767,494		778,487	6,685
Bonds	21	1,288,620		1,486,182	
Lease liabilities	22	98,881	4,537	97,902	2,057
Post-employment benefits and employee benefits	23	63,349		51,509	
Deferred tax liabilities	10	137,186		69,256	
Provisions for risks	24	196,351		197,009	
Total non-current liabilities		**2,551,881**		**2,680,345**	
Current liabilities					
Current portion of bank loans and borrowings and current account facilities	20	1,077,309	17,054	507,384	45,057
Current portion of bonds	21	246,910		33,502	
Current portion of lease liabilities	22	79,557		58,644	4,204
Contract liabilities	12	2,132,476		2,177,916	
Trade payables	25	2,706,576	153,897	2,904,883	156,503
Current tax liabilities	26	127,295		102,138	
Other current tax liabilities	26	75,978		90,682	
Other current liabilities	27	530,544	34,455	577,127	37,213
Total current liabilities		**6,976,645**		**6,452,276**	
Liabilities directly associated with non-current assets held for sale	18	15,111		14,757	
Total equity and liabilities		**11,628,519**		**11,154,466**	

Statement of profit or loss

(€'000)	Note	1st half 2020	of which: related parties	1st half 2021	of which: related parties
Revenue					
Revenue from contracts with customers	29	1,936,417	63,553	2,846,715	71,711
Other income	29	96,764	5,629	200,433	7,488
Total revenue and other income		**2,033,181**		**3,047,148**	
Operating expenses					
Purchases	30.1	(260,380)	(205)	(432,190)	(239)
Subcontracts	30.2	(691,653)		(969,509)	(13,235)
Services	30.3	(532,558)	(147,063)	(781,000)	(105,965)
Personnel expenses	30.4	(391,981)	(2)	(503,009)	
Other operating expenses	30.5	(69,482)	(3,016)	(178,086)	(8,342)
Impairment losses	30.6	(27,118)		(6,360)	
Amortisation, depreciation and provisions	30.6	(68,829)	(649)	(129,905)	(618)
Total operating expenses		**(2,042,001)**		**(3,000,059)**	
Operating profit (loss)		**(8,820)**		**47,089**	
Financing income (costs) and gains (losses) on equity investments					
Financial income	31.1	42,629	4,725	29,101	6,199
Financial expense	31.2	(76,773)	(2,361)	(102,360)	(4,101)
Net exchange gains (losses)	31.3	(14,487)		19,461	
Net financing costs		(48,631)		(53,798)	
Net losses on equity investments	32	(1,726)		(3,730)	
Net financing costs and net losses on equity investments		**(50,357)**		**(57,528)**	
Loss before tax		**(59,177)**		**(10,439)**	
Income taxes	33	(26,577)		(54,052)	
Loss from continuing operations		**(85,754)**		**(64,491)**	
Profit (loss) from discontinued operations	18	-		(3,448)	
Loss for the period		**(85,754)**		**(67,939)**	
Loss for the period attributable to:					
Owners of the parent		(83,543)		(59,357)	
Non-controlling interests		(2,211)		(8,582)	

Statement of comprehensive income

(€'000)	Note	1st half 2020	1st half 2021
Loss for the period (a)		**(85,754)**	**(67,939)**
Items that may be subsequently reclassified to profit or loss, net of the tax effect:			
Net exchange losses on the translation of foreign companies' financial statements	19	(29,417)	(19)
Net exchange gains (losses) on the translation of foreign companies' financial statements reclassified to profit or loss	19		
Net gains on cash flow hedges, net of the tax effect	19	689	2,122
Net fair value gains (losses) recognised in OCI	19		(1)
Other comprehensive income related to equity-accounted investees	19	7,078	17,435
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	(5,240)	6,728
Other comprehensive income (expense) (b)		**(26,890)**	**26,266**
Comprehensive expense (a) + (b)		**(112,644)**	**(41,673)**
Comprehensive expense attributable to:			
Owners of the parent		(107,856)	(33,639)
Non-controlling interests		(4,788)	(8,035)

Loss per share			
From continuing and discontinued operations	35		
Basic		(0.09)	(0.06)
Diluted		(0.09)	(0.07)
From continuing operations	35		
Basic		(0.09)	(0.06)
Diluted		(0.09)	(0.07)

Statement of cash flows

(€'000)	Note	1st half 2020	1st half 2021
Operating activities			
Loss from continuing operations		(85,754)	(64,491)
adjusted by:			
Amortisation of intangible assets	30	10,593	57,192
Depreciation of property, plant and equipment and right-of-use assets	30	58,454	68,858
Net impairment losses and provisions		26,900	10,215
Accrual for post-employment benefits and employee benefits	23	7,139	9,744
Net gains on the sale of assets		(1,692)	(10,146)
Deferred taxes	33	8,917	2,004
Share of losses of equity-accounted investees	8-24	6,382	3,265
Income taxes	33	17,660	52,048
Net exchange (gains) losses	31	14,487	(19,460)
Net financial expense	31	34,144	73,258
Other non-monetary items		(14,169)	(4,662)
		83,061	**177,826**
Decrease (increase) in inventories and contract assets		(56,156)	210,484
Increase in trade receivables		(208,268)	(393,730)
Increase in contract liabilities		54,177	45,440
Decrease (increase) in trade payables		(97,922)	200,770
Decrease (increase) in other assets/liabilities		(22,179)	52,118
Total changes in working capital		**(330,348)**	**115,082**
Increase in other items not included in working capital		(52,370)	(26,142)
Financial income collected		11,746	5,010
Interest expense paid		(45,863)	(43,523)
Income taxes		(27,406)	(60,484)
Cash flows generated by (used in) operating activities		**(361,180)**	**167,769**
Investing activities			
Net investments in intangible assets	6.3	(264)	(17,411)
Investments in property, plant and equipment and right-of-use assets	6.1	(68,070)	(108,692)
Proceeds from the sale or reimbursement value of property, plant and equipment and intangible assets		20,924	28,519
Investments in non-current financial assets and capital transactions	8	(33,589)	(104,363)
Dividends and capital repayments from equity-accounted investees	8	2,410	17,858
Proceeds from the sale or reimbursement value of non-current financial assets		-	1,224
Acquisitions of subsidiaries and business units net of cash and cash equivalents		11,021	-
Cash flows used in investing activities		**(67,568)**	**(182,865)**

Statement of cash flows

(€'000)	Note	1st half 2020	1st half 2021
Financing activities			
Dividends distributed	19	(27,145)	(51,775)
Capital injection by non-controlling interests in subsidiaries		229	3,946
Increase in bank and other loans	20	1,039,447	441,565
Decrease in bank and other loans	20	(192,708)	(1,007,313)
Decrease in lease liabilities	22	(34,864)	(48,175)
Change in other financial assets/liabilities		(46,496)	(11,633)
Cash flows generated by (used in) financing activities		**738,463**	**(673,386)**
Net exchange gains (losses) on cash and cash equivalents		**(5,518)**	**11,867**
Increase (decrease) in cash and cash equivalents		**304,197**	**(676,614)**
Cash and cash equivalents	17	1,020,858	2,455,125
Current account facilities	20	(79,814)	(68,446)
Total opening cash and cash equivalents		**941,044**	**2,386,679**
Cash and cash equivalents	17	1,331,827	1,714,739
Current account facilities	20	(86,584)	(4,674)
Total closing cash and cash equivalents		**1,245,243**	**1,710,065**

Statement of changes in equity

(€'000)		Share capital	Share premium reserve	Other reserves: Legal reserve	Share capital increase related charges	Extraordinary and other reserves	Reserve for treasury shares	LTI reserve	Inflation reserve	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	Loss for the period	Equity attributable to the owners of the parent	Non-controlling interests	Total
As at 1 January 2020	**19**	**600,000**	**654,486**	**120,000**	**(10,988)**	**136**	**(3,291)**	**-**	**42,724**	**148,581**	**(125,993)**	**(8,861)**	**(6,300)**	**-**	**(141,154)**	**155,610**	**(22,128)**	**1,395,395**	**108,750**	**1,504,145**
Allocation of loss and reserves	19			-						-					-	(22,128)	22,128	-		-
Dividend distribution	19									-					-	(27,145)		(27,145)		(27,145)
Change in consolidation scope	19									-					-	3,824		3,824	(3,824)	-
Capital increase	19	-	-	-	-					-					-			-	30,419	30,419
Other changes and reclassifications	19								4,827	4,827					-			4,827	1,319	6,146
Loss for the period	*19*									-					-		*(83,543)*	(83,543)	(2,211)	(85,754)
Other comprehensive expense	*19*									-	*(26,340)*	*7,266*	*(5,240)*		(24,314)			(24,314)	(2,577)	(26,891)
Comprehensive expense	*19*	-	--	-	-	-	-	-	-	-	*(26,340)*	*7,266*	*(5,240)*		*(24,314)*	-	*(83,543)*	(107,857)	*(4,788)*	(112,644)
At 30 June 2020	**19**	**600,000**	**654,486**	**120,000**	**(10,988)**	**136**	**(3,291)**	**-**	**47,551**	**153,408**	**(152,333)**	**(1,595)**	**(11,540)**	**-**	**(165,468)**	**110,161**	**(83,543)**	**1,269,044**	**131,876**	**1,400,920**
As at 1 January 2021	**19**	**600,000**	**654,486**	**120,000**	**(10,988)**	**136**	**(3,291)**	**-**	**56,759**	**162,616**	**(240,800)**	**(1,737)**	**(2,760)**	**32**	**(245,265)**	**110,161**	**146,990**	**1,428,989**	**655,893**	**2,084,882**
Allocation of profit and reserves	19		(237,638)							-					-	384,628	(146,990)	-		-
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*									-					-		*(59,357)*	(59,357)	(8,583)	(67,939)
Other comprehensive income	*19*									-	*15,596*	*3,394*	*6,726*	-	25,718			25,718	548	26,266
Comprehensive expense	*19*	-	--	-	-	-	-	-	-	-	*15,596*	*3,394*	*6,726*	-	*25,718*	-	*(59,357)*	(33,639)	*(8,034)*	(41,673)
As at 30 June 2021	**19**	**600,000**	**367,763**	**120,000**	**(10,988)**	**136**	**(3,291)**	**-**	**65,070**	**170,927**	**(225,204)**	**1,657**	**3,968**	**32**	**(219,547)**	**495,502**	**(59,357)**	**1,355,289**	**651,801**	**2,007,089**

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 2021 include the financial statements of the parent and its subsidiaries (the "Group"). The Group, created by the reverse merger of the Salini and Impregilo Groups, is a global player in the large-scale infrastructure sector.

The parent's board of directors approved the condensed interim consolidated financial statements on 29 July 2021.

Webuild Group has prepared its condensed interim consolidated financial statements at 30 June 2021 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 and Covid-19" section for details of the assumptions made in the specific context of the pandemic.

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 2020 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 format and content of these condensed interim consolidated financial statements comply with the disclosure requirements of article 154-ter of the Consolidated Finance Act.

The accounting policies adopted to draw up these condensed interim consolidated financial statements at 30 June 2021 are consistent with those used to prepare the 2020 annual consolidated financial statements, to which reference should be made, except for the changes summarised in note 2.

Complex accounting estimates and the effects of Covid-19

As disclosed in the section of the Directors' report on the effects of Covid-19 on the Group's performance, the epidemic has introduced significant uncertainties, especially about external factors.

The preparation of condensed interim consolidated financial statements in accordance with the IFRS requires the directors to make judgements and accounting estimates that affect the carrying amounts of assets and liabilities and financial statements disclosures. Given the crisis situation engendered by Covid-19, these judgements and estimates consider the related uncertainties.

The utilisation of up-to-date group 2021 forecasts that reflects 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 2021 forecasts were prepared considering the critical issues caused by Covid-19.

Firstly, the condensed interim consolidated financial statements at 30 June 2021 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 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 in these six months as a result of the inefficiencies described has not been lost but simply deferred to the future.
- During the period, the Group liaised constantly with its customers to manage the crisis situation in terms of security and compliance with the government measures. In addition, negotiations also commenced on specific contractual issues, mainly the delays due to the shuttering of work sites and the consequent inefficiencies and included discussions about the additional costs incurred due to the crisis situation which the Group has so far borne almost in full.
- 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 2020 and early 2021, it issued bonds of €1 billion to cover most of its 2021 repayments, including the bonds redeemable in June 2021.

  In addition to that set out above, 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 indicators using information obtained during the planning process is particularly important in the current situation. In addition, given that the impairment indicators listed in IAS 36 include a check that the carrying amount of the Group's net assets is more than its market capitalisation and also that the Group's market value decreased as a result of Covid-19, the directors checked this difference for impairment testing purposes and found it to be substantially stable.

  As a result, the directors deemed that this indicator is not an impairment indicator.

- 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 mostly 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 related working capital items, especially those reflecting the net exposure to customers in relation to contract work in progress as a whole.

  Given the Covid-19 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 expected credit losses over the entire expected life of financial instruments.

- 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, 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 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. 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 2021 forecasts before preparation of the condensed interim consolidated financial statements. It also considered all available information, including that obtained during discussions with customers (as described earlier) to confirm the judgements used in making accounting estimates.

- Assessment of the recoverability of deferred tax assets. Deferred tax assets (like deferred tax liabilities) are calculated using temporary differences between the carrying amounts of assets and liabilities and their tax bases. The Group recognises deferred tax assets when their recovery is probable. It checks their carrying amount at each reporting date and decreases it when it is no longer probable that sufficient taxable profits will be earned in future years against which the deferred tax assets can be used in whole or in part. Despite the uncertainties caused by Covid-19, the fact that the Group does not expect to lose profits on its order backlog as the revenue and profits have simply been deferred means that the probability of recovery of the related assets did not change.

Given the uncertain climate generated by Covid-19, 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.

With respect to the economic effects, as described in the section on Covid-19 in the Directors' report, as a global provider of engineering solutions and general contractor for infrastructure works, deemed a strategic sector essential for the economic recovery of many countries, Webuild was able to guarantee substantial continuity in many work sites and the protection of the health and safety of its employees and consultants.

Risk management

The Group is exposed to financial risks which encompass all the risks related to capital availability, affected by credit and liquidity management.

Liquidity risk

Liquidity risk derives from the risk that the financial resources necessary to meet obligations may not be available to the Group at the agreed terms and deadlines.

The Group's strategy aims at ensuring that each ongoing contract is financially independent, 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.

Liquidity risk management is mainly based on maintaining a balanced financial position. This strategy is pursued by each of the Group's operating companies.

Webuild has constantly monitored this risk and has not currently identified particular problems considering its cash and cash equivalents at 30 June 2021.

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 2021 as well.

2. Changes in standards

Changes in standards and effects of new standards

This section lists the standards, amendments and interpretations published by the IFRS, endorsed by the European Union and applicable since 1 January 2021:

Standard/Interpretation	IASB application date
Amendments to IFRS 4 (Insurance contracts) - Deferral of effective date of IFRS 9 (issued on 25 June 2020)	1 January 2021
Interest rates benchmark reform (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) issued on 27 August 2020	1 January 2021

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
IFRS 17 (Insurance contracts) issued on 18 May 2017, including the amendments to IFRS 17 issued on 25 June 2020	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: ▪ 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
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
Amendments to IFRS 16 (Leases) Covid-19-Related Rent Concessions beyond 30 June 2021 (issued on 30 May 2021)	1 April 2021
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

The above standards and amendments applicable since 1 January 2021 have not had a significant effect on the condensed interim consolidated financial statements.

3. Non-current assets held for sale and discontinued operations

Honduras branch (Astaldi)

At 30 June 2021, the Group found that the conditions existed to apply IFRS 5 - Non-current assets held for sale and discontinued operations to the Honduras branch of Astaldi Group. Therefore, it has presented the branch's net assets and operating results separately.

4. Business combinations

As described in the 2020 Annual Report, on 5 November 2020, Webuild completed its acquisition of a controlling investment in Astaldi S.p.A. ("Astaldi") by subscribing a capital increase giving it a 67.23% stake and voting rights of around 64.02%. Following the exercise of warrants at the end of the year, Webuild's direct investment was 66.101%, increased by its indirect investment, giving it a total stake of 66.966% in Astaldi at 31 December 2020. Its direct investment in Astaldi is 66.101% at 30 June 2021.

The acquisition took the form of a cash capital increase of €225 million reserved to Webuild, the proceeds of which were partly used to settle the secured and pre-deductible 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 measured the business combination at the date of acquisition of control of Astaldi in accordance with IFRS 3. Therefore, it determined the fair value of the assets acquired and liabilities assumed using the guidance provided in IFRS 13 and IFRS 3. Specifically:

- the fair value of intangible assets that includes the fair value of Astaldi's order backlog was determined by discounting the contracts' future cash flows. The same method was used to determine the fair value of the equity investments;
- the fair value of the contract assets was determined by discounting the payment streams using the collection forecasts for the 2021-2026 period;
- the fair value of contract liabilities was determined by discounting the expected use of contract advances in the 2021-2023 period.

The cash flows were discounted using the unlevered discounted cash flow method (UDCF). The discount rate reflects the country risk of the country where the project is based and Astaldi's size risk.

The fair value of the provisions for risks was determined considering possible risks as allowed by IFRS 3 as a departure from the provisions of IAS 37.

All the above assets and liabilities are categorised in level 3 as they are based on unobservable inputs.

The difference between the consideration transferred and the net assets acquired was recognised as a gain from a bargain purchase as shown below:

(€'000)	
Consideration transferred to acquire a controlling interest	225,000
Value of the Webuild shares	2,000
Value of the non-controlling interests	425,738
Net assets acquired	(1,200,915)
Gain from a bargain purchase	**(548,177)**

Given the existence of a gain from a bargain purchase, the Group applied the provisions of IFRS 3.34-36 and adopted a prudent approach to measure the identifiable assets acquired, liabilities assumed and the non-controlling interest in the investee, assisted by external advisors. It adopted the partial goodwill approach under which the fair value of the non-controlling interest was determined considering the fair value of the net assets acquired and the fair value of the bonus warrants calculated for the purposes of Astaldi's consolidated financial statements.

The gain from the bargain purchase of €548.2 million was recognised under Other income as "Gain from a bargain purchase" in the statement of profit or loss for the year ended 31 December 2020.

No information came to light during the six months which would have required the above fair values to be revisited. In addition, given the complexity of the transaction, these amounts have been determined on a provisional basis, as allowed by IFRS 3.

Other changes in the consolidation scope

No 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.

For the purposes of Progetto Italia, two separate entities, Webuild Italia S.p.A. and Partecipazioni Italia S.p.A., wholly-owned by Webuild and Astaldi, respectively, have been set up. More information is available in note 34 "Related party transactions".

5. Segment reporting

Segment reporting is presented according to macro geographical regions, based on the management review approach adopted by senior 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 €73.8 million for the first half of 2021 compared to €73.0 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 the first six months of 2020 (statement of profit or loss) and at 31 December 2020 (statement of financial position).

Statement of profit or loss by operating segment - First half of 2020

(€'000)	Italy (*)	Abroad	LANE Group (**)	Total
Revenue from contracts with customers	349,310	1,096,738	490,369	1,936,417
Other income	20,621	73,120	3,023	96,764
Total revenue and other income	**369,931**	**1,169,858**	**493,392**	**2,033,181**
Operating expenses				
Production costs	(348,143)	(786,534)	(349,914)	(1,484,591)
Personnel expenses	(75,253)	(169,111)	(147,617)	(391,981)
Other operating expenses	(42,409)	(25,578)	(1,495)	(69,482)
Total operating expenses	**(465,805)**	**(981,223)**	**(499,026)**	**(1,946,054)**
Gross operating profit (loss)	**(95,874)**	**188,635**	**(5,634)**	**87,127**
Gross operating profit (loss) margin (EBITDA) %	*-25.9%*	*16.1%*	*-1.1%*	*4.3%*
Impairment losses	(19,704)	(4,671)	(2,743)	(27,118)
Amortisation, depreciation and provisions	(23,769)	(24,207)	(20,853)	(68,829)
Operating profit (loss)	**(139,347)**	**159,757**	**(29,230)**	**(8,820)**
Return on Sales				*-0.4%*
Net financing costs and net losses on equity investments				(50,357)
Loss before tax				**(59,177)**
Income taxes				(26,577)
Loss from continuing operations				**(85,754)**
Profit (loss) from discontinued operations				
Loss for the period				**(85,754)**

(*) The operating profit includes the costs of the central units and other general costs of €73.0 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 2021

(€'000)	Italy (*)	Abroad	LANE Group (**)	Total
Revenue from contracts with customers	867,220	1,523,354	456,141	2,846,715
Other income	86,993	100,795	12,645	200,433
Total revenue and other income	**954,213**	**1,624,149**	**468,786**	**3,047,148**
Operating expenses				
Production costs	(644,062)	(1,211,247)	(327,389)	(2,182,699)
Personnel expenses	(132,319)	(240,115)	(130,576)	(503,009)
Other operating expenses	(133,171)	(40,559)	(4,356)	(178,086)
Total operating expenses	**(909,551)**	**(1,491,922)**	**(462,321)**	**(2,863,794)**
Gross operating profit	**44,662**	**132,227**	**6,465**	**183,354**
Gross operating profit margin (EBITDA) %	*4.7%*	*8.1%*	*1.4%*	*6.0%*
Impairment losses	(4,438)	(1,538)	(383)	(6,360)
Amortisation, depreciation and provisions	(73,239)	(39,049)	(17,617)	(129,905)
Operating profit (loss)	**(33,016)**	**91,640**	**(11,535)**	**47,089**
Return on Sales				*1.5%*
Net financing costs and net losses on equity investments				(57,528)
Loss before tax				**(10,439)**
Income taxes				(54,052)
Loss from continuing operations				**(64,492)**
Loss from discontinued operations				(3,448)
Loss for the period				**(67,939)**

(*) 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 (Impregilo New Cross).

The figures for Lane Group in the above tables are its IFRS-compliant figures. They do not include the non-controlling investments in Joint ventures included under "Joint ventures not controlled by Lane" as presented in the Directors' report.

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. Reference should be made to the section on "Financial highlights" of the Directors' report for more information.

Statement of financial position at 31 December 2020 by operating segment

(€'000)	Italy	Abroad	LANE Group	Total
Non-current assets	1,184,288	522,051	232,431	**1,938,770**
Net assets (liabilities) held for sale	23	(5,086)	-	**(5,063)**
Provisions for risks	(70,628)	(66,584)	(59,139)	**(196,351)**
Post-employment benefits and employee benefits	(21,171)	(12,583)	(29,595)	**(63,349)**
Net tax assets (liabiltiies)	432,317	(82,968)	22,300	**371,649**
Working capital	**(261,384)**	**820,691**	**(78,189)**	**481,118**
Net invested capital	**1,263,445**	**1,175,523**	**87,808**	**2,526,776**
Equity				2,084,882
Net financial indebtedness				441,894
Total financial resources				**2,526,776**

Statement of financial position at 30 June 2021 by operating segment

(€'000)	Italy	Abroad	LANE Group	Total
Non-current assets	1,309,910	505,079	232,431	**2,047,421**
Liabilities held for sale, net	(1)	(4,561)	-	**(4,562)**
Provisions for risks	(82,432)	(55,438)	(59,139)	**(197,009)**
Post-employment benefits and employee benefits	(20,212)	(1,702)	(29,595)	**(51,509)**
Net tax assets	318,163	41,543	22,300	**382,006**
Working capital	**(837,635)**	**1,286,590**	**(78,189)**	**370,765**
Net invested capital	**687,793**	**1,771,511**	**87,808**	**2,547,112**
Equity				**2,007,087**
Net financial indebtedness				**540,025**
Total financial resources				**2,547,112**

Statement of financial position

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 2020	30 June 2021	Variation
Property, plant and equipment	477,497	536,423	58,926
Right-of-use assets	164,632	147,839	(16,793)
Investment property	120	116	(4)
Intangible assets	586,367	543,848	(42,519)
Total	**1,228,616**	**1,228,226**	**(390)**

6.1. Property, plant and equipment

Property, plant and equipment amount to €536.4 million, up from the 31 December 2020 figure by €58.9 million. The historical cost and carrying amounts are given in the following table:

	31 December 2020			30 June 2021		
(€'000)	Cost	Acc. depreciation	Carrying amount	Cost	Acc. depreciation	Carrying amount
Land	13,850	-	13,850	13,930	-	13,930
Buildings	141,454	(81,730)	59,724	158,955	(100,363)	58,592
Plant and equipment	951,141	(715,180)	235,961	1,064,408	(779,570)	284,838
Industrial and commercial equipment	110,603	(100,088)	10,515	112,298	(100,062)	12,236
Other assets	64,211	(51,340)	12,871	87,104	(74,454)	12,650
Assets under const. and payments on account	144,577	-	144,577	154,177	-	154,177
Total	**1,425,836**	**(948,338)**	**477,498**	**1,590,872**	**(1,054,449)**	**536,423**

Changes during the period are summarised below:

(€'000)	31 December 2020	Increases	Depreciation	Reversals of imp. losses (Imp. losses)/ Reval.	Reclassifications	Disposals	Exchange gains (losses) and other changes	30 June 2021
Land	13,850	-	-	-	-	(19)	99	13,930
Buildings	59,724	4,428	(4,307)	-	93	(1,329)	(17)	58,592
Plant and machinery	235,961	96,573	(25,630)	(374)	(1,916)	(16,530)	(3,244)	284,838
Industrial and commercial equipment	10,515	3,809	(1,790)	-	(3)	(601)	306	12,236
Other assets	12,871	1,750	(1,615)	-	(153)	(310)	106	12,650
Assets under const. and payments on account	144,577	4,524	-	-	5,585	-	(509)	154,177
Total	**477,498**	**111,084**	**(33,342)**	**(374)**	**3,606**	**(18,789)**	**(3,259)**	**536,423**

The most significant changes include:

- increases of €111.0 million, mainly related to the Australian joint venture Snowy Hydro (€74.0 million), now fully operational, and Lane Group (€11.1 million);
- disposals of €18.8 million, principally related to the Tajikistan branch for the sale of machinery (€10.3 million).

6.2. Right-of-use assets

Right-of-use assets amount to €147.8 million, showing a decrease of €16.8 million on the 31 December 2020 balance.

The historical cost and carrying amounts of the right-of-use assets are shown in the following table:

(€'000)	31 December 2020 Cost	Acc. depreciation	Carrying amount	30 June 2021 Cost	Acc. depreciation	Carrying amount
Land	4,230	(1,692)	2,538	4,261	(2,092)	2,169
Buildings	72,255	(30,881)	41,374	77,290	(37,835)	39,455
Plant and machinery	251,078	(133,474)	117,604	203,617	(100,053)	103,565
Industrial and commercial equipment	3,056	(2,563)	493	2,224	(1,921)	303
Other assets	5,508	(2,885)	2,623	5,559	(3,212)	2,347
Total	**336,127**	**(171,495)**	**164,632**	**292,951**	**(145,113)**	**147,839**

Changes during the period are summarised below:

(€'000)	31 December 2020	Increases	Depreciation	Reversals of imp. losses (Imp. losses)/Reval.	Reclassific-ations	Remeasurement	Exchange gains (losses) and other changes	30 June 2021
Land	2,538	-	(368)	-	16	(16)	-	2,169
Buildings	41,374	8,726	(9,349)	-	361	(2,082)	425	39,455
Plant and machinery	117,604	18,816	(25,285)	(415)	(3,968)	1,554	(4,741)	103,565
Industrial and commercial equipment	493	16	(128)	-	(13)	(65)	1	303
Other assets	2,623	156	(386)	-	(1)	(47)	3	2,347
Total	**164,632**	**27,714**	**(35,516)**	**(415)**	**(3,605)**	**(656)**	**(4,312)**	**147,839**

The most significant changes include the €27.7 million increase, mostly related to Lane Group (€8.1 million) and the Tajikistan branch (€7.5 million).

6.3. Intangible assets

Intangible assets amount to €543.8 million, down from the 31 December 2019 figure by €42.5 million. The item may be analysed as follows:

(€'000)	31 December 2020 Cost	Acc. amortisation	Carrying amount	30 June 2021 Cost	Acc. amortisation	Carrying amount
Rights to infrastructure under concession	63,593	(9,393)	54,200	63,160	(9,451)	53,709
Contract costs	751,187	(220,955)	530,232	765,727	(277,135)	488,592
Other	13,855	(11,920)	1,935	13,713	(12,166)	1,547
Total	**828,635**	**(242,268)**	**586,367**	**842,599**	**(298,751)**	**543,848**

Changes during the period are summarised below:

(€'000)	31 December 2020	Increases	Amortisation	Reversals of imp. losses (Imp. losses)/Reval.	Exchange gains (losses) and other changes	Reclass. and change in cons.scope	30 June 2021
Rights to infrastructure under concession	**54,200**	**154**	**(761)**	**-**	**116**	**-**	**53.709**
Contract acquisition costs	424,287	17,053	(42,722)	-	-	-	398,618
Incremental costs of obtaining a contract	43,661		(6,614)	(3,452)	1,086	-	34,681
Costs to fulfil a contract	62,284	204	(6,711)	(566)	-	82	55,293
Contract costs	**530,232**	17,257	(56,047)	(4,018)	1,086	82	488,592
Other	**1,935**	-	(384)	-	(4)	-	1,547
Total	**586.367**	**17,411**	**(57,192)**	**(4,018)**	**1,198**	**82**	**543,848**

The largest item, contract costs of €488.6 million, decreased by €41.6 million on 31 December 2020. They comprise contract acquisition costs, the incremental costs of obtaining the contract and costs to fulfil the contract.

Changes of the period are mostly a result of:

- amortisation of €57.2 million, of which €37.8 milion related to the PPA procedure; these capitalised costs, are amortised in line with the percentage of completion of the related contracts;
- partly offset by the €17.4 million increase following the reclassification of certain items as part of the PPA procedure performed for the Astaldi Group acquisition from contract assets and contract liabilities;

There are no indicators of impairment for the contracts to which the costs refer.

7. Goodwill

Goodwill of €72.2 million at the reporting date entirely relates to the acquisition of Lane Group finalised in 2016 net of the decrease due to Lane Group's sale of the Plants & Paving division on 12 December 2018.

(€'000)	31 December 2020	Increases	Impairment losses	Net exchange gains	30 June 2021
Lane Group	70,020	-	-	2,131	72,151
Total	**70,020**	**-**	**-**	**2,131**	**72,151**

No indications of impairment were identified during the period.

8. Equity investments

Equity investments increased by €106.9 million to €747.0 million.

(€'000)	31 December 2020	30 June 2021	Variation
Investments in equity-accounted investees	584,431	690,287	105,856
Other equity investments	26,752	27,799	1,047
Participating financial instruments	28,952	28,958	6
Total	**640,135**	**747,043**	**106,908**

The main changes that led to differences in the carrying amounts of the equity investments are summarised below:

(€'000)	30 June 2021
Capital transactions	100,115
Acquisitions, capital injections and disinvestments	(1,124)
Share of loss of equity-accounted investees	(4,210)
Dividends from equity-accounted investees	(7,570)
Reclassifications	(2,391)
Other changes including change in the translation reserve	22,088
Total	**106,908**

The increase in equity investments is due to:

- capital transactions of €100.1 million, related to the investment in Grupo Unidos por el Canal as a result of the injections and payments made on its behalf of €95.1 million;
- the increase in Lane Group's equity investments due to capital transactions of €5.0 million.

The overall effect on profit or loss is analysed in note 32 and includes the changes in the provision for risks on equity investments set out in note 24.

As already described in previous annual 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.

The participating financial instruments were assigned by Astaldi to the group companies as partial settlement of their unsecured claims and qualify as equity instruments pursuant to IAS 32, as they do not include any contractual obligation.

The equity investment subjected to impairment testing after identification of trigger events is described below.

Grupo Unidos Por El Canal S.A.

At 30 June 2021, the Group updated the impairment test performed on the investment in this Panama-based SPE at the end of 2020.

The impairment test was performed by discounting the expected cash flows using the assumed settlement of the claims and other assets held in the SPE as the drivers. Specifically, the cash flows comprised the operating expenses (mainly legal fees) and collections expected in line with the estimated payment timeline of the claims.

The discount rates (4.0% and 4.2%) were defined considering:

- a risk-free component based on the five-year US bonds adjusted to reflect inflation;
- a country risk component;
- a spread that reflects the typical business risk.

The Group recognised an impairment loss of €8.4 million as a result of the test.

No other impairment indicators were identified.

9. Derivatives and non-current financial assets

Derivatives and non-current financial assets of €320.3 million are analysed in the following table:

(€'000)	31 December 2020	30 June 2021	Variation
Loans and receivables - third parties	153,934	136,114	(17,820)
Loans and receivables - unconsolidated group companies and other related parties	150,050	162,262	12,212
Other financial assets	17,968	20,718	2,750
Derivatives	665	1,206	541
Total	**322,617**	**320,300**	**(2,317)**

Loans and receivables - third parties of €136.1 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. The Group is confident that it will recover this amount, based also on the opinion of its legal advisors assisting it with the dispute. More information is available in the "Main risk factors and uncertainties" section in the Directors' report;

- €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 with the dispute. More information is available in the "Main risk factors and uncertainties" section in the Directors' report.

Loans and receivables - unconsolidated group companies and other related parties of €162.3 million (31 December 2020: €150.1 million) mainly relate to:

- the loans of €85.4 million granted by Webuild and Astaldi S.p.A. to SPV Linea M4 S.p.A. (up €15.2 million on 31 December 2020);

- €54.7 million due from Yuma Concessionaria (more details are available in the "Main risk factors and uncertainties" section in the Directors report).

The other financial assets of €20.7 million include:

- unlisted guaranteed-return securities, which mature after one year, amount to €10.3 million and relate to the fund financing Yuma;
- securities of €10.4 million held by Astaldi Group for the OC405 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 €296.9 million and €69.3 million at 30 June 2021, respectively. They are classified under non-current assets and liabilities and are offset if possible. More information about their recoverability is available in the "Complex accounting estimates and the effects of Covid-19" section of note 1.

Changes in the period are shown in the following table:

(€'000)	31 December 2020	30 June 2021	Variation
Deferred tax assets	368,364	296,920	(71,444)
Deferred tax liabilities	(137,186)	(69,256)	67,930

This item mostly shows the reversal of deferred tax assets and liabilities arising on temporary differences between statutory and tax regulations reviewed in light of the Group's non-recurring transactions.

11. Inventories

Inventories total €197.8 million at the reporting date, as shown in the following table:

	31 December 2020			30 June 2021			
(€'000)	Gross amount	Allowance	Carrying amount	Gross amount	Allowance	Carrying amount	Variation
Real estate projects	23,678	(17,534)	6,144	23,678	(17,534)	6,144	-
Finished products and goods	6,026	-	6,026	6,939	-	6,939	913
Raw materials, consumables and supplies	201,439	(15,284)	186,155	200,003	(15,293)	184,710	(1,445)
Total	**231,143**	**(32,818)**	**198,325**	**230,620**	**(32,827)**	**197,793**	**(532)**

Real estate projects

Real estate projects amount to €6.1 million and mainly relate to an area zoned for agricultural use on which it was planned to construct a trade point in Lombardy.

Finished products and goods and Raw materials, consumables and supplies

The carrying amount of these items totals €6.9 million and €184.7 million, respectively, and mainly relates to materials and goods to be used for foreign contracts, including those in Ethiopia (€76.0 million), and finished products and goods of Astaldi Group (€31.5 million).

The carrying amount of raw materials, consumables and supplies is net of an allowance of €32.8 million, analysed below.

Changes in the allowance during the period are shown below:

(€'000)	31 December 2020	Accruals	Utilisations	Reversals	Change in cons. scope	Net exchange gains	30 June 2021
Allowance - real estate projects	17,534	-	-	-	-	-	17,534
Allowance - raw materials	15,284	59	(102)	-	-	52	15,293
Total	**32,818**	**59**	**(102)**	**-**	**-**	**52**	**32,827**

12. Contract assets and liabilities

Contract assets and liabilities can be analysed as follows:

(€'000)	31 December 2020	30 June 2021	Variation
Contract assets	2,754,203	2,538,749	(215,454)
Contract liabilities	2,132,476	2,177,916	45,440

Contract assets mostly represent the right to consideration for work performed but not invoiced at the reporting date, net of contract advances.

Revenue recognised in the reporting period on performance obligations satisfied (or partly satisfied) in previous periods mostly relates to changes in estimates of the percentage of completion and the variable consideration.

Contract liabilities mainly comprise contract advances from customers for projects for which the revenue is recognised over time.

Contract assets

Contract assets of €2,538.7 million include contracts in Italy (€254.2 million) and abroad (€2,284.5 million) and Lane's contracts (€58.3 million).

The following table shows contract assets calculated using the stage of completion method, progress billings and advances:

(€'000)	31 December 2020	30 June 2021	Variation
Contract work in progress	44,202,111	40,574,383	(3,627,728)
Progress payments (on approved work)	(40,405,362)	(37,151,697)	3,253,665
Advances	(1,042,546)	(883,937)	158,609
Total contract assets	**2,754,203**	**2,538,749**	**(215,454)**

The main contract assets relate to the Doha Metro and Al Bayt Stadium in Al Khor City, Qatar (€186.7 million), the Rogun Hydopower Project on the Vakhsh River in Tajikistan (€172.1 million), the Meydan One Mall in Dubai (€154.0 million), road projects in Poland (€142.1 million) and the projects of Astaldi Group acquired in November 2020.

The advances mainly refer to the contract for the metro line in Denmark (€276.5 million) and the contracts in Tajikistan (€266.6 million).

The following table shows a breakdown of the item by geographical segment:

(€'000)	31 December 2020	30 June 2021	Variation
Italy	372,792	254,231	(118,561)
EU (excluding Italy)	664,578	768,220	103,642
Other European countries (non-EU)	48,270	60,751	12,481
Asia/Middle East	783,151	718,705	(64,446)
Africa	480,080	296,648	(183,432)
Americas	221,398	271,386	49,988
Oceania	183,934	168,808	(15,126)
Total	**2,754,203**	**2,538,749**	**(215,454)**

Contract liabilities

This item, included in “Current liabilities”, amounts to €2,177.9 million and refers to Italian contracts (€1,107.2 million) foreign contracts (€1,070.7 million) and Lane Group’s contracts (€114.5 million). It may be analysed as follows:

(€'000)	31 December 2020	30 June 2021	Variation
Contract work in progress	(17,902,972)	(23,377,788)	(5,474,816)
Progress payments (on approved work)	18,272,278	23,317,098	5,044,820
Advances	1,763,170	2,238,606	475,436
Total	**2,132,476**	**2,177,916**	**45,440**

The contracts that most contributed to this item are the works for the Snowy 2.0 hydropower plant in Australia (€415.7 million), the high speed/capacity Verona - Padua railway line section (Iricav Due) (€311.7 million), the third maxi-lot of the Jonica state highway 106 (€272.9 million), Lot 2 Taormina - Giampilieri section of the Messina - Catania railway line (€200.8 million), the Apice - Hirpinia section of the Naples - Bari railway line

(€149.5 million), the Koysha Dam in Ethiopia (€132.0 million) and the high speed/capacity Milan - Genoa railway line section (COCIV) (€96.8 million).

The advances mainly relate to the works for the high speed/capacity Milan - Genoa (COCIV) railway line (€421.7 million), the high speed/capacity Verona - Padua (Iricav Due) railway line (€311.7 million), the Jonica state highway 106 (€272.9 million), Lot 2 Taormina - Giampilieri section of the Messina - Catania railway line (€200.8 million), the Koysha Dam in Ethiopia (€122.0 million) and the Fortezza - Verona railway line (Consorzio Dolomiti Webuild) (€109.3 million).

The increase of €475.4 million in advances is mostly due to works for the high speed/capacity Verona - Padua railway line section (Iricav Due), the Fortezza - Ponte Gardena section of the Fortezza - Verona railway line (Consorzio Dolomiti Webuild), the Orsara - Bovino section of the Naples - Bari railway line and Lot 2 Taormina - Giampilieri section of the Messina - Catania railway line.

The following table shows a breakdown of the item by geographical segment:

(€'000)	31 December 2020	30 June 2021	Variation
Italy	839,419	1,107,186	267,767
EU (excluding Italy)	36,878	31,607	(5,271)
Other European countries (non-EU)	83,056	85,157	2,101
Asia/Middle East	121,686	80,172	(41,514)
Africa	292,195	206,343	(85,852)
Americas	280,513	251,743	(28,770)
Oceania	478,729	415,708	(63,021)
Total	**2,132,476**	**2,177,916**	**45,440**

Contract assets and liabilities, comprising progress payments and advances, include claims for additional consideration of €2,075.6 million and €179.0 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 2021, trade receivables amount to €2,327.7 million, a net increase of €437.8 million compared to 31 December 2020. The item includes receivables of €355.4 million from unconsolidated group companies and other related parties.

This item may be analysed in the following table:

(€'000)	31 December 2020	30 June 2021	Variation
Third parties	1,510,562	1,972,323	461,761
Unconsolidated group companies and other related parties	379,367	355,385	(23,982)
Total	**1,889,929**	**2,327,708**	**437,779**

Trade receivables from third parties may be broken down as follows:

(€'000)	31 December 2020	30 June 2021	Variation
Third parties	1,946,489	2,408,475	461,986
Loss allowance	(435,927)	(436,152)	(225)
Total	**1,510,562**	**1,972,323**	**461,761**

The balance consists of amounts due from customers for invoices issued and for work performed and approved by customers but still to be invoiced.

The item shows an increase of €461.8 million, mostly due to the higher amounts due for the contracts in Ethiopia (principally as a result of the agreement of additional consideration with the amicable settlement of claims), Saudi Arabia, Colombia and Italy (high speed/capacity Milan - Genoa railway line).

It mainly includes:

- amounts due to Astaldi Group of €365.8 million;
- €127.1 million due to 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 in the Directors’ report for more information about this complicated situation and the directors’ related assessments);
- €124.5 million due to Lane Group;
- €107.0 million for Ethiopian contracts;
- €99.0 million for the Salerno-Reggio Calabria S.c.p.A. contract;
- €93.8 million related to HCE, including €65.4 million from Ukravtodor (Ukraine) for fees awarded by the Paris International Court of Arbitration (reference should be made to the “Main risk factors and uncertainties” section in the Directors’ report for more information about this complicated dispute and the directors’ related assessments);

Retentions amount to €155.9 million at the reporting date compared to €135.9 million at 31 December 2020.

The loss allowance amounts to €436.2 million at the reporting date (substantially unchanged from 31 December 2020) and mainly refers to:

- the loss allowance for Venezuelan exposures of €303.0 million;
- default interest of €62.0 million, mostly related to Fibe S.p.A..

More information is available in the "Main risk factors and uncertainties" section of the Directors' report.

Changes in the loss allowance during the period are as follows:

(€'000)	31 December 2020	Impairment losses	Utilisations	Reversals	Change in cons. scope	Reclassifications and other changes	Net exchange gains	30 June 2021
Trade receivables	373,574	191	(8)	(1,338)	-	1,285	480	374,184
Default interest	62,353	-	(419)	-	-	-	34	61,968
Total	**435,927**	**191**	**(427)**	**(1,338)**	**-**	**1,285**	**514**	**436,152**

Trade receivables from unconsolidated group companies and other related parties decreased by €24.0 million to €355.4 million at 30 June 2021.

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 €4.0 million (€1.9 million at 31 December 2020) 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 debt with unconsolidated SPEs" as part of net financial indebtedness.

The following table shows a breakdown of the item by geographical segment:

(€'000)	31 December 2020	30 June 2021	Variation
Italy	836,635	1,025,709	189,074
EU (excluding Italy)	187,785	176,968	(10,817)
Other European countries (non-EU)	151,461	181,832	30,371
Asia/Middle East	200,572	403,193	202,621
Africa	129,733	156,304	26,571
Americas	374,622	380,236	5,614
Oceania	9,121	3,466	(5,655)
Total	**1,889,929**	**2,327,708**	**437,779**

14. Derivatives and other current financial assets

At 30 June 2021, this item of €392.5 million (31 December 2020: €340.6 million) includes the following:

(€'000)	31 December 2020	30 June 2021	Variation
Loans and receivables - third parties	265,794	304,445	38,651
Loans and receivables - unconsolidated group companies and other related parties	67,495	73,000	5,505
Government bonds and insurance shares	5,714	11,317	5,603
Derivatives	1,593	3,689	2,096
Total	**340,596**	**392,451**	**51,855**

Loans and receivables - third parties increased by €38.7 million and mainly consist of:

- approximately €177.8 million disbursed to non-controlling investors of the group companies, mainly active in Australia, the United Arab Emirates and Saudi Arabia;
- €54.2 million related to Astaldi Group and mostly comprising amounts due from the separate unit for the equity injections provided for by the composition with creditors plan to be repaid using the proceeds from the sale of the assets;
- €26.5 million related to the net investment in leases by the COCIV consortium for assets given to subcontractors;
- €20.3 million related to an interest-bearing loan granted to Seli Overseas S.p.A. (over which the parent has usufruct rights granted by the Rome Court in 2018). At the date of preparation of this Report, the Group is finalising its acquisition of the investment in Seli Overseas S.p.A. as part of the auction as per article 163-bis of the Bankruptcy Law commenced in April 2019 by the judicial liquidator of Grandi Lavori Fincosit S.p.A. under composition with creditors procedure.

The increase of €38.7 million in loans and receivables with third parties principally relates to the increase of €20.9 million in the amounts due to Astaldi Group by the separate unit for the equity injections provided for by the composition with creditors plan.

Loans and receivables with unconsolidated group companies and other related parties mainly consist of €18.0 million due from the related party G.A.B.I.RE. S.r.l. and €18.7 million due from the Turkish associate Gaziantep Hastane Sanglik.

The government bonds and insurance shares amount to €11.3 million compared to €5.7 million at 31 December 2020. The item principally comprises securities held by the Group's Argentine companies (€6.4 million) and Astaldi Group for the US-based project OC405 (€4.9 million).

15. Current tax assets and other current tax assets

Current tax assets amount to €106.6 million as follows:

(€'000)	31 December 2020	30 June 2021	Variation
Direct taxes	42,849	44,822	1,973
IRAP	4,408	4,536	128
Foreign direct taxes	67,040	57,227	(9,813)
Total	**114,297**	**106,585**	**(7,712)**

The 30 June 2021 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 tax assets for excess taxes paid abroad by the foreign group companies which will be recovered as per the relevant legislation.

Other current tax assets increased by €11.1 million to €240.6 million at the reporting date as follows:

(€'000)	31 December 2020	30 June 2021	Variation
VAT	204,196	218,332	14,136
Other indirect taxes	25,252	22,245	(3,007)
Total	**229,448**	**240,577**	**11,129**

16. Other current assets

Other current assets of €961.0 million show a decrease of €45.8 million on the previous year end and may be analysed as follows:

(€'000)	31 December 2020	30 June 2021	Variation
Other	434,650	396,975	(37,675)
Advances to suppliers	331,428	331,459	31
Unconsolidated group companies and other related parties	45,085	37,511	(7,574)
Prepayments and accrued income	195,633	195,082	(551)
Total	**1,006,796**	**961,027**	**(45,769)**

Specifically, "Other" includes:

- €141.6 million on the sale of goods and provision of services by Astaldi Group related to its works (leases of machinery and equipment, sale of goods and provision of services) to suppliers and subcontractors;
- €70.1 million mostly due from the former consortium partner to the Cossi LGV consortium related to works for the Monte Ceneri tunnel in Switzerland. The Group has a liability of €69.4 million to the consortium partner recognised under other liabilities against this receivable;

- €47.6 million (unchanged from 31 December 2020) from the public bodies involved in managing the waste emergency in Campania to Fibe. Based on the information available at the date of preparation of these condensed interim consolidated financial statements, the Group believes that the other current assets related to the USW Campania projects will be collected within 12 months, given also the positive outcome of the related disputes. This classification is the best estimate, based also on the assessments provided by independent experts. The section on the "USW Campania projects" and related assessments in the section of the Directors' report on the "Main risk factors and uncertainties" provides more information about these projects;

- €28.6 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. Given that the country's significant economic crisis has not abated, management, assisted by independent experts, tested its exposure for impairment in accordance with IFRS 9 and found that the recoverable amount is substantially in line with the exposure's carrying amount. Based on the information available at the date of preparation of these condensed interim consolidated financial statements, the Group believes that its exposure will be collected after 12 months. This classification is the best estimate, based on the negotiations with the Argentine government. More information is available in the "Main risk factors and uncertainties" section in the Directors report;

- guarantee deposits of €21.8 million given by Astaldi Group mostly to the grantor for mining projects in Chile.

Advances to suppliers amount to €331.5 million, in line with the balance at 31 December 2020. At the reporting date, the largest advances given to suppliers relate mostly to the high speed/capacity Milan - Genoa railway line (€101.4 million), Astaldi Group's activities (€74.3 million), the projects in Saudi Arabia (€35.4 million, mainly for the Riyadh Metro and the housing project (SANG Villas) and the projects in Turkey (€30.3 million).

The item "Unconsolidated group companies and other related parties" decreased by €7.6 million to €37.5 million. At 30 June 2021, it chiefly comprises amounts due from Salini Costruttori S.p.A. and for the Etlik Hastane EPC contract to design, build and operate a healthcare facility in Turkey.

Prepayments and accrued income of €195.1 million are substantially unchanged from 31 December 2020. 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 2020	30 June 2021	Variation
Accrued income:			
- Other	9,429	9,430	1
Total accrued income	**9,429**	**9,430**	**1**
Prepayments:			
- Insurance	95,383	100,703	5,320
- Sureties	45,508	38,496	(7,012)
- Other contract costs	45,313	46,453	1,140
Total prepayments	**186,204**	**185,652**	**(552)**
Total	**195,633**	**195,082**	**(551)**

17. Cash and cash equivalents

At 30 June 2021, cash and cash equivalents amount to €1,714.7 million, down by €740.4 million, as shown below:

(€'000)	31 December 2020	30 June 2021	Variation
Cash and cash equivalents	2,455,125	1,714,739	(740,386)

A breakdown by geographical segment is as follows:

(€'000)	31 December 2020	30 June 2021	Variation
Italy	1,432,561	945,565	(486,996)
EU (excluding Italy)	209,040	113,865	(95,175)
Other European countries (non-EU)	53,966	53,690	(276)
Asia/Middle East	102,352	101,923	(429)
Africa	67,161	69,466	2,305
Americas	430,544	385,018	(45,526)
Oceania	159,501	45,212	(114,289)
Total	**2,455,125**	**1,714,739**	**(740,386)**

The balance includes bank account credit balances at the end of the six months 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 reduction in liquidity in Italy is mostly due to the parent's redemption of bonds and repayment of credit facilities.

The statement of cash flows and the section on the Group's financial position in the Directors' report show the reason for the increase in the item and changes in current account facilities (note 20).

The item comprises tied-up amounts of approximately €65.0 million, which includes €32.3 million related to Astaldi Group and €27.0 million to Arge Tulfes Pfons.

18. Non-current assets held for sale and discontinued operations, liabilities directly associated with non-current assets held for sale and loss from discontinued operations

Net non-current liabilities held for sale amount to approximately €4.6 million at 30 June 2021 and mostly consist of the deficit of Astaldi Group's Honduras branch (variation of €0.5 million compared to 31 December 2020).

These items may be analysed as follows:

(€'000)	31 December 2020	30 June 2021	Variation
Non-current assets held for sale	10,049	10,197	148
Liabilities directly associated with non-current assets held for sale	(15,111)	(14,757)	354
Net non-current liabilities held for sale	**(5,062)**	**(4,560)**	**502**

Breakdown of net non-current liabilities held for sale	**31 December 2020**	
(€'000)	**Astaldi Group's discontinued operations**	**Total**
Non-current assets	1,591	1,591
Current assets	8,458	8,458
Non-current assets held for sale	**10,049**	**10,049**
Non-current liabilities	(7,618)	(7,618)
Current liabilities	(7,493)	(7,493)
Liabilities directly associated with non-current assets held for sale	**(15,111)**	**(15,111)**
Net non-current liabilities held for sale	**(5,062)**	**(5,062)**
- Of which net financial position	*116*	*116*

Breakdown of net non-current liabilities held for sale	**30 June 2021**	
(€'000)	**Astaldi Group's discontinued operations**	**Total**
Non-current assets	4,558	4,558
Current assets	5,639	5,639
Non-current assets held for sale	**10,197**	**10,197**
Non-current liabilities	(7,617)	(7,617)
Current liabilities	(7,140)	(7,140)
Liabilities directly associated with non-current assets held for sale	**(14,757)**	**(14,757)**
Net non-current liabilities held for sale	**(4,560)**	**(4,560)**
- Of which net financial position	*117*	*117*

The loss from discontinued operations of €3.4 million for the first half of 2021 entirely relates to Astaldi Group's discontinued operations.

Specifically, the loss recognised by Astaldi Group's discontinued operations is mostly due to exchange losses (€2.6 million), incurred principally as a result of fluctuations in the Peruvian sol, as well as operating expenses for the legal, tax and administrative procedures involved in closing some of Astaldi S.p.A.'s foreign branches.

It may be broken down as follows:

1st half 2021		
(€'000)	Astaldi Group's discontinued operations	Total
Revenue		
Operating revenue	288	288
Other revenue	1,719	1,719
Total revenue and other income	**2,007**	**2,007**
Operating expenses		
Purchases	(680)	(680)
Other operating expenses	(1,299)	(1,299)
Personnel expense	(897)	(897)
Amortisation, depreciation, provisions and impairment losses	96	96
Total operating expenses	**(2,780)**	**(2,780)**
Operating loss	**(773)**	**(773)**
Financing income (costs) and gains (losses) on equity investments		
Net financing costs	(2,649)	(2,649)
Net financing costs and net gains (losses) on equity investments	**(2,649)**	**(2,649)**
Loss before tax	**(3,422)**	**(3,422)**
Income taxes	(26)	(26)
Loss from discontinued operations	**(3,448)**	**(3,448)**

19. Equity

Equity decreased to €2,007.1 million at 30 June 2021 from €2,084.9 million at the end of 2020 as follows:

(€'000)	31 December 2020	30 June 2021	Variation
Equity attributable to the owners of the parent			
Share capital	600,000	600,000	-
Share premium reserve	654,486	367,763	(286,723)
- Legal reserve	120,000	120,000	-
- Reserve for share capital increase related charges	(10,988)	(10,988)	-
- Reserve for treasury shares	(3,291)	(3,291)	-
- Inflation reserve	56,760	65,069	8,309
- Extraordinary and other reserves	136	136	-
Total other reserves	162,617	170,926	8,309
Other comprehensive expense			
- Translation reserve	(240,800)	(225,203)	15,597
- Hedging reserve	(1,737)	1,657	3,394
- Actuarial reserve	(2,760)	3,968	6,728
- Fair value reserve	32	31	(1)
Total other comprehensive expense	(245,265)	(219,547)	25,718
Retained earnings	110,161	495,502	385,341
Profit (loss) for the period/year	146,990	(59,357)	(206,347)
Equity attributable to the owners of the parent	**1,428,989**	**1,355,287**	**(73,702)**
Share capital and reserves attributable to non-controlling interests	660,954	660,383	(571)
Loss for the period/year attributable to non-controlling interests	(5,061)	(8,582)	(3,521)
Share capital and reserves attributable to non-controlling interests	655,893	651,801	(4,092)
Total	**2,084,882**	**2,007,088**	**(77,794)**

The parent's share capital amounts to €600 million and comprises 892,172,691 ordinary shares and 1,615,491 savings shares, all without a nominal amount.

Changes of the period in the different equity items are summarised in the relevant schedule of the condensed interim consolidated financial statements.

Specifically, in their meeting held on 30 April 2021, the parent's shareholders resolved to:

- cover the loss for 2020 of €351,071,629.76 by using:
  - all the retained earnings (€23,833,255.63);
  - all the negative goodwill (€89,600,768.43);
  - part of the share premium reserve (€237,637,605.70);
- distribute (by using the share premium reserve) €49,085,153.54 as a dividend to the holders of ordinary and savings shares, equal to €0.055 per share, including the legal withholding, for each share with dividend rights and, therefore, excluding the 1,330,845 treasury shares currently held by the parent;

At the reporting date, the parent has 1,330,845 shares for €3,291,089.72. The reserve for treasury shares is unchanged from 31 December 2020. The parent does not have a share repurchase plan at 30 June 2021. On 30 April 2021, 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. That being said, at the date of preparation of this report, the Group does not have a treasury share repurchase programme.

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 Directors' report in the "Main risk factors and uncertainties" section).

The main variation in other comprehensive income items relates to the effect of fluctuations in exchange rates.

20. Bank and other loans, current portion of bank loans and current account facilities

Bank and other loans and borrowings decreased by €558.9 million from 31 December 2020 to €1,285.9 million at period end, as summarised below:

(€'000)	31 December 2020	30 June 2021	Variation
Non-current portion			
- Bank and other loans and borrowings	767,494	778,487	10,993
Current portion			
- Current account facilities and other loans	1,077,309	507,384	(569,925)
Total	**1,844,803**	**1,285,871**	**(558,932)**

The Group's financial indebtedness is broken down by loan type in the following table:

	31 December 2020			30 June 2021		
(€'000)	Non-current	Current	Total	Non-current	Current	Total
Bank corporate loans	547,805	693,982	1,241,787	547,899	201,014	748,913
Bank construction loans	189,021	173,931	362,952	191,074	113,805	304,879
Bank concession financing	11,833	1,123	12,956	11,553	1,293	12,846
Other financing	18,835	80,516	99,351	21,276	85,040	106,316
Total bank and other loans and borrowings	**767,494**	**949,552**	**1,717,046**	**771,802**	**401,152**	**1,172,954**
Current account facilities	-	68,446	68,446	-	4,674	4,674
Factoring liabilities	-	42,257	42,257	-	56,501	56,501
Loans and borrowings - unconsolidated group companies	-	17,054	17,054	6,685	45,057	51,742
Total	**767,494**	**1,077,309**	**1,844,803**	**778,487**	**507,384**	**1,285,871**

Bank corporate loans

Bank corporate loans amount to €748.9 million at the reporting date (31 December 2020: €1,241.8 million) and refer to the parent.

The main conditions of the bank corporate loans in place at 30 June 2021 are as follows:

	Company	Interest rate	Expiry date	Note
Banca IMI (term facility loan)	Webuild	Euribor	2022	(1)
Monte dei Paschi di Siena	Webuild	Fixed	2022	(1)
UBI (revolving facility)	Webuild	Euribor	2024	(1)
Banca IMI (revolving facility)	Webuild	Euribor	2022	(1)
Banca Popolare di Milano (€50 million)	Webuild	Euribor	2024	(1)
Banca Popolare di Milan (€40 million)	Webuild	Euribor	2025	(1)
Banca IMI (€102 million)	Webuild	Euribor	2024	(1)
Banca IMI (€200 million new revolving facility)	Webuild	Euribor	2024	(1)
Banca del Mezzogiorno	Webuild	Euribor	2021	(1)

(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 2021 with its lending banks.

The decrease in corporate loans during the six months is mostly due to the repayment of revolving facilities used in 2020.

Bank construction loans

Bank construction loans amount to €304.9 million at the reporting date and mainly relate to Astaldi (€229.9 million) and Salini Saudi Arabia (€41.6 million).

The reduction in construction loans is principally due to Lane Group's repayment of revolving facilities (€49.0 million drawn down at 31 December 2020) and repayment of the loan for the Colombian projects (€39.7 million at 31 December 2020).

The conditions of the main construction loans in place at period end may be summarised as follows:

	Company	Country	Interest rate	Expiry date
Various banks	Astaldi Group	Italy	Fixed	2026
Various banks	Salini Saudi Arabia	Saudi Arabia	Fixed	2021

Bank concession financing

At 30 June 2021, bank concession financing amounts to €12.8 million as follows:

€'000				31 December 2020			30 June 2021		
	Company	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	6,774	531	6,243	6,517	554	5,963
Credito Sportivo	Piscine dello Stadio S.r.l.	Euro	Italy	6,182	592	5,590	6,329	739	5,590
Total				**12,956**	**1,123**	**11,833**	**12,846**	**1,293**	**11,553**

The conditions of the main concession financing in place at period 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 2020			30 June 2021		
	Company	Country	Total other financing	Current	Non-current	Total other financing	Current	Non-current
Various	Astaldi Group	Various	53,137	47,986	5,151	47,814	46,423	1,391
Various	Galfar Cimolai JV	Qatar	6,763	6,763	-	13,932	13,932	-
Società Italiana Condotte d'Acqua	Webuild	Italy	9,541		9,541	9,541		9,541
Various	French branch	France	2,275	2,275	-	8,411	2,275	6,136
Non-controlling interests	Sabrom	Italy	7,962	7,962	-	8,222	8,222	-
Non-controlling interests	Cossi Costruzioni	Italy	3,942	-	3,942	4,011	-	4,011
Other	Other	Various	15,731	15,530	201	14,385	14,188	197
Total			**99,351**	**80,516**	**18,835**	**106,316**	**85,040**	**21,276**

The €13.0 million increase in other financing mainly relates to the subsidiary Galfar Cimolai J.V. (€7.2 million).

The conditions of the main other financing in place at period end may be summarised as follows:

	Company	Country	Interest rate	Expiry date
Various banks	Astaldi Group	Italy	Euribor/Fixed rate	2026
Società Italiana Condotte d'Acqua	Webuild	Italy	Interest free rate	2024
Galfar Al Misnad	Galfar Cimolai JV	Qatar	Fixed rate	2021
Non-controlling interests	Sabrom	Italy	Fixed rate	2021

Current account facilities

Current account facilities decreased by €63.8 million to €4.7 million at the reporting date.

Factoring liabilities

(€'000)	31 December 2020	30 June 2021	Variation
Astaldi Group (Unicredit)	35,598	38,190	2,592
Salini Saudi Arabia (Riyad Bank)	-	10,743	10,743
Ethiopian branch (Factorit)	3,019	1,940	(1,079)
Astaldi Group (various)	3,640	5,628	1,988
Total	**42,257**	**56,501**	**14,244**

Factoring liabilities relate to the factoring of receivables and increased by €14.2 million, mainly due to Salini Saudi Arabia.

Net financial indebtedness of Webuild Group

(€'000)	Note (*)	31 December 2020	30 June 2021	Variation
Non-current financial assets	9	321,952	319,094	(2,858)
Current financial assets	14	339,002	388,762	49,760
Cash and cash equivalents	17	2,455,125	1,714,739	(740,386)
Total cash and cash equivalents and other financial assets		**3,116,079**	**2,422,595**	**(693,484)**
Bank and other loans and borrowings	20	(767,494)	(778,487)	(10,993)
Bonds	21	(1,288,620)	(1,486,182)	(197,562)
Lease liabilities	22	(98,881)	(97,902)	979
Total non-current indebtedness		**(2,154,995)**	**(2,362,571)**	**(207,576)**
Current portion of bank loans and borrowings and current account facilities	20	(1,077,309)	(507,384)	569,925
Current portion of bonds	21	(246,910)	(33,502)	213,408
Current portion of lease liabilities	22	(79,557)	(58,644)	20,913
Total current indebtedness		**(1,403,776)**	**(599,530)**	**804,246**
Derivative assets	9-14	2,259	4,895	2,636
Net financial debt with unconsolidated SPEs (**)		(1,461)	(5,414)	(3,953)
Total other financial assets (liabilities)		**798**	**(519)**	**(1,317)**
Net financial indebtedness - continuing operations		**(441,894)**	**(540,025)**	**(98,131)**
Net financial position - discontinued operations		116	117	1
Net financial indebtedness including discontinued operations		**(441,778)**	**(539,908)**	**(98,130)**

(*) 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

	(€'000)	31 December 2020	30 June 2021
A	Cash	2,455,125	1,714,739
B	Cash equivalents	-	-
C	Other current financial assets	5,714	11,317
D	**Cash and cash equivalents (A+B+C)**	**2,460,839**	**1,726,056**
E	Current financial liabiltiies (including debt instruments, but excluding the current portion of non-current financial liabilities)	127,757	106,232
F	Current portion of non-current financial liabilities	1,276,019	493,298
G	**Net current financial indebtedness (E+F)**	**1,403,776**	**599,530**
H	**Net current financial position (G-D)**	**(1,057,063)**	**(1,126,526)**
I	Non-current financial liabiltiies (excluding the current portion and debt instruments)	2,154,995	2,362,571
K	Trade payables and other non-current liabilities	99,543	111,136
L	**Non-current financial indebtedness (I+J+K)**	**2,254,538**	**2,473,707**
M	**Total financial indebtedness (H+L)**	**1,197,475**	**1,347,181**

The above table shows the Group's net financial indebtedness in accordance with the ESMA Guidelines of 4 March 2021 while the next table provides a reconciliation between its net financial indebtedness as per these Guidelines and its management accounts:

(Valori in Euro/000)	31 December 2020	30 June 2021
Difference compared to Webuild's net financial indebtedness	**755.697**	**807,273**
Due to:		
Non-current financial assets	321,952	319,094
Current financial assets with a maturity of more than 90 days (*)	333.288	377,445
Derivatives	2,259	4,895
Net financial debt with unconsolidated SPEs	(1,461)	(5,414)
Net financial position of assets held for sale	116	117
Trade payables and other non-current liabilities	99,543	111,136
Total difference	**755,697**	**807,273**

(*) 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 liabilities comprise:

(€'/000)	31 December 2020	30 June 2021
Suppliers	23,858	33,419
Employees	2,821	248
Social security institutions	93	1
Guarantee deposits	138	139
Other liabilities	72,633	77,330
Total	**99,543**	**111,136**

21. Bonds

The outstanding bonds at 30 June 2021 relate to the parent, Webuild (€1,519.7 million). They are analysed in the following table:

(€'000)	31 December 2020	30 June 2021	Variation
Non-current portion	1,288,620	1,486,182	197,562
Current portion	246,910	33,502	(213,408)
Total	**1,535,530**	**1,519,684**	**(15,846)**

The following table analyses the item:

		31 December 2020			30 June 2021		
(€'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 3.75% Call 24gn21	24.06.2021	236,674	-	235,542	-	-	-
Webuild 1.75% Call 26ot24	26.10.2024	500,000	497,052	1,582	500,000	497,434	5,921
Webuild 5,875% Call 15dc25	15.12.2025	550,000	542,643	1,416	750,000	744,427	23,782
Webuild 3,625% Call 28ge27	28.01.2027	250,000	248,925	8,370	250,000	244,321	3,799
Total		**1,536,674**	**1,288,620**	**246,910**	**1,500,000**	**1,486,182**	**33,502**

The bonds are listed on the Dublin Stock Exchange and are backed by covenants, which were fully complied with at the reporting date.

On 21 January 2021, Webuild successfully placed additional notes with an aggregate nominal amount of €200,000,000 (the "additional notes") reserved to institutional investors. They were consolidated and form a single series with the €550,000,000 notes issued on 15 December 2020 with a maturity date of 15 December 2025, bringing the total size of such notes to €750,000,000. The proceeds from the issuance of the additional notes will be used by Webuild to repay the Group's existing indebtedness.

In June 2021, the parent redeemed the Webuild 3.75% Call 25gn21 notes maturing on 24 June 2021, which had a carrying amount of €235.5 million at 31 December 2020.

22. Lease liabilities

Lease liabilities may be broken down as follows at 30 June 2021:

(€'000)	31 December 2020	30 June 2021	Variation
Non-current portion	98,881	97,902	(979)
Current portion	79,557	58,644	(20,913)
Total	**178,438**	**156,546**	**(21,892)**

The present value of the minimum future lease payments is €156.5 million (31 December 2020: €178.4 million) as follows:

(€'000)	31 December 2020	30 June 2021
Minimum lease payments:		
Due within one year	83,410	63,493
Due between one and five years	103,794	101,331
Due after five years	531	815
Total	**187,735**	**165,639**
Future interest expense	(9,297)	(9,093)
Net present value	**178,438**	**156,546**
The net present value is as follows:		
Due within one year	79,557	58,644
Due between one and five years	98,370	97,139
Due after five years	511	764
Total	**178,438**	**156,546**

23. Post-employment benefits and employee benefits

At 30 June 2021, the Group's liability due to its employees determined using the criteria set out in IAS 19 is €51.5 million.

The liability for post-employment benefits is the outstanding amount at the reform effective date, net of benefits paid up to the reporting date. The liability is considered part of a defined benefit plan under IAS 19 and has, therefore, been subjected to actuarial valuation. The valuation, performed with the assistance of an independent expert, was based on the following rates:

– turnover rate: 7.25%;

– advance payment rate: 3%;

– inflation rate: 0.8%.

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.

The balance 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.

The item also includes the Italian post-employment benefits (TFR) related to Webuild and its Italian subsidiaries. The liability is the outstanding amount at the reform effective date, net of benefits paid up to the reporting dates. The liability is considered part of a defined benefit plan under IAS 19 and has, therefore, been subjected to actuarial valuation.

Changes in the item are as follows.

(€'000)	31 December 2020	Accruals	Payments	Net actuarial gains	Contributions paid to INPS treasury and other funds	Other changes	30 June 2021
Post-employment benefits and employee benefits	63,349	9,744	(6,219)	(6,727)	(1,075)	(7,563)	51,509

The net actuarial gains include the actuarial gains and losses recognised in the actuarial reserve under equity, as required by IAS 19 (revised).

"Other changes" mostly reflect the effects of the decision taken by Lane's board of directors on 25 May 2021 to terminate all the agreements provided for by its supplemental retirement benefit agreement (SRBA) effective from 30 June 2021. The item also includes exchange differences.

24. Provisions for risks

These provisions amount to €197.0 million at the reporting date, as follows:

(€'000)	31 December 2020	30 June 2021	Variation
Provisions for risks on equity investments	66,789	72,589	5,800
Other provisions	129,562	124,420	(5,142)
Total	**196,351**	**197,009**	**658**

The provisions for risks on equity investments relates 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.

Changes in the provisions for risks on equity investments are detailed below:

(€'000)	1st half 2021
Share of loss of equity-accounted investees	(945)
Other changes including change in the translation reserve	6,745
Total	**5,800**

Other provisions comprise:

(€'000)	31 December 2020	30 June 2021	Variation
Provisions set up by entities in liquidation	8,690	8,665	(25)
USW Campania projects	27,739	27,739	-
Provision for ongoing litigation	19,251	21,233	1,982
Provisions for risks relating to ongoing contracts	38,682	33,307	(5,375)
Other	35,200	33,474	(1,726)
Total	**129,562**	**124,420**	**(5,142)**

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 in the Directors' report includes a description of the litigation and risks related to the USW Campania projects.

The provisions set up by entities in liquidation include accruals made for probable future charges related to the closing of contracts and potential developments in ongoing litigation.

Provisions for risks relating to ongoing contracts mainly refer to:

- Astaldi Group (€15.7 million), mostly relating to Italy, Poland and Algeria;
- Lane Group (€14.3 million) chiefly attributable to the Cabot Yard contract.

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).

"Other" refers to the effects of the PPA procedure for the acquisition of Astaldi Group (€11.2 million).

Changes in the item in the period are summarised below:

(€'000)	31 December 2020	Accruals	Utilisations / Releases	Change in consolidation scope	Exchange gains (losses) and other changes	30 June 2021
Total	**129,562**	**13,973**	**(18,046)**	**-**	**(1,069)**	**124,420**

The main accruals for the period refer to Astaldi Group (€12.8 million).

Utilisations/releases chiefly relate to:

- utilisations of €7.6 million and releases of €3.4 million by Astaldi Group;
- releases of €4.6 million by Lane Group.

More information is available in the section on the "Main risk factors and uncertainties" in the Directors' report.

25. Trade payables

Trade payables amount to €2,904.9 million at the reporting date, an increase of €198.3 million on 31 December 2020. They are made up as follows:

(€'000)	31 December 2020	30 June 2021	Variation
Third parties	2,552,679	2,748,380	195,701
Unconsolidated group companies and other related parties	153,897	156,503	2,606
Total	**2,706,576**	**2,904,883**	**198,307**

Trade payables to unconsolidated group companies and other related parties mostly comprise amounts due to unconsolidated SPEs for work carried out by them under contracts with public administrations.

The balance includes €9.4 million (€3.3 million) related to the Group's liabilities 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 debt with unconsolidated SPEs" as part of net financial indebtedness.

26. Current tax liabilities and other current tax liabilities

Current tax liabilities of €102.1 million decreased by €25.2 million over 31 December 2020. They may be analysed as follows:

(€'000)	31 December 2020	30 June 2021	Variation
IRES	46,675	40,096	(6,579)
IRAP	1,608	1,989	381
Foreign taxes	79,012	60,053	(18,959)
Total	**127,295**	**102,138**	**(25,157)**

Other current tax liabilities of €90.7 million increased by €14.7 million over 31 December 2020.

They may be analysed as follows:

(€'000)	31 December 2020	30 June 2021	Variation
VAT	41,312	64,402	23,090
Other indirect taxes	34,666	26,280	(8,386)
Total	**75,978**	**90,682**	**14,704**

27. Other current liabilities

Other current liabilities of €577.1 million (€530.5 million) comprise:

(€'000)	31 December 2020	30 June 2021	Variation
State bodies	33,288	33,291	3
Other liabilities	277,827	265,516	(12,311)
Employees	91,035	84,669	(6,366)
Social security institutions	48,655	48,282	(373)
Unconsolidated group companies and other related parties	34,455	37,213	2,758
Compensation and compulsory purchases	6,504	71,092	64,588
Accrued expenses and deferred income	38,780	37,064	(1,716)
Total	**530,544**	**577,127**	**46,583**

"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 in the Directors' report for more information about the complicated situation surrounding the USW Campania projects.

"Other liabilities" of €265.5 million (€277.8 million) decreased by roughly €12.3 million. At the reporting date, the item mainly refers to Astaldi Group, as well as amounts due to the former consortium member of Cossi Group (see note 16 "Other current assets"), the high speed/capacity projects and some foreign projects in Nigeria and Venezuela.

"Unconsolidated group companies and other related parties" amount to €37.2 million. The period-end balance principally refers to the Argentine group companies involved in the environmental remediation project in the Buenos Aires area, Astaldi Ingegneria Y Costruccion Limitada active in Chile and the Churchill Hospital joint venture active in the UK hospital sector.

The increase in "Compensation and compulsory purchases", which amount to €71.1 million, mostly refers to Iricav Due for the development of the high speed/capacity Verona - Padua railway line section.

Accrued expenses and deferred income decreased by €1.7 million to €37.1 million as follows:

(€'000)	31 December 2020	30 June 2021	Variation
Accrued expenses:			
- Commissions on sureties	3,326	2,370	(956)
- Other	34,475	31,889	(2,586)
Total accrued expenses	**37,801**	**34,259**	**(3,542)**
Deferred income:			
- Provision of services	979	2,805	1,826
Total deferred income	**979**	**2,805**	**1,826**
Total	**38,780**	**37,064**	**(1,716)**

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 €16,024.5 million (including €5,916.8 million and €2,427.0 million issued directly by Lane Group and Astaldi Group, respectively) 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 their subcontractors;
- sureties for bank loans: they amount to €123.6 million and include €20.7 million relating to Astaldi Group;
- sureties granted for export credit: €7.5 million;
- other guarantees: they amount to €1,711.5 million and comprise guarantees related to customs and tax obligations (€21.1 million);
- collateral related to a lien on the shares of an SPE (€22.2 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 acquired from third parties as part of previous non-recurring transactions. The court quashed the second level ruling ordering the case to be transferred to the Regional Tax Commission. The parent filed a petition for the resumption of the hearing within the legal term;
- a dispute related to 2005 about the technique used to “realign” the carrying amount of equity investments as per article 128 of Presidential decree no. 917/86 (greater assessed tax base of €4.2 million) is still pending before the first level court while with respect to another dispute with the same subject but for 2004 (greater assessed tax base of €0.4 million), the Supreme Court accepted the parent’s grounds and ordered the case be sent to the Lombardy Regional Tax Commission which fully accepted the parent’s appeal in the hearing of 14 January 2019 with its ruling of 12 February 2019. The tax authorities appealed this ruling on 11 September 2019 and the appeal still has to be allocated to the relevant section of the court;
- after their tax inspection into 2015, the tax authorities notified the Constructor M2 Lima consortium of an assessment notice claiming approximately €15.9 million. The main allegation made by the local tax authorities (SUNAT) is due to a different interpretation of the accounting treatment of revenue from contracts with customers for work carried out under the IFRS. The parent’s investment in the consortium is 25.5%, which means the portion of assessed tax attributable to it is about €4.06 million. Since the

consortium deems that the accounting treatment it adopted is correct, it challenged the above assessment notice within the term prescribed by the local law;

- on 21 January 2021, the local tax authorities (ERCA) served an assessment notice to the Ethiopian branch relating to the 2017, 2018 and 2019 corporate income tax. The most significant assessment relates to the calculation of revenue. Indeed, the tax inspectors did not agree on the adoption of the cost to cost method, despite it being provided for by the local tax law and the IFRS. The tax authorities' treatment would increase the tax base by about €324 million in local currency. Since the parent deems that the accounting treatment it adopted is correct, assisted by its advisors, it duly challenged the part relating to revenue recognition of the above assessment notice within the term prescribed by the local law, while settling the other "minor" assessments by paying the claimed amount.

With respect to the above pending disputes, after consulting its legal advisors, the parent believes that it has acted correctly and deems that the risk of an adverse ruling is not probable. When it deemed it appropriate to settle the dispute, as explained earlier in more detail, it did so to avail of the various options provided for by the relevant legislation, such as the voluntary settlement procedure for the pending tax disputes or the positions assigned to the tax collection agency, the court-ordered settlement procedure and the mutually-agreed settlement procedure.

Fisia Ambiente S.p.A.

After the 2013 IRES tax audit and the 2013, 2014 and 2015 VAT audit, the Genoa tax office inspectors identified findings for IRES purposes for 2013 related to alleged undue deductions of €1.5 million for the use of the loss allowance and the alleged undue deduction of VAT of €0.3 million on costs incurred for the defence of managers and other employees in criminal court proceedings in 2013, 2014 and 2015. Fisia Ambiente appealed against these assessments in fact and in law with its comments and applications filed in accordance with article 12.7 of Law no. 212/2000. The tax authorities fully accepted the inspectors' findings and notified two assessment notices for 2013, one for IRES and one for VAT. In turn, the subsidiary has filed reasoned requests for a mitigation hearing as per article 6 and following articles of Legislative decree no. 218/1997.

The mutually-agreed settlement procedure for the VAT was not successful and, in June 2019, the subsidiary appealed to the competent tax commission commencing the relevant legal proceedings. The competent tax commission has issued its ruling (i) partly accepting the subsidiary's appeal for 2013, (ii) rejecting the appeal for 2014, and (iii) fully accepting its appeal for 2015 thereby cancelling the assessment notice. An appeal has been filed for all cases.

With respect to the above pending disputes, after consulting its legal advisors, the subsidiary believes that it has acted correctly and deems that the risk of an adverse ruling is not probable. When it deemed it appropriate to settle the dispute, as explained earlier in more detail, it did so to avail of the various options provided for by the relevant legislation, such as the voluntary settlement procedure for the pending tax disputes or the positions assigned to the tax collection agency, the court-ordered settlement procedure and the mutually-agreed settlement procedure.

Fibe S.p.A.

FIBE has a pending dispute about the local property tax (ICI) on the Acerra waste-to-energy plant.

In January 2013, the subsidiary received tax assessment notices from the Acerra municipality with respect to the waste-to-energy plant, which requested payment of local property tax and related penalties for approximately €14.3 million for the years 2009-2011. The amount requested by the municipality and challenged by Fibe was confirmed as far as its applicability but reduced in terms of its amount and penalties by the Naples Regional Tax Commission.

The subsidiary appealed against the second level ruling with the Supreme Court and the case is still pending. However, in 2015, the subsidiary set aside a provision for an amount equal to the assessed tax plus accrued interest on a prudent basis. On 7 March 2018, Fibe applied for the procedure for the out-of-court settlement of the positions assigned to the collection agency as per article 1 of Decree law no. 148/2017 converted with modifications into Law no. 172/2017.

The disputes about the following are still pending:

1) Assessment notice for 2003 IREPG, IRAP and VAT issued by the Casoria tax office about assessed taxes of €6.5 million. The subsidiary has been challenged for the following violations: (i) undue deduction of costs of €3.1 million contrary to the principle of pertinence/accruals basis; and (ii) undue deduction of VAT of €2.0 million as a result of the application of a higher-than-allowed rate.

The Naples Provincial Tax Commission accepted the subsidiary's appeal in its ruling no. 497 filed on 25 June 2009, which the tax office appealed. The subsidiary presented its defence brief and counter-appeal. The Naples Regional Tax Commission confirmed that costs of €2,771,179.66 were to be taxed, due to their non-compliance with the pertinence/accruals basis principle in its ruling no. 27/1/12 filed on 12 January 2012 while also confirming the deductibility of VAT of €1,839,943.61. The tax office has appealed to the Supreme Court. The subsidiary in turn has presented its defence brief and appeal. A date for the court hearing has not yet been set.

2) Assessment notice for 2004 VAT issued by the Casoria tax office about assessed VAT of €5.2 million. It alleges the subsidiary unduly deducted VAT based on the assumption that all the services received by it should have been invoiced with the lower rate of 10% instead of the ordinary rate (20%). The Naples Provincial Tax Commission accepted the company's appeal in its ruling no. 498/01/09 filed on 25 June 2009 and cancelled the assessment notice, which the tax office appealed. The company presented its defence brief and counter-appeal. The Naples Regional Tax Commission handed down its ruling no. 26/1/2012 filed on 23 January 2012, which (i) after having decided in favour of the subsidiary, fully in line with its defence grounds, which was the "quaestio iuris", whose resolution was essential to confirm or cancel the tax assessment; and (ii) nonetheless confirmed

the tax office's assessed taxes and related fines (i.e., as recalculated by the tax office in its appeal). The subsidiary has appealed to the Supreme Court and the hearing date has been deferred.

3) Assessment notice for the 2012 IMU property tax, issued by the Acerra municipal authorities for the assessed tax of €551 thousand for the WtE plant. The subsidiary promptly presented its appeal which was filed on 20 April 2017. The Provincial Tax Commission rejected the appeal with ruling no. 17386 filed on 14 December 2017 which the subsidiary appealed on 5 July 2019. The Regional Tax Commission handed down its ruling on 13 January 2020, which was not in the company's favour. The 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.

Astaldi S.p.A.

With respect to the principal disputes with the Italian and foreign tax authorities:

- on 14 April 2020, the Italian tax authorities notified the subsidiary of their refusal to its proposal to settle tax liabilities as per article 182-ter of the Bankruptcy Law presented as part of its composition with creditors procedure. The above proposal requested the cancellation due to non-application of the higher fines, amounting to approximately €8 million, on the tax liabilities attributable exclusively to the prohibition imposed by the composition with creditors procedure to pay liabilities already due prior to the filing of the related application with reservation. The subsidiary presented its appeal on 9 July 2020, challenging a number of issues of the refusal on the merits and in law. As part of a self-review, the tax authorities acknowledged that the higher fines due to the disqualification of the option to pay by instalment were not due for some assessments settled with the mutually-agreed settlement procedure, for which the payments were discontinued on 28 September 2018 and therefore the dispute will continue for the other similar positions not revisited by the tax authorities. As provided for in the composition with creditors proposal, the subsidiary paid the preferential tax liabilities in full, taking into account the above-mentioned refusal and, should the outcome of the dispute be favourable for it, it will recover the higher amounts paid;
- on 28 August 2020, the Italian tax authorities notified the subsidiary of a recovery notice for alleged undue offsetting of excess VAT transferred by subsidiaries under the 2017 group VAT scheme. The assessed amount is €4.8 million, plus fines and interest of €1.4 million and €0.5 million, respectively. This notice arises from a dispute about the 2017 VAT assets claimed for reimbursement through the tax return. As part of the investigation carried out by the Italian tax authorities into the reimbursability of such tax assets, the tax authorities challenged the methods used by Astaldi to calculate the net output/input VAT balances transferred by the subsidiaries to it as the tax consolidator under the group VAT scheme. As a result of this

different interpretation, the Italian tax authorities partially disallowed the reimbursement, due to non-compliance with the requirements provided for by the applicable legislation and authorised the carrying forward of the part of the claim (allegedly) not reimbursable. Since it believes that it has acted correctly, the subsidiary challenged the partial disallowance in court, also supported by the tax authorities' own practices. The dispute is still pending. Should the subsidiary lose the case, the tax consequences will be immaterial, including in terms of fines, as it will only carry forward a higher amount of tax assets.

The above recovery notice for alleged undue offsetting is the result of a different interpretation by the tax authorities of how the net output/input VAT transferred by companies with a group VAT scheme should be calculated. Under this interpretation, the subsidiary should also recalculate the interim net excesses of VAT offset on a monthly basis. Since the resulting higher amounts offset have not been guaranteed when filing the annual VAT return, the tax authorities issued the related recovery notice. The subsidiary duly challenged such recovery notice in court and this dispute is also still pending. Again in this case, should the subsidiary lose the case against the tax authorities' recovery of the amount allegedly unduly offset, the subsidiary will carry forward a higher amount of VAT assets and will solely bear the related fines and interest. Supported by the opinion of its advisors, the subsidiary believes that the risk of losing the case is remote;

- Costa Rican branch: in 2013, the local tax authority commenced an audit of the branch's calculation of its 2010 direct tax base. The audit concluded with the notification of an assessment of a higher taxable amount due to the disallowance of the deductibility of various costs (amortisation and depreciation, personnel remuneration, losses and travel and transport costs), for an amount due of CRC776,803,156 (the equivalent of approximately €1.2 million at current exchange rates). A separate notice imposed fines of CRC194,200,789 (the equivalent of approximately €0.3 million at current exchange rates). With the assistance of its advisors, the subsidiary has commenced the local administrative and legal procedures to challenge the above assessment and to defend the correctness of its actions. On 3 December 2020, the tax authorities issued a resolution confirming the subsidiary's amounts. The procedures for having the proceeding declared closed are currently being assessed.

  In 2015, the same branch received a notice from the local tax authorities that disallowed certain withholding tax assets for 2011, 2012 and 2013. The initial assessed amount is CRC640,694,557 (the equivalent of about €0.9 million at current exchange rates) against which the subsidiary has commenced the local administrative and legal procedures with the assistance of its advisors. The tax authorities subsequently decreased the assessed amount to CRC132,305,779 (the equivalent of approximately €0.2 million at current exchange rates). The proceedings are still ongoing with a remote risk of losing the case.

- El Salvadoran branch: in 2016, this branch received a notice of assessment from the local tax authorities relating to its tax base and related income taxes for 2012. In this assessment, the local tax authorities alleged undeclared revenue and income and costs and disallowed the deductibility of certain expenses and specifically: (i) allegedly undeclared revenue of USD23.5 million (the equivalent of approximately €20.5 million) for the proceeds arising from the out-of-court agreement settling the dispute related to the El Chaparral hydroelectric power plant project, (ii) interest income of USD0.8 million (the equivalent of about

€0.7 million) allegedly accrued on intragroup loans, (iii) revenue and income reported as tax-exempt or non-taxable amounting to USD13.4 million (the equivalent of roughly €11.7 million), (iv) costs of USD15.4 million (the equivalent of approximately €13.5 million) whose deductibility was contested. As a result, the local tax authorities recalculated the income tax due by the branch for 2012 and assessed higher taxes of USD9.1 million (the equivalent of approximately €8 million), plus fines and interest. With the assistance of its advisors, the subsidiary has commenced the procedures to challenge all assessments. The proceedings are still ongoing with a remote risk of losing the case.

- COMERI S.p.A.: on 3 November 2010, upon completion of a general direct and indirect tax audit, this group company received a preliminary assessment report from the Rome tax police. In 2015, the tax authorities notified the company of the related assessment notice that repeated the same issues raised in the above preliminary assessment report. The group company promptly appealed against the above-mentioned notice and concurrently started discussions with the tax authorities to obtain the administrative cancellation of the assessment. The Rome Provincial Tax Commission allowed the appeal with ruling no. 29543/50/16 handed down on 17 November 2016 and filed on 20 December 2016. The Lazio Regional Tax Commission reviewed the first level hearing on 14 April 2021 and accepted the tax authorities' appeal with its ruling no. 1902/17/2021. The group company has given its legal advisors a mandate to appeal this second level ruling before the Supreme Court. For completeness, it should be noted that the above preliminary assessment report challenges the tax treatment of the out-of-court agreement signed by the group company and ANAS S.p.A. on 3 May 2010 to settle the technical claims recognised in the work site's accounts up to 31 December 2008. The tax police had mistakenly considered the amounts as additional consideration rather than compensation for damage, therefore applying VAT at 20%. Furthermore, COMERI S.p.A. had previously submitted the out-of-court agreement in question to the tax authorities on 15 June 2010, which requested and accepted payment of the proportional registration tax on the above claims, confirming, by conduct, that they should be subject to indirect taxes, having considered them to have a compensation nature and being, therefore, VAT-exempt. The tax authorities found unpaid VAT of €8.5 million and fines and interest of €10.6 million. Supported by the opinion of its advisors, the company believes that the risk of losing the case is remote.
- Astaldi Canada Inc: in September 2019, as a result of an audit carried out by the local tax authorities, Astaldi Canada Inc., Astaldi's Canadian subsidiary, received a tax notice alleging omitted withholdings of about CAD1.7 million (the equivalent of about €1.1 million) on Astaldi's fees for the guarantees it gave on behalf and in the interest of the Canadian subsidiary in 2015 and 2016. With the assistance of its advisors, the latter has commenced the procedure to challenge the assessment notice and defend its position to support the fact that it had acted correctly. The case is still pending. Supported by the opinion of its advisors, the Canadian subsidiary believes that the risk of losing the case is remote.
- Astaldi Arabia Ltd.: the local tax authorities adjusted the 2007, 2008 and 2009 income tax returns of this Astaldi group company with registered office in Saudi Arabia. As a result of these adjustments, based on the disallowance of certain costs (imports, interest and other costs and expenses), the higher assessed tax amounts to SAR1.4 million, SAR20.2 million and SAR36.6 million, respectively (the equivalent of a total of

approximately €13 million), plus fines totalling SAR76 million (the equivalent of roughly €17 million). With the assistance of its local advisors, the subsidiary has commenced the necessary procedures to challenge the above-mentioned tax assessment, also taking into account the possibility to avail of the option provided for by the relevant legislation, which allows the settlement of the entire pending case through the payment of only the higher tax and full cancellation of the fines.

Moreover, the local tax authorities have contested irregularities for VAT purposes (introduced into local law in 2018) assessing taxes and fines totalling SAR137.7 million (the equivalent of approximately €30.8 million). With the assistance of its local advisors, the subsidiary has commenced the necessary procedures to have the tax assessment dismissed in its entirety.

Statement of profit or loss

29. Revenue

Revenue for the first half of 2021 amounts to €3,047.1 million, up 49.9% on the corresponding period of 2020.

(€'000)	1st half 2020	1st half 2021	Variation
Revenue from contracts with customers	1,936,417	2,846,715	910,298
Other income	96,764	200,433	103,669
Total	**2,033,181**	**3,047,148**	**1,013,967**

The main contributors to revenue are some large projects and, specifically, Astaldi Group's projects, the high speed/capacity railway works for the Milan - Genoa railway line, Lane Group's projects, the projects in Australia for the civil engineering and electromechanical works for the Snowy 2.0 project and to design, build and maintain the Perth Metro and the Ethiopian contracts.

A breakdown of revenue and other income by geographical segment is as follows:

	1st half 2020		1st half 2021	
(€'000)		Percentage of total		Percentage of total
Italy	**369,931**	**18%**	**954,213**	**31%**
EU (excluding Italy)	143,557	7%	338,329	11%
Oceania	156,989	8%	324,308	11%
Americas (excluding Lane)	67,977	3%	298,637	10%
Middle East	365,444	18%	264,944	9%
Non-EU	157,599	8%	162,268	5%
Africa	174,559	9%	159,716	5%
Asia	103,733	5%	75,947	2%
Abroad	**1,169,858**	**58%**	**1,624,149**	**53%**
Lane	**493,392**	**24%**	**468,786**	**15%**
Total	**2,033,181**	**100%**	**3,047,148**	**100%**

A breakdown of revenue from contracts with customers is given in the following table:

(€'000)	1st half 2020	1st half 2021	Variation
Works invoiced to customers	1,893,539	2,802,113	908,574
Services	38,483	35,130	(3,353)
Sales	4,395	9,472	5,077
Total	**1,936,417**	**2,846,715**	**910,298**

Variable consideration made up 4.5% of the total revenue from contracts with customers during the period.

The transaction price of ongoing contracts allocated to the unsatisfied performance obligations amounts to € 30,498.2 million at the reporting date. The Group will recognise this amount as revenue in future periods in line with the available forecasts.

Ongoing contracts include contracts with customers if they meet the criteria of IFRS 15.9[27]. The item includes variable consideration when its realisation is highly probable.

“Other income” mostly refers to contract work in progress and specifically industrial activities and related works not directly related to contracts with customers. The €103.7 million increase in this item is mostly due to the consolidation of Astaldi Group, the re-invoicing in Australia for certain calls for tenders the Group is participating in and income from cost recharges to non-controlling consortium members (other income in the consortium’s financial statements) related to Iricav Due.

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 €3,000.1 million compared to €2,042.0 million for the corresponding period of the previous year.

The item may be broken down as follows:

(€'000)	1st half 2020	1st half 2021	Variation
Purchases	260,380	432,190	171,810
Subcontracts	691,653	969,509	277,856
Services	532,558	781,000	248,442
Personnel expenses	391,981	503,009	111,028
Other operating expenses	69,482	178,086	108,604
Amortisation, depreciation, provisions and impairment losses	95,947	136,265	40,318
Total	**2,042,001**	**3,000,059**	**958,058**

In addition to the effects of consolidating Astaldi Group, the variations in the individual items compared to the first six months of 2020 are due to the different cost structures that vary from contract to contract and may, in some cases, entail changes in the industrial operating model from one period to another. Moreover, as these are large-scale infrastructural works that take several years to complete, resort to normal production factors

[27] a) the parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations; b) the entity can identify each party’s rights regarding the goods or services to be transferred; c) the entity can identify the payment terms for the goods or services to be transferred; d) the contract has commercial substance (i.e., the risk, timing or amount of the entity’s future cash flows is expected to change as a result of the contract); and e) it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

depends on the stage of completion of each contract in any given period. These changes may generate significant variations in the percentage of the related cost categories depending on the contract and the period, 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 2021 increased by €171.8 million to €432.2 million compared to the corresponding period of 2020.

(€'000)	1st half 2020	1st half 2021	Variation
Purchases of raw materials and consumables	260,786	431,836	171,050
Change in raw materials and consumables	(406)	353	759
Total	**260,380**	**432,189**	**171,809**

This item's increase is mostly due to the consolidation of Astaldi Group.

30.2 Subcontracts

Costs of subcontracts increased to €969.5 million, up €277.9 million on the corresponding period of 2020 as shown in the following table:

(€'000)	1st half 2020	1st half 2021	Variation
Subcontracts	691,653	969,509	277,856
Total	**691,653**	**969,509**	**277,856**

This increase is mostly due to the consolidation of Astaldi Group.

30.3 Services

This item increased to €781.0 million, up €248.4 million on the corresponding period of the previous year, as shown in the following table:

(€'000)	1st half 2020	1st half 2021	Variation
Consultancy and technical services	225,532	413,927	188,395
Recharging of costs by consortia	136,336	101,215	(35,121)
Leases	70,976	100,069	29,093
Transport and customs	22,886	36,883	13,997
Insurance	26,659	35,450	8,791
Maintenance	8,499	30,667	22,168
Fees to directors, statutory auditors and independent auditors	6,171	6,861	690
Other	35,499	55,928	20,429
Total	**532,558**	**781,000**	**248,443**

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 in profit or loss immediately.

"Consultancy and technical services" mainly consist of the design and construction costs incurred by the SPEs, legal and administrative consultancy fees and other.

The €188.4 million increase in the item is chiefly due to the consolidation of Astaldi Group and the higher outsourcing service costs incurred in Australia, mainly for the civil engineering and electromechanical works for the Snowy 2.0 project.

A breakdown of this item is as follows:

(€'000)	1st half 2020	1st half 2021	Variation
Design and engineering services	147,374	238,975	91,601
Construction	39,146	82,671	43,525
Legal, administrative and other services	38,840	91,683	52,843
Other	172	598	426
Total	**225,532**	**413,927**	**188,395**

30.4 Personnel expenses

Personnel expenses for the period amount to €503.0 million, up €111.0 million on the corresponding period of 2020. The item is made up as follows:

(€'000)	1st half 2020	1st half 2021	Variation
Wages and salaries	298,612	378,284	79,672
Social security and pension contributions	62,374	78,000	15,626
Post-employment benefits and employee benefits	7,139	9,744	2,605
Other	23,856	36,981	13,125
Total	**391,981**	**503,009**	**111,028**

This item's increase is mainly due to the consolidation of Astaldi Group.

“Other” mainly relates to termination benefits and reimbursements of travel expenses.

Total workforce by category	30 June 2020	31 December 2020	30 June 2021
Managers	356	544	518
White collars	7,392	8,318	8,351
Blue collars	18,739	20,300	22,206
Total	**26,487**	**29,162**	**31,075**

30.5 Other operating expenses

Other operating expenses amount to €178.1 million, up €108.6 million on the corresponding period of 2020.

This item is made up as follows:

(€'000)	1st half 2020	1st half 2021	Variation
Other operating costs	34,771	103,486	68,715
Commissions on sureties	25,431	54,665	29,234
Losses on disposals	2,177	4,803	2,626
Bank charges	2,494	4,277	1,783
Other non-recurring costs	4,609	10,854	6,245
Total	**69,482**	**178,085**	**108,603**

In addition to the inclusion of Astaldi Group in the consolidation scope, this item’s increase is mostly due to the compulsory purchases made by Iricav Due as provided for by the rider of 6 August 2020 and the decree provided by the customer RFI for the in-scope areas approved by the Inter-ministerial Committee for Economic Planning (CIPE). The consortium carried out the compulsory purchases to gain access to the areas where the definitive and temporary works will be built.

30.6 Amortisation, depreciation, provisions and impairment losses

This item includes amortisation, depreciation and provisions of €129.9 million and impairment losses of €6.4 million, showing an increase of €61.1 million and a decrease of €20.8 million on the corresponding period of the previous year, respectively. It may be analysed as follows:

(€'000)	1st half 2020	1st half 2021	Variation
Total impairment losses	**27,118**	**6,360**	**(20,758)**
- Depreciation of property, plant and equipment	35,096	33,341	(1,755)
- Depreciation of right-of-use assets	23,358	35,516	12,158
- Amortisation of contract costs	9,731	56,047	46,316
- Amortisation of rights to infrastructure under concession	683	761	78
- Amortisation of intangible assets	179	384	205
Amortisation and depreciation	69,047	126,049	57,002
Provisions	(218)	3,856	4,074
Total amortisation, depreciation and provisions	**68,829**	**129,905**	**62,076**
Total	**95,947**	**136,265**	**40,318**

"Amortisation, depreciation and provisions" of €129.9 million (€68.8 million) include amortisation of contract costs and intangible assets (including €37.8 million arising from the PPA procedure performed after the acquisition of Astaldi S.p.A.).

31. Net financing costs

Net financing costs amount to €53.8 million compared to €48.6 million for the corresponding period of 2020.

The item may be broken down as follows:

(€'000)	1st half 2020	1st half 2021	Variation
Financial income	42,629	29,101	(13,528)
Financial expense	(76,773)	(102,360)	(25,587)
Net exchange gains (losses)	(14,487)	19,461	33,948
Net financing costs	**(48,631)**	**(53,798)**	**(5,167)**

31.1 Financial income

Financial income totals €29.1 million (€42.6 million) and is made up as follows:

(€'000)	1st half 2020	1st half 2021	Variation
Interest and other financial income	**34,712**	**19,578**	**(15,134)**
- Other	16,903	11,599	(5,304)
- Interest on receivables	13,514	5,843	(7,671)
- Bank interest	4,295	2,136	(2,159)
Interest and other income from unconsolidated group companies and other related parties	**4,725**	**6,199**	**1,474**
Income from inflation adjustment	**3,179**	**2,953**	**(226)**
Gains on securities	**13**	**371**	**358**
Total	**42,629**	**29,101**	**(13,528)**

The €13.5 million decrease is mostly a result of:

- smaller interest on receivables of €7.7 million, chiefly due to the reduction in default interest of €9.7 million accrued on the Romanian branch's claims related to the Lugoj - Deva project, partly offset by the €2.0 million increase in default interest accrued on the Group's other contracts;
- the €5.3 million decrease in "Other", mostly related to the fact that the balance for the first half of 2020 included interest accrued on the bonds subscribed by the subsidiary Beyond S.r.l. as part of Progetto Italia.

31.2 Financial expense

Financial expense totals €102.4 million (€76.8 million in the corresponding period of 2020) and is made up as follows:

(€'000)	1st half 2020	1st half 2021	Variation
Intragroup interest and other expense	**(2,361)**	**(4,101)**	**(1,740)**
Interest and other financial expense	**(74,412)**	**(98,259)**	**(23,847)**
- Interest on bonds	(19,478)	(35,792)	(16,314)
- Other	(26,061)	(27,197)	(1,136)
- Interest on bank accounts and financing	(20,757)	(19,998)	759
- Bank fees	(3,204)	(4,339)	(1,135)
- Leases	(2,967)	(2,882)	85
- Expense for inflation adjustments	(1,841)	(7,894)	(6,053)
- Interest on tax liabilities	(104)	(157)	(53)
Total	**(76,773)**	**(102,360)**	**(25,587)**

The €25.6 million increase in financial expense is mostly due to:

- the inclusion of Astaldi in the consolidation scope (€20.5 million);
- the issue of new bonds in December 2020 and January 2021 (€16.3 million);

- partly offset by the reduction in expense that was recognised in the first six months of 2020 due to the effect of the measurement of certain loan assets (€6.5 million) and interest expense accrued on the Beyond S.r.l. loan, taken out solely to acquire the bonds issued by Astaldi S.p.A. (€5.7 million).

31.3 Net exchange gains (losses)

Net exchange gains of €19.5 million mostly relate to the Euro's performance against the US dollar, the Ethiopian birr and the Qatari riyal.

32. Net losses on equity investments

Net losses on equity investments amount to €3.7 million compared to €1.7 million for the corresponding period of the previous year.

(€'000)	1st half 2020	1st half 2021	Variation
Share of loss of equity-accounted investees	(6,475)	(3,834)	2,641
Dividends	21	24	3
Gain on the disposal of equity investments	4,728	-	(4,728)
Other income	-	80	80
Total	**(1,726)**	**(3,730)**	**(2,004)**

33. Income taxes

The Group's income taxes for the period, calculated by correctly applying the ruling tax regulations, amount to €54.1 million as shown in the table below. They are mainly affected by the temporary non-recovery of taxes paid abroad under the legislation of the countries where the branches operate and variations in the performances of the group companies.

(€'000)	1st half 2020	1st half 2021	Variation
Current taxes (income taxes)	30,640	50,652	20,012
Deferred taxes	8,917	2,004	(6,913)
Prior year taxes	(13,412)	260	13,672
Total	**26,145**	**52,916**	**26,771**
IRAP	432	1,136	704
Total	**26,577**	**54,052**	**27,475**

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.

  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;
- 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)
C.Tiburtino	127						8		
Casada S.r.l.	135						8		
CDP S.p.A.			766			536,318		(2,181)	
CEDIV S.p.A.	2,204	3,241					10		56
Dirlan S.r.l.	118						11		
Eni S.p.A.				(1,108)			5	(237)	
Fincantieri Inf. S.p.A.			37	(17,447)				(13,090)	
Fintecna S.p.A.	50			(124)			10		
G.A.B.I.RE S.r.l.	2,879	18,001					10		312
Galla Placida S.c.a.r.l.	144						9		
Gruppo PSC S.p.A.	20,186			(15,536)				(145)	
Imm. Agricola San Vittorino S.r.l.	184						9		
Infernetto S.r.l.	40						4		
Iniziative Immobiliari Italiane S.p.A.					(5,378)			(627)	(4)
Madonna dei Monti S.r.l.	65				(32)		9	(71)	
Nores S.r.l.	86						5		
Plus S.r.l.	157						17		
Poste Italiane S.p.A.				(1)			1	(4)	
Sace BT			123			258,092		(492)	(21)
Sace FCT				(36)				(1,039)	(320)
Sace S.p.A.				(1,421)		478,025		(3,542)	(554)
Salini Costruttori S.p.A.		3,351	11,955	(1,731)		501,827	85	(1,548)	47
Salini Simonpietro & C.	84						7		
Simest S.p.A.					(6,685)	6,738			(203)
SNAM Rete Gas S.p.A.				(564)					
Terna S.p.A.				(4)				(23)	
Zeis S.r.l.	8	2,637		(7)	(852)		124		40
Total	**26,467**	**27,230**	**12,881**	**(37,979)**	**(12,947)**	**1,781,000**	**332**	**(22,999)**	**(647)**

Since 2020, Cassa Depositi e Prestiti S.p.A. ("CDP") and its subsidiaries and associates has 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 and SACE 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.

During the period, the Group factored receivables without recourse to Sace Factoring for €180.2 million. They mostly comprise trade receivables from customers and progress billings which qualify for derecognition under IFRS 9.

Subcontracting contracts were agreed with Fincantieri for Astaldi's foreign contracts in previous years.

The above transactions qualify as ordinary transactions based on the parent's related party transactions procedure. Therefore, they are exempt from such procedure.

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.

The other transactions refer to costs for design and similar activities, incurred when presenting bids and for recently started contracts. They are also governed by specific agreements and carried out on an arm's length basis and, where applicable, in line with the contract terms.

Their effects on the statements of financial position and profit or loss are shown together with the related contract, when appropriate.

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), while their effect on cash flows is shown in the statement of cash flows, when material:

(€'000)	Total at 30 June 2021	Group entity	Other related parties	Total	%
Non-current financial assets	320,300	161,561	701	162,262	50.7%
Trade receivables	2,327,708	328,919	26,466	355,385	15.3%
Current financial assets	392,451	46,471	26,529	73,000	18.6%
Other current assets	961,027	24,630	12,881	37,511	3.9%
Non-current portion of lease liabilities	97,902	-	2,057	2,057	2.1%
Loans	778,487	-	6,685	6,685	0.9%
Current portion of loans	507,384	45,057	-	45,057	8.9%
Current portion of lease liabilities	58,644	-	4,204	4,204	7.2%
Trade payables	2,904,883	118,524	37,979	156,503	5.4%
Other current liabilities	577,127	37,213	-	37,213	6.4%

	Total for the first half of 2021	Group entity	Other related parties	Total	%
Revenue from contracts with customers	2,846,715	71,480	231	71,711	2.5%
Other income	200,433	7,386	102	7,488	3.7%
Purchases	(432,190)	(1)	(238)	(239)	0.1%
Subcontracts	(969,509)	-	(13,235)	(13,235)	1.4%
Services	(781,000)	(105,007)	(958)	(105,965)	13.6%
Personnel expenses	(503,009)	-	-	-	0.0%
Other operating expenses	(178,086)	(390)	(7,952)	(8,342)	4.7%
Impairment losses	(6,360)	-	-	-	0.0%
Amortisation, depreciation and provisions	(129,905)	(1)	(617)	(618)	0.5%
Financial income	29,101	5,734	465	6,199	21.3%
Financial expense	(102,360)	(2,990)	(1,111)	(4,101)	4.0%

Transactions with related parties carried out as part of Progetto Italia

Partial proportionate demerger of Astaldi to Webuild

On 29 and 30 April 2021, respectively, the shareholders of Webuild and Astaldi approved the proposed partial proportionate demerger of Astaldi to Webuild in their extraordinary meetings. Although the transaction is performed by Webuild with a subsidiary, given its materiality (including as part of Progetto Italia), the parent decided not to avail of the exemption allowed by article 14.2 of the Related Party Transactions Regulation and article 11.f of the Related Party Transactions Procedure. Therefore, it elected to introduce and apply the measures and requirements for “material related party transactions”, which include the preparation of an information document in accordance with article 5 of the regulation adopted by Consob (the Italian commission for listed companies and the stock exchange) with resolution no. 17221 of 12 March 2010, as subsequently amended and integrated.

The transaction is described in the information document drawn up as per article 70.6 and Annex 3B, template 2 of the regulation adopted by Consob with resolution no. 11971 of 14 May 1999, as subsequently amended.

Webuild’s committee for related-party transactions met on 19 March 2021 and issued its reasoned favourable opinion, stating that the transaction is in the parent’s interests and its terms are appropriate and substantially correct.

On 20 March 2021, Astaldi also communicated that its board of directors had approved the transaction, after having received the reasoned favourable opinion of its related parties committee.

The proposed demerger is structured as follows:

1. Webuild will receive all the assets, liabilities and legal relationships of Astaldi after it has discharged its debts that are not part of the separate unit, as defined in the composition with creditors plan;

2. the separate unit’s assets, rights and obligations will remain with Astaldi, without altering their transfer to the separate unit as provided for in the composition with creditors’ procedure;

3. at the demerger effective date, Astaldi’s shareholders will receive newly issued ordinary Webuild shares while all the ordinary Astaldi shares will be cancelled (including those held by Webuild) and Astaldi will be delisted from the Milan Stock Exchange. The exchange ratio is 203 ordinary Webuild shares for every 1,000 ordinary Astaldi shares;

4. any unsecured creditors of Astaldi that present claims after the demerger effective date will have the right to receive ordinary Webuild shares and will maintain their right to receive participating financial instruments linked to the separate unit from Astaldi, as provided for in Astaldi’s composition with creditors plan;

5. on the date immediately before the demerger effective date, Webuild’s shareholders will receive Webuild warrants giving them the right to receive new Webuild shares so that their investment percentage is not changed should Webuild issue new shares for Astaldi’s unsecured creditors (as described above). Webuild will also issue warrants to banks to replace those issued by Astaldi in accordance with the composition with creditors proposal;

6. the demerged company's share capital will be zeroed and concurrently reconstituted through the subscription of new shares by Fondazione Creditori Chirografari which will assist with the management and orderly sale of the separate unit in line with the composition with creditors proposal as Astaldi's sole shareholder.

At the date of approval of these condensed interim consolidated financial statements by Webuild's board of directors, all the conditions precedent for the demerger are met and, accordingly, Webuild and Astaldi have signed the merger deed and concurrently filed it with the Company Registrar's Rome and Milan offices. Therefore, following the deed's registration, the demerger will become effective for statutory, accounting and tax purposes on 1 August 2021.

Contribution by Webuild and Astaldi of their Italian infrastructure operations

In line with its business strategies underpinning Progetto Italia, the Group intends to focus on its industrial and production resources in Italy for various reasons, the main ones of which are: i) to create a more suitable organisational structure that can promptly provide tailored solutions to the infrastructure requirements of Italy's National Recovery and Resilience Plan and the National Plan for Additional Investments as per Decree law no. 77/2021 and Decree law no. 58/2021; ii) to redesign the Group's organisation and optimise its indirect contract costs and overheads by centralising shared and automated back office services provided by the administration, finance and control, HR and information technologies departments.

This has entailed the set up of two separate entities (Webuild Italia S.p.A. and Partecipazioni Italia S.p.A. (the "**newcos**").

On 22 July 2021, the boards of directors of Webuild and Astaldi resolved to increase the newcos' share capital through a contribution in kind of their business units consisting of all the property, plant and equipment, intangible assets and liabilities related to the two groups' Italian operations in the infrastructure sector, the related operating facilities, equipment and machinery, personnel and resources.

The scope of the business units was based on the statements of financial position at 31 March 2021 prepared by Webuild and Astaldi, which engaged independent experts with the necessary and proven expertise as per article 2343-ter.2.b of the Italian Civil Code to value the two business units and provide them with their appraisals.

The directors of the two newcos checked the experts' appraisals to check whether any new pertinent facts had been overlooked which would significantly change the value of the contributed business units. They also checked the experts' professional and independence qualifications.

The business units will be contributed to Webuild Italia and Partecipazioni Italia on 1 August 2021 as they exist at that date. Therefore, title to the property, plant and equipment, intangible assets, moveable assets and real estate, as well as all the rights, shares and legal relationships of the business units will be transferred to Webuild Italia and Partecipazioni Italia.

The contributions will be perfomed in due time to allow Astaldi's demerger, after which Webuild will directly own not only Webuild Italia but also Partecipazioni Italia.

The contributions will be based on the carrying amounts recognised in the statements of financial position at 31 March 2021 and on a tax neutrality basis as per article 176.1 of Presidential decree no. 917/1986 as subsequently amended and integrated.

As the contributions are material related party transactions, they benefit from the exemption regime as per article 11 of Webuild's Related Party Transactions Procedure as they are performed with a subsidiary and are not of significant interest to other related parties.

The contributions have provided the newcos with the expertise and resources necessary to continue Webuild's and Astaldi's ongoing contracts and, moreover, they can also rely on their owners' expertise for an interim period.

The transaction will strengthen the Group's global business model, with Webuild's corporate headquarters acting as the expertise hub holding the cross-company technical know-how and providing services to its satellite companies, which are independent in governance terms but managed, coordinated and controlled by the Group. This to-be model has already been successfully implemented in the US with Lane.

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 892,172,691 ordinary shares and 1,615,491 savings shares.

The Group has 1,330,845 treasury shares in portfolio.

More information is available in note 19 "Equity".

(€'000)	1st half 2020	1st half 2021
Loss from continuing operations	(85,754)	(64,491)
Non-controlling interests	2,211	8,582
Loss from continuing operations attributable to the owners of the parent	**(83,543)**	**(55,909)**
Loss from continuing and discontinued operations	(85,754)	(67,939)
Non-controlling interests	2,211	8,582
Loss from continuing and discontinued operations attributable to the owners of the parent	**(83,543)**	**(59,356)**
Profit earmarked for holders of savings shares	**588**	**588**
Average outstanding ordinary shares	890,842	890,842
Average outstanding savings shares	1,615	1,615
Average number of shares	**892,458**	**892,458**
Average number of diluted shares	**892,458**	**892,458**
Basic loss per share (from continuing operations)	**(0.09)**	**(0.06)**
Basic loss per share (from continuing and discontinued operations)	**(0.09)**	**(0.07)**
Diluted loss per share (from continuing operations)	**(0.09)**	**(0.06)**
Diluted loss per share (from continuing and discontinued operations)	**(0.09)**	**(0.07)**

36. Events after the reporting date

No significant events have taken place since the reporting date other than those described in the Directors' report.

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[28].

[28] 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 year, Webuild Group did not carry out any atypical and/or unusual transactions, as defined in the above Consob communication no. DEM/6064293[29].

On behalf of the board of directors

Chairman

Donato Iacovone

(signed on the original)

[29] 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
Astaldi S.p.A.	Italy	Euro	340,431,460	66.966	66.101	0.865	Various	line-by-line(*)
3E System S.r.l. (in liq.)	Italy	Euro	10,000	66.966	-	66.966	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	41.867	-	41.867	NBI S.p.A.	line-by-line(*)
Afragola FS S.c.a r.l. (in liq.)	Italy	Euro	10,000	66.966		55.274	Astaldi S.p.A.	line-by-line(*)
						11.692	NBI S.p.A.	
AGN HAGA AB	Sweden	SEK	1,000	26.786		26.786	Astaldi S.p.A.	line-by-line(*)
Aguas de Punilla Sociedad Concesionaria S.A.	Chile	CLP	40,000,000,000	66.965		66.965	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.	Italy	Euro	35,000,000	66.959		66.959	Astaldi S.p.A.	line-by-line(*)
AS.M. S.c.r.l.	Italy	Euro	10,000	50.834		50.834	Astaldi S.p.A.	line-by-line(*)
Associazione Astaldi-SOMET-TIAB-UTI GRUP	Romania			26.786		26.786	Astaldi S.p.A.	line-by-line(*)
Astaldi Algerie-E.u.r.l.	Algeria	DZD	50,000,000	66.966		66.966	Astaldi S.p.A.	line-by-line(*)
Astaldi Arabia Ltd.	Saudi Arabia	SAR	5,000,000	66.966		40.180	Astaldi S.p.A.	line-by-line(*)
						26.786	Astaldi International Ltd.	
Astaldi Bulgaria L.t.d. (in liq.)	Bulgaria	BGN	5,000	66.966	-	66.966	Astaldi S.p.A.	line-by-line(*)
Astaldi Canada Design and Construcion Inc.	Canada	CAD	20,000	66.966		66.966	Astaldi Canada Enterp. Inc.	line-by-line(*)
Astaldi Canada Enterprises Inc.	Canada	CAD	10,000	66.966		66.966	Astaldi S.p.A.	line-by-line(*)
Astaldi Canada Inc.	Canada	CAD	20,000	66.966		66.966	Astaldi S.p.A.	line-by-line(*)
Astaldi Concessioni S.p.A.	Italy	Euro	22,635,327	66.966		66.966	Astaldi S.p.A.	line-by-line(*)
Astaldi Concessions S.p.A.	Italy	Euro	300,000	66.966	-	66.966	Astaldi S.p.A.	line-by-line(*)
Astaldi Construction Corporation	USA	USD	18,972,000	44.072		44.072	Astaldi S.p.A.	line-by-line(*)
Astaldi de Venezuela C.A.	Venezuela	VEB	110,300	66.834		66.834	Astaldi S.p.A.	line-by-line(*)
Astaldi India Services LLP	India	INR	30,003,000	66.959		66.959	Astaldi S.p.A.	line-by-line(*)
Astaldi International Inc.	Liberia			66.966		66.966	Astaldi S.p.A.	line-by-line(*)
Astaldi International Ltd. (in liq.)	UK			66.966		66.966	Astaldi S.p.A.	line-by-line(*)
Astaldi Mobilinx Hurontario GP Inc.	Canada			66.966		66.966	Astaldi Canada Enterp. Inc.	line-by-line(*)
Astaldi Polska zo.o. (in liq.)	Poland	PLZ	120,000	66.966	-	66.966	Astaldi S.p.A.	line-by-line(*)

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	Country	Currency	Share/quota capital subscribed	Investment %	% direct	% indirect	Indirect parent	Consolidation or measurement method
Astaldi-Max Bogl-CCCF J.V.	Romania	RON	40,000	44.198		44.198	Astaldi S.p.A.	line-by-line(*)
Astalnica S.A.	Nicaragua	NIO	2,000,000	65.627		65.627	Astaldi S.p.A.	line-by-line(*)
Astalrom S.A.	Romania	RON	3,809,897	66.77		66.77	Astaldi S.p.A.	line-by-line(*)
Astur Construction and Trade A.S.	Turkey	TRY	35,500,000	66.966		66.966	Astaldi S.p.A.	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	50.225	-	50.225	NBI S.p.A.	line-by-line(*)
Bovino Orsara AV	Italy	Euro	10,000	61.742	45	16.742	Astaldi S.p.A.	line-by-line(**)
Brennero Galleriaacque S.c.r.l.	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	52.838		52.838	Astaldi S.p.A.	line-by-line(*)
C.O.MES. S.c.r.l. (in liq.)	Italy	Euro	20,000	36.831		36.831	Astaldi 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	44.753		44.753	Astaldi S.p.A.	line-by-line(*)
CDE S.c.a.r.l.	Italy	Euro	10,000	60	60			line-by-line
CO.ME.NA. S.c.r.l. (in liq.)	Italy	Euro	20,658	47.166		47.166	Astaldi S.p.A.	line-by-line(*)
CO.MERI S.p.A.	Italy	Euro	35,000,000	66.959		66.959	Astaldi S.p.A.	line-by-line(*)
CO.VA. S.c.r.l. (in liq.)	Italy	Euro	10,000	40.18	-	40.18	NBI S.p.A.	line-by-line(*)
Collegamenti Integrati Veloci C.I.V. S.p.A.	Italy	Euro	20,000	85	85			line-by-line
Compagnia Gestione Macchinari CO.GE.MA. S.p.A.	Italy	Euro	200,000	100	100			line-by-line
Consorcio Constructor Salini Impregilo - Cigla (florianopolis)	Brazil			100	60	40	Cigla S.A.	line-by-line
Consorcio Impregilo Yarull	Dom. Republic			70	70			line-by-line
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	7.246	C.I.V. S.p.A.	Line-by-line
Consorzio Cossi LGV Ceneri	Switzerland			70.8		50.8	Cossi Costruzioni S.p.A.	line-by-line
						20	CSC Costruzioni S.A.	
Consorzio Hirpinia AV	Italy	Euro	10,000	86.786	60	26.786	Astaldi S.p.A.	line-by-line(**)
Consorzio Iricav Due	Italy	Euro	510,000	70.546	45.44	25.106	Astaldi S.p.A.	line-by-line(**)
Consorzio Libyan Expressway Contractor	Italy	Euro	10,000	58	58			line-by-line

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	Country	Currency	Share/quota capital subscribed	Investment %	% direct	% indirect	Indirect parent	Consolidation or measurement method
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	63.634	-	62.948	NBI S.p.A.	line-by-line(*)
						0.016	C.I.T.I.E. (in liq.)	
						0.670	3E System S.r.l. (in Liq.)	
Consorzio Stabile Operae	Italy	Euro	500,000	66.296		65.627	Astaldi S.p.A.	line-by-line(*)
						0.670	NBI S.p.A.	
Constructora Ariguani SAS En Reorganizacion	Colombia	COP	100,000,000	100	100			line-by-line
Constructora Astaldi Cachapoal Limitada	Chile	CLP	10,000,000	66.296		66.296	Astaldi S.p.A.	line-by-line(*)
Construtora Impregilo y Associados S.A.-CIGLA S.A.	Brazil	BRL	2,480,849	100	100			line-by-line
Copenaghen Metro Team I/S	Denmark			99.989	99.989			line-by-line
Corso del Popolo Engineering S.c.r.l.	Italy	Euro	10,000	64.707		64.707	HCE Costruzioni S.p.A.	line-by-line
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	63.5	63.5			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
DEAS S.c.r.l.	Italy	Euro	10,000	38.171	-	38.171	NBI S.p.A.	line-by-line(*)
DIRPA 2 S.c.r.l.	Italy	Euro	50,020,000	66.296	-	66.296	Consorzio Stabile Operae	line-by-line(*)
DMS Design Consortium S.c.r.l.	Italy	Euro	10,000	40.18		40.18	Astaldi S.p.A.	line-by-line(*)
Empresa Constructora Metro 6 L..t.d.a.	Chile	CLP	23,025,000,000	100	99.9	0.1	Cigla S.A.	line-by-line
Fibe S.p.A.	Italy	Euro	3,500,000	99.998	99.989	0.003	Impregilo Intern. Infrastruc. 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
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	66.966		66.966	Astaldi S.p.A.	line-by-line(*)
GE.SAT. S.c.a r.l.	Italy	Euro	10,000	36.061		23.438	Astaldi S.p.A.	Line-by-line(*)

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	Country	Currency	Share/quota capital subscribed	Investment %	% direct	% indirect	Indirect parent	Consolidation or measurement method
						12.623	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
Groupement Astaldi - Consider TP	Algeria			40.18		40.18	Astaldi S.p.A.	line-by-line(*)
Groupement de Raccordement de la Station d'El Hamma (G.R.S.H.)	Algeria			66.966		34.153	Astaldi S.p.A.	line-by-line(*)
						32.813	Astaldi Algerie - E.u.r.l.	
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	61.742	45	16.742	Astaldi S.p.A.	line-by-line(**)
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	Lane Constr. Corporation	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
Impregilo-Terna SNFCC J.V.	Greece	Euro	100,000	51	51			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	34.153		34.153	Astaldi S.p.A.	line-by-line(*)
IS Joint Ventures	Australia			100	50	50	Salini Australia PTY L.t.d.	line-by-line
Italstrade CCCF JV Romis S.r.l.	Romania	RON	540,000	34.153		34.153	Astaldi S.p.A.	line-by-line(*)
Italstrade S.p.A.	Italy	Euro	611,882	66.966		66.966	Astaldi S.p.A.	line-by-line(*)
Joint Venture Impregilo S.p.A. - S.G.F. INC S.p.A.	Greece	-	-	100	100			line-by-line
JV Salini - Secol	Romania			80	80			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	56.72	-	56.72	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

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	Country	Currency	Share/quota capital subscribed	Investment %	% direct	% indirect	Indirect parent	Consolidation or measurement method
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
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	61.742	45	16.742	Astaldi S.p.A.	line-by-line(**)
Messina Stadio S.c.r.l. (in liq.)	Italy	Euro	30,600	66.966		66.966	Astaldi S.p.A.	line-by-line(*)
Metro B S.r.l.	Italy	Euro	20,000,000	52.52	52.52			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	83.483	50	33.483	Astaldi S.p.A.	line-by-line(**)
Mondial Milas-Bodrum Havalimani Uluslararasi Terminal İşletmeciliği Ve Yatirim A.S.	Turkey	TRY	37,518,000	53.573		53.573	Astaldi Concessions S.p.A.	line-by-line(*)
Mosconi S.r.l.	Italy	Euro	100,000	63.5		63.5	Cossi Costruzioni S.p.A.	line-by-line
Napoli Cancello Alta Velocità S.c.r.l.	Italy	Euro	10,000	86.786	60	26.786	Astaldi S.p.A.	line-by-line(**)
NBI Elektrik Elektromekanik Tesisat Insaat Ve Ticaret I.S.	Turkey	TRY	10,720,000	66.966		63.617	NBI S.p.A.	line-by-line(*)
						3.349	Astur Construction and Trade A.S.	
NBI S.p.A.	Italy	Euro	7,500,000	66.966		66.966	Astaldi S.p.A.	line-by-line(*)
Nlf Nowa Lodz Fabryczna Sc	Poland			33.483		33.483	Astaldi S.p.A.	line-by-line(*)
Nuovo Ospedale Sud Est Baresen S.c.r.l. – NOSEB S.c.r.l.	Italy	Euro	35,000	66.966		66.966	Astaldi S.p.A.	line-by-line(*)
Ospedale del Mare S.c.r.l. (in liq.)	Italy	Euro	50,000	66.966		66.966	Astaldi S.p.A.	line-by-line(*)
Ospedale Monopoli Fasano S.c.r.l.	Italy	Euro	10,000	34.153		34.153	NBI S.p.A.	line-by-line(*)
Partecipazioni Italia S.p.A.	Italy	Euro	100,000	66.966		66.966	Astaldi S.p.A.	line-by-line(*)
Partenopea Finanza di Progetto S.c.p.A.	Italy	Euro	9,300,000	66.959		66.959	Astaldi S.p.A.	line-by-line(*)
Passante Dorico S.p.A.	Italy	Euro	24,000,000	63.072	47	16.072	Astaldi S.p.A.	line-by-line(**)

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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	66.953		66.953	Astaldi S.p.A.	line-by-line(*)
Redo-Association Momentanée	Congo		66.966		50.225	Astaldi S.p.A.	line-by-line(*)
					16.742	Astaldi Internationale Inc.	
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	66.472		66.472	Astaldi S.p.A.	line-by-line(*)
S. Agata FS S.c.r.l.	Italy Euro	20,000	86.786	60	26.786	Astaldi S.p.A.	line-by-line(**)
S. Filippo S.c.r.l. (in liq.)	Italy Euro	10,200	53.573		53.573	Astaldi S.p.A.	line-by-line(*)
S.P.T.-Società Passante Torino Sc.r.l.	Italy Euro	50,000	55.247		55.247	Astaldi 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 L.t.d.	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. (Cleveland)	USA		100	60	40	Lane Constr. Corporation	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 - US Holdings Inc.	USA USD	1,100	100	100			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
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

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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	66.966	-	66.966	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	51.162		51.162	Astaldi S.p.A.	line-by-line(*)
Seac S.c.r.l. (in liq.)	Congo			66.966		66.966	Astaldi 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	80.18	40	40.18	Astaldi S.p.A.	line-by-line(**)
SLC Snowy Hydro Joint Venure	Australia			65	64.99	0.01	Lane Constr. Corporation	line-by-line
Sociedad Austral Mantenciones y Operaciones S.p.A.	Chile	CLP	1,000,000	66.966		50.225	Astaldi Concessions S.p.A.	line-by-line(*)
						16.742	NBI S.p.A.	
Società Autostrada Broni - Mortara S.p.A.	Italy	Euro	28,902,600	60	60			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	60.269		60.269	Astaldi S.p.A.	line-by-line(*)

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T.E.Q Construction Enterprise Inc.	Canada	CAD	10,000	66.966		66.966	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
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		50.907	-	50.907	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	60.533		60.533	Astaldi S.p.A.	line-by-line(*)
Transmisora del Sur S.p.A.	Chile	CLP	1,000,000	66.966		66.966	Astaldi Concessions S.p.A.	line-by-line(*)
Valle Aconcagua S.A.	Chile	CLP	19,064,993	56.458		56.458	Astaldi Concessions S.p.A.	line-by-line(*)
Webuild Italia S.p.A.	Italy	Euro	100,000	100	100			line-by-line (a)
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.
AGP Metro Polska	Poland			33.483		33.483	Astaldi S.p.A.	joint oper.(*)
Ankara Etlik Hastane Sglik hizmetleri isletme yatirim A.S.	Turkey	TRY	267,240,000	34.153		30.804	Astaldi Concessioni S.p.A.	joint oper.(*)
						3.348	Astaldi S.p.A.	
Arge Tulfes Pfons	Austria	Euro	1,000	49	49			joint oper.
Arriyad New Mobility Consortium	Saudi Arabia			33.48	33.48			joint oper.
Asocierea Astaldi - Euroconstruct Trading 98	Romania			46.876		46.876	Astaldi S.p.A.	joint oper.(*)
Asocierea Astaldi S.p.A-IHI Infrastructure Systems SO, L.t.d.	Romania			40.18		40.18	Astaldi S.p.A.	joint oper.(*)
Asocierea Astaldi Spa – Max Boegl Romania Srl – Astalrom Sa – Consitrans S.R.L. (Ogra-Campia Turzii)	Romania			33.463		26.786	Astaldi S.p.A.	joint oper.(*)
						6.677	Astalrom S.A.	
Asocierea Astaldi Spa - Euroconstruct Trading 98 SRL - RCV Global Group SRL (Piata Sudului)	Romania			33.483		33.483	Astaldi S.p.A.	joint oper.(*)
Asocierea Astaldi-FCC-Salcef-Thales, lot 2°a	Romania			33.148		33.148	Astaldi S.p.A.	joint oper.(*)
Asocierea Astaldi-FCC-Salcef-Thales, lot 2°b	Romania			33.148		33.148	Astaldi S.p.A.	joint oper.(*)

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Asocierea JV Astaldi S.p.A. - Max Bogl	Romania			40.18		40.18	Astaldi S.p.A.	joint oper.(*)
Asocierea Lot 3 FCC-Astaldi-Convensa	Romania			33.148		33.148	Astaldi S.p.A.	joint oper.(*)
Astadim S.C.	Poland	PLZ	10,000	60.269		60.269	Astaldi S.p.A.	joint oper.(*)
Astaldi S.p.A. – Astalrom S.A. Joint Venture	Romania			66.917		50.225	Astaldi S.p.A.	joint oper.(*)
						16.693	Astalrom S.A.	
Astaldi-FCC Joint Venture	Romania			33.483		33.483	Astaldi S.p.A.	joint oper.(*)
Astaldi-FCC-Delta ACM-AB Construct	Romania			31.806		31.806	Astaldi S.p.A.	joint oper.(*)
Astaldi-FCC-UTI-ACTIV (Metro 5) Asocierea	Romania			26.110		26.110	Astaldi S.p.A.	joint oper.(*)
Astaldi-Gulermak Joint Venture	Turkey	TRY	1,500	34.153		34.153	Astaldi S.p.A.	joint oper.(*)
Astaldi-Max Boegl Romania	Romania			33.483		33.483	Astaldi S.p.A.	joint oper.(*)
Astaldi-Max Boegl Romania-Nadlac Arad Lot 2 Joint Venture	Romania			33.483		33.483	Astaldi S.p.A.	joint oper.(*)
Astaldi-Max Bogl-Euroconstruct-Tecnologica-Priect Bucuresti J.V.	Romania			18.523		18.523	Astaldi S.p.A.	joint oper.(*)
Astaldi-SC Euroconstruct Tranding 98-SC Astalrom Asocierea	Romania			66.95		63.611	Astaldi S.p.A.	joint oper.(*)
						3.339	Astalrom S.A.	
Astaldi-Tukerler Ortak Girisimi Joint Venture	Turkey	TRY	1,500	34.153		34.153	Astaldi S.p.A.	joint oper.(*)
Astaldi-UTI-Romairport J.V.	Romania			46.728		26.786	Astaldi S.p.A.	joint oper.(*)
						19.942	Romairport S.r.l.	
Aster Astaldi-TIM-Termomeccanica Ecologica	Poland			34.153		34.153	Astaldi S.p.A.	joint oper.(*)
Aster Dantiscum	Poland	PLZ	10,000	34.153		34.153	Astaldi S.p.A.	joint oper.(*)
Aster Resovia TM e Termomeccanca Ecologica Astaldi S.C.	Poland			32.813		32.813	Astaldi S.p.A.	joint oper.(*)
Avrasya Metro Grubu - AMG J.V.	Turkey	TRY	1,000	28.126		28.126	Astaldi S.p.A.	joint oper.(*)
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.	South Africa			39.2	39.2			joint oper.
Consorcio Ana Cua	Paraguay			36.831		36.831	Astaldi S.p.A.	joint oper.(*)

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Consorcio Constructor Tumarin	Nicaragua			33.483		33.483	Astaldi S.p.A.	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			19.855		19.855	Astaldi S.p.A.	joint oper.(*)
Consorcio Rio Mantaro	Peru			33.483		33.483	Astaldi S.p.A.	joint oper.(*)
Consorcio Rio Urubamba	Peru			26.786		26.786	Astaldi S.p.A.	joint oper.(*)
Consorzio Constructor M2 Lima	Peru			25.5	25.5			joint oper.
Consorzio Constructora El Arenal	Honduras			32.813		32.813	Astaldi S.p.A.	joint oper.(*)
Consorzio Gdansk	Poland			34.153		34.153	Astaldi S.p.A.	joint oper.(*)
Consorzio Lublino	Poland			63.604		63.604	Astaldi S.p.A.	joint oper.(*)
Daelim-Astaldi-WIKA Joint Venture	Indonesia			20.09		20.09	Astaldi S.p.A.	joint oper.(*)
FCC Construccion S.A. – Astaldi S.p.A., Joint Venture	Romania			33.483		33.483	Astaldi S.p.A.	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.
G.R.B.K. Barrage de Kerrada et Adduction Chelif-Kerrada du Transfert M.A.O	Algeria			45.992		45.992	Astaldi S.p.A.	joint oper.(*)
Gebze-İzmir Otoyolu İnşaati (NOMAYG) Adi Ortakligi	Turkey	TRY	50,000	11.719		11.719	Astaldi S.p.A.	joint oper.(*)
Ghazi-Barotha Contractors J.V.	Pakistan	-	-	57.8	57.8			joint oper.
Groupement Astaldi-Somatra Get (G.A.S.)	Tunisia			40.18		40.18	Astaldi S.p.A.	joint oper.(*)
Groupement ASTEH	Algeria			34.153		34.153	Astaldi S.p.A.	joint oper.(*)
Groupement GR-RDM	Algeria			34.153		34.153	Astaldi S.p.A.	joint oper.(*)
GS Inima -Fisia Italimp. S.p.A. UTE Barka V Swro	Oman	OMR	6,000	50		50	Fisia Italimpianti S.p.A.	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. (a)
I 405 Partners Joint Venture	USA			17.629		17.629	Astaldi Construction Corporation	joint oper.(*)
Ika Izmir Demiryolu Joint Venture	Turkey	TRY	10,000	22.099		22.099	Astur Construction and Trade A.S.	joint oper.(*)
Ilka Metro Yapim Joint Venture	Turkey	TRY	10,000	10.045		10.045	Astur Construction and Trade A.S.	joint oper.(*)
Lodz Consorzio	Poland			26.786		26.786	Astaldi S.p.A.	joint oper.(*)

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Max Boegl-Astaldi, Joint Venure	Romania			26.786		26.786	Astaldi S.p.A.	joint oper.(*)
Mobilinx Hurontario Contractor	Canada			60.750		42	Salini Impregilo Civil Works	joint oper.(**)
						18.750	Astaldi Canada Design & Construction Inc.	
Mobilinx Hurontario DBJV	Canada			42.125		42.125	Mobilinx Hurontario Contractor	joint oper.(**)
Nadlac-Arad JV	Romania			33.483		33.483	Astaldi S.p.A.	joint oper.(*)
Nathpa Jhakri J.V.	India	USD	1,000,000	60		60	HCE Costruzioni S.p.A.	joint oper.
NBI-A4 Joint Venture	Turkey	TRY	1,500	66.959		66.959	NBI Elektrik Elekt. Tesisat Insaat	joint oper.(*)
NBI-A4 Tunnel Joint Venture	Turkey			66.959		66.959	NBI S.p.A.	joint oper.(*)
NGE Genie Civil S.a.s. - Salini Impregilo S.p.A.	France			50	50			joint oper.
Obrainsa - Astaldi Consorzio	Peru			34.153		34.153	Astaldi S.p.A.	joint oper.(*)
Reliance-Astaldi, J.V.	India			33.483		33.483	Astaldi S.p.A.	joint oper.(*)
Rinfra-Astaldi, J.V.	India			17.411		17.411	Astaldi S.p.A.	joint oper.(*)
Sailini Impregilo - NGE Genie Civil S.a.s	France			65	65			joint oper.
South Al Mutlaa J.V.	Kuwait			55	55			joint oper.
Southland Astaldi, Joint Venture	Canada			20.090		20.090	Astaldi Canada Design & Construction Inc.	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. (a)
UJV Astaldi S.p.A. (Suc. Cile), VCGP (Ag en Chile) e VCGP–Astaldi Ingenieria y Const.Ltd	Chile			33.483		33.148	Astaldi S.p.A.	joint oper.(*)
						0.335	VCGP - Astaldi Ingenieria y Construccion Limitada	
UTE Abeima Fisia Shoaibah	Saudi Arabia			50		50	Fisia Italimpianti S.p.A.	joint oper.
Uti Grup S.A.-Astaldi S.p.A.	Romania			43.528		43.528	Astaldi S.p.A.	joint oper.(*)
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	42.589	16.504	23.727	Impregilo Intern. Infr. N.V.	equity
						2.358	Iglys. S.A.	
AM S.c.r.l.	Italy	Euro	10,000	28.621		28.621	NBI S.p.A.	equity(*)
Ankara Etlik Hastane Isletme Ve Bakim Anonim Sirketi	Turkey	TRY	50,000	34.153		34.153	Astaldi Concessions S.p.A.	equity(*)

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Arge Haupttunnel Eyholz	Switzerland			36		36	CSC Costruzioni S.A.	equity
Arge Secondo Tubo	Switzerland			40	5	35	CSC Costruzioni S.A.	equity
Atayde North Holding	Mexico			26.786		26.786	Astaldi S.p.A.	equity(*)
Autopistas del Sol S.A.	Argentina	ARS	175,396,394	19.818		19.818	Impregilo Intern. Infr. N.V.	equity
Autostrada Nogara Mare Adriatico S.c.r.l. (in liq.)	Italy	Euro	120,000	15.402		8.706	Astaldi Concessions S.p.A.	equity(*)
						6.697	Astaldi S.p.A.	
Avola S.c.r.l. (in liq.)	Italy	Euro	10,200	33.483		33.483	Astaldi S.p.A.	equity(*)
Avrasya Metro Grubu S.r.l . (in Liq.)	Italy	Euro	10,000	28.126		28.126	Astaldi S.p.A.	equity(*)
Biomedica S.c.r.l. (in liq.)	Italy	Euro	10,000	28.572		28.572	Consorzio Stabile Busi (in liq.)	equity(*)
Brennero Tunnel Construction S.c.r.l.	Italy	Euro	100,000	31.628		31.628	Astaldi S.p.A.	equity(*)
C.F.M. S.c.r.l. (in liq.)	Italy	Euro	40,800	33.483		33.483	Astaldi S.p.A.	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
CGR Consorzio Galliera Roveredo	Switzerland			37.5		37.5	CSC Costruzioni S.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	33.483		33.483	Astaldi 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	40.18		40.18	Astaldi S.p.A.	equity(*)
Consorcio Contuy Medio	Venezuela	-	-	47.991	29.04	18.951	Astaldi S.p.A.	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	-	-	55.648	33.329	22.319	Astaldi S.p.A.	equity(**)
Consorcio Normetro	Portugal			13.18	13.18			equity
Consorcio OIV-TOCOMA	Venezuela			40	40			equity
Consorcio V.I.T. - Tocoma	Venezuela	-	-	35	35			equity

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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
Consortium Zuttion Constructions-CSC-Orrlati	Switzerland			40		40	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	55.660		33.34	HCE Costruzioni S.p.A.	equity(**)
						22.320	Astaldi S.p.A.	
Consorzio Astaldi-Federici-Todini Kramis	Italy	Euro	100,000	83.475		49.995	HCE Costruzioni S.p.A.	equity(**)
						33.480	Astaldi S.p.A.	
Consorzio Cà di Ferro	Switzerland			50		50	CSC Costruzioni S.A.	equity
Consorzio CEMS	Switzerland			33.4		33.4	CSC Costruzioni S.A.	equity
Consorzio Consarno	Italy	Euro	20,658	16.742		16.742	Astaldi S.p.A.	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	33.483		33.483	Astaldi S.p.A.	equity(*)
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	77.977		33.333	HCE Costruzioni S.p.A.	equity(**)
						44.644	Astaldi S.p.A.	
Consorzio Fonomen	Switzerland			33.33		33.33	CSC Costruzioni S.A.	equity
Consorzio GI.IT. (in liq.)	Italy	Euro	2,582	33.483		33.483	Astaldi S.p.A.	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	Italy	Euro	41,316	35.001		35.001	HCE Costruzioni S.p.A.	equity
Consorzio Iricav Uno	Italy	Euro	520,000	28.697		28.697	Astaldi S.p.A.	equity(*)
Consorzio Ital.Co.Cer. (in Liq.)	Italy	Euro	51,600	20.090		20.090	Astaldi S.p.A.	equity(*)

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Consorzio Italvenezia (in liq.)	Italy	Euro	77,450	66.966		66.966	Astaldi S.p.A.	equity(*)
Consorzio Kallidromo	Greece	Euro	8,804	23		23	HCE Costruzioni S.p.A.	equity
Consorzio Lotto 742-01	Switzerland			50		50	CSC Costruzioni S.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	53.655	32.135	21.520	Astaldi S.p.A.	equity(**)
Consorzio NOG.MA (in liq.)	Italy	Euro	600,000	16.767		16.767	HCE Costruzioni S.p.A.	equity
Consorzio Noovocento (in liq.)	Italy	Euro	51,640	27.295		27.295	Astaldi S.p.A.	equity(*)
Consorzio Piottino	Switzerland			45		45	CSC Costruzioni S.A.	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 TDB Teris - 2	Switzerland			25		25	CSC Costruzioni S.A.	equity
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
CS Consorzio	Switzerland			85		85	CSC Costruzioni S.A.	equity
DCSC Data Center Swiss Contractor	Switzerland			99.9		99.9	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	33.483		33.483	Astaldi S.p.A.	equity(*)
Dolomiti Webuild Implenia	Italy	Euro	10,000	51	51			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	22.322		22.322	Astaldi S.p.A.	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	34.153		34.153	Astaldi S.p.A.	equity(*)
Eurolink S.c.p.a.	Italy	Euro	150,000,000	45	45			equity
Fisia Abeima LLC	Saudi Arabia	SAR	500,000	50		50	Fisia Italimpianti S.p.A.	equity

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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
Flatiron-Lane J.V.	USA		45		45	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
Forum S.c.r.l.	Italy Euro	51,000	73.559	20	53.559	Astaldi S.p.A.	equity(**)
Fosso Canna S.c.r.l. (in liq.)	Italy Euro	25,500	21.429		21.429	Astaldi S.p.A.	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
Grand Capital Ring	Russia		16.808		16.808	Astaldi S.p.A.	equity(*)
Groupement Eurolep	Switzerland		14.733		14.733	Astaldi S.p.A.	equity(*)
Grupo Empresas Italianas - GEI	Venezuela VEB	10,500,000	55.655	33.333	22.322	Astaldi S.p.A.	equity(**)
Grupo Unidos Por El Canal S.A.	Panama USD	1,000,000	48	48			equity
GS Inima Fisa (Barka) LLC	Oman OMR	250,000	50		50	Fisia Italimpianti S.p.A.	equity
I4 Leasing LLC	USA		30		30	Lane Constr. Corporation	equity
ICA LT Limited Liability Company	Russia		33.483		33.483	Astaldi S.p.A.	equity(*)
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
Interstate Healy Equipment J.V.	USA		45		45	Lane Constr. Corporation	equity
Intraflegrea S.c.r.l. (in liq.)	Italy Euro	46,600	33.483		33.483	Astaldi S.p.A.	equity(*)
IRINA S.r.l. (in liq.)	Italy Euro	103,300	36		36	HCE Costruzioni S.p.A.	equity
Isarco S.c.r.l.	Italy Euro	10,000	41	41			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 Rep.		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

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Joint Venture Terna - Impregilo	Greece	-	-	45	45			equity
Kallidromo Joint Venture	Greece	Euro	29,347	23		20.7 2.3	HCE Costruzioni S.p.A. Consorzio Kallidromo	equity
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
Lane Water LLC	USA			100		100	Lane Constr. Corporation	equity
Line 3 Metro Stations	Greece			50	50			equity
M.N. Metropolitana di Napoli S.p.A.	Italy	Euro	3,655,397	15.148		15.148	Astaldi S.p.A.	equity(*)
M.O.MES. S.c.r.l.	Italy	Euro	10,000	40.180		40.180	Astaldi S.p.A.	equity(*)
Messina Catania tratto Nord	Italy	Euro	10,000	61.742	45	16.742	Astaldi S.p.A.	equity(**)
Metro C S.c.p.a.	Italy	Euro	150,000,000	23.103		23.103	Astaldi 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	50.234	35.627	14.607	Astaldi S.p.A.	equity(**)
Mobilink Hurontario General Partnership	Canada			30.375		21 9.375	Salini Impregilo Mobilink Hur. GP Inc. Astaldi Mobilinx Hur. GP Inc.	equity (a)(**)
Mobilinx Hurontario Services L.t.d.	Canada			17.357	12	5.357	Astaldi Canada Design and Cons. Inc.	equity(**)
Mose Bocca di Chioggia S.c.r.l.	Italy	Euro	10,000	10.045		10.045	Astaldi S.p.A.	equity(*)
Mose-Treporti S.c.r.l.	Italy	Euro	10,000	23.438		23.438	Astaldi S.p.A.	equity(*)
N.P.F. – Nuovo Polo Fieristico S.c.r.l. (in liq.)	Italy	Euro	40,000	33.483		33.483	Astaldi S.p.A.	equity(*)
Nova Metro S.c.r.l. (in liq.)	Italy	Euro	40,800	16.139		16.139	Astaldi S.p.A.	equity(*)
Nuevo Pudahuel S.A.	Chile	CLP	156,099,851	10.045		10.045	Astaldi Concessioni S.p.A.	equity(*)
Ochre Solutions Holdings Ltd	UK	GBP	20,000	40		40	Impregilo Intern. Infr. N.V.	equity
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	11.719		11.719	Astaldi S.p.A.	equity(*)
Otoyol Isletme Ve Bakim A.S.	Turkey	TRY	5,000,000	12.148		12.148	Astaldi S.p.A.	equity(*)
Otoyol Yatirim Ve İsletme A.S.	Turkey	TRY	4,180,000,000	12.148		12.148	Astaldi S.p.A.	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.	Italy	Euro	80,000,000	63.072	47	16.072	Astaldi S.p.A.	equity(**)
Pedemontana Lombarda Manutenzioni S.c.r.l.	Italy	Euro	10,000	23.706		23.706	NBI S.p.A.	equity(*)
Pegaso S.c.r.l. (in Liq.)	Italy	Euro	260,000	29.298		29.298	Astaldi S.p.A.	equity(*)

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PerGenova S.c.p.a.	Italy	Euro	1,000,000	50	50			equity
Piana di Licaca S.c.r.l. (in liq.)	Italy	Euro	10,200	29.294		29.294	Astaldi S.p.A.	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. Anna Palermo S.c.r.l. (in liq.)	Italy	Euro	40,800	71.6	71.6			equity
S. Benedetto S.c.r.l. (in liq.)	Italy	Euro	25,823	57		57	HCE Costruzioni S.p.A.	equity
S. Leonardo S.c.r.l. (in liq.)	Italy	Euro	10,200	34.153		34.153	Astaldi 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	32.367		32.367	Astaldi S.p.A.	equity(*)
Salini Impregilo - Kolin	Turkey			50.01	50.01			equity (a)
Salini Strabag Joint Ventures	Guinea	Euro	10,000	50	50			equity
Sclafani S.c.r.l. (in liq.)	Italy	Euro	10,400	41		41	HCE Costruzioni S.p.A.	equity
SEDI S.c.r.l.	Italy	Euro	10,000	34		34	HCE Costruzioni S.p.A.	equity
Segrate S.c.r.l.	Italy	Euro	10,000	35	35			equity
Sellero S.c.r.l. (in liq.)	Italy	Euro	10,000	24.765		24.765	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
Skanska-Granite-Lane J.V.	USA			30		30	Lane Constr. Corporation	equity
SOC 24 Russia	Russia			16.808		16.808	Astaldi S.p.A.	equity(*)
Sociedad Concesionaria Metropolitana De Salud S.A.	Chile	CLP	15,000,000	34.153		34.153	Astaldi Concessions S.p.A.	equity(*)
Soingit S.c.r.l. (in liq.)	Italy	Euro	41,317	29.489		29.489	HCE Costruzioni S.p.A.	equity
Tangenziale Seconda S.c.r.l. (in liq.)	Italy	Euro	45,900	28.615		28.615	Astaldi S.p.A.	equity(*)
Tartano S.r.l. Società Agricola	Italy	Euro	110,000	20.638		20.638	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

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Trieste Due S.c.a.r.l. (in liq.)	Italy Euro	10,000	28,575		28,575	Cossi Costruzioni S.p.A.	equity
Unionport Constructors J.V.	USA		45		45	Lane Constr. Corporation	equity
Valdostana Condotte - Cossi	Italy Euro	100,000	12.7		12.7	Cossi Costruzioni S.p.A.	equity
VCGP - Astaldi Ingenieria y Construccion Limitada	Chile CLP	66,000,000	33.483		33.483	Astaldi S.p.A.	equity(*)
VE.CO. S.c.r.l.	Italy Euro	10,200	25	25			equity
VSL Electrical, Signing, Lighting LLC	USA		100		100	Lane Constr. Corporation	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
Asse Sangro Consorzio (in liq.)	Italy Euro	464,811	3.189		3.189	Astaldi S.p.A.	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	0.007		0.007	Astaldi S.p.A.	cost(*)
C.I.T.I.E. Consorzio Inst. Tec. Idr. Elettr. Soc. Cooperativa (in liq.)	Italy Euro	8,035	0.328		0.261	NBI S.p.A.	cost(*)
					0.067	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	8.083		8.083	NBI S.p.A.	cost(*)
Centotre S.c.r.l.	Italy Euro	10,000	8.384		8.384	NBI S.p.A.	cost(*)
CO.SA.VI.D. S.c.r.l.	Italy Euro	25,500	0.007		0.007	Astaldi S.p.A.	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	1.339		1.339	Astaldi S.p.A.	cost(*)
Consorzio Cona (in liq.)	Italy Euro	751,950	3.342		3.342	NBI S.p.A.	cost(*)
Consorzio Costruttori TEEM	Italy Euro	10,000	0.01		0.01	HCE Costruzioni S.p.A.	cost(a)
Consorzio Groupement Lesi-Dipenta	Italy Euro	258,228	0.007		0.007	Astaldi S.p.A.	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	0.023		0.023	Astaldi S.p.A.	cost(*)
Consorzio Nazionale Imballaggi - CO.NA.I.	Italy Euro	130	1	1			cost
Consorzio Terme di Sardara - CON.TER.SAR. (in liq.)	Italy		0.1		0.1	HCE Costruzioni S.p.A.	cost

List of Webuild Group companies

	Country	Currency	Share/quota capital subscribed	Investment %	% direct	% indirect	Indirect parent	Consolidation or measurement method
Consorzio Tratta Determinante Città Vitale - TRA.DE.CIV	Italy	Euro	155,535	11.871		11.871	Astaldi S.p.A.	cost(*)
Consorzio Utenti Servizi Salaria Vallericca	Italy	Euro	10,500	0.007		0.007	Astaldi S.p.A.	cost(*)
Consorzio Venezia Nuova	Italy	Euro	274,000	11.753		11.753	Consorzio Italvenezia	cost(*)
DIRPA S.c.r.l.	Italy	Euro	50,000,000	66.283		66.283	Consorzio Stabile Operae	cost(*)
Elektromak - Mekatronik - NBI, Joint Venture	Turkey			0.067		0.067	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	0.007		0.007	Astaldi S.p.A.	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	0.703		0.703	Astaldi S.p.A.	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	2.534	1	1.4	HCE Costruzioni S.p.A.	cost(**)
						0.134	Astaldi S.p.A.	
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.	Italy	Euro	200,000	0.01		0.01	HCE Costruzioni S.p.A.	cost(a)
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
Markland S.r.l. (in liq.)	Italy	Euro	66,810	1.9	1.9			cost
Metro 5 S.p.A.	Italy	Euro	53,300,000	1.339		1.339	Astaldi S.p.A.	cost(*)
Mia Adi Ortakligi J.V.	Turkey			8.036		8.036	Astur Construction and Trade A.S.	cost(*)
Mika Adi Ortakligi J.V.	Turkey			10.045		10.045	Astur Construction and Trade A.S.	cost(*)
MN 6 S.c.r.l.	Italy	Euro	51,000	14.151		13.482	M.N. Metropolitana di Napoli S.p.A.	cost(*)
						0.670	Astaldi S.p.A.	
Mose Operae S.c.r.l.	Italy	Euro	10,000	11.572		11.572	Astaldi S.p.A.	cost(*)

List of Webuild Group companies

	Country Currency	Share/quota capital subscribed	Investment %	% direct	% indirect	Indirect parent	Consolidation or measurement method
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	0.007		0.007	Astaldi S.p.A.	cost(*)
Pavimental S.p.A.	Italy Euro	10,116,452	0.402		0.402	Astaldi S.p.A.	cost(*)
PROG.ESTE S.p.A.	Italy Euro	11,956,151	1.807		1.807	NBI S.p.A.	cost(*)
S.A.T. S.p.A.	Italy Euro	19,126,000	0.67		0.67	Astaldi 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		0.007		0.007	Astaldi S.p.A.	cost(*)
Skiarea Valchiavenna S.p.A.	Italy Euro	12,000,000	1.035		0.925	HCE Costruzioni S.p.A.	cost(**)
					0.110	Astaldi S.p.A.	
SPV Linea M4 S.p.A.	Italy Euro	61,531,500	16.086	9.634	6.452	Astaldi S.p.A.	cost(**)
Tangenziale Esterna S.p.A.	Italy Euro	464,945,000	0.001	0.001			cost(a)
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
Valtellina Golf Club S.p.A.	Italy Euro	2,813,300	0.404		0.292	Cossi Costruzioni S.p.A.	cost
					0.112	Mosconi S.r.l.	
Veneta Sanitaria Finanza di Progetto S.p.A. - V.S.F.P. S.p.A.	Italy Euro	20,500,000	0.67		0.335	Astaldi S.p.A.	cost(*)
					0.335	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.	(*)

(°) Excluded from the consolidation scope

(a) Inactive

(*) Astaldi investment

(**) Co-investment with Astaldi

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:

- that the administrative and accounting procedures are adequate given the Group’s characteristics; and
- that they were actually applied during the first half of 2021 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 EC Regulation 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 2021 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, 29 July 2021

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

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 2021, 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 2021 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 interim financial report at 30 June 2021 about the significant litigation and exposure to countries with risk and/or uncertainty profiles. Reference should be made to the "Main risk factors and uncertainties" section, which, in turn, makes reference to the "Astaldi" section, and the notes to the condensed interim consolidated financial statements.

Milan, 30 July 2021

KPMG S.p.A.

(signed on the original)

Paola Maiorana
Director of Audit