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

2022 Annual Report

31 December 2022

This document is available at:

www.webuildgroup.com

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

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Company officers

Board of directors (i)	
Chairperson	Donato Iacovone
Deputy chairperson	Nicola Greco
Chief executive officer	Pietro Salini
Directors	Andrea Alghisi (ii)
	Davide Croff
	Barbara Marinali
	Flavia Mazzarella
	Francesco Renato Mele (ii)
	Teresa Naddeo
	Marina Natale
	Ferdinando Parente
	Alessandro Salini
	Serena Maria Torielli
	Michele Valensise
	Laura Zanetti
Control, risk and sustainability committee	
Chairperson	Teresa Naddeo
	Donato Iacovone
	Flavia Mazzarella
	Marina Natale
	Ferdinando Parente
	Serena Maria Torielli
Compensation and nominating committee	
Chairperson	Ferdinando Parente
	Barbara Marinali
	Laura Zanetti
Committee for related-party transactions	
Chairperson	Barbara Marinali
	Davide Croff
	Ferdinando Parente
Board of statutory auditors (iii)	
Chairperson	Giacinto Gaetano Sarubbi
Standing statutory auditors	Roberto Cassader
	Paola Simonelli
Substitute statutory auditors	Stefania Mancino
	Chiara Segala
Independent auditors (iv)	KPMG S.p.A.

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

(i) Appointed by the shareholders on 30 April 2021; in office until approval of the financial statements as at and for the year ending 31 December 2023, except for that set out in point ii).

(ii) Co-opted by the board of directors as per article 2386 of the Italian Civil Code and article 20 of the by-laws on 3 October 2022 to replace the outgoing directors Pierpaolo di Stefano and Tommaso Sabato. The co-opted directors will remain in office until the next shareholders' meeting, which will be asked to approve their appointment.

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

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

CEO'S letter to the Stakeholders

2022 was a **year of growth for the Group as we strengthened both our operations and financial position**, achieving better than expected results and demonstrating Webuild's resilience in a very complex scenario. Only a very solid group like ours could **deliver more than 270 projects and be awarded another 290 in the space of ten years**.

We **took on challenges, cultivated opportunities and minimised risks** as part of a **clear-sighted business plan drawn up ten years ago**. Our objectives have been to grow in scale, focus on our core business, bid for projects that are both sustainable and beneficial to the local communities, and invest continuously in safety for our people and those of our partners. Webuild's **size** makes it a strategic sector player.

Our achievements are the result of a **cohesive team, one of the most competent** in the world: our **people** and thousands of companies along the **value chain** who have together systematically transformed the entire sector. Webuild currently has a workforce of more than 83,000 direct and indirect workers of over 100 nationalities and it works with 17,500 partners.

We are working with these partners to develop an increasingly **safety**-oriented culture, including by using innovative technologies that we invest in. We look beyond the numbers in the pursuit of an ingrained safety culture.

In 2022, we are proud to celebrate the realisation of a blueprint designed a decade ago, achieved in a **challenging and complicated period** with geopolitical and trade ruptures, persistent inflation and soaring energy prices, cost-push inflation and intensifying trends, starting with those linked to climate change, the energy transition, demographic growth in some areas of the world, the rise of increasingly large cities, and the search for a new liveability in advanced smart cities. **Global growth**, bolstered principally by national plans to support infrastructure projects, the energy transition and digitalisation, is expected to have been 3.4% in 2022, a slowdown on 6.2% for the previous year.

Outside **Italy**, whose recovery plan is driving part of the large transport projects, **infrastructure investments** continue to be mostly concentrated in the **United States, Australia, the Middle East and Eastern Europe**, where the construction markets' growth will exceed their countries' GDP in 2023. Webuild has a strong foothold in these areas which it intends to maintain and consolidate, especially on its home ground.

Thanks to the acquisition of Clough's assets in Australia early in 2023, we are now an **even more cohesive, larger and stronger Group**. Our integration with companies like Clough, Astaldi, Seli Overseas, Cossi and Lane gives us a sharper **competitive edge on international markets**, as a result of the new skills they bring. The transaction with **Clough** is a landmark step forward in a country which is our second most important market after Italy and where we employ around 3,000 people.

Despite this challenging period, we met and outperformed all our targets. We exceeded the 2021 record of new orders, continuing to successfully win **new contracts**, worth more than **€16** billion in 2022, a sign of our robust competitiveness. These are quality orders of which more than 80% are located in low-risk markets. In addition, 2022 **revenue** exceeds €8 billion, the **order backlog** is in excess of €53 billion and **EBITDA** stands at €572 million.

The **new orders**, either confirmed or for which we are preferred bidders, reflect the Group's de-risking strategy with preference for contracts in low-risk areas such as Italy, Europe, the United States, Canada and Australia, as well as its focus on business segments tied to advancement towards the Sustainable Development Goals. These contracts include iconic and challenging works such as the building of a road and bridge system between Bergen and Sotra Island in Norway, construction of the A303 trunk road in the United Kingdom to protect Stonehenge from traffic congestion and pollution and the Sydney Metro- Western Sydney Airport Line Project in Australia. In Italy, Webuild has been awarded the contract for the Enna- Dittaino section of high-capacity Palermo- Catania railway line among other railway works as well as the Genoa breakwater, a landmark work of great engineering complexity.

We will continue to focus on our core segments, principally sustainable mobility (metros, high-speed railway lines and roads) and hydroelectric infrastructures as part of our **commercial strategy** while also closely monitoring the touted investments in sea transport (international projects worth an estimated €200 billion in 2023 and 2024 alone), information systems (data centres) (potential projects of €113 billion in the same two years around the world), water and waste treatment plants (potential international projects of €20 billion in the same period), including through the subsidiary Fisia.

In the last year, we have **delivered infrastructure** in the sustainable mobility, green buildings and water sectors, including the first six stations of the M4 Line of the Milan Metro and the NATO base in Sigonella in Italy, Perth Airport Line in Australia, and Parc du Simplon (an urban requalification project in Renens, Lausanne) in Switzerland.

We have pursued our mission to design and build works that improve the lives of people now and in the future together with our clients and partners. As part of the more than **150 projects underway** around the world, we work with thousands of large and small companies, generating spin-off value for the local areas in terms of their development, employment and through our investments in innovation, safety and sustainability.

In 2022, we have continued to invest in **training and upskilling** our white collar employees through the management academy. We also opened our trade school, Scuola di Mestieri, with three pilot projects. In addition, we started to plan an Academy to attract, introduce, train and cultivate those professionals that Webuild will need in the coming years.

We also continued to invest in programmes to attract **young people** (under 35s), who made up 44% of our workforce in 2022. We carried out a number of employer branding initiatives with our Webuild Next-Gen programme, engaged in strategic partnerships with Italian and international universities and tailored projects like the Alberto Giovannini Award (for which candidates may now be proposed for the second edition). We carried on with our research activities, including through our joint project with the Genoa University, UniWeLab, whose second year research programme is on the digitalisation of infrastructure.

With respect to **safety** in 2022, the Group achieved the injury reduction rate target set in its ESG Plan of 40% less than the 2017 baseline. We provided more safety training, with an increase of around 50% on the prior year hours. We also relaunched the internal safety communication initiative, Safety Builders, which involved around 500 managers who attended safety leadership workshops (roughly 70% more than in 2021).

We continued our **environmental sustainability** journey, stepping up our energy efficiency projects designed to reduce our CO2 emissions (by setting up environmentally sustainable work sites for new projects) and rolling out training courses on decarbonisation and the circular economy with the Turin Polytechnic.

This year has seen us increasingly committed to our **innovation** plan, enriched with solid new projects such as Connected Webuild, a long-term digital transition programme based on the application of the major disruptive technologies currently available (robotics, artificial intelligence, digital twins, blockchains, etc.).

Our scale has made it necessary to strengthen the **Group's leadership position** in the construction sector in Italy and strategic areas abroad (chiefly Australia and the United States, through dedicated strategic communication plans) and to closely monitor **reputational risk**. All internal and external **communication tools** have been upgraded to ensure transparent communications with important local stakeholders (including by placing webcams in our work sites) and internal stakeholders to ensure concordance about our business objectives.

Intense integration activities were undertaken in 2022 to align subsidiaries' **organisations** and processes with those of the headquarters in order to achieve a standard group model. This project was reinforced by a strategic internal communication plan to encourage the melding of different organisational cultures and to engage our people in doing this.

2023 promises to be another year **full of challenges and opportunities** which we intend to rise to in the spirit of providing maximum satisfaction to our internal and external stakeholders. We will act with the same determination as in 2022 as an increasingly cohesive team, welcoming our new colleagues that have joined the Group.

We intend to pursue a **new business and capitalism model**, hinging on sustainability principles, which we will achieve by leveraging our mutually-beneficial partnerships with clients and suppliers that we have successfully put in place around the world and at home. Our model is inspired by a **vision of shared, long-term growth that our main stakeholders** (shareholders, employees, clients, local communities and regulators) **expect of us**.

And we will make sure that you are not disappointed.

Highlights

Our results

€8.2 billion
Revenue[1]

€53.4 billion
Total order backlog

Our commitment

Group KPIs		Generated shared value
	Planet We protect our planet	
81% EU taxonomy eligible turnover[2]		**25 Mt CO_2** Annual emissions avoidable thanks to ongoing rail, metro and hydro projects
	People We care for our people	
≈ 36,000 Direct workers		**6** jobs created for each direct group employee[3]
	Partnership We embrace partnerships	
≈100 Main ongoing projects		**17,500** Direct suppliers
	Progress We foster progress	
92% Construction order backlog from projects that contribute to progress towards the UN's SDGs		**93 million** People who benefit from the projects in place
	Prosperity We advocate prosperity	
€572.1 million EBITDA[1]		**€7,776 million** Economic value distributed to stakeholders

Supported SDGs

[1] Adjusted figure, comprising the reported figure increased by the results of the non-subsidiary joint ventures of Lane Industries.
[2] Reference should be made to the "Climate change" section of the 2022 Consolidated Non-financial Statement for more information.
[3] Amount related to the Group's main markets, calculated using output-input parameters. More information is available in the "Social" section of the 2022 Consolidated Non-financial Statement.

Webuild Group

Who we are

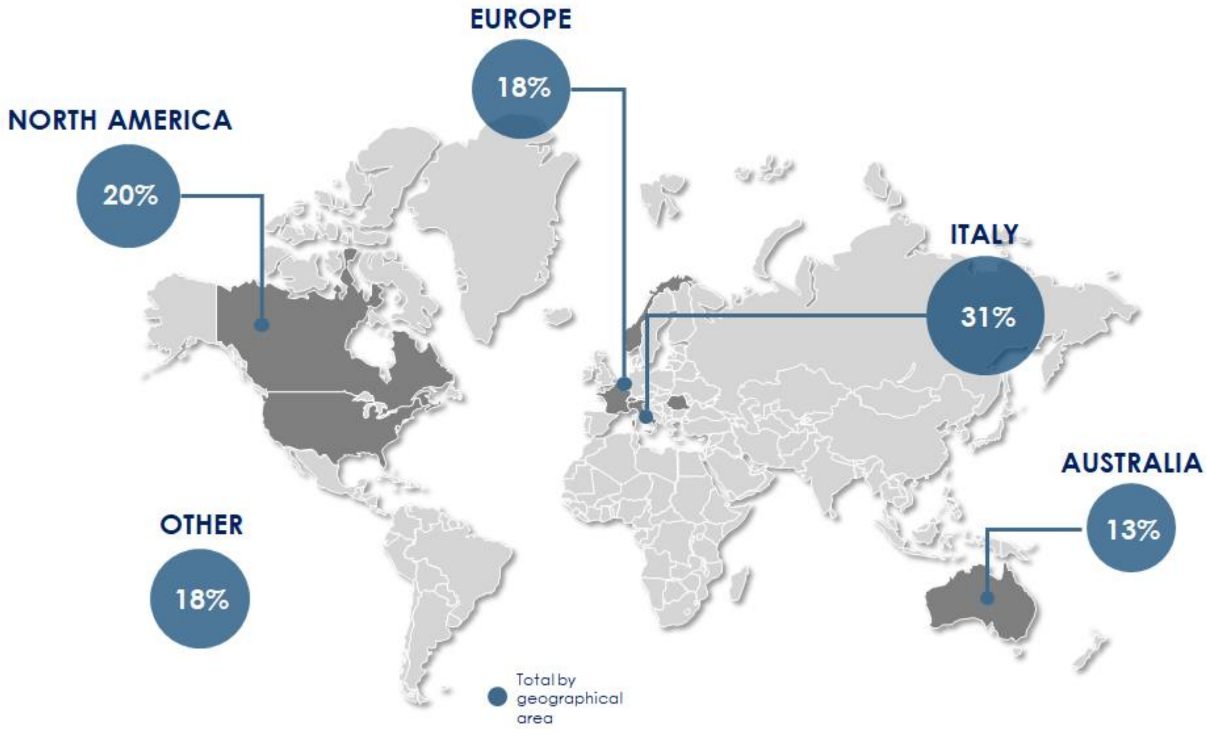
Webuild is a global construction operator specialised in building large complex infrastructure for the sustainable mobility, hydropower, water and green buildings sectors. Market leader in Italy and one of the main players on the international stage, the Group supports its customers in pursuing the United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

Recognised by Engineering News-Record (ENR) as the top contractor 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 31 December 2022, the Group has an order backlog of €53.4 billion (including approximately €44 billion for construction contracts*)* and revenue of €8.2 billion[4]. 92% of the construction backlog is tied to achievement of the SDGs.

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

2022 revenue by geographical area



The project to consolidate the Italian construction sector, Progetto Italia[5], was completed in 2022 with achievement of all the set objectives.

The completion of Progetto Italia has created important benefits not only for Webuild but also for the entire country and many stakeholders:

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

- the economy/the country, helping to preserve 300/400 thousand jobs, improving the quality of Italy's infrastructure and the health and safety and sustainability (ESG) standards of works, thanks to the creation of a more competitive partner, well-placed to efficiently deliver quality projects;
- the construction sector with its value chain of SMEs;
  - reinforcing the sector, in which roughly 60% of companies similar to Webuild have been forced to close or have become financially distressed in the period between 2004 and 2018;
  - supporting the Italian supply chain- around 10,000 companies have worked with Webuild in Italy on its various projects;
  - protecting the non-replicable skills of those companies that were at risk of leaving the market which have been saved and revitalised by their involvement in the development of large projects.
- the banking system:
  - reversing the deterioration in the sector's credit quality: at the start of the Project, sector companies were exposed for approximately €90 billion, of which €20 billion was already non-performing;
  - reviving the performance bond market in Italy (greater volumes and lower risk thanks to the improved strength of the remaining market operators).

In 2022, Webuild also achieved robust results in terms of new orders of approximately €16.1 billion in strategic geographical areas such as Australia, Europe and the United States during the year. It also continued to work on its key projects in Italy, most of which are funded by the National Recovery and Resilience Plan.

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

Roadmap

The 2023-2025 business plan represents consolidation of a new phase for the Group. Thanks in part to the acquisitions made in recent years as part of Progetto Italia to shore up the Italian construction sector, supported by Cassa Depositi e Prestiti and some of the country's major banks, and the recent acquisition of Clough in Australia, the Group has reached a level of scale, skills and technologies that allows it to achieve more ambitious goals. Webuild intends to cultivate its role as partner to its clients in their climate and energy transition, taking on the challenges posed by the ongoing global megatrends, such as climate change, demographic growth, urbanisation and water scarcity.

The business plan levers three drivers: i) business growth, ii) operating efficiency and cash generation, and iii) investments in safety, innovation and the environment for a more sustainable business.

Webuild's key markets have enormous commercial potential linked to the programmes for investments in infrastructure and large works, such as Italy's National Recovery and Resilience Plan. Similar programmes exist in Australia and the United States, which have both earmarked large investments for the infrastructure sector and where Webuild has a local base with its subsidiaries Clough and Lane, respectively.

The Group is also pursuing opportunities deriving from new market segments of the energy transition and sustainable agriculture, such as for example the production of fertilizers (urea), transmission lines and renewable energy sources, leveraging the technical skills recently acquired with Clough.

The Group's commitment to continuously improving the occupational health and safety of its people is pivotal to its strategy. It invests steadily in programmes designed to promote a safety culture in all its work places, such as the award-winning Safety Builders Program, which involved 10 thousand people at its work sites in the first half of 2022. The Group is also accelerating the development of innovative solutions capable of improving – through the ever more embedded use of technology – the safety of plants, machinery and work areas more at risk, which it does with new immersive learning methods using 3D virtual reality simulators.

Turning to protection of the environment, Webuild has continued its decarbonisation journey. During the 2019-2022 three-year period, it decreased its GHG emissions by 336 thousand tonnes, including both emissions from activities performed in the work sites and offices (scope 1 & 2) and the emissions of its supply chain (scope 3).

Webuild has set itself the following climate action targets:

- reduction of its carbon intensity emissions (scope 1 & 2) by 50% by 2025 compared to the 2017 baseline;
- reduction of its absolute scope 1 & 2 emissions and scope 3 emissions by 47% and 15%, respectively, by 2030 compared to the 2019 baseline; these targets have been validated by the Science Based Target Initiative (SBTi).

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

Webuild has a privileged position in the infrastructure sector as it is one of the few global operators with a strongly SDG-oriented core business directed towards the development and building of infrastructure that directly contributes to the achievement of the SDGs and transition to a low-carbon economy.

Sustainable Mobility

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

Clean Hydro Energy

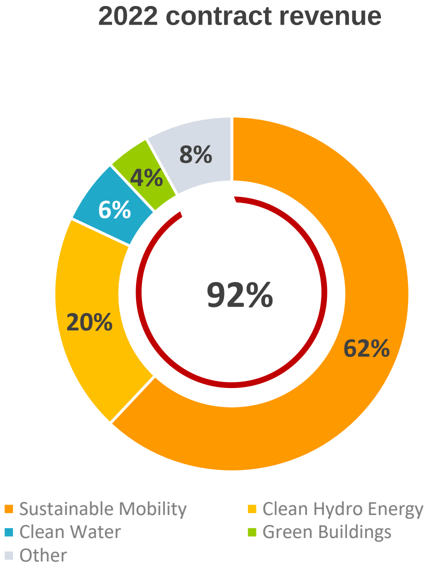
- Hydropower plants
- Pumped storage

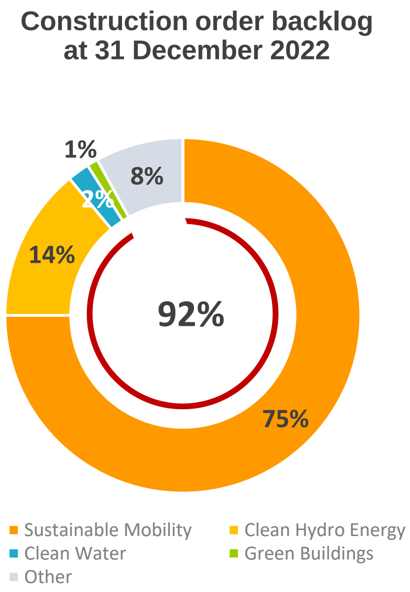
Clean Water

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

Green Buildings

- Civil and industrial buildings
- Airports
- Stadiums
- Hospitals





Ongoing or completed projects of 2022 in the sustainable mobility sector accounted for 62% of contract revenue and 75% of the construction order backlog.

Ongoing clean hydro energy projects contributed 20% to contract revenue and make up 14% of the construction order backlog.

Completed or ongoing clean water projects made up 6% of contract revenue and 2% of the construction order backlog in 2022, while green building projects accounted for 4% of contract revenue and 1% of the construction order backlog.

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

Sustainable Mobility

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

The Group has built 14,118 km of metros and railway lines, 82,509 km of roads, 1,018 km of bridges and viaducts and 3,396 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, and unique works like the new Panama Canal, which has enabled post-Panamax ships to cross the American continent since 2016 rather than going around it, leading to an approximate 16 million tonne reduction in CO_2 emissions a year.

The Group continued to focus on the sustainable mobility sector, which is one of the most promising business areas for the next few years. It is expected that passenger traffic alone will grow by 50% within 2030, to then double by 2050, while only 16% of global urban travel currently takes place using public means of transport[6].

The transport sector accounts for two-thirds of global oil consumption and continues to be the fastest growing source of GHG emissions[7].

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[8].

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[9].

The metro projects under construction alone will allow the fast, efficient and sustainable transportation of roughly 5.3 million people a day on state-of-the-art infrastructure, avoiding emissions of around 3 million tonnes of CO_2 a year. The high-speed railway projects will shorten travel times by an average of 50%, providing around 37 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 9.3 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)[10].

Clean Hydro-Energy

The Group is the main player in the global 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[11]. The energy sector accounts for about 60% of the world's GHG emissions[12], with 759 million people still without access to electricity[13].

[6] Source: Sustainable Mobility for All, Global Mobility Report 2017, https://openknowledge.worldbank.org/bitstream/handle/10986/28542/120500.pdf?sequence=6
[7] Source: World Resources Institute, https://www.wri.org/blog/2019/10/everything-you-need-know-about-fastest-growing-source-global-emissions-transport
[8] Source: Global Construction 2021 Outlook, Bloomberg Intelligence, December 2020
[9] Source: UITP (Union Internationale des Transports Publics, https://www.uitp.org/topics/metro/
[10] Source: The World Bank, Transport, https://www.worldbank.org/en/topic/transport/overview
[11] Source: IEA Renewables Information 2020 https://www.iea.org/subscribe-to-date-services/renewables-statistics
[12] Source: United Nations – Sustainable development, Energy, Facts and figures, https://www.un.org/sustainabledevelopment/energy/
[13] Source: United Nations - Department of Economic and Social Affairs, SDG7 Overview, Progress and info (2019), https://sdgs.un.org/goals/goal7

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

Hydropower is one of the renewable sources with the lowest unit cost, which makes it particularly suitable for those areas of the world where most of the population still does not have electricity, like some of the emerging economies.

The active hydropower plants make it possible to avoid emitting four billion tonnes of GHG and 150 million tonnes of atmospheric pollutants (e.g., PM) a year[14]. 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[15].

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

Clean Water

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

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

The efficient management of water is one of the principal global challenges, especially given that the effects of climate change are happening faster than expected. Around 2.3 billion people live in areas subject to water

[14] Source: International Hydropower Association, https://www.hydropower.org/resources/factsheets/greenhouse-gas-emissions
[15] Source: Global Renewables Outlook 2020 – Energy transformation 2050, IRENA, pp. 28, 114

stress, 2 billion people do not have access to drinking water, 3.6 billion to modern sanitation services[16] and 80% of water discharges are released into the environment without proper treatment[17].

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

Green Buildings

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

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

The sustainability of buildings is key to the future of urban areas, where 70% of the world's population will live by 2050[18] 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[19].

The construction of green buildings, i.e., buildings with certifiable sustainability valuation systems (e.g., Leadership in Energy and Environmental Design- LEED) allows both a reduction in the environmental footprint during construction, thanks to the use of low-environmental impact raw materials and optimisation of production and logistics processes, and maximisation of the building's environmental performance during its lifetime as a result of lower energy and water consumption and less emissions.

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

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.

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

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

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

Development process and innovative areas

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

During the 2018-2022 five-year period, Webuild has invested on average around €23 million per year in innovation, research and development activities for a total of more than €118 million and an average annual involvement of circa 380 specialised employees. More information on these activities performed and planned is available in the Consolidated Non-financial Statement.

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, environmental and governance principles as well as transparency and stakeholder engagement.

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

The efficient implementation of the ESG best practices is confirmed by the Group's regular assessments by its investors, non-financial rating agencies, customers and other stakeholders. Its main ESG ratings and awards in 2022 and 2023 are shown below.

Rating provider	*Rating*
MSCI	MSCI confirmed Webuild's **A** rating, with the result that it ranks alongside its peers at the top of the sector thanks to its improvement over the previous years (BB in 2018 and BBB in 2019)
Moody's ESG	Webuild has achieved an **Advanced** rating, the highest on the four-point scale (weak, limited, robust, advanced), confirming its leadership role in the international heavy construction sector
CDP DISCLOSURE INSIGHT ACTION	Webuild has obtained an **A-** 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)
MIB ESG INDEX	Webuild has been included in the **MIB® ESG Index**, the new ESG (Environmental, Social and Governance) index for Italian blue chips, launched by Borsa Italiana (Euronext Group), which includes the top 40 Italian listed issuers based on their firm commitment to environmental, social and governance issues
LEADER DELLA SOSTENIBILITÀ 2022	Webuild has been included in the **Italian Sustainable Leaders 2022** classification drawn up by Sole24Ore and Statistica including the top 200 Italian companies with the best sustainability performances
FT FINANCIAL TIMES CLIMATE LEADERS 2022 statista	Webuild has been re-confirmed in the European **Climate Leaders 2022** ranking prepared by Statista and Financial Times. This ranking comprises the European companies that have achieved the largest reductions in their GHG emissions compared to their revenue in the 2015-2020 period.

Shared development

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

Webuild has formalised its commitment to sustainability in its 5P Sustainability Manifesto, a comprehensive representation of its ability to generate shared value. The manifesto sets out the five priorities that the Group pursues to ensure excellence, innovation and respect for its stakeholders. The five priorities are: Planet, People, Partnership, Progress and Prosperity[20].

5P Sustainability Manifesto

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

Directors' report

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Part I

Milestones achieved in 2022

Key milestones of the year

January/February

- Awarded new contact for the mega Diriyah Square Package 2 multi-storey car park in Riyad, Saudi Arabia (€940 million)
- Share buy-back programme commenced
- Placement of the Group's first sustainability-linked bonds of €400 million, tied to achievement of the 50% reduction in carbon intensity emissions (scope 1 & 2) by 2025
- Started first turbine of the Grand Ethiopian Renaissance Dam Project

March/April

- Financial closure for the Sotra Connection Project in Norway reached (more than €1 billion)
- Preferred bidder as part of a joint venture for the mega Inland Rail project in Australia (over AUD5 billion; €3.27 billion)
- Completed Parc du Simplon, urban requalification project in Renens, Switzerland
- Completed Progetto Italia, the plan launched by the Group to create a major player in the Italian infrastructure sector
- Successfully tested AXEL (Autonomous Exploration Electrified Vehicle), world-first prototype to explore tunnels safely

May/June

- Acquisition of non-controlling interest in Cossi Costruzioni completed
- U.S. Army Corps of Engineers award Lane the contract to restructure Tyndall Air Force Base in Panama City, Florida (USD357 million)
- Awarded contract for Lot 3 of the Sibiu - Pitesti Motorway in Romania to Webuild as part of a joint venture (more than €1 billion)
- Two lots of the Brenner Base Tunnel connected as part of the longest underground tunnel in the world
- Preferred bidder as part of a joint venture for the National Highway's new A303 trunk road near Stonehenge, UK (£1.25 billion)
- Commenced assembly of the Braila Bridge deck in Romania, the second longest bridge in continental Europe
- Included as one of the leaders in the Integrated Governance Index 2022
- Fitch ratings confirm "BB" rating with stable outlook

July/August

- Lane awarded design+build contract for section of the I-275/I-4 Downtown Interchange in Florida (USD223 million)
- Lane awarded contract to upgrade and improve safety of a section of Mainline Turnpike (USD233 million)

September/October

- Named preferred proponent with consortium partners for a new rapid transit line to cross Toronto, Canada (€450 million)
- Signed contract to build the new A303 trunk road near Stonehenge, UK (£1.25 billion)
- Webuild awarded contract to build the new breakwater in Genoa, Italy as part of a consortium (€928 million)
- Fisia Italimpianti awarded contract to build three water treatment plants in Paraguay (USD144 million)
- Webuild awarded contract to build the new Enna - Dittaino section of the high-speed Palermo - Catania railway line in Italy (€616 million)

November/December

- Webuild awarded €291 million contract for Lot 3 of the Caransebes-Timişoara-Arad railway line in Romania (7 November)
- Process commenced to acquire Clough
- Webuild awarded €441 million contract for Lot 4 of the Caransebes-Timişoara-Arad railway line in Romania (18 November)
- Financial closure reached for Ontario Line in Toronto, Canada (€450 million)
- First six stations of the M4 Metro line opened to the public
- Financial closure reached for major sustainable mobility project, Western Sydney Airport Metro Line, in Australia as part of a consortium (AUD3.83 billion)
- Upgrade of Group's CDP's rating in Climate Change Programme to "A-", placing Webuild in the leadership section

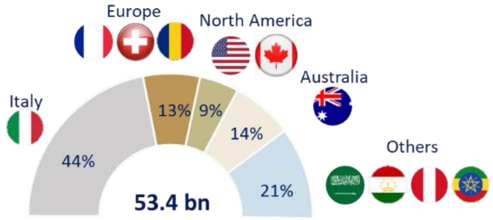
Sustainable Mobility
Clean Hydro Energy
Clean Water
Green Buildings & Others
Other

Order backlog

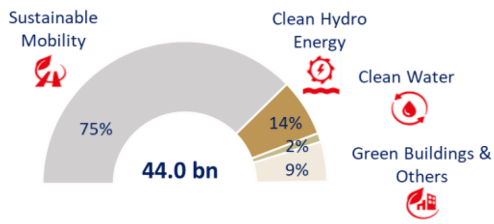
In 2022, the total order backlog amounts to €53.4 billion, including €44 billion for construction contracts and €9.4 billion related to concessions and operations & maintenance projects. The order backlog has increased by more than 15% on 2021.

92% of the construction backlog is tied to achievement of the SDGs. Webuild has continued its geographical de-risking strategy and most of its contracts are based in Italy, central and north Europe, the United States and Australia (76% of the total construction order backlog). They are mainly in segments linked to sustainable mobility, such as high-speed, the railway sector and the road sector. A breakdown of the total order backlog by geographical areas and of the construction backlog by business area is as follows:

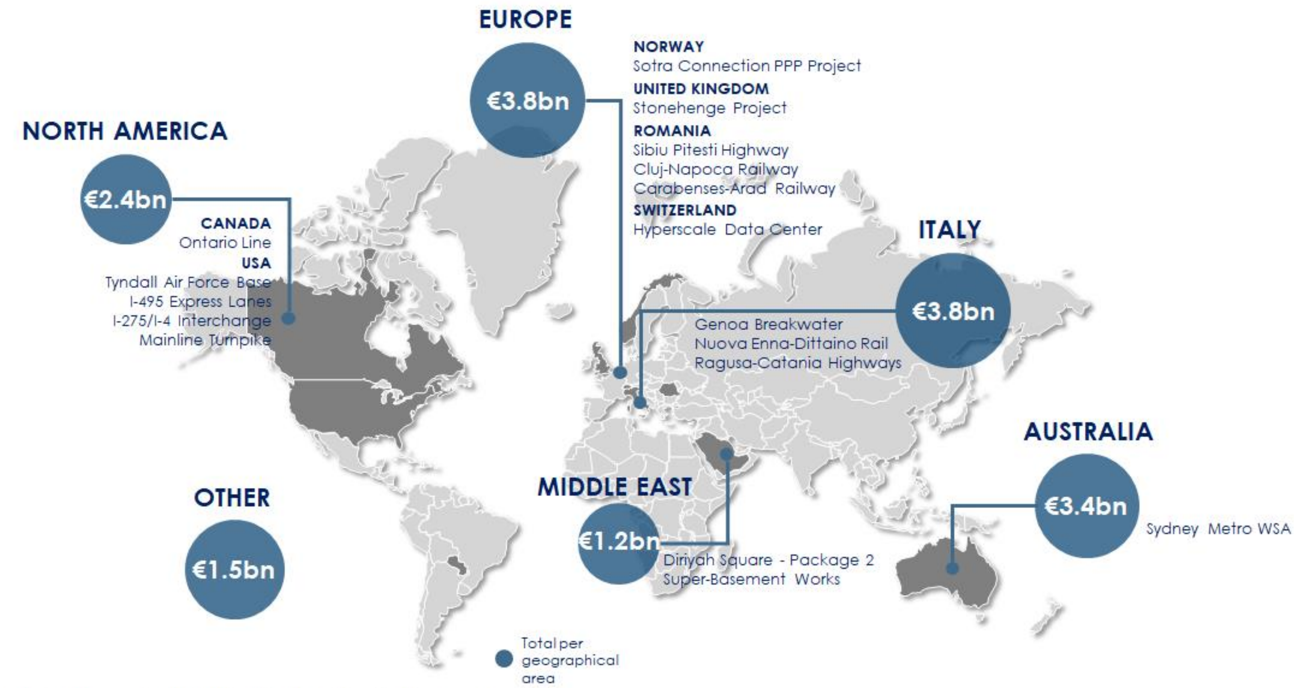
***Total* Order Backlog by geographical area**



***Construction* Backlog by business area**



Total new orders acquired, including change orders, approximate €16.1 billion, of which more than 80% in key low-risk geographical areas.



Excluding projects for which Webuild is the preferred bidder at 31 December 2022

Since the start of 2023, new orders (including projects for which Webuild is the preferred bidder) are worth approximately €4.1 billion.

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 and 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, pursuant to the contractual terms.

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 the note 33 to the consolidated financial statements. Specifically, the main contract revenue included in the order backlog and not considered in the notes includes:

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

Macroeconomic factors of 2022

After a strong recovery in the global economy in 2021, 2022 was marked by a number of extraordinary factors with few historical precedents, namely the global fight against inflation, the war in Ukraine and the new waves of Covid in China, which all adversely affected economic activity. The International Monetary Fund (IMF) estimates that global growth, bolstered mainly by the national plans to promote the development of infrastructure projects, the energy transition and digitalisation, was around 3.4% in 2022, down on the 6.2% of 2021.

The economy's rebound in 2021 was accompanied by serious cost-push inflation, mainly caused by the hike in energy and commodities prices as well as disruptions to the supply chain, which were amplified by the war in Ukraine.

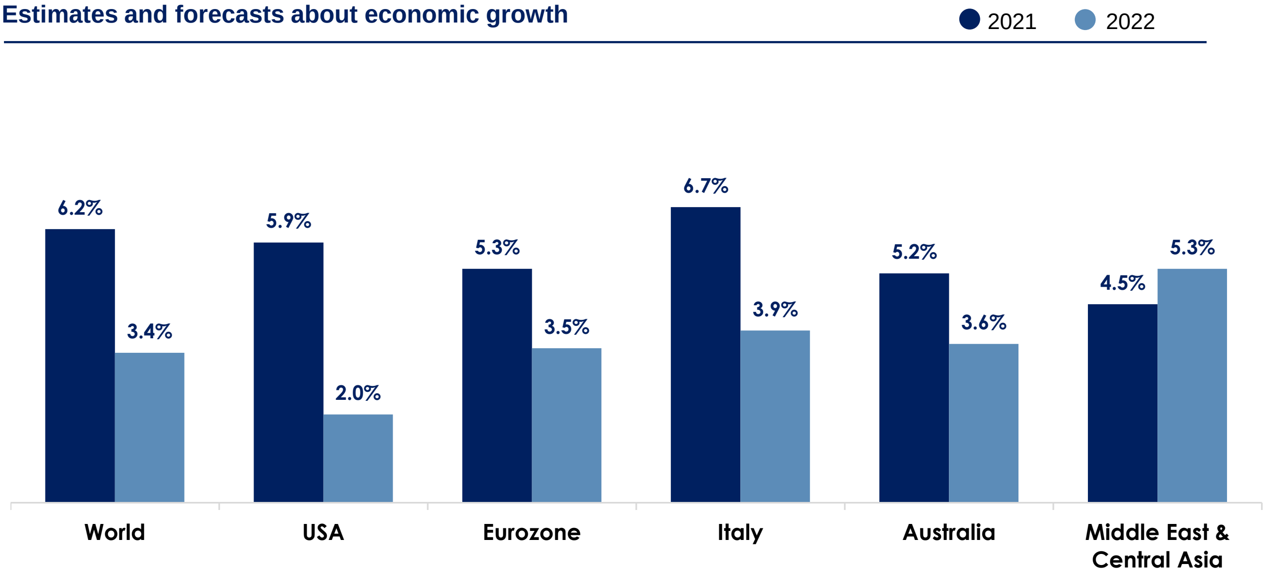
Crude oil prices peaked at nearly USD128 per barrel in March (+65% on the start of the year), reflecting fears of disruptions to global exports. Concerns about supplies in Europe drove up natural gas prices as well. Russia, which is Germany and Italy's main gas supplier, cut its exports to Europe by around 80% in September 2022 compared to the previous year. Gas futures listed on the Dutch TTF market jumped 159% from February to August 2022 to record highs. Moreover, the global supply chain, which had already been weakened by the increase in the cost of the main commodities, was impacted by the ongoing waves of Covid in some of the exporter countries like China.

As a result, inflation in the advanced economies soared to its highest rate of the last 40 years in 2022, exceeding 10% in October before decreasing to 9.2% at year end in the Euro area. Italy was one of the countries worst affected by the price hikes with inflation at 12.3% at year end. After peaking at almost 9% in June, inflation levelled out at 6.5% at year end in the United States.

The response of the main central banks was to curb monetary stimulus and increase interest rates. The Federal Reserve raised its rates to 4.75%, the highest since 2007. The European Central Bank (ECB) also increased its rates, returning to positive territory (2.5%) after ten years below zero.

The financial market has not remained unscathed by these extraordinary factors. Interest rates on corporate and government bonds rose with the yield on the 10-year Italian treasury bonds (BTP) exceeding 4%. During the year, the FTSE MIB lost around 15%, the Stoxx 600 nearly 13% while the loss in market capitalisation on the Nasdaq exceeded 30%.

Estimates and forecasts about economic growth



Source: IMF, January 2023;

The United States' economy grew 2% in 2022 compared to 5.9% in 2021 when growth was bolstered by plentiful job opportunities, unemployment near historic lows and consumers continuing to spend from their stock of savings (the personal saving rate is at its lowest in more than 60 years).

The Euro area's performance was better with growth of 3.5%, following the +5.3% achieved in 2021. A warmer-than-usual winter and more gas supply sources, which lowered prices, offset the impacts of the war in Ukraine.

Albeit lower than the 6.7% rate achieved in 2021, the Italian economy grew 3.9%, assisted by the upturn in tourist-related services, industrial manufacturing in the first half of the year and the resumption of infrastructure investments. A drop in consumption was held off by dipping heavily into the savings accumulated during the pandemic.

Turning to other important markets for the Group, the economies of Australia and the Middle East posted respective growth of 3.6% and 5.3% in 2022 while they ranged between 4.5% and 5.5% in the previous year.

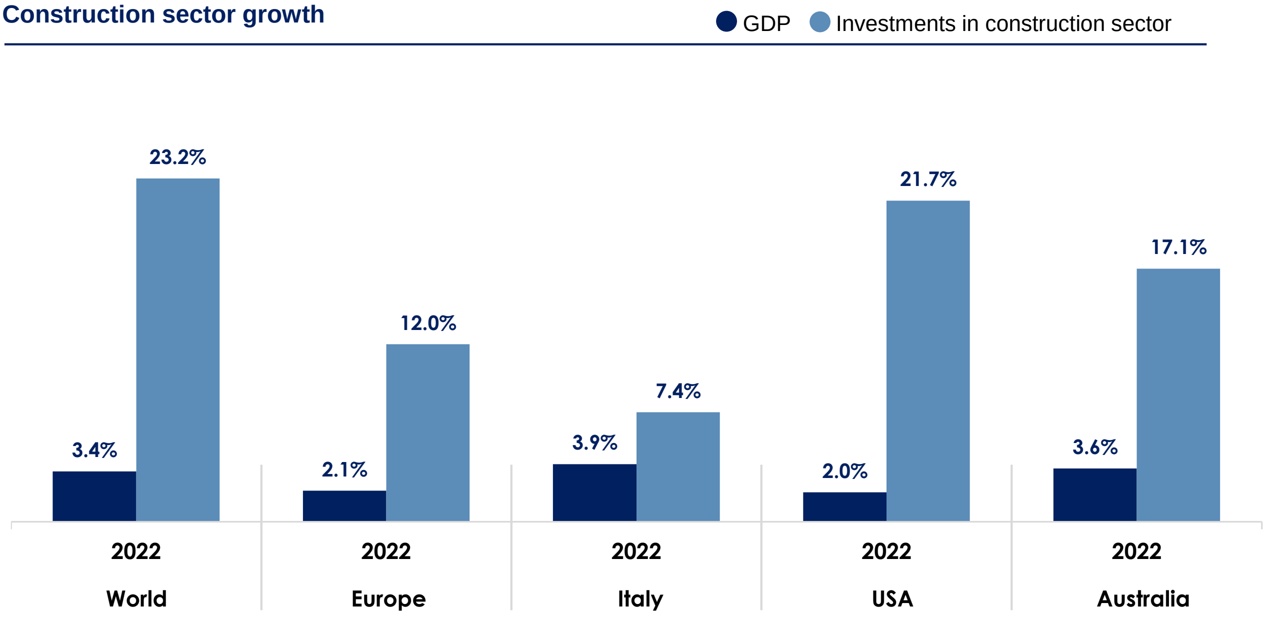
Construction sector remains resilient despite the macroeconomic situation: infrastructure continues to be essential for sustainable growth

The construction sector and the infrastructure segment in particular, are essential drivers of sustainable economic growth.

Global Data estimates that the global volume of investments in construction exceeded €6 trillion in 2022, a 23% increase over 2021, driven by the infrastructure segment, which rose by 26%. This positive trend is expected to continue with a CAGR (compound annual growth rate) of 9% in 2022-2025.

The positive outlook for this sector over the next few years is underpinned by global megatrends, such as demographic growth, urbanisation, the rising scarcity of resources and climate change, making investments in infrastructure necessary to mitigate their effects.

Construction sector growth



Source: Global Data, January 2023; IMF, January 2023 and October 2022

The European construction market has benefited from the NextGenerationEU funds, enabling many governments to roll out initiatives to encourage investments in infrastructure. The sector grew by 12% in 2022 while the infrastructure segment grew 14% in 2022.

The Italian construction market, which is one of the main sectors benefiting from Italy's National Recovery and Resilience Plan, rebounded in 2021 and maintained momentum in 2022, growing more than 7%. The government's measures to help the sector by tackling the issue of rising raw materials prices have allowed the infrastructure works fundamental for the country's development to continue.

The new Procurement Code was approved at the end of 2022 and should be in force by 2023. It introduces certain fundamental principles to relaunch the sector, such as: i) the price revision clause; ii) procedural simplification for the public works approval phase; iii) streamlining and acceleration of payment methods, with provision for contract advances of up to 30%; iv) expansion and bolstering of the dispute resolution mechanisms; and v) simplification of the penalty and reward system.

The US construction sector grew more than 20% in 2022, while the construction business in Australia rebounded in the third quarter of 2022, mostly thanks to the commencement of works on some large infrastructure contracts.

Italy

Reference context

Italy is ranked 25th in the SDG Global Rank, the index that measures progress towards achievement of the SDGs in 163 countries around the world. Italy shows progress in the majority of the goals that are most pertinent to the Group's business areas although there is room for improvement with respect to, in particular, public 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	
7	Renewable energy in final consumption	18.2%	In line with objectives	
9	Quality of transportation infrastructure (1=very unsatisfactory, 5=excellent)	3.9	In line with objectives	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.
11	Satisfaction with public transport	41%	Stable	
13	CO_2 emissions per capita linked to energy and cement production (ton)	5.0	Improving	

Main ongoing projects

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

(Share in millions of Euros)

Project	Residual order backlog at 31 December 2021	Percentage of completion	Residual order backlog at 31 December 2022	Percentage of completion
High-speed/capacity Verona- Padua railway line	3,936.5	7.3%	3,670.2	16.2%
High-speed/capacity Milan- Genoa railway line	2,194.4	59.6%	2,580.0	60.6%
Pedemontana Lombarda Motorway	1,259.6	0.0%	1,256.0	0.3%
High-speed Naples- Bari railway line (Hirpinia- Orsara section)	1,068.0	0.6%	1,073.7	2.0%
High-speed Naples- Bari railway line (Apice- Hirpinia section)	535.9	11.5%	462.3	30.4%
High-speed Naples- Bari railway line (Orsara- Bovino section)	363.2	1.1%	381.6	3.1%
High-speed Naples- Bari railway line (Naples- Cancello section)	264.8	42.7%	237.2	55.4%
High-speed Palermo- Catania- Messina railway line (Lot 2 Taormina- Giampilieri)	994.0	1.0%	1,038.0	3.0%
High-speed Palermo- Catania- Messina railway line (Lot 1 Taormina- Fiumefreddo)	636.6	0,6%	631.0	2.3%
High-speed Palermo- Catania- Messina railway line (Enna- Dittaino section)	-	0,0%	616.4	0.0%
High-speed Palermo- Catania- Messina railway line (Bicocca- Catenanuova section)	96.4	53.3%	117.8	59.0%
New Genoa Breakwater	-	0.0%	842.6	0.0%
SS-106 state road Jonica- Third maxi-lot	739.1	24.6%	658.6	38.5%
Fortezza- Verona railway line (Fortezza- Ponte Gardena section)	544.8	0.3%	534.9	2.1%
Milan- Metro Line 4	217.9	82.7%	186.6	86.0%
Other	3,319.2		3,383.8	
Total	**16,170.4**		**17,670.5**	

High-speed/capacity Verona- Padua Railway Project

The Iricav Due Consortium (Webuild Group: 82.93%) is RFI's (Rete Ferroviaria Italiana S.p.A.) general contractor for the design and construction of the high-speed/capacity Verona- Padua railway line section. The line, expected to cost an estimated €4.8 billion, will be 78.8 km long (running through the provinces of Verona, Vicenza and Padua) and is split into three functional lots.

Work on the first lot, worth approximately €2.5 billion, is underway for a length of 44.2 km crossing 13 municipalities. It will quadruple the existing line, increasing the quality of the Italian railway system and assisting its integration into the European network.

The definitive design of this lot was completed in 2022 and the related financial offer was presented to RFI which, after evaluating its adequacy, is agreeable to signing the second rider as soon as the related CIPESS (the inter-ministerial committee for economic planning and sustainable development) procedure for the financial review of the works has been completed (expected for the start of 2023).

During 2022, the executive design activities were continued, as were the expropriation work and the ordnance clearance activities. The parties also negotiated the agreements necessary to resolve the interferences of the high-speed/capacity section under construction with the existing underground utility cables and the A4 Motorway. Work also continued at the Verona work site. Upon completion of the EU calls for tenders for the works to be assigned to other companies, the related contracts were signed (except for those related to the sound barriers and the railway superstructure, scheduled for 2023).

High-speed/capacity Milan- Genoa Railway Project

The COCIV Consortium is RFI's general contractor for the design and construction of the high-speed/capacity Milan- Genoa railway line section (Giovi third railway crossing).

The contract is worth approximately €4.8 billion and covers the construction of a railway line along 54 km, including 37 km of tunnels. It is split into six non-functional construction lots, integrated by the activities for the Genoa railway junction tunnels.

This railway line will shorten the travel times between the two cities by 33% and will also reduce pollution.

During the year, a number of agreements were signed, amending and supplementing the already-signed riders. They modified the contract consideration but not its timeline.

At the end of 2022, two contracts were entered into formalising additional work for €366 million for the Genoa Junction project.

In 2022, work continued on the Giovi third railway crossing and the Genoa Junction, including commencement of work for the above new agreements.

The technical consultancy board was set up on 23 June 2022 and the activities to settle the dispute with the customer are underway.

Pedemontana Lombarda Motorway

Pedelombarda Nuova S.C.p.A. (Webuild Group: 70%) was set up to perform the executive designs and works for Section B2 (requalification of the former State Road 35 from Lentate sul Seveso to Cesano Maderno) and Section C (construction from the former State Road 35 from Cesano Maderno to the A51 Milan East Bypass), as well as the related works for the local roads flanking the motorway.

The works were commissioned by Autostrada Pedemontana Lombarda S.p.A. and the contract, signed in December 2022, is worth approximately €1.26 billion.

On 12 December 2022, the customer issued the notice to proceed and Pedelombarda Nuova S.C.p.A. has until 10 June 2023 to prepare the executive designs which will then be approved by the customer within 120 days.

The works will be delivered within 45 days of approval of the executive designs.

High-speed Naples- Bari railway line

The high capacity Naples- Bari railway line project is of great strategic importance to southern Italy as it connects its two most important economic and urban areas. It will extend the high-speed/capacity service to southern Italy, linking it with the rest of Italy and reducing travel times by between 20% to 45%. Development of the Naples - Bari section has been identified as a priority as part of the new Trans-European Transport Network (TEN-T).

The Group is currently involved in construction of four sections of the line assigned by RFI:

- **Hirpinia- Orsara** – a 28 km section mostly running through tunnels worth €1,074.8 million (Webuild Group: 70%). During the year, work on the executive designs continued as did the geognostic investigations while the clearing of ordnance and site start-up activities commenced. Approval of the executive designs is pending;
- **Apice- Hirpinia** – a 18.7 km section between Benevento and Avellino, construction of the Hirpinia Station, three bored tunnels and four viaducts for a total consideration of €608.1 million (Webuild Group: 100%). In 2022, work included site start-up activities, sub-foundation and reinforced concrete works, construction of the entrances to the bored tunnels and prefabrication of the tunnel lining sections. During the second six months of the year, the reinforced concrete elevation works were also commenced as were the transport and assembly of the two tunnel boring machines (TBMs);
- **Orsara- Bovino** – a 11.8 km section mostly running through tunnels worth €367.2 million (Webuild Group: 70%). During the first six months of 2022, the executive designs and geognostic investigations were completed and the clearing of ordnance and site start-up activities commenced. In the second half of the year, the works were delivered and the first conformity deed for approval of the executive designs was signed, allowing commencement of the preliminary works at the tunnel entrances;
- **Naples- Cancello** – a 15.5 km section between Naples and Cancello worth €455.7 million (Webuild Group: 100%). In 2022, activities continued with the laying of foundations, elevations and abutments of the viaducts, construction of the artificial tunnel diaphragm walls and slabs as well as work to resolve interference with underground utility cables. Work to move earth from the embankments commenced during the second half of the year.

High-speed Palermo- Catania- Messina railway line

This project is part of the Palermo- Catania- Messina railway axis, included in the Scandinavian- Mediterranean Corridor of the Trans-European Transport Network (TEN-T). Upon completion, travel between Messina and Catania will be approximately 30 minutes faster, facilitating a service similar to a metro line from Catania to Taormina/Letojanni.

The Group is currently involved in construction of four sections of the line assigned by RFI:

- **Lot 2 Taormina- Giampilieri** – development of a new double-track section, including the superstructure, electrical traction, signalling and technological systems, with a target speed of 160 km/h along roughly 28.3 km, and the construction of two single tube bored tunnels (traditional excavation), one twin tube bored tunnel (traditional excavation), five twin tube bored tunnels (TBM) and seven viaducts, one station, two stops, a dewatering shaft, a ventilation duct and restoration of the existing roads and hydraulics. The contract is worth €1,003.9 million (Webuild Group: 70%). In August 2022, the executive designs were approved, amending the contract amount to €1,051.3 million;

- **Lot 1 Taormina- Fiumefreddo** – development of a new double-track section, including the superstructure, electrical traction, signalling and technological systems with a target speed of 160 km/h along roughly 13.9 km, and the construction of an underground station, a single tube bored tunnel (using a TBM), a twin tube bored tunnel (using a TBM/traditional excavation methods), an artificial tunnel and two viaducts, connection with the existing station, two stops and restoration of the existing roads and hydraulics. The contract is worth €640.2 million (Webuild Group: 70%). The executive designs are currently at an initial stage;
- **Enna- Dittaino** – development of a new 15-km railway line, including the new Enna Station, upgrading of the Dittaino Station, three tunnels and five viaducts for €616.7 million (Webuild Group: 70%). At the date of preparation of this report, the executive designs are being prepared and the related preparatory works carried out;
- **Bicocca- Catenanuova** – doubling of a 38 km section between Bicocca and Catenanuova on the Palermo-Catania line while the railway line is in use. The contract includes the executive designs and performance of civil works, superstructure and signalling, comprising: earthworks for the railway subgrade, 17 viaducts, eight overpasses, two artificial tunnels and two tunnel pipelines for a contractual present value of €231 million (Webuild Group: 100%). In 2022, the executive activities included the substantial completion of the civil works on the viaducts and overpasses, continuation of the ordnance clearance activities and earthworks to finalise some sections of the railway subgrade. Important technical and operating events included the commencement of the works for the new irrigation network (variation) to replace the existing network. Once this has been completed, it will be placed in service for the Consorzio di Bonifica della Piana di Catania.

New Genoa Breakwater

The PerGenova Breakwater Consortium (Webuild Group: 40%) was set up to design and build Genoa's new breakwater which will allow bigger ships to berth at Genoa Port as it will be built 450 metres beyond the current barrier. The breakwater will be 6,200 metres long and will rest on the sea bed at depths of up to 50 metres sitting on a structure of around one hundred cellular caissons. The contract is worth approximately €843 million and deploys innovative construction technologies. It will also be sustainable in order to maximise the circular economy. At the date of preparation of this report, the definitive and executive designs are being prepared and the preliminary works carried out.

SS-106 state road Jonica- Third maxi-lot

Sirjo S.c.p.A. is the general contractor for the design & build contract for the third maxi-lot of SS-106 state road Jonica in the province of Cosenza (38 km). The contract is worth approximately €980 million and is of great strategic importance as the project is part of the Trans-European Transport Network TEN-T.

In 2022, works continued to excavate the Trebisacce Tunnel while the underground excavation of the Roseto Tunnel commenced. The viaduct substructures and entrances for the South section were completed and the road works and small works started. With respect to the North section, the activities to reclaim the Roseto landslide were completed and excavation of the artificial tunnels and viaduct foundations commenced. The first artificial tunnels should be finished during the first few months of 2023 while the elevation of the viaduct piers and the pier caps and decks has started.

Fortezza- Verona railway line (Fortezza- Ponte Gardena section)

The new Fortezza- Ponte Gardena line, commissioned by RFI, is the natural continuation of the Brenner Base Tunnel, designed to extend the Verona- Innsbruck- Munich axis as part of the Scandinavian- Mediterranean Corridor of the Trans-European Transport Network TEN-T.

The Group has a 51% stake in the consortium awarded the design & build contract worth €1,071.4 million for the new high-capacity line of approximately 22.5 km, nearly entirely underground, which continues on from the Brenner Base Tunnel between Fortezza and Ponte Gardena.

In 2022, the consortium delivered the as-built drawings for the executive designs of the four design phases, obtaining approval of the first three while the preliminary approval process is ongoing for the last phase (Part B).

On 9 August 2022, RFI and Consorzio Dolomiti signed the related contract.

On 30 November 2022, after approval of the executive designs for Part A, rider no. 1 was signed redefining the contract consideration as €1,071.8 million.

On the same date, the notice to proceed was signed for Part A to be carried out within 305 consecutive natural days.

Milan- Metro Line 4

Metro Blu S.c.a.r.l. 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, which will connect the eastern and western sides of the city, passing through the historic centre of Milan and out to Linate Airport.

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

As a result of the 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.) and the second functional lot (Forlanini F.S.- Dateo) has been completed and the sections have been delivered to the customer. The Linate- Dateo section was placed in service on 26 November 2022.

At the date of preparation of this report, the works to complete and deliver the third functional lot (Dateo- S. Babila), slated for April 2023, to arrive at the city centre, and those for the delivery of the fourth functional lot (S. Babila- S. Cristoforo), scheduled for September 2024, which will lead to the entire route from Linate to San Cristoforo being opened to the public, are underway.

...

Some of the ongoing contracts have incurred unforeseen costs for which requests for additional consideration have been presented. 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.

Italian concessions

The Group's current concessions principally relate to the mobility sector (motorways, metros and car parks).

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

MOTORWAYS

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

METROS

Country	Operator	% of investment	Total Km	Stage	Start date	End date
Italy (Milan)	SPV Linea 4 S.p.A. (Milan Metro Line 4)	19.3	15	Partly in service[21]	2014	2045

CAR PARKS

Country	Operator	% of investment	Stage	Start date	End date
Italy (Terni)	Corso del Popolo S.p.A.	100	Active	2016	2046

OTHER

Country	Operator	% of investment	Stage	Start date	End date
Italy (Terni)	Piscine dello Stadio S.r.l.	99.716	Active	2014	2041

[21] Six of the 21 stations have been placed in service. The works are slated for completion in the second half of 2024.

Lane

Reference context

The US is ranked 41st in the SDG Global Rank, the index that measures progress towards achievement of the SDGs in 163 countries around the world. The US shows progress in the majority of the goals that are most pertinent to the Group's business areas although there is still room for improvement with respect to, in particular, renewable energy.

SDG	AREAS FOR IMPROVEMENT RELATED TO THE GROUP'S BUSINESS AREAS	KPI	TREND	GROUP CONTRIBUTION
6	Wastewater treated	58.9%	In line with objectives	The ongoing projects are mostly for the Sustainable Mobility (railways, metros and road projects) and Clean Water (hydraulic engineering works and environmental remediation projects) areas, with a positive contribution to achievement of the SDGs in terms of improved transport, water management and water quality, and lower GHG emissions.
7	Renewable energy in final consumption	7.9%	Stable	
9	Quality of transportation infrastructure (1=very unsatisfactory, 5=excellent)	4.1	In line with objectives	
11	Satisfaction with public transport	65.0%	Improving	
13	CO_2 emissions per capita linked to energy and cement production (ton)	14.2	Improving	

Main ongoing projects

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

(Share in millions of Euros)

Project	Residual order backlog at 31 December 2021	Percentage of completion	Residual order backlog at 31 December 2022	Percentage of completion
I-495 NEXT- Washington, D.C.	-	0.0%	361.9	14.8%
Tyndall Airforce Base- Florida	-	0.0%	318.6	5.8%
C43 Water Management Builders- Florida	310.7	34.8%	242.4	57.2%
Florida Turnpike Enterprise- Minneola to US27- Florida	-	0.0%	213.4	2.2%
Kansas City's Levees Flood Protection Project- Missouri	189.0	2.5%	209.2	14.8%
Downtown Tampa Interchange- Florida	-	0.0%	203.1	3.0%
I-40- Orange County- North Carolina	204.3	2.1%	200.3	9.6%
Other	1,708.9		1,095.7	
Total	**2,412.9**		**2,844.5**	

I-495 NEXT- Washington, D.C.

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

The notice to proceed was issued in March 2022 and Lane Construction continued the planning for the presentation of the definitive road plans during the year. It completed the preliminary design activities and final presentation of the road plans, while work was also carried out on the existing Georgetown Pike Bridge.

Tyndall Airforce Base- Florida

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

USACE issued the notice to proceed on 17 May 2022.

C43 Water Management Builders- Florida

Commissioned by the South Florida Water Management District as part of the Comprehensive Everglades Restoration Plan to restore the wetlands and contain wastewater, this project was assigned to a joint venture of Lane (70%) and Webuild (30%).

The USD524 million contract provides for the reduction of harmful discharges into the Caloosahatchee Estuary in Hendry County and the construction of an earth-fill dam and a separator dam.

During the year, work continued on the foundations and banks of the reservoir while excavation of the canal began in April 2022.

Florida Turnpike Enterprise- Minneola to US27 – Florida

Commissioned by the Department of Transportation of Florida, this contract worth USD233 million involves widening from four to eight lines a seven-mile section of the Turnpike Mainline (SR 91) from the Minneola Interchange at O'Brien Road to Lake County, Florida. The project includes widening the highway, milling and resurfacing work, new storm water treatment facilities, new bridge structures, new tolling sites, signage, road marking, lighting and communications improvements.

The project will provide added capacity to meet future traffic demand, improve emergency evacuation times and safety.

Kansas City’s Levees Flood Protection Project- Missouri

The Kansas City’s Levees Flood Risk Management Project was awarded by U.S. Army Corps of Engineers and is 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.

Downtown Tampa Interchange- Florida

The USD224 million contract to redesign and rebuild the I-275/I-4 Interchange in Tampa, Florida was commissioned by the Department of Transportation of Florida. It is part of the Tampa Bay NEXT initiative together with the Westshore Interchange and Westshore Corridor projects to be awarded at the start of 2023. It will provide multi-modal transport choices to distribute the traffic more evenly; move people and goods more efficiently; speed up the travel times; and connect the quarters. The main improvements include widening the existing single lane ramp from southbound I-275 to eastbound I-4 to two lanes, widening the existing single lane ramp from the westbound I-4 to I-275 north to two lanes and widening the existing two lane ramp from westbound I-4 to the southbound I-275 to three lanes.

Lane received the notice to proceed on 25 September 2022.

I-40- Orange County- North Carolina

The USD236 million contract assigned to Lane includes widening 11 miles of I-40 from four to six lanes, from the interconnection with I-85 to Durham County Line in Orange County, North Carolina. This will help relieve heavy congestion that develops during peak hour times.

In 2022, the design work continued and the first phase of the works has been completed.

...

Some of the ongoing contracts have incurred unforeseen costs for which requests for additional consideration have been presented. 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

Oceania

Australia

Reference context

Australia is ranked 38th in the SDG Global Rank. It shows progress in the majority of the goals that are most pertinent to the Group's business areas in this country, although there is room for improvement with respect to, in particular, renewable energy and the fight against climate change.

SDG	AREAS FOR IMPROVEMENT RELATED TO THE GROUP'S BUSINESS AREAS	KPI	TREND	GROUP CONTRIBUTION
6	Wastewater treated	92.7%	In line with objectives	The ongoing projects are mostly for the Sustainable Mobility (metros and roads) and Clean Hydro Energy (pumped-storage hydro) areas, with a positive contribution to achievement of the SDGs in terms of improved transport, greater generation of electrical energy from renewable sources and lower GHG emissions.
7	Renewable energy in final consumption	7.3%	Stable	
9	Quality of transportation infrastructure (1=very unsatisfactory, 5=excellent)	4.0	In line with objectives	
11	Satisfaction with public transport	63%	In line with objectives	
13	CO_2 emissions per capita linked to energy and cement production (ton)	15.4	Stable	

Main ongoing projects

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

(Share in millions of Euros)

Project	Residual order backlog at 31 December 2021	Percentage of completion	Residual order backlog at 31 December 2022	Percentage of completion
SSTOM Sydney Metro	-	0.0%	2,441.0	0.0%
Snowy Hydro 2.0	2,634.3	24.3%	2,305.9	42.6%
North East Link	2,083.3	0.3%	1,968.6	5.3%
Other	71.8		60.1	
Total	**4,789.4**		**6,775.6**	

SSTOM Sydney Metro

The Parklife Metro SSTOM consortium, which includes Webuild Group, will build the new metro line connecting Sydney with the new airport. The D&C joint venture, in which the group has an 80% interest, provides for the vertical division of the scope of work between Webuild and Siemens. Specifically, the project includes civil and structural works, six stations of different complexities, a stabling and maintenance facility (SMF), line works, superstructure and tunnel fit-out including ventilation, electrification, systems and signalling, to be performed

by Siemens, and supply of rolling stock, to be provided by Siemens. Webuild's share of the contract is approximately AUD3.8 billion. It also has a 10% stake in the 15-year concession as the equity provider.
The contract was signed on 20 December 2022 and the design activities have started.

Snowy Hydro 2.0

This contract, worth AUD5.3 billion awarded to a joint venture including the Group (65%), involves linking the Tantangara and Talbingo reservoirs by excavating a series of tunnels and building an underground power station with pumping capacity located nearly 1 km underground. Commissioned by Snowy Hydro Ltd, one of the biggest energy producers in Australia, the project will increase the Snowy Mountains Hydroelectric Scheme's current generating capacity of 4,100 MW by 2,000 MW.
In 2022, the excavation of the main access tunnel to the underground power station using the TBM Eileen was completed as were most of the surface activities necessary to perform the contract.
The other tunnels connecting the two existing reservoirs Tantagara and Talbingo are also being bored.

North East Link

The Spark Consortium, which includes the Group, was awarded the primary package of the North East Link in Melbourne, worth an estimated AUD11.2 billion. The project includes twin three lane tunnels of approximately 6.5 km to complete the missing link in Melbourne's freeway network between the Metropolitan Ring Road (M80) and the Eastern Freeway in the city's northeast.
The Group is the consortium leader for the design & build works with a 29% share (its partners are CPB Contractors- 28%, GS Engineering & Construction- 28% and China Construction Oceania- 15%). Webuild is also involved in the 32-year concession as an equity provider of the operator (with a share of 7.5%).

In 2022, the project management systems were put in place, the key resources mobilised and design activities commenced. The four work sites were fully equipped with the installation of offices and site accommodation. In October 2022, the consortium began to place the pilings at the access portal for the TBM (Watsonia) and road diversion works were commenced to allow complete access to the area. Work also started on the tunnel diaphragm walls at the Lower Plenty site as well as work to prepare the diaphragm walls at the Manningham site and road diversion works in the Buleen Valley portal area.

Europe

France

Reference context

France is one of the countries where the Group operates with the highest sustainability levels. It is ranked 7th in the SDG Global Rank. France shows progress in the majority of the goals that are most pertinent to the Group's business areas although there is room for improvement with respect to, in particular, public transport.

SDG	AREAS FOR IMPROVEMENT RELATED TO THE GROUP'S BUSINESS AREAS	KPI	TREND	GROUP CONTRIBUTION
6	Wastewater treated	88%	In line with objectives	
7	Renewable energy in final consumption	10.6%	Improving	
9	Quality of transportation infrastructure (1=very unsatisfactory, 5=excellent)	4.0	In line with objectives	The ongoing projects are mostly for the Sustainable Mobility (metros and railways) area, with a positive contribution to achievement of the SDGs in terms of improved public transport and lower GHG emissions.
11	Satisfaction with public transport	63%	Deteriorating	
13	CO_2 emissions per capita linked to energy and cement production (ton)	4.2	Improving	

Main ongoing projects

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

(Share in millions of Euros)

Project	Residual order backlog at 31 December 2021	Percentage of completion	Residual order backlog at 31 December 2022	Percentage of completion
TELT- Turin-Lyon Tunnel- Lot 2	715.3	0.1%	758.5	4.4%
Metro Line 16 Lot 2	208.2	58.6%	72.7	85.3%
TELT puits d'Avrieux	137.4	15.3%	37.6	60.5%
Other	1.1		0.7	
Total	**1,062.1**		**869.5**	

TELT Lot 2

The contract, worth approximately €1.43 billion, covers a section of the base tunnel running from Turin to Lyon, which is part of the European TEN-T infrastructure programme. The works, commissioned by Tunnel Euralpin Lyon Turin (TELT), to be carried out by a joint venture (Webuild Group: 50%), relate to lot 2, operating work sites 6 (La Praz) and 7 (Saint-Martin-de-la-Porte) and entail the excavation of tunnels of 46 km, including two parallel tunnels and auxiliary tunnels between the towns of Saint-Martin-de-la-Porte and La Praz on the French side of the border.

In 2022, the external installations were completed and work began on the final section of the La Praz access adit. After delivery of operating work site 7 to the joint venture at the start of October, excavation work has begun on the niches in the access adit and external installations at the same site.

Line 16 Lot 2

The project, commissioned by Société du Gran Paris worth approximately €762 million, is part of Grand Paris Express, the largest sustainable mobility initiative in Europe. It covers construction of the future Line 16 of the Paris Metro to serve 800 thousand Parisians with capacity of 200 thousand passengers a day. The joint venture comprising Webuild (65%) has been assigned Lot 2 for the excavation of an 11.1 km tunnel, construction of four stations and auxiliary shafts.

Both TBMs continued tunnelling in 2022 and the joint venture also carried on with the civil building works for the stations and ventilation shafts.

One of the four stations (Aulnay) was finished in the second half of the year.

TELT puits d'Avrieux

The contract for Lot 5A, commissioned by Tunnel Euralpin Lyon Turin (TELT), is worth roughly €450 million (Webuild Group: 33.33%) and 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 ventilation shafts for the future base tunnel.

Work to lower the slab in the access adit and the connection passage was completed in 2022 while the injections for the Avrieux platform were commenced as was excavation of the ventilation shaft.

During the second half of the year, the injections for the Avrieux platform were completed and excavation of the shafts started in the autumn. The tunnels in Part 2 were completed while the boring of the intersection caverns and connection passages in Part 3 is underway.

Romania

Reference context

Romania is ranked 30th in the SDG Global Rank. It shows progress with respect to the quality of transport infrastructure although there is room for improvement in the other goals that are most pertinent to the Group's business areas.

SDG	AREAS FOR IMPROVEMENT RELATED TO THE GROUP'S BUSINESS AREAS	KPI	TREND	GROUP CONTRIBUTION
6	Wastewater treated	**30.3%**	N.A.	The ongoing projects are mostly for the Sustainable Mobility (railways, roads and bridges) area, with a positive contribution to achievement of the SDGs in terms of improved public transport and lower GHG emissions.
7	CO2 emissions to generate energy (Mton/TWh)	**1.2**	Stable	
9	Quality of transportation infrastructure (1=very unsatisfactory, 5=excellent)	**2.9**	In line with objectives	
11	Satisfaction with public transport	**58%**	Deteriorating	
13	CO_2 emissions per capita linked to energy and cement production (ton)	**3.7**	Stable	

Main ongoing projects

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

(Share in millions of Euros)

Project	Residual order backlog at 31 December 2021	Percentage of completion	Residual order backlog at 31 December 2022	Percentage of completion
Sibiu- Pitesti Motorway, Lot 3	-	0.0%	998.1	0.1%
Sibiu- Pitesti Motorway, Lot 5	430.5	7.6%	431.4	26.7%
Caransebeș- Timişoara- Arad railway line, Lot 4	-	0.0%	294.6	0.0%
Caransebeș- Timişoara- Arad railway line, Lot 3	-	0.0%	194.6	0.0%
Braila Bridge	134.0	57.8%	74.0	80.3%
Frontieră- Curtici- Simeria railway line, Lot 3	112.0	61.8%	63.3	78.9%
Frontieră- Curtici- Simeria railway line, Lot 2B	61.2	69.4%	47.6	78.2%
Frontieră- Curtici- Simeria railway line, Lot 2A	47.7	70.6%	31.4	81.6%
Other	47.8		258.4	
Total	**833.3**		**2,393.4**	

Sibiu- Pitesti Motorway, Lot 3

The contract worth more than the equivalent of €1 billion covers the design and construction of 23.3 km of Lot 3 of the Sibiu- Pitesti Motorway, the construction of 48 bridges and viaducts, 18 km of consolidation works, the construction of a maintenance and control centre and work to preserve the environment.

Commissioned by CNAIR, the works will be carried out by a consortium led by Webuild (90%) and 85% financed by EU funds and the remaining 15% by state funds. Design work is slated to start in February 2023.

Sibiu- Pitesti Motorway, Lot 5

The contract of approximately €590 million covers the construction of over 30 km of the Sibiu- Pitesti Motorway, the most important section under development in Romania. The project, commissioned by CNAIR, the state company owned by the Romanian Ministry of Transport and Infrastructure), includes the design and build of Lot 5 of the motorway from km 92+600 to km 122+950. It is financed partly with European Union funds (85%) and partly with the state budget (15%).

In 2022, most of the consolidation works on the embankment surface were completed as was around 40% of the embankments and almost all the minor works cast on site, approximately 80% of the total bored foundation pilings were installed and around 40% of the foundations and elevation works for the bridges and viaducts was performed.

Caransebeș- Lugoj- Timişoara - Arad railway line

The project of approximately RON3.6 billion comprises the rehabilitation of the Caransebeș- Lugoj- Timişoara - Arad railway line and track doubling to allow the operation of passenger trains at up to 160 km/h and freight trains at up to 120 km/h. It is split into two lots and is part of the Pan European Corridor IV. The customer is CFR and the works are financed by the EU as part of the Large Infrastructure Operational Programme (LIOP) and state funds.

- **Lot 4 Ronat Triaj Gr. D-Arad** – the contract, for which the Group is the leader (72.65%), is worth approximately RON2.18 billion. It includes the rehabilitation of the existing single track line over around 55.2 km and the construction of a new track of roughly 10.6 km. The works include the design and construction of overpasses with prefabricated beam decks and mixed section railway bridges, civil works for the upgrading of six passenger stations, including the buildings, the railway superstructure and overhead cables.
- **Lot 3 Timişoara Est- Ronat Triaj Gr. D** – the contract, for which the Group is the leader (72.1%), is worth approximately RON1.45 billion and includes the modernisation of the Caransebeș- Lugoj- Timişoara - Arad railway line of 162.6 km. It includes Lot 3 which mostly runs through the city of Timisoara with three railway stations (East Timisoara, North Timişoara and Ronat) over 13.86 km.

Braila Bridge

The works, worth approximately RON3 billion, are part of the country's transport master plan and are financed using EU funds as part of the LIOP. Commissioned by CNAIR, the contract covers the design and construction of a suspension bridge and roughly 23 km of national roads and related works and was awarded to a joint venture led by the Group (60%).

In 2022, the joint venture completed the lifting and welding of the metal segments making up the bridge's metal deck. It commenced all the finishing works to complete the project. With respect to the road works, it continued to move the materials and infrastructure with all the engineering and hydraulic structures.

Frontieră- Curtici- Simeria railway line

The contract of approximately RON6.9 billion 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.

- **Lot 3** – the contract includes the rehabilitation of 40 km of the railway line between Gurasada and Simeria of the 614 km Radna- Simeria section. It also comprises the construction of 17 bridges, electrification and the renovation of eight railway stations. The works have been awarded to a joint venture including Webuild (49.5%).
- **Lots 2A and 2B** – these lots include the rehabilitation of around 80 km of the railway line as well as the construction of seven stations, four stops, 36 bridges and a tunnel. The contract has been awarded to a joint venture led by Webuild (49.5%).

Roughly 30 km of the railway line of the three lots was placed into service in 2022.

Norway

Reference context

Norway is ranked 4th in the SDG Global Rank. It shows progress in the majority of the goals that are most pertinent to the Group's business segments although there is room for improvement with respect to, in particular, the fight against climate change.

SDG	AREAS FOR IMPROVEMENT RELATED TO THE GROUP'S BUSINESS AREAS	KPI	TREND	GROUP CONTRIBUTION
6	Wastewater treated	64.3%	In line with objectives	The ongoing projects are mostly for the Sustainable Mobility (railways and roads) area, with a positive contribution to achievement of the SDGs in terms of improved public transport and lower GHG emissions.
7	Renewable energy in final consumption	47.6%	In line with objectives	
9	Quality of transportation infrastructure (1=very unsatisfactory, 5=excellent)	3.7	In line with objectives	
11	Satisfaction with public transport	68%	In line with objectives	
13	CO_2 emissions per capita linked to energy (ton)	7.6	Improving	

Main ongoing projects

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

(Share in millions of Euros)

Project	Residual order backlog at 31 December 2021	Percentage of completion	Residual order backlog at 31 December 2022	Percentage of completion
Rv.555- Sotra Connection	-	0.0%	430.8	5.7%
Nykirke- Barkaker railway line	216.8	48.8%	90.5	81.3%
Total	**216.8**		**521.2**	

Rv.555- Sotra Connection

The contract of approximately €1.2 billion (over NOK12 billion), called Rv.555- Sotra Connection, commissioned by the Norwegian Public Roads Administration (NPRA), is of great strategic importance to Norway and is one of the biggest projects being carried out as a public-private partnership (PPP). Part of the Norwegian government's infrastructure upgrading plan, the project entails the design, construction, financing and operation under concession of a road network that includes 9 km of motorway and a suspension bridge between Øygarden and Bergen. The bridge will be 30 metres wide and 900 metres long with towers 144 metres high. The project also includes 12.5 km of tunnels (including secondary tunnels), 19 road and pedestrian underpasses, 23 tunnel portals, 22 bridges and viaducts and 14 km of pedestrian and bicycle paths.

The design & build project has been structured as a PPP involving various players, including the grantor NPRA, the operator Sotra Link AS (Webuild: 10% share), the operator and contractor Sotra Link Construction AS (Webuild: 35% share).

In 2022, the design activities and the related additional geotechnical investigations were commenced and are ongoing.

Nykirke- Barkaker railway line

The contract, worth approximately €410 million, covers the construction of a new railway section of 13.6 km 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. The joint venture will design and build a double-track line, including two bridges, three tunnels and a station near Horten.

Early 2022 saw the achievement of some milestones: the re-opening of the E18 Motorway in its original location; the reorganisation of the road network near the Viulsrød intersection; and completion of the railway section in the southern area.

Work in the northern area of the project continued during the second half of the year with completion of the railway tracks in the above ground sections while the tracks running through the artificial tunnels are nearly finished. The lining of the bored Skottås Tunnel has been completed as has the reinforced cement structure for the Horten Station.

Africa and Asia

Ethiopia

Reference context

Ethiopia is ranked 128th in the SDG Global Rank. With respect to the goals that are most pertinent to the Group's business areas, it has achieved the targets for the fight against climate change, mainly thanks to the massive investments in renewable energy, although there is ample room for improvement with respect to water and mobility.

SDG	AREAS FOR IMPROVEMENT RELATED TO THE GROUP'S BUSINESS AREAS	KPI	TREND	GROUP CONTRIBUTION
6	Population with access to basic drinking water services	**49.6%**	Stable	The ongoing projects are mostly for the Clean Hydro Energy (hydropower plants) area, with a positive contribution to achievement of the SDGs in terms of greater generation of electrical energy from renewable sources and lower GHG emissions.
7	Population with access to electricity	**48.3%**	In line with objectives	
9	Quality of transportation infrastructure (1=very unsatisfactory, 5=excellent)	**2.1**	N.A.	
11	Satisfaction with public transport	**51%**	In line with objectives	
13	CO_2 emissions per capita linked to energy and cement production (ton)	**0.1**	Goal achieved	

Main ongoing projects

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

(Share in millions of Euros)

Project	Residual order backlog at 31 December 2021	Percentage of completion	Residual order backlog at 31 December 2022	Percentage of completion
Koysha	1,451.7	44.4%	1,456.3	49.5%
Gerd	583.0	86.0%	542.5	87.2%
Other	-		9.5	
Total	**2,034.7**		**2,008.3**	

Koysha Hydroelectric Project

This project of approximately €2.5 billion 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, which became operational in the first half of 2022.

In 2022, work continued at the work site with the excavation of the spillway chute, the pouring of the roller compacted concrete (RCC) and the laying of the structural concrete for the powerhouse and the spillway control structure. The metal sheets for the construction of the middle level outlet have arrived at the work site.

Gerd

The Gerd project, located approximately 500 km north west of the capital Addis Ababa, consists of the construction of the hydroelectric power plant, the Grand Ethiopian Renaissance Dam (GERD), and the largest dam in the African continent (1,800 metres long, 170 metres high).

This project, worth approximately €3.5 billion and commissioned by the Ethiopian Electric Power Corporation (EEPCo), includes the main dam in RCC, a secondary dam, two power stations on the two banks of the river with total installed power of 5,150 MW and estimated production of 15,700 Gwh/year, a concrete spillway with capacity of 15,000 m^3/s, a rockfill saddle dam (5 km long, 15.3 million m^3 in volume) and related works.

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

In 2022, the objective of raising the low block retaining wall to 600 metres ASL was achieved thus guaranteeing the dam's hydraulic protection up to the design level of 611 metres on both the right and left abutments.

Tajikistan

Reference context

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

SDG	AREAS FOR IMPROVEMENT RELATED TO THE GROUP'S BUSINESS AREAS	KPI	TREND	GROUP CONTRIBUTION
6	Wastewater treated	2.3%	N.A.	The ongoing projects are mostly for the Clean Hydro Energy (hydropower plants) area, with a positive contribution to achievement of the SDGs in terms of greater generation of electrical energy from renewable sources and lower GHG emissions.
7	CO2 emissions to generate energy (Mton/TWh)	0.2	In line with objectives	
9	Quality of transportation infrastructure (1=very unsatisfactory, 5=excellent)	2.2	Deteriorating	
11	Satisfaction with public transport	77%	In line with objectives	
13	CO_2 emissions per capita linked to energy and cement production (ton)	1.0	In line with objectives	

Main ongoing projects

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

(Share in millions of Euros)

Project	Residual order backlog at 31 December 2021	Percentage of completion	Residual order backlog at 31 December 2022	Percentage of completion
Rogun Hydropower Project	1,283.1	45.7%	1,906.6	39.7%
Total	**1,283.1**		**1,906.6**	

Rogun Hydropower Project

The project, commissioned by the state-run company OJSC “Rogun HPP” Open Joint-Stock Company, includes the construction of 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.

Once completed, the project, with an original value of approximately USD1.9 billion, will provide electrical energy from six 600 MW turbines which, at full capacity, will have a total installed capacity of 3,600 MW.

On 30 July 2022, addendum no. 1 to the main contract was signed establishing a new work programme and related milestones as well as additional work. The contract consideration has increased to approximately USD2.3 billion.

In 2022, excavation of the core was completed and work on the concrete pad in RCC commenced as did work to consolidate the core’s foundations. Construction of the permanent site accommodation was also completed.

Americas

Peru

Reference context

Peru is ranked 58th in the SDG Global Rank. It shows progress in the some of the goals that are most pertinent to the Group’s business areas, although there is room for improvement with respect to, in particular, water and mobility.

SDG	AREAS FOR IMPROVEMENT RELATED TO THE GROUP'S BUSINESS AREAS	KPI	TREND	GROUP CONTRIBUTION
6	Wastewater treated	46.4%	N.A.	
7	CO2 emissions to generate energy (Mton/TWh)	0.9	In line with objectives	
9	Quality of transportation infrastructure (1=very unsatisfactory, 5=excellent)	2.3	Deteriorating	The ongoing projects are mostly for the Sustainable Mobility (metros) area, with a positive contribution to achievement of the SDGs in terms of improved public transport and lower GHG emissions.
11	Satisfaction with public transport	54%	Stable	
13	CO_2 emissions per capita linked to energy and cement production (ton)	1.4%	In line with objectives	

Main ongoing projects

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

(Share in millions of Euros)

Project	Residual order backlog at 31 December 2021	Percentage of completion	Residual order backlog at 31 December 2022	Percentage of completion
Lima Metro Line 2	486.1	34.7%	459.7	41.9%
Total	**486.1**		**459.7**	

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

The contract, signed with the Ministry of Transport and Telecommunications, promoted by the Agencia de Promociòn de la Inversiòn Privada, worth approximately USD3 billion, covers the construction of the works and operation of the infrastructure over the 35-year concession for Line 2 of the Lima Metro.

The Group's share of the construction work is 25.5%. It comprises 35 km of underground tracks, 35 stations, 35 ventilation and emergency shafts and two storage areas. Line 2 will link the eastern side of the capital with the Callao port area to the west.

In 2022, the civil, electromechanical and electronic works continued at some of the stations as did the boring of the tunnels using the TBMs. During the year, the definitive designs were drawn up and integration of the non-rail systems in section 1A was tested.

Canada

Reference context

Canada is ranked 29th in the SDG Global Rank. It shows progress in the area of transport infrastructure quality with reference to the goals that are most pertinent to the Group's business areas, although there is room for improvement with respect to, in particular, renewable energy and the fight against climate change.

SDG	AREAS FOR IMPROVEMENT RELATED TO THE GROUP'S BUSINESS AREAS	KPI	TREND	GROUP CONTRIBUTION
6	Wastewater treated	67.4%	N.A.	The ongoing projects are mostly for the Sustainable Mobility (light rail), Green Buildings and other areas, with a positive contribution to achievement of the SDGs in terms of improved public transport, the built environment and lower GHG emissions.
7	Renewable energy in final consumption	16.2%	Deteriorating	
9	Quality of transportation infrastructure (1=very unsatisfactory, 5=excellent)	3.8	In line with objectives	
11	Satisfaction with public transport	57%	Deteriorating	
13	CO_2 emissions per capita linked to energy and cement production (ton)	14.2	Stable	

Main ongoing projects

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

(Share in millions of Euros)

Project	Residual order backlog at 31 December 2021	Percentage of completion	Residual order backlog at 31 December 2022	Percentage of completion
Ontario Line – Rolling Stock, Systems, Operations and Maintenance (RSSOM)	-	0.0%	416.4	0.8%
Hurontario Light Rail Project	465.6	28.6%	311.5	54.1%
Other	26.8		19.7	
Total	**492.4**		**747.6**	

Ontario Line- Rolling Stock, Systems, Operations and Maintenance (RSSOM)

The RSSOM project is part of the more extensive Ontario Line project, which involves the construction of a 16 km metro line and 15 stations across Toronto to connect the Exhibition Centre to the Science Centre.

It entails the design, supply, installation, testing and commissioning of the systems, railway works and construction of the maintenance facility. The civil works of €685 million have been assigned to a joint venture led by Webuild (65%).

The financial closure was reached in November 2022.

Hurontario Light Rail Project

The project, commissioned by Infrastructure Ontario and Metrolinx, is worth €917 million and includes the construction of an 18-km light rail transit (LRT) system.

The works, assigned to a joint venture in which the Group has a 70% share, include the construction of a station, 19 above-ground stops, third party infrastructure, road resurfacing and widening, construction, modifications and rehabilitation of bridges, car parks and an operations maintenance storage facility for the LRT vehicles.

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

Middle East

Saudi Arabia

Reference context

Saudi Arabia is ranked 96th in the SDG Global Rank. It shows progress in the majority of the goals that are most pertinent to the Group’s business segments, although there is ample room for improvement with respect to, in particular, water management.

SDG	AREAS FOR IMPROVEMENT RELATED TO THE GROUP'S BUSINESS AREAS	KPI	TREND	GROUP CONTRIBUTION
6	Wastewater treated	11.8%	N.A.	
7	CO2 emissions to generate energy (Mton/TWh)	1.5	In line with objectives	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 public transport, the built environment and lower GHG emissions.
9	Quality of transportation infrastructure (1=very unsatisfactory, 5=excellent)	3.1	In line with objectives	
11	Satisfaction with public transport	80%	In line with objectives	
13	CO_2 emissions per capita linked to energy and cement production (ton)	18.0	Improving	

Main ongoing projects

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

(Share in millions of Euros)

Project	Residual order backlog at 31 December 2021	Percentage of completion	Residual order backlog at 31 December 2022	Percentage of completion
Riyadh National Guard Military (SANG Villas)	750.6	36.8%	679.6	46.1%
Diriyah Square Super Basement	-	0.0%	632.0	18.6%
Riyadh Metro Line 3	126.9	95.9%	466.3	87.3%
Other	85.1		67.5	
Total	**962.6**		**1,845.3**	

Riyadh National Guard Military (SANG Villas)

The Group has a 51% share in this contract commissioned by Saudi Arabia National Guard worth roughly USD1.4 billion. The project includes housing and urban planning on a large scale with the construction of 5,750 villas in an area of 7 million square metres in the Khashm-Alan area to the east of Riyadh.

The project also comprises public buildings, mosques, markets, schools, public parks and recreational areas as well as a road network of more 250 km, paths and utilities with above and below ground connections.

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

Diriyah-Super Basement Riyadh

Commissioned by Diriyah Gate Development Authority, this project is worth approximately €840 million and includes the construction of Diriyah Square- Package 2 Super Basement, a mega multi-storey car park for 10,500 vehicles. The car park will have three underground floors and a total surface area of around 1 million square metres. The Group's share is 51%.

The car pack will be built in the new district in the north-west area of the Saudi capital along the Western Ring Road and will be part of an ambitious urban development plan for the historical district which is a UNESCO heritage site. The contract includes the development of a network of pedestrian streets, public squares, courtyards, souks and bazaars.

In 2022, excavation and waterproofing works were mainly carried out as well as the preparation of the protective screed.

Riyadh Metro Line 3

Commissioned by the Royal Commission for Riyadh City, this USD7.3 billion design & build contract (the consideration has been increased as a result of amicable agreements reached with the customer about previous disputes) covers Line 3 of the Riyadh Metro. This is the longest line of the challenging project for the new metro system of Saudi Arabia's capital. It will have a transportation capacity of up to five thousand people per hour in each direction.

The international consortium led by Webuild (66%) is responsible for building 41.2 km of the metro line, 22 stations, two maintenance facilities and related works.

In 2022, after completion of the civil works, the consortium completed the 22 stations and two facilities (mostly MEP- mechanical, electrical, plumbing- and fit-out works). The urban development and landscaping activities are underway and the trains' dynamic and static tests are being performed.

…

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

Foreign concessions

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

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

In 2022, Webuild reached financial closure for the following projects:

- the Sotra Connection Project, which includes the financing, design, construction and long-term operation of a network of roads, tunnels and bridges in Vestland County in western Norway. The contract will improve mobility between Bergen and the island of Sotra on the west coast and is the largest transport contract in Norwegian history to date. The project involves the building and operation over 15 years of a four-lane highway of a total length of approximately 14 km (the new RV555), including tunnels of around 10 km and a 1 km long suspension bridge (the new Sotra Bridge);
- the Ontario Line, which covers the construction of a railway line that will cross downtown Toronto with a sustainable mobility project that will take 28 thousand cars off the road per day;
- the Sydney Metro- Western Sydney Airport Metro Line, which includes the construction of a metro line to connect the new Western Sydney International Airport with Sydney. The project includes expanding Sydney Metro, Australia's largest public transport network, which will change the way in which one of the country's most populated cities travels. The new line will support development in Western Sydney, with its construction creating thousands of jobs.

The following tables show the main figures of the most important 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	Mercovia S.A.	60.0	18	Active	1996	2023
Australia	Spark North East Link Pty Ltd.	7.5	6.5	Under construction	2021	2053
Colombia (Ruta del Sol)	Yuma Concesionaria S.A.	48.3	465	Active	2011	2036
Norway	Sotra Link HoldCo A.S.	10.0	14	Under construction	2022	2042

METROS

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

ENERGY FROM RENEWABLE SOURCES

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

HOSPITALS

Country	Operator	% of investment	No. of beds	Stage	Start date	End date
GB (Oxford Hospital)	Ochre Solutions Ltd	40.0	220	Active	2005	2038

Operations & Maintenance

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

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

HOSPITALS

Country	Operator	% of investment	Stage	Start date	End date
Italy (Prato 4 Tuscan Hospitals)	GE.SAT. S.C. a r.l.	53.9	Active	2007	2033
Italy (Mestre Hospital)	M.O.MES. S.C. a r.l.	60.0	Active	2008	2032
Turkey	Ankara Etlik Hastane Isletme Ve Bakim A.S.	51.0	Active	2022	2043 (*)

CAR PARKS

Country	Operator	% of investment	Stage	Start date	End date
Italy (extraordinary maintenance contracts) (Bologna, Verona, Turin)	Webuild S.p.A.	n.a.	Active	2014	2039

MOTORWAYS

Country	Operator	% of investment	Stage	Start date	End date
Turkey	Otoyol Isletme Ve Bakim A.S.	18.1	Under operation	2016	2035

Financial highlights

The "Adjusted reclassified statement of profit or loss" presents the Group's adjusted key figures for 2022 with comparative 2021 figures.

Adjustments are not provided for by the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Boards 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.

More information about the calculation of the figures in the adjusted reclassified statement of profit or loss is provided later in the "Alternative performance indicators" section.

Adjusted reclassified statement of profit or loss

(€m)	2021 adjusted Webuild Group (§)	Joint ventures not controlled by Lane (*)	Amortisation of intangible assets as part of Astaldi's PPA	Income taxes-Ethiopia	C.A.V.TO.MI. award	Adjusted	2022 adjusted Webuild Group	Joint ventures not controlled by Lane (*)	Amortisation of intangible assets as part of Astaldi's PPA	Impairment-Ukraine	Adjusted
Revenue	6,552.2	138.4	-	-	-	6,690.6	8,091.2	71.9	-	-	8,163.1
Gross operating profit (EBITDA)	**445.6**	**5.7**	**-**	**-**	**-**	**451.3**	**582.7**	**(10.6)**	**-**	**-**	**572.1**
Gross operating profit margin (EBITDA) %	*6.8%*	*4.1%*				*6.7%*	*7.2%*	*-14.7%*			*7.0%*
Operating profit (loss) (EBIT)	**(33.7)**	**5.7**	**93.7**	**-**	**131.9**	**197.6**	**191.1**	**(10.6)**	**69.5**	**71.2**	**321.2**
R.o.S. %	*-0.5%*	*4.1%*				*3.0%*	*2.4%*	*-14.7%*			*3.9%*
Net financing costs	(92.5)	-	-	-	-	(92.5)	(73.1)	-	-	-	(73.1)
Net gains (losses) on equity investments	(19.2)	(5.7)	-	-	-	(24.9)	(7.1)	10.6	-	-	3.5
Profit (loss) before tax (EBT)	**(145.4)**	**-**	**93.7**	**-**	**131.9**	**80.3**	**110.8**	**-**	**69.5**	**71.2**	**251.5**
Income taxes	(133.6)	-	(22.5)	77.0	(31.6)	(110.7)	(76.3)	-	(16.7)	(15.7)	(108.7)
Profit (loss) from continuing operations	**(279.0)**	**-**	**71.2**	**77.0**	**100.3**	**(30.5)**	**34.5**	**-**	**52.8**	**55.5**	**142.8**
Profit (loss) from discontinued operations	0.2	-	-	-	-	0.2	(18.0)	-	-	-	(18.0)
Non-controlling interests	(26.2)	-	-	-	-	(26.2)	(6.6)	-	-	-	(6.6)
Profit (loss) for the year attributable to the owners of the parent	**(304.9)**	**-**	**71.2**	**77.0**	**100.3**	**(56.4)**	**9.9**	**-**	**52.8**	**55.5**	**118.2**

(§) The estimated cost of €131.9 million of the dispute with the customer for the C.A.V.TO.MI contract is included under "Provisions and impairment losses" in the reclassified statement of profit or loss. However, it decreases revenue from contracts with customers in the statement of profit or loss included in the consolidated financial statements.

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

Adjusted revenue for the year is €8,163.1 million compared to €6,690.6 million for 2021. The increase of €1,472.4 million (22.0%), achieved despite the difficult macroeconomic context and inflation, is due to the quality of the order backlog, the work performed in partnerships with the Group's customers and network and its efficient contract management.

The main contributors are the projects underway in Italy that benefited, inter alia, from the positive effects of the National Recovery and Resilience Plan, such as the high-speed/capacity Milan - Genoa, Naples - Bari and Verona - Padua railway lines as well as Lane Group's contracts in the United States, the Snowy 2.0 contract in Australia, the Koysha Hydroelectric Project and the GERD project in Ethiopia and additional contracts in progress in the Americas (Canada and Colombia), Europe (France, Romania and Norway) and the Middle East (Saudi Arabia).

The adjusted gross operating profit amounts to €572.1 million (€451.3 million) while the adjusted operating profit comes to €321.2 million (€197.6 million). The €123.6 million increase in the adjusted operating profit was mostly achieved thanks to contracts in Italy and Australia, which has been secured partly thanks to pass through clauses and risk mitigation mechanisms in the Group's contracts, which are mostly agreed with state bodies.

Net financing costs approximate €73.1 million compared to €92.5 million for 2021. They include:

- financial expense of €212.6 million (€190.3 million) partly offset by financial income of €119.1 million (€87.5 million);
- net exchange gains of €20.4 million (net gains of €10.3 million).

The adjusted profit before tax amounts to €251.5 million compared to €80.3 million for the previous year.

Adjusted income taxes for the year amount to €108.7 million (€110.7 million). They are mainly affected by the profitability of the group companies and the different tax regimes of the countries where the Group operates.

The adjusted profit from continuing operations amounts to €142.8 million compared to a loss of €30.5 million for the previous year.

The loss from discontinued operations of €18.0 million relates to the foreign divisions of the former Astaldi that do not fit in with the Group's commercial and industrial strategies (mainly the "Astaldi Georgia" division for 2022).

The profit attributable to non-controlling interests is €6.6 million compared to €26.2 million for 2021.

As a result of the above, the adjusted profit attributable to the owners of the parent amounts to €118.2 million compared to a loss of €56.4 million for the previous year.

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 31 December 2022. It also provides an overview of the main changes in the Group's financial position and results of operations compared to 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 year.

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 (*)	2021 (§)	2022	Variation
Revenue from contracts with customers		6,109,730	7,656,006	1,546,276
Other income		442,513	435,147	(7,366)
Total revenue and other income	33	**6,552,243**	**8,091,153**	**1,538,910**
Operating expenses	34	(6,106,623)	(7,508,408)	(1,401,785)
Gross operating profit (EBITDA)		**445,620**	**582,745**	**137,125**
Gross operating profit margin (EBITDA) %		*6.8%*	*7.2%*	
Net impairment losses	34.6	(27,498)	(84,045)	(56,547)
Amortisation, depreciation and provisions	34.6	(451,837)	(307,623)	144,214
Operating profit (loss)		**(33,715)**	**191,077**	**224,792**
R.o.S. %		*-0.5%*	*2.4%*	
Financing income (costs) and gains (losses) on equity investments				
Net financing costs	35	(92,497)	(73,142)	19,355
Net losses on equity investments	36	(19,157)	(7,143)	12,014
Net financing costs and net losses on equity investments		**(111,654)**	**(80,285)**	**31,369**
Profit (loss) before tax (EBT)		**(145,369)**	**110,792**	**256,161**
Income taxes	37	(133,629)	(76,290)	57,339
Profit (loss) from continuing operations		**(278,998)**	**34,502**	**313,500**
Profit (loss) from discontinued operations	19	232	(17,972)	(18,204)
Profit (loss) before non-controlling interests		**(278,766)**	**16,530**	**295,296**
Non-controlling interests		(26,183)	(6,637)	19,546
Profit (loss) for the year attributable to the owners of the parent		**(304,949)**	**9,893**	**314,842**

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

(§) The estimated cost of €131.9 million of the dispute with the customer for the C.A.V.TO.MI contract is included under "Provisions and impairment losses" in the reclassified statement of profit or loss. However, it decreases revenue from contracts with customers in the statement of profit or loss included in the consolidated financial statements.

Revenue

Total revenue for the year amounts to €8,091.2 million (€6,552.2 million), including €4,480.4 million earned abroad (€3,500.8 million), €2,405.0 million in Italy (€2,108.0 million) and €1,205.8 million in the United States (€943.4 million).

Operating expenses

The operating expenses reflect the production trends and, specifically, progress on the large projects in Italy and, more generally, the countries where the Group has a stronger presence (the United States, Australia, Ethiopia, France, Norway and Romania). Prices of raw materials rose again in the year due to limited supplies, partly caused by the upturn in demand driven by the global economy's recovery. As a result, the Group introduced mitigation measures to contain price increases. Its contracts with customers usually include price adjustment clauses.

Operating profit

The operating profit amounts to €191.1 million compared to a loss of €33.7 million for the previous year.

Impairment losses of €84.0 million (€27.5 million) were mostly recognised on the Group's trade receivables for activities performed in Ukraine.

Amortisation, depreciation and provisions of €307.6 million (€451.8 million) comprise:

- depreciation of property, plant and equipment of €173.9 million (€85.3 million);
- depreciation of right-of-use assets of €74.9 million (€81.7 million);
- amortisation of contract costs and intangible assets of €91.6 million (€133.3 million), including €69.5 million (€93.7 million) on the contract acquisition costs recognised as a result of the PPA procedure for the former Astaldi;
- utilisations of provisions for a net €32,8 million (accruals of €151.6 million), chiefly in connection with onerous contracts, principally in the US and Poland, and the disengagement from the EPC contract for the Integrated Health Campus in Gaziantep, Turkey. The prior year balance was mostly affected by the effects (€131.9 million) of developments in the dispute between the general subcontractor C.A.V.TO.MI and the customer for the high-speed/capacity Turin - Milan railway line (Novara - Milan sub-section).

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

The Group recorded net financing costs of €73.1 million (€92.5 million).

The item comprises:

- financial expense of €212.6 million (€190.3 million);
- financial income of €119.1 million (€87.5 million);
- net exchange gains of €20.4 million (€10.3 million).

The €22.3 million increase in financial expense is mostly due to the interest accrued on the sustainability-linked bonds issued in January 2022 and that arising from the parent's settlement of pending tax disputes.

The increase in financial income is due to, inter alia, the prior year gains from the discharging of debts of €18.0 million, recognised after authorisation of the composition with creditors procedure for Afragola FS and the interest of €11.0 million collected after settlement of the court proceedings related to Lot 4 of the Orastie- Sibiu Motorway in Romania.

Net exchange gains of €20.4 million mostly relate to the Euro's performance against the Ethiopian birr, the Argentine peso and the US dollar.

Net losses on equity investments amount to €7.1 million (€19.2 million). They mostly consist of the losses recognised by Lane Group's joint ventures and Ankara Etlik (O&M contract for the Integrated Health Campus in Etlik, Turkey).

Income taxes

The income tax expense for the year is €76.3 million (€133.6 million).

Loss from discontinued operations

The loss from discontinued operations of €18.0 million mostly refers to the "Astaldi Georgia" division.

Non-controlling interests

The profit attributable to non-controlling interests is €6.6 million (€26.2 million) and mainly relates to the subsidiaries SLC Snowy Hydro Joint Venture (Snowy 2.0 project in Australia) and SA.PI. NOR Salini Impregilo - Pizzarotti J.V. (Nykirke - Barkaker railway line in Norway).

The Group’s financial position

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

Table 2- Reclassified statement of financial position

(€’000)	Note (*)	31 December 2021	31 December 2022	Variation
Non-current assets	7.1-7.2-7.3-9	1,992,499	1,976,156	(16,343)
Goodwill	8	78,496	82,884	4,388
Net non-current assets held for sale	19	24,848	849	(23,999)
Provisions for risks	27	(222,591)	(198,879)	23,712
Post-employment benefits and other employee benefits	26	(50,687)	(52,606)	(1,919)
Net tax assets	11-16-29	374,999	437,449	62,450
- Inventories	12	217,607	248,809	31,202
- Contract assets	13	2,787,252	3,199,971	412,719
- Contract liabilities	13	(3,422,846)	(3,311,689)	111,157
- Trade receivables (**)	14	2,482,480	2,882,877	400,397
- Trade payables (**)	28	(3,208,770)	(3,891,729)	(682,959)
- Other current assets	17	905,056	916,445	11,389
- Other current liabilities	30	(565,421)	(620,648)	(55,227)
Net working capital		(804,642)	(575,964)	228,678
Net invested capital		**1,392,922**	**1,669,889**	**276,967**
Equity attributable to the owners of the parent		**1,587,308**	**1,578,709**	**(8,599)**
Non-controlling interests		272,291	356,365	84,074
Equity	20	**1,859,599**	**1,935,074**	**75,475**
Net financial position		**(466,677)**	**(265,185)**	**201,492**
Total financial resources		**1,392,922**	**1,669,889**	**276,967**

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

(**) This item shows trade receivables of €3.2 million classified in net financial indebtedness and related to the Group’s net amounts due from/to consortia and consortium companies (SPEs) operating under a cost recharging system and not included in the consolidation scope. The balance reflects the Group’s share of cash and cash equivalents or debt of the SPEs.
The Group’s exposure to the SPEs was shown under “Trade receivables” for €15.8 million at 31 December 2021.

Net invested capital

This item increased by €277.0 million on the previous year end to €1,669.9 million at 31 December 2022. The main changes are due to the factors listed below.

Non-current assets

Non-current assets decreased slightly by €16.3 million. They may be analysed as follows:

(€'000)	31 December 2021	31 December 2022	Variation
Property, plant and equipment	620,277	710,267	89,990
Right-of-use assets	169,639	113,541	(56,098)
Intangible assets	466,350	373,974	(92,376)
Equity investments	736,233	778,374	42,141
Total non-current assets	**1,992,499**	**1,976,156**	**(16,343)**

Property, plant and equipment increased by €90.0 million, chiefly due to the investments made for the ongoing projects in Australia (Snowy 2.0), France (TELT Lot 2) and Italy (Naples- Bari railway line).

Right-of-use assets amount to €113.5 million, showing a reduction of €56.1 million principally due to depreciation.

Intangible assets show a net decrease of €92.4 million, mainly as a result of the amortisation of €91.6 million, of which €69.5 million related to contract acquisition costs recognised as part of the PPA procedure for Astaldi.

The net increase of €42.1 million in equity investments is mostly due to equity-accounting of the investment in the associate Grupo Unidos por el Canal S.A., which benefited from the US dollar's strong appreciation during the year.

Provisions for risks

The decrease of €23.7 million in the provisions for risks of €198.9 million (€222.6 million) mostly refers to the ongoing contracts in the US and Poland as well as the Group's disengagement from the EPC contract for the Integrated Health Campus in Gaziantep, Turkey.

Net tax assets

The following table analyses the item:

(€'000)	31 December 2021	31 December 2022	Variation
Deferred tax assets	348,480	346,289	(2,191)
Deferred tax liabilities	(56,504)	(58,060)	(1,556)
Net deferred tax assets	**291,976**	**288,229**	**(3,747)**
Current tax assets	104,708	90,499	(14,209)
Current tax liabilities	(170,358)	(85,334)	85,024
Net current tax assets (liabilities)	**(65,650)**	**5,165**	**70,815**
Other current tax assets	249,459	234,236	(15,223)
Other current tax liabilities	(100,786)	(90,181)	10,605
Net other current tax assets	**148,673**	**144,055**	**(4,618)**
Net tax assets	**374,999**	**437,449**	**62,450**

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

Net working capital

Net working capital amounts to a negative €576.0 million at year end compared to a negative €804.6 million at 31 December 2021, thanks to the significant improvement seen in the second half of the year (€564.3 million) compared to the balance at 30 June 2022 (negative €11.7 million).

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

- trade receivables increased by €400.4 million, of which €207.2 million for the Enna- Dittaino section of the high-speed Palermo- Catania railway line and the new Genoa Breakwater, which is offset by a similar rise in liabilities to the Group’s consortium partners for that contract. Foreign trade receivables increased in Asia and the Middle East (following certification of some important milestones in Saudi Arabia and Tajikistan and the settlement of claims related to the Meydan One Mall project in Dubai). This effect is partly countered by the impairment losses recognised on trade receivables due from the Ukrainian customer Ukravtodor (€65.3 million), described in more detail elsewhere in this report;
- trade payables increased by €683.0 million, mainly in Italy, Australia and Ethiopia. With respect to Italy, the higher payables of €207.2 million due to consortium partners for the Enna- Dittaino section of the high-speed Palermo- Catania railway line and the new Genoa Breakwater;
- contract assets and liabilities amount to €3,200.0 million (€2,787.3 million) and €3,311.7 million (€3,422.8 million), respectively. The difference compared to 31 December 2021 is due to the significant progress made during the year on projects underway in (i) Italy (high-speed/capacity Milan- Genoa railway line), (ii) US (Lane Group), (iii) Australia (Snowy 2.0), and (iv) Ethiopia (Koysha Hydroelectric Project). The increase in contract advances confirms the Group’s significant commercial achievements again in 2022 in strategic low-risk areas like Italy (Genoa Breakwater, Enna- Dittaino section of the high-speed Palermo- Catania railway line), Australia (STTOM Project) and Saudi Arabia (Diriyah Square Package);
- other current assets and liabilities come to €916.4 million (€905.1 million) and €620.6 million (€565.4 million), respectively.

Net financial position

Table 3- Net financial position of Webuild Group

The following table shows the Group's net financial position at 31 December 2022 and 2021:

(€'000)	Note (*)	31 December 2021	31 December 2022	Variation
Non-current financial assets	10	418,511	518,440	99,929
Current financial assets	15	313,241	439,355	126,114
Cash and cash equivalents	18	2,370,032	1,921,177	(448,855)
Total cash and cash equivalents and other financial assets		**3,101,784**	**2,878,972**	**(222,813)**
Bank and other loans and borrowings	21	(317,265)	(276,267)	40,998
Bonds	22	(1,487,852)	(1,886,549)	(398,697)
Lease liabilities	23	(101,673)	(68,829)	32,844
Total non-current indebtedness		**(1,906,790)**	**(2,231,645)**	**(324,855)**
Current portion of bank loans and borrowings and current account facilities	21	(667,066)	(297,419)	369,647
Current portion of bonds	22	(11,881)	(18,506)	(6,625)
Current portion of lease liabilities	23	(68,808)	(71,721)	(2,913)
Total current indebtedness		**(747,755)**	**(387,646)**	**360,109**
Derivative assets	10-15	3,684	2,276	(1,408)
Net financial position with unconsolidated SPEs (**)		15,754	3,229	(12,525)
Total other financial assets		**19,438**	**5,505**	**(13,933)**
Net financial position- continuing operations		**466,677**	**265,186**	**(201,492)**
Net financial position- discontinued operations	19	23,687	2,097	(21,590)
Net financial position including discontinued operations		**490,364**	**267,283**	**(223,082)**

(*) The note numbers refer to the notes to the 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 consolidated financial statements.

The Group's net financial position - continuing operations amounts to €265.2 million, down €201.5 million on 31 December 2021 (net financial position of €466.7 million).

The considerable improvement in the second half of 2022 (€662.1 million) on 30 June 2022 (net financial indebtedness of €397.0 million) reflects the ramp-up in operations and the Group's very positive new orders acquired during the year.

Gross indebtedness of €2,619.3 million shows a decrease of €35.3 million on the 31 December 2021 balance of €2,654.5 million.

The Group's cash and cash equivalents amount to €1,921.2 million, including approximately €565 million available at head office level (including the subsidiary Lane).

The debt/equity ratio (based on the net financial position from continuing operations) is -0.14 at group level at the reporting date compared to -0.25 at 31 December 2021.

Webuild has given guarantees of €106.3 million in favour of unconsolidated group companies securing bank loans.

Reference should be made to note 24 to the consolidated financial statements for the calculation of the Group's net financial position in accordance with the ESMA Guidelines of 4 March 2021 and the related reconciliation with the figures shown in table 3 above.

Performance of the parent Webuild S.p.A.

Table 4- Reclassified statement of profit or loss

(€'000)	Note (*)	2021 (§)	2022	Variation
Revenue from contracts with customers		1,807,987	1,863,093	55,106
Other income		208,114	199,237	(8,877)
Total revenue and other income	32	**2,016,101**	**2,062,330**	**46,229**
Operating expenses	33	(1,821,726)	(2,007,454)	(185,728)
Gross operating profit (EBITDA)		**194,375**	**54,876**	**(139,499)**
Gross operating profit margin (EBITDA) %		9.6%	2.7%	
Net impairment losses	33.6	(17,138)	(894)	16,244
Amortisation, depreciation and provisions	33.6	(227,431)	(78,725)	148,706
Operating loss (EBIT)		**(50,194)**	**(24,743)**	**25,451**
R.o.S. %		-2.5%	-1.2%	
Financing income (costs) and gains (losses) on equity investments				
Net financing costs	34	(503)	(77,673)	(77,170)
Net gains (losses) on equity investments	35	(103,021)	69,893	172,914
Net financing costs and net gains (losses) on equity investments		**(103,524)**	**(7,780)**	**95,744**
Loss before tax (EBT)		**(153,718)**	**(32,523)**	**121,195**
Income taxes	36	(96,709)	(13,956)	82,753
Loss from continuing operations		**(250,427)**	**(46,479)**	**203,948**
Profit (loss) from discontinued operations	18	4,700	(23,078)	(27,778)
Loss for the year		**(245,727)**	**(69,557)**	**203,948**

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

(§) The estimated cost of €131.9 million of the dispute with the customer for the C.A.V.TO.MI contract is included under "Provisions and impairment losses" in the reclassified statement of profit or loss. However, it decreases revenue from contracts with customers in the statement of profit or loss included in the separate financial statements.

Revenue

Total revenue for the year amounts to €2,062.3 million (€2,016.1 million), including €67.7 million (€694.3 million) earned in Italy and €1,994.6 million (€1,321.8 million) abroad.

Operating loss (EBIT)

The operating loss amounts to €24.7 million, which is an improvement on the previous year's loss of €50.2 million. It includes amortisation of €33.8 million (€32.3 million) of the contract acquisition costs recognised as part of the PPA procedure for the former Astaldi.

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

The parent recognised net financing costs of €77.7 million (costs of €0.5 million). The item comprises:

- financial expense of €222.8 million (€124.2 million) offset by financial income of €80.6 million (€61.8 million);
- net exchange gains of €64.6 million (net losses of €62.0 million).

The €98.5 million increase in financial expense is mostly due to (i) the interest accrued on the cash pooling account with Webuild Italia S.p.A. and Partecipazioni Italia S.p.A. and the new sustainability-linked bonds as well as (ii) the non-recurring effects of the impairment losses recognised on loans and receivables with some subsidiaries of the former Astaldi in Canada and the United States and the recognition of interest on tax liabilities for pending tax disputes.

Financial income increased by approximately €18.8 million principally as a result of the interest of €11.0 million collected after the settlement of the court case related to Lot 4 of the Orastie - Sibiu Motorway in Romania and the greater interest income (€4.5 million) from Yuma Concesionaria S.A. for the additional loans provided to it in 2022.

Net exchange gains of €64.6 million (€62.0 million) mainly reflect the Euro's performance against the Ethiopian birr, the Argentine peso and the US dollar.

Net gains on equity investments amount to €69.9 million compared to net losses of €103.0 million for 2021. The balance mainly reflects the dividends distributed by Webuild Italia S.p.A., partly offset by the losses on the investments in the subsidiaries HCE Costruzioni S.p.A. and Astaldi Concessions S.p.A..

Income taxes

This item amounts to €14.0 million (€96.7 million). The 2021 balance mostly reflected the temporary non-recovery in Italy of taxes paid abroad by the parent's branches.

Loss from discontinued operations

The loss from discontinued operations of €23.0 million mostly refers to the "Astaldi Georgia" division.

Financial position of the parent Webuild S.p.A.

Table 5- Reclassified statement of financial position

(€'000)	Note (*)	31 December 2021	31 December 2022	Variation
Non-current assets	7-7-7-8	2,392,223	2,436,786	44,563
Net non-current assets (liabilities) held for sale		(1,420)	834	2,254
Provisions for risks	26	(74,235)	(83,297)	(9,062)
Post-employment benefits and other employee benefits	25	(13,031)	(13,155)	(124)
Net tax assets	10-15-28	222,117	241,262	19,145
- Inventories	11	114,940	112,102	(2,838)
- Contract assets	12	1,509,807	1,494,905	(14,902)
- Contract liabilities	12	(554,666)	(769,677)	(215,011)
- Trade receivables (**)	13	1,695,471	1,743,374	47,903
- Trade payables (**)	27	(1,945,142)	(1,809,225)	135,917
- Other current assets	16	522,813	447,377	(75,436)
- Other current liabilities	29	(240,744)	(232,559)	8,185
Working capital		1,102,479	986,297	(116,182)
Net invested capital		**3,628,133**	**3,568,727**	**(59,406)**
Equity	19	**1,676,074**	**1,541,168**	**(134,906)**
Net financial indebtedness		**1,952,059**	**2,027,559**	**75,500**
Total financial resources		**3,628,133**	**3,568,727**	**(59,406)**

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

(**) This item shows trade receivables of €0.5 million classified in net financial indebtedness and related to the parent's net amounts due from/to consortia and consortium companies (SPEs) operating under a cost recharging system. The balance reflects the parent's share of cash and cash equivalents or debt of the SPEs.
The parent's exposure to the SPEs was shown under "Trade receivables" for €3.5 million at 31 December 2021.

Net invested capital

This item decreased by €59.4 million on the previous year end.

The main changes of the year are due to the effects described below.

Non-current assets

Non-current assets increased by €44.6 million. They may be analysed as follows:

(€'000)	31 December 2021	31 December 2022	Variation
Property, plant and equipment	120,416	136,641	16,225
Right-of-use assets	57,317	38,648	(18,669)
Intangible assets	90,819	59,150	(31,669)
Equity investments	2,123,671	2,202,347	78,676
Total non-current assets	**2,392,223**	**2,436,786**	**44,563**

Property, plant and equipment increased by €16.2 million, mostly due to investments in recently acquired projects in France (TELT Lot 2) and Norway (Sotra Connection), partly offset by depreciation.

Right-of-use assets decreased by €18.7 million to €38.6 million, mostly as a result of the depreciation expense for the year.

The net decrease of €31.7 million in intangible assets chiefly reflects the amortisation of the costs to acquire contracts recognised as part of the PPA procedure for the former Astaldi.

Equity investments increased by €78.7 million mainly due to: (i) the capital injections into Webuild- US Holdings Inc. (€69.4 million) and HCE Costruzioni S.p.A. (€60 million), (ii) the gains recognised on the investment in Grupo Unidos por el Canal thanks to the US dollar’s strong appreciation during the year, partly offset by (iii) impairment losses recognised during the year.

Provisions for risks

This item of €83.3 million shows a €9.1 million increase on the previous year end, mostly due to the effects of the accruals for risks on equity investments in companies that are no longer active (for contracts completed in Turkey and Colombia).

Net tax assets

At 31 December 2022, net tax assets amount to €241.3 million (€222.1 million) and may be analysed as follows:

(€'000)	31 December 2021	31 December 2022	Variation
Deferred tax assets	302,072	256,087	(45,985)
Deferred tax liabilities	(30,928)	(43,170)	(12,242)
Net deferred tax assets	**271,144**	**212,917**	**(58,227)**
Current tax assets	73,393	48,279	(25,114)
Current tax liabilities	(149,348)	(55,805)	93,543
Net current tax liabilities	**(75,955)**	**(7,526)**	**68,429**
Other current tax assets	85,656	86,227	571
Other current tax liabilities	(58,728)	(50,356)	8,372
Net other current tax assets	**26,928**	**35,871**	**8,943**
Net tax assets	**222,117**	**241,262**	**19,145**

Working capital

Working capital decreased by €116.2 million to €986.3 million at the reporting date as a result of the important new contracts acquired during the year and, specifically, the contract advances received for the Sydney Metro-Western Sydney Airport (SSTOM Project) in Australia and TELT Lot 2 in France. More information is available in the notes to the separate financial statements that present the main working capital items.

Net financial indebtedness

Table 6- Net financial indebtedness of Webuild S.p.A.

The following table shows the parent’s net financial indebtedness at 31 December 2022 and 2021:

(€’000)	Note (*)	31 December 2021	31 December 2022	Variation
Non-current financial assets	9	177,893	294,516	116,623
Current financial assets	14	1,169,245	1,251,010	81,765
Cash and cash equivalents	17	692,568	961,906	269,338
Total cash and cash equivalents and other financial assets		**2,039,706**	**2,507,432**	**467,726**
Bank and other loans and borrowings	20	(269,639)	(241,203)	28,436
Bonds	21	(1,487,852)	(1,886,549)	(398,697)
Lease liabilities	22	(55,105)	(28,480)	26,625
Total non-current indebtedness		**(1,812,596)**	**(2,156,232)**	**(343,636)**
Current portion of bank loans and borrowings and current account facilities	20	(2,152,765)	(2,330,154)	(177,389)
Current portion of bonds	21	(11,881)	(18,506)	(6,625)
Current portion of lease liabilities	22	(18,002)	(32,855)	(14,853)
Total current indebtedness		**(2,182,648)**	**(2,381,515)**	**(198,867)**
Derivative assets	13	-	2,276	2,276
Net financial position with unconsolidated SPEs (**)		3,479	480	(2,999)
Total other financial assets		**3,479**	**2,756**	**(723)**
Net financial indebtedness- continuing operations		**(1,952,059)**	**(2,027,559)**	**(75,500)**
Net financial position- discontinued operations	18	**85**	**2,087**	**2,002**
Net financial indebtedness including discontinued operations		**(1,951,974)**	**(2,025,472)**	**(73,498)**

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

(**) This item shows the parent’s net amounts due from/to unconsolidated consortia and consortium companies operating under a cost recharging system. The balance reflects the parent’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 separate financial statements.

At 31 December 2022, the parent has net financial indebtedness of €2,025.5 million compared to €1,952.0 million at the end of the previous year.

The €73.5 million increase is mostly due to (i) the capital injections of approximately €181 million into some investees, including Webuild - US Holding and HSE Costruzioni S.p.A., (ii) dividend distributions (€54.2 million), and (iii) net investments in property, plant and equipment (approximately €43 million).

The increase is partly offset by the dividends of €203.4 million received from the subsidiary Webuild Italia S.p.A..

The statement of cash flows provides more information about the parent’s cash flows.

Gross indebtedness of €4,537.7 million shows an increase of roughly €542.5 million on the 31 December 2021 balance of €3,995.2 million.

Reference should be made to note 23 to the separate financial statements for the calculation of the parent's net financial indebtedness in accordance with the ESMA Guidelines of 4 March 2021 and the related reconciliation with the figures shown in table 6 above.

Alternative performance indicators

As required by Consob communication no. 0092543 of 3 December 2015, details of the performance indicators used in this Report and in the Group's institutional communications are given below.

Financial ratios:

Debt/equity ratio: this ratio shows net financial position as the numerator and equity as the denominator. The items making up the financial position are presented in a specific table in the notes to the consolidated financial statements. The equity items are those included in the relevant section of the statement of financial position. For consolidation purposes, equity used for this ratio also includes that attributable to non-controlling interests.

Debt indicators:

Liquidity and other financial assets is the sum of the following items:

a. Current and non-current financial assets;

b. Cash and cash equivalents.

Short and medium to long-term debt is the sum of the following items:

a. Current account facilities and other loans;

b. Bonds;

c. Lease liabilities.

Other financial assets and liabilities is the sum of the following items:

a. Derivatives;

b. The Group's net amounts due from/to consortia and consortium companies operating under a cost recharging system and not included in the consolidation scope.

Performance indicators:

1. **Gross operating profit**: this indicator shows the sum of the following items included in the statement of profit or loss:

   a. Total revenue;

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

   This can also be shown as the ratio of gross operating profit to total revenue.

2. **Operating profit**: the operating profit given in the statement of profit or loss, being the sum of total revenue and total costs.

3. **Return on sales or R.o.S.**: given as a percentage, shows the ratio of operating profit (as calculated above) to total revenue.

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Disclosure on the adjusted figures

The Group monitors the key figures of Lane Group adjusting the IFRS figures prepared for consolidation purposes to reflect the results of the joint ventures not controlled by Lane, presented for management purposes on a proportionate basis. These figures ("Non-subsidiary joint ventures") show the status of contracts managed directly by Lane Group or through non-controlling investments in joint ventures.

Moreover, profit or loss items are considered to be adjusting factors, if they are material and when:

a) they arise from events or transactions that do not take place frequently in the normal course of business;

b) they arise from events or transactions that are not representative of the Group's normal business.

For management purposes, the IFRS figures have been adjusted to reflect the following adjusting effects:

reclassified statement of profit or loss for 2021:

- elimination of the accounting effects of the amortisation of the intangible assets arising from the PPA procedure for the acquisition of control of Astaldi Group;
- adjustment of the effects of the assessed income taxes in Ethiopia after settlement of the claims for the GERD project;
- non-inclusion of the cost for the ongoing dispute between the general subcontractor CAVTOMI and the customer for the high-speed/capacity Turin- Milan contract (Novara- Milan sub-section).

reclassified statement of profit or loss for 2022:

- elimination of the accounting effects of the amortisation of the intangible assets arising from the PPA procedure for the acquisition of control of Astaldi Group;
- non-inclusion of the impairment losses on the trade receivables related to projects carried out in Ukraine in the period from 2013 to 2016.

The effects of these adjustments are presented in the "Financial highlights" section of this report.

Events after the reporting date

New orders

On **16 January 2023**, Lane was awarded a contract worth more than €202 million (Webuild Group: 100%) to increase capacity, mobility and safety at the interchange of Interstate 4 (I-4) and Sand Lake Road (State Road 482) in Orange County, Florida.

On **8 February 2023**, the consortium led by the Group was awarded a design-build contract for approximately 13 km of a new railway line as part of the project to quadruple the high-speed Fortezza- Verona railway line south of the Brenner Base Tunnel. The contract is worth €934 million and will be performed by Webuild Group for 55% (51% Webuild and 4% Seli), Ghella (35%) and Collini (10%).

Acquisition of Clough assets

On **3 February 2023**, Webuild signed the contract to acquire assets from the Administrators of Clough Limited (Clough). The acquisition perimeter comprises Clough's organisation and more than €4 billion worth of projects (in the order backlog) and the related workforce. The transaction enables Webuild to strengthen its organisational, engineering and workforce structure in Australia, acquire a local presence, benefit from scale and significant synergies and expand and diversify Webuild's business. The transaction price is roughly AUD35.9 million (€23.4 million). Following approval from Clough's creditors of Webuild's proposed acquisition of the assets, the Group took over control and management of Clough's activities in Australia and Papua New Guinea on 16 February 2023. This acquisition makes Webuild one of the major operators in the strong, expanding Australian construction market.

Outlook

Following completion of Progetto Italia, which facilitated the consolidation of the Italian construction sector, and the Group's recent acquisition of Clough in Australia, Webuild has achieved a level of scale, skills and technologies that allows it to achieve more ambitious goals and take on the challenges posed by the ongoing global megatrends, such as climate change, demographic growth, urbanisation and water scarcity.

The financial outlook for 2023 is as follows:

- book to bill: average >1.1x in the 2023-2025 period;
- revenue: €9.5 billion;
- EBITDA: €720-€760 million;
- maintaining a positive net financial position (net cash).

These forecasts are based on the assumption that no significant changes will take place in the ongoing geopolitical crisis with the war in Ukraine (where the Group no longer has any exposures) and the public health emergency and that the macroeconomic scenario will not undergo extreme disruption.

Webuild will continue to:

1. execute its order backlog that covers over 95% of its 2023-2025 targeted revenue and EBITDA, with strict control over cost and contract management;
2. pursue de-risking strategies, focusing on low-risk regions and key markets with high commercial potential linked to programmes for investments in infrastructure and large works, such as those in Italy, Australia and the United States;
3. implement the planned operating efficiency actions, for its direct and indirect costs, thanks to the automation of back offices processes and optimisation of the organisation of branches and subsidiaries, leveraging the synergies with Clough;
4. focus on cash generation, as a result of operating efficiencies and investments as well as asset monetisation;
5. expand into new market segments, deploying the technical skills recently acquired with Clough;
6. pursue sustainability objectives, favouring projects that reduce CO2 emissions and guarantee high safety standards.

Directors' report-
Part II

2022 Consolidated Non-financial Statement

Prepared in accordance with Legislative decree no. 254/2016

Introduction

This Consolidated Non-Financial Statement (the "Statement") refers to Webuild Group (the "Group"), which includes Webuild S.p.A. and the fully consolidated companies. The terms "Webuild" or the "Company" are used to refer to just the parent, Webuild S.p.A.. More information about the Statement's scope is given in the "Methodology for reporting non-financial information" section.

The policies, management systems and internal procedures described below refer to Webuild. The key content of these documents is reviewed by the competent bodies of the subsidiaries, consortia, consortium companies, etc. in which Webuild has an investment with a view to their adoption.

The section entitled "The infrastructure sector and Webuild's role" provides a snapshot of the unique characteristics of the Group's market in order to facilitate a better understanding of the information provided in this Statement.

Towards an increasingly sustainable future

Sustainability continues to be an essential linchpin in Webuild Group's strategy.

Its ongoing projects generate **benefits for about 93 million people around the world** (89 million in 2021), providing better access to water, energy, mobility and public utility infrastructure, and avoid GHG emissions of approximately **25 million tonnes of CO_2** (24 million in 2021) a year.

Confirming its role as a key mover in the global climate transition, **81%** of the Group's 2022 **revenue** is eligible under the **EU taxonomy**, the classification system of environmentally sustainable economic activities introduced by the EU.

Economic value generated by the Group, i.e., the total wealth created for stakeholders, amounted to **€8,224 million** in 2022 (€6,499 million in 2021), of which 95% distributed to suppliers, employees, investors and lenders, public administration and local communities.

Webuild's contribution to the economies of the local areas where it works was significant again in 2022: **89% of its workforce was hired locally** (84% in 2021) and **94%** of its **suppliers** were **local** (91% in 2021). If the indirect and induced effects in the Group's main markets are also considered, Webuild contributed to the creation of **6 jobs** for each direct employee, generating a GDP multiplier of 3.3 (i.e., **€3.3 of GDP for each euro** of value added generated by the Group).

In 2022, **Science-Based Target Initiative** (SBTi) approved the Group's new 2030 GHG emission reduction targets, which it had formally presented in 2021. Its direct emissions in 2022 increased by **7%** on the previous year, due to the ramp-up of some important projects.

During the year, the Group made progress in advancing towards all the targets set out in its **ESG plan**:

- the **emissions intensity rate (scope 1 & 2)** dropped by 57% compared to the 2017 baseline (the target is -50% for 2023);
- the **Lost Time Injury Frequency Rate** (LTIFR) has improved by 41% compared to the 2017 baseline (the target is -40% for 2022).
- the **percentage of women** included in succession planning for key positions is 21% (with the target for 2023 increased to 25% compared to the originally-established 20%);
- additional investments in **innovative projects** approximated €21.8 million in 2022, which added to the €8 million of 2021, give a total of €29.8 million (for a target of €30 million by 2023), reaching a record of over €118 million invested in innovation in the past five years.

The Group has been included in Borsa Italiana's **MIB® ESG Index** and retained its position as one of the top sector players in terms of the **ESG ratings** issued by major independent organisations such as MSCI (A), CDP Climate Change (A-), ISS-ESG (C+ Prime) and Moody's ESG-ex Vigeo Eiris (Advanced)[22].

[22] Ecovadis' 2022 rating of Webuild was affected by the well-known events related to the construction of the stadiums for the World Cup in Qatar. As it applied the highest standards for personnel management and occupational health and safety, Webuild firmly asserts that it was extraneous to such events.

Our contribution to global challenges

Through our core business

81%
EU taxonomy-eligible turnover

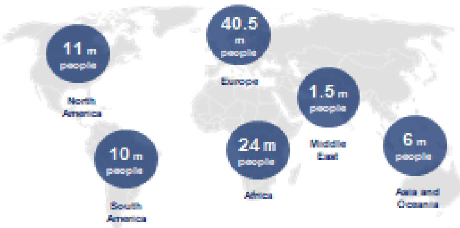
71%
EU taxonomy-eligible CapEx

61.5%
EU taxonomy-eligible OpEx

We improve people's lives

≈93
million people benefiting from the Group's ongoing projects

All over the world



Sustainable mobility
46.5 m
people served

Clean hydro energy
23.4 m
eq. people served

Clean water
16.3 m
people served

Green buildings & others
6.8 m
people served

Advancing Sustainable Development Goals - SDGs

7,000+
additional hospital beds

8 m
m³ of water treated daily

14,000 MW
new renewable installed capacity

50%
reduction in high-speed travelling times

4 m
avoidable car journeys per day thanks to metro projects

25 m
tCO₂ avoidable per year

Our ESG performance

We look after and develop our people

Injury rates
Among the best in the world

44%
Personnel under 35

35%
Women at corporate level

≈ 1,000,000
Hours of training provided to direct and indirect personnel

We protect the environment

-15%
GHG emissions

73%
Reused excavation materials

67%
Low-carbon steel used

87%
Materials purchased within a 160 km radius of work sites

We sustain local economies

89%
Local personnel hired

94%
Local purchases

6x
Total jobs created for each direct employee*

€3.3x
GDP generated for each euro of added value*

We guarantee the highest governance standards

40%
Women in BoD

ESG Target
Included in LTI remuneration plan

Robust
Ethics and compliance system

€118m
Investments in innovation 2018-2022

Main ESG ratings

MSCI ESG	CDP Climate	ISS ESG	Moody's ESG
A rating	A- rating	Prime rating	Advanced rating
2018: BB – 2022: A	2018: B – 2022: A-	2018: C+ – 2022: C+	2018: 53 – 2022: 62

Indicators and rewards

Europe Climate Leaders 2022

Italian Sustainability Leaders 2022

2023 More climate-conscious Company

FT FINANCIAL TIMES statista

Il Sole 24 ORE statista

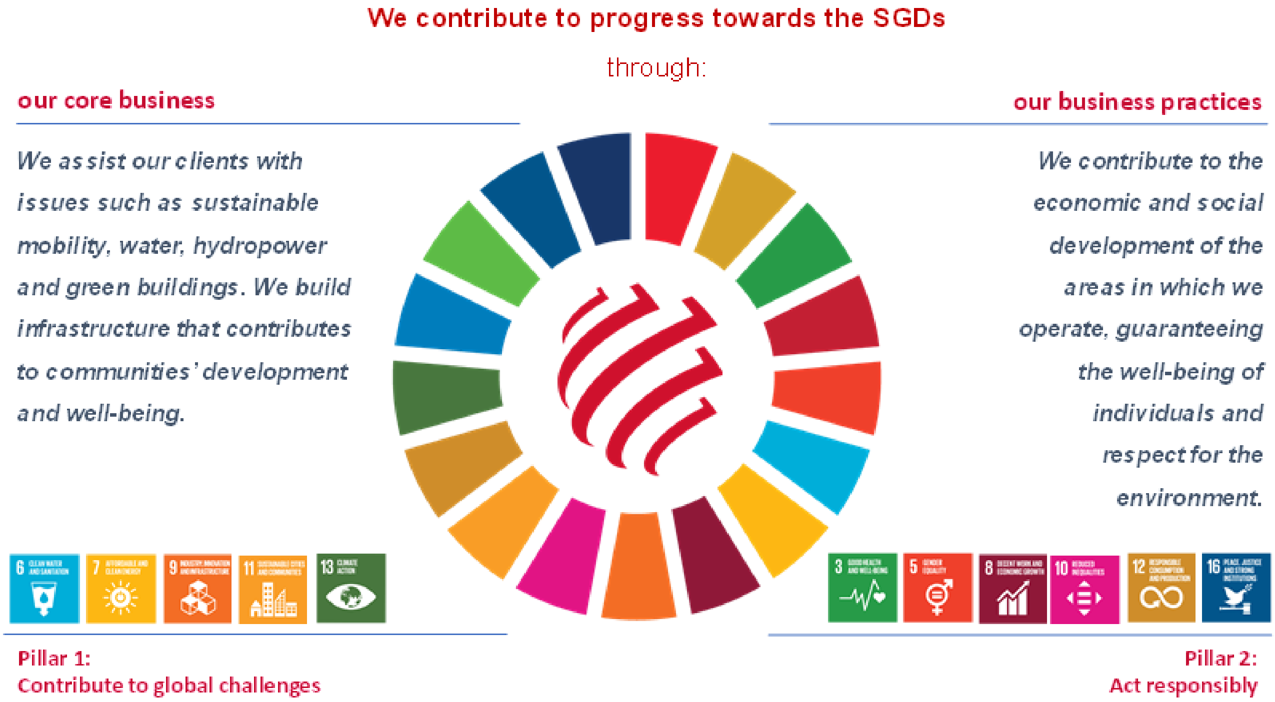
CORRIERE DELLA SERA statista

The MIB® ESG Index – BORSA ITALIANA

* Data related to the Group's main markets, calculated using input-output parameters (more information available in the "Social" section)

Sustainability Strategy

Webuild's Sustainability Strategy is embedded in the Group's business model[23] and strategy and is underpinned by two key pillars: its contribution to global challenges and its unceasing commitment to acting responsibly.



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

Contribute to global challenges

The first pillar relates to the core business, hinging on the Group's capacity to develop infrastructure projects in the areas of Sustainable Mobility, Clean Hydro Energy, Clean Water and Green Buildings and its contribution to the global challenges posed by urbanisation, climate change, resource scarcity and technological innovation.

Over the year, the Group affirmed its focus on infrastructure projects that contribute to achievement of the SGDs and the challenge posed by climate change.

Thanks to the new orders acquired during the year, Webuild is now even better placed to contribute to sustainable development. In fact, its order backlog at 31 December 2022 will generate benefits for over 93 million people around the world (89 million in 2021) and avoid GHG emissions of roughly 25 million tonnes per year[24](24 million tonnes in 2021). In geographical terms, the largest benefits were seen in Europe in 2022 (40.5 million people compared to 38 million in 2021) while the Sustainability Mobility area saw the most growth (46.5 million beneficiaries compared to 43.1 million in 2021). These figures confirm the Group's pivotal role as a major contributor to the sustainable mobility sector's growth in Italy and Europe.

[23] Additional information is available in the "Webuild Group: our vision and performance" section of the Directors' report.

[24] Based on contributions in terms of avoidable emissions by hydroelectric, railway and metro projects in portfolio.

Act responsibly

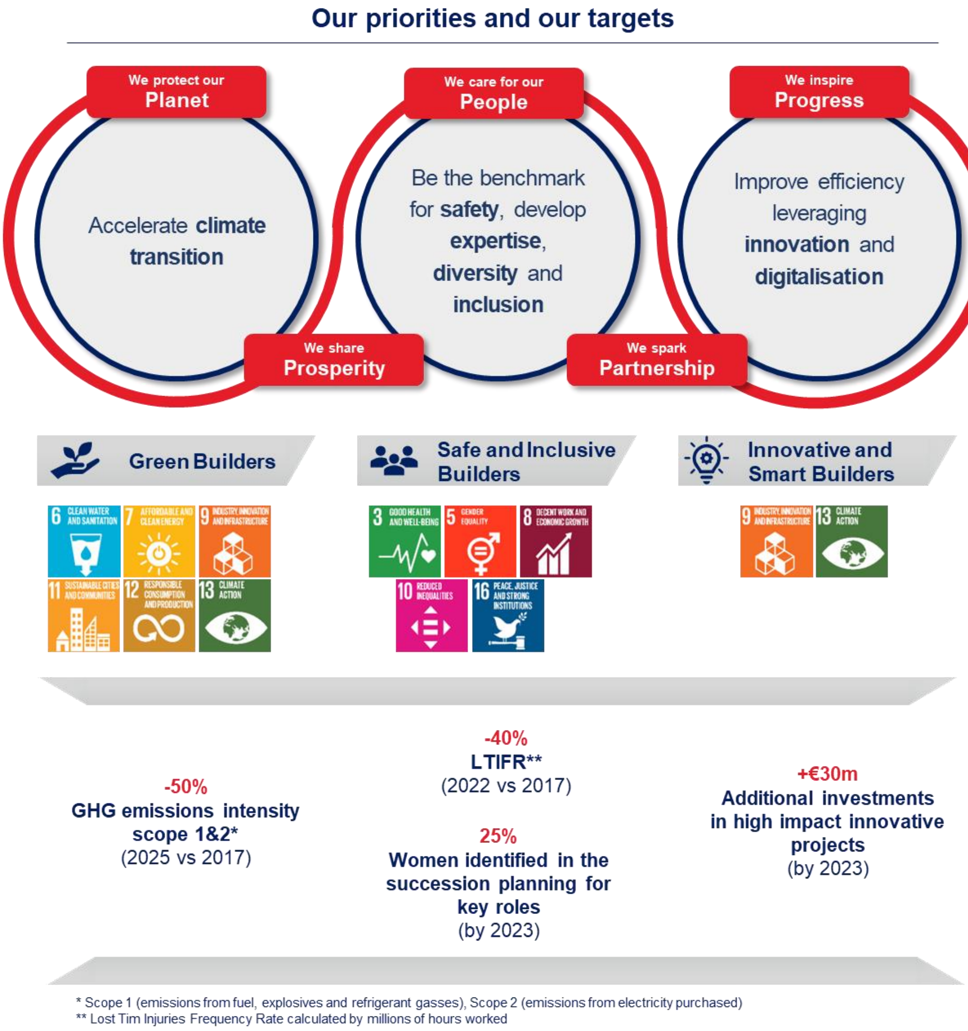
The second pillar embodies the ethical, social and environmental responsibility policies and practices applied by the Group to protect and enhance people and the environment and to contribute to the social and economic development of the countries where it operates.

Webuild pursues ongoing improvement in its ESG performance (confirmed by the independent ratings received) by adopting business practices designed for sustainable development.

The following sections describe the Group's ESG policies, practices and performances.

ESG plan

The Group has drawn up an ESG plan for the 2021-2023 period focused on three strategic areas - Green, Safety & Inclusion and Innovation - in which it has long invested resources and for which it has already achieved important results. Webuild has identified a number of projects and specific targets to be pursued over the plan period for each priority (the sustainability "construction sites") as shown below:



The Group reinforced its focus on some targets in its annual revisiting of the plan and specifically:

- the emissions intensity reduction target, which it aligned with the Sustainability-Linked Financing Framework published in November 2021[25];
- the diversity target with the inclusion of women in succession planning, previously set at 20%.

The progress towards the targets set out in the ESG plan is summarised below.

GHG emissions intensity (scope 1&2)	Lost Time Injuries Frequency Rate	Women identified in the succession planning for key roles	Investments in innovative, high potential projects
-57% (2022 vs 2017)	**-41%** (2022 vs 2017)	**21%** (end of 2022)	**≈€29.8m** (end of 2022)

The complete ESG plan is available on Webuild's website. The following sections describe the policies, practices and performances for each of the above strategic areas.

Material non-financial topics

Given the reference context, the specific nature of the infrastructure sector, the Group's sustainability strategies and the inputs from its stakeholders, Webuild has drawn up and regularly revises a list of material topics in line with the methodology proposed by the GRI Sustainability Reporting Standards (described in more detail in the "Methodology for reporting non-financial information" section).

Material topics are those on which Webuild furnishes non-financial disclosures pursuant to Legislative decree no. 254/2016 in order to impart adequate information on the Group's operations, performance, result and its impact.

A list of the material topics grouped by the three ESG clusters is provided below.

[25] See the "Company organisation" section for more information.

Governance

A. Sustainability strategy

B. Excellence and innovation

C. Ethics and integrity

D. Anti-corruption

E. Tax transparency

E. Supply chain

G. Stakeholder engagement

H. Cyber security

Social

I. Attraction and development of employees

J. Health, safety and welfare

M. Diversity and inclusion

L. Human rights

M. Contribution to local economies

N. Privacy

Environment

O. Climate change

P. Natural resources and circular economy

Q. Biodiversity

Webuild performed the 2022 materiality analysis in line with the guidelines of the GRI Universal Standards 2021. This revised version proposes a new approach whereby material topics are identified on the basis of the most significant impacts (positive, negative, current and potential) generated by an organisation on the economy, environment and people, including impacts on their human rights.

As a result of this analysis, the topics of “Ethics and integrity”, “Health, safety and welfare”, “Anti-corruption”, “Excellence and innovation” and “Human rights” were allocated maximum priority (listed in order of priority).

A table bridging the aspects of Legislative decree no. 254/2016, the main ESG risks and the sections of this Statement that describes the oversight and treatment methods is provided below.

Legislative decree no. 254/2016	Main risks	Organisational policies and oversight	Management methods
		NFS sections	
Environment	Compliance with legislation, management of environmental aspects (water, waste, materials, biodiversity, etc.)	"Company organisation" and "Environment"	"Environment"
Climate change	Physical risks and risks linked to the energy/climate transition	"Climate change – Strategy, Governance"	"Climate change – Main climate-related risks and opportunities"
Employees	Employee health and safety, attraction and retention, skills obsolescence, diversity and inclusion	"Company organisation" and "Human resources"	"Human resources"
Human rights	Employment conditions, child and compulsory labour, freedom of association and collective bargaining, human rights in the supply chain	"Company organisation" and "Human rights"	"Human rights"
Supply chain	Ethical, social and environmental aspects related to procurement	"Company organisation" e "Supply chain"	"Supply chain"
Combatting corruption	Active and passive corruption	"Company organisation" and "Anti-corruption"	"Anti-corruption"
Social aspects	Engagement with local communities and stakeholders, tax transparency	"Company organisation" and "Social"	"Social"

Company organisation

A dynamic, constantly changing structure to underpin business growth in line with international best practices

Corporate governance

Webuild's corporate governance model is a traditional management-type model and complies with international best practices. It is an essential tool in ensuring the efficient management of the Group and effective controls over its activities, in line with the Group's goals of creating value for shareholders and protecting stakeholder interests.

The Company's governance system is based on integrity and transparency. It complies with the relevant legal requirements, Consob (the Italian commission for listed companies and the stock exchange) regulations and the recommendations of the Code of Corporate Governance/Conduct in force from time to time.

At the end of 2022, the Company's Board of Directors had fifteen members, including six women (40%), and ten who met the independence requirements (66.6%). The Board of Directors has three committees: the Control, Risk and Sustainability Committee, the Compensation and Nominating Committee and the Committee for Related-Party Transactions. The Control, Risk and Sustainability Committee, comprised of six independent directors, examines this Consolidated Non-financial Statement in connection with the Company's activities and engagement with its stakeholders.

Identity pillars

Following its rebranding in 2020, Webuild refreshed the Group's identity 2021 to better reflect its industry standing and its commitment to sustainable development.

In addition to reformulating its Vision, Mission and Values, Webuild also unveiled its purpose- "Webuild, Partner for a sustainable future"- embracing the essence of the Webuild brand: a group at the service of the community contributing to global sustainability.

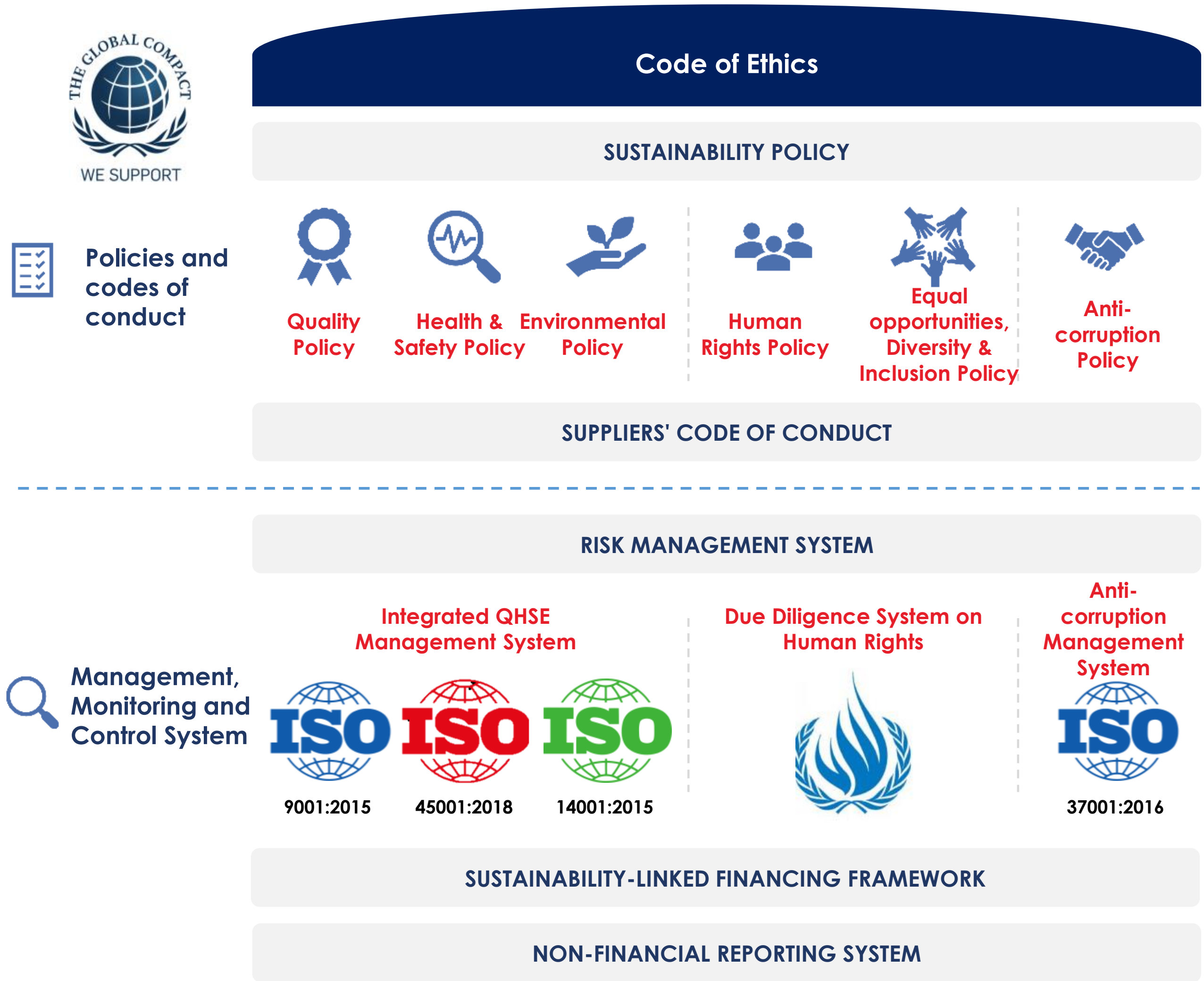
In line with the Group's traditions, the pillars reiterate and reinforce its commitment to sustainable development, and its intention to return part of the value generated to society to make a positive contribution to the communities and local areas where it operates.

The identity pillars represent Webuild's commitment to build well-constructed works that "do good" for the future, in line with its growth strategy and business positioning.

ESG framework

The Company has an organisational and management model based on a system of principles (Code of Ethics and Policies) and management and control tools (risk management, models, procedures and controls) designed to monitor significant ESG (Environmental, Social, Governance) topics in line with the regulations applicable in the countries where it operates, standard principles and international guidelines.

Webuild is a signatory of the UN's **Global Compact**, the largest global sustainability initiative that requires companies to align their operations and strategies with ten universally-recognised principles on human rights, labour practices, the environment and anti-corruption.



Code of Ethics

The Company has a Code of Ethics, which sets out its principles and rules of conduct that people who work for or with Webuild are required to adhere to at work.

The Code applies to the directors, statutory auditors, managers and employees of Webuild as well as all those parties that work with the Company directly or indirectly, temporarily or on an ongoing basis, to the extent of their duties and responsibilities.

They are required to comply with the laws and regulations applicable in the various geographical areas in which the Company operates and to base their conduct on that set out in the Code.

The Code is the culmination of a journey which started with the definition of Webuild's Identity Pillars. It sets the tone for how the Company interacts with its collaborators, partners and, more broadly, its stakeholders. The Code establishes proactive behaviour to be adopted at work and an ethical leadership model.

Company policies

Webuild has issued a number of company policies (posted on the Company's website), which alongside the Code of Ethics, represent the main points of reference for people working for the Company. They are summarised below:

Sustainability Policy: the principles that the Company is committed to complying with during its operations in order to contribute to economic progress, social well-being and the environmental protection of the countries where it operates.

Health and safety Policy: the principles that the Company is committed to complying with to protect the health and safety of its employees, suppliers and subcontractors during the entire life cycle of its contracts (design, construction and development) and in the workplace; its objective is “zero injuries”.

Environment Policy: the principles that the Company is committed to complying with in order to mitigate possible adverse effects on the environment, protect the ecosystem and increase the beneficial effects, contributing through its projects to resolving the main global environmental issues, reaffirming the right of each worker to intervene to stop activities that could be harmful to the environment.

Quality Policy: the principles that the Company is committed to complying with to ensure full client satisfaction, the active involvement of all stakeholders and the continuous improvement of the Quality System, based on its fundamental goal of “build to perfection”.

Human rights Policy: the principles that the Company is committed to complying with to ensure the protection of human dignity, just and favourable working conditions and the protection of the human rights of stakeholders affected by its activities.

Equal opportunities, diversity and inclusion Policy: the principles that the Company is committed to complying with to encourage inclusive work environments that value the individual, developing human capital.

Anti-corruption Policy: the anti-corruption principles to be adhered to by employees, based on the fundamental tenet of “zero tolerance”.

The Company strengthened its commitment to the environment, health and safety and human rights and workers with the **International Framework Agreement** signed in 2014 with the Italian (Feneal-UIL, Filca-CISL and Fillee-CGIL) and international (BWI- Building and Wood Workers’ International) trade unions of the construction sector.

The above principles are reiterated in the **Suppliers Code of Conduct**, introduced early in 2020, which extends the Company’s responsible operating practices to its supply chain. This Code is binding for all Webuild suppliers and, together with the Code of Ethics, is an integral part of their contractual relationship with the Company.

Management and control system

The Company has an internal control and risk management system incorporating rules, procedures and organisational structures to ensure healthy, ethical business practices that are consistent with its objectives through appropriate procedures to identify, measure, manage and monitor the main risks.

This system is based on standards which require:

- business activities to be based on applicable internal and external rules, can be mapped and documented;
- that the allocation and exercise of powers as part of a decision-making process is commensurate with the positions of responsibility and the size and/or significance of the underlying transaction;
- the separation of duties between those parties that take or implement decisions, that record transactions and those that are required to perform the controls over such transactions provided for by law and procedures envisaged by the internal controls;
- that confidentiality and compliance with the personal data protection legislation is ensured.

Webuild has also voluntarily adopted an **Integrated QEHS** (Quality, Environment, Health and Safety) **Management System** in compliance with the international standards ISO 9001, ISO 14001 and ISO 45001, as well as an **Anti-Corruption Compliance System** pursuant to ISO 37001. These systems are certified by an independent expert.

The quality, environment, health and safety management system certifications cover the definitive and executive designs, works management and performance to build large works, complex civil and industrial works and related technological systems; the design and management of integrated operation and maintenance services for infrastructure, civil and industrial buildings, related technological systems and electromedical devices; and remediation of contaminated sites (reference to IAF 28, 34, 19 and 39).
The quality management system also applies to the coordination of the general contractor activities carried out in accordance with Title III of Legislative decree no. 50/2016 and Legislative decree no. 56/2017 as subsequently amended and integrated.

The scope of these systems includes all the work sites where the Company operates and all types of companies in which it is involved.

The anti-corruption management system covers the design, construction, restructuring and maintenance, on its own behalf or for third parties, of civil engineering, industrial, infrastructure and plant engineering works. It applies to the Group's core and strategic processes managed by the Italian offices and the Company's operations, including those of the foreign branches and directly managed work sites. Centralisation of the main processes exposed to corruption risks (including business development and procurement) has meant that the related controls are carried out as part of the certification.

The Company has an ISO 31000 compliant risk management system, certified by an independent expert. It covers construction on its own behalf or for third parties of roads, ports, buildings, hydraulic, hydropower, railway and other civil engineering works in Italy and abroad.

Webuild refers to the OECD Guidelines for multinational enterprises and ISO 26000 "Guidance on Social Responsibility" for its CSR issues. It has also adopted the UN's Guiding principles on business and human rights for the management of human rights.

The Group's large Italian companies also have a social accountability management system certified in accordance with SA8000[26].

Subsequent sections of this Statement provide more information on these frameworks.

Organisation, Management and Control Model

Webuild has introduced an Organisation, Management and Control model (the "231 model") to:

- prevent the commission of the predicate crimes as per Legislative decree no. 231/2001;
- define and implement an internal culture based on respect and transparency;
- raise awareness among employees and stakeholders.

The Model sets out specific controls implemented in internal procedures in order to monitor transactions exposed to the potential risk of crimes that would trigger the administrative liability of companies.

It includes measures to identify and reduce potential risks of non-compliance with the provisions of Legislative decree no. 231/01. With respect to the risk of corruption, the Model's controls are aligned to the Anti-corruption Compliance System.

The Integrity Board, which is an independent control body, monitors the effective implementation of and compliance with the Model. The Company has informed its employees of an email and postal address for any communications to be made directly to the Integrity Board, guaranteeing their anonymity and protection from any form of reprisal. Notification of alleged violations of the Model can also be made using the whistleblowing system (see the Anti-corruption section) which forwards them to the Integrity Board.

This complies with Law no. 179/2017 and Confindustria's guidelines for the construction of organisational, management and control models (2021).

[26] At the end of 2022, Webuild Italia S.p.A., Cossi S.p.A. and NBI S.p.A. were SA8000-certified.

Sustainability-linked Financing Framework

In November 2021, the Company's Board of Directors approved a Sustainability-linked Financing Framework, formalising the inclusion of environmental sustainability criteria in the Group's funding strategy. It also affirms the Group's stated purpose of contributing to the achievement of the UN's SGDs and acceleration of the global climate transition.

The Framework sets out guidelines to be adhered to when the Company issues new financial instruments linked to sustainability objectives. It defines carbon intensity as the KPI and fixes specific intermediate and long-term sustainability performance targets that contribute to the advancement of SDG 9 Industry, Innovation and Infrastructure and SDG 13 Climate Action.

The Framework was assessed by an independent body which issued a Second Party Opinion on the document's compliance with Webuild's sustainability strategy and the international standards regulating sustainability-linked financing.

In January 2022, Webuild completed the issue of its first sustainability-linked bonds, receiving orders for more than twice the amount offered, confirming the international and domestic financial community's appreciation of Webuild's strategy of recent years.

The issue is linked to achievement of the 50% reduction target of the Company's carbon intensity emissions (scope 1 & 2) by 2025 compared to 2017.

Security system

Webuild's security system is coordinated by a corporate unit that ensures:

- definition of standards and guidelines on security risks;
- coordination of the local security units;
- specific assessments of security risks;
- continuous monitoring of significant security risk events;
- definition of security incident management models for the effective management of security incidents that are harmful or potentially harmful to individuals, based on respect for the individual, human rights, the Code of Ethics, and in compliance with local and international regulations, as coordinated with the competent authorities;
- regular audits of the local security units.

Specifically, in order to identify, manage and mitigate potential risks and threats to the Company's value and principles of legality, it adopts the following safeguards:

Preventative Analysis

Webuild's commitment to building large infrastructure projects exposes the Group to risks of potential criminal infiltration. The Company has set in place measures to identify and assess risks of possible infiltration and influence by organised crime in the production chain of its projects in Italy and, when appropriate, abroad.

The Security Department liaises with the centralised Compliance and Vendor Management Departments and project management to:

- perform structured analyses of the Group's partners working in sectors at risk of infiltration in line with legality protocols (for example, supply cycle and transport of aggregates, cement and bitumen, dry and wet leases, road transport for third parties, work site security, environmental services for the treatment and elimination of waste, etc.);
- carry out analyses and in-depth investigations of sub-contractors and sub-suppliers;
- cooperate with the police forces and competent institutions, as agreed with headquarters.

Security and employee safety

Work sites may be assigned a security unit in certain geographical areas due to the risks identified.

The security personnel may be employees and/or personnel provided by third parties, who are usually unarmed and/or by personnel supplied by the army or local police departments under specific contracts, formal agreements or service orders.

Security personnel receive the following training:

- group employees: initial training and periodic refresher courses from the local security managers based on training programmes that reflect the applicable standards and regulations and include information on respect for the individual, human rights and the Code of Ethics.
- personnel of private companies: training by their managers based on training programmes that comply with the terms of the contracts agreed with Webuild and that include information on respect for the individual, human rights and the Code of Ethics.
- personnel supplied by the army or public safety forces: training that complies with local regulations and standards and is provided by their internal units.

The internal security personnel and personnel of private companies act in accordance with operating procedures approved by Webuild's security units and/or those of their company, which comply with Webuild's models and hinge on respect for the individual, human rights and the Code of Ethics, adapted to the local regulations and rules.

Personnel supplied by the army or public safety forces operate in accordance with the local regulations and procedures of their organisation or procedures drawn up by the local authorities for the specific service they are providing.

Cyber security

Given the Group's international footprint, the ongoing digitalisation of processes and remote work patterns, data and information protection is a key concern.

Accordingly, Webuild has set up an Information & Cyber Security Unit as part of the Security Department to steer, implement and monitor information and data protection measures for the Group based on the National Framework for Cyber Security and Data Protection and the main reference standards. It is assisted by the IT and Digital System Department.

Specifically, the Company has defined new security measures so that all technical applications and infrastructure are fully integrated with the cyber security systems. These measures, which are either being implemented or will be so in the near future, include:

- the definition of cyber security requirements for the group companies;
- the progressive standardisation of processes and tools;
- the introduction of the security by default & by design approach for each new project undertaken by the Company and for each contract;
- the set-up of a Global Security Operation Centre for the Company and the work sites to monitor and guide timely remediation actions in the case of events that could potentially compromise the confidentiality, integrity and availability of data processing and technologies deployed while concurrently handing any incidents and performing security assessments and audits.

The Company has prioritised raising its employees' awareness of the importance of this issue as they are the first line of defence. To this end, it deploys the most suitable training methods (in-person, e-learning, exercises and tests, newsletters, etc.) at headquarters and on site.

As part of its information & cyber security activities and in order to pro-actively prevent and respond to incidents, the Company has formal agreements in place with institutions and its peers in Italy to enable the improvement of response time and the capacity to deal with potential threats.

Data protection

Compliance with data protection regulations is a priority for the Company and it has a comprehensive organisational model to oversee such compliance, which is also guaranteed by the Data Protection Officer (DPO), a role covered by the Compliance Manager. The DPO is assisted by a privacy team, comprising members from the main departments that can provide assistance thanks to their specific expertise (e.g., HR Department, Legal Department, IT Department and the Information & Cyber Security Unit). The team's objective is to advise on the application of the data protection regulations in accordance with Regulation (EU) no. 2016/679 (the General Data Protection Regulation, GDPR).

The Company has data protection policies and procedures for all its departments that process personal data, especially as regards data breaches and the transfer of data to countries that do not comply with the GDPR such as the US. An online training module on the EU Regulation is available to all employees as well as dedicated courses for those units that either process personal data or manage relationships with third parties acting in their role as data managers.

Non-financial reporting system

Webuild has a non-financial reporting system that complies with the requirements of Legislative decree no. 254/2016 and the GRI Sustainability Reporting Standards. The Corporate Social Responsibility Department supervises this reporting system. This Statement is approved by the Company's Board of Directors after it has been examined by the Control, Risk and Sustainability Committee.

Main organisational changes

In 2022, the Group re-engineered and digitalised its regulatory system to make it more effective and user-friendly and to ensure its seamless application by subsidiaries, branches and work sites. This initiative saw the Group engaged in migrating and applying its organisational standards and processes during the year with dedicated projects, including:

- a regulatory framework for Webuild Italia and Partecipazioni Italia;
- continuation of the alignment of Lane's regulatory system with that of the Group, including with respect to change management;
- alignment of the regulatory frameworks of the subsidiaries CSC, Cossi, Seli, NBI and Fisia Italimpianti by performing a gap analysis and preparing a convergence action plan.

With respect to the Company's headquarters, the main organisational reshuffles involved:

- The introduction of a new Corporate Cost Efficiency Programme Unit (January 2022) to roll out new operating models, in line with the business plan, to reduce indirect costs by: (i) establishing centralised service hubs for the work sites (shared services model), (ii) identifying back office automation possibilities, (iii) identifying indirect cost savings and assisting the relevant departments to implement the related measures, (iv) PMO monitoring of activities and savings achieved.

  Given the cross-departmental nature of the project, the unit reports to the General Manager Corporate and Finance- Group CFO and Chief HR, Organisation and Systems Officer.

- Completion of the succession plan and reorganisation of the Plant and Equipment Department (February 2022) into functional areas to enable greater technical supervision (Electrical and System Engineering, Plants, Construction Machinery, TBM and Auxiliaries).

- Reorganisation of the Group Bidding and Engineering Unit (March 2022) using the Group's span and layer approach, which led to the creation of two new competence centres specialised in bids:

    - Bid Management, standardising the bidding processes across the entire Group for the integrated and centralised management of bids of all the Group's various bidding units (including those of the former Astaldi), and formalising the liaison process with the corresponding units at the subsidiaries;
    - Bid Services, standardising and bringing all the services provided to the Bid Management Team to prepare for bids under one roof (e.g., Planning, Estimating & Methods, Bid Doc Control, etc.).
- Delayering the Controlling and Accounting Department (March 2022) with respect to its Operations and Risk Controlling activities together with a review of the department's geographical areas.
- Reorganisation of the Contract Management Department (May 2022) by geographical area to ensure more effective supervision of all claims.
- Appointment of a CEO for Lane (May 2022) to complete the succession plan for the US group company's senior management. Ignacio Botella, part of the Group's Senior Management Team as Deputy General Manager & Operations Executive Director Americas, took on this role.
- Overhaul of the HR Department, which involved merging the HR Management, Industrial and Labour Relations, Total Rewards and Mobility Policies, Talent Acquisition & Employer Branding, HR Administration, Workforce Planning and Services and Facility Management Departments as well as merging the Organisation & Change Management, Development, Succession Planning & DEI and Knowledge Management and Technical Training Departments into the Organisational Development, Learning and Change Department (November 2022).

Continuous communication and transparency with all the stakeholders

The Group has always engaged with all its stakeholders in a transparent and continuous manner, using state-of-the-art tools for both external and internal communications.

From an institutional viewpoint, it wound up the Progetto Italia communication plan, as the project was accomplished in April 2022. The plan provided for continuous communication with the parties involved during the different phases. Webuild's main objective was to present, with utmost transparency, the Group's commitment to bring together several sector companies, becoming large enough with innovative technical and engineering expertise so as to be in a position to immediately vie for the investments earmarked for the large infrastructure sector.

In 2022, Webuild stepped up its commitment to communicate every aspect of its business transparently and in real time, allowing stakeholders to have a comprehensive understanding. This involved issuing an increasing number of press releases and communications around 200, (about 30% more than in 2021) tailored to their target audiences to provide comprehensive information. Webuild also has a corporate magazine, We Build Value, with a circulation that has grown exponentially over the years in terms of its reach in Italy, the United States and Australia, two countries of great strategic interest to the Group.

It placed more than 20 webcams in Webuild work sites in Italy so that the local communities and other stakeholders could follow the projects. The Group also opened work sites to the public, with open days at the Milan Metro Line 4 site and the Paris Metro (Grand Paris Express) site. Webuild also launched a special communication plan for a specific site, the Milan Metro Line 4, to present the technical activities and stories behind progress on the project in order to connect a wider audience with the activities of the M4 metro and, more generally, of the sector.

During the year, the Group also organised campaigns to raise awareness around sustainable infrastructure and the positive effects infrastructure can have, starting from its construction and continuing through to its operation. One example was the intensive campaign about the role of infrastructure for water, "Acqua per la vita" (Water for life), designed to focus attention, including at institutional level, on the need for infrastructure to produce, save and efficiently manage water, especially at times of severe drought.

In 2022, Webuild built on its integrated multi-channel communication plan launched in 2021, Webuild Next-Gen, designed for young people. This includes dedicated campaigns for the transparent presentation of the Group's plan to include young people in its activities. One such campaign was the Challenge 4 Sud with the universities of southern Italy while others included communications about projects for young people, including the Alberto Giovannini Award and the Scuola di Mestieri.

The Group also undertook a series of cultural initiatives as part of the "Agenda Cultura" to reinforce communities' positive perception of the value of infrastructure to their areas, which included the "Superbarocco. Arte a Genova da Rubens a Magnasco" exhibition at the Scuderie del Quirinale in Rome. The exhibition was organised by Scuderie del Quirinale and the National Gallery of Art of Washington, D.C. to celebrate the Genoese baroque, one of the artistic periods of greatest splendour for Genoa and Italy, and concluded with a concert by the Orchestra of the Accademia Nazionale di Santa Cecilia in the Sant'Agnese in Agone Church in Piazza Navona in Rome.

Webuild engages continuously with its stakeholders on digital channels with an ecosystem of 13 websites and five social media platforms. In 2022, the Group's digital touchpoints collected over 75,000,000 impressions, of which more than 91% through the social media, thanks to an extensive communications plan that can create 2,900 posts a year, with an average of around eight posts a day. The Group's website has 4,800 pages, which are refreshed daily. During the year, the Group also released new vertical mini-sites, including cantieritrasparenti.it, and new insights into the Group's initiatives. Its social media channels have over 287,000 followers, 20% more than in 2021.

In 2022, Webuild kept its stakeholders up to date with a direct email marketing (DEM) programme, sent to more than 18,500 contacts every week (more than double the number of 2021).

The Group was strongly committed to its strategic internal communication plan throughout the year, focused on strengthening the information and granular engagement processes of Webuild's people, both at the Company's offices and the work sites, with the aim of encouraging their informed and active participation in working towards business objectives. In 2022, the main drivers of the Group's internal communication strategy were to improve information accessibility (thanks to the deployment of innovative instruments and networking, such as the new Webuilders employee app, initially launched for a population of 3,000 employees based mostly in Italy which will be extended abroad in 2023); the direct involvement of senior and middle management in sharing business results and objectives, achieved through presentations of the 2021 results with an extensive cascading strategy that reached more than 1,000 people around the world; the active promotion of the Group's identity to strengthen a shared culture with its employees as its first ambassadors on their own channels and social media (the Brand Builders project); publicising and engaging employees in change management processes (performance management, mentorship projects and training).

Webuild also carried out dedicated communication campaigns to raise employee awareness about issues close to its heart such as sustainability and the ESG Plan objectives, diversity, innovation, safety and the environment.

The Group drew up a schedule for virtual meetings (Time to Talk) involving all group employees to discuss key issues related to Webuild's business and identity, such as compliance, resources development, governance processes, responsibility and obligations with respect to quality, the environment and safety. These online meetings were attended by approximately 1,500 people and their aim was to provide group employees with greater familiarity with strategic issues, consolidate and share a common culture (especially the employees of companies new to the Group) and reinforce the value of each person's contribution to achieving the Group's objectives.

Innovation, research and development

Strategic for the Group's sustainable growth and competitive edge

€118 mln
Investments in innovation 2018-2022

≈380
Average annual number of employees engaged in innovation and R&D activities

Webuild considers innovation essential for its long-term sustainable growth in an era of technological and environmental challenges. Innovation is key to be competitive in terms of:

- core and staff process efficiency for improved performance efficiencies (timing and costs);
- social and environmental performance thanks to less work-related incidents and a smaller impact on the environment and the communities affected by its operations;
- quality construction services that meet client needs;
- reduction of construction lead times;
- expansion into new business sectors.

The Company's sector is known for the highly customised processing, 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 based on highly specialist know-how. The Group's work sites are real hives of innovation and advanced research.

R&D activities are carried out at project and company level.

At project level, in addition to researching materials, ensuring worker safety, pursuing quality and protecting the environment, the most challenging activities are those for projects with technical characteristics that cannot be dealt with using conventional techniques and technologies.

At corporate level, the technical departments work unceasingly to develop state-of-the-art methods that best respond to the unique characteristics of each project. The Company's technical teams work alongside the best experts and professionals in the market, universities and research centres from day one to develop tailored solutions able to meet clients' requirements while protecting the local environment and communities.

During the 2018-2022 five-year period, the Company invested on average around €23 million in innovation, research and development projects for a grand total of over €118 million. These projects have involved an average of around 380 group specialised resources[27] each year.

[27] Personnel involved in long-term projects are included for each year of the project. The figures for 2022 include Lane's figures based on conservative estimates considering the information available that could be verified at the date of preparation of this Statement.

Innovation projects mainly related to the following areas:

Design, planning and development

Webuild places its services at the client's disposal for the project to be developed. Its aim is to deliver a high-quality service and play its part in the sector's technological evolution.

One of its key initiatives is the design and development of a system to collect, integrate and manage large quantities of data about contracts in order to process and organise them in a consistent and user-friendly manner.

Through the deployment of Artificial Intelligence (AI) techniques, data analytics and machine learning, the platform will provide innovative support to decision-making at corporate and project level, improving the project team's forward-looking and management abilities:

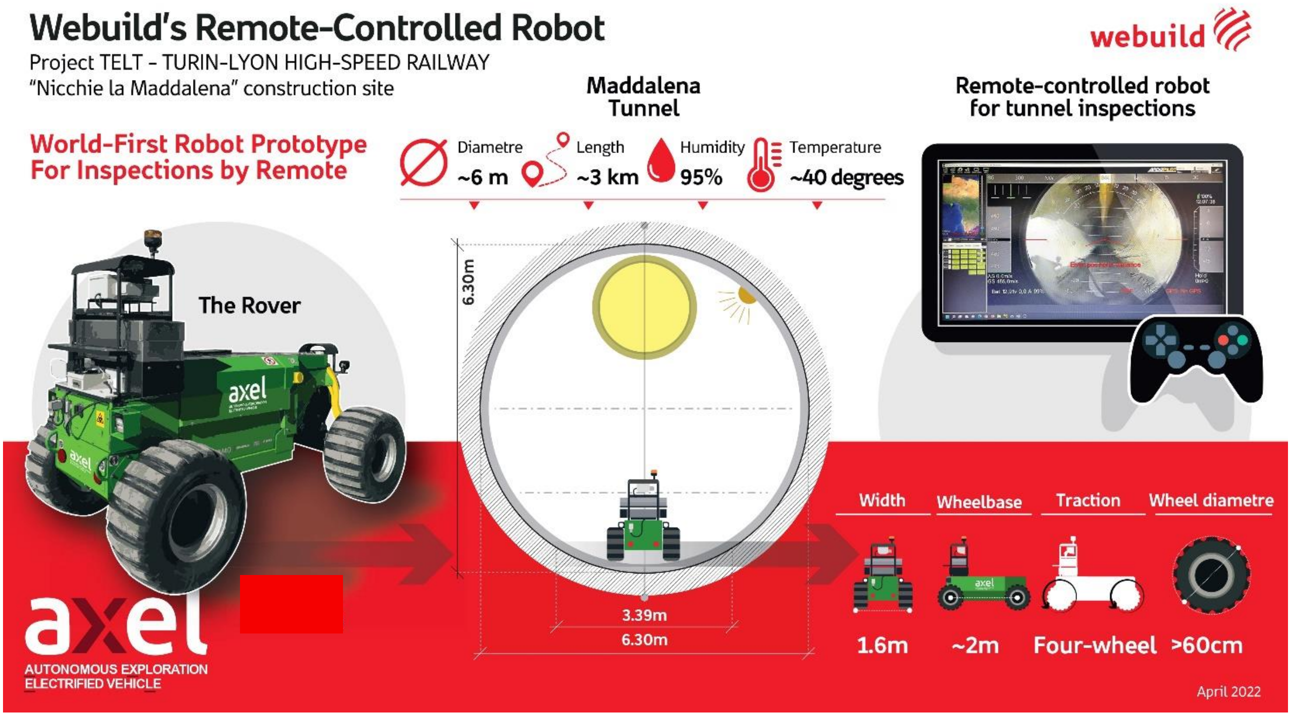
- in managing contracts and planning activities, thanks to a model that provides real time information on the project's status;
- during calls for tenders for new projects, drawing on the forward-looking technical and financial models based on the integrated multi-disciplinary data.

In 2022, Webuild trialled application of the Robotic Process Automation (RPA) technology to automate, standardise and streamline certain repetitive work site activities that require great manual dexterity.

One of the Company's success stories of the year is Axel (Autonomous Exploration Electrified Vehicle), the world's first rover robot to inspect shafts and tunnels.

Axel solves and eliminates the risks of exploring critical areas as it is remote controlled, can report on environmental conditions of tunnels and provide remote, real-time images and data about the area being explored (e.g., temperature, humidity, state of the tunnel walls, presence and concentration of dangerous gases, etc.).

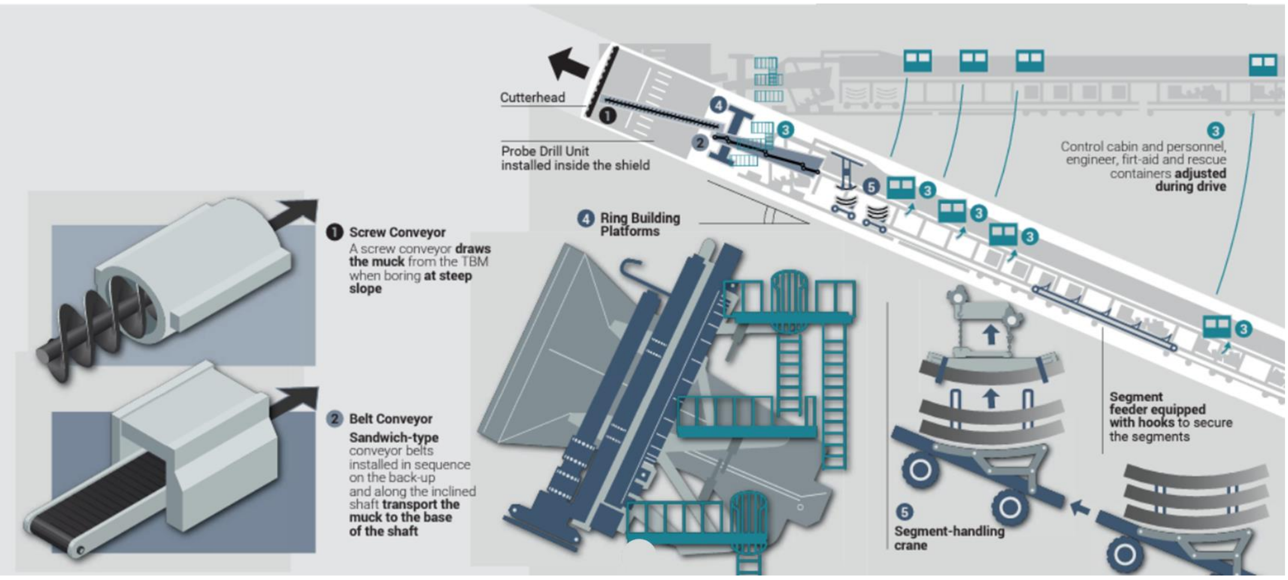
The robot provides input on the activities necessary to make the environment safe for the workers, such as air exchange and filtration, tunnel wall reinforcement and installing electrical systems.



Construction techniques

Webuild's innovative potential comes to the fore in this area.

One of the most interesting initiatives carried out in recent years is the design and development of new technologies to develop large inclined hydraulic tunnels using mechanised boring techniques and alternative lining solutions for the Snowy 2.0 hydropower station project in Australia.



The project involves the excavation of a 1,600 metres inclined pressure shaft at a 25° slope (46.73%), with a diameter of 9.9 m and subject to significant dynamic loads (+/- 25bar). This high-pressure shaft's maximum incline is unique in the world and, given the size of the works and operating conditions, represents a world first technological innovation in the sector of TBMs (Tunnel Boring Machines). On-site activities commenced in 2022 using the technological solutions designed for the excavation of tunnel sections with a negative slope (between

-9% and 0%). The self-adaptive driving systems and reconfigurable platforms that transition from horizontal tunnelling to inclined excavation were fine-tuned. The tunnel boring machine (TBM) can operate both in open mode and closed mode, as well as if there is naturally occurring asbestos material.

Webuild also fine-tuned the innovative use of single lining in mechanically connected sections to withstand high internal pressure and the related high performance sealing mortars.

This innovative and one-of-a-kind solution has been adopted to mitigate the risk of potential issues related to the site's geological conditions and will allow significant cost and time savings in boring the tunnel.

After receiving the prestigious ITA Tunnelling Award 2021 for its innovative construction methodology, Riser Concept, developed for the environment restoration project of the Matanza-Riachuelo catchment basin in Argentina, the Group patented the solution in the United States.

Materials

The Group focused on a number of projects concerning the reuse of excavation materials, water treatment and the development of innovative construction materials.

It developed the WeCycle research project for the reuse of excavation materials to explore the feasibility of reusing earth and rocks excavated by TBMs for circular economy purposes.

In 2022, Webuild analysed the feasibility of reusing these materials in the production cycle for two-component grouts for back-filling, raw materials and concrete production. The study found the project to be technically feasible but not economically viable.

From a circular economy viewpoint, the objective is to supplement the more traditional reuse methods with innovative methods whereby the excavated earth and rocks are put to greater use in protecting the local area and mitigating hydrogeological risk or simply acquiring an economic value through their reuse in new production cycles while reducing transport (and related emissions) and disposal costs.

With respect to water treatment, the Group has commenced a project to develop a technology to break down surfactants in wastewater. It is nearing completion and the technology will be trialled shortly.

The Group has also invested in the study of innovative materials. It developed numerous solutions including:

- analysis of a custom-designed mix for possible use as a filler for the production of back-filling grout of the filter-pressed material coming from the wastewater treatment system during the tunnel boring process;
- development of an innovative aerated two-component grout with the aim of creating a drainage cushion in the annular space around the prefabricated tunnel section lining, to decrease the pressure on the lining where there is significant water head. The Group has applied this technology at several sections of the new Naples- Bari railway line.

In addition to the above projects, the Group developed an ingenious test method to explore the explosive spalling of the fibre-reinforced tunnel sections during fire testing using the confined slab spalling test. The design and development of this technology have been completed.





Work site digitalisation

The initiatives in this area cover many fields. They entail the development of innovative tools that use machine learning, AI, big data & predictive analysis, IoT and BIM to facilitate the processing of large quantities of data with summarised and concise outputs available in real time. Digital innovation is essential to Webuild's competitive edge. The main initiatives undertaken are:

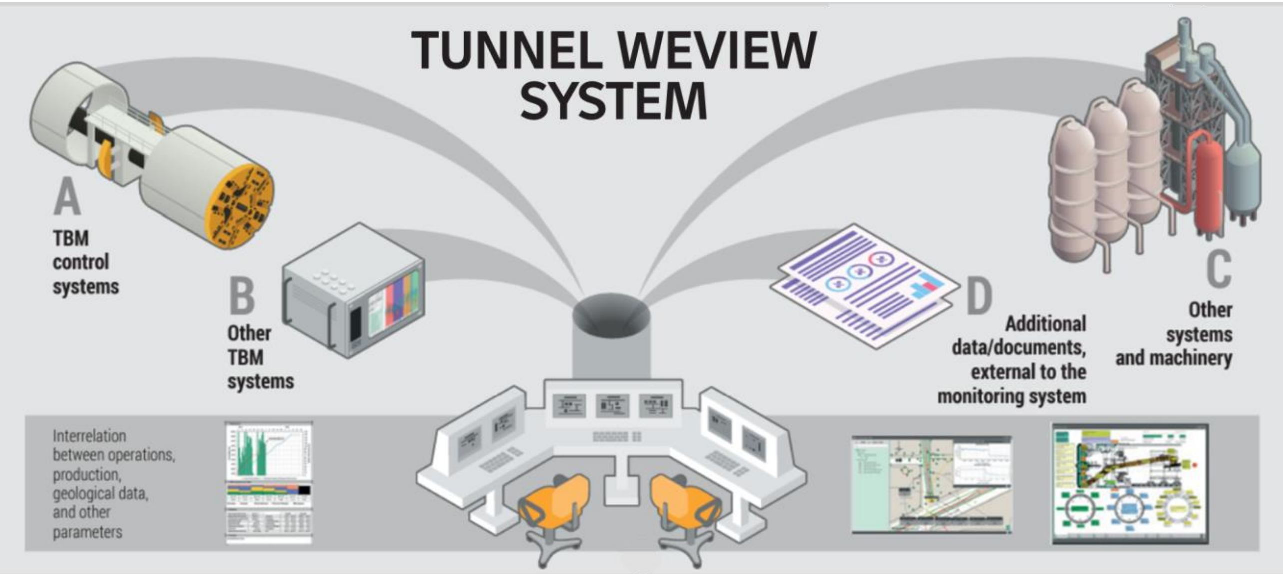
- design of a complex system (data lake) to collect, supplement and manage big data from the work sites. The system processes the data using AI, drawing on past experience to support both contract and bid management.

  This technology can be used to build a digital twin of the work site to organise the data generated by different sources and provide readily available processed information.

  The same technology uses the data lake at centralised level to filter and file the data in a standardised manner;

- digitalisation of the collection, aggregation and entering of data during the execution phase, replacing paper reports with paperless versions that can be prepared by the work site personnel on their mobile devices (tablets, smartphones). This solution ensures a better trail, established inputs, and eliminates the need for transcription thereby simplifying the validation process;

- the Tunnel WeView system to assist management monitor a project's production, safety and environmental aspects and its impact by the real-time collecting, processing and viewing of operating, energy and environmental data, including monitoring the environmental objectives (e.g., GHG reduction) and their achievement. In 2022, the Group applied this technology at the Snowy 2.0 work site completing all the dashboards and network architecture of the subsystems. It also intends to extend the platform to an aggregate solution connected with the company servers for Italian projects;



- knowledge management ecosystem to encourage a new approach to processes and activities to increase productivity, operating efficiency, sustainability, flexibility and traceability. In 2022, the Group launched the platform at four pilot work sites and set up two new internal communities of experts in the various fields;

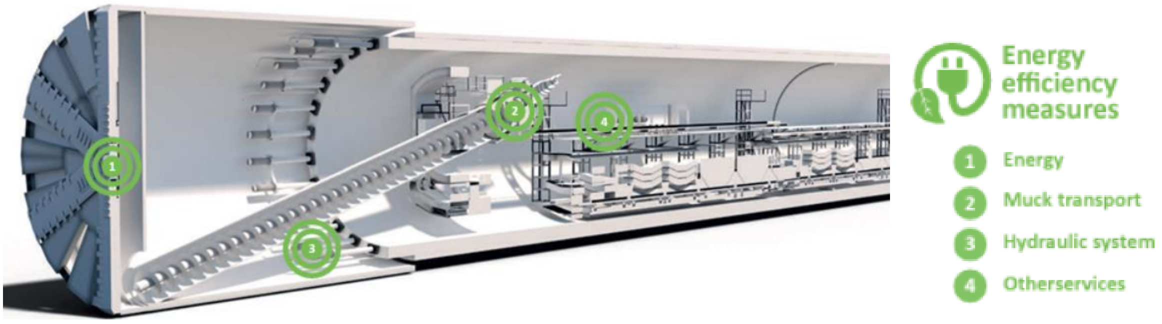
- an innovative procurement platform designed to optimise the supply chain management, from the supplier screening and selection processes to performance assessment, as well as contract planning management. This system will resolve certain limitations inherent in the existing solutions, such as insufficient integration of the data and management aspects or not being able to map the entire supply cycle. It will also reflect the specific needs of the construction market and, specifically, those of Webuild;

- development of a fleet management platform to manage the technical and other data of all the Group's equipment with a standard classification using their tax and technical characteristics, which vary from one product family to another. The platform also includes all the information about the projects the equipment is used for and their geographical location. At present, this system is in use at almost 30 work sites around the world.

Safety, quality and the environment

The design of a construction site layout that is sustainable, attentive to the safety of workers, the environment and the surrounding areas is becoming increasingly important. Once again, technology is the harbinger of efficient and improved performances in the safety and environment areas, leading Webuild to invest in this type of initiative. The most significant initiatives recently undertaken include:

- *GREEN TBM* - development of a TBM with reduced energy and water consumption by optimising the onboard systems and devices to improve tunnelling efficiency and all the many related functions and equipment; this has led to a reduction in the machine's environmental impact, faster tunnelling and greater safety. The first trials indicated a reduction in energy consumed per cubic metre of bored tunnel of around 20% compared to the traditional TBMs. During 2022, the machine's executive designs were completed and construction of the first more efficient TBM has started;



- an innovative system to monitor and manage work sites' water resources using remote digital systems to maximise water recovery during construction activities. This system (WWE- Webuild Water Efficiency) has been used at the Giovi third railway crossing work site (Milan- Genoa high speed/capacity railway line) in Italy;
- an automated system to design, manufacture and position tunnel segments using highly efficient robotic technology that integrates solutions for innovation, efficiency, circular economy, environmental footprint reduction, and development of a more resilient and better performing product. The robotised factory has been designed so that it can be dismantled and re-installed in other areas (design for deconstruction). It is currently being installed at the first Italian work sites and is nearly entirely self-sufficient in terms of its water and energy requirements;
- full electric or hybrid propulsion multi-service vehicles to transport materials and personnel in underground sites and to support the TBMs during the mechanised excavation for the total or partial elimination of GHG and polluting substances with the consequent improvement of the air in tunnels;
- environmentally-friendly electrical transformer cabins built using a combination of low environmental impact technologies and materials. In 2022, the analysis focused on the cabins' ability to emit less emissions, their costs and benefits and the feasibility of their use in the work sites to identify the most suitable type of cabin. Once finalised, the cabins will be audited for EDP (Environmental Product Declaration) certification.
- development of the AMICO- Account Method of Infrastructures embodied CarbOn platform to be used for the analysis and parametric evaluation of carbon emissions (embodied carbon) and energy consumption (embodied energy) of an infrastructure over its life cycle;
- introduction of the Infinity Neural system, which uses AI (Artificial Intelligence) to monitor work at tunnels bored using TBMs to improve workers' health and safety. The system consists of video cameras installed along the tunnel which monitor the proper use of Personal Protective Equipment, interaction between the

machines and between the machines and the workers and that the designated pedestrian crossings are observed. It picks up on non-compliant behaviour, which is reported to the supervisors using an instant messaging tool as well as sending concurrent acoustic signals to the workers involved. The system also guarantees privacy and generates regular reports.

In addition to continuing its ongoing projects, the Company constantly scouts for new potential innovation, research and development projects to invest in.

During the year, the US-based group company Lane continued to roll out its Fast Lane to Innovation Award programme to encourage, identify and recognise innovative practices developed in-house. In addition to their technical aspects, the submissions are assessed in terms of their environmental benefits and sustainability.

The Company has set itself the objective of investing additional resources of more than €30 million in the 2021-2023 three-year period, as set out in its ESG Plan. Its aim is to roll out high impact innovative technological and digital projects within its business processes to make them more efficient and sustainable.

Human resources

Health and safety, creation of jobs, attraction and professional development, diversity and inclusion: the Group's commitment to its people

Injury rates
one of the best in the sector

44%
employees under 35

35% women
at the head office

≈1,000,000 hours
training provided to direct and indirect personnel

Internal policies

People, their skills and their dedication are fundamental to any organisation's competitive edge. Human capital is an increasingly critical success factor given the nature of Webuild's business, consisting of the building of unique large, complex infrastructure projects, its need to understand and have a flexible organisation that can adapt to different cultures and the complex transformation it is currently undergoing.

The adoption of a HR strategy and policy is essential and they must underpin the Group's strategic objectives through the efficient management of human resources and the organisation.

Objectives:

- guarantee that employees act in accordance with common rules and practices in compliance with the Code of Ethics and the Company's values;
- foster an inclusive work environment that enhances individual skills and encourages employees to develop their potential;
- cultivate diversity and inclusion as levers to understand the various cultural contexts in which Webuild operates, to encourage innovation and the ongoing improvement of decision-making processes key to achievement of the business objectives;
- attract, retain and motivate employees by guaranteeing their best placement within the Group to enhance their talents and growth;
- maintain the highest levels of protection for health and safety in the workplace for its employees, ensuring the necessary prevention and protection measures are in place to avoid or minimise occupational risks and instil a safety-based culture at all levels and proactive and ethical conduct;
- encourage the adoption of a single organisational model throughout the Group, based on structures and processes to create value and to concurrently comply with the legislation of all the countries where Webuild operates;
- introduce digitalisation as an essential tool to bolster the efficiency and standardisation of processes and maximise knowledge and the sharing of information between people across the Group.

Main risks and management methods

The Company's HR management policy complies with the principles set out in its Code of Ethics and the laws and regulations of the countries where it operates.

The risks and methods used to manage the key employee-related aspects and risks are described below.

Workforce

At 31 December 2022, the Group's workforce was as follows:

Direct workforce by category (GRI 2-7)	Unit	2020	2021	2022	% 2022
Managers	no.	544	477	463	1.3%
White collars	no.	8,318	8,518	9,830	27.3%
Blue collars	no.	20,300	21,803	25,701	71.4%
Total	**no.**	**29,162**	**30,798**	**35,994**	**100%**

Direct workforce by geographical segment (GRI 2-7)	Unit	2020	2021	2022	% 2022
Italy	no.	3,174	3,554	4,075	11%
Africa	no.	10,055	11,340	11,679	32%
Europe (excluding Italy)	no.	2,419	2,322	2,305	6%
Americas	no.	6,789	8,084	7,657	21%
Asia and Oceania	no.	6,725	5,498	10,278	29%
Abroad	no.	25,988	27,244	31,919	89%
Total	no.	29,162	30,798	35,994	100%

At year end, technical and production employees made up 79% of the workforce with office employees accounting for the other 21%. The split between open-ended and fixed-term employment contracts is 85% and 15%, respectively.

If the indirect resources (employees of subcontractors, temporary work agencies and other service providers involved in the Group's projects) are included, the total workforce deployed by the Group in 2022 numbered 75,514.

Direct and indirect workforce by geographical segment (GRI 2-7 and 2-8)	Unit	2020	2021	2022	% 2022
Italy	no.	7,911	15,779	16,040	21%
Africa	no.	11,463	12,440	12,716	17%
Europe (excluding Italy)	no.	6,399	9,427	5,654	7%
Americas	no.	13,256	25,356	22,422	30%
Asia and Oceania	no.	15,854	11,103	18,682	25%
Abroad	**no.**	**46,972**	**58,326**	**59,474**	**79%**
Total	**No.**	**54,883**	**74,105**	**75,514**	**100%**

The above figures relate to the Group's employees at 31 December of each year, calculated in line with the consolidation criteria of each group company[28]. Considering the workforce engaged in the Group's projects, the total at 31 December 2022 is over 82 thousand direct and indirect resources.

[28] i.e.: (i) the number of employees regardless of the investment percentage for consolidated companies; (ii) the number of employees in proportion to the investment percentage for joint operations; and (iii) none of the employees are included in the calculation for equity-accounted investees and other companies.

New hires and outgoing employee trends are affected by the unique nature of the infrastructure sector, where workers are taken on for specific projects with employment contracts that usually end when the works have been completed.

In 2022, the Group hired 11,322 resources, including 4,585 under 30 years of age. Outgoing employees numbered 5,549, and this figure includes the transfers of resources among group sites. The greatest number of incoming resources was seen in Asia and the Middle East, while most departures were seen in the Americas as a result of the stage of completion on the main ongoing projects.

Attraction, selection and development

In 2022, Webuild carried on with its “Next-Gen” plan, launched in 2021 for young talents in Italy and abroad. This initiative is designed to help train the up-and-coming generations and to create jobs and opportunities for professional training in the infrastructure industry. It includes partnerships with Italian and international universities, research and innovation projects focused on diversity and sustainability, and technical schools for the training and employment of specialised workers. Employee attraction, selection and development activities comply with the principles contained in the Code of Ethics and company policies.

Employer Branding

There was a gradual return to the office after the restrictions imposed to deal with the Covid-19 emergency in previous years. Webuild’s approach to this “new normal” was to consolidate the experience acquired in using digital tools, which have now entered the daily life of the new generations in a disruptive and essential way while concurrently promoting as much as possible in-person participation at physical events to engage face-to-face with young talents and close the gap. To this end, it organised around 30 events during the year using all the tools available, ranging from assessment simulations, seminars held by Webuild managers, career orientation meetings, career days and recruitment days, representing a valuable opportunity to engage with the younger generations.

The young generations are a fundamental resource to the Group, which reiterated and extended its commitment with innovative and engaging initiatives that gave young people the opportunity to get to know the Group and test themselves through competitions organised by Webuild with the main Italian universities and other multinational groups.

During the year, Webuild continued to cultivate strategic relationships with Italian and international universities, participating in initiatives targeted directly at the students as well as playing an active role in the definition of guidelines, the joint planning of placements and recruitments, analyses of educational requirements and the evaluation of the courses offered by the universities to ensure that they are increasingly aligned with the business world’s real needs.


Programmes and inititiaves for young people
webuild
2021-2022 PLAN
TOTAL INVESTMENT
>€1.2mln
BENEFICIARIES
~250
YOUNG PEOPLE
October 2021
Premio
Alberto Giovannini
for graduates
and PhD students
Trade schools
in Italy
Challenge 4 Sud
contest for
engineering students
in Southern Italy
Recruiting in
Southern Italy
100 engineering
graduates
Scholarships and
partnerships
with 18 universities
in Italy and
abroad
STEM
Programmes
dedicated
to Women
Ingenio
al femminile
Award
for sustainability
in infrastructure
sector

Main initiatives of 2022

Italy	United States	Australia
In 2022, UniWeLab, the research lab set up by Webuild and Genoa University in 2021, promoted a hackathon for undergraduates to brainstorm innovative ideas for sustainable mobility in the Genoa area. The winning team reinterpreted the "Sopraelevata", the Genoa flyover, as a green belt for the city while the lab ended its first year of activity with the publication of the UniWeLab book describing its experiences and the training and innovation activities performed. The first edition of the Alberto Giovannini Award ended in March. It was set up in memory of the Group's former chairperson, following his untimely passing in 2019. Aimed at making a concrete contribution to the professional growth of young people, the award is open to all Italian universities engaged in promoting innovation in the construction sector. The winners of the first edition were awarded an international internship, upon completion of which they were offered a place in the Group. The PhD bursary to stimulate research and innovation in the sector was assigned to the Turin Polytechnic University. Again during the year, as part of the Webuild Next-Gen initiative, Webuild was committed to promoting the universities of southern Italy with an initiative that involved students from various universities and saw them work in groups on innovative projects, the challenge4Sud.	As well as focusing on universities pivotal to its reference markets, Lane rekindled its relationships with the organisers of national conferences targeted at a diverse university-level audience. For the second consecutive year, it participated in the Society for Women Engineers (SWE) conference as well as the Society of Hispanic Professional Engineers (SHPE) national conference in November and will also attend the National Society of Black Engineers (NSBE) conference in March 2023. This new, more targeted approach allows the group company to strengthen brand awareness with selected partners, focussing on fewer organisations but with greater involvement before, during and after events. Its commitment runs throughout the entire academic year through posts on social media, seminars and general support provided to students in interview simulations and resume workshops. Standardisation of the Group's approach to employer branding, both online and in-person, led to the development of a scalable solution, perfect for dealing with the ongoing transition from events that had moved completely online to a hybrid combination of online and in-person. Lane's team is also trialling a programme to provide high school students with summer internships. This programme will increase brand awareness at an earlier stage to stimulate students' interest in the large infrastructure industry and help solve the skill shortage in the US.	In 2022, the Group continued to partner with the University of Technology (UTS) in Sydney. The recipients of the 2022 Australia Tomorrow's Builders Scholarships were identified while the "Women in Engineering and IT" programme was renewed to promote women engineers' academic and professional training. Webuild will continue its partnership with UTS in 2023, supporting the "Women in Engineering & IT" programme and minority groups through scholarships in engineering and construction courses. The University of Melbourne in the state of Victoria renewed the two scholarships funded by Webuild for a male student who received the "Webuild Master of Engineering Scholarship" and a female engineering student who was awarded the "Webuild Women into Engineering Pathway Scholarship". During the year, Webuild entered into a partnership with the University of Queensland to fund two scholarships for First Nations engineering students, reflecting how important it is to the Group to develop the young talents in the areas where it operates. The first recipients will start their courses in 2023. This partnership speaks to the importance to the Group of inclusion and diversity as guiding tenets, helping to affirm Webuild as a Diversity Employer. Webuild will also participate in the 2023 Innovation Challenges, contributing to stimulate the creativity of engineering students and the development of new sustainability options.

During the year, the Universum classification of the "Most Attractive Employers Italy 2022" confirmed Webuild's position among the top 30 for STEM professionals in Italy. Webuild is also the most attractive business in the construction sector for both categories of the survey.

As part of the “Italy’s Best Employers 2022/23” study carried out by La Repubblica, Affari&Finanza on a high-level data base using the social listening method and AI to assess a company’s online reputation, Webuild obtained the top score of 100/100.

These prestigious accolades bolster the Group’s reputation on the labour market and its appeal as an employer of choice, supported by its regular notification of job vacancies at all levels and its core values, starting with how it cares for its employees in the more than 50 countries where it operates.

The challenges of the next few years posed by the construction sector’s fast-paced growth, boosted by public investments in infrastructure, has extended the Employer Branding reference target to secondary school students and professionals of other sectors. Webuild has already launched initiatives to augment its brand awareness and the attractiveness of its sector with this new target base though presentations by managers at technical secondary schools (specialised in construction, the environment and local communities) while others are in the pipeline, such as Open Days at group work sites. These Open Days are both a good opportunity to showcase the Group’s activities to potential candidates and to engage with the local communities.

Selection and acquisition

The employee selection and acquisition activities are regulated by a defined, standardised procedure at corporate level and for its projects that require the structured scheduling of requirements, followed by an internal scouting stage to verify any potential internal candidates for the vacant position or recruitment on the market (if necessary).

The Company uses a dedicated system that ensures the traceability and transparency of the scouting and selection process by constantly updating the pipeline of candidates.

Alongside the recruiting activities to fill vacant positions, in 2022, the Company continued to use its advanced search tool to create a national and international pool of talents for future staffing needs and to complete its succession plan as an additional lever to guarantee and ensure business continuity. It will continue this project into 2023 by extending the analyses performed to date.

During the year, the Group continued its inclusion-oriented selection programme, launched in 2021 to foster diversity and inclusion as part of Webuild’s 2021-2023 ESG plan.

This inclusion-oriented selection programme is comprised of three steps covering:

- the presentation of diversity-oriented shortlists (when possible);
- assessment of the working for inclusion skill described in the leadership model;
- the presentation of blind CVs to managers involved in selection to avoid possible involuntary bias during the selection phase.

The programme was implemented at the head office in 2021, before being extended to the branches in 2022. It will be adopted by all directly managed projects and joint ventures led by Webuild in 2023. The Company shared its new selection guidelines with the suppliers that assisted the Group with personnel scouting and selection to ensure their consistent application.

To indirectly support its international staffing activities and to meet the large growth in demand for workers, partly a result of the National Recovery and Resilience Plan, the Group stepped up its vetting of international recruitment agencies during the year with a view to creating new partnerships covered by master agreements at advantageous terms for all group entities.

2022 also saw the Group heavily involved in recruitment with a view to the career orientation of the new generations: considering just the Italian contracts alone, the Group hired around a hundred young talents, who chose Webuild for their first job, during the year.

Management training and development

Fostering personal development and talents is important to Webuild to build its business. In 2022, it introduced and refreshed tools, programmes and initiatives to support and promote career paths, organisational growth and the continuity of its succession plans.

Performance Management

The performance management model defines and assesses each employee's contribution to the achievement of the Group's objectives in terms of the results achieved and the skills and approaches acquired.

Its main characteristics are:

- a dedicated application for performance management;
- assignment of objectives and performance assessment based on two factors: the "what" (result) and "how" (managerial skills in action). The reference managerial skills are those of the Group's Leadership Model, encompassing the soft skills and practices necessary to achieve the Group's objectives;
- dialogue between the manager and the employee starting with the agreement of individual objectives through to the assessment of performance and practices deployed.

The model promotes management by objective and a culture of feedback, involving managers in the personnel development choices, the identification of growth paths on the basis of the gaps identified as well as the strengthening of tools for managing talents and key resources, including as part of succession planning.

After its deployment at corporate level, in 2022, the model was extended to white collars at the Italian group companies and the project managers and supervisors of the Italian projects as part of the plan for its progressive roll-out to all the Group's operating entities.

Once again, the process was supported by in-person and online training courses to provide guidance about the correct assignment of objectives, performance assessments and management of feedback.

Managerial and talent development

In 2022, the Group continued to hone and introduce dedicated tools to identify talents and accelerate their growth paths towards management positions both at corporate and project level. This approach is designed to support the global staffing strategy in line with the Group's business growth.

One of Webuild's key development tools for its senior and upcoming managers is its Global Managerial Academy. This school provides training paths for figures who are already working in key roles or who are growing inside the Company tailored to their seniority and designed to foster both the development of their managerial and technical skills that are fundamental to the Group's business.

2022 saw a return to in-person training courses to encourage greater participation and networking among the attendees based at different group entities. Since its inception in 2022, the Global Managerial Academy has provided training to 170 managers from all over the world working in different business areas.

In addition to specific tools designed to foster personnel development introduced in previous years, Webuild introduced:

- assessment pathways to encourage the growth and promotion of its more senior resources, flanked by dedicated training and development initiatives (e.g., business coaching);
- a structured succession planning process to ensure a pipeline of successors for the Group's key strategic roles, both at head office and operations levels to guarantee business continuity.

In the second half of the year, Webuild defined a new assessment methodology for use in a mapping and identification project in the first half of 2023 in order to create a structured system to identify and manage young talents. It will then be able to introduce targeted action plans to foster growth with special development initiatives such as job rotations, a dedicated Academy, mentorships and technical training courses.

E-Learning Academy

The Group's eLearning platform, E-Learning Academy, promotes ongoing skill acquisition. It provides online courses for self-learning, enabling a large part of the workforce to complete their mandatory training courses and technical and managerial courses.

In 2022, the platform was refreshed with new content and functionalities in order to make it easier to use and monitor. It currently has over 100 learning pills and training courses on technical subjects, innovation, leadership and compliance.

Knowledge Management and Technical Training

The Company set up a new Knowledge Management and Technical Training unit in 2020 to capitalise on internal skills by sharing and leveraging the Group's know-how and to develop new skills to tackle the sector's future challenges.

Knowledge Management

During 2022, the Company continued its Knowledge Management Programme as part of its drive to optimise the knowledge-sharing tools and methods and access to specialist expertise, significantly improving the Company's competitiveness in the production and related sectors and bolstering the retention and expertise of Webuild employees.

The purpose of the Knowledge Management Programme is to provide employees with a service to capitalise their know-how as a 360-degree change management tool and provide the Group with a competitive edge, including through the deployment of digital technologies.

The Knowledge Management Programme has two main areas: the design of an integrated platform to host "explicit" information and collaboration communities that can capitalise on specific knowledge to make it easy to deploy as needed by transforming "tacit" skills into "explicit" skills in a digital format. It was necessary to establish the needs and requirements of the people in the different functions to design the Knowledge Management platform, aimed at reaching easily traceable information in a structured way and in profiled sharing, after which a concept of the new innovative Knowledge Management process and the related implementation roadmap were defined.

Based on this model, Webuild defined a standard applicable to the first two use cases and selected pilot work sites. It also set up two communities: the Innovation Community, to share internal know-how about innovative topics, and the IT & DS Community for employees specialised in Information Technologies and Digital Systems. The aim of these communities is to allow them to consult about problems, share solutions and ideas and to make their daily work more efficient. These communities significantly improve operating efficiency both by encouraging the sharing and re-deploying of best practices developed by one work site and transferring them to another and by creating a work environment with a single point of access. Thanks to a network of experts skilled in identifying effective, fast and appropriate solutions, recurring problems can be resolved easily and quickly.

Technical training

The Italian construction sector will see exponential growth in the next few years due to the state investments earmarked for it as part of the plan to relaunch the economy together with the funds set aside for infrastructure by the National Recovery and Resilience Plan.

Therefore, there will be great need for specialised labour, which is not currently available on the market due to the stagnant situation of the sector in recent years.

To meet this need, in 2022, Webuild set up a trade school, "Scuola di Mestieri", designed to train and employ a new generation of specialised workers in the infrastructure sector.

The Scuola di Mestieri vocational courses bring together theory and on-site experience. The school aims to deliver specialist training to new resources and to integrate them into the Group, offering the security of stable employment and solid career prospects.

Alongside classroom lessons, the new hires will be mentored in the work sites by more senior resources who have been provided with tailored training on how to effectively pass on their know-how. Simulators will also be used to allow both the new hires and their mentors to trial critical conditions in a safe environment.

The school's key objectives are:

- attract resources to the construction sector to benefit the entire industry;
- develop a pool of strategic resources qualified to respond to the medium to long-term changes the sector will face;
- provide reskilling pathways and rehiring of currently unemployed resources, embracing the National Recovery and Resilience Plan's mission for labour policies;
- leverage the know-how accumulated in-house on an international scale;
- install a culture of safety;
- standardise skillsets.

The Scuola di Mestieri has a tailored selection process which includes aptitude tests to assess candidates' awareness of safety issues, as well as their interpersonal skills, willingness to learn and professional ethics.

The attraction, selection and development activities, described above, help the Company mitigate risks such as not being able to fill positions due to a lack of qualified personnel available on the market, or a time lapse between the assignment of the project and the starting of works, or an inability to retain and motivate key professionals, including for the broader business continuity purposes.

The school's underlying aim is to transfer the Group's exclusive skill set to new resources, to cultivate the workers of the future while continuing to invest in Webuild people and unceasingly ramp up its own internal expertise.

The school was involved in three pilot projects rolled out on a trial basis during the year:

- the Giovi third railway crossing- Genoa Junction project (the high-speed railway line that will connect Genoa to Milan) in the first half of the year;
- the SS-36 state road Jonica project in August, with the training of master builders who will act as tutors for the new recruits and will continue with the first placements of young trainees;
- the Hirpinia- Orsara section of the high-speed Naples- Bari railway line project, for the work performed by the TBM, towards the end of the year.

During the year, in order to increase training capacity and extend the project to the Group's professional staff and managers, Webuild began to blue print an internal academy to attract, on-board, train and develop professionals with the skills required by the Group in the 2023-2026 period. The aim is to both to achieve internal upskilling and provide training to the local communities.

During the year, Webuild continued to focus on professional development and technical skills both by developing specific courses at head office level and providing courses locally in the various geographical areas where it is present. Its objective is to ensure that work is performed in accordance with its technical, quality, environmental, health and safety standards as well as to ensure that it has qualified personnel available for its current and future projects. Accordingly, projects continue to deliver professional training courses for the local workforce, defined using parameters that identify the training requirements and needs for each position and employees are required to attend the specific training course identified for their roles and requirements (both classroom-based and on-site).

These courses avoid the risk that employees' technical, professional and managerial skills become obsolete as this could affect the productivity, efficiency and safety of their jobs.

The Group drew up an environmental training plan in line with its climate transition road map and the 2021-2023 ESG plan objectives. Its intention is to inform, raise awareness and provide technical training tailored to the reference target focused on, in particular, decarbonisation, the circular economy, biodiversity and environmental protection.

In line with the previous year, the Group continued to deliver its training course on environmental sustainability in the construction sector "Sostenibiltà ambientale in constrAction: eco-design, decarbonizzazione ed economica circolare" in 2022.

This course was prepared by the Safety, Environment and Quality and Corporate Social Responsibility Departments in collaboration with the Turin Polytechnic for employees at the head office and group companies. It offers a concrete, objective and specific approach to climate change, the circular economy and decarbonisation tailored to the construction sector.

Training hours (classroom and on-site) provided in 2022 covered many aspects (health and safety, the environment, quality, technical/specialist, compliance, management, etc.) for a total of 730,734 hours (400,407 hours in 2021). These courses were supplemented by health and safety courses provided directly at the work sites, which are very important as awareness-raising and prevention tools. During 2022, the Group carried out roughly 178 thousand Toolbox Talks (147 thousand in 2021)- short meetings on health and safety-related aspects and the environment held at the start of work shifts- at its work sites. Overall, Toolbox Talks on health and safety-related aspects numbered approximately 131 thousand (125 thousand in 2021) which, including those on the environment, brought the average to more than 480 a day (400 in 2021).

In addition to training given to group personnel, the staff of the Group's subcontractors attended courses on QHSE subjects totalling 266,347 hours in 2022.

A total of 997,081 hours of training were provided in 2022 to direct and indirect personnel (561,445 in 2021).

Average per capita training hours (GRI 404-1)	Unit	2020	2021	2022
Managers and white collars	hours	8	10	19
Blue collars	hours	10	14	21
Total	**hours**	**9**	**13**	**20**

Total reward

The Company has operating procedures and practices designed to ensure that its remuneration policies comply with the regulations applicable in the countries where the Group operates and especially the minimum wage requirements, where these exist. At both corporate and operating level, the Company regularly meets with the trade union representatives (when appointed) to discuss remuneration.

A well-thought out remuneration policy is essential to retain key resources, mitigating the risks Webuild is exposed to, which are mainly the possible more aggressive remuneration and career policies of competitors. To this end, Webuild's remuneration policy has the following objectives: guarantee fair treatment in terms of the enhancement of know-how and professional skills of individuals and their roles and responsibilities, check that remuneration matches the related positions, ensure fair and consistent remuneration in line with the reference market and award bonuses in line with results and actions.

Webuild's remuneration policy has the following objectives in line with the above principles: retain and motivate qualified professional resources to pursue the Company's and Group's objectives; encourage these resources to stay with the Company and the Group; align, as far as possible, management's interests with the medium to long-term interests of shareholders and stakeholders; ensure financial balance and the sustainability of its policies over time.

The Company continued its Short-Term Incentive (STI) programme for its key resources during the year, with the objective of strengthening the results-orientated culture. The programme is part of the Performance management system which has continued the approach to setting objectives and assessing performance and includes a skills assessment section, in order to obtain an overall assessment of managers by considering not only what they have achieved, but how have they done it. The STI programme has three categories of objectives: the first is that of the Group's performance in line with that of senior management. The second is individual performance while the third refers to the skills requested of each position. At the end of the year, the results are assessed in qualitative and quantitative terms and considered together with the skills to determine the overall performance achieved.

The safety objectives related to the development and implementation of the quality, environment and safety management system and a reduction in the injury rate continue to be included for resources in the operations area. These objectives reflect the Company's commitment to improving the protection of its workers' health and safety and ensuring high quality standards and protection of shared environmental assets.

During the year, the Company continued its long-term incentive plan, the LTI 2020-2022 plan, to align the performance of the Group's key personnel with shareholders' interests as well as to retain and engage with management to ensure the stability required to meet the business plan objectives and remunerate them in line with market practices. As well as being tied to economic and financial indicators, the three-year plan also includes achievement of specific sustainability objectives. The two non-financial objectives (equal to 20% of the total) reflect the Company's commitment to ESG issues, which are an increasingly integrated part of Webuild's business strategies. They include an injury rate reduction goal (it should be noted that Webuild's injury frequency rate is much lower than its peers) and involvement in the shared fight against climate change by reducing the Group's GHG emissions intensity (scope 1 and 2).

Webuild is aware of the importance that employee satisfaction plays in terms of the quality and productivity of their output and that work/life balance also contributes to this satisfaction. In 2022, it activated a number of services to draw attention to the importance of a good work/life balance as employees returned to work in their new premises.

Another important aspect of this issue relates to the journey from home to work by private means of transportation, which can be very stressful especially in large cities. Webuild is convinced that mobility is one of the main issues that a company dedicated to the well-being of its employees and protection of the environment should manage as best it can. In 2022, it confirmed the home-work travel plan, launched at the end of 2021, which sets out initiatives and solutions to improve and make the journey from people's homes to the office more sustainable. It considered the possibility to work from home and the needs of its employees as per the dedicated survey.

Equal opportunities, diversity and inclusion

The Group is committed to maintaining a work environment that fosters inclusion, recognition and appreciation of diversity in all its forms (gender, age, nationality, ethnicity, social or civil status and religion). It believes that this gives it a competitive edge in terms of growth, the creation of synergies and in understanding and capitalising on the challenges of a multi-cultural business environment in line with the guidance set out in its Policy on Equal Opportunities, Diversity and Inclusion.

This approach includes the awareness-raising, communication, employer banding, recruiting and training initiatives and actions to proactively foster an inclusive culture which supports diversity.

As described in the "Employer Branding" section, Webuild has extended and consolidated its commitment to funding scholarships and courses both for female students and young people in general as part of its partnerships with leading universities and national and international bodies.

Turning to recruiting, the Group continued and reinforced the inclusion-oriented selection process (see the "Selection and acquisition" section) demonstrating its intention to align its processes ever more closely with the principles of equal opportunity, diversity and inclusion.

In 2022, Webuild confirmed its membership of the Italian association Valore D, which promotes gender balance and an inclusive culture both through training, as well as communication and networking. This paved the way for the Company's involvement in numerous training initiatives, including mentoring programmes to foster management skills and reinforcement of an inclusive culture, workshops, training labs and talks, designed to cultivate soft skills together with leadership skills.

Inspire – Webuild's mentoring programme

Webuild extended its mentoring project, designed to promote its people's development and strengthen a corporate and transversal culture.

In 2022, the Inspire programme involved two initiatives focused on the enhancement of diversity and inclusion through:

- continuation of the onboarding mentoring project, where a mentor (a more senior figure) is associated with a younger new hire (the mentee) to stimulate mutual growth and intergenerational exchange;
- launch of a mentoring project for female leadership to encourage the development of women in managerial roles and/or towards roles with greater responsibilities.

Webuild's training and awareness raising initiatives also included an online course on unconscious bias held during the year.

The Group's commitment to fostering a diversity and inclusion culture was demonstrated with Webuild Italia's certification pursuant to ISO 30415 Human resource management- Diversity and Inclusion. This achievement confirms the Group's work to incorporate greater inclusiveness and sustainability in its approach and development of HR processes.

The Group has employees of more than 100 nationalities, 89% of the workforce is local, increasing to 99% in Italy, 96% in Africa and 99% in the Americas. Local managers make up 77% of the total (more information is available in the "Social" section of this Statement).

The Group's leadership status is characterised by international managers from non-construction companies who contribute their different views and outlooks. International resources cover 24% of the Group's key positions.

Another important contributor to diversity is the young age of the Group's resources. The following tables provide a breakdown of its employees by age bracket:

Employees by age bracket (GRI 405-1)	Unit	2020	2021	2022
< 30 years	%	26%	24%	25%
30-50 years	%	58%	58%	58%
> 50 years	%	16%	18%	17%

Considering employees under 35 years old, the percentage of this age bracket increases to 44%.

With respect to gender diversity, the Company proactively promotes equal opportunities for men and women in a sector that has traditionally been a male domain.

Employees by gender (GRI 405-1)	Unit	2020	2021	2022
Men	%	88%	88%	88%
Women	%	12%	12%	12%

At group level, women make up 8% of the management team, 24% of white collars and 7% of the blue collars, while at functional level, they represent 6% of the technical and production staff and 34% of the office employees.

The presence of female employees is higher at the central Milan and Rome offices, where they make up 35% of the total workforce.

In 2022, the Group continued to develop its gender pay gap analysis method. Its purpose was to analyse any remuneration differences and assess the percentage of female employees holding senior positions in the Group by comparing roles using the job evaluation system.

It included measures to eliminate the remuneration differences for certain categories in the 2022 remuneration policies.

As described in the previous sections, recruitment, development and training activities will continue to focus on equal opportunities for access to management positions, in order to increase the number of female employees holding senior positions.

Accordingly, and with specific reference to the succession plans for key roles, the percentage of women included in the succession plan for key roles in 2022 was 21%. Webuild confirms its target of 25% for the end of 2023. It has also implemented dedicated tools to increase the number of women in management and key positions.

Health and safety in the workplace

Focus on health and safety in the workplace is one of Webuild's fundamental values. It has an ISO 45001 certified occupational health and safety management system, which defines the main processes, roles and specific responsibilities to achieve its objectives and implement its safety policies.

The new certifications have been updated during the year to reflect the change in the Group's scope after the integration of the Astaldi Group companies and contracts.

Organisational units

The Corporate Safety, Environment and Quality Department is organised to best meet management's objectives:

- ensuring coordination of the HSE management system activities to be of use to HSE teams at work sites;
- encouraging a change in the HSE culture through a competence centre to develop innovative policies and programmes;
- strengthening the integration of health and safety aspects within engineering processes through the technical safety unit;
- monitoring health at corporate level and providing guidance for work sites;
- ensuring continued health and safety operating support to the work sites.

The main risk the Group is exposed to in this respect is the incomplete implementation of the relevant regulations with the resulting potential impact on its workers, in terms of professional illnesses and injuries, and on itself in terms of potential sanctions. Changes in regulations and external factors tied to the operating context (e.g., climate, social, cultural factors) may be sources of risk for the Company.

Specifically, workers are exposed to various types of risks that could affect their health and safety based on the geographical location of each operating unit and their specific activities. Each office and work site that applies the Group's health and safety management system has, inter alia, the following measures to manage these risks:

- identification and assessment of the exposure to the risk;
- identification of the persons at risk;
- assessment of each job's risks;
- identification of control measures to reduce the risk;

- definition and introduction of training courses;
- monitoring work areas to check that control measures are in place and effective;
- making employees aware of these risks, including via unconventional and innovative information, training and communication campaigns.

These measures are regulated by internal guidelines and procedures, which include, inter alia, the documentation each operating unit is required to have, comprising the risk assessment document, operating safety plans, emergency and evacuation plans, fire prevention and control plans and first aid plans.

The Employer and downstream (in line with the proxy system) the managers, officers and workers ensure that health and safety management measures are in place. Specialist teams oversee the implementation of the measures in each operating unit. Specific attention is given to training employees about specific duties and the operating controls over work processes, performed either directly by the Group's employees or subcontractors' staff.

Training programmes are defined at operating unit level by the health and safety management system manager and approved by the Employer, based on a risk assessment and the applicable legislative requirements. The training courses provided to each worker cover at least the following issues:

- the health and safety organisation (Employer, health and safety manager, prevention and protection officers, company doctor and the workers' safety representative), the legislative framework and an overview of the management system;
- health and safety risks arising from the Group's activities in general and the specific risks faced by the workers depending on their job;
- first aid and emergency management procedures (in particular, the fire fighting and evacuation plans).

The health and safety managers receive special information and training courses. The key topics are the legal-regulatory framework, safety management and organisation, risk identification and measurement, communication, training and discussions with workers.

The health and safety officers and supervisors undergo additional training to that provided to the workers on the definition and identification of risk factors, incidents and near misses, techniques to communicate with and raise the awareness of employees, checking that workers comply with the legal and internal rules and the use of collective and personal protection equipment.

Workers, health and safety officers and supervisors and managers attend regular refresher courses. The courses for health and safety specialists (Protection and Prevention Manager, Protection and Prevention Officer, First Aid Officers, etc.), meet the minimum requirements of the relevant legislation.

The work site workers (employees of the Group and its subcontractors) receive special training on the related risks, specific activities and the possible risks of interference (Induction, Tool Box Talks, Job Safety Analysis/Pre-Job Meetings, etc).

In order to ensure the collaboration of all the Group's employees, they have the right to appoint safety representatives in accordance with the applicable legislation.

These representatives are given the relevant training and information. They are also consulted when key mitigation measures are implemented, including as a minimum:

- the introduction of a new process or equipment or its adaption;
- the appointment of the risk assessment manager;
- injuries.

The Health and Safety Policy provides for, inter alia, the "right to intervene" for all employees when there is a doubt that health or safety could be compromised.

Employees may also use the whistleblowing system described in the section on "Anti-corruption" to make notifications about health and safety issues or they may use the other available channels at group level (e.g., reporting to their superior) or work site level (e.g., the workers' representatives, post boxes, grievance mechanisms).

The Corporate Safety, Environment and Quality Department regularly performs specific audits of the effective application of the ISO 45001 management system at the Group's work sites and assesses application of the internal health and safety in the workplace regulations.

Valyou – Our Health and Safety Way

The roll-out of the safety Builders Program was re-activated in 2022 as the Covid-19 emergency measures were eased. This program's objective is to encourage a strong corporate safety culture, based on strengthening leadership abilities at all management levels. It is part of Webuild's more wide-reaching communication strategy, Valyou- Our Health and Safety Way project.

Thanks in part to careful planning, 66 workshops and 32 safety intervention (s.a.f.e.r.) training courses were held in 2022, with the participation of 1,407 managers and supervisors for a total of roughly 7,933 hours of training.

As an integral part of the Valyou- Our Health and Safety Way, Webuild continued to roll out and introduce its "Your Lifesaving Rules". Launched in 2019, this set of operating and management rules is devised to:

- integrate the culture change process commenced with the Safety Builders Program;
- foster workers' active involvement;
- strengthen the sense of belonging to the Group;
- systematise conduct;
- promote the purposive adoption of the Group's Health & Safety Vision.

The Company's main workplaces celebrated the World Day for Safety and Health at Work ("WSD") in April 2022. In line with the theme promoted by the International Labour Organisation (ILO) "Act together to build a positive safety and health culture", the Group focused on cultivating open communication and dialogue based on trust, feedback and mutual respect for a positive health and safety culture. Participation in the event was very satisfactory with more than 33 Italian and foreign work sites celebrating the event and actively involving managers and workers in Safety Management Walkabouts and Toolbox Talks to promote the near miss report and the use of the right to intervene (safety intervention).

The Group awarded the Safety Trophy to the work site that stood out both during the WSD celebrations and throughout the year. The award ceremony took place in December 2022 with the "virtual" awarding of the trophy by the CEO Pietro Salini to the Milan Metro Line 4 work site.

The objective of the activities carried out in the work sites as part of the ValYou project, the Safety Builders Program, the Your Life Saving Rules, dedicated training courses to hone skills in addition to the mandatory courses and the celebration of the World Day for Safety and Health at Work is to heighten awareness of all Webuild personnel and the personnel of its suppliers and subcontractors of the importance of health and safety in the workplace as well as emphasising management's significant involvement in promoting culture change programmes.

Safety performance

There has been a significant improvement in the Group's safety performance.

The gradual winding back of the measures adopted to curb the spread of Covid-19 made it possible to increase training, meetings and information on safety activities, which are fundamental to preventing injuries. The greater mobility of resources also meant resuming support, assessment and audit activities at worksites, which contributed to reducing the number of injuries.

The injury rates are set out below, expressed as the number of events for every million hours worked[29].

Injury rates- Direct workforce (GRI 403-9)	Unit	2020	2021	2022
Hours worked	hours	79,594,548	89,844,575	96,203,020
Lost Time Injury Frequency Rate	LTIFR	1.947	2.727	2.204
Total Recordable Frequency rate	TRFR	5.63	6.70	6.00

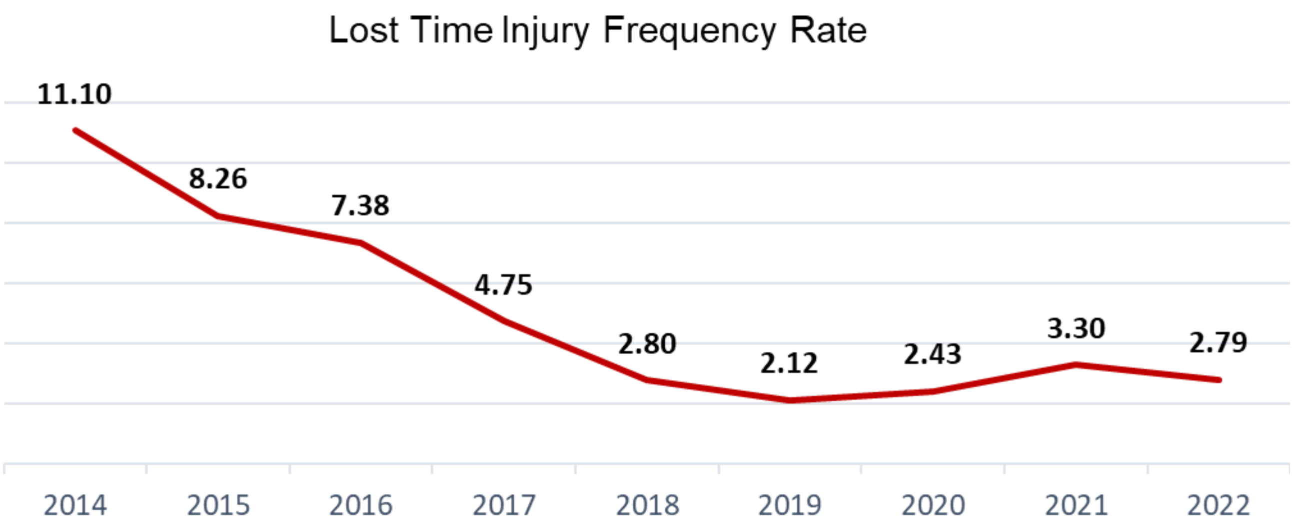
Injury rates- Subcontractors' workforce (GRI 403-9)	Unit	2020	2021	2022
Hours worked	hours	59,693,023	57,384,422	44,898,290
Lost Time Injury Frequency Rate	LTIFR	3.066	4.182	4.054
Total Recordable Frequency rate	TRFR	3.52	4.97	5.43

Total injury rates (GRI 403-9)	Unit	2020	2021	2022
Hours worked	hours	139,287,570	147,228,997	141,101,310
Lost Time Injury Frequency Rate	LTIFR	2.427	3.294	2.792
Total Recordable Frequency rate	TRFR	4.72	6.02	5.82

Reference should be made to the Methodology for reporting non-financial information for details about the calculation method.

A local investigation and/or investigation with the support of the corporate units is carried out for each injury, depending on its severity. The objective is to identify the cause of the injury (root cause analysis) to prevent similar events occurring. The Integrity Board is informed of the results of investigations into important inquiries pursuant to the provisions of the Organisational model (Legislative decree no. 231/2002 as subsequently amended).

The following graph presents the LTIFR (the ratio of the total number of injuries leading to absence from work in the period to the total number of hours worked, multiplied by 1,000,000) and its improvement in recent years.



[29]More information about injuries recorded in the year is available in the GRI Content Index, indicator GRI 403-9. The total hours worked in 2021 were adjusted (upwards by 0.07%) to reflect information that became available after the 2021 Consolidated Non-financial Statement had been published.

The ratio improved in 2022 compared to previous years which were affected by Astaldi's entry into the Group and the reduced prevention activities due to the pandemic-imposed restrictions.

The Group has met its objective of a 40% reduction by 2022 (before introduction of the ValYou programme) compared to the 2017 LTIFR.

The Company will continue to make occupational health and safety improvements over the coming years to achieve a further reduction in its injury rates (LTIFR and TRFR), an increase in the per capita safety training provided for direct employees and as part of the Safety Builders programme, and to step up its operating monitoring activities, with on-site security assessments and audits.

Health protection

Webuild protects its workers' health in the workplace with a dedicated corporate Internal Healthcare Unit, which is in charge of health management through occupational medicine, work hygiene (performing regular inspections of the work sites to check workplace conditions and compliance with applicable legislation), travel-related health advice, health care and medical emergencies, digitalisation of health care processes and services and health promotion initiatives.

Initiatives underway include those aimed at:

- prevention of cardiovascular risks;
- smoking cessation campaigns for smokers;
- prevention of sexually transmitted diseases (e.g., HIV) campaigns in particularly critical social and health situations;
- prevention of flu (and its complications) through vaccine programmes (which were also in place at the end of 2021);
- campaigns to promote healthier life styles with better nutrition and increased exercise;
- psychological support for stress management and problem solving through an anonymous counselling service, which is active 24/7. The Group's intention is to promote the psychosocial well-being of all its people working in Italy and abroad to create an environment that fosters quality of life.

When adequate local healthcare units are not available, the Company sets up work site medical clinics which offer 24-hour healthcare and ambulance services to direct and indirect employees as well as their family members residing in the work site accommodation. The Group ensures that the local populations are also provided with healthcare assistance for acute or serious problems in remote areas not served by public healthcare units (reference should be made to the section on social aspects for more information).

Employees of the Italian head offices and those on secondment abroad from the corporate offices and their families also have private health insurance which covers healthcare services for non-work-related issues. These insurance policies cover reimbursement of medical, pharmaceutical and hospital costs (including for Covid-19) for urgent and non-deferrable treatment and/or procedures that are the consequence of illness and/or an injury. The policies also cover transfer to the nearest equipped hospital and return home of the patient or the body.

As it is aware of the added value achieved through mutually beneficial relationships between all the relevant parties, Webuild works with its commercial and financial partners and its vetted suppliers to guarantee high health and safety standards and to protect the environment.

With respect to Covid-19 infections in the third year of the pandemic, Webuild continued to maintain awareness high by monitoring the trend of infections and adopting Anti-contagion Security Protocols.

The Italian group companies introduced remote work for their office staff and ensured that its vulnerable employees took full advantage of this policy. In line with the specific risks at the Italian and foreign work sites, preventative measures have been introduced to reduce the risk of spreading the virus in the workplace, the residences and canteens. This has involved the reorganisation of work spaces and shifts to ensure the safety distance can be maintained, the supply of additional personal protection equipment, intensified sanitation and disinfection activities, special information and training courses, more healthcare services at the work sites to support workers who became vulnerable or whose vulnerability worsened as a result of the pandemic and the preparation of special areas for the isolation of workers with flu-like symptoms who have returned from areas at risk or who have been in contact with people who may have the virus. The Group has also prepared dedicated methods to liaise with the local authorities to treat any suspected cases.

Human rights

Respect and promotion of working standards in line with the international protection principle

Human Rights Due Diligence
compliant with UN Guidelines

Agreement with the international trade union BWI
in place since 2014

Range of whistleblowing systems
to meet the needs of our various locations

Monitoring principles
extended to the supply chain

Internal policies

Webuild is committed to ensuring respect for the human rights enshrined in the International Charter of Human Rights, the fundamental conventions of the International Labour Organisation, the UN Global Compact, the UN Guiding principles on business and human rights and the OECD guidelines for multinational enterprises.

The Company reaffirmed its commitment, already included in the Code of Ethics and the Sustainability Policy, with the ten principles set out in its Human Rights Policy.

These principles, that everyone who works with Webuild around the world is required to comply with, cover health and safety, child labour, forced labour, freedom of association and collective bargaining, non-discrimination, diversity and inclusion, working conditions, local communities and the rights of indigenous people, the value chain and whistle-blowing systems.

The Company's main undertakings are described below.

Webuild does not tolerate any form of illegal, child labour or forced or compulsory labour. It protects the integrity of its employees, ensuring work conditions that respect the dignity of individuals and are fair and favourable.

It offers equal opportunities based on fair and objective criteria. It does not accept any form of discrimination or damaging behaviour.

Webuild respects its employees' right to freedom of association and collective bargaining in accordance with the legislation applicable in the countries where they work. It does not discriminate against employees who join trade unions or workers' representatives.

The Company also respects the rights and culture of the communities and indigenous peoples affected by its work and operates in accordance with the applicable requirements.

Webuild encourages respect for human rights in its values chain through specific measures, such as the screening systems, application of the Suppliers Code of Conduct and monitoring systems.

Specifically, the Suppliers' Code of Conduct encompasses the Company's commitments and the utmost integrity, correctness, reliability and sustainability standards and is a handy reference tool and guide for the Group's suppliers. It establishes the non-negotiable conduct expected of its suppliers.

In this respect, in 2014, the Company signed a framework agreement with the national trade unions (Feneal-UIL, Filca-CISL and Fillea-CGIL) and the international trade union for the construction sector (BWI- Building and Wood Workers' International) to jointly affirm and encourage respect for compliance with the basic principles and rights in employment relationships, encourage social justice and sustainable development by both itself and the consortia of which it is a member and vis-à-vis its contractors, subcontractors and suppliers.

The framework agreement covers child labour, forced or compulsory labour, the freedom of association and collective bargaining, non-discrimination, work hours, economic treatment, work conditions, specialised training, the environment, welfare and employment relationships.

The Group makes whistleblowing systems available to workers and third parties, safeguarding whistleblowers from any retaliatory action and guaranteeing their anonymity, when requested.

Main risks and management methods

The Company has implemented a due diligence process in line with the UN Guiding principles for business and human rights, which entailed mapping the potential impact on human rights of the Company's operations. Accordingly, the Company analysed:

- human rights enshrined in the international law instruments applicable to the Company;
- parties potentially at risk;
- internal processes.

The key takeaway of this analysis was the drafting of a Human Rights Impact Matrix, which the Group then used to measure the risks and prioritise the human rights relevant to it.

The content of the Company's Human Rights Policy (reiterated in the Suppliers Code of Conduct) draws on the results of the analysis and a thorough review and evaluation of the applicable standards and market best practices.

Risk identification and assessment process

The Group regularly performs a human rights risk assessment applying a valuation methodology (partly adapted from the Company's existing project risk assessment tools) to analyse the risks specific to each in-scope operating entity generated by its direct and subcontracted activities.

This assessment firstly considers specific indicators to define each entity's country risk[30], as its geographical context (the many country-specific conditions, such as regulations, practices, etc.) is a key factor when considering human rights and the correct identification of priority areas. Therefore, where country risk is other than "low", the Company analyses the significant specific risks and the mitigation measures adopted by the entity.

Webuild carries out a routine assessment of the human rights risks of its supply chain to determine whether it has suppliers based in countries and/or that supply goods considered at risk (based on the source country)[31].

According to the most recent assessment performed at the end of 2021, roughly one third of the Group's total workforce (direct and indirect) is deployed in countries with a "very low" to "medium low" risk (e.g., Italy, Norway, the US and Australia), while the other two thirds work in "medium" or "medium high" risk countries (e.g., Ethiopia, Tajikistan, Saudi Arabia and Colombia). With respect to the latter, most of the workforce is engaged in working on six large projects that have been underway for several years and/or have nearly been completed. As a result, the Group has a very good understanding and oversight of the local situation and specific critical issues. Moreover, it does not operate in countries considered to be "high" or "very high" risk with respect to human rights.

[30] Specifically, as recommended by the principal regulations on human rights (e.g., the Australian Modern Slavery Act), the Company referred to the most recent Vulnerability measures and the Government Responses supplied by Global Slavery Index (www.globalslaveryindex.org).
[31] Once again, the Company referred to the Global Slavery Index to measure country risk and the lists of the U.S. Department of Labor's Bureau of International Labor Affairs to determine the risk related to a particular good.

The Group's commercial strategy is designed to mitigate country risk. In fact, more than 74% of its current order backlog is based in low risk countries such as the EU states (mainly Italy), North America and Oceania. In addition, nearly all the new orders of 2022 were acquired in these same areas.

With respect to the supply chain's[32] general risk profile:

- over 80% of the Group's suppliers are based in countries with risks that are either "very low" or "low";
- none of the assessed suppliers are based in countries classified as "very high" risk and only 0.03% are based in "high" risk countries;
- no goods at risk were purchased from significant suppliers[33] during the year.

The Company has issued internal guidelines for its operating units for the correct management of the activities at risk. These guidelines provide for management and monitoring of human rights and specific reports to be sent to Corporate.

At organisational level, the Corporate Social Responsibility Department coordinates the human rights due diligence, defines the internal standards and guidelines, the reporting, disclosure and training methods and provides specialist assistance to the other internal units.

The main risks identified by the above-mentioned assessment and related management methods are summarised below.

Recruitment agencies

The main risks with respect to forced or compulsory labour are tied to the hiring of migrant workers, mainly in certain states of the Persian Gulf (Saudi Arabia and the United Arab Emirates) where the local labour force is insufficient and/or inadequate for the Group's needs. Specifically, there are two risk factors:

- use of recruitment agencies that may adopt improper practices, such as obliging the workers to pay recruitment fees (when hired), employment fees (throughout their employment) and cash deposits which are forms of debt (debt bondage);
- labour conditions that may limit the migrant workers' freedom of movement which are in some cases allowed or facilitated by local regulations, such as the ban on leaving their accommodation outside work hours, limitations on holiday arrangements, resignations and changes of employer.

The Group ensures that candidates for work in these countries are provided with exhaustive information about the contractual terms and work conditions in a language that they understand before they leave their country of origin. In addition, the Group fully bears the costs of recruitment, travel, visas, medical visits, etc.. Migrant workers are guaranteed the possibility to change jobs and to leave their destination country without prejudice to the possible notice obligation imposed by the applicable legislation, visa requirements and employment contracts. No workers are deprived of their identity documents unless this has been authorised by them and solely for their safekeeping. The Group requires the recruitment agencies to comply with these principles through specific contractual clauses and non-compliance entails termination of the contracts.

Working practices

While the potential risk of hiring people under the minimum working age established by the applicable local regulations is minimal, the Group's policy is only to agree employment contracts with people who are at least 18 years old irrespective of the local regulations. In countries where the presence of false identity documents is a

[32] Once again, the information is taken from the assessment performed at the end of 2021.
[33] A significant supplier is a supplier with contracts over €250 thousand. Below this threshold, the only purchases of goods that could be considered risky were the purchases of work clothes, foodstuffs and raw materials (such as crushed stone and sand), equal to 0.04% of total purchases.

risk (e.g., some African countries), the Group has special procedures in place to check the authenticity of the documents, either identity documents or driving licences, assisted by the local authorities.

The Group enters into employment contracts with its employees that comply with the applicable local regulations, the principles of the framework agreement signed with BWI (Building and Wood Workers' International) and those in any agreements signed with the local trade unions with respect to work hours and holidays, economic treatment and other employment aspects. The Group's intention is to ensure scrupulous compliance with the applicable regulations in each country to mitigate the risk of non-compliance and, where possible, provide conditions that are better than those envisaged by the local regulations.

The Group may potentially be exposed to the risk that discrimination against an individual employee or specific categories of employees may take place in the workplace. In this respect, the Company's HR management procedures do not allow the different treatment of employees based on their gender, nationality or ethnicity, religion, age, political beliefs, sexual orientation, disability or other characteristics protected by the regulations in force in the countries where the Group operates during the entire HR management procedure (recruitment, training, assessments and termination of employment).

To reaffirm and strengthen its commitment to these issues, the Company set out key requirements in a dedicated Policy on Equal Opportunities, Diversity and Inclusion in 2019:

- advancement of a safe, rewarding and respectful work environment, an inclusive culture with an appreciation of the value of diversity and equal opportunities in HR management processes;
- combating harassment and discrimination, including by instituting appropriate and formalised whistleblowing tools.

This Policy also applies to the Company's suppliers that are required to comply with its principles (as specified in the Suppliers Code of Conduct). It requires systems be put in place to monitor and report on diversity and inclusion commitments and results.

More information on the relevant projects undertaken in 2022 is available in the "Equal opportunities, diversity and inclusion" paragraph of the "Main risks and management methods" section under "Human resources".

With respect to the freedom of association and collective bargaining, the Group ensures its employees have access to "alternative systems" for dialogue in the states of the Persian Gulf where the right to the freedom of association is restricted by law. These systems include worker committees, committees set up in the camps and complaint management procedures (grievance mechanisms). The Company ensures open communications with the workers and management's availability to discuss any issues that may arise with individual employees.

Transparency and engagement with communities

In 2022, the Group continued to be committed to and to act transparently in relation to human rights with its stakeholders, especially its investors, ESG rating agencies and NGOs such as Business and Human Rights Resource Centre (BHRRC).

With respect to its local communities, the Group's activities may generate risks related to its core construction business, such as noise pollution, dust, vibrations, work site vehicles and damage to private property. Risks related to the acquisition of land are immaterial as the client usually acquires the land directly. However, Webuild scrupulously adheres to the legal and contractual requirements and those set out in the project impact assessments to ensure it complies with them during its work and the activities contracted to third parties (subcontractors).

Depending on the nature of the project, the local management defines the best way of involving the local stakeholders, mostly through formal meetings, informal meetings and discussions, training and official events.

Supply chain

As a result of the routine assessment of risks related to its supply chain (briefly described in the "Risk identification" paragraph of this section), the Company has defined the following approach:

- vetting process for potential suppliers based on a dedicated human rights multi-factor assessment;
- contract clauses that require formal acceptance of the Code of Ethics and the Suppliers Code of Conduct, and extension of this commitment to the supplier's subcontractors, which is mandatory for the contracts to be valid;
- monitoring, checks and audits to ensure compliance with its standards;
- regular assessments of the suppliers' performances, which include ethical and social aspects (see the "Supply chain" section).

Training and whistleblowing

As part of its push to inform and raise employee awareness of human rights issues, the Company has developed an e-learning programme for its entire workforce available through the E-learning Academy. The course is mandatory for new hires and has been available on the internal E-learning platform since April 2020. At 31 December 2022, roughly 70% of Webuild corporate employees have completed it as well as other personnel working at the Group's work sites.

With respect to access to the whistleblowing channels, all relevant persons (direct employees, supplier employees, local communities, etc.) may use the whistleblowing system described in the section on "Anti-corruption" for human right notifications. In addition, when IT channels are difficult to access, the Company has introduced alternative systems such as dedicated telephone numbers and/or personnel (grievance officers), post boxes for the receipt of reports, etc.

Climate change

Decarbonisation and resilience driving increasingly sustainable infrastructure.

-57%
GHG emissions intensity reduction target (2022 vs 2017)[34]

Science-Based Target initiative[35]
reduction targets to 2030 validated

-25 Mt CO2
annual emissions avoidable thanks to ongoing railway, metro and hydro projects

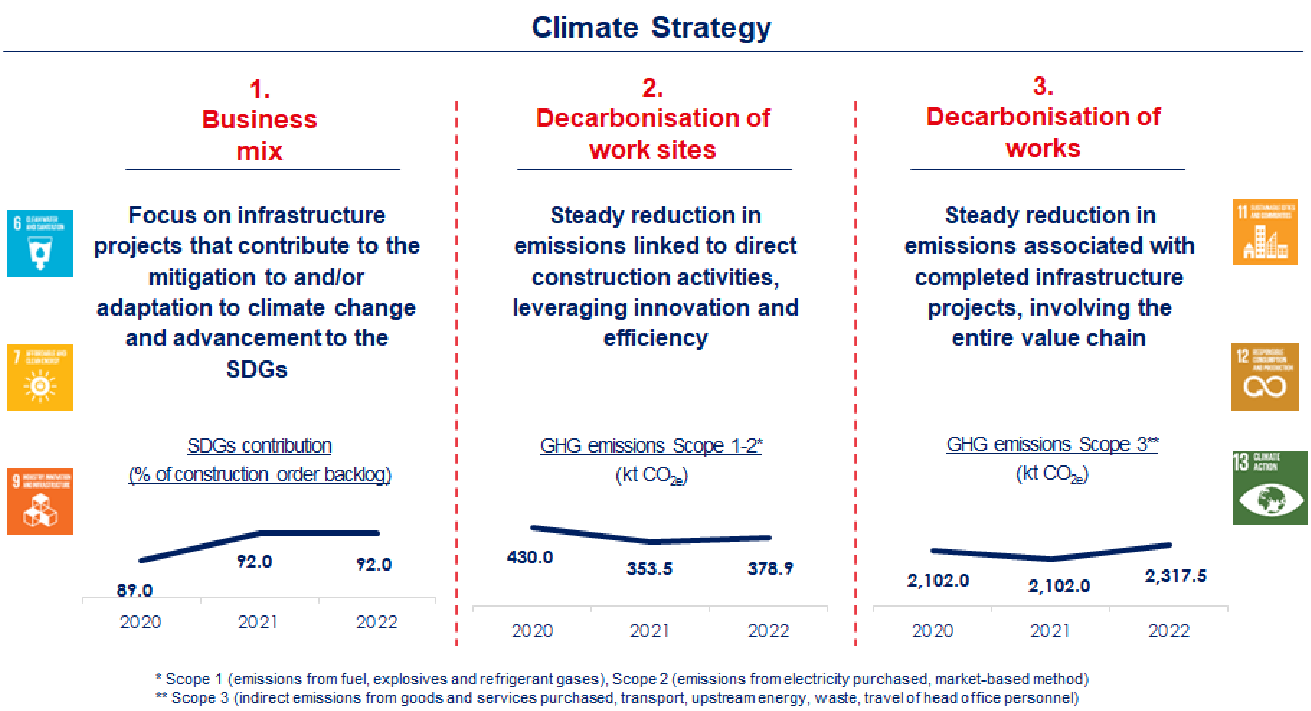
52%
renewable electric energy used by Webuild

Climate Strategy

Webuild promotes the global fight against climate change and the transition to a low-carbon economy.

The Group has a transparent, structured Climate Strategy. It intends to draw on its strategy to act as a beacon in the infrastructure industry supporting its clients in their journey to mitigate and adapt to climate change.

The strategy has three priority areas of intervention:



[34] In terms di tCO2e Scope 1 & 2/€M. Scope 1 & 2 indicate the emissions generated directly by the work sites and offices (scope 1) and by the electrical energy purchased (scope 2)

[35] International organisation that establishes guidelines to calculate targets related to companies' contribution to decarbonisation in line with the Paris Agreement using a scientific approach.

In recent years, the Group has made good inroads: nearly all its activities contribute to advancement towards the SDGs and more than 80% of its 2022 revenue is EU taxonomy-eligible (see the dedicated box in this section). Moreover, although its absolute GHG emissions (scope 1 & 2)[36] have increased by 7% over 2021, this variation is significantly lower than the Group's business growth and expansion with revenue up 26% compared to 2021 and the ramp-up of some important projects in 2022. The Group's results reflect its steps taken to decarbonise its core business and works.

The Group's achievements are confirmed by the independent accolades received such as its inclusion in the "Europe Climate Leaders 2022" ranking drawn up by Statistica with the Financial Times and in the "Azienda più attente al clima 2022" (The most climate-conscious companies of 2022) by the Italian newspaper Corriere della Sera/Pianeta 2030.

Business mix

Webuild occupies a unique place in its market thanks to its focus on developing low-carbon footprint infrastructure (i.e., that contributes to climate change mitigation) and/or resilient infrastructure (i.e., that contributes to climate change adaptation).

The Group's contribution to climate change mitigation and adaptation

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

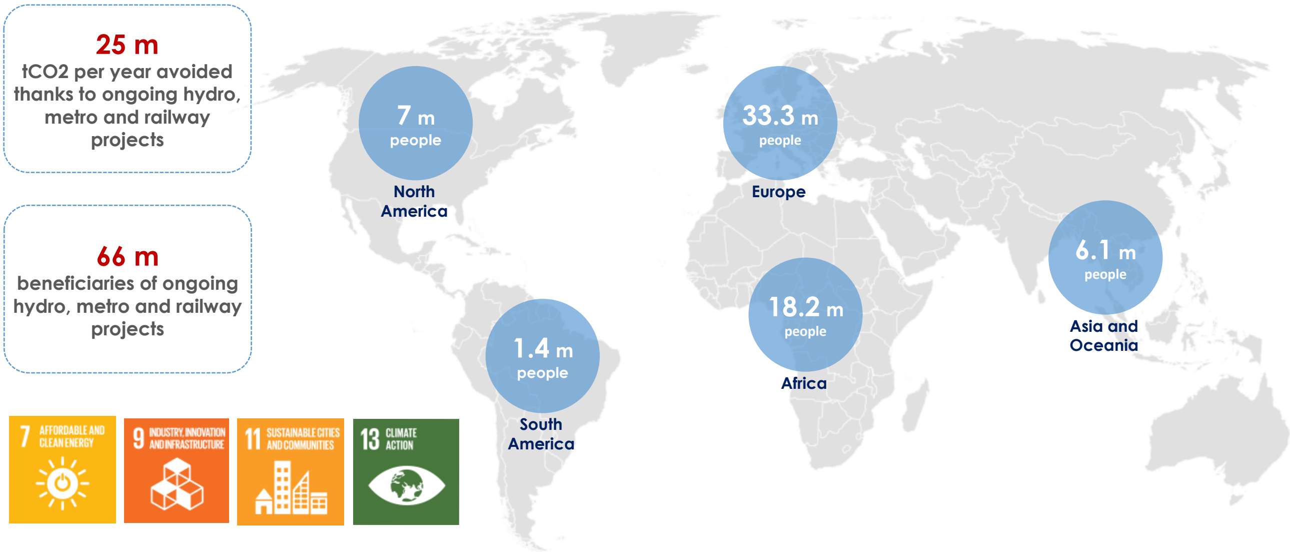
Key:

- Projects that mainly contribute to mitigation (reduction in GHG emissions)
- Projects that mainly contribute to adaptation (resilience)

Specifically, the Group's sustainability mobility (railways and metros), clean hydro energy and green buildings projects contribute significantly to reducing GHG emissions in the transport, energy and real estate sectors, the largest contributors to the climate-altering emissions.

[36] Scope 1 (emissions from fuel, explosives and refrigerant gases), Scope 2 (emissions from electricity purchased, market-based method).

The hydro energy, railway and metro projects underway will generate very significant benefits in terms of less emissions and greater numbers of people served, as summarised below[37].



Moreover, by improving the resilience of infrastructure, the Group's clean water and sustainable mobility (roads, bridges and tunnels[38]) projects also contribute to adapting to climate change, which can be:

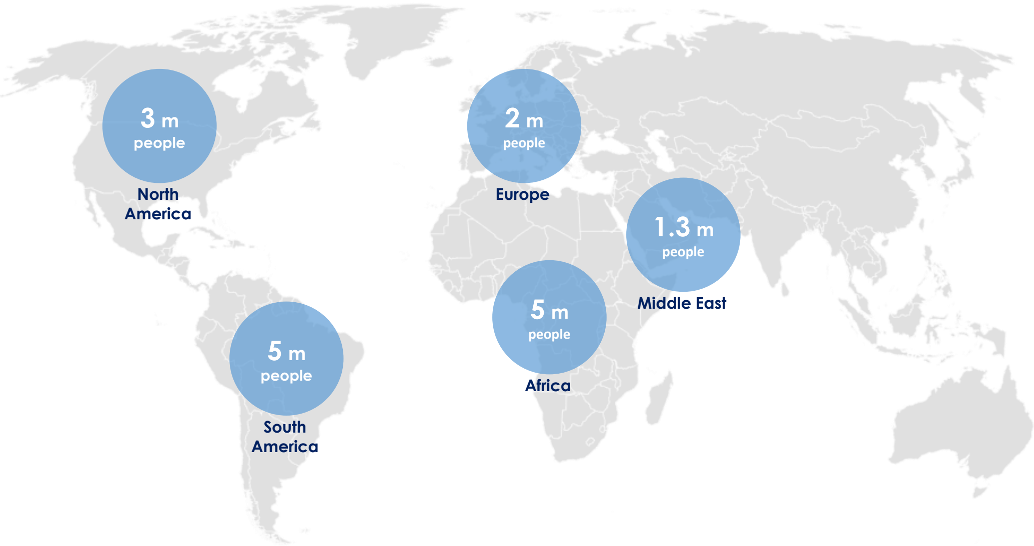
- chronic (e.g., higher temperatures, water scarcity), as in the case of drinking water and water treatment projects, aqueducts and water storage for drinking water and/or irrigation and desalination plants;
- acute (e.g., adverse weather events), such as hydraulic projects in urban areas to reduce flooding and the related water pollution or transport infrastructure projects (to improve its resilience).

The ongoing clean water projects respond to the specific requirements of areas affected by increasing water scarcity (such as the desalination plants built in the Middle East and irrigation water storage in Africa), the more frequent extreme weather events (the hydraulic projects carried out in the main urban centres in the US) and the pollution of rivers and water basins leading to a loss of biodiversity (the Riachuelo River in Argentina and the Caloosahatchee West Basin Storage Reservoir in the US). The benefits to the populations affected by the Group's projects are summarised below[39]:

[37] More information is available in the Methodology for reporting non-financial information – Calculation method section.
[38] Designed according to resilience criteria.
[39] More information is available in the Methodology for reporting non-financial information – Calculation method section.

8 m
m³ of water treated daily

Over 16 m
beneficiaries of ongoing Clean Water projects



With respect to transport infrastructure, there is a growing focus on new infrastructure's resilience to climate change. This issue is of great importance for works that are heavily exposed to the effects of atmospheric agents, such as roads, bridges and viaducts, as their resilience over time is essential to their users' safety.

The Company is well-positioned in this market as it has accumulated significant experience in the use of design techniques and studies of materials that reflect future climate projections. Example of this are the award-winning Skytrain Bridge, built as part of the Sydney Metro Northwest project in Australia and designed to stand up to rain, flooding and winds forecast after 2100 or the New Genoa San Giorgio Bridge, designed to deal with the expected increase in rainfall over the next 80 years. It is expected that use of these design techniques will become widespread over the coming years, also given the new regulations that will be brought in from time to time.

EU taxonomy for sustainable economic activities

The European Union is leading the global transition to a sustainable, resilient and low-carbon economy in line with the Paris Agreement and UN's 2030 Agenda.

By adopting the EU Green Deal, the EU institutions have defined an integrated, ambitious strategy to make Europe carbon neutral by 2050. This strategy includes plans, investments and reforms, such as, in particular, the initiatives to direct private investments (in addition to public investments) towards sustainability objectives.

The most important initiative in this respect is the EU taxonomy, adopted with Regulation (EU) no. 2020/852 (the "Regulation"), the first EU-wide classification system designed to objectively and transparently establish the criteria for classification of economic activities as environmentally sustainable.

The Regulation defines six environmental objectives to be prioritised by the European Union (climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control and protection and restoration of biodiversity and ecosystems). It establishes that, in order to be considered as environmentally sustainable, an economic activity shall concurrently comply with four conditions:

1. Contribute substantially to at least one of six environmental objectives;

2. Cause no significant harm (Do No Significant Harm- DNSH) to any of the other environmental objectives;

3. Meet minimum safeguards, i.e., the OECD guidelines for Multinational Enterprises, United Nations Guiding Principles on Business and Human Rights, the eight fundamental conventions in the Declaration of the

International Labour Organisation on Fundamental Principles and Rights at Work, and the International Bill of Human Rights;

4. Comply with the technical screening criteria developed by the European Commission, which establishes the mandatory criteria to assess the requirements of the substantial contribution and the non-causing of significant harm by the individual economic activities.

At the end of 2022, the European Commission identified the economic activities, the technical screening criteria and the DNSH criteria for just the first two environmental objectives of climate change mitigation and climate change adaptation[40]. Therefore, companies are only required to report on the degree of environmental sustainability of their economic activities for these two objectives. The European Commission has only focused on a part of the European Union's economic activities as they can make a substantial contribution to reducing or stabilising GHG emissions (mitigation objective) and/or prevent the negative effects of the current or future climate on the activity, people and nature (adaptation objective)[41].

As the current regulations are updated and the subsequent delegated acts adopted for the other four environmental objectives, additional economic activities will be incorporated into the EU taxonomy.

The economic activities can be classified as:

- eligible economic activities, i.e., those economic activities that meet the definition of at least one of the activities listed in the delegated acts adopted as per Commission Delegated Regulation no. 2020/852 (for 2022, the Climate Delegated Act), irrespective of whether these activities satisfy one or all of the technical screening criteria established by the European Commission;

- non-eligible economic activities, i.e., those economic activities that do not meet the definition of at least one of the activities listed in the delegated acts adopted as per Commission Delegated Regulation no. 2020/852, but which could be included in the future after the adoption of subsequent delegated acts;

- aligned economic activities, i.e., those economic activities that, in addition to being eligible, make a substantial contribution to the achievement of at least one of the six environment objectives defined by the European Commission, do no significant harm to any of the other environmental objectives, pass the minimum social safeguards and comply with the technical screening criteria established by the European Commission.

The Regulation requires that companies are required to report the KPIs for the proportion of turnover, capital expenditure (CapEx) and operating expenditure (Opex) associated with taxonomy-eligible, non-eligible and aligned economic activities[42] in their financial statements at 31 December 2022.

Webuild analysed all the activities performed by the legal entities included in its consolidated financial statements, in order to identify those that are eligible, non-eligible and aligned. In 2022, its entities were eligible for seven taxonomy categories and 10 economic activities for a total of 92 in-scope entities[43].

The list of eligible economic activities in 2022 is as follows:

[40] Commission Delegated Regulation no. 2021/2139 of 4 June 2021 ("Climate Delegated Act")

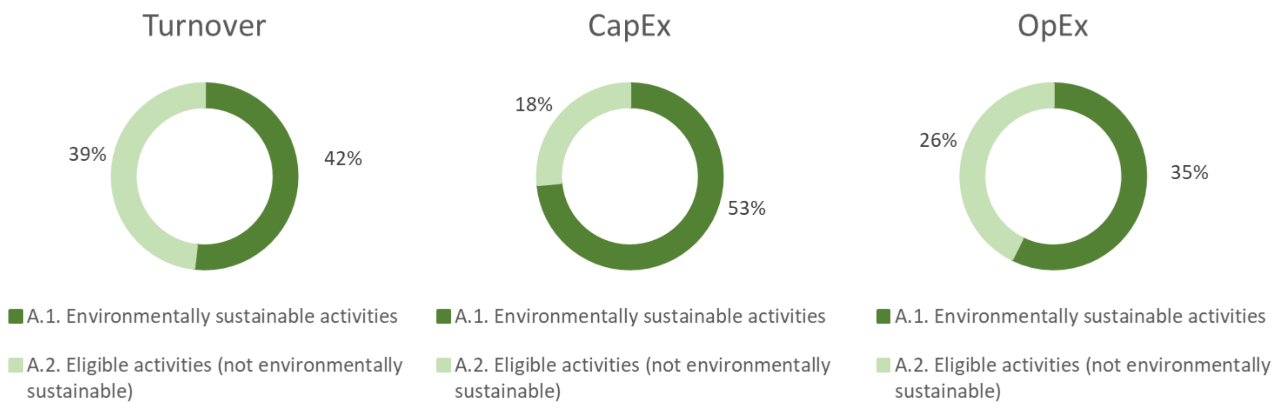
[41] On 9 March 2022, Commission Delegated Regulation no. 2022/1214 included certain energy activities of the gas and nuclear sectors in the list of environmentally sustainable economic activities. As Webuild Group does not carry out these activities, it has not presented the tables set out in Annex XII for the disclosures about nuclear and fossil gas activities required by article 8.6/7 of Commission Delegated Regulation (EU) 2021/2178

[42] Article 8 of the Taxonomy Regulation establishes that companies subject to Directive 2014/95/EU (Non-Financial Reporting Directive- NFRD) shall include in their non-financial statement "information on how and to what extent the undertaking's activities are associated with economic activities that qualify as environmentally sustainable". This requirement is completed by Commission Delegated Regulation no. 2021/2178 of 6 July 2021 (Disclosures Delegated Act) which specifies the information to be reported and the templates to use.

[43] Webuild counted the number of entities separately even when they jointly participate in the same project. Had Webuild performed the count by project, the number of its eligible and significant projects would be 75. With respect to projects that involve various group entities, Webuild counted them once, considering the main contractor, and the results were extended to include subcontracted work.

Sector	Code	Economic activities
Environmental protection and restoration activities	2.1	Restoration of wetlands
Energy	4.5	Electricity generation from hydropower (constrution or operation of plants)
Water supply, sewerage, waste management and remediation	5.1	Construction, extension and operation of water collection, treatment and supply systems
Water supply, sewerage, waste management and remediation	5.3	Construction, extension and operation of waste water collection and treatment
Transport	6.14	Infrastruture for rail transport
Transport	6.15	Infrastructure enabling low-carbon road transport and public transport
Transport	6.16	Infrastructure enabling low carbon water transport
Construction and real estate activities	7.1	Construction of new buildings
Information and communication	8.1	Data processing, hosting and related activities
Professional, scientific and technical activities	9.1	Engineering activities and related technical consultancy dedicated to adaptation to climate change

Webuild subsequently assessed these entities using the technical screening criteria, the DNSH criteria and the minimum social safeguards defined for the substantial contribution to climate change mitigation and climate change adaptation. The results led to the calculation of the proportion of turnover, CapEx and OpEx recorded in 2022[44], as shown below:



The eligible economic activities account for 81% of turnover, 71% of CapEx and 61% of OpEx.

Of these, the environmentally sustainable activities (i.e., aligned) account for 42% of turnover, 53% of CapEx and 35% of OpEx[45] and relate to four taxonomy sections and five economic activities: 2.1 Restoration of wetlands, 4.5 Electricity generation from hydropower, 6.14 Infrastructure for rail transport, 6.15 Infrastructure enabling low-carbon road transport and public transport and 7.1 Construction of new buildings. Activities 4.5 Electricity generation from hydropower and 6.14 Infrastructure for rail transport make a significant contribution to the

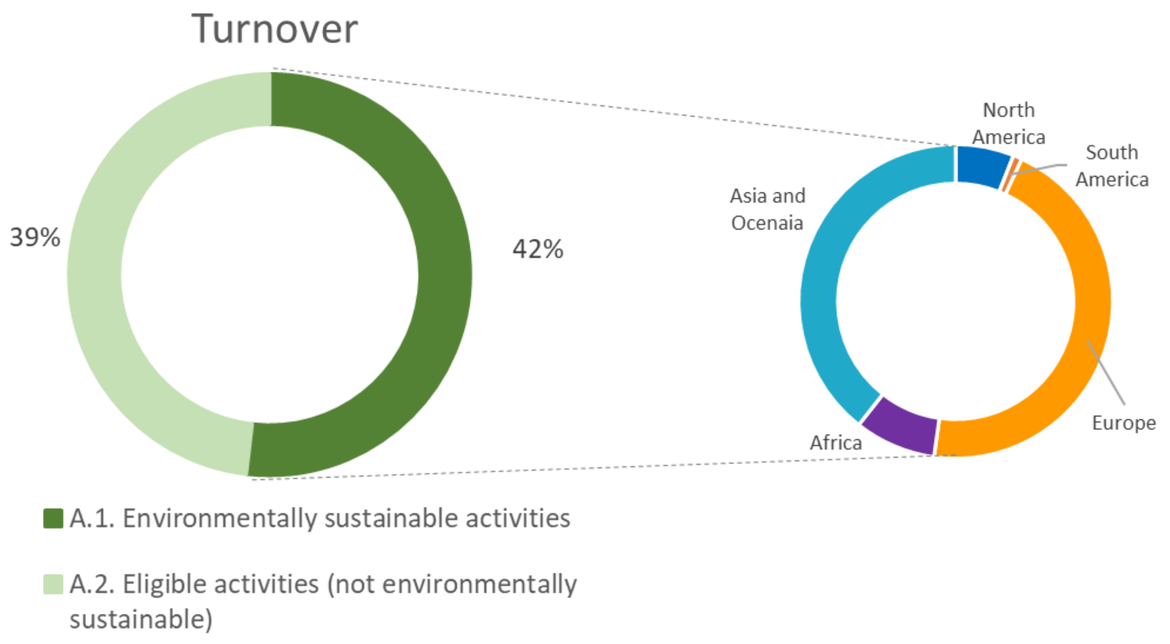
[44] More information about the process applied by the Group to determine its eligible, non-eligible and aligned economic activities and the KPI calculation method is provided in the "Metodology for reporting non-financial information" section.
[45] More information is available in the table in the section on the EU taxonomy in the Methodology for reporting non-financial information section. Such table complies with the requirements of Annex II to Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021.

alignment percentages: they jointly make up more than 90% of the taxonomy-aligned turnover (approximately 86% of CapEx and 76% of OpEx). Activity 6.15 Infrastructure enabling low-carbon road transport and public transport mostly consists of projects in North America which are heavily affected by the different legislative framework.

Activity 2.1 Restoration of wetlands is the only one to make a substantial contribution to the climate change adaptation objective and, therefore, only the CapEx and OpEx related to the construction of a project able to counter the main physical risks that affect the activity[46] have been considered to be aligned.

The other aligned activities (4.5 Electricity generation from hydropower, 6.14 Infrastructure for rail transport, 6.15 Infrastructure enabling low-carbon road transport and public transport and 7.1 Construction of new buildings) all make a substantial contribution to the climate change mitigation objective.

A breakdown of the aligned turnover by geographical area is provided below: 85% of the Group's environmentally sustainable turnover is generated in Europe and Asia and Oceania (93% of CapEx and 84% of OpEx).



Non-eligible activities include non-core activities[47] and the activities that are not included in the taxonomy lists (such as mining projects, the building of waste-to-energy plants and corporate activities).

Decarbonisation of work sites

The second area of intervention of the Group's Climate Strategy is to reduce GHG emissions of its construction business.

Since 2014, when Salini and Impregilo merged, the Group has steadily decreased its energy consumption and GHG emissions while progressively growing its operations.

[46] In accordance with the provisions of Annex I to Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021, for the calculation of the turnover KPI.
[47] In line with the criteria adopted to prepare the Consolidated Non-financial Statement and for consistency with the disclosures provided in this Statement, non-core activities are those carried out by the entities with limited operations (e.g., with contracts that are either starting up or nearing completion, on hold or significantly delayed) or inactive entities (e.g., in liquidation).

These achievements are the result of ongoing investments in efficiency actions and measures introduced at the Group's work sites around the world, as well as innovation programmes designed to develop technical solutions. These initiatives have enabled Webuild to move beyond the business-as-usual operating methods to define new more ambitious GHG emission objectives.

Webuild formalised its commitment to defining objectives in line with the SBTi standard in 2021 and obtained validation of its 2030 reduction targets in 2022.

The "Performance and targets" section provides a detailed description of the Group's programmes to reduce its GHG emissions associated with its construction business.

Decarbonisation of works

A steady reduction in GHG emissions associated with infrastructure projects developed by the Group is the third area of its Climate Strategy.

While work site decarbonisation aims to reduce emissions generated during the construction work, the works decarbonisation entails decreasing the emissions from permanent materials used to build the infrastructure and the emissions generated by its use.

It is essential that the entire value chain from the investors to the clients, designers, regulators and supply chain, and not just Webuild, be fully engaged and committed to achieving this objective.

Webuild has honed its expertise in the field in the construction of infrastructure in line with eco-design and construction frameworks, certified in accordance with LEED, GSAS, IS, Envision and other standards. Such approach means the Company's projects are evaluated over their entire life cycle to identify and develop integrated energy efficiency and decarbonisation solutions, right from the design stage.

The Group's objective is to make this approach standard, progressively incorporating it into new business initiatives irrespective of the adoption of eco-design and construction formats.

When agreed with the client and allowed by local technical regulations, Webuild intends to build increasingly low-carbon infrastructure, thereby decreasing its indirect emissions (scope 3).

It has defined a roadmap and specific initiatives for these scope 3 emissions (see the "Performance and targets" section).

Governance

The board of directors and its committees oversee the Company's climate change policies and performance.

The board committees most involved in this process are the Control, Risk and Sustainability Committee and the Compensation and Nominating Committee.

Specifically, the former committee, comprising six independent directors, regularly reviews the Company's ESG performance, including in relation to climate change as well as the related plans and actions. It also supervises the internal control and risk management system.

In 2021, Webuild rolled out the 2021-2023 ESG Plan which includes various climate change programmes and targets, tied to the long-term incentive plan (the 2020-2022 LTI Plan) introduced in 2020, which also includes a specific GHG emissions intensity reduction objective (scope 1 & 2).

At management level, oversight of climate aspects is guaranteed by all the headquarters units involved (in line with the Company's matrix organisational structure), which in turn coordinate the peripheral units.

Specifically, senior management adopts the Climate Strategy and targets proposed by the Corporate Social Responsibility Department.

In order to define and monitor progress on the Group's main decarbonisation programmes, it has set up various interdepartmental and interdisciplinary teams at headquarters level since 2018, including:

- CLEF (Climate and Energy Efficiency) team[48], which researches, tests and introduces new solutions and technologies to reduce scope 1 & 2 GHG emissions;
- LCO (Life Cycle Optimisation) team[49], focused on researching, testing and introducing new solutions and technologies to reduce scope 3 GHG emissions.

Between 2018 and 2021, the CLEF team has mostly engaged in developing and testing solutions to make the excavation activities more efficient as they are one of the most energy intensive areas of the large infrastructure sector. The LCO team worked mainly on optimising the use of cement and concrete and developing new low-carbon solutions, including together with the supply chain.

As mentioned earlier, in 2022, the Group obtained SBTi validation of its 2030 absolute emission reduction targets.

Integration of climate criteria as an integral way of doing business entails raising awareness and technical expertise about the issue. Accordingly, in 2022, the Company continued its internal communication campaign dedicated to ESG issues, including the World Environment Day celebrated in June, as well as technical training courses carried out with the Turin Polytechnic.

Main climate-related risks and opportunities

The Group analysed the risks and opportunities of climate change, based on three physical scenarios developed by the Intergovernmental Panel on Climate Change (IPCC), the key features of which are:

[48] Comprising the Plant and Equipment (Global Supply Chain) and Environment (Group HR, Organisation and Systems) units and the Corporate Social Responsibility Department.

[49] Comprising the Procurement (Global Supply chain) and Environment (Group HR, Organisation and Systems) units and the Bidding & Engineering and Corporate Social Responsibility Departments.

	Limited reduction in emissions	Large reduction in emissions	Reduction in line with the Paris Agreement objectives
IPCC (Intergovernmental Panel on Climate Change) scenario	RCP 6.0[50]	RCP 4.5	RCP 2.6
	GHG emissions continue to increase throughout most of the century, the average global temperature rises by well above 2°C, the acute effects (heat waves, landslides, flooding, etc.) and chronic effects (extreme temperatures and humidity, water stress, etc.) of climate change will become more frequent, significantly affecting economic activities	GHG emissions peak before mid-century to then reduce slowly. The rise in temperature hovers around 2°C, the acute and chronic effects of climate change intensify	GHG emissions begin to decrease significantly to reach net zero during the century. The rise in temperature does not exceed 2°C compared to pre-industrial levels. The effects of climate change stabilise and economic systems are heavily affected by governmental climate policies

All the scenarios include a rise in the temperature and physical impacts caused by climate change but at different speeds and magnitudes. Webuild has identified and assessed the effects of the potential risks and opportunities based on these scenarios in the short-term (<2 years), medium-term (2-5 years) and long-term (>5 years).

The findings of the scenario analysis and the climate risk & opportunity assessment were shared and integrated into the Group's Global Risk Assessment process.

The main risks and opportunities are described in the following sections.

Advanced scenario analysis

The US group company Lane (USA) is involved in the Future World Vision: Infrastructure Reimagined project promoted by ASCE (American Society of Civil Engineers) to develop a software system using AI to simulate future trends of the construction sector over different timelines (10, 25 and 50 years). The project considers scenario analyses and six key mega trends for the sector: alternative energy, autonomous vehicles, climate change, smart cities, high tech construction/advanced materials, and policies and funding.

The project is currently being trialled by major US universities and technical colleges and will allow civil engineers and sector professionals to be better prepared to deal with future change. Once completed, Lane will be able to use the project to support its strategic processes (business plan and commercial development) and technical operations (training of engineers and project teams).

[50] RCP (Representative Concentration Pathway) 6.0, 4.5 and 2.6 are the three pathways adopted by IPCC for different GHG concentration trajectories used for research purposes and to develop the foward-looking models.

Main physical and transition risks

The Company has identified the following climate risk factors, the related potential impacts and mitigation methods:

Risk area	Type and description	Potential impact	Assessment and mitigation measures
Physical risks	**Acute risks** Increase in frequency and severity of extreme weather events (landslides, flooding, storm surges, heat waves, etc.)	• Damage to work site buildings and plants • Delays to work schedules Expected risk timeframe: medium to long-term	Low risk • Insurance cover for assets • Work schedules defined on the basis of past experience and weather forecasts • Negotiations with clients about exceptional events (extension of the timeline and/or acceptance of higher costs)
	Chronic risks Increase in temperature and humidity levels, changes in precipitation, rise in sea levels	• Less availability of water in areas subject to water stress • Lower productivity due to environmental conditions Expected risk timeframe: medium to long-term	Low risk • Site set-up, plants and work schedules defined on the basis of the local environmental conditions As these risks will occur in the medium to long-term, no significant impact on assets is expected given the temporary nature of the Group's work sites

Risk area	Type and description	Potential impact	Assessment and mitigation measures
Transition risks	**Policies, regulations and technology** Increase in cost of raw materials due to higher carbon tax Transition from existing plant, machinery and materials to solutions with lower emissions Introduction of new regulations and specific techniques	• Higher procurement costs (if the carbon tax is passed along the value chain) • Higher investment outlays to replace/upgrade construction plants and methods • Higher costs and investments to comply with new requirements/regulations Expected risk timeframe: short-medium term	Medium risk • Innovation programmes to increase the energy efficiency of plant and machinery, construction techniques and use of materials • Partnerships with the supply chain to jointly develop low emission solutions • Technical/environmental training courses for personnel involved in sensitive processes • Ongoing analysis of newly issued regulations to ensure compliance These risks are systematic, affecting the entire sector and not just the Company (for example, in terms of investments made).
	Market and reputation Greater demand from clients for low emission construction solutions Greater interest of the financial community and stakeholders in the Company's decarbonisation plans	• Higher costs and investments needed to acquire and adopt low emission methods and solutions • Less support from stakeholders if they consider the decarbonisation strategies and plants to be inadequate Expected risk timeframe: short-medium term	Low risk In addition to the above measures: • Definition of a Climate Strategy and decarbonisation roadmap • Definition and introduction of science-based emission reduction targets • Link between emission performances and financing instruments (sustainability-linked bonds) and management's variable remuneration (LTI plan)

Main opportunities

As well as being a source of potential risks, climate change can create opportunities for the Group, such as those listed below.

Business growth

The steady introduction of policies and regulations to accompany and accelerate the climate transition is an important lever to generate new business opportunities.

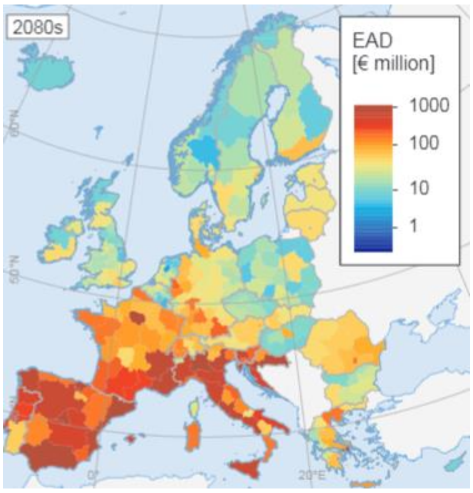
The Group already plays a leading role in the development of infrastructure that contributes to both climate objectives defined by the international community:

Mitigation (Reduction in GHG emissions)	Railways, metros, light rail, hydroelectric plants, high-performance buildings and civil structures
Adaptation (Resilience to the effects of climate change)	Hydraulic projects, drinking water, desalination and water treatment plants, roads (including bridges and tunnels) and sea works

These business areas will continue to offer strong growth potential in the coming years, bolstered by the state investment plans rolled out in the main markets of strategic interest to the Group, given their capacity to contribute to the achievement of the Paris Climate Agreement objectives and the SDGs.

The importance of improving the resilience of Europe's critical infrastructure

The extreme climate events of the coming decades could have a particularly strong impact on European infrastructure.



According to a study carried out by the European Commission[51], damage to infrastructure under the influence of climate change may multiple six-fold by mid-century and could amount to more than 10 times by the end of the century. The southern European countries will be most affected and, as a result, will probably require higher costs of adaptation.

Road and railway infrastructures are likely to be the most affected by heat and cold waves, flooding and wildfires; the ports by coastal flooding and storms, the hydraulic infrastructures by drought and heatwaves and social infrastructures (schools and hospitals) by flooding, wildfires and drought.

The overall damage could be in the region of €20 billion per year by 2050 and over €37 billion by the end of the century, roughly half of which would be incurred by Italy and Spain.

The funds earmarked by the EU as part of the EU Green Deal and NextGenerationEU become increasingly vital as they can be used to finance change in a sector that has been penalised by insufficient investments in maintenance and modernisation over the past decades.

Efficiency of operating processes

The growing demand for low GHG emission construction solutions and methods by the market has driven innovation and the development of partnerships with the supply chain. The introduction of new processes and

[51] Source: Escalating impacts of climate extremes on critical infrastructures in Europe, 2017, https://www.sciencedirect.com/science/article/pii/S0959378017304077

related technologies makes it possible to decrease energy and materials consumption, as well as emissions, generating large cost savings.

As a result and notwithstanding its ongoing business growth, the Group has managed to steadily decrease its energy consumption and the use of the principal raw materials. This trend confirms the validity of its environmental strategy, reinforced with the introduction of Webuild's Climate Strategy, which includes:

- Development of medium to long-term targets using the methodology developed by Science Based Target Initiative (SBTi);
- Systematic organisation of technical scouting processes and development, prototyping and testing of innovative solutions and systems to monitor and decrease GHG emitted by the business (process decarbonisation);
- Development of systems with universities and specialised research centres to assess the energy and carbon life cycles of infrastructure, to be used during the bidding, design and construction processes;
- Promotion of a climate change and efficiency internal culture with employees through information, awareness raising and training programmes.

Performance and targets

The Group's carbon footprint

The Group's scope 1, 2 and 3 emissions, defined and calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard, are set out below. They comply with the requirements of the SBTi[52]. Specifically:

- Scope 1 includes emissions from sources controlled directly by the Group, i.e., from the use of fuel for vehicles, machinery and power generators, fugitive emissions deriving from the topping up of air conditioning systems, emissions deriving from the use of explosives for demolition and excavation activities;
- Scope 2 includes indirect emissions from purchased electricity;

Scope 3 includes other indirect emissions generated by sources not owned or controlled by the Group. The emissions from goods and services purchased are the most significant and are largely influenced by the use of the principal construction materials (cement, steel, concrete). They are followed by emissions from transport, upstream energy, waste and the travel of head office personnel (in Italy and the US).

[52] In 2021, Webuild updated its GHG emission inventory to ensure full compliance with international standards. It extended its reporting system to all the scope 3 emissions categories and concurrently applied this new reporting method to the previous comparative years (2019 and 2020). Therefore, the 2020 figures shown in this table have been restated and differ from those presented in the 2020 Consolidated Non-financial Statement, to which reference is made for more information.

GHG emissions (scope 1 & 2) (GRI 305-1, 305-2, 305-4)	Unit	2020	2021	2022
Scope 1 emissions	t CO_{2e}	358,733	311,272	320,851
Scope 2 emissions (market-based method)	t CO_{2e}	71,255	42,212	58,098
Scope 2 emissions (location-based method)	t CO_{2e}	68,252	38,574	55,873
Total scope 1 & 2 emissions (market-based)	**t CO_{2e}**	**429,988**	**353,484**	**378,948**
Intensity of scope 1 & 2 emissions	**t CO_{2e}/€M**	**80**	**55**	**47**

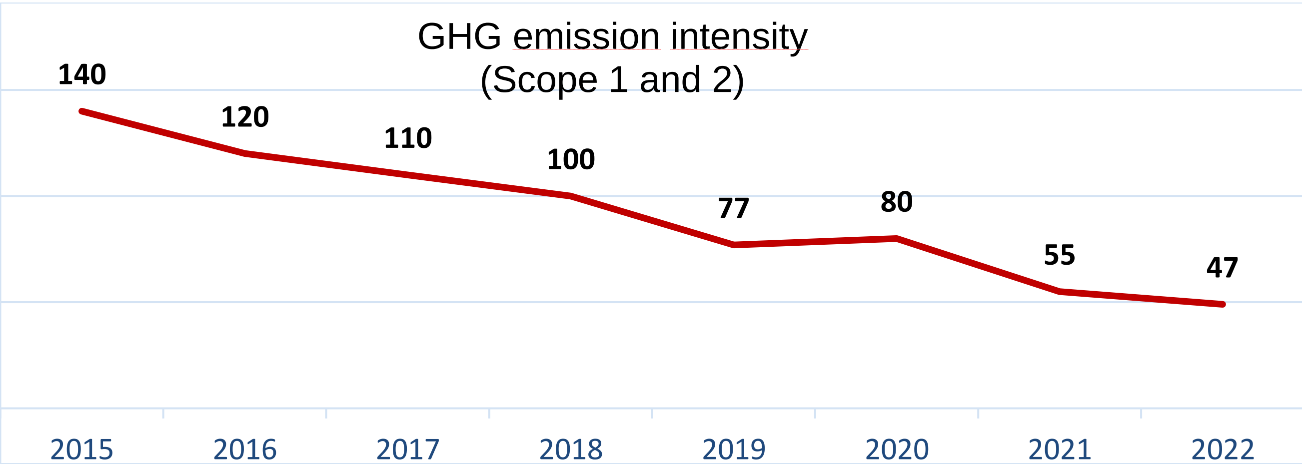
GHG emissions (scope 3) (GRI 305-3)	Unit	2020	2021	2022
Goods and services acquired	t CO_{2e}	1,697,170	1,552,130	2,051,442
Transportation of materials to the work sites	t CO_{2e}	278,131	289,301	101,815
Use of energy (upstream, not included in scope 1 & 2)	t CO_{2e}	90,745	107,213	117,793
Waste generated**	t CO_{2e}	31,134	58,347	40,567
Business trips and home-work commute of employees	t CO_{2e}	4,953	4,705	5,863
Total scope 3 emissions	**t CO_{2e}**	**2,102,133**	**2,011,696**	**2,317,479**

Biogenic emissions* (GRI 305-1, 305-3)	Unit	2020	2021	2022
Biodiesel- Scope 1	t CO_2	-	-	4,209
Biodiesel- Scope 3	t CO_2	-	-	15,514
Total biogenic emissions	**t CO_2**	**-**	**-**	**19,722**

**Reported since 2022*

***The 2021 figure has been restated to reflect new information about the excavation waste at the Rogun Dam project in Tajikistan that only emerged after publication of the 2021 Consolidated Non-financial Statement. Therefore, it is different to that shown in the 2021 Consolidated Non-financial Statement.*

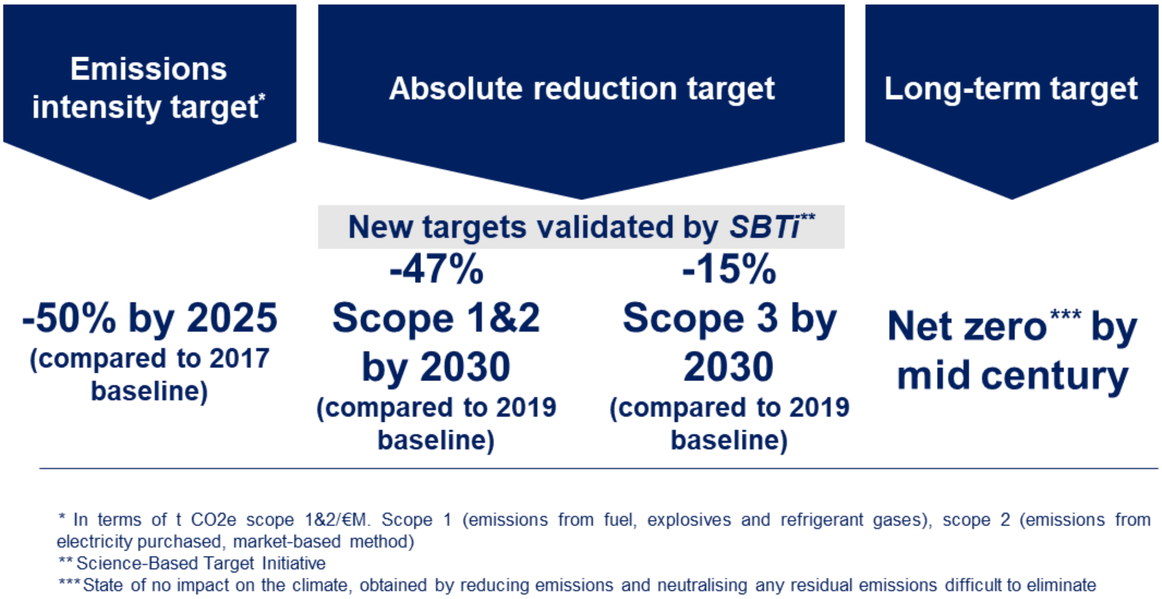
The graph below plots the intensity trend of GHG emissions (t CO_{2e} Scope 1&2/€M) and shows how it has improved over the past eight years.



It is important to note that the infrastructures for which the Group generates emissions during their construction in turn generate benefits that are very significant in terms of avoided or reduced emissions once they have been rolled out. In addition, while the emissions generated by the Group are temporary (as they only take place during the construction period), the environmental benefits arising from the use of the infrastructure are nearly permanent given that many works have a useful life of between 80 to 100 years if not longer, as shown in the next graph.

Emissions intensity target

As described in the "Climate Strategy" section, Webuild has designed a roadmap to steadily reduce its GHG emissions with the following short, medium and long-term targets:



As shown in the table above, Webuild's absolute reduction targets defined in 2021 were validated by SBTi in 2022.

These reduction targets are supported by an action plan defined during the year.

Webuild's main intervention levers to reduce scope 1 & 2 emissions are:

- the gradual transition from diesel generators at work sites to their connection to electricity grids;
- improving the efficiency of the vehicle fleet
  - by steadily replacing existing vehicles with low emission models, introducing hybrid and/or electric vehicles
  - use of conveyor belts to move excavation materials at the work sites instead of lorries
  - progressive adoption of high efficiency catalytic systems on site vehicles
  - introduction of real time consumption monitoring systems for vehicles and machinery
- making plant, equipment and electrical systems more efficient
  - by adopting power quality solutions able to stabilise electrical loads and reduce consumption in the work sites
  - ongoing deployment of "green" TMBs, i.e., machines engineered especially by Webuild together with the manufacturers for lower energy and water consumption compared to that of the traditional machines (see the "Company Organisation- Innovation, research and development" section for more information)
  - development of environmentally-friendly robotic prefabrication systems, engineered specifically by Webuild with the manufacturers, which comply with the circular economy principles through the more efficient use of energy, water and materials
  - introduction of predictive maintenance systems, able to identify inefficiencies in the operation of work site equipment and improve maintenance cycles

    - ongoing deployment of ventilation systems in tunnels that operate with automated pollutants controls, able to make energy consumption more efficient and provide better air quality
    - progressive introduction of renewable production systems at the work sites, such as photovoltaic and mini-hydroelectric systems;
- utilisation of renewable energy by purchasing electricity from renewable sources and fuel with blends of renewable components (e.g., biodiesel).

As the emissions from the use of the principal construction materials (cement, concrete, steel) make up more than two thirds of the Group's scope 3 emissions, Webuild will focus on them to define its reduction target in line with the requirements defined by SBTi.

The main intervention levers to reduce its scope 3 emissions are:

- deployment of low emission construction materials (generated during their production), especially
    - transition to low-carbon cement and concrete
    - transition to steel with high recycled content
- development of processes to optimise infrastructure design, to achieve
    - optimisation of quantities of materials used during construction, thanks to value engineering solutions and/or innovative materials
    - utilisation of alternative low emission solutions (such as steel fibre instead of traditional metal reinforcements for tunnel sections)

Webuild has also committed to reducing, where possible, its indirect emissions (scope 3) generated by its related activities, such as transport, waste production and personnel movements. Specifically:

- its procurement policy is designed to maximise purchases from local suppliers (94% in 2022), cutting out the need for long transport journeys and minimising the associated emissions. When goods are not available on the local market, the Group prefers to ship materials and machinery by sea as this is the means of transport with the lowest associated emissions;
- its environmental policy (see the relevant section) targets the steady increase in waste sent for recycling and reuse to minimise atmospheric emissions compared to waste sent to landfills or to waste-to-energy plants;
- with respect to reducing personnel movements:
    - the Group has equipped its offices and work sites with video conference systems which significantly reduced the number of business trips even before the pandemic's onset
    - it introduced extensive remote working programmes to deal with the Covid-19 emergency in the past two years
    - its travel policies favour travelling by train rather than by plane and the use of public transport rather than taxis
    - the Italian head offices have a mobility manager who regularly draws up a home-office commuting plan
    - when possible, contracts have collective transport methods (buses) for blue collars and car-pooling for white collars at the work site offices.

Energy consumption

Energy requirements are the main source of GHG emissions at the work sites.

While the Group's business is characterised by highly customised processing, techniques and technologies depending on the specific requirements of the works to be built and the characteristics of the areas where they will be located, Webuild has actively developed production processes and technical-organisational solutions for some years to decrease its environmental footprint.

Accordingly, when designing and setting up its work sites, Webuild checks all the environmental components of its industrial processes to optimise them and make them more efficient.

The following tables show its energy consumption and the initiatives taken to reduce the related GHG emissions:

Energy consumption (GRI 302-1, 302-2, 302-3)	Unit	2020	2021	2022
Non-renewable energy sources				
Diesel	GJ	4,547,812	4,098,364	4,160,241
Petrol	GJ	220,991	205,202	267,558
Kerosene	GJ	975	2,807	2,942
Natural gas and LPG	GJ	29,024	25,228	73,552
Electricity	GJ	499,595	370,161	393,626
Total consumption from non-renewable energy sources	**GJ**	**5,298,396**	**4,701,762**	**4,897,919**
Renewable energy sources				
Biodiesel*	GJ	-	-	59,044
Electricity from renewable sources	GJ	198,772	196,359	424,683
Total consumption from renewable energy sources	**GJ**	**198,772**	**196,359**	**483,727**
Total internal energy consumption	**GJ**	**5,497,168**	**4,898,121**	**5,381,646**
Energy consumption from non-renewable energy sources	GJ	1,146,475	1,705,414	1,857,408
Energy consumption from renewable energy sources*	GJ	-	-	217,644
Energy consumption- subcontractors	**GJ**	**1,146,475**	**1,705,414**	**2,075,052**
Total	**GJ**	**6,643,643**	**6,603,536**	**7,456,698**
Energy intensity	**GJ/€M**	**1,251**	**1,029**	**922**

Reported since 2022

The Group's overall energy requirements have increased compared to 2021. Consumption from the main energy sources (diesel, petrol and electricity) was affected by the greater volume of activities carried out for some large projects being ramped up in Europe, USA and Australia.

In 2022, 52% of the electricity consumed by the Group came from renewable sources (35% in 2021).

Over the last three years, initiatives (mainly scope 1 & 2) have been rolled out to improve the energy efficiency of industrial processes, to adapt current production processes, to change the current energy sources used, to adopt less polluting logistics options and to introduce awareness campaigns for employees.

GHG emission reduction initiatives	Unit	2020	2021	2022
Active initiatives	no.	13	22	17
Reduction in GHG emissions	t CO_{2e}	78,979	73,704	17,546

In addition to the active initiatives shown in the table, the Group has planned initiatives as part of its strategy to reduce emissions described in the previous section.

Given the current situation with rapidly fluctuating energy costs, these ongoing and planned initiatives are very important as they will allow the Group to obtain significant savings.

Environment

Optimisation of the use of natural resources, protection of the environment and biodiversity for increasingly sustainable work sites

Circular economy
focus on reuse, recycling and reduction of waste

67%
low-carbon steel used

73%
reused excavated materials

87%
materials purchased within a 160 km radius of the work sites

Internal policies

Protection of the environment is a priority for Webuild, which formalised a specific Environmental Policy in 2002, one of the first European construction companies to do so. In 2007, it introduced an environmental management system which is ISO 14001 certified.

Webuild's Environmental Policy defines ten principles to guarantee:

- compliance with applicable legal and contractual requirements related to the environment;
- identification and assessment of environmental aspects tied to the Company's direct and indirect, present and future operations, evaluation of the related significant effects and management of the mitigation and control measures, integrating the life cycle perspective and sustainable supply chain logics;
- identification of all the technical and organisational measures, including of an innovative nature, designed for the rational use of natural resources and the mitigation of pollution, GHG emissions, waste generation and inconvenience to the local communities as well as the maximisation of the positive effects for the environment;
- involvement and participation of all employees or people who work for the Company through actions to make them aware of the issue, the dissemination of information and training courses, dialogue and transparency in action;
- engagement with the community and stakeholders.

The Policy also provides that each worker has the right and is obliged to intervene and stop work if the environment could potentially be compromised.
During the realisation of awarded projects, the Group ensures compliance with the above-mentioned principles in accordance with the commitments taken on with its clients. More information about Webuild's role and responsibilities during the infrastructure project development stage is available in the section entitled "The infrastructure sector and Webuild's role".

Main risks and management methods

The main environmental risks arising from the Company's activities relate to non-compliance with applicable environmental legislation, compromising one or more environmental components (e.g., the soil, water, air or biodiversity) due to a mistaken assessment of the risk or ineffective management/mitigation activities, inefficient use of natural resources and the failure to obtain/maintain environmental certifications and ratings.

The main environmental risks facing the Company (generated by external factors) arise from changes in the applicable environmental legislation, the inconsistent interpretation of applicable legislation by the competent local authorities, incomplete and/or insufficient environmental impact assessments for projects (which should be performed by the client) or adverse environmental conditions (e.g., extreme weather events, climate or geological conditions, etc. differing from those anticipated during the tender procedure).

Environmental management systems and certifications

To monitor these risks, Webuild has an environmental management system, which complies with the ISO 14001 standard and has been certified by an independent certification body.

To ensure that any significant negative environmental impacts are properly identified, managed and mitigated and positive impacts seized as opportunities, the system incorporates a number of environmental management procedures that have to be implemented by the Group's production companies, after being revised to comply with the applicable regulations or contracts.

When contractually provided for, the Group's contracts may include additional environmental management standards that could require special certifications or ratings. They may be:

- system standards, which involve reaching specific environmental performance targets during construction activities (e.g., lower emissions, waste recycling);
- product standards, which require the completed works to meet specific environmental performance targets (e.g., use of low-carbon construction materials, energy-efficient buildings).

The certification systems most frequently used by the Group are LEED (Leadership in Energy and Environmental Design) on a global basis, GSAS (Global Sustainability Assessment System) in the Middle East and IS (Infrastructure Sustainability) in Australia.

Environmental risk identification, assessment and management

Mitigation of environmental risks at the source is essential to better protect the environment and prevent pollution for every construction project. This is achieved by deploying appropriate design and planning activities that consider the work's entire life cycle.

To ensure they are properly managed, Webuild deals with and manages the impacts identified but not eliminated or mitigated in the design phase by adoption reasonably measures (work methodologies).

During the start-up of a new contract and based on the planned work, the plant to be built and the areas to be used for logistics and building work, an environmental risk assessment is performed to identify significant environmental aspects, i.e., those aspects that could have a significant impact on the environment. Their identification and assessment of the significance of their impact as well as the subsequent definition of impact management and mitigation measures take place in line with specific procedures.

The significance of environmental impacts is assessed using a method based on an analysis of well-defined criteria, such as the existence of special regulatory or contractual requirements, assessment of the related risk, management of the impact and the area's sensitivity to the specific environmental aspect.

The assessment considers various scenarios: standard operating conditions, irregular conditions (e.g., plant start-up, maintenance), emergencies (e.g., fire, spills). Identification of the significant environmental aspects includes an analysis of the main effects of the contract work and other activities on the different environmental components:

- natural and energy resources;
- atmosphere and climate (emissions);
- soil, subsoil and water environment;
- waste and use of hazardous substances/preparations;

- existence of systems containing GES/ODS;
- traffic, atmospheric, light and electromagnetic pollution;
- noise and vibrations;
- ecosystem, cultural heritage and environmental restoration.

After the environmental risk assessment, analysis of the contractual obligations and related environmental regulations, the following is prepared for each project:

- environmental plans/procedures setting out guidelines for the management/protection of each specific environmental component;
- environmental protection plans defining the mitigation activities to be adopted in the specific area, as well as the appropriate emergency response measures to be deployed and implemented;
- environmental monitoring and control plans defining the specific control and monitoring activities for the environmental components identified in the various areas that also allow an assessment of the mitigation actions' effectiveness;
- specific instructions for the different method statements applied in order that the related impacts can be mitigated and monitored and improvement actions taken.

In addition, and to comply with the client's instructions, the project's social-environmental impact assessment and ruling legislation, the contract undergoes environmental monitoring to check any unforeseen variations and/or critical environmental issues affecting the areas outside the work site during the development or placement in service of the work. This includes investigating the causes to determine whether they are due to the project and, if so, together with the client, to define mitigation/prevention measures with the client and check their effectiveness.

To ensure the correct implementation of the environmental plans, the work sites schedule and provide for information/training to be given to the employees involved in contracts with potential impacts on the environment, including the subcontractors' employees. They regularly run campaigns to raise employees' awareness of specific issues (e.g., energy savings, waste, spills, use of hazardous substances/preparations, design, LCA planning).

Organisational oversight

The work site environmental departments carry out the monitoring/supervision procedures provided for in the environmental plan with regular checks and audits of the activities performed directly and indirectly by subcontractors. If any instances of non-compliance are identified, special remedial actions are defined as well as plans to improve the processes and/or performance when deemed appropriate.

Contract management regularly reviews environmental performances and the management system's strengths and weaknesses. It sets objectives for the subsequent period to ensure continuous improvement.

The Company is committed to the optimal use of resources and reduction of its environmental footprint. It will continue to protect the areas where it works to ensure that serious environmental accidents do not take place, that production processes become more efficient, the use of local raw materials is more efficient and effective and that water resources, materials and waste not sent to landfills will be reused including for energy generation (in line with the applicable legislation). It will assess its water management cycle and machinery to define additional measures to reduce its impact on the environment. Finally, it will continue to provide training courses about the environment to its employees to increase the per capita hours provided to direct employees.

At corporate level, the Group HR, Organisation and Systems Department defines methodologies, tools and operating methods to manage quality, health, safety and environment issues. Its Safety, Environment and Quality Unit is in charge of the environmental management system. It provides technical assistance with environmental issues, analyses the Group's environmental performance and defines the objectives/guidelines for continuous improvement to pursue steadily improved performances.

Communications about environmental aspects are made on a hierarchical basis within the Company through the QHSE coordinators (who liaise with the corporate and contract managers), the company intranet, the website and this Statement. Other internal communication channels (e.g., employees, subcontractors) and external channels (e.g., local communities) are set up at individual production unit level in line with the ruling legislation, contractual requirements and any recommendations in the social and environmental impact assessments approved by the authorities.

Employees may use the whistleblowing system described in the section on "Anti-corruption" for environmental notifications. In addition, some work sites have additional notification systems (grievance mechanisms), which can also be used by third parties (e.g., local communities). Typical communications received locally relate to inconveniences caused by the work site equipment (traffic, dust) and construction activities (noise, vibrations) or damage to private property.

Reference should be made to the section on "Main risk factors and uncertainties" ("Criminal litigation" paragraph) of the Directors' report for ongoing environment-related disputes.

The methods to manage the main environmental components are described below. The environmental data are heavily affected by the number and type of works under construction, the client's design decisions and the stage of completion of the individual projects. Accordingly, a comparison with previous periods may not always be significant, especially in terms of the absolute values.

The local area and the circular economy

At the end of 2022, the Group's work sites included in the scope of this Statement included 35,276 operational sites, of which 126 underground, for a total surface area of 158,977,831 m^2. The following table shows the main data by geographical area:

Geographical area	Unit	Total surface area	Surface area in protected areas	Surface area of areas adjacent to protected areas
Africa	m^2 / %	22,490,000	0%	0%
Europe	m^2 / %	24,744,348	10%	6%
Americas	m^2 / %	73,148,022	62%	6%
Asia and Oceania	m^2 / %	38,595,461	17%	3%
Total	**m^2 / %**	**158,977,831**	**34%**	**5%**

The American continent is the geographical area where the Group has the largest surface areas inside protected areas. This is due to the Caloosahatchee (C43) West Basin Storage Reservoir contract in Florida, USA acquired in 2019. The project is part of a larger plan, The Comprehensive Everglades Restoration Plan, a long-term plan approved by the US Congress to restore, protect and preserve the environment of a protected area of great importance to the community, the economy and ecosystem of Florida. The Everglades provides drinking water to more than eight million people, supports the flourishing agricultural and tourist sectors of Florida, has unique natural habitats and is home to two native American tribes. Lane's share of the project is to build a reservoir on over 4 thousand hectares as part of the plan to contain wastewater discharges, improve water quality, restore natural habitats and preserve the protected species.

In Europe, the largest surface areas inside protected areas are a railway project in Romania and two Italian projects (Cociv and Line 4 of the Milan Metro).

The projects in protected areas (or partly within them) in Asia and Oceania are Umm Lafina in the United Arab Emirates and Snowy 2.0 in Australia.

Information about biodiversity management is available in the "Biodiversity, cultural heritage and environmental restoration" section.

The Group adopts practices that are in line with the principles of the circular and green economy, designed to minimise (when possible) the use of natural resources, including through their reuse, as part of its activities. Similarly, it encourages the recovery of waste materials in the same project or surrounding areas.

The Group's resources for the year are presented in the next chart, showing the "circularity" of its practices.

INPUT

27.2 Mt of materials used

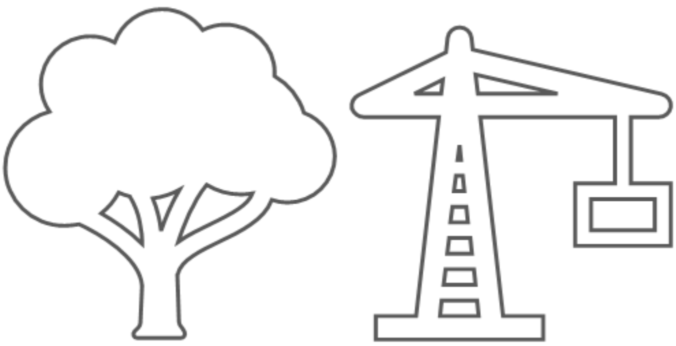
22.4 Mm3 of excavated materials

17.2 Mm^3 of water withdrawals

87% of materials purchased within a 160 km radius of the work sites

73% of reused excavated materials[53]

67% of low-carbon steel[54]



OUTPUT

8.0 Mt of waste generated

of which 86% excavation waste

of which 14% other waste

+46% of waste generated compared to the previous year

97.1% of non-hazardous waste

77% of waste sent for recycling

PROTECTION AND RESTORATION

4.1 Mm^2 of soil protected from erosion

8,946 thousand m^2 of areas where topsoil was replaced

314 thousand m^2 of reforested areas

The following paragraphs describe the elements presented in the above chart.

[53] The materials reused during the year may include excavated materials from previous years.
[54] Steel with high recycled content (equal to or higher than 90%)

Raw materials

Construction of motorways, bridges, dams, railway and metro lines and civil and industrial buildings requires the use of large quantities of water, aggregates, iron, cement and backfill: all raw materials which are mostly not renewable.

The environmental assessments made at the start of a new contract consider these aspects and the related mitigation measures are designed to ensure the efficient management of these resources.

With respect to raw materials, the Group is committed to, where possible:

- reusing excavated earth and rocks in other industrial processes such as, for example, the production of aggregates for concrete or the construction of embankments and other earth fills as required by the projects for cost efficiency purposes and in line with circular economy principles in line with the ruling regulations;
- sourcing and use of alternative or innovative materials, such as materials that have been recycled, obtained using low-carbon methods or that improve the quality, durability, safety and functionality of the finished works;
- using products and components that do not contain hazardous substances.

With respect to water resources, the Group is mainly involved in the development of storm water, industrial and drainage recovery systems to reduce the quantities of raw water and/or drinking water required at the work sites. Furthermore, the working methods and the work sites are designed considering possible water optimisation.

Innovative solutions to reduce materials and water footprints

As described in the "Climate change" section, the use of cement, concrete and steel at Webuild's projects is responsible for most of the Group's indirect GHG emissions (scope 3). Webuild is engaged on all fronts to optimise the use of these materials at its work sites through:





● value engineering processes to decrease the quantities of materials used;

● development of special optimised concrete mixes with a low cement content or that include cement substitutes from other industrial sectors (e.g., the iron and steel sector) to allow a reduction in the use of cement of up to 65%;

● greater use of steel with a higher recycled content (including above 90%).

Alongside the Group's traditional process water recovery systems and closed-circuit systems in place at its work sites for years, it has developed a water optimisation system, WWE (Webuild Water Efficiency), an innovative monitoring system for the remote digitalised mapping of water resources. This will assist detection of water losses and prompt resolution, identification of waste and the reduction of water consumption and water efficiency. WWE monitors two ratios: the water-use efficiency ratio and the water autonomy ratio, which provide an immediate snapshot of the correct functioning of the water management system and the level of autonomy of the work site with respect to this resource, so that they are always at highest levels. Webuild is gradually introducing the WWE system at its work sites.

The main raw materials used by the Group are shown in the tables below:

Materials used (GRI 301-1)	Unit	2020	2021	2022
Principal construction materials				
Bitumen	t	47,570	27,844	59,127
Cement	t	484,637	527,145	777,066
Steel	t	179,758	173,681	271,654
Ready-mixed and pre-cast concrete	t	4,175,879	4,353,389	5,469,775
Ready-mixed asphalt	t	740,851	486,530	703,985
Total construction materials	**t**	**5,628,695**	**5,568,590**	**7,281,607**
Aggregates				
Aggregates and sand	t	11,411,623	12,584,211	19,959,292
Total aggregates	**t**	**11,411,623**	**12,584,211**	**19,959,292**

Water withdrawal (GRI 303-3)*	Unit	2020	2021	2022
Wells	m^3	3,398,594	3,467,299	3,397,172
Rivers	m^3	6,882,593	9,562,130	11,941,391
Lakes	m^3	29,790	117,865	180,088
Aqueducts	m^3	2,389,843	1,642,059	1,636,330
Total	**m^3**	**12,700,820**	**14,789,354**	**17,154,981**

*The 2020 and 2021 figures have been restated using the same calculation methodology

The main variations on the previous year relate to the progress made on the Group's projects. Specifically, the increase in the use of the principal construction materials (31% on 2021) mostly relates to the projects in Europe, Australia and the United States.

The rise in the use of aggregates is mostly attributable to the greater activities carried out for Lane's projects in the US and the projects in Ethiopia and Colombia.

There was a 16% increase in water resources utilisation in 2022, chiefly due to the greater withdrawals from rivers for the Koysha project in Ethiopia.

With respect to the circular and green economy, during the year, 87% of the materials purchased complied with the region-based criterion, as they were purchased within a radius of less than 160 km from the work sites, thus reducing the impact of their transport. During 2022, 67% of the steel used was low carbon, i.e., with a recycled content of 90% or more. The Group also used 71 thousand tonnes of low carbon cement materials and water recycled and reused in production processes of 2.0 million cubic metres (1.3 million cubic metres in 2021).

Energy consumption, both in the form of fossil fuels and electric energy, has a strong impact during construction of infrastructure. Reduction of energy consumption and greater energy efficiency allow a decrease in GHG emissions and mitigation of the effects of climate change. The "Climate change" section describes the Group's actions in this area.

Soil, subsoil and water environment

The Group's construction activities may affect the soil and water environment at different levels depending on the works in question and the surrounding environment (e.g., urban or rural environment).

Contracts are managed to avoid damaging these environmental components. Specifically, containment tanks, wastewater conveying networks and waterproofing systems for risky logistic areas (e.g., workshops, fuel and chemical depots, machine washing areas) are built during the work site start-up phase to prevent contamination of the soil, subsoil and surrounding water bodies, also as a result of meteorological events and/or run-offs.

Industrial wastewater is channelled and collected in sedimentation tanks and treatment plants compliant with the applicable legal and contractual provisions, using the best technologies available and considering the wastewater's specific characteristics and the parameters that the wastewater must meet in order to be discharged according to the legislation and the receiving body.

Construction work involves movement of large earth quantities to construct embankments, cuttings, tunnels or certain types of dams. In accordance with the policy to reduce waste production, the excavated earth and rocks are classified and stored on the sites for reuse within them, where possible and in compliance with the regulations, or transferred to third parties to be reused externally. In 2022, reused excavated materials[55] amounted to 16.4 million cubic metres (24.6 million cubic metres in 2021), which continues to be a significant amount showing the effectiveness of the Group's circular economy policies.

Traceability of excavated earth and rocks

The Group has introduced an automated system to trace the excavated earth and rocks at the COCIV work site in Italy. This involves the digitalisation of the transport documents, leading to a more efficient process, a more reliable and immediate end result and a drastic reduction in the production of paper documents.

In order to mitigate the risk of soil erosion due to excavations and aggravated by weather events (rain, wind), the Group takes specific soil protection measures consisting of systems to consolidate excavation fronts and to channel rainwater, as well as covering more exposed areas (e.g., escarpments) and planting trees that mitigate erosion. The mitigation measures are defined considering the natural elements, the environment and features of the local area. In 2022, areas where measures to protect against erosion have been implemented covered 4.1 million square meters (2021: 717.2 million square metres). The significant decrease is due to Lane's completion of the Turnpike project in Florida (it required intense stabilisation activities of the entire site in 2021).

Waste

Waste generated during construction of large-scale infrastructure can be grouped into two separate categories: municipal waste and special waste. Municipal waste is generated by logistics sites where the support activities for the industrial production are carried out such as offices, accommodation for non-resident workers and canteens. Special waste is generated by the actual industrial activities, such as construction work, plant operation and the workshops.

In line with the circular economy principles, the Group limits its waste production by maximising its reuse and recycling and minimising the use of landfills. Accordingly, its waste is collected, sorted and stored in specific enclosed areas from which they are then taken to be transferred to third parties authorised to recycle/dispose of the waste.

Hazardous waste is a marginal part of the waste generated in the Group's contracts. Normally it involves paint, additives and solvents, used oil and oil filters from vehicle maintenance, batteries, rechargeable batteries and, in some cases, earth, sludge and other materials containing hazardous substances.

Waste produced by activity, type and destination, dealt with in accordance with local regulations, is shown in the following table[56]:

[55] These materials may include materials excavated in previous years.

[56] The 2021 figures have been restated to reflect new information related solely to the excavation waste at the Rogun Dam project in Tajikistan that only emerged after publication of the 2021 Consolidated Non-financial Statement. Therefore, they differ from those shown in the 2021 Consolidated Non-financial Statement.

Waste by activity (GRI 306-3)	Unit	2020	2021	2022
Construction and demolition waste	t	607,955	629,824	974,770
Excavation waste	t	5,247,569	4,735,572	6,938,576
Waste from support activities	t	105,030	148,946	115,503
Total non-hazardous and hazardous waste	**t**	**5,960,554**	**5,514,343**	**8,028,849**

Waste by type and destination (GRI 306-4, GRI 306-5)	Unit	2020	2021	2022
Non-hazardous waste				
Recovery, reuse and recycling	t	4,845,193	2,448,039	6,131,276
Incineration	t	6,329	1,257	1,054
Landfill	t	1,027,233	2,923,553	1,667,234
Total non-hazardous waste	**t**	**5,878,756**	**5,372,849**	**7,799,565**
Hazardous waste				
Recovery, reuse and recycling	t	61,102	103,238	39,056
Incineration	t	208	5	-
Landfill	t	20,488	38,250	190,228
Total hazardous waste	**t**	**81,799**	**141,494**	**229,284**
Total non-hazardous and hazardous waste	**t**	**5,960,554**	**5,514,343**	**8,028,849**

86% of the waste produced is from excavations, which thus affects Webuild's global waste performance. It is classified as waste in line with the applicable regulations and its possible internal and/or external reuse, which varies depending on the project's characteristics and the material's geotechnical characteristics which the Group cannot influence.

The increase in waste in 2022 compared to the previous year is mostly due to the progress made on the Ruta del Sol project in Colombia and the Hurontario Light Rail Transit project in Canada.

The percentage of waste recovered, reused and recycled is 77% for the year.

Webuild encourages all work sites to reduce their waste production and to maximise its recovery in line with their local context and economy and the ruling legislation.

Atmosphere

Unlike other industrial sectors, the construction sector does not generate significant atmospheric pollution. The main sources of atmospheric emissions are linked to dust created by the construction activities: excavations, earthwork, movement of heavy vehicles on unpaved roads and crushing excavated stone. The Group is committed to minimising these emissions in order to reduce any disturbance from dust in the area adjacent to the work/transport areas as well as limiting the production of exhaust gases.

Other sources of air pollution are the unloading of site equipment and plant. The methods adopted by the Group to mitigate these impacts are described below:

- regular dampening of unpaved roads accessing work sites, aggregates wetting systems at the crushing plants, the use of filters on the cement storage silos and asphalt production plants, loading methods and covering lorries transporting powdery materials, tyre washing systems at site entrance points and the replacement of road transport with conveyor belt transport;
- preventative and regular maintenance schedules for site plant and vehicles, ongoing replacement of the fleet with more efficient models;

- traffic management plans and speed limits;
- use of covered conveyor belts for the transportation of excavation materials;
- encouraging local procurement to reduce transport-related emissions.

The “Climate Change” section provides information on the Group’s energy efficiency actions.

Noise and vibrations

The aspects relating to noise and vibration are of double significance for the Group: internally, in terms of the health of workers, and externally, in terms of impacts on the environment and local communities.

The Group’s QHSE management system includes specific procedures to assess and monitor these aspects, so that each site can adopt the most appropriate measures to ensure protection of the health and safety of workers (soundproofing, use of personal protection equipment, etc.) and of the surrounding environment.

With regard to the effects on the environment surrounding the sites, the areas most affected by noise interference are protected by noise barriers, which can be artificial dunes made of backfill material, support structures and absorption panels made of various materials. The noise barriers can also be one or more rows of trees or shrubs which both absorb the noise and reduce the visual impact and dust. The choice of the barrier depends on its effectiveness, the area in which it will be placed and its landscaping effect.

The Group designs specific noise reduction devices tailored to the source (e.g. type of system), in order to maximise containment of the sound waves, for example, by covering conveyor belts.

Vibration is also a feature of work on civil engineering sites. The effects of pressure waves that propagate in the soil can cause damage to buildings or other structures located in the vicinity of the works. During the works, periodic monitoring of both noise and vibration is carried out, particularly in the presence of sensitive receptors.

Biodiversity, cultural heritage and environmental restoration

The loss of biodiversity is a global issue affecting a growing number of natural habitats, accelerated by climate change and pollution. Examples of infrastructure works that can mitigate human activities’ impact on biodiversity are the Group’s hydraulic engineering projects designed to reduce the pollution of water bodies (rivers, lakes, wetlands and oceans) being carried out in various parts of the world.

Webuild also adopts special protection measures, especially when the work sites are within sites of special natural, cultural or archaeological interest. These measures, which are implemented in accordance with the competent authorities’ provisions and the relevant applicable legislation, are designed to protect and preserve the ecosystem, flora and fauna, biodiversity and cultural/landscape and archaeological heritage of the areas around the work sites and from the related transport to and from such sites.

Depending on the type of project and activities, the works schedule is defined considering the biological rhythms of the local wildlife (e.g., their behaviour, reproduction periods, seasonal migration). This involves drawing up special plans to protect the fauna, including the procedures to be followed in the case of their rescue. In the last three years, the Group has rescued more than 1,300 wild animals. The use of pesticides and herbicides is generally banned in the Group’s work sites.

The linear work sites (for roads, railways) prepare flora and fauna continuity solutions, which can include making wildlife corridors, so that the works (including during the construction phase) do not become a physical barrier between previously adjacent areas.

Tailored plans are implemented for the protection of endemic and endangered species which provide for barriers/check points, work procedures, response and reporting procedures. The site employees are provided with the appropriate training courses.

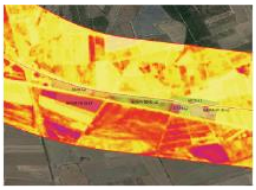
Close attention is paid to the reduction of light pollution: cut-off lamps are used to limit the upward dispersion of light, the lighting system is calibrated to the minimum so as to guarantee the lux necessary for the safety of the site and the workers. Directional lighting is also used to limit lighting to within work site areas.

The placement of the work site is increasingly important. Webuild analyses and assesses how to reduce its impact on the landscape during the design phase of the work site.

The Group also involves external professionals, researchers and local authorities in its procedures to manage operations in protected areas and/or when archaeological artefacts are discovered. For example, Webuild implemented an intensive system to monitor and protect the local flora and fauna at the Umm Lafina project in the United Arab Emirates, which is located in a coastal protected area with mangroves and a very diversified avian fauna. This system includes regular surveys by an independent specialist to monitor migratory birds. Webuild shared a special plan for the management of the mangroves with the authorities. This covered their movement, the planting of new plants previously grown in a nursery and the monitoring of their well-being once they have been re-planted, with the requirement of a survival rate of at least 80%.

The Group ensures that the direct and indirect work site employees are provided with tailored training courses on biodiversity, especially when this is pertinent to the project.

Smart biodiversity monitoring



The Group has recently started to use innovative biodiversity monitoring systems in areas where it operates. These include satellite technologies and distance monitoring, deployed at several linear work sites (for railway projects for example) where construction activities cover areas with different habitats and it is very important to trace and monitor it in all the project stages.

The systems can efficiently monitor and trace the potential impact of the Group's projects on biodiversity, for example, on valuable crops (through multi-spectral satellite analyses) or the wildlife's interaction with the work site activities (using motion-based detection systems).

As disclosed in the "The local area and the circular economy" section, at the end of 2022, 38% (2021: 36%) of the areas managed by the Group was located in protected areas and 5% (2021: 3%) in areas adjacent to protected areas[57].

Specifically, 128 work sites (the equivalent of 54.5 sq km) were located in protected areas (mostly in the US, followed by Italy, Australia, Sweden, Romania and Poland) and 38 (the equivalent of 7.2 sq km) in areas adjacent to protected areas (mostly in the US, followed by Australia, Italy and the United Arab Emirates). Of these sites, 33 are in areas protected by local regulations, 14 in areas protected by national regulations and 52 in "Natura 2000" areas. There are 111 work sites located in ecosystems that contain water (e.g., lakes, rivers, swamps, etc.), 24 in urban ecosystems, five in agricultural ecosystems, 15 in wood ecosystems, seven in mountain ecosystems, three in coastal ecosystems and one in an insular ecosystem. In these areas, construction and plant operation activities are mainly carried out.

Once construction has been completed, the areas affected by the work, access roads, plants, installations, quarries and deposits are cleaned up to return the areas to their original conditions in line with the contractual terms and current regulations. These restoration activities facilitate natural revegetation, prevent soil erosion and improve soil stability.

[57] The sites (not located within protected areas) in which activities with potential impacts on surrounding protected areas are carried out are considered "adjacent to protected areas".

Any land reclamation activities, if provided for in the contract and necessary due to previous contamination, are agreed with the customers and performed in line with the competent authorities' instructions.

Environmental restoration activities may include reforestation for carbon capture purposes, and indigenous species are usually used. The main restoration activities performed by the Group are shown below:

Protection and restoration activities (GRI 304-3)	Unit	2020	2021	2022
Reforested area	m^2	159,506	593,973	313,675
Restored areas	m^2	8,625,836	3,545,662	8,945,837

The increase in restoration activities compared to 2021 is mostly due to the performance of Lane's projects. The decrease in reforestation activities relates to the specific stages of work on the projects in Colombia, the United Arab Emirates and Ethiopia. In 2022, the Group planted 236,525 trees (various species in Australia, Colombia, Ethiopia, Italy, Paraguay, Poland and the United States and mangroves in the United Arab Emirates).

Anti-corruption

Prevention and monitoring systems in line with the most stringent international standards

Zero tolerance
for corruption

Anti-corruption system
ISO 37001 certified

Continuous training
on anti-corruption

Whistleblowing
a dedicated platform

Internal policies

Webuild has a zero-tolerance policy for all types of corruption and is committed to complying with the anti-corruption laws ruling in the countries where it operates. It requires its stakeholders to act with honesty and integrity at all times. The Company never condones behaviour designed to improperly influence the decisions taken by representatives of public or private bodies.

The Company is committed to adopting preventive protocols to minimise the risk of active and passive corruption and to ensure compliance with the principles introduced by anti-corruption laws and international best practices.

These principles are enshrined in its Code of Ethics and reiterated in its Anti-corruption Policy, adopted voluntarily and in compliance with international best practices.

Anti-corruption system

Webuild has an Anti-corruption System which meets the ISO 37001 requirements and is certified by an independent certification body. In addition to its Anti-corruption Policy described earlier, the system provides for the:

- preparation, updating and application of the Anti-corruption Model approved by the Board of Directors on 16 June 2014 and updated on 28 September 2018 and 15 December 2020;
- issue of Guidelines and internal procedures and integration of existing ones to define the roles and responsibilities of the parties involved and the operating methods for the processes and controls defined in the above documents.

As part of its zero-tolerance policy, the Company seeks to align its strategy with the Anti-corruption System, instilling a compliance culture and mitigating the potential risks of non-compliance.

The Board of Directors adopts the Anti-corruption System while the Compliance Unit monitors the Anti-corruption System and its correct application. It draws up an annual Compliance Plan, which sets out the Company's goals to ensure achievement of the general objectives and ISO 37001 recertification. The Control, Risk and Sustainability Committee, the Board of Statutory Auditors and the Director in charge of the Internal Control System all check the Compliance Plan as does the Integrity Board for the aspects related to Legislative decree no. 231/2001.

Main risks

The Anti-corruption System is designed to cover the risks to which the Company could be exposed. With respect to active corruption, the main risks identified relate to interaction with representatives of the public administration as part of specific activities, such as, for example, those to comply with defined obligations vis-à-vis the public administration or the obtaining of authorisations from it (licences and permits, payment authorisations from works management or approval of design extensions/variations). Other risks may arise from participation in calls to tender by public bodies, inspections and/or checks or disputes.

With respect to active corruption in the private sector, this risk is less material and mostly relates to the Group's participation in tenders called by private bodies or management of partnerships.

The main risks facing the Company arise from procurement and subcontracting activities. During the assignment stage, potential suppliers/subcontractors could attempt to corrupt a company employee to obtain the contract (passive corruption). In addition, once the contract has been signed, the suppliers/subcontractors could act unlawfully to obtain approval and, hence, payment for activities they did not actually perform or the non-reporting of non-compliance of their services.

Organisational and management oversight

The Compliance Unit performs an anti-corruption risk assessment of the Company's relevant process as part of the risk assessments necessary to regularly update the 231 model. The assessment is performed for the other group companies (subsidiaries, consortia, joint ventures, etc.) using a scope defined on the basis of the CPI (corruption perception index) assigned to the country where the group companies operate and depending on how long their compliance system has been in place. In 2022, 100% of the legal entities making up Webuild Group were included in the anti-corruption risk assessment scope. The risk assessment findings are used to draft the Compliance Plan and to schedule the yearly audits and inspections to check the Group's operating companies correctly apply its ethical and anti-corruption procedures and standards.

The procedures specifically designed to monitor the above risks include the Guidelines for the Assessment of Relevant Third Parties, which define valuation procedures applicable to potential counterparties before a contract is signed. The procedures aim to identify the ethics and professional integrity of the Group's partners and their compliance with its anti-corruption policies. To complete the due diligence of third parties, the Group has specific procedures to monitor conflicts of interest with its employees during the recruiting stage and when they are hired. During 2021, it updated its third-party assessment procedures to fine-tune its assessment procedures, especially in the case of entities debarred by Multilateral Development Banks.

With respect to ethical procedures, the Company has introduced new rules to manage its advocacy and PR programmes[58].

Contracts agreed by the Company with Third Parties must include specific measures to ensure their compliance with Anti-corruption laws, the Company's Code of Ethics and Anti-corruption Model.

Whistleblowing system

Webuild also has a whistleblowing system that can be accessed through an external web portal. This allows employees to make anonymous or confidential (at their own discretion) notifications about potential violations while being protected against any form of reprisal, discrimination or unfair treatment. The Anti-corruption Model provides that employees are obliged to report any violations of the Model and/or internal or external regulations, the ethical principles and all anti-corruption laws by the Company, a colleague, a consultant or third party. As of 2018, third parties (e.g., suppliers, subcontractors) can also use the whistleblowing system. Starting in 2020, access to the system has been further extended to include dedicated sections for companies and joint ventures

[58] More information is available in the "Stakeholder engagement" paragraph of the "Social" section.

led by Webuild with 50 companies having access to the platform by the end of 2022. Alternatively, notifications can be made by post or email. The Company guarantees the protection of the notifying person in accordance with the provisions of Law no. 179/2017 and Regulation (EU) no. 2016/679 on personal data protection.

Violations of the Anti-corruption Model's principles and measures are a serious breach of their contracts by employees and consultants. Webuild takes all the steps provided for by the existing laws and contracts in the case of these violations, including warnings, dismissal, termination of the contractual relationship, claims for compensation, etc.

In 2022, the Company received 13 notifications through its whistleblowing channels, of which three for the potential violations of its anti-corruption procedures involving group companies. In all cases, the Compliance Unit commenced an investigation and based on the Company's internal procedures, was assisted by either the Internal Audit Unit or the Legal Unit. Most of the notifications received were found to be ungrounded at the end of the investigations, especially those related to possible violations of anti-corruption procedures.

Training

The Company requires that all new employees receive the mandatory Anti-corruption training as part of a broader Compliance programme. It continued its annual certification process whereby all employees are asked to formally renew their commitment to the Company's Code of Ethics and Anti-corruption Model and to confirm that they have not been involved in conflict of interest situations.

Monitoring and reporting

The Compliance Unit also prepares internal reports for the Board of Directors (every six months), which it addresses to the Control, Risk and Sustainability Committee, as well as ad hoc communications and reports to management, either together with or through the Internal Audit and Compliance Manager, on any critical issues it identifies during its work.

Reference should be made to the "Main risk factors and uncertainties" (sub-paragraph "COCIV consortium" in the "Criminal litigation" paragraph) section of the Directors' report for ongoing disputes about corruption.

Supply chain

Quality partnerships and continuous performance improvement to tackle market challenges together

17.5 thousand suppliers
working with Webuild in 80 countries

266 thousand hours
HSE training provided to subcontractors' employees

Innovation Days
to encourage collaboration with innovative suppliers and partners

Improved vendor rating index[59]
confirming the high quality of the supply base

Internal policies

Each year, Webuild works with thousands of suppliers both for its contracts and internal requirements. As defined in its Code of Ethics, its conduct hinges on principles of correctness and transparency, and it is committed to not exploiting any conditions of dependence or weakness of its suppliers.

The Company selects its suppliers using principles of fairness and impartiality and selection criteria which involve checking their quality, technical/professional qualifications, compliance with standards about human rights, labour regulations, including equal opportunities, health, safety and the environment as well as prices.

Suppliers are required to formally accept the Code of Ethics, the Anti-corruption Model and, starting from 2020, the Suppliers Code of Conduct, which are integral parts of their contracts. Webuild encourages its suppliers to apply the same criteria when selecting their subcontractors and to share the Group's principles of integrity, honesty, reliability and sustainability in order to encourage and promote compliance with its principles along the entire supply chain.

The Company is committed to protecting the confidentiality of corporate information and professional know-how and requires its counterparties to do likewise.

When Webuild manages contracts directly or as the project leader, or there are specific agreements in place, suppliers are required, to the extent of their involvement, to comply with/adopt the Company's Quality, Health, Safety and Environment Management Systems.

Main risks and management methods

In 2022, the Group worked with roughly 17.5 thousand suppliers from around 80 countries. The main supply categories related to subcontracts, materials, machinery and equipment and services.

In the procurement process, the inadequate functioning of the qualification process and/or assessment of the suppliers' performance or the possible abuse of a position of strength vis-à-vis smaller suppliers could potentially expose the Group to various risks, such as compliance, reputation and commercial.

The main risks arising from external factors include potential risks of non-compliance with regulatory changes requiring the adoption of new measures with suppliers, and commercial and reputation risks due to possible

[59] Internal supplier rating system

issues with suppliers (e.g., inadequate performance in technical, qualitative, human rights, safety, environmental areas, etc.) after the contract has been signed.

The Company has established a number of procedures to manage the procurement of goods and services and monitor these risks. They include definition of the roles, responsibilities and checks to be performed to ensure that the operating activities are performed in accordance with the applicable laws and regulations, the Company's Code of Ethics, the 231 Model and the Anti-corruption Model.

Selection and qualification

The supplier qualification procedure is an important part of the procurement process. Its aim is to assess whether the potential supplier meets the Company's criteria so that it can be included in the Vendor List. This qualification procedure also ensures that the Group's requirements are met for all goods categories and in all relevant geographical areas.

The Procurement Department manages the supplier qualification process, which involves a number of preliminary checks of the potential supplier's reputation, its expertise and that it is not already included in the Reference Lists.

Potential suppliers are required to fill in a questionnaire to allow the Company to obtain information about and assess various aspects such as: business and production category, organisation and shareholder structure, financial reporting, registration and certifications, quality, the environment and safety, social responsibility (including human rights), and specific information about their goods categories (when available).

Based on these questionnaires, the Procurement Department may proceed with specific analyses and detailed checks, which can include assessment visits to the supplier's production units and offices. Other company departments, such as the Technical Services and Safety and the Environment and Systems Departments, may also be involved in the visits which are designed to assess the supplier's technical and operating capabilities with special regard to the products and services of interest to the Group. They also investigate those aspects that could affect the potential partner's ability to comply with its contractual commitments.

Additional risk analyses are performed for certain suppliers that fall into the counterparty risk category using the methods and tools defined by the Risk Management Unit.

Upon completion of the checks, suppliers found to be suitable for qualification are included in the suppliers register and the reference Vendor List.

Certain contracts require adoption of a specific additional qualification system depending on the applicable regulatory and contractual requirements. For example, suppliers working on projects subject to LEED environmental certification are subjected to additional checks to verify their compliance with specific environmental parameters, while other specific requirements, such as social criteria, are checked for projects acquired in some countries. These may include checking potential suppliers whose workforce mainly consists of employees from special categories (e.g., ethnic minorities).

In 2022, the Corporate Procurement Department checked the accuracy of the information provided by the applicants, that the applicants were not already included in the Reference Lists and that there were no compliance risks. The results were positive for 6,790 potential suppliers.

Contracts with suppliers include provisions requiring them to comply with the applicable regulations, the Code of Ethics, the Suppliers Code of Conduct, the 231 Model and the Anti-corruption Model as well as quality, health and safety and environment requirements. Specifically, the Suppliers Code of Conduct defines the principles the Group's suppliers and subcontractors must comply with in 11 well-defined areas (quality and performance excellence, occupational health and safety, the environment, fair and non-discriminatory employment conditions, equal opportunities and non-discrimination, local communities, anti-corruption and combating fraud, the correct management of cash flows, unfair competition, conflicts of interest and privacy), as well as the procedures for the oversight of these principles and management of any notifications of non-compliance. The contracts have specific termination clauses if suppliers do not comply therewith.

Monitoring and performance assessment

Once the contract has been signed and is effective, the Company monitors the performance of its key suppliers using a special assessment process, involving the Corporate Procurement Department and the contract managers. It assesses suppliers once a year. In 2022, these assessments involved more than 20 contracts selected for their financial significance. They covered nearly all the suppliers of the analysed contracts (response rate of above 95%) included in the assessment scope, showing average performances (measured using the IVR vendor rating index) of 88/100 (an improvement on the 86/100 of 2021), confirming the high quality of the Group's supply base.

The assessment process is flanked by the on-site monitoring of projects by the local QHSE Departments, which mainly cover subcontractors and is designed to check that their activities comply with the Company's quality standards and applicable requirements for environment, health and safety aspects. Specifically, the local QHSE Departments regularly audit the subcontractors. Any non-compliance is handled in accordance with the management system procedures and includes the agreement of improvement plans and follow-up checks to ensure that they are implemented.

Involvement of the subcontractors in these issues also takes the form of regular coordination meetings and the participation of their employees in classroom and on-site QHSE training courses (266,347 hours in 2022).

Involvement

In addition to involving and monitoring suppliers at the work sites, they were also involved in various centrally organised initiatives during the year.

This includes the annual supplier meeting attended by the Group's Italian and international employees and suppliers when the main procurement practices are presented.

In 2021, the Group launched Supplier Development Hub, a collaborative platform to support the supply chain, sharing its know-how, experience and solutions to accelerate innovation and sustainability in the infrastructure sector. The programme continued in 2022 with workshops and webinars about innovation and sustainability for the Group's suppliers.

The Company continued its Innovation Days in 2022, which are appointments with individual suppliers attended by company employees (including on virtual platforms). They are an opportunity for the supplier and the Company to discuss their experiences about new technologies, products, innovative processes and other matters of mutual interest. Once again, the focus was increasingly on sustainability issues and this trend will continue and, where possible, increase in the coming years.

Social

Economic development of local areas, ongoing engagement with stakeholders, support to communities: the shared value generated by the Group

89% direct employees hired locally	94% local procurement
6 jobs created for each direct group employee	> 16,500 free healthcare check-ups at work site clinics

Internal policies

It is a well-known fact that the direct relationship between investments in infrastructure and greater domestic demand leverages economic growth. Companies like Webuild engaged in building infrastructure may contribute to this factor by adopting suitable internal policies designed to maximise the utilisation and enhancement of local production factors.

Webuild is committed to contributing to the social and economic development of the areas where it operates in line with its Code of Ethics and Sustainability Policy, through:

- employment of workers from the area in which the projects are taking place, when available in the numbers required and that have the necessary skills;
- professional training of local personnel;
- procurement strategies designed to meet requirements using local supplies as far as possible, depending on the availability of the required goods and services;
- initiatives to assist the local communities, after checking the integrity and respectability of the recipients and the projects' consistency with the Code of Ethics.

The Company is also committed to respecting the rights and culture of the local communities which it does by also using appropriate communication channels in line with the relevant regulatory and contractual provisions.

Main risks and management methods

The Group identifies the risks and defines methods to manage the aspects related to the hiring of local labour and procurement and relations with the local stakeholders during the start-up stage of its projects.

The project start-up process complies with the Project Management principles (ISO 21500) and entails the proactive involvement of the project team and the corporate departments to ensure the integrated management of internal and external factors.

Specifically, regulatory and contractual elements applicable to the project are analysed during this process and the Company defines the Mobilisation programme which includes the main activities needed to start the project. They include definition of the work schedule, which comprises, inter alia:

- the requirement plan for machinery, plant, subcontractors, third parties, materials and services;
- the mobilisation plan for managers, staff and blue collars.

The methods of managing relations with local stakeholders are defined in the contracts and the Group is obliged to scrupulously abide by their provisions, as described in more detail in the following pages.

Employment created by the Group's projects

The creation of jobs by the Group in the countries where it operates is important as it enables local personnel to improve their skills and expertise and to generate additional wealth for the economy. As noted, the Group tends to employ workers from the areas near the work site when possible and they have the right qualifications. This approach also creates the opportunity for the Group to create a pool of qualified workers who can be used for future projects.

Some projects have special local personnel recruitment plans as provided for contractually, which may include employment targets.

Specifically, 89% of the 35,994 direct employees were hired locally in 2022.

Direct employees hired locally	Unit	2020	2021	2022
Africa	%	96%	96%	96%
Europe	%	90%	85%	97%
Americas	%	98%	96%	99%
Asia and Oceania	%	38%	42%	70%
Average	**%**	**82%**	**84%**	**89%**

While the Asia and Oceania area has a smaller percentage of local workers compared to the other areas (due to great resort to foreign workers), it recorded an increase on the previous year following the start-up of a significant number of new projects, mainly in Saudi Arabia and Australia. Reference should be made to the section on "Human rights" for information about the management of migrant workers.

In 2022, local managers made up 77% of the total, reaching 100% in Italy. In addition to the direct workforce, the involvement of indirect personnel (mainly employees of subcontractors and service providers) contributes significantly to the employment generated locally. Indirect workers involved in group projects numbered 39,520 at 31 December 2022.

Local procurement

Purchases from suppliers resident in the countries where the Group operates are the main trigger to developing ancillary industries (which is a direct contributor to GDP, public revenue and disposable income).

In 2022, the Group maintained a strong relationship with its local supplier chain, working with roughly 17,500 suppliers for an average 94% of its expenditure made with local suppliers.

Local procurement (GRI 204-1)	Unit	2020	2021	2022
Africa	%	47%	28%	37%
Europe	%	99%	94%	100%
Americas	%	99%	100%	99%
Asia and Oceania	%	84%	87%	91%
Average	**%**	**91%**	**91%**	**94%**

As already noted, the use of local suppliers allows the Group to minimise long-distance transport and, hence, mitigate the related environmental effect.

Tax

Taxes are one of the main sources of the Group's contribution to the countries where it operates as they can be used by the public administration to finance the economic and social development of their areas.

Webuild scrupulously meets all its tax requirements arising from its business in line with its Code of Ethics and the Sustainability Policy.

Its approach to tax is based on its business given that its foreign interests are mostly tied to commercial opportunities (participation in calls for tenders) and/or operating possibilities (contract management, concessions, equity investments, etc.).

Webuild fully complies with the applicable tax regulations in all the countries where it operates and has a collaborative and transparent relationship with the tax authorities.

The parent's tax department, which reports to the chief financial officer, analyses, directs and monitors the management of tax issues in line with Webuild's values and principles. It also assists the Group's other departments and companies.

Webuild's 231 model defines its rules of behaviour, prevention protocols and controls to ensure compliance with tax requirements and minimise the risk that tax crimes could be committed. It also serves to guarantee that the Group respects all the rules, procedures and processes to calculate taxes, keep tax records and prepare tax returns for approval.

All stakeholders (direct employees, supplier employees, local communities, etc.) may use the whistleblowing system described in the "Anti-corruption" section to report any suspect instances of tax non-compliance.

Webuild's tax contribution for 2021[60] in the main geographical areas where it operates is provided below.

Area	Tax jurisdiction	Revenue from sales to third parties	Intragroup revenue	Average nominal tax rate	Income taxes paid	Income taxes accrued	Employees (no.)	Tangible assets
Africa	LY, MA, SL, ZW, ZA, TN, DZ, LS, ET, UG, NG, NA, CG, GW, LR, TZ	383	10	26%	-68	-89	11,340	23
Americas	BR, CL, EC, DO, PA, US, AR, CA, CO, PE, VE, BO, CR, SV, GT, HN, MX, NI, PY	1,606	158	25%	-1	-8	8,085	126
Asia and Oceania	AE, KW, QA, OM, JO, KZ, SA, TJ, MY, AU, IN, ID, PA, SG	1,298	201	25%	-13	-1	5,497	302
Europe	AL, CH, RO, PL, GE, GB, CZ, UA, IT, TR, SK, AT, GR, FR, DK, ES, NO, NL, BG, RU; SE	3,223	1,813	24%	-36	-46	5,885	174

€m

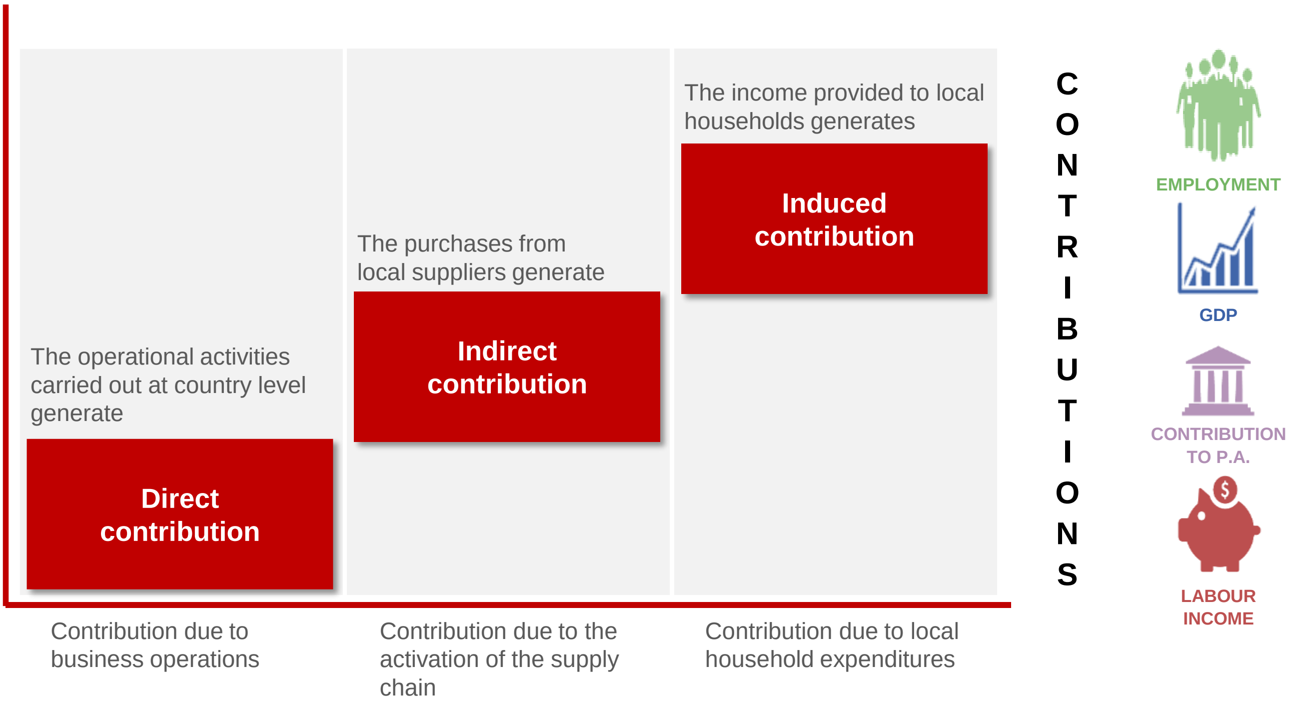
Contributions to local economies

Direct contributions made by Webuild's projects to local economies include employment, the use of local suppliers and taxes paid to the public administrations. They are only part of the benefits as they do not include the additional indirect and induced effect of the Group's activities in the countries where it operates.

[60] This is the most recent year for which information is available. More details are provided in the GRI Content Index (disclosure 207-4).

The Group has developed a proprietary calculation model, SEED (Socio-Economic Effects Determination) Model, to calculate its total contribution (direct, indirect and induced) to a country's economic and social growth in terms of employment, GDP, tax revenues and work income distributed to families[61].

The following graph presents the SEED model.



If just the Group's main markets[62] are considered, its average contribution to their economies, expressed as a multiple, is as follows:

- 6 jobs created for each direct Webuild employee;
- €2.8 of work income distributed for each Euro paid by the Group;
- €3.3 of GDP for each Euro of added value generated by Webuild;
- €8.7 of tax revenues for each Euro paid by the Group to the public administration.

These figures confirm that the Group's local investment policies have a significant knock-on effect on the economies of the countries where it operates.

In addition to the economic benefits to the countries, each person involved in a group project benefits in terms of the work income received and the opportunity to advance professionally thanks to the training provided.

Many studies[63] have shown that professional training courses provided by companies generate significant benefits for the participating employees who thus potentially have better employment and career prospects, higher salaries, greater professional satisfaction, more flexibility and interest in receiving additional training. This can also have a positive effect on the employee's health, social inclusion and their willingness to invest in further education for themselves and their children, triggering intergenerational social mobility mechanisms.

In this respect, the Group provided 997,081 hours of training to its direct employees and those of its subcontractors in 2022.

[61] The SEED model uses an analysis of the investments made by the Group in the local economy and applies specific multipliers taken from the Social Accounting Matrix published by leading international research bodies.
[62] Italy, USA, Australia, Ethiopia and Saudi Arabia.
[63] For example, Vocational education and training is good for you. The social benefits of VET for individuals. European centre for the Development of Vocational Training, 2011.

Initiatives to assist local areas

The Group contributes to developing the areas in which it works through initiatives to assist the local communities, which may include sponsorships, social and philanthropic initiatives. Sponsorships and donations are managed in line with the specific guidelines and internal procedures that are part of the Anti-corruption System, which is ISO 37001 certified. This ensures that any assistance is in line with the approved budgets and is only given after the positive outcome of checks of the potential recipients.

The Group Guidelines require that assistance is given locally in five strategic macro-sectors: social, art and culture, education and research, environment, sport and entertainment.

The main initiatives carried out can be classified as follows:

- direct assistance to design and build infrastructure benefiting the local community such as, for example, schools, healthcare facilities, roads, etc.;
- assistance with social programmes, carried out directly or through other organisations in the above macro-sectors;
- free access to certain work site facilities such as clinics, water and electricity supply networks for local communities living in rural areas not connected to basic services.

The Group carried out 29 initiatives in 2022 for €1.1 million (2021: roughly €2.6 million).

The most sizeable initiatives were carried out at both corporate and branch level, mostly for social, environmental, cultural and educational purposes.

Other initiatives carried out during the year included the customary free healthcare check-ups provided to local communities by some work site clinics, including those in Ethiopia (GERD and Koysha Hydroelectric Project), Tajikistan (Rogun Dam), Argentina (Matanza Riachuelo Riven Basin environmental restoration project), Colombia (Ruta del Sol Motorway) and Saudi Arabia (Riyadh Metro). Specifically, 10,089 medical check-ups (2020: 6,498) were given and 16,788 health interventions (2021: 13,607) provided in 2022.

Stakeholder engagement

Webuild has operations and projects all around the world and handles thousands of contacts with its stakeholders every day. It regularly maps its stakeholders based on engagement with the main stakeholders in the areas where it operates. The following chart lists the stakeholders relevant to the Company, the areas of interest and the key characteristics of the engagement with the Group.

Stakeholder \ Interest	Level of engagement		Area of interest					Relationship length			
	International	Local	Anti-corruption	Environment	Labour practices and human rights	Supply chain	Social	Long term	Short-medium term	Project life	Ad-hoc
Employees & Trade unions	●	●	●		●		●	●		●	●
Shareholders & Investors	●		●	●	●	●	●	●	●		●
Clients & Potential clients	●	●	●	●	●	●	●	●	●	●	●
Suppliers, contractors, subcontractors & partners	●	●	●	●	●	●	●	●	●	●	●
Local communities & NGO	●	●	●	●	●	●	●	●		●	●
Governments & public administrations		●	●	●	●	●	●	●		●	
Sector associations & media	●	●	●	●	●	●	●	●		●	●

The Group adopts diversified and flexible dialogue and involvement practices depending on the stakeholders' characteristics and needs.

At corporate level, key stakeholders include investors, clients, current and potential employees, national and international trade unions, partners, public administrations, the media and the general public. Dialogue with them mainly relates to development objectives and strategies, results, the acquisition of new contracts, the shareholder structure, career paths and professional development.

Institutional relations and advocacy activities

Stakeholder engagement activities include institutional relations and advocacy activities that the Group engages in with public institutions, regulators and other stakeholders to ensure the legitimate representation and sharing of issues of interest to it. These issues include development plans for infrastructure, sustainable mobility, water and hydropower resource management, innovation for the development of efficient, resilient and low environmental impact works and the creation of jobs and value for the areas where the Group operates.

Webuild's corporate identity and communication department carries out these activities in compliance with the relevant guidelines. This involves participation in events promoted by the sector associations and/or Italian embassies in the various countries where the Group operates, engagement with members of public institutions and monitoring of proposed legislation related to the sectors in which the Group operates in Italy and abroad[64].

Institutional relations take place in full compliance with the principles of legitimacy, transparency and accountability by qualified employees with special proxies and in compliance with Webuild's guidelines for the management of potential conflicts of interest. In order to contain the revolving doors risk, Webuild's policy is not

[64] More information about the sector associations the Group is a member of is available in the GRI Content Index (disclosure 2-28) in the "Methodology for reporting non-financial information" section.

to hire people who state during the recruitment stage that they have held public offices that involved authorising the Group's works or negotiating with it in the previous three years.

Moreover, pursuant to the principles of its Code of Ethics, the Company does not make contributions to political and trade organisations of any kind (parties, movements, committees, etc.) nor their representatives.

At operating level, the main engagement activities depend on the individual project's characteristics. The key stakeholders are partners, employees, local communities, suppliers, contractors and subcontractors, clients, local authorities and organisations like local trade unions and non-governmental organisations.

Like in previous years, the Group has engaged regularly with its stakeholders. Its main initiatives are summarised below:

CHANNEL	*ACTIVITY*
FACE TO FACE COMMUNICATION	
MEETINGS, PRESENTATIONS, FOCUS GROUPS, WORKSHOPS, INTERVIEWS, CONSULTATIONS, CAREER DAYS, PUBLIC EVENTS	>12,000 people involved in about 1,200 meetings with the local communities and their representatives >5,400 people visited the Group's projects during roughly 150 open door events >788,000 people were involved in about 1,850 information campaigns about the Group's projects
DITIGAL COMMUNICATION	
COMPANY WEBSITES, INTRANET, MAGAZINES, WEBINARS, SURVEYS, SOCIAL MEDIA	2 million visits to the Group's website 2.5 million interactions on the Group's social media 75 million impressions on the Group's social media

Given that it mainly operates as a contractor on behalf of public and private clients, the Group is required to scrupulously adhere to the contractual provisions about engagement with local stakeholders. These provisions establish the roles and responsibilities each party is obliged to comply with.

In line with these provisions, the Group defines procedures to handle engagement with local stakeholders (such as, for example, the grievance mechanisms) and the communication channels to be used at work sites either physical (e.g., public relations offices) or technological (dedicated phone numbers, websites, email addresses, etc.).

The clients are responsible for engagement with the local communities in most of the ongoing contracts while the Group provides technical and operating assistance to manage any issues that arise. Matters discussed by contract personnel and the local communities mostly relate to:

- employment and interaction between the work site and surrounding areas;
- the characteristics of the work under construction and its possible social and environmental implications.

As described in detail in the "The infrastructure sector and Webuild's role" section, the Group's clients are responsible for planning and developing projects. When required by the applicable regulations, this includes an assessment of the social and environmental impacts, the prior consultation of the stakeholders, definition of the mitigation and compensation actions and receipt of the authorisations. Therefore, the clients have sole responsibility for handling relations with the stakeholders for the second category of topics mentioned earlier, while the Group provides assistance with management of the relationships covering the first category of topics. This is a potential source of risks for the Group as, if the client does not properly and efficiently manage its responsibilities, the local community could oppose the project leading to delays in the works, an increase in costs and damage to the Group's reputation as well. The Group considers this risk to be immaterial given also that it carries out most of its operations in low-risk countries and no such events have happened recently. However, the Group constantly monitors stakeholder expectations about the projects it is involved in so that it can build transparent relationships of mutual trust, also in order to monitor and mitigate any risks.

Should the Group receive requests for information or other communications from stakeholders, such as international non-profit organisations and SRI analysts, it provides the requested information to guarantee complete transparency about its role, responsibilities and work as a contractor engaged to build the works provided for by the relevant contract.

Methodology for reporting non-financial information

Webuild was the first Italian construction company to prepare and publish an Environmental Report in 2002 and similarly it was the first to publish a Sustainability Report drawn up in accordance with the Global Reporting Initiative (GRI) Guidelines in 2009.

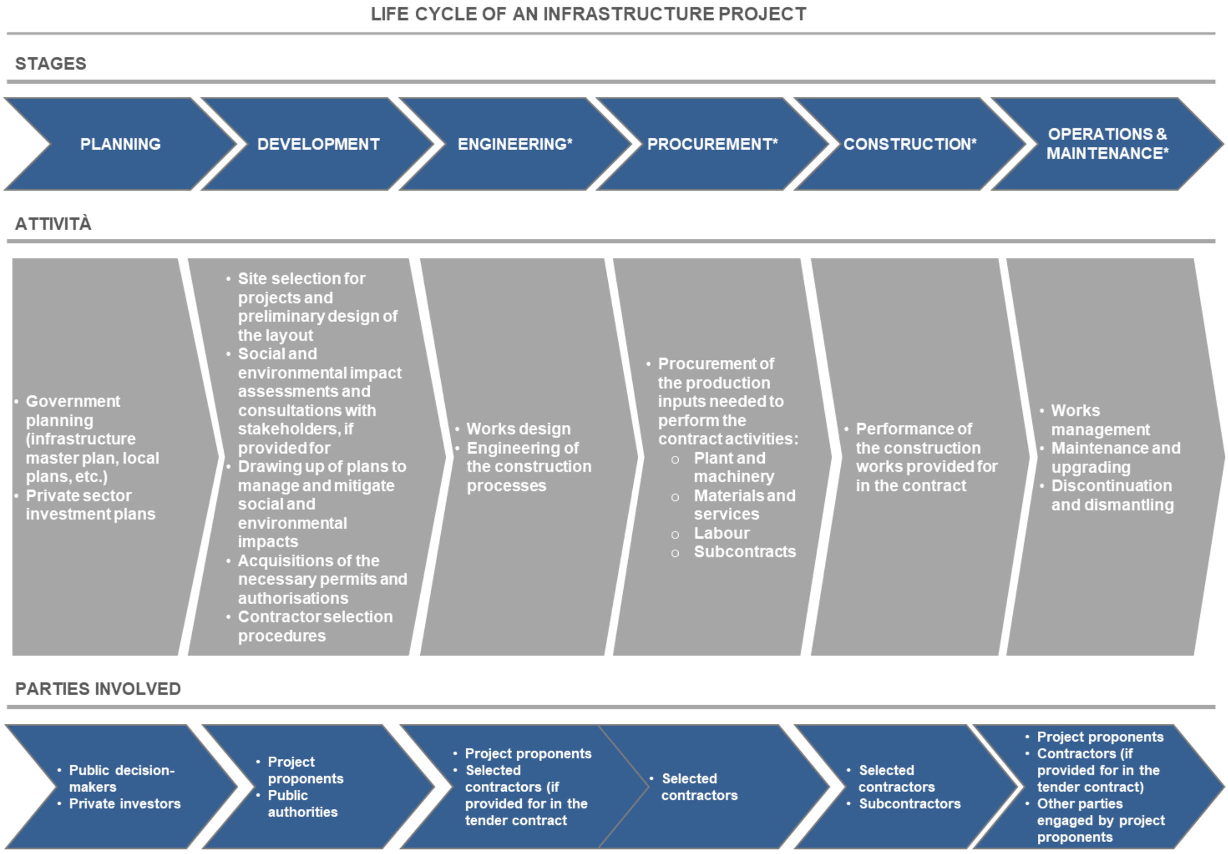
Standards applied

This 2022 Consolidated Non-financial Statement has been prepared in accordance with Legislative decree no. 254/2016 in accordance with the GRI Standard. Pursuant to changes in the reference regulations and best practices identified by the Company, this Consolidated Non-financial Statement is part of the Group's Annual Report.

The infrastructure sector and Webuild's role

The infrastructure market is highly regulated and its numerous operators are involved in planning, assessing, approving, developing, building and operating infrastructure according to their roles and responsibilities assigned by the relevant regulations.

The following chart shows the main stages of an infrastructure project's life cycle:



* Main stages of the infrastructure's life cycle in which Webuild Group is involved

An infrastructure project is planned by a public administration or private sector body (the project proponent) that is also involved in the subsequent stages of developing the infrastructure project. This stage involves a number of activities that include identifying the project locations, performing feasibility studies and, based on the type of work and applicable legislation, completing the social and environmental procedures (assessment of potential impacts, consultations with stakeholders, identification of mitigation measures and compensation).

The public authorities (usually ministries or state environmental protection agencies, assisted by local bodies of the area where the project is to take place) actively engage in these procedures: assessing the adequacy of the social and environmental impact assessments, the consultation programmes and mitigation plans prepared by the Project proponent.

Upon completion of these procedures, the relevant authorities issue the appropriate authorisations, which include any social and environmental requirements the Project proponent has to abide by during the project.

Contractors such as Webuild enter the project development process only after the decision-making stage has been completed as this only involves the client and the public authorities. The Group takes part in selection procedures, organised by public and private clients to award the tenders, which may cover specific project activities (e.g., just construction), the entire engineering, procurement and construction cycle or also the subsequent operations & maintenance activities.

Therefore, the contractor does not take part in any activities prior to the assigning of the contract or the prior assessment processes, including the assessment of the project's social and environmental impacts and consultation of stakeholders.

As described earlier, these assessments are the sole responsibility of the Project proponent and of the public authorities, as they are required to meet the relevant obligations under the applicable regulations. They also have the decision-making powers about the findings of the assessment process. It follows that the potential social and environmental impacts of the work itself (e.g., loss of biodiversity due to the infrastructure's presence, expropriation of land) are the sole responsibility of the Project proponent.

The contractor is obliged to comply with the social and environmental requirements of the applicable regulations, the contract and any provisions imposed by the competent authorities when they approve the impact assessments. The social and environmental impacts attributable to the contractor arise solely from the contract activities and are mainly of a temporary nature (e.g., disruptions caused by the work site, health and safety in the workplace).

Materiality analysis

The Company performed a materiality analysis as set out in the new GRI Universal Standards 2021 to define the material topics to be disclosed in the Consolidated Non-financial Statement pursuant to Legislative decree no. 254/2016.

In 2022, the material non-financial topics relevant to the Group were identified by analysing the global situation (megatrends, the Paris Agreement, SGDs), recent developments in regulations and regulator recommendations (Consob and ESMA), the main applicable reporting frameworks and standards (GRI Standards and Recommendations of the Task Force On Climate-Related Financial Disclosures - TCFD), the market scenario (benchmarks and peer analyses) and the financial context (reports published by analysts and ESG rating agencies).

Webuild concurrently launched a project to fine-tune its risk management system, supplementing it and updating the list of ESG risks using a probability and impact matrix. Webuild also considered its dynamic and forward-looking expectation of reaching its strategic plan objectives (see the "Management of ESG risks" section in the Annual Report for more information).

The Group mapped the material topics by analysing its reference context (internal and external), its business model, the objectives of its business plan and sustainability plan and its risk management model. It then involved its stakeholders[65] (around 600 of which replied) in a dedicated survey to define the materiality of each topic.

[65] The stakeholder categories involved were employees, clients, suppliers, partners, investors, NGOs and ESG experts.

The survey results corroborated the list of topics identified as material by the analysis performed in 2021, confirming the completeness of the Group's disclosures on ESG topics. The Control, Risk and Sustainability Committee examined the material topics, which were approved by the Board of Directors when it approved the Group's Consolidated Non-Financial Statement.

The material aspects identified by the materiality analysis, grouped by impact scope, and the main impacts[66], are listed below.

Material topics	Impact scope	Main impacts
P. Natural resources and circular economy, Q. Biodiversity, A. Sustainability strategy, B. Excellence and innovation	Environment	land reclamation after the discovery of previous contamination, degradation of the ecosystem (flora, fauna, water resources and biological diversity) and of the cultural/landscape and archaeological heritage, non-compliance with laws and regulations, loss of competitiveness during calls for tenders, non-availability of innovative and environmentally sustainable products
O. Climate change, A. Sustainability strategy, B. Excellence and innovation	Climate change	use of energy-intensive machinery and processes, reduction of energy consumption and emissions, damage to assets caused by extreme weather events, loss of competitiveness during calls for tenders, unavailability of innovative and environmentally sustainable products
K. Diversity and inclusion, J. Health, safety and welfare, I. Attraction and development of employees, C. Ethics and integrity	Employees	existence of an inclusive and equal opportunities culture in the workplace, work-related injuries and work-related ill health, skills obsolescence, low attraction and low retention of employees
L. Human rights, C. Ethics and integrity	Human rights	framework agreement with national and international construction sector trade unions, use of forced labour and child labour, limitations to the freedom of association and collective bargaining, violation of human rights in the supply chain
F. Supply chain, C. Ethics and integrity	Supply chain	supply of goods and services from local suppliers, abuse of position of strength vis-à-vis small suppliers, inadequate supplier screening and/or assessment process
D. Anti-corruption, C. Ethics and integrity	Anti-corruption	relations with public officials to obtain preferential treatment, attempted corruption of employees by potential suppliers/subcontractors to win a contract
N. Privacy, M. Contribution to local economies, H. Cyber security, G. Stakeholder engagement, E. Tax transparency, C. Ethics and integrity	Social	direct and indirect contribution to local communities, non-compliance with the principles of the Code of Ethics along the value chain, incorrect management of tax issues in the countries where the Group operates, loss of confidentiality, integrity and availability of company data, inconveniencing the local community during the construction of infrastructure, identification of the specific needs of the community and stakeholders

[66] The equal opportunities topic is material mostly for the corporate offices while it is of less significance at the work sites given the characteristics of the construction sector, which is a predominantly male domain. The topics of innovation and cyber security, identified as material during the materiality analysis, although not envisaged by Legislative decree no. 254/2016 or the GRI Sustainability Reporting Standards, are discussed in this Statement as provided for by the latter Standards.

EU taxonomy for sustainable economic activities

Pursuant to article 8 of the Taxonomy Regulation, supplemented by Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 (the Disclosures Delegated Act), the following tables show the KPIs associated with the eligible and aligned economic activities as per the 2022 taxonomy.

The KPIs are calculated as the ratio of the portion of turnover, CapEx and OpEx associated with the taxonomy-agreed activities (numerator) to the Group's total revenue, CapEx and OpEx recorded in the year (denominator). Specifically:

- the portion of turnover was calculated as the portion of net revenue from products or services (including intangible) associated with the taxonomy-eligible or aligned activities (numerator), divided by net revenue[67] (denominator);
- CapEx includes increases in property, plant and equipment and intangible assets during the reporting period before amortisation, depreciation, impairment losses and any revaluations, including those arising from remeasurements and impairment losses, and excluding changes in fair value; the denominator also includes increases in property, plant and equipment and intangible assets arising from business combinations[68];
- OpEx includes direct expenditure that cannot be capitalised incurred for research and development, real estate restructuring, short-term leases, maintenance and repairs and all other direct costs related to the ordinary maintenance of property, plant and equipment[69];
- figures for entities accounted for as joint operations for financial reporting purposes are presented as a proportion of the Group's investment in such joint operations.

Some of the criteria applied by the Group to assess which of its activities are taxonomy-aligned are set out below:

- adherence with the minimum safeguards was established at group level, assessing these criteria with respect to the four main topics of human rights, labour rights, bribery, taxation and fair competition, identified also in the most recent report of the EU Platform on Sustainable Finance published in October 2022. Webuild is committed to ensuring respect for the human rights enshrined in the International Charter of Human Rights, the fundamental conventions of the International Labour Organisation, the UN Global Compact, the UN Guiding principles on business and human rights and the OECD guidelines for multinational enterprises. The Company reaffirmed its commitment, already provided for in the Code of Ethics and the Sustainability Policy, with the ten principles set out in its Human Rights Policy (available on the company website). These principles cover health and safety, child labour, forced labour, freedom of association and collective bargaining, non-discrimination, diversity and inclusion, working conditions, local communities and the rights of indigenous people, the value chain and whistleblowing systems. Webuild has a zero-tolerance policy for all types of corruption and is committed to complying with the anti-corruption laws ruling in the countries where it operates. It requires its stakeholders to act with honesty and integrity at all times. The Company condones behaviour designed to improperly influence the decisions taken by representatives of public or private bodies. Webuild has an Anti-corruption System which meets the ISO 37001 requirements and is certified by an independent certification body. Taxes are one of the main sources of the Group's contribution to the countries where it operates as they can be used by the public administration to finance the economic and social development of their areas. Webuild scrupulously meets all its tax requirements arising from its business in line with its Code of Ethics and the Sustainability Policy. Webuild fully complies with the applicable tax regulations in all the countries where it operates and has a collaborative and transparent relationship with the tax authorities. Webuild's 231 model defines its rules of

[67] Recognised in accordance with IAS 1.82.a) endorsed by the European Commission with Regulation (EC) no. 1126/2008. See note 33.1 "Revenue from contracts with customers" to the consolidated financial statements.
[68] CapEx includes, when applicable, costs recognised in accordance with point 73.e)i) and iii) of IAS 16- Property, plant and equipment; point 118.e)i) of IAS 38- Intangible assets; point 76.a) and b) (fair value model) of IAS 40- Investment property; point 79.d)i) and ii) (cost model) of IAS 40- Investment property; point 50.b) and e) of IAS 41- Agriculture; and point 53.h) of IFRS 16- leases. See the tables on changes in property, plant and equipment, right-of-use assets and intangible assets in notes 7.1, 7.2 and 7.3 to the consolidated financial statements.
[69] See note 34.3 "Services" to the consolidated financial statements for information on the denominator.

behaviour, prevention protocols and controls to ensure compliance with tax requirements and minimise the risk that tax crimes could be committed. It also serves to guarantee that the Group respects all the rules, procedures and processes to calculate taxes, keep tax records and prepare tax returns for approval. Webuild supports fair and sustainable competition as the best way to select the most qualified suppliers and to improve quality in the supply chain. The Group complies with competition laws in the markets where it operates and collaborates with the regulators. It refrains from collusive behaviour and abusive behaviour of a dominant position. It prohibits the collection of information about its competitors by illegal or unethical means.

- The EU Taxonomy reporting requirements cover all the economic activities performed by entities in the scope of the NFRD (Non-Financial Reporting Directive), regardless of their geographical location. Therefore, Webuild assessed whether the activities performed by its in-scope entities but based outside the EU were aligned with the EU Taxonomy. It checked whether these activities were being performed in accordance with the requirements of EU legislation or another relevant international standard or an equivalent national law application in the third country.
- Webuild assessed its projects' eligibility and/or alignment using the technical screening criteria defined in the Climate Delegated Acts. It considered both the work site/construction activities specified in the Delegated Acts as well as infrastructure design and operation. Similarly, where applicable, it assessed aspects closely connected to actual construction activities although this is not strictly required by the Delegated Acts. It took this approach to provide a greater perception of how environmentally sustainable its projects are, as well as the activities closely related to its core business. For example, it applies the DNSH (Do No Significant Harm) principle for the sustainable use and protection of water and marine resources related to economic activity 6.14. Infrastructure for rail transport. Webuild decided to assess this aspect given that work site preparation activities consume significant volumes of water[70], although this is not required by the Regulation, while it was considered insignificant when the asset has been placed into service as rail transport infrastructures, by their nature, do not impact on the good ecological status of a body of water.
- Webuild referred to the DNSH criteria to climate change adaptation (Appendix A- Annex I of the Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021) to perform a double assessment based on the lifespan of the economic activity as specified in the criteria:

  "[…] The climate risk and vulnerability assessment is proportionate to the scale of the activity and its expected lifespan, such that:

  a) for activities with an expected lifespan of less than 10 years, the assessment is performed, at least by using climate projections at the smallest appropriate scale;

  b) for all other activities, the assessment is performed using the highest available resolution, state-of-the-art climate projections across the existing range of future scenarios consistent with the expected lifetime of the activity, including, at least, 10 to 30 year climate projections scenarios for major investments. […]"

Specifically, Webuild assessed whether its construction activities met these criteria as they generally fall into the category described in point a), i.e., as well as whether the resulting asset in operation met them as, due to their lifespan, they fall into the category described in point b), i.e., with an expected lifespan of more than 10 years. Webuild deems that the generic DNSH criteria to climate change adaptation are met both with respect to its work sites and the infrastructure and for just the construction activities. Such latter activities are closely tied to its core business and, only for these may it direct its efforts and investments to ensure they are carried out

[70] Webuild referred to the Technical guidance on the application of 'do no significant harm' under the Recovery and Resilience Facility Regulation when performing this analysis.

sustainably. In line with this approach, if a project is an aligned activity, only the turnover, CapEx and OpEx related to Webuild's activities (construction activities)[71] qualify as environmentally sustainable.

[71] This approach is only correct when Webuild solely carries out construction activities or, in the case of EPC contracts, when it is not the party in charge of preparing the environmental impact assessment or equivalent report, which includes an assessment of the infrastructure's climate risk as described in point b) of Appendix A- Annex I of the Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021.

Tables of economic KPIs associated with 2022 EU Taxonomy-eligible and aligned economic activities

				Substantial contribution criteria						DNSH criteria										
ECONOMIC ACTIVITIES	Code	Absolute 2022 turnover €'000	Proportion of 2022 turnover %	Climate change mitigation %	Climate change adaptation %	Water and marine resources %	Circular economy %	Pollution %	Biodiversity and ecosystems %	Climate change mitigation Y / N	Climate change adaptation Y / N	Water and marine resources Y / N	Circular economy Y / N	Pollution Y / N	Biodiversity and ecosystems Y / N	Minimum safeguards Y / N	Taxonomy-aligned proportion of turnover (year N) %	Taxonomy-aligned proportion of turnover (year N-1) %	Enabling activity category A	Transitional economic activity category T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A1. Environmentally sustainable activities (Taxonomy-aligned)		€3,183,737	41.60%														41.60%	-		
Environmental protection and restoration activities	2	€0	0.00%														0.00%	-		
Restoration of wetlands	2.1	€0	0.00%	-	0%	-	-	-	-	Y	-	Y	Y	Y	Y	Y	0.00%	-		
Energy	4	€1,376,414	18.00%														18.00%	-		
Electricity generation from hydropower	4.5	€1,376,414	18.00%	100%	-	-	-	-	-	-	Y	Y	Y	Y	Y	Y	18.00%	-		
Transport	6	€1,779,026	23.20%														23.20%	-		
Infrastructure for rail transport	6.14	€1,540,566	20.10%	100%	-	-	-	-	-	-	Y	Y	Y	Y	Y	Y	20.10%	-		
Infrastructure enabling low-carbon road transport and public transport	6.15	€238,460	3.10%	100%	-	-	-	-	-	-	Y	Y	Y	Y	Y	Y	3.10%	-		
Construction and real estate activities	7	€28,297	0.40%														0.40%	-		
Construction of new buildings	7.1	€28,297	0.40%	100%	-	-	-	-	-	-	Y	Y	Y	Y	Y	Y	0.40%	-		

ECONOMIC ACTIVITIES	Code	Absolute 2022 turnover	Proportion of 2022 turnover	Substantial contribution criteria						DNSH criteria										
				Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of turnover (year N)	Taxonomy-aligned proportion of turnover (year N-1)	Enabling activity category	Transitional economic activity category
A.2 Taxonomy-eligible activities but not environmentally sustainable activities (not Taxonomy-aligned activities)		**€2,995,547**	**39.10%**														39.10%	-		
Environmental protection and restoration activities	**2**	**€148,292**	**1.90%**														1.90%	-		
Restoration of wetlands	2.1	€148,292	1.90%														1.90%	-		
Energy	**4**	**€139,799**	**1.80%**														1.80%	-		
Electricity generation from hydropower	4.5	€139,799	1.80%														1.80%	-		
Water supply, sewerage, waste management and remediation	**5**	**€237,720**	**3.10%**														3.10%	-		
Construction, extension and operation of water collection, treatment and supply systems	5.1	€653	0.00%														0.00%	-		
Construction, extension and operation of waste water collection and treatment	5.3	€237,067	3.10%														3.10%	-		
Transport	**6**	**€1,996,278**	**26.10%**														26.10%	-		
Infrastructure for rail transport	6.14	€809,960	10.60%														10.60%	-		

				Substantial contribution criteria						DNSH criteria										
ECONOMIC ACTIVITIES	Code	Absolute 2022 turnover	Proportion of 2022 turnover	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of turnover (year N)	Taxonomy-aligned proportion of turnover (year N-1)	Enabling activity category	Transitional economic activity category
Infrastructure enabling low-carbon road transport and public transport	6.15	€1,184,103	15.50%														15.50%	-		
Infrastructure enabling low carbon water transport	6.16	€2,215	0.00%														0.00%	-		
Construction and real estate activities	**7**	**€378,322**	**4.90%**														4.90%	-		
Construction of new buildings	7.1	€378,322	4.90%														4.90%	-		
Information and communication	**8**	**€63,761**	**0.80%**														0.80%	-		
Data processing, hosting and related activities	8.1	€63,761	0.80%														0.80%	-		
Professional, scientific and technical activities	**9**	**€31,376**	**0.40%**														0.40%	-		
Engineering activities and related technical consultancy dedicated to adaptation to climate change	9.1	€31,376	0.40%														0.40%	-		
A. TOTAL (A1+A2)		€6,179,284	80.70%														80.70%	-		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES		€1,476,721	19.30%														19.30%	-		

ECONOMIC ACTIVITIES	Code	Absolute 2022 turnover	Proportion of 2022 turnover	Substantial contribution criteria: Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	DNSH criteria: Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of turnover (year N)	Taxonomy-aligned proportion of turnover (year N-1)	Enabling activity category	Transitional economic activity category
Total (A+B)		€7,656,006	100%														100%	-		

				Substantial contribution criteria						DNSH criteria										
ECONOMIC ACTIVITIES	Code	Absolute 2022 turnover	Proportion of 2022 turnover	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of turnover (year N)	Taxonomy-aligned proportion of turnover (year N-1)	Enabling activity category	Transitional economic activity category
		€'000	%	%	%	%	%	%	%	Y / N	Y / N	Y / N	Y / N	Y / N	Y / N	Y / N	%	%	A	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A1. Environmentally sustainable activity (Taxonomy-aligned)		€170,515	52.70%														52.70%	-		
Environmental protection and restoration activities	**2**	**€8,447**	**2.60%**														**2.60%**	-		
Restoration of wetlands	2.1	€8,447	2.60%	-	100%	-	-	-	-	Y	-	Y	Y	Y	Y	Y	2.60%	-		
Energy	**4**	**€88,500**	**27.30%**														**2.37%**	-		
Electricity generation from hydropower	4.5	€88,500	27.30%	100%	-	-	-	-	-	-	Y	Y	Y	Y	Y	Y	27.30%	-		
Transport	**6**	**€73,568**	**22.70%**														**22.70%**	-		
Infrastructure for rail transport	6.14	€58,433	18.10%	100%	-	-	-	-	-	-	Y	Y	Y	Y	Y	Y	18.10%	-		
Infrastructure enabling low-carbon road transport and public transport	6.15	€15,135	4.70%	100%	-	-	-	-	-	-	Y	Y	Y	Y	Y	Y	4.70%	-		
Construction and real estate activities	**7**	**€0**	**0.00%**														**0.00%**	-		
Construction of new buildings	7.1	€0	0.00%	100%	-	-	-	-	-	-	Y	Y	Y	Y	Y	Y	0.00%	-		

ECONOMIC ACTIVITIES	Code	Absolute 2022 turnover	Proportion of 2022 turnover	Substantial contribution criteria						DNSH criteria						Minimum safeguards	Taxonomy-aligned proportion of turnover (year N)	Taxonomy-aligned proportion of turnover (year N-1)	Enabling activity category	Transitional economic activity category
				Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems					
A.2 Taxonomy-eligible activities but not environmentally sustainable (not Taxonomy-aligned activities)		€60,082	18.60%														18.60%	-		
Environmental protection and restoration activities	**2**	**€0**	**0.00%**														**0.00%**	-		
Restoration of wetlands	2.1	€0	0.00%														0.00%	-		
Energy	**4**	**€1,502**	**0.50%**														**0.50%**	-		
Electricity generation from hydropower	4.5	€1,502	0.50%														0.50%	-		
Water supply, sewerage, waste management and remediation	**5**	**€3,383**	**1.00%**														**1.00%**	-		
Construction, extension and operation of water collection, treatment and supply systems	5.1	€19	0.00%														0.00%	-		
Construction, extension and operation of waste water collection and treatment	5.3	€3,364	1.00%														1.00%	-		
Transport	**6**	**€41,027**	**12.70%**														**12.70%**	-		
Infrastructure for rail transport	6.14	€6,343	2.00%														2.00%	-		

				Substantial contribution criteria						DNSH criteria										
ECONOMIC ACTIVITIES	Code	Absolute 2022 turnover	Proportion of 2022 turnover	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of turnover (year N)	Taxonomy-aligned proportion of turnover (year N-1)	Enabling activity category	Transitional economic activity category
Infrastructure enabling low-carbon road transport and public transport	6.15	€34,684	10.70%														10.70%	-		
Infrastructure enabling low carbon water transport	6.16	€0	0.00%														0.00%	-		
Construction and real estate activities	**7**	**€9,893**	**3.10%**														**3.10%**	-		
Construction of new buildings	7.1	€9,893	3.10%														3.10%	-		
Information and communication	**8**	**€0**	**0.00%**														**0.00%**	-		
Data processing, hosting and related activities	8.1	€0	0.00%														0.00%	-		
Professional, scientific and technical activities	**9**	**€4,276**	**1.30%**														**1.30%**	-		
Engineering activities and related technical consultancy dedicated to adaptation to climate change	9.1	€4,276	1.30%														1.30%	-		
A. TOTAL (A1+A2)		€230,596	71.20%														71.20%	-		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES		€93,112	28.80%														28.80%	-		
Total (A+B)		€323,709	100%														100%	-		

				Substantial contribution criteria						DNSH criteria										
ECONOMIC ACTIVITIES	Code	Absolute 2022 turnover	Proportion of 2022 turnover	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of turnover (year N)	Taxonomy-aligned proportion of turnover (year N-1)	Enabling activity category	Transitional economic activity category
		€'000	%	%	%	%	%	%	%	Y / N	Y / N	Y / N	Y / N	Y / N	Y / N	Y / N	%	%	A	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A1. Environmentally sustainable activity (Taxonomy-aligned)		**€135,864**	**35.30%**														35.30%	-		
Environmental protection and restoration activities	2	**€14,209**	**3.70%**														**3.70%**	-		
Restoration of wetlands	2.1	€14,209	3.70%	-	100%	-	-	-	-	Y	-	Y	Y	Y	Y	Y	3.70%	-		
Energy	4	**€57,897**	**15.00%**														**15.00%**	-		
Electricity generation from hydropower	4.5	€57,897	15.00%	100%	-	-	-	-	-	-	Y	Y	Y	Y	Y	Y	15.00%	-		
Transport	6	**€61,791**	**16.10%**														**16.10%**	-		
Infrastructure for rail transport	6.14	€45,053	11.70%	100%	-	-	-	-	-	-	Y	Y	Y	Y	Y	Y	11.70%	-		
Infrastructure enabling low-carbon road transport and public transport	6.15	€16,738	4.40%	100%	-	-	-	-	-	-	Y	Y	Y	Y	Y	Y	4.40%	-		
Construction and real estate activities	7	**€1,966**	**0.50%**														**0.50%**	-		
Construction of new buildings	7.1	€1,966	0.50%	100%	-	-	-	-	-	-	Y	Y	Y	Y	Y	Y	0.50%	-		

				Substantial contribution criteria						DNSH criteria										
ECONOMIC ACTIVITIES	Code	Absolute 2022 turnover	Proportion of 2022 turnover	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of turnover (year N)	Taxonomy-aligned proportion of turnover (year N-1)	Enabling activity category	Transitional economic activity category
A.2 Taxonomy-eligible activities but not environmentally sustainable (not Taxonomy-aligned activities)		**€101,134**	**26.30%**														26.30%	-		
Environmental protection and restoration activities	**2**	**€0**	**0.00%**														0.00%	-		
Restoration of wetlands	2.1	€0	0.00%														0.00%	-		
Energy	**4**	**€1,855**	**0.50%**														0.50%	-		
Electricity generation from hydropower	4.5	€1,855	0.50%														0.50%	-		
Water supply, sewerage, waste management and remediation	**5**	**€12,340**	**3.20%**														3.20%	-		
Construction, extension and operation of water collection, treatment and supply systems	5.1	€53	0.00%														0.00%	-		
Construction, extension and operation of waste water collection and treatment	5.3	€12,287	3.20%														3.20%	-		
Transport	**6**	**€73,488**	**19.10%**														19.10%	-		
Infrastructure for rail transport	6.14	€26,398	6.90%														6.90%	-		

				Substantial contribution criteria						DNSH criteria										
ECONOMIC ACTIVITIES	Code	Absolute 2022 turnover	Proportion of 2022 turnover	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of turnover (year N)	Taxonomy-aligned proportion of turnover (year N-1)	Enabling activity category	Transitional economic activity category
Infrastructure enabling low-carbon road transport and public transport	6.15	€46,984	12.20%														12.20%	-		
Infrastructure enabling low carbon water transport	6.16	€106	0.00%														0.00%	-		
Construction and real estate activities	**7**	**€11,684**	**3.00%**														**3.00%**	-		
Construction of new buildings	7.1	€11,684	3.00%														3.00%	-		
Information and communication	**8**	**€8**	**0.00%**														**0.00%**	-		
Data processing, hosting and related activities	8.1	€8	0.00%														0.00%	-		
Professional, scientific and technical activities	**9**	**€1,759**	**0.50%**														**0.50%**	-		
Engineering activities and related technical consultancy dedicated to adaptation to climate change	9.1	€1,759	0.50%														0.50%	-		
A. TOTAL (A1+A2)		€236,998	61.60%														61.60%	-		

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES	€147,755	38.40%														38.40%	-		
Total (A+B)	€384,754	100%														100%	-		

Scope of the Statement

As established by article 4 of Legislative decree no. 254/2016, this Consolidated Non-financial Statement includes the figures of the parent (Webuild S.p.A.) and its fully consolidated subsidiaries. The parent comprises its head offices in Italy (corporate), the directly run work sites, branches and joint operations for which it manages their operations, as per the list provided later in this document.

The Company has an internal procedure in place to define and regularly review the scope of the Statement based on its consolidation scope for financial reporting purposes. Specifically, it performs a materiality analysis on the list of entities making up the parent and fully comprised subsidiaries considering the level of operations of the individual entities, which are classified as:

- operational (e.g., ongoing contracts);
- limited operations (e.g., contracts being completed);
- non-operational (e.g., entity in liquidation).

This Statement's scope includes entities classified as "operational" and "limited operations". A list of the entities included in the 2022 Statement's scope for which a non-financial reporting system was implemented is given below:

Name	Country	Name	Country
Webuild S.p.A.*	Italy	Napoli Cancello Alta Velocità S.C. a r.l.*	Italy
AGN HAGA AB*	Sweden	NBI S.p.A.*	Italy
Capodichino AS.M. S.C. a r.l.*	Italy	Nuovo Ospedale Sud Est Barese S.C. a r.l. – NOSEB S.C. a r.l.*	Italy
CDE S.C. a r.l.*	Italy	S. Agata FS S.C. a r.l.*	Italy
Consorzio COCIV*	Italy	SA.PI. NOR Salini Impregilo - Pizzarotti Joint Venture*	Norway
Consorzio Hirpinia AV*	Italy	Salini Impregilo - NRW Joint Venture*	Australia
Consorzio Iricav Due*	Italy	Salini Impregilo- Tristar*	United Arab Emirates
Constructora Ariguani SAS*	Colombia	Salini Impregilo S.p.A. - The Lane Construction Co.- Jose J. Chediack S.A. UTE*	Argentina
Cossi Costruzioni S.p.A.*	Italy	Salini Nigeria Ltd.*	Nigeria
CSC Costruzioni S.A.*	Switzerland	Salini Saudi Arabia Company Ltd.*	Saudi Arabia
DIRPA 2 S.C. a r.l.*	Italy	SCLC Polihali Diversion Tunnel Joint Venture*	Lesotho
Fisia Italimpianti S.p.A. *	Italy	Seli Overseas S.p.A.*	Italy
HCE Costruzioni S.p.A.*	Italy	Sirjo S.C.p.A.*	Italy
Infraflegrea Progetto S.p.A.*	Italy	SLC Snowy Hydro Joint Venture*	Australia
Lane Industries Incorporated*	USA	T.E.Q Construction Enterprise Inc.*	Canada
Metro Blu S.C. a r.l.*	Italy	Thessaloniki Metro CW Joint Venture*	Greece

*The entities marked with an asterisk in the above table were also included in the reporting scope of the 2021 Consolidated Non-financial Statement. The other entities have been included in the reporting scope of this Statement for the first time.

Contracts managed directly by the parent include the Grand Ethiopian Renaissance Dam (Ethiopia), Koysha (Ethiopia), Bumbuna O&M (Sierra Leone), Urban Roads (Sierra Leone), Rogun Dam (Tajikistan), Saida - Tiaret Railway (Algeria), Normalizacion Hospital Basic de Linares (Chile), El Teniente - Q3 (Chile), S7 - Naprawa - Skomielna Biała (Poland), Sibiu Pitesti Lot 5 (Romania), Logistics Terminal at the Taranto Port (Italy), Sigonella NATO Base (Italy) and Cumana Railway (Italy).

The joint operations for which the Group manages their operations are Civil Works Joint Ventures (Saudi Arabia), Salini Impregilo – NGE Genie Civil (France), Asocierea Astaldi S.p.A.-IHI Infrastructure Systems SO, L.t.d. (Romania), Asocierea Astaldi-FCC-Salcef-Thales, lot 2a (Romania), Asocierea Astaldi-FCC-Salcef-Thales, lot 2b (Romania), Consorzio Gdansk (Poland), BSS-KSAB JV (Saudi Arabia), Consorcio Ana Cua (Paraguay) and Spark NEL DC Joint Venture (Australia).

More information on the in-scope entities is available in the section on the “Consolidation scope” in the notes to the consolidated financial statements.

The information in this Statement refers to the above scope. The data for the joint operations led by the Group are shown at 100%. Exceptions to the scope are listed below:

- data about emissions generated by the Group refer to a larger scope, defined in accordance with the GHG Protocol Corporate Accounting and Reporting Standard, which considers all the emissions generated by Webuild and operations over which it or one of its subsidiaries has operating control. Therefore, in addition to the above operating entities, the scope also includes Mobilinx Hurontario Contractor (Canada) and Fisia Italimpianti succursale Argentina-Acciona Agua succursale Argentina UTE (Argentina);
- the environmental data for the offices are limited to the headquarters in Italy (Milan and Rome) and the US (Lane’s head office) and include energy consumption, direct emissions and emissions related to personnel travel; the other offices are not included as they are immaterial;
- data about the anti-corruption risk assessment refer to the consolidation scope of the consolidated financial statements;
- data about the labour force relate to the consolidation scope of the consolidated financial statements; with respect to the direct workforce, they are calculated in proportion to the Group’s investment for the entities that qualify as joint operations; employees are not included in the calculation for equity-accounted entities and other entities;
- data about health and safety of workers and QHSE training include the companies that are not fully consolidated for which the Group manages their operations and exclude joint operations when its partners are responsible for management of the Health and Safety Systems.

Any specific limitations to the scope are specified in the text or in the GRI Content Index.

Unless otherwise indicated, the 2020 and 2021 corresponding information is taken from the Group’s 2021 Consolidated Non-Financial Statement to which reference should be made.

Calculation method

The data and information in this Statement are taken from the Group’s information systems and a special non-financial reporting system introduced to meet the requirements of Legislative decree no. 254/2016 and the GRI Sustainability Reporting Standards. The data were processed using accurate calculations and, if specified, estimates. The methods used to calculate the main data and indicators are set out below.

Benefits of ongoing projects

The data in the “Sustainability Strategy” and “Climate change” sections related to the benefits of ongoing projects, in terms of residents served and progress towards the SDGs, are processed internally based on the characteristics of the individual projects in portfolio and reputable statistical sources. When available, official information has been used (i.e., data provided by clients).

Additional information about the main data presented is provided below:

- Beneficiaries of ongoing projects
    - Clean Water projects- calculated using the number of residents in the areas served by the projects and/or the equivalent residents served by the plants (sources: project data, internal processing);
    - Clean Hydro Energy projects- calculated using the number of residents served based on the plants’ production capacity and current energy consumption levels (sources: project data, World Bank database, internal processing);

    - Sustainability mobility - metro projects - calculated using the expected number of passengers a day considering the transport capacity; railways: calculated using the expected number of passengers based on current passenger numbers and expected increase in railway travel; roads: calculated as the number of expected vehicles based on current traffic intensity (sources: project data, Eurostat database, OECD, internal processing);
    - Green Buildings & Other projects - calculated using the number of people served by the projects (sources: project data, internal processing);
- Contributions to SDGs 3, 6, 7, 9 and 11 - calculated using the number of hospital beds, water treated by water treatment plants, installed capacity from renewable sources, reduction in railway travelling times and car trips avoided by taking the metro (sources: project data, internal processing);
- Contribution to SDG 13 - annual avoidable GHG emissions of ongoing low-carbon projects (hydropower plants, railways and metros), calculated as the difference between the emissions generated by the projects and the emissions that would be generated to obtain the same results (in terms of energy production and travel) with non-low-carbon systems (the average emission factor of the country in which the project is based was considered for the hydropower projects, the average emission factors of car trips were considered for railway and metro projects) (sources: project data, IEA database, Defra GHG Conversion Factors for Company Reporting, World Nuclear Association, internal processing).

Injury rates

The injury rates are calculated using the methods established by standard UNI 7249 "Statistics on occupational injuries". They show the number of injuries leading to lost workdays (LTIFR) and the number of recordable injuries for every million hours worked (TRFR).

Specifically, the LTIFR (Lost Time Injury Frequency Rate) is calculated as the ratio of the total number of injuries leading to absence from work in the year (including death) to the total number of hours worked, multiplied by 1,000,000.

The TRFR (Total Recordable Injury Frequency Rate) is calculated as the ratio of total recordable injuries (calculated considering deaths, injuries leading to absence from work, injuries only requiring medical treatment and injuries leading to assignment of reduced workloads in countries where this is allowed) to the total number of hours worked, multiplied by 1,000,000.

Any commuting injuries during the year are not considered.

Energy consumption and GHG emissions

The calculation of direct energy consumption is based on the conversion factors provided by the UK Department for Business, Energy & Industrial Strategy - BEIS (Government GHG Conversion Factors for Company Reporting). Internal energy consumption refers to the in-scope entities' direct activities. Indirect energy consumption refers to activities performed by subcontractors.

The GHG emissions figures are based on an inventory of the Group's emissions in accordance with the GRI Standards, the recommendations of GHG Protocol Corporate Accounting and Reporting Standard and the requirements of the Science-Based Target Initiative (SBTi). The Group uses the operating control approach, i.e., it considers 100% of the emissions of the entities over which the Group controls their operating processes.

The GHG emissions were calculated and expressed as CO2 equivalent (CO2e). The Group used a calculation method based on the use of specific emission factors (EF) to calculate the total emissions of CO2eq.

The unit emission factors refer to the individual emission source and consider all the GHG contributions included in the calculation of the emissions expressed as CO2 equivalent (CO2, CH4, N20, HFCs, PFCs, SF6 and NF3).

The data used to calculate the emissions from fuel, electricity, materials used, waste generated at the work sites, both for the directly performed works and subcontracted activities, are extrapolated from the reporting systems used by the work sites (e.g., industrial accounting, inventory records, QHSE reporting systems).

The data used to calculate the emissions from fuel and electricity used at the fixed work sites are taken from the suppliers' documentation (e.g., invoices, reports).

The data used to calculate the emissions associated with business trips, employee home-work commute, transportation of materials to work sites from the production facilities were calculated using documentation provided by the service providers (travel agencies, logistics companies, vehicle lease companies) and estimates.

The emission factors are taken from qualified databases and/or product environmental certifications.

The main databases used were:

- Government GHG Conversion Factors for Company Reporting (UK Department for Business, Energy & Industrial Strategy – BEIS)
- CO2 Emissions from Fuel (International Energy Agency)
- Fourth Assessment Report AR4 (IPCC)
- Inventory of Carbon and Energy (Bath Inventory of Carbon and Energy – ICE)
- SimPro modelling software

The energy intensity rates and the GHG emission rates are calculated by comparing the total data (energy consumption and GHG emissions) to revenue for the period. Specifically, the intensity rate for GHG emissions includes the sum of scope 1 and scope 2 (market-based) emissions.

Water use

Data about water not taken from aqueducts, not obtained from other sources (e.g., water tanks) and not measured using meters are calculated considering the withdrawal systems' capacity (pump capacity in the average number of working hours) or production activity performed in the period.

Waste

The data refer to waste generated by the in-scope contracts (including waste produced by subcontractors) in line with the locally applicable regulations. When the data are expressed as a volume, the related weight is calculated using specific conversion factors. Information about the allocation methods for EU projects (i.e., how the waste is treated: recovery or disposal) is based on its legal classification. The methods used for non-EU projects reflect the conditions of the contracts agreed with third party waste management companies.

GRI Content Index

Statement on reporting in accordance with the GRI Standards	Webuild reports in accordance with the GRI Standards for the period from 1 January to 31 December 2022.
GRI 1 used	GRI 1: Foundation 2021
Applicable sector standards	Not applicable

Disclosure	Description, page number, reference to other sections of the Report or other documents (The page numbers refer to the paragraph that includes the information)	Omission	UN Global Compact Principles
GRI 2 General disclosures 2021			
The organisation and its reporting practices			
2-1	Organisational details Name of the organisation: Webuild S.p.A. Ownership and legal form: Webuild S.p.A is listed on the Milan stock exchange and is managed and coordinated by Salini Costruttori S.p.A. Location of headquarters: Milan, Italy. Countries of operations: p. 24.		
2-2	Entities included in the organisation's sustainability reporting The organisation shall: a. list all its entities included in its sustainability reporting; p. 184 b. if the organisation has audited consolidated financial statements or financial information filed on public record, specify the differences between the list of entities included in its financial reporting and the list included in its sustainability reporting; p. 184 c. if the organisation consists of multiple entities, explain the approach used for consolidating the information, including: i. whether the approach involves adjustments to information for minority interests; ii. how the approach takes into account mergers, acquisitions, and disposal of entities or parts of entities; iii. whether and how the approach differs across the disclosures in this Standard and across material topics. p. 184		
2-3	Reporting period, frequency and contact point a. Reporting period: 2022 b. Reporting cycle: Annual. c. Publication date: April 2023. Contact point for questions about the report: sustainability@webuildgroup.com		
2-4	Restatements of information: some figures for 2020 have been restated to include Astaldi. More information is available in the "Methodological for reporting non-financial information" in the 2020 Consolidated Non-financial Statement.		
2-5	External assurance: p. 197		
Activities and workers			
2-6	Activities, value chain and other business relationships a. Activities, brands, products, and services: p. 9. b. Markets served: p. 24. c. Scale of the organisation: p. 55, p. 102. d. Supply chain: p. 157. e. Significant changes to the organisation and its supply chain: no significant changes to the organisation or the supply chain compared to the previous year.		6
2-7	Employees: p. 101 Permanent contracts account for 98% of the total in Africa, 68% in the Americas, 86% in Europe and 83% in Asia and Oceania. 95.5% of the employees have full-time contracts. Male employees number 3,048 in Italy, 10,256 in Africa, 1,836 in Europe (excluding Italy), 6,741 in the Americas, 8,702 in Asia and 638 in Oceania.	Information about non-guaranteed hours employees is not available. Webuild will assess the feasibility of providing this information.	6
2-8	Workers who are not employees: p. 101. Data related to workers who are not employees are an average for the month.		
Governance			

Disclosure	Description, page number, reference to other sections of the Report or other documents (The page numbers refer to the paragraph that includes the information)	Omission	UN Global Compact Principles
2-9	Governance structure and composition a. Governance structure: p. 131 b. Composition of the highest governance body and its committees: p. 3, 85		
2-10	Nomination and selection of the highest governance body: see the "Appointment of the board of directors for the 2021-2023 period" section of the 2021 Annual Report and the "Nominating and substitution" section of the Report on corporate governance and the ownership structure.		
2-11	Chair of the highest governance body: the chair of the board of directors Donato Iacovone is not an executive director.		
2-12	Role of the highest governance body in overseeing the management of impacts: Webuild's board of directors pursues the organisation's sustainable success by: - developing the Group's strategies to pursue sustainable success and monitoring its implementation; - defining the most suitable corporate governance system for the Group and the pursuit of its strategies; -promoting engagement with shareholders and other important stakeholders in the most appropriate manner. The board of directors plays a key role in pursuing the Group's sustainable success. It reviews and/or approves (as proposed by the chief executive officer and the board committees) the ESG strategy and plan, the short and long-term incentive plan, the Consolidated Non-financial Statement, major projects and initiatives and their progress. With respect to ESG aspects, the board of directors is assisted by, in particular, the Control, Risk and Sustainability Committee and the Compensation and Nominating Committee. (Source: Report on corporate governance and the ownership structure)		
2-13	Delegation of responsibility for managing impacts: the board of directors has set up a Control, Risk and Sustainability Committee to support its assessments and decisions about the internal control and risk management system and its approval of the periodic financial and non-financial reports. The Committee reports to the board of directors every six months (source: Report on corporate governance and the ownership structure). The Company has departments in charge of individual ESG aspects such as HR, Organisation and System for social and environmental aspects and Finance for financial aspects. With respect to the entire ESG area, the parent set up a Corporate Social Responsibility Department in 2016 which promotes, coordinates and develops sustainability matters on a global level.		
2-14	Role of the highest governance body in sustainability reporting: the Control, Risk and Sustainability Committee regularly reviews the Company's ESG performance, including with respect to climate change, and the related plans and actions taken. It also monitors the internal control and risk management system.		
2-15	Conflicts of interest: Webuild has implemented a series of checks for the correct management of conflicts of interest between the Company, its employees and/or third parties with which it works. These checks are designed to mitigate the risks that could arise from an untimely or incomplete management of conflicts of interest by Webuild. To this end, the Company has a "Related Party Transactions Procedure" on its website to which reference should be made for information about the rules and standards governing transactions with related parties performed directly or through subsidiaries in order to safeguard the transparency and substantial and procedural correctness of such transactions.		
2-16	Communication of critical concerns: the Control, Risk and Sustainability Committee reports to the board of directors every six months on its main activities of that period and its assessment of the adequacy of the internal control and risk management system, in accordance with recommendation 35.h) of the Code of Corporate Governance. Reference is made to GRI 2-26 for information about the number and nature of critical concerns.		
2-17	Collective knowledge of the highest governance body: with respect to ESG aspects, the board of directors is assisted in particular by the Control, Risk and Sustainability Committee which reports on its activities and changes in the reference context.		

Disclosure	Description, page number, reference to other sections of the Report or other documents (The page numbers refer to the paragraph that includes the information)	Omission	UN Global Compact Principles
2-18	Evaluation of the performance of the highest governance body: the board used a specifically designed self-assessment to perform the board evaluation. The questionnaire includes questions on the composition, size and working of the board of directors and its committees, and the role that the board plays in defining strategies, monitoring the Company's performance and the adequacy of the internal controls and risk management system (reference is made to sections 7 and 8 of the Report on corporate governance and the ownership structure).		
2-19	Remuneration policies: reference is made to pages 4 to 11 and pages 26 to 33 of the 2022 Remuneration Report.		
2-20	Process to determine remuneration: reference is made to pages 11 to 15 of the 2022 Remuneration Report.		
2-21	Annual total compensation ratio: reference is made to page 36 of the 2022 Remuneration Report.	The annual total compensation ratio is calculated using the average and not the median.	
Strategy, policies and practices			
2-22	Statement on sustainable development: p. 5		
2-23	Policy commitments: p. 85, 142, 168. Reference is made to the website page that includes the Code of Ethics, the Suppliers Code of Conduct and the Company's policies.		10
2-24	Embedding policy commitments: reference is made to the Company's policies summarised in the table on p. 82		
2-25	Processes to remediate negative impacts: p.113, 120, 142, 154, 162, 188.		
2-26	Mechanisms for seeking advice and raising concerns: p.113, 120, 142, 154, 162, 188.		
2-27	Compliance with laws and regulations: p. 142, p. 229.		8
2-28	Membership associations: Webuild is a member of AICOM Associazione Italiana Compliance, AIS - Associazione Infrastrutture Sostenibili, Assimpredil ANCE, Associazione AIAS, Associazione AICQ CN, ASSOCIAZIONE ASSAFRICA & MEDITERRANEO, ASSOCIAZIONE INGEGNERIA OICE, Associazione Italiana Internal Auditors, Associazione Robert F. Kennedy Foundation Of Italy, Assolombarda, Assonime Associazione fra le Società Italiane per Azioni, CANOVA CLUB MILANO E ROMA, CCI France Italie (French Chamber of Commerce and Industry in Italy), Comitato Leonardo, E4impact Foundation, Fondazione Global Compact Network Italia, Gruppo Italiano Della Trilateral Commission, ISPI - Ist.Studi Di Politica Internazionale, ITCOLD Comitato Nazionale Grandi Dighe, Unindustria Roma. It paid membership fees of roughly 361 thousand to these associations during the year. The associations are substantially independent, therefore, Webuild may not always agree with all their activities and positions. Accordingly, it assesses its memberships once a year to ensure that they continue to represent its key interests. In accordance with the new 2023 guidelines of the UN Global Compact, this 2022 Consolidated Non-financial Statement is not a statement as per the Communication on Progress of the UN Global Compact, which, as per the new incoming legislation, will be made directly on the ad-hoc platform created by the same organisation.		
Stakeholder engagement			
2-29	Approach to stakeholder engagement: p. 120, 142, 164, 157, 169.		
2-30	Collective bargaining agreements: The Group agrees employment contracts with its employees in line with the local applicable legislation, the principles of the framework agreement with the BWI and any other agreements signed with the local trade unions. In 2022, this covered 12,882 employees, equal to 35.8% of the total.		3
GRI 3 Material Topics 2021			
Disclosures on material topics			
3-1	Process to determine material topics: p. 169		
3-2	List of material topics: p. 169		
GRI 200 Economic			
GRI 201 Economic performance (2016) Material topics: A. Sustainability strategy, C. Ethics and integrity			

Disclosure	Description, page number, reference to other sections of the Report or other documents (The page numbers refer to the paragraph that includes the information)	Omission	UN Global Compact Principles
3-3	Management of material topics: p. 5, 9, 80, 85, 229.		
201-1	Direct economic value generated and distributed: the direct economic value generated by the Group in 2022 amounted to €8,224 million, including €7,776 million which was distributed and €447 million which was retained. Specifically, €5,896 million was distributed to suppliers (operating costs), €1,448 million to employees (remuneration and benefits), €368 million to lenders and €65 million to the public administration (taxes). This does not include the dividends to be distributed to the shareholders, which will be available after the ex-dividend date expected to be 22 May 2023.		
GRI 202 Market Presence (2016) Material topics: A. Sustainability strategy, G. Stakeholder engagement, M. Contribution to local economies			
3-3	Management of material topics: p. 5, 9, 80, 160.		6
202-2	Proportion of management hired from the local community: p. 161 The term manager refers to persons who hold management positions as part of the contract and head a department/unit. In the case of EU resources, it refers to the contractual definition of a manager. Local employees are those who are hired in the same country as that in which they reside.		6
GRI 203 Indirect Economic Impacts (2016) Material topics: A. Sustainability strategy, G. Stakeholder engagement, M. Contribution to local economies			
3-3	Management of material topics: p. 5, 9, 80, 160.		
203-1	Infrastructure investments and services supported: p. 164. The total value of initiatives to assist local areas includes monetary donations (72.9%), sponsorships (24.8%) and contributions in kind (2.3%) (e.g., labour, materials, machinery).		
GRI 204 Procurement Practices (2016) Material topics: A. Sustainability strategy, F. Supply chain, G. Stakeholder engagement, M. Contribution to local economies			
3-3	Management of material topics: p. 5, 9, 80, 157, 160.		
204-1	Proportion of spending on local suppliers: p. 161. Local suppliers are those with a registered office in the same country in which the Group's projects are taking place.		
GRI 205 Anti-corruption (2016) Material topics: D. Anti-corruption			
3-3	Management of material topics: p. 154		10
205-1	Operations assessed for risks related to corruption: p. 154. 172 companies were included in the assessment scope.		10
GRI 207 Tax (2019) Material topics: E. Tax transparency, G. Stakeholder engagement			
3-3	Management of material topics: p. 160		
207-1	Approach to tax: p. 162		
207-2	Tax governance, control and risk management: p. 162		
207-3	Stakeholder engagement and management of concerns related to tax: p. 162		
207-4	Country-by-country reporting: p. 162. The data refer to 2021 as this is the most recent year for which information is available. The list of group companies included in the notes to the consolidated financial statements provides the names of the companies resident in each tax jurisdiction. As set out in the "Tax" section, the main activities performed by the companies resident in the tax jurisdictions are tied to commercial opportunities (participation in calls for tenders) and/or operating possibilities (contract management, concessions, equity investments, etc.) The data presented are grouped by geographical area and do not include the pre-tax profit or loss (the average nominal tax rate applicable to each area is shown).	This omission is for confidentiality purposes as presentation of the pre-tax profit or loss could affect the Group's competitive position in some markets.	
GRI 300 Environmental			
GRI 301 Materials (2016) Material topics: A. Sustainability strategy, P. Natural resources and circular economy			
3-3	Management of material topics: p. 5, 9, 80, 142.		7, 8
301-1	Materials used by weight or volume: p. 147. The Group does not use significant renewable materials for its core activities while it does use recycled or recovered materials, as described in the relevant section.		7, 8
GRI 302 Energy (2016) Material topics: A. Sustainability strategy, O. Climate change			
3-3	Management of material topics: p. 5, 9, 80, 124.		7, 8, 9
302-1	Energy consumption within the organisation: p. 137, p. 187.		7, 8, 9

Disclosure	Description, page number, reference to other sections of the Report or other documents (The page numbers refer to the paragraph that includes the information)	Omission	UN Global Compact Principles
302-2	Energy consumption outside of the organisation: p. 137, p. 187. Significant external energy consumption refers to the Group's subcontractors.		7, 8, 9
302-3	Energy intensity: p. 137, p. 187.		7, 8, 9
GRI 303 Water and effluents (2018) Material topics: A. Sustainability strategy, P. Natural resources and circular economy			
3-3	Management of material topics: p. 5, 9, 80, 142.		7, 8
303-1	Interactions with water as a shared resource: p. 147, p. 188.		7, 8
303-2	Management of water discharge-related impacts: p. 147, p. 188.		7, 8
303-3	Water withdrawal: p. 147, p. 188. Water withdrawn from all areas with water stress: during the year, water withdrawals of 33,151 cubic metres were made in areas with water stress for the Saida- Tiaret railway line project in Algeria. Areas with water stress are those classified as extremely high risk by the Water Risk Atlas published by World Resources Institute. Water withdrawn containing >1,000 mg/L of total dissolved solids: during the year, no water withdrawals containing >1,000 mg/L of total dissolved solids were made.		7, 8
GRI 304 Biodiversity (2016) Material topics: A. Sustainability strategy, Q. Biodiversity			
3-3	Management of material topics: p. 5, 9, 80, 142.		8
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas: p. 151.		8
GRI 305 Emissions (2016) Material topics: A. Sustainability strategy, O. Climate change			
3-3	Management of material topics: p. 5, 9, 80, 124.		7, 8, 9
305-1	Direct (Scope 1) GHG emissions: p. 137, p. 187 .		7, 8, 9
305-2	Energy indirect (Scope 2) GHG emissions: p. 137, p. 187 .		7, 8, 9
305-3	Other indirect (Scope 3) GHG emissions: p. 137, p. 187.		7, 8, 9
305-4	GHG emissions intensity: p. 137, p. 187.		7, 8, 9
GRI 306 Waste (2020) Material topics: A. Sustainability strategy, P. Natural resources and circular economy			
3-3	Management of material topics: p. 5, 9, 80, 142.		8
306-1	Waste generation and significant waste-related impacts: p. 149, p. 188.		8
306-2	Management of significant waste-related impacts: p. 149, p. 188.		8
306-3	Waste generated: p. 149, p. 188.		8
306-4	Waste diverted from disposal: p. 149, p. 188.		8
306-5	Waste directed to disposal: p. 149, p. 188.		8
GRI 308 Supplier Environmental Assessment (2016) Material topics: A. Sustainability strategy, F. Supply chain, G. Stakeholder engagement			
3-3	Management of material topics: p. 5, 9, 80,157, 160.		8
308-1	New suppliers that were screened using environmental criteria: p. 157. In 2022, 65% of the suppliers with large orders (i.e., >€250 thousand) were screened. As described in the "Supply chain" section, this process involves screening of various aspects, including the suppliers' environmental policies. The data refer to a scope of entities that is larger than the scope of operating entities considered for this Statement.		8
GRI 400 Social			
GRI 401 Employment (2016) Material topics: A. Sustainability strategy, I. Attraction and development of employees			
3-3	Management of material topics: p. 5, 9, 80,101.		6
401-1	New employee hires and employee turnover: p. 103. Specifically, in 2022, 11,322 people joined the Group, of whom 10,607 men and 715 women (entry rate of 33%), including 4,585 under 30 years of age (40%), 5,797 between 30 and 50 (51%) and 940 over 50 (8%). The geographical distribution of employees is as follows: 2,137 in Africa (19%), 3,168 in the Americas (28%), 1,122 in Europe (10%), and 4,895 in Asia and Oceania (43%). During the year, people that left the Group, including the transfers of resources among group sites, numbered 5,549, of whom 5,090 men and 459 women (exit rate of 16%), including 860 under 30 (15%), 3,906 between 30 and 50 (70%) and 783 over 50 (14%). The geographical distribution of the leavers is as follows: 1,253 in Africa (23%), 1,911 in the Americas (34%), 1,359 in Europe (24%) and 1,026 in Asia and Oceania (18%). The turnover rates were calculated using the average employee numbers for the year.		6
GRI 402 Labour/Management Relations (2016) Material topics: A. Sustainability strategy, I. Attraction and development of employees, L. Human rights			
3-3	Management of material topics: p. 5, 9, 80, 101, 119.		3

Disclosure	Description, page number, reference to other sections of the Report or other documents (The page numbers refer to the paragraph that includes the information)	Omission	UN Global Compact Principles
402-1	Minimum notice periods regarding operational changes: The minimum notice period to communicate significant operational changes for Webuild is set by collective employment contracts and relevant local laws. It varies from zero to 50 weeks for managers, zero to 12 weeks for office staff and 0 to 8 weeks for blue collars.		3
GRI 403 Occupational Health and Safety (2018) Material topics: A. Sustainability strategy, G. Stakeholder engagement, J. Health, safety and welfare			
3-3	Management of material topics: p. 5, 9, 80, 101, 160.		
403-1	Occupational health and safety management system: p. 113. The Health and Safety Management System is installed at the Italian head offices (corporate), direct contracts and joint operations where the Group manages the operational activities or has specific agreements with its partners. Its system is not used by the joint operations where health and safety management is the responsibility of its partners.		
403-2	Hazard identification, risk assessment, and incident investigation: p. 113		
403-3	Occupational health services: p. 113		
403-4	Worker participation, consultation, and communication on occupational health and safety: p 113		
403-5	Worker training on occupational health and safety: p. 113		
403-6	Promotion of worker health: p. 113		
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships: p. 113		
403-9	Work-related injuries: p. 113. Despite the stringent assessments of risks and operating controls, three fatal injuries took place in 2022 involving direct employees (0.03%) and none involving employees of subcontractors (0.00%). The serious injuries, calculated in accordance with Italian legislation (sick leave of more than 40 days), involved 16 direct employees (0.17%) and 10 employees of subcontractors (0.22%). The total number of recordable injuries was 577 for the direct employees (6.00%) and 244 for employees of subcontractors (5.43%). The main types of injury were bruises, fractures, wounds and dislocations.		
GRI 404 Training and Education (2016) Material topics: A. Sustainability strategy, G. Stakeholder engagement, I. Attraction and development of employees			
3-3	Management of material topics: p. 5, 9, 80,101, 160.		6
404-1	Average hours of training per year per employee: p. 107 188. In 2022, direct employees received on average 20 hours of training (per head). Specifically, an average of 19 hours of training per capita was provided to managers and white collars while blue collars received an average of 21 hours. Technical and production employees received an average of 23 hours of training per capita, while office employees received nine hours. During the year, the per capita training hours provided to corporate employees amounted to 53 for men and 38 for women. This figure is not significant for the operating units given the strong predominance of male resources.		6
GRI 405 Diversity and Equal Opportunity (2016) Material topics: A. Sustainability strategy, K. Diversity and inclusion			
3-3	Management of material topics: p. 5, 9, 80, 119.		6
405-1	Diversity of governance bodies and employees: reference is made to the Report on Corporate Governance and the Ownership Structure for full disclosure on the diversity of governance bodies p. 120 (diversity of employees).		6
GRI 406 Non-discrimination (2016) Material topics: A. Sustainability strategy, K. Diversity and inclusion			
3-3	Management of material topics: p. 5, 9, 80, 119.		6
406-1	Incidents of discrimination and corrective actions taken: p. 120. The Group received 23 notifications of alleged discrimination from employees at the Snowy Hydro project and Lane's employees during the year. These notifications were handled in accordance with the relevant internal procedures. At year end, none of the cases were under investigation nor were there any cases still pending investigation.		6
GRI 407 Freedom of Association and Collective Bargaining (2016) Material topics: A. Sustainability strategy, L. Human rights			
3-3	Management of material topics: p. 5, 9, 80,119.		3
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk: p. 120		3
GRI 408 Child Labour (2016) Material topics: A. Sustainability strategy, L. Human rights			

Disclosure	Description, page number, reference to other sections of the Report or other documents (The page numbers refer to the paragraph that includes the information)	Omission	UN Global Compact Principles
3-3	Management of material topics: p. 5, 9, 80, 119.		5
408-1	Operations and suppliers at significant risk for incidents of child labour: p. 120		5
GRI 409 Forced or Compulsory Labour (2016) Material topics: A. Sustainability strategy, L. Human rights			
3-3	Management of material topics: p. 5, 9, 80, 119.		4
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour: p. 120		4
GRI 410 Security Practices (2016) Material topics: A. Sustainability strategy, L. Human rights			
3-3	Management of material topics: p. 5, 9, 80,119.		1
410-1	Security personnel trained in human rights or procedures: p. 85. As described in the section on "Company organisation", all the security personnel undergo initial training and regular refresher courses provided by the local managers in line with a training plan defined to comply with the applicable standards and regulations. These courses include information on respect for the individual, human rights and the Code of Ethics.		1
GRI 411 Rights of Indigenous Peoples (2016) Material topics: A. Sustainability strategy, L. Human rights			
3-3	Management of material topics: p. 5, 9, 80, 119.		1
411-1	Incidents of violations involving rights of indigenous peoples: p. 120. No instances (e.g., legal action) for the violation of rights of indigenous peoples took place in the year.		1
GRI 413 Local Communities (2016) Material topics: A. Sustainability strategy, G. Stakeholder engagement, M. Contribution to local economies			
3-3	Management of material topics: p. 5, 9, 80, 160, 168.		1
413-1	Operations with local community engagement, impact assessments, and development programmes: Given the type of works, their location and reference regulatory frameworks, the Group's projects are subject to different laws and standards for social and environmental aspects. Accordingly, a social and/or environmental impact assessment prepared by the clients exists for 77% of its in-scope projects. The clients consulted the local communities for 48% of the projects. A management system is in place to handle complaints from local communities for 40% of the projects (the grievance mechanisms). Development programmes assisting the local communities exist for 23% of the projects while workers committees exist for 35% of the projects.		1
GRI 414 Supplier Social Assessment (2016) Material topics: A. Sustainability strategy, F. Supply chain, G. Stakeholder engagement			
3-3	Management of material topics: p. 5, 9, 80, 157, 160.		2
414-1	New suppliers that were screened using social criteria: p. 157. In 2022, 65% of the suppliers with large orders (i.e., >€250 thousand) were screened. As described in the "Supply chain" section, this process involves screening of various aspects, including social ones (e.g., employees, health and safety and human rights). The data refer to a perimeter of entities that is larger than the perimeter considered for this Statement.		2
GRI 415 Public Policy (2016) Material Topics: C. Ethics and integrity			
3-3	Management of material topics: p. 9, 85, 188, 229.		10
415-1	Political contributions. Pursuant to the principles of its Code of Ethics, the Company does not make contributions to political and trade organisations of any kind (parties, movements, committees, etc.) nor their representatives.		10

Bridge table with TCFD (Task Force Climate-Related Financial Disclosure) Recommendations

TCFD Recommendations		2022 NFS
GOVERNANCE		
Governance around climate-related risks and opportunities	a) Role of BoD	"Climate change – Governance" section
	b) Role of management	
STRATEGY		
Actual and potential impacts of climate-related risks and opportunities on the organisation	a) Climate-related risks and opportunities	"Climate change – Main climate-related risks and opportunities" section
	b) Impact of climate-related risks and opportunities	
	c) Resilience of the organisation's strategy	
RISK MANAGEMENT		
Management of climate-related risks	a) Identification and assessment processes	"Climate change – Main climate-related risks and opportunities" section
	b) Management processes	
	c) Integration into overall risk management	
METRICS AND TARGETS		
Metrics and targets used to assess and manage climate-related risks and opportunities	a) Metrics used	"Climate change – Performance and targets" section
	b) GHG emissions	
	c) Targets	

Report of the auditors

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(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' report on the consolidated non-financial statement pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 and article 5 of the Consob Regulation adopted with Resolution no. 20267 of 18 January 2018

To the board of directors of
Webuild S.p.A.

Pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 (the "decree") and article 5.1.g) of the Consob (the Italian Commission for listed companies and the stock exchange) Regulation adopted with Resolution no. 20267 of 18 January 2018, we have been engaged to perform a limited assurance engagement on the 2022 consolidated non-financial statement of the Webuild Group (the "group") prepared in accordance with article 4 of the decree, presented in the specific section of the directors' report and approved by the board of directors on 16 March 2023 (the "NFS").

Our procedures did not cover the information set out in the "EU taxonomy for sustainable economic activities" section of the NFS required by article 8 of Regulation (EU) 852 of 18 June 2020.

Responsibilities of the directors and board of statutory auditors ("Collegio Sindacale") of Webuild S.p.A. (the "parent") for the NFS

The directors are responsible for the preparation of an NFS in accordance with articles 3 and 4 of the decree and the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative (the "GRI Standards"), which they have identified as the reporting standards.

The directors are also responsible, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of an NFS that is free from material misstatement, whether due to fraud or error.

Moreover, the directors are responsible for the identification of the content of the NFS, considering the aspects indicated in article 3.1 of the decree and the group's business and characteristics, to the extent necessary to enable an understanding of the group's business, performance, results and the impacts it generates.

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The directors' responsibility also includes the design of an internal model for the management and organisation of the group's activities, as well as, with reference to the aspects identified and disclosed in the NFS, the group's policies and the identification and management of the risks generated or borne.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, compliance with the decree's provisions.

Auditors' independence and quality control

We are independent in compliance with the independence and all other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards, the IESBA Code) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our company applies International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains a system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditors' responsibility

Our responsibility is to express a conclusion, based on the procedures performed, about the compliance of the NFS with the requirements of the decree and the GRI Standards. We carried out our work in accordance with the criteria established by "International Standard on Assurance Engagements 3000 (revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 revised"), issued by the International Auditing and Assurance Standards Board applicable to limited assurance engagements. This standard requires that we plan and perform the engagement to obtain limited assurance about whether the NFS is free from material misstatement. A limited assurance engagement is less in scope than a reasonable assurance engagement carried out in accordance with ISAE 3000 revised, and consequently does not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures we performed on the NFS are based on our professional judgement and include inquiries, primarily of the parent's personnel responsible for the preparation of the information presented in the NFS, documental analyses, recalculations and other evidence gathering procedures, as appropriate.

Specifically, we performed the following procedures:

1. Analysing the material aspects based on the group's business and characteristics disclosed in the NFS, in order to assess the reasonableness of the identification process adopted on the basis of the provisions of article 3 of the decree and taking into account the reporting standards applied.
2. Analysing and assessing the identification criteria for the reporting scope, in order to check their compliance with the decree.
3. Comparing the financial disclosures presented in the NFS with those included in the group's consolidated financial statements.
4. Gaining an understanding of the following:
    - the group's business management and organisational model, with reference to the management of the aspects set out in article 3 of the decree;

- the group's policies in connection with the aspects set out in article 3 of the decree, the achieved results and the related key performance indicators;
- the main risks generated or borne in connection with the aspects set out in article 3 of the decree.

Moreover, we checked the above against the disclosures presented in the NFS and carried out the procedures described in point 5.a).

5. Understanding the processes underlying the generation, recording and management of the significant qualitative and quantitative information disclosed in the NFS.

   Specifically, we held interviews and discussions with the parent's management personnel. We also performed selected procedures on documentation to gather information on the processes and procedures used to gather, combine, process and transmit non-financial data and information to the office that prepares the NFS.

   Furthermore, with respect to significant information, considering the group's business and characteristics:

   - at group level,

     a) we held interviews and obtained supporting documentation to check the qualitative information presented in the NFS and, specifically, the business model, the policies applied and main risks for consistency with available evidence,

     b) we carried out analytical and limited procedures to check, on a sample basis, the correct aggregation of data in the quantitative information;

   - we visited the Snowy 2.0 project's site in Australia and the site of the Apice-Hirpinia section of the Napoli-Bari railway line project, which we have selected on the basis of their business, contribution to the key performance indicators at consolidated level and location, to meet their management and obtain documentary evidence supporting the correct application of the procedures and methods used to calculate the indicators;
   - through remote communication tools, we performed reasonableness analyses of certain projects, which we have selected on the basis of their business and contribution to certain significant indicators, by obtaining documentary evidence and, where necessary, holding discussions with their management.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2022 consolidated non-financial statement of the Webuild Group has not been prepared, in all material respects, in accordance with the requirements of articles 3 and 4 of the decree and the GRI Standards.

Our conclusion does not extend to the information set out in the "EU taxonomy for sustainable economic activities" section of the NFS required by article 8 of Regulation (EU) 852 of 18 June 2020.

Milan, 4 April 2023

KPMG S.p.A.

(signed on the original)

Angelo Pascali
Director of Audit

Directors' report

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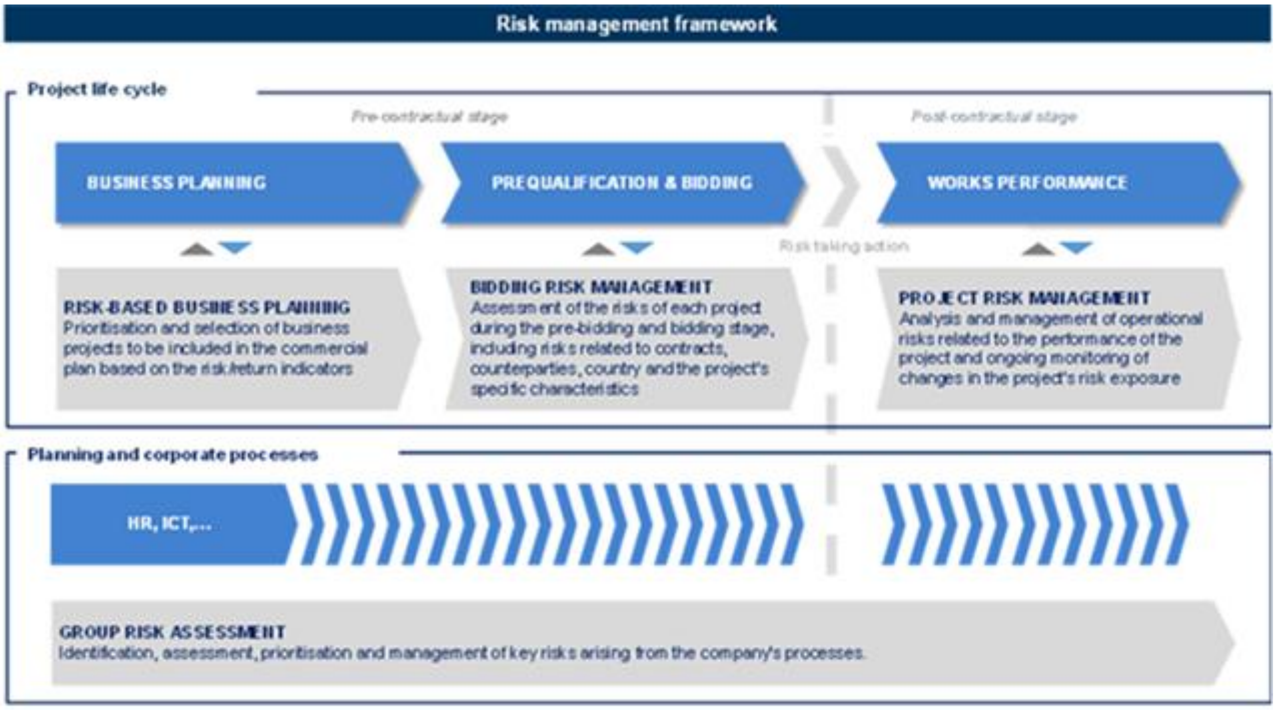
Part III

Risk management system

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

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

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



In 2022, the outbreak of war between Russia and Ukraine worsened the macroeconomic context in which the Group and its supply chain operate, heightening the inflationary effect of raw material and commodity prices already seen during the pandemic. Accordingly, the Group's risk management activities focused on the identification and handling of the repercussions of the war between Russia and Ukraine, the residual effects of the Covid-19 pandemic and the risks and opportunities related to climate change and the energy transition.

With respect to the volatile commodity prices and in line with its approach adopted in 2021, the risk management unit and other competent units carried out specific checks and monitored the trends of construction material prices to keep senior management informed and in a position to promptly define risk mitigation strategies. This approach allowed the Group to present its timely application in the first half of 2022 for compensation for the hikes in the more significant construction material prices in the second half of 2021 for its Italian contracts in accordance with article 1-septies of Decree law no. 73/2021 (the Sostegni-bis decree), converted with amendments by Law no. 106 of 23 July 2021. Decree law no. 50/2022 (the Aiuti decree) defined specific measures to cover the exceptional increases in the prices of construction materials in 2022. Law no. 197 of 29 December 2022 (the 2023 budget act) confirmed the current measures, extending the Aiuti decree for the contracts in place throughout 2023.

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

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

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

Business risks

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

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

Strategic risks

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

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

Financial risks

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

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

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

Legal and compliance 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.

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

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

Country risk

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

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

Counterparty risk

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

Contract risk

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

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

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

Covid-19 and the Russia-Ukraine crisis

During 2022, governments started to lift the restrictions adopted to contain the Covid-19 emergency, thanks in part to the progress made in rolling out the vaccination campaign. At the date of preparation of this report, none of the work sites had any critical issues arising from the pandemic. The Group's priorities continue to be protecting the health of its employees and partners, ensuring business continuity and mitigating the financial impact of the pandemic.

With respect to the Russia-Ukraine crisis that broke out in February 2022, the Group does not currently operate in either country.

That being said, the Russia-Ukraine crisis and possible further unpredictable developments of the pandemic have created uncertainties and risks for the markets and the global economy, the effects of which are difficult to foresee. One of the indirect effects is the exceptional volatility of commodity prices, as commented on below.

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

Employee management and prevention measures to deal with the pandemic and the Russia-Ukraine crisis

In 2022, as the public health situation improved, the Group gradually relaxed the prevention and anti-contagion measures that it had put in place months before. However, it prudently maintained certain measures and continued to monitor the situation.

The Group does not operate in Ukraine or Russia. However, when the war broke out, it had 14 Ukrainian employees in that country.

Webuild responded to the crisis by offering accommodation to its Ukrainian employees who wanted it and had the ability to avail of it both abroad, for example at the Polish work sites, and in western Ukraine in cities near the Polish border far from the war front.

Supply chain

The pandemic and, more recently, the Russia-Ukraine war significantly disrupted the supply chain in 2022. While the surge in commodity prices seen in the first half of the year tapered off in the second six months, the energy crisis triggered by the geopolitical situation drove up electricity prices which peaked in the third quarter of the year.

Given this situation, the Group's approach to its supply chain was to continue the mitigation measures introduced in 2020 such as the identification of alternative procurement solutions and the urgent transfers of equipment from one work site to another. It also closely observed the market in order to adapt its purchasing strategies to contain prices.

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

The Italian government issued Law no. 91 of 15 July 2022, converting Decree law no. 50 of 17 May 2022 (the Aiuti decree) in the second half of the year. This confirmed the measures to counter the rise in prices of raw materials, fuel and energy. In addition, Law no. 197 of 29 December 2022 (the 2023 budget act), effective from 1 January 2023, confirmed the measures to update price lists and revise the prices of contract work in progress in order to tackle the exceptional hikes in prices expected for 2023.

Cyber risk associated with the Russia-Ukraine crisis

The Group has introduced cyber security measures at head office and branch level as recommended by Bank of Italy, Consob, IVASS (the Italian Institute for Insurance Supervision) and UIF (Bank of Itay's Financial Intelligence

Unit) in their joint communication of 7 March 2022 and the recommendations of the Italian Cyber Security Agency.

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

ESG risk management

Webuild's Sustainability Strategy is embedded in the Group's business model and strategy and is underpinned by two key pillars: its contribution to global challenges and its unceasing commitment to acting responsibly.

The Group's commitment to reaching its sustainable development targets as per the SDGs defined by the UN is summarised in its 2021-2023 ESG Plan whose priorities include the fight against climate change and promotion of the circular economy (Planet), the protection and enhancement of its people (People), and continuous improvement leveraging innovation and digitalisation (Progress)[72].

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

In order to identify and adopt the necessary solutions and tools to (i) minimise the impact of physical risks, and (ii) pre-empt transition risks arising on the transition to a low-carbon economy, Webuild has deemed it appropriate to continue to include ESG risks in the regular group risk assessment performed by the risk management department.

Webuild has established a procedure to assess the magnitude of the risks most pertinent to it with a dynamic risk model, designed for continuous fine-tuning and alignment with changes in the reference market and to the guidelines of the market regulators. This procedure has already confirmed the essentiality of sustainability and the transversal nature of the topics identified by the materiality analysis as per the new GRI Universal Standards 2021.

The Group's mitigation measures are summarised in the "Main physical and transition risks" section of the Consolidated Non-financial Statement. The budgets for the Group's contracts reflect its commitments with steady investments made to ensure their greater efficiency.

The most significant risks and opportunities tied to climate change and the energy transition that could affect the Group's cash flows, financial position and financial performance include the definition of climate strategies, the decarbonisation roadmap, the issue of sustainability-linked bonds and the 2020-2022 long-term variable incentive (LTI) plan which includes dedicated sustainability targets.

[72] More information is available in the "Sustainability Strategy" section of the Consolidated Non-financial Statement.

Main risk factors and uncertainties

In addition to that set out in the "Business risk management" section above, the following specific situations linked to major outstanding disputes, country risk exposure and situations characterised by risk and/or uncertainty profiles at 31 December 2022 should be added to the risk universe that may potentially impact on operations.

Civil litigation

USW Campania projects

The USW Campania issue comprises various proceedings in different jurisdictions, some of which have been described in extensive detail in previous years and have been resolved in the Group's favour, while others are pending at different court levels. The main aspects of the key civil, administrative and criminal proceedings are described below.

Civil proceedings

1. In May 2005, the government commissioner filed a motion requesting compensation from Fibe S.p.A. ("Fibe") and FISIA Ambiente S.p.A. ("Fisia Ambiente") for alleged damage of about €43 million. During the hearing, the commissioner increased its claims to approximately €700 million, further to the additional claim for damage to its reputation, calculated to be approximately €1,000 million. The companies appeared before the court and, in addition to disputing the claims made by the government commissioner, filed a counterclaim requesting compensation for damage due to contract default and sundry expenses for over €650 million, plus a further claim for reputation damage quantified at €1.5 billion.In the same proceeding, the banks that issued Fibe and Fibe Campania S.p.A.'s ("Fibe Campania") performance bonds to the government commissioner also requested the commissioner's claim be dismissed and, in any case, to be held harmless by Webuild, which appeared before the court and disputed the banks' requests. In ruling no. 4253/2011, the judge declared their lack of jurisdiction referring the case to the administrative judge. The attorney general filed an appeal which was rejected on 14 February 2019 and the first level ruling was upheld. The attorney general has appealed to the Supreme Court.

2. On 30 November 2015, the Office of the Prime Minister received a new claim form served by both Fibe and other group companies involved in various ways in the activities performed in Campania for the waste disposal service, containing claims for the damage suffered as a result of termination of the contracts in 2005.
   The total amount claimed is €2,429 million. Considering that some requests are already included in other proceedings, the net amount is €2,258 million. The Office of the Prime Minister filed a counterclaim for €845 million for reasons already included in other proceedings. The court appointed an expert to appraise the subordinated claim filed by Fibe that prepared two alternative appraisals of the amount due to Fibe of approximately €56 million or approximately €114 million. The competent judge handed down the ruling on 25 October 2019, finding that Fibe was due approximately €114 million and the Office of the Prime Minister approximately €80 million. After offsetting the two amounts, the Office of the Prime Minister was ordered to pay Fibe approximately €34 million plus interest accruing from 4 December 2015. Both Fibe and the Office of the Prime Minister have filed separate appeals. In the meantime, the amount plus interest was collected on 20 July 2022 as part of the enforcement proceeding which is discussed later in this report (in the administrative litigation section).

3. There is another proceeding commenced by the Office of the Prime Minister for the return of the advance of approximately €52 million paid for the construction of the waste-to-energy plants ("WtE plants"). Fibe has claimed that the receivables due from the Office of the Prime Minister, mostly for work performed on its behalf and for the fees due to Fibe, would offset this advance. The first level hearing ended with ruling

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

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

Panama Canal extension project

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

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

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

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

1. arbitration about the dispute adjudication board's ("DAB) decisions on the claims presented by GUPC about the inadequate quality of the basalt compared to the quality guaranteed by PCA and the lengthy delays caused by PCA to approve the design formula for the concrete mix. The DAB had found that GUPC was due USD265.3 million, which it collected in full. After the proceeding confirming the arbitration tribunal's competence to rule on the damages incurred by the individual consortium members, the tribunal issued a

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

2. arbitration about the extra costs incurred by GUPC due to certain unjustified conditions imposed by PCA for the design of the lock gates and other claims about labour costs;
3. arbitration commenced at the end of 2016 involving the sundry claims mentioned in the completion certification; the arbitration tribunal has already been set up and GUPC presented its first brief in October 2021.

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.

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 2022, the estimate of the extra costs to complete the project was updated, as well as the additional consideration claimed from the customer (again with the support of the Group's experts). The Group has reflected this situation in its 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. (subsequently FCA N.V., "FCA" and now Stellantis N.V., "Stellantis") is required to follow the registered claims of the general subcontractor CAVTOMI Consortium ("CAVTOMI" or the "consortium"), in which Webuild has a share of 74.69%, against the customer Rete Ferroviaria Italiana ("RFI").

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

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

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

On 2 February 2022, the Supreme Court handed down its ruling rejecting FCA's appeal, based on which the parent had adjusted the claims' estimated realisable value and the carrying amount of contract assets in the consolidated financial statements at 31 December 2021, without prejudice to the hearing about the revocation application still pending before the Supreme Court.

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. With its ruling no. 11976 of 26 July 2022, the Rome Court substantially acknowledged the court-appointed expert's findings and accepted part of FCA's claims ordering RFI to pay €14.2 million, including the monetary revaluation and the legal default interest accruing from the date of publication of the ruling. The ruling also provided for the release of the remaining performance bond of approximately €21 million;
- on 1 June 2022, Stellantis filed an appeal with the European Court of Human Rights challenging the legitimacy of the Appeal Judge's ruling (confirmed by the Supreme Court) which cancelled the arbitration award after reviewing the merits of the evidence already assessed by the arbitration tribunal and which did not properly reconcile the legitimate interests of the two parties. The European Court of Human Rights declared the appeal inadmissible on 6 October 2022.

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 (subsequently Webuild and now Webuild Italia) 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.

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", after which Eurolink exercised the right to withdraw from the contract as per the contract terms on behalf of all the co-venturers. 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 laws 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 by the general contractor due to the termination of the contract. 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 (approximately €657 million). The various actions and related rulings have been joined.

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 parties involved in the appeal hearing presented themselves in court: (i) the Ministry of Infrastructure and the Office of the Prime Minister, without presenting a counter appeal, (ii) Stretto di Messina S.p.A. in liquidation presenting a counter appeal, and (iii) Parsons presenting a counter appeal for its part of the proceedings. The ruling has not yet been handed down at the date of preparation of this report.

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

In the meantime, the Constitutional Court found the issue of legitimacy of the Decree law for Parson's position to be inadmissible as the order for its re-examination by the court was insufficiently documented. 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. Note 13 to the consolidated financial statements provides more information about the additional consideration recognised under contract assets and liabilities.

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 which confirmed cancellation of the award in September 2022. As a result, the Group recommenced arbitration proceedings before the Court of International Commercial Arbitration attached to the Chamber of Commerce and Industry of Romania ("CCIR").

In the meantime, on 17 February 2021, the Bucharest Court confirmed Webuild's obligation to return RON83.8 million collected on the basis of the partial award, seeing that it has been cancelled. In May 2022, Webuild obtained suspension of the enforcement of this amount by CNAIR from the Appeal Court until after the other pending disputes have been settled. In the meantime, CNAIR arbitrarily offset the amount against other amounts related to the Lugoj Deva project in Romania, which was completely contrary to the existing agreements. Webuild responded by commencing arbitration proceedings before the Paris International Chamber of Commerce claiming the return of the incorrectly offset amounts. At the date of preparation of this report, the proceedings are at an initial phase and the first briefs have not yet been exchanged.

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). CNAIR filed an appeal against the award with the Romanian Supreme Court, which rejected it in November 2022, making the award definitive. Despite this, CNAIR included the amount involved in its arbitrary and unlawful offsetting (see above), which is the subject of the ICC arbitration proceedings.

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

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

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

Contorno Rodoviario Florianópolis (Brazil)

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

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

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

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

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

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

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

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

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

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

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

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

Unforeseen costs have been incurred and the joint venture has accordingly presented its request for additional consideration. The costs are included in the measurement of contract assets and liabilities for the part deemed highly probable to be recovered, based also on the opinions of the Group's advisors. Note 13 to the consolidated financial statements provides more information about the additional consideration recognised under contract assets and liabilities.

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

Rome Metro

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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. Note 13 to the consolidated financial statements provides more information about the additional consideration recognised under contract assets and liabilities.

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.

ENI headquarters

On 24 October 2022, Webuild Italia S.p.A., contractor for Eni's new headquarters in the San Donato Milanese municipality, filed an application for arbitration in its name and as lead contractor of the joint venture with Lamaro Appalti S.p.A.. It intends to terminate the contract with the customer DeA Capital due to the latter's serious breach of the contract terms and the supervening onerousness. Therefore, Webuild Italia's application asks for the defendant to be ordered to pay approximately €465 million, of which approximately €340 million as the market value of the asset built and approximately €125 million as compensation for damage.

On 14 November 2022, DeA Capital filed its response, challenging the admissibility and grounds of the claims made by the consortium and presenting its counterclaims for approximately €61.9 million.

The arbitration proceedings are at an initial stage.

Colombia - Yuma and Ariguani

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

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

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

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

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

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

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

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

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

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

As established by the additional three addenda (nos 10, 11 and 12) to the concession contract, on 4 June 2021, the loan agreement signed by the Italian banks (i) Banca Intesa Sanpaolo and (ii) Banca Popolare di Sondrio and Webuild S.p.A. was presented to ANI. This €100 million loan has been taken out to fund and complete the works. On 18 June 2021, Webuild and Yuma Concesionaria signed the related loan agreement. At 31 December 2022, the parent had lent Yuma Concesionaria €178.8 million.

Project S8 (Poland)

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

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

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

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

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

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

Project A1F (Poland)

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

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

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

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

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

Unforeseen costs have been incurred and the joint venture has accordingly presented its request for additional consideration. The costs are included in the measurement of contract assets and liabilities for the part deemed highly probable to be recovered, based also on the opinions of the Group's advisors. Note 13 to the consolidated financial statements provides more information about the additional consideration recognised under contract assets and liabilities.

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

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

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

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

Project S7 Kielce (Poland)

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

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

The Group reached an out-of-court agreement about the enforcement of the guarantees with the customer in December 2022, obtaining the return of PLN45 million (approximately €9.6 million). It still has a pending dispute with the customer GDDKiA for price revisions and additional costs incurred for the project of PLN79.5 million (approximately €16.8 million).

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

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

Project S7 Wydoma (Poland)

Webuild was awarded this contract in October 2017.

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

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

On 21 December 2020, Webuild filed an update of its first claim form (filed on 4 November 2020) with the Warsaw first level court. It asked that the judge find the contract to be terminated unjustly and that it be due the additional consideration of approximately €55 million, subsequently revised to roughly €84.5 million.

GDDKiA enforced the advance and performance bonds for a total of approximately €25 million, which amount will shortly be included in Webuild's claims as part of the dispute before the Polish courts.

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.

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 referred 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, Copenhagen Metro Team I/S ("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 (€804 million) had been formally filed for arbitration. The arbitration tribunal has not yet been constituted.

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

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

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 build 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 Ltd.

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

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

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

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

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

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

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

After the arbitration hearings in the second half of 2022, the final briefs are being exchanged.

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

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

Note 13 to the consolidated financial statements provides more information about the additional consideration recognised under contract assets and liabilities.

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

Saudi Arabia

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

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

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

The Group has a 59.14% interest in the joint venture. The arbitration tribunal was set up in September 2021 and the exchange of the defence briefs and rejoinders is underway.

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

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

Tajikistan

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

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

On 30 July 2022, addendum no. 1 to the contract was agreed, providing for an increase in the contract consideration and the postponement of some milestones. In turn, Webuild has waived its claims, including those presented in the arbitration proceedings. The parties thus jointly agreed not to continue such proceedings.

Slovakia

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

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

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

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

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

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

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.

Autopistas del Sol S.A. (Ausol)

In September 2022, the customer Dirección Nacional de Vialidad (DNV) filed an application with the local courts to cancel decree no. 607/2018 and the renegotiation agreement with the operator Autopistas del Sol S.A. (Ausol), in which Webuild has a 19.8% stake.

The renegotiation agreement provided that Ausol would receive USD499 million for its investment in the project, which it would not have recovered as DNV had never approved the necessary revisions to the motorway tolls. In addition, the parties agreed to end the local and international disputes related to the grantor's contractual default.

Accordingly, Ausol appeared before the court. Concurrently in October 2022, Ausol filed an urgent arbitration application with ICC, which accepted it and handed down an order blocking any further actions by DNV. Ausol also commenced arbitration proceedings before ICC to (i) have it pronounced that the only venue competent to rule on the dispute is an ICC arbitration tribunal, (ii) have the renegotiation agreement signed by DNV and Ausol found to be valid, and (iii) request reimbursement of the fees that DNV prevented the operator from collecting in previous years.

Supported by the opinion of its legal advisors, Ausol is confident that its arguments will be accepted at the end of the dispute.

Administrative litigation

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

USW Campania projects

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

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

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

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

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

The Supreme Court handed down a joint ruling filed on 4 February 2022 rejecting both appeals and confirming the Council of State’s ruling no. 1674/21 on the revision and related obligation of the public administration to complete the procedure and, should it fail to do so, to appoint a special commissioner (the state general accounting office) to do so. The Office of the Prime Minister had stated that it was unable to carry out the investigation due to the lack of available data and short period of time allowed and referred to the special commissioner to check and confirm the reported amounts. The state general accounting office requested and obtained a further deadline (until December 2023) to express its opinion.

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

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

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

The proceedings already finalised by the ordinary Naples Court were reinstated by the Campania Regional Administrative Court upon the application of the administration. They related to the payment of approximately €20 million due as per the conformity deed signed by Fibe on 25 February 2005 and the return of approximately €31 million collected by Fibe as the contribution for environmental restoration and withheld by it as a reduction in the waste disposal fee due to it that the special commissioner should have collected on its behalf.

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.

Supported by its legal advisors, Webuild deems the risk of an unfavourable ruling is remote and that the assets recognised under intangible assets at 31 December 2022 are recoverable.

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

Criminal litigation

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

USW Campania projects

In 2008, as part of an investigation into waste disposal in the Campania region carried out after the ope legis termination of the relevant contracts (on 15 December 2005), the Preliminary Investigations Judge, upon a request by the public prosecutor, issued personal preventive seizure measures against some managers and employees of Fibe, Fibe Campania (subsequently merged into Fibe) and Fisia Ambiente and managers of the commissioner's office. As part of this investigation, the former service providers and Fisia Ambiente are also charged with the administrative liability attributable to companies pursuant to Legislative decree no. 231/2001 without claims for compensation being made against these companies.
In the hearing of 21 March 2013, the Preliminary Hearing Judge ordered that all the defendants and companies involved pursuant to Legislative decree no. 231/2001 be committed for trial for all charges, transferring the proceedings to the Rome Court as a result of an acting judge being listed by the Naples public prosecutor as under investigation.

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

The group companies involved in the proceedings are confident that their conduct was completely lawful and deem that the risk of civil and administrative liability is remote.

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 Preliminary Investigations Judge and 10 October 2016 by the Rome Preliminary Investigations Judge. 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 public prosecutor dismissed the original charges against COCIV (article 25 of Legislative decree no. 231/2001) while it applied for and obtained trial for around 35 people, including Webuild's chief executive officer and several senior managers and employees of COCIV, accused of 13 counts of bid rigging and corruption.

On 30 September 2022, the Genoa Court found Webuild's chief executive officer and COCIV's chairperson not guilty of any of the crimes alleged by the public prosecutor. The other managers and employees were also found not guilty except for one case of bid rigging (which was actually a market survey, the so-called "Vecchie Fornaci") involving two employees and a former manager. The deadlines for filing the reasons for the sentence, which in this last respect will be contested, expire at the end of March.

The proceedings commenced by the Rome public prosecutor cover alleged active corruption of the works manager by senior management of the contractors (namely COCIV, Reggio Calabria- Scilla S.C.p.A. and Salerno-Reggio Calabria S.C.p.A.) to encourage the works manager (also under investigation) to carry out acts contrary to their official duties, as well as 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 proceedings are still at an initial phase as all the judges assigned to hear them over the past five year have declared their lack of territorial jurisdiction and referred the case to other courts (Rome, Bolzano and now

Alessandria).

On 25 November 2022, the Supreme Court charged with resolving the negative conflict of jurisdiction by the Judge for Preliminary Hearing at the Alessandria Court, definitively confirmed the jurisdiction of the Bolzano Court, to whose public prosecutor's office the documents were therefore sent.

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

Webuild has been informed by the legal advisors of a group manager of proceedings commenced by the Rome public prosecutor about a fatal accident at the Gibe III Ethiopian work site in 2013. On 11 February 2022, the notice of completion of the preliminary investigations as per article 415-bis of the Italian Criminal Code was notified. The public prosecutor alleged the group manager's responsibility for manslaughter as per Legislative decree no. 231/2001 for violation of the rules on safety in the workplace as the employee who had a fatal accident had not been provided with the required training and did not receive medical assistance in time.

With respect to the charges made against Webuild, it has already requested and obtained the filing order as the alleged administrative offence has been time-barred for years.

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

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

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

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

On 30 October 2017, the Florence Court found all the defendants not guilty and the public prosecutor appealed the ruling on 20 June 2019. The Supreme Court accepted the public prosecutor's appeal on 19 January 2021 and overturned the Florence Court's ruling, remitting continuation of the case to the Appeal Court. The appeal hearing started in July 2022 and while the Ministry joined the procedures, it did not make any requests for a preliminary examination about determination of the damage allegedly suffered.

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

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

Other situations characterised by risk and/or uncertainty profiles

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

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

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

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

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

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

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

Their claims were based on the following:

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

b) filing of the outstanding balances after the offsetting in the insolvency proceeding:
   - as a pre-preferential claim as provided for by article 51.3 of Law no. 270/1999 (the "Prodi Law") and article 74 of the Bankruptcy Law;
   - alternatively and subject to appeal, as a preferential claim in accordance with article 2761.2 of the Italian Civil Code for the principal and article 2758 of the Italian Civil Code for the VAT collected at source;
   - as an unsecured 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 commissioners had not provided proof of the existence of these payables and requested they be given additional time to better analyse the accounting documentation presented in court. The judge has not accepted the request given the need to finalise the claims during the hearing and given that appeals can be made by challenging the accepted claims.

As COCIV 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.

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

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

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

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

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

Astaris (formerly Astaldi)

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

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

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

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

The Rome Court authorised the composition with creditors procedure with immediate and definitive effect with its ruling no. 2900/2020 published on 17 July 2020 (no. 26945/2020) and authorised its full execution with its ruling of 28 July 2021. Astaldi changed its name to Astaris S.p.A. with the deed of 30 May 2022.

Partial proportionate demerger of the core assets scope

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

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

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

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

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

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

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

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

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

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

Civil litigation

Metro C (Italy)

Actions related to default of the implementing act:

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

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

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

Metro C commenced an action for damages with its claim form of 21 May 2019 against Roma Metropolitane and Roma Capitale for unjustly incurred financial charges and damage caused by the non-payment of the sums due under the implementing act of September 2013 referred to in point 1a) as well as the unlawful deductions applied by Roma Metropolitane. Metro C has claimed damages of approximately €55 million for the reasons cited in the claims form, based on an appraisal, in addition to another €18 million for the deductions made by Roma Metropolitane as arbitrary claims for refunds of the new prices agreed and paid during the contract term.

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

As the pre-trial stage has been completed, the proceedings are before the judge for their ruling.

Unforeseen costs have been incurred and Metro C 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. Note 13 to the consolidated financial statements provides more information about the additional consideration recognised under contract assets and liabilities. The Group cannot exclude that currently unforeseeable events may arise in the future which could require changes to the assessments made to date.

CO.MERI (SS-106 state road Jonica, Lot DG–21) (Italy)

As part of the dispute about the construction of E-90, the section of SS-106 state road Jonica from the Squillace interchange (km 178+350) to the Simeri Crichi interchange, on 29 October 2020, the Rome Appeal Court entirely rejected the appeal presented by the customer ANAS against the arbitration award of 28 October 2013 which found that CO.MERI was to be paid approximately €103 million plus the legally required amounts. ANAS has appealed to the Supreme Court, which rejected ANAS' appeal with its ruling published on 13 January 2023. Therefore, the dispute can be considered concluded once and for all and the sums, no longer returnable, collected definitively.

Alto Piura hydroelctric project (Peru)

The Obrainsa Astaldi joint venture was awarded the contract to build the Alto Piura hydroelectric project with the customer PEIHAP (Proyecto Especial de Irrigacion e Hidroenergetico del Alto Piura). On 23 October 2018, the customer terminated the contract and the joint venture commenced a number of local arbitration proceedings before the arbitration centre of the Piura Chamber of Commerce (Centro de Arbitraje de la Camara de Comercio di Piura) against PEIHAP for approximately €24 million (Astaldi's share: €12 million). The customer presented its counterclaim for approximately €56 million, mainly for alleged indirect damages. The first four arbitration hearings have ruled in favour of the joint venture, awarding it approximately €6.2 million.

On 1 September 2021, PEIHAP enforced a guarantee for the return of contract advances of USD7.1 million provided by Astaldi. The Peruvian legal advisors immediately requested and obtained a provisional measure from the arbitration tribunal to block payment of the guarantee and this tribunal confirmed the measure on 6 December 2021 until the award is handed down on the arbitration proceedings.

With respect to the above dispute, supported by the opinions of the Group's legal advisors, the directors deem the risk of losing the case is possible, leading to additional costs to those already provided for in the consolidated financial statements.

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

On 12 March 2015, the Minister of Public Works (Mnisterio de Obras Públicas), as grantor, awarded 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). NPU subsequently awarded an EPC contract to a joint venture comprising the Chilean branches of Astaldi and VINCI Construction Grands Projects (VCGP) and a joint venture in which VCGP has an interest (the "JV") 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. In addition there were generalised difficulties 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.

Astaldi found that the leader VCGP had immediately imposed a contract strategy which was not favourable to the operator NPU. This management model and the operating decisions taken, most of which Astaldi did not agree with, meant the contract outcome decreased over time. VCGP continued to refuse the proposals made by Astaldi over the contract term to improve its management and make the processes more efficient. 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 as per the terms of an interim agreement.

Astaldi holds that the conflict of interest between VCGP and the group company VINCI Airports, which has a 40% interest in NPU, meant that it could not apply to NPU or the Ministry for the immediate cover of the higher costs incurred.

At the end of 2020, VCGP exercised its right to withdraw from the interim agreement. Its formal reason for this was the positive conclusion of Astaldi's composition with creditors procedure and subsequent capital increase of 5 November 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 at the end of 2020. It requested that VCGP cover all the costs of its management decisions and to hold Astaldi harmless from any other risks arising from the contract.

VCGP objected that Astaldi had defaulted and announced that it was excluded from the joint venture.

As part of the same dispute, VCGP filed an appeal with the Rome Court in April 2021 for the preventive attachment of Astaldi's real estate, movable property and receivables for €37.2 million, plus interest, as protection for its alleged claim related to the share of the funding given to the joint venture that it has counterclaimed in the arbitration proceeding commenced by Astaldi. Before the judge handed down their measure, VCGP filed an application to waive the preventive attachment and the judge declared the proceedings to be terminated on 11 October 2022.

At the end of October 2021, VINCI Agencia en Chile presented an application for the preventive attachment of €56 million to the Chilean courts against Astaldi Sucursal Chile. The relevant court rejected this application.

Astaldi was notified by VCGP by registered letter received on 1 July 2021 that the latter has sued Astaldi's chairperson and CEO and the same Astaldi as the party civilly liable (for the symbolic amount of €1 as compensation plus the costs of publishing the ruling and payment of another €20 thousand) before the Nanterre Court in France for the alleged crime of public defamation under the French Criminal Code.

Based on the documentation received, the alleged defamation took place with the publication of the 2020 Annual Report which described the ongoing dispute with VCGP and the complaints made by Astaldi Group (like above). According to VCGP, these complaints were seriously defamatory and prejudicial.

Assisted by their expert advisors, Astaldi and its two directors deem that VCGP's allegations are completely unfounded at factual level as well as legally. They have taken the appropriate legal action.

VCGP has also sued Webuild and its chairperson as part of the same criminal proceeding and for the same reasons.

In October 2022, VCGP dropped the public defamation charges against all the parties involved.

On 25 November 2021, VCGP filed a new arbitration application (ICC no. 26708/PAR) against Webuild (wrongly considering it to be Astaldi's successor), requesting that Webuild be ordered to pay Astaldi's cash calls and the funding advanced by VCGP on Astaldi's behalf for the Santiago del Chile Airport of €52 million and that the two proceedings be joined. The ICC joined the two proceedings and set up a new arbitration tribunal. At the date of preparation of this report, the arbitration proceedings are at an initial phase.

Webuild appeared in the arbitration proceedings contesting both the legitimacy of the arbitration tribunal to hear the dispute given the absence of a valid and effective arbitration clause against it and contesting the merits of all the charges made by VCGP against it.

In addition, on 2 November 2021, VCGP obtained the preventive attachment of Webuild's French accounts of €38.8 million and managed to have €1.8 million frozen.

ESO E-ELT (European Extremely Large Telescope) Observatory (Chile)

On 3 December 2018, Astaldi's joint venture partner Cimolai claimed Astaldi had defaulted on the commitments made under the deed of partnership and thus requested its investment in the joint venture be diluted to 0.01%. On 5 December 2018, Astaldi disputed Cimolai's claim as being ungrounded and unlawful. On 17 June 2019, Cimolai commenced arbitration proceedings, claiming damages of roughly €100 million. Astaldi deems all claims to be unfounded and has requested payment of damages of €6.5 million.

The arbitration tribunal decided that an expert was to be appointed to analyse certain technical and accounting issues with its order of 7 October 2020. In an attempt to amicably resolve the dispute, Cimolai and Astaldi asked the arbitration tribunal to suspend the proceedings. The arbitration tribunal granted the suspension and the next hearing takes place in March 2023.

With respect to the above dispute, supported by the opinions of the Group's legal advisors, the directors deem the risk of losing the case is possible, leading to additional costs to those already provided for in the consolidated financial statements.

Chacayes hydroelectric plant (Chile)

In October 2008, Pacific Hydro Chacayes S.A. and Constructora Astaldi Cachapoal Ltda. signed an EPC contract for the design, supply and construction of the Chacayes hydroelectric plant in Chile. In August 2017, Pacific Hydro Chacayes S.A. applied for arbitration against Constructora Astaldi Cachapoal Ltda. and Astaldi for their alleged breach of the EPC contract. It noted that in February 2016 and, therefore, before Astaldi's composition with creditors procedure, one of the structures of the hydroelectric plant collapsed (the emergency spillway). Pacific Hydro has claimed damages of USD50 million.

On 10 December 2021, the arbitration tribunal issued its final award ordering Astaldi and Constructora Astaldi Cachapoal Ltda to pay USD30.7 million.

The legal advisors have filed an application for the cancellation of the award within the due terms with the Santiago Appeal Court.

With respect to the above dispute, supported by the opinions of the Group's legal advisors, the directors deem the risk of losing the case is possible, leading to additional costs to those already provided for in the consolidated financial statements.

Felix Bulnes Hospital (Chile)

In January 2019, Sociedad Concesionaria Metropolitana de Salud S.A. ("SCMS") unduly terminated the construction contract after requesting the guarantees of approximately €30 million be enforced. The contractor, Astaldi Succursal Chile, challenged the termination and requested arbitration before the Santiago Chamber of Commerce, claiming that termination was unlawful, payment for the work performed, compensation for damage and lost profit and return of the enforced guarantees for a total of around €103 million. SCMA presented its counterclaim for approximately €70 million. The final award was notified to the parties on 4 January 2022, rejecting Astaldi's claims and ordering Astaldi Sucursal Chile to pay SCMS approximately €111 million. Astaldi Succursal Chile has appealed against the award to the competent Appeal Court.

With respect to the above dispute, supported by the opinions of the Group's legal advisors, the directors deem the risk of losing the case is possible, leading to additional costs to those already provided for in the consolidated financial statements.

I-405 Expressway (USA)

Astaldi Construction Corporation ("ACC") was assigned this contract as part of a joint venture with the Spanish company Obrascón Huarte Lain S.A. ("OHL") which presented an arbitration application requesting that ACC be excluded from the joint venture on 16 June 2021. It claims that both ACC and Astaldi (its parent and guarantor) are insolvent. This application was made years after Astaldi commenced its composition with creditors procedure.

The arbitration complies with the Construction Industry Arbitration Rules of the American Arbitration Association (jurisdiction of New York, state of New York law). ACC has challenged OHL's claims and has requested in turn that OHL be excluded from the joint venture for the same reasons as it appears that the Spanish company is in severe financial difficulties according to news in the specialist press and verified by Astaldi's US-based legal advisors. The arbitration tribunal has been constituted and the proceeding is at an initial stage.

Railway project E-59 (Poland)

On 27 September 2018, Astaldi notified the customer (PKP, Polskie Linie Koejowe S.A.) of the termination of the contract due to the extraordinary and unforeseeable change in the works performance as evidenced by the abnormal increase in materials and labour costs, as well as the serious unavailability of materials, services and labour on the market, including rail transport of construction materials.

On 5 October 2018, the customer replied by terminating the contract alleging the contractor's default and requesting payment of the fine (PLN130.9 million, the equivalent of around €29 million) and enforcing the guarantees totalling €18.8 million (including the advance payment bond). On 7 February 2019, PKP filed a petition with the Warsaw Court, requesting the payment of fines of PLN87.25 million (the equivalent of €19 million), net of the enforced performance bond (€9.4 million). The customer also requested repayment of PLN8.1 million (including interest) (the equivalent of approximately €1.8 million) it had paid to the subcontractors. Astaldi filed its defence brief on 2 December 2019 and the first level ruling is still pending.

With respect to the above dispute, supported by the opinions of the Group's legal advisors, the directors deem the risk of losing the case is possible, leading to additional costs to those already provided for in the consolidated financial statements.

Following the termination of the contract, Astaldi filed a claim before the Warsaw Court on 17 March 2020 for the non-payment of work performed and certified worth PLN17.6 million (the equivalent of approximately €4 million). Subsequently, it filed an additional claim on 26 May 2020 requesting payment of a further PLN16.8 million (the equivalent of €3.9 million, of which around €1.3 million for unpaid invoices and roughly €2.6 million for work performed but not certified). The proceeding is underway.

Railway project 7, Dęblin- Lublin line (Poland)

On 27 September 2018, as leader of the consortium (94.98% share) set up to develop the Dęblin-Lublin railway line, Astaldi notified the customer (PKP, Polskie Linie Koejowe S.A.) of the termination of the contract due to the extraordinary and unforeseeable change in the works performance as evidenced by the abnormal increase in materials and labour costs, as well as the serious unavailability of materials, services and labour on the market, including rail transport of construction materials.

On 5 October 2018, the customer replied by terminating the contract alleging the consortium's default and requesting payment of the fine (PLN248.7 million, the equivalent of around €55 million) and enforcing the guarantees totalling €43.3 million (including the advance payment bond). On 7 February 2019, PKP filed a petition with the Warsaw Court, requesting the payment of fines of PLN155.6 million (the equivalent of approximately €34.4 million), net of the enforced performance bond (€21.7 million). The customer also requested repayment of PLN66.8 million (including interest) (the equivalent of approximately €15 million) it had paid to the subcontractors.

With respect to the above dispute, supported by the opinions of the Group's legal advisors, the directors deem the risk of losing the case is possible, leading to additional costs to those already provided for in the consolidated financial statements.

Astaldi filed its defence brief on 2 December 2019 and the first level ruling is still pending. Following termination of the contract, Astaldi presented its claim to the Warsaw Court for non-payment of work performed and certified by the works manager of PLN37.9 million (the equivalent of approximately €8.4 million). It subsequently filed a second claim on 26 May 2020 requesting payment of a further PLN135.3 million (the equivalent of approximately €30 million) for work performed but not certified. The proceeding is underway.

E60 Zemo Osiauri- Chumateleti (Georgia)

Due to the customer's default, Astaldi notified termination of the contract on 22 November 2018 and commenced an arbitration proceeding before the ICC requesting the contractual termination be found to be legitimate and reimbursement of the higher charges and costs due to the customer's contractual breaches. In December 2018, the customer responded by enforcing the guarantees for a total of the equivalent of €24.1 million. The arbitration proceeding also includes the application for the return of the enforced performance bond of the equivalent of €12.0 million.

On 1 April 2022, the ICC handed down the final award finding Astaldi's termination of the contract to be illegitimate and ordering it to pay the customer the equivalent of roughly €15 million. Astaldi has given its legal advisors a mandate to appeal the award before the Paris (France) arbitration tribunal.

Criminal litigation

Investigations related to Ospedale del Mare di Napoli (Italy)

In January 2021, the ceiling of a reinforced concrete building in the car park of Ospedale del Mare di Napoli collapsed. As a result, the Naples public prosecutor is carrying out an investigation to ascertain the causes and accountability. In order to carry out the necessary unrepeatable technical checks, the public prosecutor included in the register of suspects for the crime of negligent collapse all the parties involved in various capacities in the development of the project, including some former Astaldi managers and employees. The technical inspections were completed in November 2022 and the public prosecutor's experts filed the report, which found no substantial liabilities of the contractor and allocates possible responsibility for the incident to the inspectors and designers. At the date of preparation of this report, the judge has yet to decide about any committals for trial.

Country risk

Libya

Webuild S.p.A. operates in Libya through a permanent establishment and a subsidiary, Impregilo Lidco Libya General Contracting Company ("Impregilo Lidco"), which has been active in Libya since 2009 and is 60% owned by Webuild with the other 40% held by a local partner.

The directors do not deem that significant risks exist with respect to the permanent establishment's contracts as work thereon has not started, except for the Koufra Airport project worth around €64 million. Moreover, the Group's exposure for that project is not material. The Group is also involved in the Libyan Coastal Highway project (approximately €1.1 billion) which leads to the Egyptian border for the stretch through Cyrenaica, which had not yet been started at the reporting date.

Impregilo Lidco had been awarded important contracts for approximately LYD2 billion.

They related to the construction of:

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

Due to the dramatic political and social events that materialised in Libya from 2011, the subsidiary was obliged due to force majeure to suspend work on the contracts before they even started. Despite this, Webuild has always acted in accordance with the contractual terms.

This political upheaval has not yet subsided, impeding the subsidiary from developing its business. At present, Webuild does not expect activities to be resumed in the near future as there are serious security problems.

Impregilo Lidco continues to be present in Libya and to maintain contacts with its customers, complying promptly with legal and corporate requirements. It informed its customers immediately of the activation of the force majeure clause (provided for contractually).

The customers have acknowledged the contractual rights and the validity of the claims presented for the costs, losses and damages incurred as a result of the above-mentioned unrest. Once the local situation has normalised and the country's institutions are working again, these claims will be discussed with the customers. During 2022, the subsidiary continued to liaise with its customers but production activities have not recommenced.

The impairment losses on net assets and costs incurred starting from the 2012 financial statements are fully included in contract liabilities. The subsidiary has presented claims to the customers for these amounts, which it deems are fully recoverable as they are due to force majeure.

In addition, the investments made to date are covered by the contract advances received from the customers.

The subsidiary's legal advisors agree with this approach as can be seen in their reports.

No significant risks are deemed to exist for the recovery of the net assets attributable to the subsidiary, thanks in part to actions and claims filed against the customers.

As this country's situation continues to be complex and critical, the Group does not expect that operations can be resumed in the short term.

On 10 March 2021, the House of Representatives in Tobruk met at Sirte and approved the interim government of national accord led by the Prime Minister Abdul Hamid Ddeibah. The government has won a vote of confidence to lead the country until new elections.

Webuild will continue to guarantee the subsidiary's business continuity. However, it cannot be excluded that events which cannot currently be foreseen may take place after the date of preparation of this report that require changes to the assessments made to date.

Nigeria

This country's outlook continues to be uncertain. Nigeria is currently in full campaign with presidential and gubernatorial elections scheduled for March 2023. The costs of raw materials have soared as a result of the pandemic and the war in Ukraine generating poverty and social unrest.

The Group is present in Nigeria via its subsidiaries Salini Nigeria Limited (eight contracts), PGH Ltd. and Rivigo JV (Nigeria) Ltd. (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.

Work is being carried out for the Suleja-Minna Road (the main thoroughfare for the state of Niger), the Inner Northern Expressway and the Inner Southern Expressway (main roads in the Abuja network) as are limited activities for Adiyan (the Lagos water treatment plant).

Another factor holding back recommencement of the works is the need to approve variations for the increase in unit prices or commissions for price variations and/or currency fluctuations for some of the ongoing projects.

Moreover, 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.

Argentina

In recession since 2018, this country's challenging macroeconomic situation has been worsened by the global health emergency caused by Covid-19.

The economic slump, the containment measures put in place to deal with the pandemic and the drop in global demand have not helped the country's ongoing recession. According to the World Bank, Argentina is one of the Latin American countries that has lost the most wealth.

The additional hike in the inflation rate is partly due to the government's decision to contain the peso's devaluation through restrictive measures on the currency market.

The government reached an agreement with the IMF to restructure its public debt in the first few months of the year. This agreement provides for the receipt of USD40 billion over 30 months against Argentina's commitment to enact important structural macroeconomic reforms. According to the IMF's staff report of 2 December 2022, after the third review of the agreement, Argentina met all the quantitative performance objectives through end-September 2022.

The Group is carrying out two projects in Argentina mostly funded by the World Bank: a hydraulic tunnel (lot 3) and a wastewater pre-treatment plant (lot 2), both of which are part of a mega project for the environmental restoration of the Matanza Riachuelo River Basin in the Buenos Aires Metropolitan Area. These projects have continued despite the country's difficult macroeconomic situation. On 30 November 2022, the customer issued the provisional acceptance certificate for lot 3.

Report on corporate governance and the ownership structure

The corporate governance model adopted by Webuild complies with the principles enshrined in the Code of Conduct/Corporate Governance valid from time to time.

More information about the corporate governance system pursuant to article 123-bis of the Consolidated Finance Act (Legislative decree no. 58 of 24 February 1998, as subsequently amended) is available in the Report on corporate governance and the ownership structure, published on the parent's website in the governance section (www.webuildgroup.com).

Other information

Research and development

Webuild carried out industrial research and experimental development activities during the year. These activities enabled the acquisition of new know-how and improvement of production efficiency, which will improve the parent's competitive edge. More information about the main R&D projects of the year is provided in the "Innovation, research and development" section of the Consolidated Non-financial Statement.

Compliance with the conditions of article 15 of the Stock Exchange Regulation

Webuild confirms that it complies with the conditions of article 15 of Consob regulation no. 20249 ("Regulation on markets"), based on the procedures adopted before article 15 was effective and the availability of the related information.

Repurchase of treasury shares

On 28 April 2022, in their ordinary meeting, the parent's shareholders authorised the board of directors to adopt a treasury share repurchase plan as per the terms and methods approved by them (available in the "Shareholders' meeting" part of the "Governance" section on the parent's website www.webuildgroup.com).

At 31 December 2022, the parent had 17,184,395 treasury shares.

Related parties

Reference should be made to note 39 to the consolidated financial statements for a description of related party transactions.

Non-financial Statement

Webuild S.p.A. is exempt from preparation of the Non-financial Statement as per article 3 of Legislative decree no. 254/2016 as it prepares a Consolidated Non-financial Statement in accordance with article 4 of the same decree to which reference should be made.

On behalf of the board of directors

Chairman

Donato Iacovone

(signed on the original)

Consolidated financial statements as at and for the year ended 31 December 2022

Consolidated financial statements

Statement of financial position

ASSETS (€'000)	Note	31 December 2021	of which: related parties	31 December 2022	of which: related parties
Non-current assets					
Property, plant and equipment	7.1	620,277		710,267	
Right-of-use assets	7.2	169,639		113,541	
Intangible assets	7.3	466,350		373,974	
Goodwill	8	78,496		82,884	
Equity-accounted investments	9.1	656,072		697,799	
Other equity investments	9.2	80,161		80,575	
Other non-current financial assets, including derivatives	10	418,511	207,617	518,439	289,999
Deferred tax assets	11	348,480		346,289	
Total non-current assets		**2,837,986**		**2,923,768**	
Current assets					
Inventories	12	217,607		248,809	
Contract assets	13	2,787,252		3,199,971	
Trade receivables	14	2,498,234	385,865	2,886,106	469,335
Current financial assets, including derivatives	15	316,925	69,130	441,632	72,427
Current tax assets	16	104,708		90,499	
Other current tax assets	16	249,459		234,236	
Other current assets	17	905,056	71,746	916,445	36,150
Cash and cash equivalents	18	2,370,032		1,921,177	
Total current assets		**9,449,273**		**9,938,875**	
Non-current assets held for sale and discontinued operations	19	42,997	23,592	14,540	
Total assets		**12,330,256**		**12,877,183**	

Statement of financial position

EQUITY AND LIABILITIES (€'000)	Note	31 December 2021	of which: related parties	31 December 2022	of which: related parties
Equity					
Share capital		600,000		600,000	
Share premium reserve		367,763		367,763	
Other reserves		248,901		265,939	
Other comprehensive expense		(169,819)		(148,722)	
Retained earnings		845,412		483,836	
Profit (loss) for the year		(304,949)		9,893	
Equity attributable to the owners of the parent		**1,587,308**		**1,578,709**	
Non-controlling interests		272,291		356,365	
Total equity	20	**1,859,599**		**1,935,074**	
Non-current liabilities					
Bank and other loans and borrowings	21	317,265	6,515	276,267	6,309
Bonds	22	1,487,852		1,886,549	
Lease liabilities	23	101,673		68,829	
Post-employment benefits and other employee benefits	26	50,687		52,606	
Deferred tax liabilities	11	56,504		58,060	
Provisions for risks	27	222,591		198,879	
Total non-current liabilities		**2,236,572**		**2,541,190**	
Current liabilities					
Current portion of bank loans and borrowings and current account facilities	21	667,066	7,633	297,419	13,382
Current portion of bonds	22	11,881		18,506	
Current portion of lease liabilities	23	68,808		71,721	
Contract liabilities	13	3,422,846		3,311,689	
Trade payables	28	3,208,770	146,711	3,891,729	242,075
Current tax liabilities	29	170,358		85,334	
Other current tax liabilities	29	100,786		90,181	
Other current liabilities	30	565,421	66,413	620,648	62,852
Total current liabilities		**8,215,936**		**8,387,227**	
Liabilities directly associated with non-current assets held for sale	19	18,149		13,692	
Total equity and liabilities		**12,330,256**		**12,877,183**	

Statement of profit or loss

(€'000)	Note	2021	of which: related parties	2022	of which: related parties
Revenue					
Revenue from contracts with customers	33	5,977,821	130,371	7,656,006	185,851
Other income	33	442,513	44,231	435,147	60,594
Total revenue and other income		**6,420,334**		**8,091,153**	
Operating expenses					
Purchases	34.1	(967,545)	(1,203)	(1,447,185)	(2,898)
Subcontracts	34.2	(2,098,691)	(39,999)	(2,343,223)	(23,262)
Services	34.3	(1,590,648)	(191,577)	(1,947,645)	(215,227)
Personnel expenses	34.4	(1,101,920)	(7)	(1,447,605)	(50)
Other operating expenses	34.5	(347,819)	(29,747)	(322,750)	(7,475)
Net impairment losses	34.6.1	(27,498)	(3,669)	(84,045)	36
Amortisation, depreciation and provisions	34.6.2- 34.6.3	(319,928)		(307,623)	
Total operating expenses		**(6,454,049)**		**(7,900,076)**	
Operating profit (loss)		**(33,715)**		**191,077**	
Financing income (costs) and gains (losses) on equity investments					
Financial income	35.1	87,537	13,439	119,084	18,120
Financial expense	35.2	(190,326)	(6,070)	(212,642)	(6,982)
Net exchange gains	35.3	10,292		20,416	
Net financing costs		(92,497)		(73,142)	
Net losses on equity investments	36	(19,157)		(7,143)	
Net financing costs and net losses on equity investments		**(111,654)**		**(80,285)**	
Profit (loss) before tax		**(145,369)**		**110,792**	
Income taxes	37	(133,629)		(76,290)	
Profit (loss) from continuing operations		**(278,998)**		**34,502**	
Profit (loss) from discontinued operations	19	232		(17,972)	
Profit (loss) for the year		**(278,766)**		**16,530**	

Profit (loss) for the year attributable to:					
Owners of the parent		(304,949)		9,893	
Non-controlling interests		26,183		6,637	

Statement of comprehensive income

(€'000)	Note	2021	2022
Profit (loss) for the year (a)		**(278,766)**	**16,530**
Items that may be subsequently reclassified to profit or loss, net of the tax effect:			
Net exchange gains on the translation of foreign companies' financial statements	20	94,687	4,186
Net gains (losses) on cash flow hedges	20	1,177	(2,971)
Net fair value losses recognised in OCI	20	(32)	-
Other comprehensive income (expense) related to equity-accounted investees	20	(21,599)	19,789
Items that may not be subsequently reclassified to profit or loss, net of the tax effect:			
Net actuarial gains (losses) on defined benefit plans	20	9,993	(2,545)
Other comprehensive income (b)		**84,226**	**18,459**
Comprehensive income (expense) (a) + (b)		**(194,540)**	**34,989**

Comprehensive income (expense) attributable to:			
Owners of the parent		(229,461)	30,990
Non-controlling interests		34,921	3,999

Earnings (loss) per share (*Euro per share*)			
From continuing and discontinued operations	38		
Basic		(0.33)	0.03
Diluted		(0.33)	0.01
From continuing operations	38		
Basic		(0.33)	0.03
Diluted		(0.33)	0.01

Statement of cash flows

(€'000)	Note	2021	2022
Operating activities			
Profit (loss) from continuing operations		(278,998)	34,502
adjusted by:			
Amortisation of intangible assets	34	133,275	91,608
Depreciation of property, plant and equipment and right-of-use assets	34	166,976	248,821
Net impairment losses and provisions		47,176	51,242
Accrual for post-employment benefits and other employee benefits	26	21,623	22,731
Net gains on the sale of assets		(9,464)	(12,050)
Deferred taxes	37	(281)	11,701
Share of losses of equity-accounted investees	9- 27	21,453	15,375
Income taxes	37	133,909	64,589
Net exchange gains	35	(10,292)	(20,416)
Net financial expense	35	102,788	93,558
Other non-monetary items		141,222	(23,362)
		469,387	**578,299**
Increase in inventories and contract assets		(319,064)	(365,567)
Increase in trade receivables		(276,659)	(222,384)
(Decrease) increase in contract liabilities		1,308,759	(212,093)
Increase in trade payables		176,084	503,655
Decrease in other assets/liabilities		126,007	27,813
Total changes in working capital		**1,015,127**	**(268,576)**
Increase in other items not included in working capital		(49,771)	(45,720)
Financial income collected		14,442	17,667
Interest expense paid		(118,349)	(121,748)
Income taxes		(117,063)	(133,421)
Cash flows generated by operating activities		**1,213,772**	**26,501**

(€'000)	Note	2021	2022
Investing activities			
Investments in intangible assets	7.3	(9,963)	(5,480)
Investments in property, plant and equipment and right-of-use assets	7.1- 7.2	(205,126)	(272,646)
Proceeds from the sale or reimbursement value of property, plant and equipment and intangible assets		60,664	35,899
Investments in non-current financial assets and capital transactions	9	(120,200)	-
Dividends and capital repayments from equity-accounted investees	9	63,010	16,640
Proceeds from the sale or reimbursement value of non-current financial assets		1,230	(16,967)
Cash and cash equivalents from change in consolidation scope		15,875	(214)
Acquisitions of subsidiaries and business units net of cash and cash equivalents		(11,195)	-
Cash flows used in investing activities		**(205,706)**	**(242,768)**
Financing activities			
Dividends distributed	20	(52,944)	(61,860)
Repurchase of treasury shares		-	(24,572)
Capital injection by non-controlling interests in subsidiaries		9,160	47,339
Increase in bank and other loans	21	1,070,844	2,117,177
Decrease in bank and other loans	21	(1,897,495)	(2,108,932)
Decrease in lease liabilities	23	(107,199)	(85,633)
Change in other financial assets/liabilities		(101,576)	(127,284)
Cash flows used in financing activities		**(1,079,210)**	**(243,765)**
Net exchange gains on cash and cash equivalents		**41,254**	**21,969**
Decrease in cash and cash equivalents		**(29.890)**	**(438,063)**
Cash and cash equivalents	18	2,455,125	2,370,032
Current account facilities	21	(68,446)	(13,244)
Total opening cash and cash equivalents		**2,386,679**	**2,356,788**
Cash and cash equivalents	18	2,370,032	1,921,177
Current account facilities	21	(13,244)	(2,452)
Total closing cash and cash equivalents		**2,356,788**	**1,918,725**

Statement of changes in equity

(€'000)		Share capital	Share premium reserve	Other reserves: Legal reserve	Share capital increase related charges	IFRS 2 reserve	Reserve for treasury shares	Inflation reserve	Extraordinary and other reserves	Total other reserves	Other comprehensive income: Translation reserve	Hedging reserve	Actuarial reserve	Fair value reserve	Total other comprehensive income	Retained earnings	Profit (loss) for the year	Equity attributable to the owners of the parent	Non-controlling interests	Total
As at 1 January 2021 (*)	20	600,000	654,486	120,000	(10,988)	-	(3,291)	56,759	136	162,616	(240,800)	(1,737)	(2,760)	32	(245,264)	110,161	138,396	1,420,395	650,494	2,070,889
Demerger	20	-	-	-	-	69,615	(7,553)	-	-	62,062	(43)	-	-	-	(43)	359,218	-	421,237	(421,237)	-
Allocation of profit and reserves	20	-	(237,638)	-	-	-	-	-	-	-	-	-	-	-	-	376,034	(138,396)	1	-	1
Dividend distribution	20	-	(49,085)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(49,085)	-	(49,085)
Long-term incentive plan	20	-	-	-	-	1,843	-	-	-	1,843	-	-	-	-	-	-	-	1,843	-	1,843
Capital increase	20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,160	9,160
Other changes and reclassifications	20	-	-	-	-	5,067	502	16,810	-	22,379	-	-	-	-	-	-	-	22,379	2,813	25,192
Dividend distribution to non-controlling interests	20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,859)	(3,859)
Loss for the year	*20*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	*(304,949)*	(304,949)	26,183	(278,766)
Other comprehensive income	*20*	-	-	-	-	-	-	-	-	-	*61,984*	*3,525*	*10,011*	*(32)*	75,488	-	-	75,488	8,738	84,226
Comprehensive expense	*20*	-	-	-	-	-	-	-	-	-	*61,984*	*3,525*	*10,011*	*(32)*	*75,488*	-	*(304,949)*	(229,461)	*34,921*	(194,540)
As at 31 December 2021	20	600,000	367,763	120,000	(10,988)	76,525	(10,342)	73,570	136	248,901	(178,859)	1,788	7,251	-	(169,819)	845,412	(304,949)	1,587,308	272,291	1,859,599
As at 1 January 2022	20	600,000	367,763	120,000	(10,988)	76,525	(10,342)	73,570	136	248,901	(178,859)	1,788	7,251	-	(169,819)	845,412	(304,949)	1,587,308	272,291	1,859,599
Allocation of profit and reserves	20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(304,949)	304,949	-	-	-
Dividend distribution	20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(54,217)	-	(54,217)	1	(54,217)
Change in consolidation scope	20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,654)	-	(6,654)	(6,118)	(12,772)
Repurchase of treasury shares	20	-	-	-	-	-	(24,572)	-	-	(24,572)	-	-	-	-	-	-	-	(24,572)	-	(24,572)
Long-term incentive plan	20	-	-	-	-	10,260	-	-	-	10,260	-	-	-	-	-	-	-	10,260	-	10,260
Capital increase	20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	89,574	89,574
Other changes and reclassifications	20	-	-	-	-	(3,329)	-	34,679	-	31,350	-	-	-	-	-	4,244	-	35,594	4,263	39,857
Dividend distribution to non-controlling interests	20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,643)	(7,643)
Profit for the year	*20*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	*9,893*	9,893	6,637	16,530
Other comprehensive income	*20*	-	-	-	-	-	-	-	-	-	*22,422*	*1,221*	*(2,545)*	-	21,097	-	-	21,097	(2,638)	18,459
Comprehensive income	*20*	-	-	-	-	-	-	-	-	-	*22,422*	*1,221*	*(2,545)*	-	*21,097*	-	*9,893*	30,990	*3,999*	34,989
As at 31 December 2022	20	600,000	367,763	120,000	(10,988)	83,456	(34,914)	108,249	136	265.939	(156,437)	3,009	4,706	-	(148,722)	483,836	9,893	1,578,709	356,365	1,935,074

(*) The Group's 2021 figures have been restated after completion of Astaldi's PPA.

Notes to the consolidated financial statements

1. Reporting entity

Webuild S.p.A. (the "parent" or "Webuild") has its registered office in Rozzano (Milan), Milanofiori Strada 6 – Palazzo L and is listed on the Milan Stock Exchange. These consolidated financial statements include the financial statements of the parent and its subsidiaries (the "Group"). Webuild is a global operator specialised in building large complex infrastructure sector, market leader in Italy and one of the main players on the international stage.

At the date of preparation of these consolidated financial statements, Webuild S.p.A. is managed and coordinated by Salini Costruttori S.p.A..

2. Basis of preparation – General part

2.1 Statement of compliance with the IFRS

As required by Regulation 1606/2002 issued by the European Parliament and Council, implemented in Italy by Legislative decree no. 38/2005, these consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union.

The Group's accounting policies and related changes are detailed in notes 3 and 4.

2.2 Functional and presentation currency

The figures in these consolidated financial statements are presented using the parent's functional currency, i.e. the Euro. Unless otherwise indicated, all amounts expressed in Euro have been rounded to the nearest thousand.

2.3 Authorisation for publication

Webuild S.p.A.'s board of directors authorised the publication of these consolidated financial statements at its meeting of 16 March 2023. They will be published in accordance with Commission Delegated Regulation (EU) no. 2019/815, as subsequently amended.

2.4 Going concern

Webuild Group has prepared its 2022 consolidated financial statements 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 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 consolidated financial statements.

2.5 Basis of presentation

Webuild Group's consolidated financial statements at 31 December 2022 are comprised of the following:

- statement of financial position;
- statement of profit or loss;
- statement of comprehensive income;
- statement of cash flows;
- statement of changes in equity;
- notes.

The Group opted to present these consolidated financial statements in line with previous years as follows:

- current and non-current assets and current and non-current liabilities are presented separately in the statement of financial position. Current assets and liabilities are those expected to be realised or extinguished in the Group's normal operating cycle, which usually exceeds 12 months. Non-current assets and liabilities include property, plant and equipment, intangible assets, non-current financial assets, right-of-use assets, deferred tax assets, employee benefits, deferred tax liabilities and other balances expected to be realised, extinguished, used, sold or settled after the Group's normal operating cycle, i.e., more than twelve months after the reporting date;
- the statement of profit or loss gives a classification of costs by nature and shows the profit or loss before financing income (costs) and gains (losses) on equity investments and income taxes. The profit or loss from continuing operations, the profit or loss from discontinued operations and the profit or loss attributable to non-controlling interests and that attributable to the owners of the parent are also presented;
- the statement of comprehensive income shows all non-owner changes in equity;
- the statement of cash flows presents the cash flows from operating, investing and financing activities separately. The indirect method is used.

2.6 Judgements and complex accounting estimates

Preparation of financial statements and the related notes in accordance with the IFRS requires management to make judgements and estimates that affect the carrying amount of assets and liabilities and financial statements disclosures. The main estimates are used, inter alia, to recognise:

note 33, contract revenue;

note 34.6, any impairment losses on assets;

note 34.6, provisions for risks and charges;

note 8, goodwill;

notes 11 and 37, income taxes;

note 34.6, amortisation and depreciation;

note 26, employee benefits.

Considering the Group's sector, the key estimates are those used to determine contract revenue, including claims for additional consideration, total contract costs and the related stage of completion (see the "Contract assets and liabilities" paragraph of the "Basis of preparation - Significant accounting policies" section). 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 performance of such contracts. Recognition of additional consideration by associates or joint ventures may entail adjustment of their equity due to standardisation with the Group's accounting policies.

The accounting estimates and significant judgements made by management to prepare these consolidated financial statements are affected by (i) the current macroeconomic scenario characterised by the lingering impacts of the Covid-19 pandemic, inflation, rising interest rates and geopolitical risks associated with the Russia-Ukraine crisis, and (ii) the risks and opportunities of climate change and the energy transition (these issues are discussed in the Directors' report- Part I, to which reference is made). They may have an impact on the Group's financial position, financial performance and cash flows.

Russia-Ukraine crisis

The Group has no ongoing projects in either Russia or Ukraine. Its exposure to these countries solely refers to a trade receivable from the Ukrainiane customer Ukravtodor relating to the contract to upgrade the Kiev-Kharkiv- Dovzhanskiy section of the M03 motorway, which the customer unilaterally terminated in August 2016. The Group wrote off the receivable by recognising an impairment loss of €65.3 million in profit or loss, as detailed in note 14.1.

Macroeconomic scenario

Affected by the pandemic and, more recently, by the Russia-Ukraine war, the macroeconomic scenario has lately been characterised by particularly volatile commodity and energy prices, coupled with rising inflation and interest rates.

With reference to the rise in the price of raw materials and energy costs, as already discussed in the Directors' report, the Group's approach to its supply chain was to continue the mitigation measures introduced in previous years such as the identification of alternative procurement solutions and the urgent transfers of equipment from one work site to another. It also closely observed the market in order to adapt its purchasing strategies to contain prices.

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

The Italian government issued Law no. 91 of 15 July 2022, converting Decree law no. 50 of 17 May 2022 (the Aiuti decree) in the second half of the year. This confirmed the measures to counter the rise in prices of raw materials, fuel and energy. In addition, Law no. 197 of 29 December 2022 (the 2023 budget act), effective from 1 January 2023, confirmed the measures to update price lists and revise the prices of contract work in progress in order to tackle the exceptional hikes in prices expected for 2023. During preparation of the contract budget, Webuild considered the expected commodity and energy price trends.

Lastly, the Group also considered the upward interest rate trend when testing its assets (goodwill, equity investments and loans and receivables) for impairment, especially when calculating their WACC. Reference should be made to note 32.2.2 for the potential impact of additional interest rate fluctuations on the Group's financial income and expense.

Climate change and energy transition

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

In order to identify and adopt the necessary solutions and tools to (i) minimise the impact of physical risks, and (ii) pre-empt transition risks arising on the transition to a low-carbon economy, Webuild has deemed it appropriate to continue to include ESG risks in the regular group risk assessment performed by the risk management department.

The budgets for the Group's contracts reflect its identified risk mitigation measures and include regular investments to ensure their greater efficiency.

Climate change risks have also been considered when planning the impairment tests of certain assets (goodwill, equity investments and loans and receivables). Given their characteristics and short life cycle (e.g., TBMs for tunnel boring), the Group's other assets, specifically the plant, machinery and equipment that the Group uses in its ongoing projects, do not bear a significant obsolescence risk.

The utilisation of the up-to-date group 2023 budget 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 2023 budget was prepared considering the current macroeconomic scenario and the results of the climate risk and opportunity assessment.

Furthermore, 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.

The actual results may differ from those estimated due to uncertainties underlying the assumptions and the conditions on which the estimates are based.

2.7 Basis of consolidation

The financial statements at 31 December 2022 approved by the internal bodies of the consolidated companies, where applicable, have been used for consolidation purposes.

A list of the entities included in the consolidation scope is set out in the "List of Webuild Group Companies" annex.

2.7.1 Consolidation procedures

The parent's and its direct and indirect subsidiaries' balances are consolidated on a line-by-line basis.

Webuild S.p.A. classifies another entity as a subsidiary when it has the power to unilaterally direct the investee's relevant activities so as to obtain the related economic benefits.

Entities or companies over which Webuild has joint control, by virtue of an investment therein or specific contractual arrangements, are measured as follows pursuant to IFRS 11:

- consolidated proportionally according to the investment percentage, if they are joint operations;
- using the equity method, if they are joint ventures.

Investments in associates are measured using the equity method.

The financial statements used for consolidation are modified (made consistent) and reclassified to comply with the Group's accounting policies in line with the currently applicable IFRS.

2.7.2 Transactions involving NCI

Changes to the investment percentage of a subsidiary that does not entail loss of control are treated as equity transactions. Therefore, any differences between the acquisition price and the related share of equity in subsequent acquisitions of investments in entities already controlled by the Group are recognised directly in equity. With respect to partial disposals of an investment in a subsidiary while control is retained, any gain or loss is recognised in equity.

3. Basis of preparation – Significant accounting policies

The significant accounting policies adopted to draw up these consolidated financial statements are described below.

3.1 Property, plant and equipment

Webuild Group has opted to recognise property, plant and equipment at purchase or production cost net of accumulated depreciation and any impairment losses.

Depreciation is calculated on a straight-line basis using rates determined based on the assets' residual possible use. The annual rates are as follows:

Category	Depreciation rate
Land	0%
Buildings	3%
Plant and machinery	from 10% to 20%
Industrial and commercial equipment	from 25% to 40%
Other assets	from 12% to 25%

Leasehold improvements are classified in the different items of property, plant and equipment on the basis of their nature. They are depreciated over the shorter of the estimated useful life of the relevant asset and the residual term of the lease.

When a substantial period of time is required for an asset to be ready for use, the purchase or production cost includes borrowing costs incurred in the period required to make the asset available for use.

3.2 Right-of-use assets and lease liabilities

Right-of-use assets and lease liabilities are recognised in accordance with IFRS 16 as described below.

Leases of property, plant and equipment

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases.

The Group as lessee

The Group has adopted a single model to recognise and measure all leases, except for short-term leases and leases of low-value assets. It recognises a lease liability representing its obligation to make lease payments and a right-or-use asset representing its right to use the underlying asset.

Right-of-use assets: at the commencement date (the date on which a lessor makes an underlying asset available for use by a lessee), the Group recognises the right-of use assets. These are measured at cost, net of accumulated amortisation/depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liabilities. The cost of a right-of-use asset comprises the amount of the initial measurement of the lease liability, any initial direct costs incurred and any lease payments made at or before the commencement date, less any lease incentives received. Right-of-use assets are amortised/depreciated on a straight-line basis from the commencement date to the end of their useful life. If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the lessee shall depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Right-of-use assets shall be tested for impairment (see the section on impairment of intangible assets).

Lease liabilities: At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments include fixed payments (including in-substance fixed payments), less any incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be payable under residual value guarantees. They also include the exercise price of a purchase option if the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease. Variable lease payments that do not depend on an index or a rate are recognised in profit or loss (unless those costs are incurred to produce inventories) in the period in which the event or condition that triggers those payments occurs. The Group uses the incremental borrowing rate to discount the lease payments at the commencement date if the interest rate implicit in the lease cannot be readily determined. After the commencement date, the lease liability increases to reflect interest thereon and decreases to reflect the lease payments made. Moreover, the carrying amount of the lease liability is remeasured to reflect any lease modifications or revised in-substance fixed lease payments. It is also remeasured if there is any change in the assessment of an option to purchase the underlying asset or if there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments.

The Group elected to apply the recognition exemption available for short-term leases and leases of low-value assets. The former are those relating to machinery and equipment (i.e., those with a lease term of 12 months or less at the commencement date and do not contain a purchase option), while the latter relate to office equipment of a low value. The related lease payments are recognised as costs on a straight-line basis over the lease term.

The Group as lessor

Operating leases

Leases that do not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are classified as operating leases. Lease payments from operating leases are recognised as income on a straight-line basis over the lease term. The Group adds initial direct costs incurred in obtaining an operating lease to the carrying amount of the underlying asset and recognises those costs as an expense over the lease term on the same basis as the lease income. Income from unexpected leases is recognised as revenue when it accrues.

Finance leases

The Group classifies leases as finance leases based on whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset to the lessee. If this is the case, at the commencement date, the Group recognises the leased assets in its statement of financial position as a financial asset with the lessee at an amount equal to the present value of the investment in the lease discounted at the interest rate implicit in the lease.

3.3 Service concession arrangements

Service concession arrangements when the grantor is a public sector entity and the operator is a private sector entity fall into the scope of IFRIC 12 - Service concession arrangements, if they relate to infrastructure used to provide important economic and social services to the general public.

The criteria adopted by the Group to apply the interpretation to its concessions are set out below.

Scope

IFRIC 12 is applicable when the following conditions are met:

- the grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price;
- the grantor controls – through ownership, beneficial entitlement or otherwise - any significant residual interest in the infrastructure at the end of the term of the arrangement.

Measurement of the revenue arising from the concession arrangement

The operator recognises the revenue for the construction and upgrade services in accordance with IFRS 15 - Revenue from contracts with customers, considering the fair value of the consideration for the services contractually provided for.

Presentation of the consideration for construction/upgrade services

The operator's consideration for the construction/upgrade services of infrastructure may consist of:

- a financial asset to the extent that the operator has an unconditional contractual right to receive a specified or determinable amount, regardless of the actual use of the infrastructure by users (minimum specified amount);
- an intangible asset to the extent that the operator receives a right (a licence) to charge users of the public service provided using the infrastructure (right to charge);
- both ("mixed" model), when both the above situations are present. In this case, the intangible asset is determined as the difference between the fair value of the investment made and the present value of the financial asset obtained by discounting the cash flows from the minimum specified amount.

The Group's concession arrangements mostly fall under the intangible asset model.

Contractual obligations for the infrastructure's efficiency levels

Given that the operator does not meet the requirements for recognition of the infrastructure as "Property, plant and equipment", the accounting treatment differs depending on the nature of the work carried out and can be split into two categories: (i) work related to normal maintenance of the infrastructure, and (ii) replacement and scheduled maintenance at a future date.

The first category relates to normal ordinary maintenance of the infrastructure, the cost of which is recognised in profit or loss when incurred, also under IFRIC 12. Given that the interpretation does not provide for the recognition of the physical asset but of a right, the second category is recognised in line with IAS 37 - Provisions, contingent liabilities and contingent assets, which requires: (i) recognition of an accrual to a provision in profit or loss, and (ii) recognition of a provision for charges in the statement of financial position.

Amortisation of the intangible asset

Intangible assets are amortised in accordance with IAS 38 on a systematic basis over the concession term to reflect the pattern in which the asset's future economic benefits are expected to flow to the Group.

3.4 Other intangible assets

Other intangible assets with a finite useful life comprise:

- the order backlog acquired by the Group (i.e., contract acquisition costs);
- patents, trademarks and application software acquired or generated internally.

They are recognised when it is probable that the use of the asset will generate future economic benefits and the cost of the asset can be measured reliably. They are measured at acquisition or development cost and amortised on a straight-line basis over their estimated useful lives. Recoverability of their carrying amount is checked by using the criteria set out in the section on "Impairment testing".

3.5 Goodwill

Goodwill is recognised at cost net of accumulated impairment losses.

Goodwill acquired as part of a business combination is measured as the difference between the aggregate of the acquisition-date fair value of the consideration considered, the amount of any NCI and the acquisition-date fair value of the acquirer's previously-held equity interest in the acquiree, and the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill deriving from acquisitions is not amortised. It is tested annually for impairment or whenever conditions arise that presume impairment as per IAS 36 - Impairment of assets.

For impairment testing purposes, goodwill acquired as part of a business combination is allocated at the acquisition date to each of the cash-generating units (or groups of cash-generating units - CGU) that will benefit from the acquisition. The carrying amount of goodwill is monitored at cash-generating unit level for internal management purposes.

Impairment is determined by defining the recoverable amount of the cash-generating unit (or group of units) to which the goodwill is allocated. When the recoverable amount of the CGU (or group of CGUs) is lower than the carrying amount, an impairment loss is recognised. When goodwill is allocated to a CGU (or group of CGUs), the asset of which has been partly disposed of, the goodwill allocated to the disposed of asset is considered to determine any gain or loss deriving from the transaction. In this case, the transferred goodwill is measured using the amounts related to the disposed of asset compared to the asset still held by the unit.

3.6 Investments in other companies

Under IFRS 9 - Financial instruments, non-controlling interests (i.e., of less than 20%) are considered to be equity investments measured at fair value.

The cost of acquiring investments in consortia and consortium companies is deemed to reflect their fair value.

3.7 Contract assets, contract liabilities and revenue from contracts with customers

Contract assets, contract liabilities and revenue from contracts with customers are recognised and measured in accordance with the guidelines of IFRS 15 - Revenue from contracts with customers. Revenue is recognised using the five-step model as set out below:

1. identify the contract with a customer;
2. identify the performance obligations in the contract;
3. determine the transaction price;
4. allocate the transaction price to the performance obligations in the contract;
5. recognise revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 also covers contract costs, contract modifications and financial statements disclosures.

The methods used by the Group to apply IFRS 15 are summarised below.

Identifying the contract with a customer

The Group identifies and measures contracts with customers in line with IFRS 15 after they have been signed and are binding, creating enforceable rights and obligations for the Group and the customer. The Group considers the criteria of IFRS 15.9 set out below to identify the contract:

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);
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.

Identifying performance obligations and allocating the transaction price

IFRS 15 identifies a performance obligation as a promise included in the contract with a customer to transfer: a) a good and/or service (or a bundle of goods or services) that is distinct; or b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

In the Group's case, its performance obligation is usually the entire project. In fact, although the individual performance obligations provided for in the contract are distinct, they are highly interdependent and integrated as the contract provides for the transfer of the entire infrastructure to the customer.

However, certain contractual items include additional services that should be considered as distinct performance obligations. For example, these may be post-completion maintenance services after final inspection and additional or different contract warranties compared to those provided for by law or normal sector practices.

When a contract has more than one performance obligation, the appropriate portion of the contract consideration is allocated to each separate performance obligation pursuant to IFRS 15. The Group's contracts with customers usually specify the price of each contractual item (detailed in the contract).

Determining the criteria for satisfaction of the performance obligations and recognition of the revenue

IFRS 15 provides that revenue shall be recognised when (or as) the performance obligation is satisfied transferring the promised good or service (or asset) to the customer. An asset is transferred when (or as) the customer obtains control.

The Group's contracts with customers are usually long-term contracts that include obligations to be satisfied over time based on the progress towards completion and transfer of control of the asset to the customer over time.

The reasons why recognition of revenue over time is considered the correct approach are:

- the customer controls the asset as it is constructed (the asset is built directly in the area made available by the customer);
- the asset under construction does not have an alternative use and the Group has an enforceable right to payment for its performance completed to date over the contract term.

IFRS 15 requires that progress towards satisfaction of a performance obligation be measured using the method that best represents the transfer of control of the asset under construction to the customer. The objective when measuring progress is to depict an entity's performance in transferring control of goods or services promised to a customer. The Group considers its market sector and the complex mix of goods and services it provides when it selects the appropriate revenue recognition method. IFRS 15 provides for two alternative methods to recognise revenue over time:

a. output method;

b. input method.

Output methods recognise revenue on the basis of direct measurements of the value to the customer of the goods or services transferred to the date relative to the remaining goods or services promised under the contract (e.g., surveys of performance completed to date, milestones reached, units delivered, etc.). Input methods recognise revenue on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation (e.g., resources consumed, labour hours expended, costs incurred, time elapsed or machine hours used) relative to the total expected inputs to the satisfaction of that performance obligation (cost to cost method).

The most appropriate criterion for measuring revenue with the input method is the cost to cost method calculated by applying the percentage of completion (the ratio of costs incurred to total estimated costs) to contract revenue. The calculation of the ratio of costs incurred to estimated costs only considers costs that contribute to the actual transfer of control of the goods and/or services. This method allows the objective measurement of the transfer of control to the customer as it considers quantitative variables related to the contract as a whole.

When choosing the appropriate method for measuring the transfer of control to the customer, the Group did not adopt the output method (e.g., surveys of performance completed to date) for its ongoing contracts as it considered that although this output method would allow a direct measurement of progress, it would also lead to operating difficulties in managing and monitoring progress considering all the resources necessary to satisfy the obligation.

In addition, an output method would entail the application of criteria and measurement inputs that are not directly observable and the incurring of excessive costs to obtain useful information.

Finally, in the Group's reference sector, the objective of contractual outputs (milestones) refers to, inter alia, modulation of cash flows to obtain financial resources useful to perform the contract and the definition of technical specifications of the works and related performance timing.

Determining the transaction price

Given the engineering and operating complexities, the size and length of time involved in completing the contracts, in addition to the fixed consideration agreed in the contract, the transaction price also includes additional consideration, whose conditions need to be assessed. A claim is an amount that the contractor seeks to collect as reimbursement for costs incurred (and/or to be incurred) due to reasons or events that could not be foreseen and are not attributable to the contractor, for more work performed (and/or to be performed) or variations that were not formalised in riders.

The measurement of the additional consideration arising from claims is subject to a high level of uncertainty, given its nature, both in terms of the amounts that the customer will pay and the collection times, which usually depend on the outcome of negotiations between the parties or decisions taken by judicial/arbitration bodies.

This type of consideration is regulated by IFRS 15 as "contract modifications". The standard provides that a contract modification exists if it is approved by the parties to the contract. IFRS 15 provides that a contract modification can be approved in writing, by oral agreement or implied by customary business practices. A contract modification may exist even though the parties to the contract have a dispute about the scope or price (or both) of the modification. The rights to the consideration shall be provided for contractually generating an enforceable right. Once the enforceable right has been identified, in order to recognise the claims and amount of the additional consideration requested, the Group applies the guidance about the variable consideration given in IFRS 15. Therefore, in order to adjust the transaction price to include the additional consideration arising from the claims, the Group decides whether it is highly probable that the revenue will not be reversed in the future.

The Group considers all the relevant aspects and circumstances such as the contract terms, business and negotiating practices of the sector or other supporting evidence when taking the above decision.

Optional works

The consideration for optional works is additional consideration for future works that have not yet been agreed and/or ordered by the customer when it signs the contract.

The consideration for optional works is provided for in the contracts with the customer as it represents potential future work interrelated with the main contract object. However, most contracts provide that the additional works shall be specifically defined and approved by the customer before they start. Otherwise, the contractor does not have an enforceable right to payment for this performance.

Accordingly and based on sector practices, this type of consideration is a contract modification and, under IFRS 15, shall be considered when measuring the transaction price if approved by both parties to the contract. In this case, the enforceable right can only be identified after specific approval or instructions from the customer in line with its customary business practices or operating methods.

Penalties

Contracts with customers may include penalties due to non-compliance with certain contract terms (such as, for example, non-compliance with delivery times).

When the contract penalties are "reasonably expected", the transaction price is reduced accordingly. The Group analyses all the indicators available at the reporting date to assess the probability of a contract default that would lead to the application of penalties.

Significant financing component

It is normal practice in the construction and large-scale infrastructure sector that the transaction price for a project (which is usually completed over more than one year) is paid in the form of an advance and subsequent progress billing (based on progress reports).

This method of allocating cash flows is often defined in the calls for tenders. The customer's payment flows (advances and subsequent progress billing) are usually organised to make construction of the project by the contractor feasible, limiting its financial exposure. Constructors in the large-scale infrastructure sector build projects for large amounts of money and the initial outlay is usually high.

The contract advance is used for the following reasons:

- to finance the initial contract investments and pay the related advances to subcontractors;
- as a form of guarantee to cover any risks of contractual breach by the customer.

The advance is reabsorbed by the subsequent progress billing in line with the stage of completion of the contract.

Furthermore, the Group's operating cycle is generally several years. Therefore, it considers the correct time-scale of its works to determine whether its contracts include a significant financing component.

Based on the above, it has not identified significant financing components in the transaction price for the contracts that include changes in the advances or progress billings in line with sector practices and/or of amounts that are suitable as guarantees and have a timeframe in line with the cash flows required to complete the contract.

Losses to complete

IFRS 15 does not specifically cover the accounting treatment of loss-making contracts but refers to IAS 37, which regulates the measurement and classification (previously covered by IAS 11) of onerous contracts. IAS 37 provides that an onerous contract is one in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The present obligation under the contract is recognised and measured as a provision when the loss is probable based on the most recent forecasts prepared by management.

The unavoidable costs are all those costs that:

- are directly proportionate to the contract and increase the performance obligation transferred to the customer;
- do not include those costs that will be incurred regardless of satisfaction of the performance obligation;
- cannot be avoided by the Group through future actions.

Measurement of any loss-making contracts (the onerous test) is performed at individual performance obligation level. This approach best represents the different contract profits or losses depending on the nature of the goods and services transferred to the customer.

Contract costs

Incremental costs of obtaining a contract

IFRS 15 allows an entity to recognise the incremental costs of obtaining a contract as an asset if it expects to recover those costs through the future economic benefits of the contract. The incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained are recognised as an expense when incurred (costs not explicitly chargeable to the customer). The incremental costs are recognised as an asset (contract costs) and amortised on a systematic basis that is consistent with the pattern of transfer of control of the goods or services to the customer.

Costs to fulfil a contract

Under IFRS 15, an entity recognises an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- the costs relate directly to a contract;
- the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future;
- the costs are expected to be recovered.

It is the practice of the Group's sector that these costs usually consist of pre-operating costs that are recognised by customers and included in precise contract items or are not explicitly recognised and are covered by the contract profit. Formal recognition of these costs implies that, when they are incurred, control of the asset provided for in the contract is transferred. Therefore, they are recognised as assets and contribute to the stage of completion.

When the contract does not provide for their explicit recognition as per the above three criteria, the pre-operating costs are recognised as assets and amortised on a systematic basis that is consistent with the pattern of transfer of control of the goods and/or services to the customer.

In addition, IFRS 15 defines all those costs that, by their nature, do not contribute to the stage of completion as, although they are referred to in the contract and can be recovered, they do not contribute to generating or enhancing the resources that will be used to satisfy the performance obligations or to transfer of control of the good and/or service to the customer.

Presentation in the consolidated financial statements

The statement of financial position includes contract costs under intangible assets which includes the costs capitalised under the criteria described in this section. Amortisation of these costs is included in the statement of profit or loss item "Amortisation, depreciation and provisions".

Contract assets and liabilities are presented in the statement of financial position items "Contract assets" and "Contract liabilities", respectively under assets and liabilities. The classification in line with IFRS 15 depends on the relationship between the Group's performance obligation and payment by the customer. These items show the sum of the following components analysed individually for each customer:

(+) Amount of work performed calculated using the cost-to-cost method pursuant to IFRS 15

(-) Progress payments and advances received

(-) Contract advances

When the total is positive, the net balance is recognised as a "Contract asset". If it is negative, it is recognised as a "Contract liability". When the amounts represent an unconditional right to payment of the consideration, they are recognised as financial assets.

The Group’s statement of profit or loss includes a revenue item “Revenue from contracts with customers” presented and measured in accordance with IFRS 15. The item “Other income” includes income from transactions other than contracts with customers and is measured in line with other standards or the Group’s specific accounting policy elections. It includes income related to gains on the sale of non-current assets, income on cost recharges, prior year income and income from the recharging of costs of Italian consortia and consortium companies.

With respect to the last item, the Group’s activities involve its participation in numerous SPEs that, especially in Italy, use the consortium structure, which works using a cost recharging system. As this income does not arise on the performance of the contract obligations or contract negotiations, it is recognised as “Other income”.

3.8 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and other short-term, highly liquid investments with a term of less than three months. This item is shown in the statement of cash flows net of bank borrowings at the reporting date.

3.9 Financial assets – Debt instruments

Financial assets are classified in the following three categories depending on the instruments’ contractual cash flow characteristics and the business model for managing them:

- financial assets at amortised cost;
- financial assets at fair value through other comprehensive income (FVTOCI);
- financial assets at fair value through profit or loss (FVTPL).

Financial assets are initially recognised at fair value. Trade receivables that do not contain a significant financing component are measured at their transaction price.

Financial assets at amortised cost

After initial recognition, financial assets that generate contractual cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortised cost if they are held within a business model whose objective is to hold them in order to collect contractual cash flows (hold to collect business model). Under the amortised cost method, the financial assets’ amount at initial recognition is decreased by principal repayments, any loss allowance and cumulated amortisation of the difference between that initial amount and the maturity amount.

Amortisation is calculated using the effective interest rate that exactly discounts the expected future cash flows to their initial carrying amount.

Loans and receivables and other financial assets at amortised cost are recognised net of the related loss allowance.

In 2022, the Group did not have any debt instruments measured at FVTOCI or FVTPL.

3.10 Loans and borrowings and bonds

Loans and borrowings and bonds are initially recognised at fair value less transaction costs and are subsequently measured at amortised cost.

The Group does not have any loans, borrowings or bonds measured as a financial liability at FVTPL.

Any difference between the amount received (less transaction costs) and the nominal amount of the liability is recognised in profit or loss using the effective interest method.

Financial liabilities are classified as current liabilities unless the Group has a contractual right to extinguish its obligations after 12 months of the reporting date.

3.11 Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable, part of a financial asset or parts of a group of similar financial assets) is derecognised when:

- the contractual rights to the cash flows from the financial asset expire;
- the Group retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in full and immediately;
- the Group transfers the contractual rights to receive the cash flows of the asset and has transferred substantially all the risks and rewards of ownership of the financial asset and the related control.

When the Group has transferred the contractual rights to receive the cash flows of the financial asset and has neither transferred nor retained substantially all the risks and rewards or has retained control, it continues to recognise the asset to the extent of its continuing involvement in the asset. Continuing involvement that takes the form of guaranteeing the transferred asset is measured at the lower of the initial carrying amount of the asset and the maximum amount of the consideration that the Group could be required to pay.

Financial liabilities

Financial liabilities are derecognised when the underlying obligation is extinguished, cancelled or settled.

When an existing financial liability is exchanged with another by the same lender at substantially different terms, or the terms of an existing liability are substantially modified, this exchange or modification is treated as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amounts is recognised in profit or loss.

When the modification and exchange of a financial liability does not qualify for derecognition under IFRS 9, its carrying amount is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial instrument’s original effective interest rate. Any difference between the recalculated carrying amount and the carrying amount of the original financial instrument is immediately recognised in profit or loss.

3.12 Derivatives and hedging transactions

Webuild Group has derivatives recognised at fair value when the related agreement is signed and remeasured at subsequent reporting dates. The treatment of the related fair value gains or losses changes depending on whether the conditions for hedge accounting under IFRS 9 are met.

Webuild Group has derivatives to hedge currency and financial risks. At the inception of the transaction, it documents the hedging relationship, its risk management and strategy objectives in entering into the transaction, the hedging instrument and hedged item or transaction and the nature of the hedged risk. Moreover, at the inception of the transaction and thereafter on an ongoing basis, the Group documents whether or not the hedge meets the effectiveness requirements to offset its exposure to changes in the fair value of the hedged item or cash flows attributable to the hedged risk.

"Hedging purposes" are assessed considering risk management objectives. When they do not meet the requirements of IFRS 9 for hedge accounting, the derivatives are classified as "Financial assets or financial liabilities at fair value through profit or loss".

3.13 Employee benefits

Defined benefit plans

Defined benefit plans include the benefits the employees will receive when they retire and which are usually dependent on one or more factors such as age, years of service and remuneration. The Group recognises a liability for these defined benefits equal to the present value of its obligation at year end, including any adjustments for unrecognised costs related to past service less the fair value of the plan assets. The Group calculates its liability once a year using the projected unit credit method. Present value is calculated by discounting the future outlays using the interest rate applied to high quality corporate bonds with a currency and term consistent with the currency and estimated term of the post-employment benefit obligations. Actuarial gains and losses on defined benefit plans arising from changes in the underlying assumptions or in the plan conditions are recognised in other comprehensive income in the period in which they arise. Past service cost is expensed immediately. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss.

Defined contribution plans

The Group pays benefits to public and private pension funds on a mandatory, contractual or voluntary basis for the defined contribution plans. The contributions are recognised as personnel expense as the related service is provided.

The Group contributes to multi-employer pension plans via its US subsidiaries. These plans pool the assets contributed by the various entities to provide benefits to the employees of more than one entity determining the contribution and benefit levels without regard to the identity of the entity that employs the employees concerned. The Group recognises these plans as defined contribution plans.

Share-based payments

Equity-settled share-based payments are measured at fair value and recognised as personnel expenses, with a corresponding increase in equity. Specifically, the cost is recognised over the vesting period, i.e., the period from the grant date to the assignment date, considering the fair value of the shares at the grant date and the expected fulfilment of the performance conditions provided for by the plan.

3.14 Income taxes

Current taxes are provided for using the enacted tax rates and laws ruling in Italy and other countries in which the Group operates, based on the best estimate of the taxable profit for the year.

Group companies net tax assets and liabilities when this is legally allowed.

The parent set up the national tax consolidation system pursuant to article 117 and subsequent articles of Presidential decree no. 917/86 on 1 January 2004. In 2022, 15 of the parent's Italian subsidiaries had joined the system, which is regulated by the specific consolidation mechanisms.

3.15 Deferred tax assets and liabilities

Deferred tax assets and liabilities are calculated on the basis of the temporary differences between the tax base of an asset or liability and its carrying amount in the statement of financial position. Deferred tax assets are recognised when the Group holds their recovery to be probable.

The carrying amount of deferred tax assets is reviewed at each reporting date and, to the extent necessary, is decreased when it is no longer probable that sufficient taxable profits will be available in the future to use all or part of the related benefit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantially enacted at the reporting date.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively, and are netted at company level if related to taxes that may be offset. If the balance is positive, it is recognised as “Deferred tax assets”, if not, as “Deferred tax liabilities”.

Taxes that could arise from the transfer of undistributed profits by subsidiaries are only calculated when the subsidiary has the positive intention to transfer such profits.

In the case of transactions recognised directly in equity, the related deferred tax asset or liability also affects equity.

3.16 Provisions for risks and charges

In accordance with IAS 37, the Group makes accruals to provisions for risks and charges when the following conditions exist:

- the Group or a group company has a present obligation (legal or constructive) at the reporting date as a result of a past event where an outflow of resources embodying economic benefits will be required to settle the obligation;
- it is probable that the obligation (through an outflow of resources) will have to be settled;
- a reliable estimate can be made of the amount of the obligation.

When the time value is material and the obligation payment dates can be estimated reliably, the amount recognised as the provision equals the pre-tax future cash flows (i.e., forecast outflows) discounted at a rate that reflects the present market value and risks specific to the liability.

The increase in the provision due to discounting is recognised as a financial expense.

When the expected cash flows are included in an estimate range with the same probability of occurrence, the median value is discounted to measure the liability.

Provision for restructuring costs is recognised when the parent or relevant group company has approved a detailed formal plan that has been implemented and communicated to the third parties involved.

3.17 Foreign currency

3.17.1 Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Revenue and costs related to foreign currency transactions are recognised in profit or loss at the exchange rate ruling on the date of the transaction. Any material effects deriving from changes in exchange rates after the reporting date are disclosed in the notes.

3.17.2 Translation of foreign operations' financial statements into Euros

The subsidiaries', associates' and joint arrangements' financial statements used for consolidation purposes are expressed in the currency of the primary economic environment in which they operate (their functional currency). If these financial statements are expressed in a foreign currency, they are translated into Euros at the closing exchange rates (assets and liabilities) and annual average rates (revenue and costs), as these are deemed to reasonably approximate the spot exchange rates.

Differences arising from the translation of the opening equity using the closing rates and from the translation of assets and liabilities at the spot rate and the statement of profit or loss items at the average annual rate are taken to the translation reserve.

The exchange rates used to translate the foreign currency financial statements into Euros are as follows:

Currency	Closing rate 31 December 2021	2021 average rate	Closing rate 31 December 2022	2022 average rate
AED United Arab Emirates Dirham	4.1595	4.3436	3.9171	3.8673
ARS Argentine Peso	116.3622	116.3622	188.5033	188.5033
AUD Australian Dollar	1.5615	1.5749	1.5693	1.5167
BGN Bulgarian New Lev	1.9558	1.9558	1.9558	1.9558
BRL Brazilian Real	6.3101	6.3779	5.6386	5.4399
CAD Canadian Dollar	1.4393	1.4826	1.4440	1.3695
CHF Swiss Franc	1.0331	1.0811	0.9847	1.0047
CLP Chilean Peso	964.3500	898.3900	913.8200	917.8300
COP Colombian Peso	4,598.6800	4,429.4800	5,172.4700	4,473.2800
DKK Danish Krone	7.4364	7.4370	7.4365	7.4396
DOP Dominican Peso	64.9469	67.5229	59.9444	57.9251
DZD Algerian Dinar	157.4077	159.6527	146.5049	149.6452
GBP British Pound	0.8403	0.8596	0.8869	0.8528
IDR Indonesian Rupee	16,100.4200	16,920.7200	16,519.8200	15,625.2500
INR Indian Rupee	84.2292	87.4392	88.1710	82.6864
KWD Kuwaiti Dinar	0.3427	0.3569	0.3266	0.3225
LSL Lesothian Loti	18.0625	17.4760	18.0986	17.2082
LYD Libyan Dinar	5.2078	5.3355	5.1486	5.0549
MAD Moroccan Dirham	10.4830	10.6260	11.1580	10.6780
MYR Malaysian Ringgit	4.7184	4.9015	4.6984	4.6279
NAD Namibian Dollar	18.0625	17.4759	18.0986	17.2082
NGN Nigerian Naira	466.8577	470.9220	477.9221	445.3623
NIO Nicaraguan Cordoba	40.1260	41.5150	38.9150	37.8057
NOK Norwegian Krone	9.9888	10.1633	10.5138	10.1026
OMR Omani Real	0.4355	0.4548	0.4101	0.4049
PEN Peruvian New Sol	4.5193	4.5914	4.0459	4.0376
PGK Papua New Guinean Kina	3.9768	4.1577	3.7530	3.7086
PKR Pakistani Rupee	200.8766	192.7325	241.7943	214.8552
PLN Polish Zloty	4.5969	4.5652	4.6808	4.6861
QAR Qatari Riyal	4.1227	4.3052	3.8824	3.8331
RON Romanian New Leu	4.9490	4.9215	4.9495	4.9313
SAR Saudi Riyal	4.2473	4.4353	3.9998	3.9489
SEK Swedish Krona	10.2503	10.1465	11.1218	10.6296
SGD Singapore Dollar	1.5279	1.5891	1.4300	1.4512
TRY Turkish Lira (new)	15.2335	10.5124	19.9649	19.9649
USD US Dollar	1.1326	1.1827	1.0666	1.0530
VED Venezuelan Bolivar Digital (*)	5.2003	3.8104	18.4064	6.9916
ZAR South African Rand	18.0625	17.4766	18.0986	17.2086

(*) On 1 October 2021, the Venezuelan government introduced a new monetary scale with Presidential decree no. 4.553 of 6 August 2021 (published in the Venezuelan Official Journal no. 42.185 of 6 August 2021). The new scale provides for the million-to-one adjustment (BS1,000,000 = BS1) and introduced the digital bolivar.

When an investment in a consolidated entity is sold, the accumulated gain or loss recognised in equity is released to profit or loss.

3.18 Financial reporting in hyperinflationary economies

In 2018, a global consensus was reached on the existence of the conditions - still present - that led to hyperinflation in Argentina under the IFRS.

During 2022, the list of hyperinflationary economies continued to evolve rapidly due to the deteriorating global macroeconomic conditions and the growth in global inflation. Moreover, based on the latest IMF projections and locally observed inflation data, Turkey and Ethiopia will be added to the list of countries considered hyperinflationary under IFRS as of this year. However, the Group's operations in those countries are mainly carried out by entities with functional currencies other than the relevant local currencies and, therefore, the provisions of IAS 29- Financial reporting in hyperinflationary economies for the preparation of their financial statements do not apply.

The group entities, whose functional currency is the currency of a hyperinflationary economy, applied the provisions of IAS 29 for financial reporting purpose. Therefore, costs and revenues were translated at the closing rates and were restated by applying the change in the general consumer price index that occurred from the date on which the items were initially recognised to the reporting date. Monetary assets and liabilities were not restated, as they were translated at the closing rate. Non-monetary assets and liabilities were restated to reflect the loss of purchasing power of the local currency that occurred from when the assets and liabilities were initially recognised to the reporting date.

3.19 Non-current assets held for sale and discontinued operations

Non-current assets (and disposal groups) are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use.

Assets held for sale are recognised as such when the following events take place:

- signing of a binding sales agreement;
- approval and communication of a formal sales plan by directors.

In order to be correctly measured, the assets shall be:

- available for immediate sale in their present condition;
- subject only to terms that are usual and customary for sales of such assets;
- the sale must be highly probable and expected to take place within twelve months.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

A discontinued operation is a component of an entity that either has been disposed of or classified as held for sale and that meets any of the following criteria: i) it represents a separate major line of business or geographical area of operations; ii) it is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or iii) it is a subsidiary acquired exclusively with a plan to resell.

The profit or loss from discontinued operations is disclosed separately in the statement of profit or loss. As required by paragraph 34 of IFRS 5 - Non-current assets held for sale and discontinued operations, the corresponding prior year figures are reclassified accordingly.

Non-current assets that are to be abandoned

Under IFRS 5.13, non-current assets to be abandoned are those that are destined to be no longer used. Their carrying amount will never be recovered through their sale but through their continuous use to the end of their economic life (scrapping).

However, if the asset to be abandoned (i) represents a separate major line of business or geographical area of operations or (ii) is a subsidiary acquired exclusively with a view to resale, it is recognised as a discontinued operation.

These assets are reclassified as discontinued operations at the date on which they cease to be used. They are considered owned and used until they are actually disposed of.

3.20 Impairment testing

Goodwill and equity investments and financial assets were tested for impairment at the reporting date in accordance with IAS 36 and IFRS 9, respectively.

The Group carried out the impairment tests considering:

- the procedures approved, also in compliance with the joint Bank of Italy/Consob/Isvap document no. 4 of 3 March 2010, which are based, inter alia, on: (i) the applicable IFRS, (ii) the guidance and recommendations of the market regulators, and (ii) valuation best practices;
- the actual and forward-looking (2023 budget) financial data prepared by the investees' management.

Lastly, as customary, management availed itself of the advice of a network of international experts for the preparation of the impairment tests.

Market capitalisation below equity

Since the parent's market capitalisation (€1,376.1 million) at the reporting date is lower than its equity attributable to the owners of the parent (€1,578.7 million), management deemed it appropriate to check whether this fact would represent an impairment indicator. Like other sector operators, the parent's market value was affected by external factors that penalised financial markets in Italy and abroad during the year. These were mainly attributable to international monetary policies, rising inflation and uncertainties related to the war between Russia and Ukraine.

Considering the above and that the parent's market capitalisation levelled off at levels higher than the Group's equity, management concluded that there were no impairment indicators.

Property, plant and equipment, intangible assets and equity investments

If there is any indication that an intangible asset or an item of property, plant and equipment is impaired, the recoverable amount of the asset is estimated to determine the amount of the impairment loss. Goodwill is tested at least annually for impairment.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

If a binding sales agreement does not exist, fair value is estimated using the observable prices of an active market, recent transactions or the best information available to reflect the amount the entity could obtain by disposing of the asset.

Value in use is determined by discounting the estimated future cash flows expected to arise from the continuing use of an asset, net of taxes, and, if reasonably determinable, from its disposal at the end of its useful life. Discounting is applied by using a post-tax discount rate which reflects the current market assessments of the time value of money and the risks specific to the asset.

The assessment is made for individual assets or the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets from its continuing use (cash-generating unit). An impairment loss is recognised when the recoverable amount is lower than the carrying amount. If the reasons for the impairment loss are no longer valid, the impairment loss (except in the case of goodwill) is reversed and the adjustment is taken to profit or loss as a reversal of impairment losses. A reversal of impairment losses is recognised to the extent of the lower of the recoverable amount and original carrying amount less depreciation/amortisation that would have been recognised had the impairment loss not been recognised.

Financial assets

The Group tests the recoverable amount of financial assets at amortised cost using the expected credit loss model. This model develops estimates of the impact of changes in economic factors (including future changes) on the expected credit losses using a probability-weighted outcome.

Credit-impaired financial assets are individually impaired, taking into account the parameters identified from time to time and disclosed in these notes.

The Group's 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.

4. Changes in standards

New EU-endorsed standards, amendments and interpretations that became effective on 1 January 2022

This section lists the standards, amendments and interpretations published by the IASB, endorsed by the European Union and applicable since 1 January 2022:

Standard/Interpretation	IASB application date
Amendments to: ▪ IFRS 3- Business combinations; ▪ IAS 16- Property, plant and equipment; ▪ IAS 37- Provisions, contingent assets and contingent liabilities Annual Improvements 2018-2020 issued on 14 May 2020	1 January 2022

The above amendments, applicable since 1 January 2022, have not had a significant effect on these consolidated financial statements

EU-endorsed standards, amendments and interpretations that the Group has adopted early

The Group has early adopted the Amendments to IAS 1- Presentation of financial statements and IFRS Practice Statement 2: Disclosure of accounting policies (issued on 12 February 2021, whose effective date provided for by the IASB is 1 January 2023) in preparing the disclosures on its accounting policies presented in note 3 hereto.

EU-endorsed standards, amendments and interpretations that the Group has not adopted early

The standards, amendments and interpretations published by the IASB and the International Financial Reporting Standards Interpretations Committee (IFRS-IC) and endorsed by the competent EU bodies at the reporting date are set out below:

Standard/Interpretation	**IASB application date**
Amendments to IAS 8- Accounting policies, changes in accounting estimates and errors: definition of accounting estimates (issued on 12 February 2021)	1 January 2023
IFRS 17 (Insurance contracts) issued on 18 May 2017, including the amendments to IFRS 17 issued on 25 June 2020)	1 January 2023
Amendments to IFRS 17 (Insurance contracts)- Initial application of IFRS 17 and IFRS 9 – Comparative information issued on 9 December 2021)	1 January 2023
Amendments to IAS 12- Income taxes: deferred tax related to assets and liabilities arising from a single transaction (issued on 7 May 2021)	1 January 2023

The standards and amendments that became applicable on 1 January 2023 are not expected to have a significant effect on the consolidated financial statements.

Published standards, amendments and interpretations not yet endorsed by the EU

The standards, amendments and interpretations published by the IASB and the International Financial Reporting Standards Interpretations Committee (IFRS-IC) but not yet endorsed by the competent EU bodies at the reporting date are set out below:

Standard/Interpretation	**IASB application date**
Amendments to 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) ▪ Non-current liabilities with covenants (issued on 31 October 2022)	1 January 2024
Amendments to IFRS 16 Leases: Lease liability in a sale and leaseback (issued on 22 September 2022)	1 January 2024

5. Business combinations

Business combinations are recognised using the acquisition method set out in IFRS 3 (revised in 2008). Accordingly, the consideration for a business combination is measured at fair value, being the sum of the fair value of the assets acquired and liabilities assumed or incurred by the Group at the acquisition date and the equity instruments issued in exchange for control of the acquired entity. Transaction costs are recognised in profit or loss when incurred.

The contingent consideration, included as part of the transfer price, is measured at acquisition-date fair value. Any subsequent changes in fair value are recognised in profit or loss.

The identifiable assets acquired and the liabilities assumed are recognised at their acquisition-date fair value.

Goodwill is measured as the difference between the aggregate of the consideration transferred, the amount of any non-controlling interests (NCI) and the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree and the net fair value of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If the difference is negative, the resulting gain is recognised as a bargain purchase in profit or loss.

NCI can be measured at fair value or at their proportionate share of the fair value of the net assets of the acquiree at the acquisition date. The measurement method is decided on a case-by-case basis.

Business combination achieved in stages (step acquisition)

In the case of step acquisitions, the Group's existing investment in the acquiree is measured at fair value on the date that control is obtained. Any resulting adjustments to previously recognised assets and liabilities are recognised in profit or loss. Therefore, the previously held investment is treated as if it had been sold and reacquired on the date that control is obtained.

Business combinations carried out in 2022

None.

Completion of the PPA procedure for Seli Overseas S.p.A.

As disclosed in the notes to the consolidated financial statements at 31 December 2021, to which reference is made for more information, Webuild acquired 100% of Seli Overseas S.p.A. with effect from 27 July 2021.

The acquisition-date fair value of the assets acquired and liabilities assumed was provisionally estimated at €9.75 million. As allowed by IFRS 3, the Group opted to complete the purchase price allocation (PPA) procedure in 12 months.

It, therefore, completed the identification and fair value measurement of Seli Overseas S.p.A.'s assets and liabilities in 2022, from which no differences emerged with respect to the figures presented in the 2021 consolidated financial statements.

The following table shows the PPA extrapolated from the 2021 consolidated financial statements:

(€'000)	
Consideration transferred to acquire a controlling interest	12,767
Net assets acquired	9,752
Goodwill	**3,015**

6. Segment reporting

Segment reporting is presented according to macro geographical regions, based on the management review approach adopted by management, for the '"Italy", "Abroad" and "Lane Group" operating segments".

Costs relating to activities which are carried out by the parent, Webuild, called "Corporate" costs, are attributed to the Italy segment and relate to:

- planning of human and financial resources;
- coordination and assistance with the group companies' administrative, tax, legal/corporate and institutional and business communications requirements.

These costs amounted to €198.3 million for 2022 compared to €165.4 million for 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 methods of aggregating information by business segment have been revised in 2022, in order to continue to ensure consistency with the reporting system in use by senior management. The 2021 comparative figures have been restated accordingly.

The consolidated financial statements figures are summarised below by operating segment with comparative figures for 2021 (statement of profit or loss) and at 31 December 2021 (statement of financial position).

Statement of profit or loss by operating segment- 2021

(€'000)	Italy *	Abroad	LANE Group	Total
Revenue from contracts with customers	1,817,195	3,223,564	937,062	5,977,821
Other income	158,916	277,284	6,313	442,512
Total revenue and other income	**1,976,111**	**3,500,848**	**943,375**	**6,420,333**
Operating expenses				
Production costs	(1,400,076)	(2,568,387)	(688,419)	(4,656,882)
Personnel expenses	(278,438)	(542,939)	(280,543)	(1,101,920)
Other operating expenses	(246,453)	(93,109)	(8,259)	(347,821)
Total operating expenses	**(1,924,967)**	**(3,204,435)**	**(977,221)**	**6,106,623**
Gross operating profit (loss) (EBITDA)	**51,144**	**296,413**	**(33,846)**	**313,711**
Gross operating profit (loss) margin (EBITDA) %	*2.6%*	*8.5%*	*-3.6%*	*4.9%*
Impairment losses	(8,628)	(18,247)	(623)	(27,498)
Amortisation, depreciation and provisions	(169,617)	(126,607)	(23,704)	(319,928)
Operating profit (loss) (EBIT) **	**(127,101)**	**151,559**	**(58,173)**	**(33,715)**
Return on Sales				*-0.5%*
Net financing costs and net losses on equity investments				(111,654)
Loss before tax				**(145,369)**
Income taxes				(133,629)
Loss from continuing operations				**(278,998)**
Profit from discontinued operations				232
Loss for the year				**(278,766)**

(*) The operating loss includes costs of €131.9 million for the dispute with the customer for the C.A.V.TO.MI contract.

(**) The operating loss includes the costs of the parent's central units and other general costs of €165.4 million (of which €62.4 million for Italy and €103 million for Abroad).

Statement of profit or loss by operating segment- 2022

(€'000)	Italy	Abroad	LANE Group	Total
Revenue from contracts with customers	2,185,871	4,265,781	1,204,354	7,656,006
Other income	219,106	214,603	1,438	435,147
Total revenue and other income	**2,404,977**	**4,480,384**	**1,205,792**	**8,091,153**
Operating expenses				
Production costs	(1,523,285)	(3,333,892)	(880,876)	(5,738,054)
Personnel expenses	(332,102)	(749,353)	(366,150)	(1,447,605)
Other operating expenses	(171,015)	(137,034)	(14,701)	(322,750)
Total operating expenses	**(2,026,402)**	**(4,220,279)**	**(1,261,727)**	**(7,508,408)**
Gross operating profit (loss) (EBITDA)	**378,575**	**260,105**	**(55,935)**	**582,745**
Gross operating profit (loss) margin (EBITDA) %	*15.7%*	*5.8%*	*-4.6%*	*7.2%*
Impairment losses	214	(84,259)	-	(84,045)
Amortisation, depreciation and provisions	(146,030)	(123,158)	(38,435)	(307,623)
Operating profit (loss) (EBIT) *	**232,759**	**52,688**	**(94,370)**	**191,077**
Return on Sales				*2.4%*
Net financing costs and net losses on equity investments				(80,285)
Profit before tax				**110,792**
Income taxes				(76,290)
Profit from continuing operations				**34,502**
Loss from discontinued operations				(17,972)
Profit for the year				**16,530**

(*) The operating profit includes the costs of the central units and other general costs of €198,3 million (of which €84,9 million for Italy and €113.4 million for Abroad).

Statement of financial position at 31 December 2021 by operating segment

(€'000)	Italy	Abroad	LANE Group	Total
Non-current assets	819,447	1,075,045	176,503	**2,070,995**
Assets (liabilities) held for sale, net	26,225	(1,377)	-	**24,848**
Provisions for risks	(70,120)	(72,541)	(79,930)	**(222,591)**
Post-employment benefits and other employee benefits	(24,521)	(14,421)	(11,745)	**(50,687)**
Net tax assets (liabilities)	390,982	(49,776)	33,793	**374,999**
Net working capital	**(1,963,367)**	**1,291,955**	**(133,230)**	**(804,642)**
Net invested capital	**(821,354)**	**2,228,885**	**(14,609)**	**1,392,922**
Equity				**1,859,599**
Net financial position				**(466,677)**
Total financial resources				**1,392,922**

Statement of financial position at 31 December 2022 by operating segment

(€'000)	Italy	Abroad	LANE Group	Total
Non-current assets	767,987	1,115,939	175,114	**2,059,040**
Assets held for sale, net	-	849	-	**849**
Provisions for risks	(91,981)	(19,598)	(87,300)	**(198,879)**
Post-employment benefits and other employee benefits	(23,293)	(16,171)	(13,142)	**(52,606)**
Net tax assets	338,184	36,844	62,421	**437,449**
Net working capital	**(1,845,492)**	**1,256,328**	**13,200**	**(575,964)**
Net invested capital	**(854,595)**	**2,374,191**	**150,293**	**1,669,889**
Equity				**1,935,074**
Net financial position				**(265,185)**
Total financial resources				**1,669,889**

Statement of financial position

7. Property, plant and equipment, intangible assets and right-of-use assets

7.1 Property, plant and equipment

Property, plant and equipment are analysed in the table below:

	31 December 2021			31 December 2022		
(€'000)	Cost	Acc.dep	Carrying amount	Cost	Acc. dep.	Carrying amount
Land	13,384	-	13,384	13,591	-	13,591
Buildings	185,057	(100,363)	84,694	208,227	(93,166)	115,061
Plant and machinery	1,147,577	(779,570)	368,007	1,202,056	(788,241)	413,815
Industrial and commercial equipment	114,864	(100,062)	14,802	126,461	(102,128)	24,333
Other assets	87,105	(74,454)	12,651	84,507	(68,440)	16,067
Assets under const. and payments on account	126,739	-	126,739	127,400	-	127,400
Total	**1,674,726**	**(1,054,449)**	**620,277**	**1,762,242**	**(1,051,975)**	**710,267**

Changes during the year are summarised below:

(€'000)	31 December 2021	Increases	Depreciation	Reversals of imp. losses (Imp. losses)/Reval.	Reclass-ifications	Disposals	Net exchange losses	Change in cons. scope	31 December 2022
Land	13,384	56	-	-	-	-	151	-	13,591
Buildings	84,694	61,200	(23,700)	-	-	(5,923)	(1,210)	-	115,061
Plant and machinery	368,007	123,142	(137,123)	-	74,250	(10,586)	(3,739)	(136)	413,815
Industrial and commercial equipment	14,802	23,119	(8,340)	-	5,537	(11,085)	298	-	24,333
Other assets	12,651	9,172	(4,738)	-	-	(605)	(365)	(48)	16,067
Assets under const. and payments on account	126,739	55,956	-	-	(56,386)	-	1,091	-	127,400
Total	**620,277**	**272,645**	**(173,901)**	**-**	**23,401**	**(28,199)**	**(3,774)**	**(184)**	**710,267**

The most significant changes include:

- increases of €272.6 million, mainly related to investments made (i) for the Australian Snowy Hydro 2.0 project (€76.3 million) to complete the base camp, place the third tunnel boring machine (TBM) in service and purchase equipment for the mechanical excavation of the tunnels, (ii) by Consorzio Hirpinia (€38.2 million) to purchase prefabricated modules, equipment and machinery, and (iii) by the TELT JV for Lot 2 in France (€18.0 million), mainly as progress payments for three TBMs and buildings for the base camp;
- depreciation of €173.9 million, principally recognised on the Snowy Hydro 2.0 project (Australia), the Milan - Genoa railway line project and Lane Group's projects;
- reclassifications of €23.4 million, chiefly related to machinery and equipment under lease at the end of 2021;

- disposals of €28.2 million, mostly the building used for offices and accommodation in Via Agrigento, Rome (€2.4 million) and equipment no longer necessary for contracts in Italy (mainly the Milan- Genoa railway line), the United States and Australia (Forrestfield Airport Link in Perth).

7.2. Right-of-use assets

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

	31 December 2021			31 December 2022		
(€'000)	Cost	Acc. dep.	Carrying amount	Cost	Acc. dep.	Carrying amount
Land	4,308	(2,453)	1,855	5,208	(3,628)	1,580
Buildings	91,169	(46,681)	44,488	88,760	(52,358)	36,402
Plant and machinery	249,734	(128,635)	121,099	197,189	(123,946)	73,243
Industrial and commercial equipment	1,632	(1,566)	66	575	(551)	24
Other assets	5,286	(3,154)	2,132	4,935	(2,641)	2,294
Total	**352,128**	**(182,489)**	**169,639**	**296,669**	**(183,124)**	**113,541**

The item mainly comprises operating assets (plant, machinery and equipment) used for projects underway as well as buildings where the Rome and Milan offices are located and buildings housing the offices of branches and foreign subsidiaries.

Changes during the year are summarised below:

(€'000)	31 December 2021	Increases	Depreciation	Reversals of imp. losses (Imp. losses)/Reval.	Reclass-ifications	Remeasure-ment	Net exchange gains	Change in cons. scope	31 December 2022
Land	1,855	516	(840)	-	-	47	2	-	1,580
Buildings	44,488	15,276	(17,021)	-	(2,026)	(3,720)	(595)	-	36,402
Plant and machinery	121,099	28,695	(56,125)	-	(21,375)	(2,393)	3,342	-	73,243
Industrial and commercial equipment	66	-	(49)	-	-	13	(6)	-	24
Other assets	2,132	1,097	(885)	-	-	(115)	61	4	2,294
Total	**169,639**	**45,584**	**(74,920)**	**-**	**(23,401)**	**(6,168)**	**2,803**	**4**	**113,541**

The most significant changes of the year are summarised below:

- increases of €45.6 million, mainly related to progress made on the projects in the United States (Lane Group), Tajikistan (Rogun Hydropower Project) and Australia (North East Link project);
- depreciation (€74.9 million);
- reclassifications, mostly due to the transfer of machinery and equipment held under lease at 31 December 2021 to proprietary assets (€23.4 million).

7.3. Intangible assets

The item may be analysed as follows:

	31 December 2021			31 December 2022		
(€'000)	Cost	Acc. amort.	Carrying amount	Cost	Acc. amort.	Carrying amount
Rights to infrastructure under concession	67,477	(10,013)	57,464	65,510	(8,129)	57,381
Contract acquisition costs	640,924	(291,288)	349,635	638,779	(374,701)	264,078
Incremental costs of obtaining a contract	17,731	(7,690)	10,041	16,764	(12,468)	4,296
Costs to fulfil a contract	85,688	(38,291)	47,398	85,576	(39,605)	45,971
Other	9,905	(8,093)	1,812	9,838	(7,590)	2,248
Total	**821,725**	**(355,375)**	**466,350**	**816,467**	**(442,493)**	**373,974**

Rights to infrastructure under concession mostly refers (€44.6 million) to the design costs incurred by the subsidiary SA.BRO.M. for the new Broni - Mortara regional motorway, which include the borrowing costs capitalised in accordance with IAS 23. They were not amortised as the concession is currently inoperative.

Information about management's assessments of the recoverability of this investment is available in the "Main risk factors and uncertainties" section in the Directors' report.

Contract acquisition costs mostly relate to: (i) the EPC order backlog recognised as part of the PPA procedure for the Astaldi Group acquisition in 2020 (€201.3 million), and (ii) "contractual rights" acquired from third parties to perform the high-speed/capacity Milan - Genoa and Verona - Padua railway line contracts (€18.8 million and €18.7 million, respectively).

The incremental costs of obtaining a contract are those incurred to win contracts and mostly refer to the subsidiary Fisia Italimpianti for Lot 2 of the Riachuelo project in Argentina.

The costs to fulfil a contract include pre-operating costs capitalised in accordance with IFRS 15.95 as they will generate resources that will be used in performing the related contracts. The year-end balance mostly refers to the high-speed/capacity Milan - Genoa railway line contract and some other recently awarded projects in Italy.

Other assets principally consist of application software.

Changes in this item are shown below:

(€'000)	31 December 2021	Increases/ (Decreases)	Amortisation	Imp. losses/Reval.	Net exchange losses	Reclass. and change in consolidation scope	31 December 2022
Rights to infrastructure under concession	57,464	549	(325)	21		(328)	57,381
Contract acquisition costs	349,635	(2,144)	(83,413)		-		264,078
Incremental costs of obtaining a contract	10,041	2,220	(5,666)		(2,299)		4,296
Costs to fulfil a contract	47,398	(170)	(1,265)		8		45,971
Other	1,812	1,263	(936)	-	109		2,248
Total	**466,350**	**1,718**	**(91,605)**	**21**	**(2,182)**	**(328)**	**373,974**

The changes of the year are mostly a result of the amortisation of Astaldi Group's EPC order backlog (€69.5 million).

There are no indicators of impairment of the Group's intangible assets.

8. Goodwill

This item and changes therein are set out below:

(€'000)	31 December 2021	Increases	Impairment losses	Net exchange gains	31 December 2022
Lane Group	75,481	-	-	4,388	79,869
Seli Overseas	3,015	-	-	-	3,015
Total	**78,496**	**-**	**-**	**4,388**	**82,884**

Impairment test

The following table summarises the key drivers used for the impairment test:

CGU	Metodology	Growth rate (g)	WACC
Lane Group	UDCF	Null	10.27%
Seli Overseas	UDCF	Null	11.97%

The impairment tests showed that the carrying amount of the CGUs is fully recoverable, including goodwill.

The Group performed a sensitivity analysis of the impairment test results to check their volatility given the financial parameters used. The value drivers that bring the CGUs' recoverable amounts into line with their carrying amounts are:

- Lane Group: WACC 23.6%;
- Seli Overseas: WACC 30.39%.

Significantly different results for the recoverability of goodwill would not arise even in the worst case scenario with a hypothetical 5% reduction in cash flows.

9. Equity investments

9.1 Equity-accounted investments

This item includes:

(€'000)	31 December 2021	31 December 2022	Variation
Investments in associates	605,658	660,965	55,307
Interests in joint ventures	50,414	36,834	(13,579)
Total	**656,072**	**697,799**	**41,728**

Changes in the Group's investments/interests in associates and joint ventures during the year are summarised below:

(€'000)	Investments in associates	Interests in joint ventures
1 January 2022	**605,658**	**50,414**
Acquisitions, capital injections and disinvestments and other contributions	10,494	16,560
Share of profit of equity-accounted investees	4,157	1,467
Impairment (losses) gains	4,679	(13,830)
Measurement at equity through OCI	27,695	1,173
Dividends	(3,117)	(13,523)
Adjustment for hyperinflation	11,392	-
Reclassifications and other changes	7	(5,426)
31 December 2022	**660,965**	**36,834**

The most significant changes include:

- capital injections into Grupo Unidos por el Canal S.A. (€11.4 million) and Lane Group companies (€16.1 million);
- the exchange gains recognised in OCI by Grupo Unidos por El Canal S.A., which benefited considerably from the US dollar's strong appreciation during the year (€30.7 million);
- the reduction in dividends, mostly attributable to the Lane Group companies.

Note 36 describes the effects of the equity-accounting of investments on profit or loss.

As already described in previous reports, the financial statements used to measure some of the investments using the equity method include claims 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 in the Directors' report.

<u>Impairment test</u>

Grupo Unidos por el Canal S.A.

The Group tested its investment in the associate Grupo Unidos por el Canal S.A. (the "SPE") for impairment by discounting the cash flows expected from its operations using the assumed settlement of the claims and other assets held by 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 (4.5% for the claims and 4.0% for the other assets) were defined considering:

- the average return on risk-free rates of the six months before the reporting date in order to consider the current macroeconomic climate;
- a country risk component;
- a spread that reflects the typical business risk.

The impairment test confirmed the equity investment's carrying amount to be recoverable.

The impairment test was subjected to a sensitivity analysis to check its results' sensitivity to a reasonable 1% variation in the discount rate. No potential impairment losses were identified.

Yuma Concesionaria S.A.

The Group deemed it opportune to test the investment in Yuma Concesionaria S.A. (section 3 of the Ruta del Sol Motorway in Colombia) for impairment at the reporting date.

It determined the value in use using the dividend discount model (DDM), discounting the expected dividends for the 2023-2031 period at a rate of 14.1%, equal to the investee's cost of equity (ke).

The Group used the business plan prepared by the investee's management to apply this model.

The impairment test confirmed the equity investment's carrying amount to be recoverable.

No other indicators of impairment of the other equity-accounted investments were identified.

A sensitivity analysis was performed of the equity investment's recoverable amount using a worst case scenario with a 1% increase in the discount rate. The results of this analysis were not significantly different to those obtained from the impairment tests.

No other indicators of impairment of the other equity-accounted investments were identified.

9.1.1 Financial highlights of the associates

The financial highlights of the significant associates, taken from their IFRS financial statements, are as follows:

Autopistas del Sol S.A. (19.82%)- North Access Motorway in Buenos Aires, Argentina

	31 December	31 December		31 December	31 December
€'000	2021	2022	€'000	2021	2022
Non-current assets			**Equity**	**109,840**	**122,776**
Property, plant and equipment and intangible assets	161,052	174,974	**Non-current liabilities**		
Non-current financial assets	-	208	Non-current financial liabilities	-	-
Other non-current assets	-	-	Other non-current liabilities	60,707	64,784
Total non-current assets	**161,052**	**175,182**	**Total non-current liabilities**	**60,707**	**64,784**
Current assets			**Current liabilities**		
Cash and cash equivalents and other financial assets	20,144	25,674	Current financial liabilities	-	6,895
Other current assets	48,147	24,647	Other current liabilities	58,796	31,048
Total current assets	**68,291**	**50,321**	**Total current liabilities**	**58,796**	**37,943**
Total assets	**229,343**	**225,503**	**Total liabilities**	**229,343**	**225,503**

	31 December	31 December			
€'000- Group share	2021	2022	€'000	2021	2022
			Revenue	49,864	54,408
Opening equity	**18,491**	**21,768**	Operating expenses	(40,020)	(43,831)
Group's share of comprehensive expense	(2,786)	(7,639)	**Operating profit**	**9,844**	**10,577**
Dividends distributed	-	(803)	Net financing income (costs)	5,641	(7,767)
Capital increases and other variations	6,063	11,006	**Profit before tax**	**15,485**	**2,810**
Closing equity	**21,768**	**24,332**	Income taxes	(19,029)	(718)
Loss allowance	(4,999)	(4,999)	**Profit (loss) from continuing operations**	**(3,544)**	**2,092**
			Other comprehensive expense	(10,514)	(40,638)
Carrying amount	**16,769**	**19,333**	**Comprehensive expense**	**(14,058)**	**(38,546)**

Brennero Tunnel Construction S.C. a r.l. (47.23%)- Brenner Base Tunnel (Lot Mules 2-3)

€'000	31 December 2021	31 December 2022	€'000	31 December 2021	31 December 2022
Non-current assets			**Equity**	**100**	**100**
Property, plant and equipment and intangible assets	53,587	34,811	**Non-current liabilities**		
Non-current financial assets	-	-	Non-current financial liabilities	9,419	672
Other non-current assets	-	-	Other non-current liabilities	2,287	2,069
Total non-current assets	**53,587**	**34,811**	**Total non-current liabilities**	**11,706**	**2,741**
Current assets			**Current liabilities**		
Cash and cash equivalents and other financial assets	30,476	22,674	Current financial liabilities	696	522
Other current assets	19,709	19,770	Other current liabilities	91,270	73,892
Total current assets	**50,185**	**42,444**	**Total current liabilities**	**91,966**	**74,414**
Total assets	**103,772**	**77,255**	**Total liabilities**	**103,772**	**77,255**

€'000- Group share	31 December 2021	31 December 2022	€'000	2021	2022
			Revenue	188,136	153,097
Opening equity	**47**	**47**	Operating expenses	(186,994)	(152,747)
Group's share of comprehensive income (expense)	-	-	**Operating profit**	**1,142**	**350**
Dividends distributed	-	-	Net financing costs	(769)	(336)
Capital increases and other variations	-	-	**Profit before tax**	**373**	**14**
Closing equity	**47**	**47**	Income taxes	(373)	(14)
Carrying amount	**47**	**47**	**Comprehensive income (expense)**	**-**	**-**

Eurolink S.C.p.A. (45.00%)- Strait of Messina Bridge

€'000	31 December 2021	31 December 2022	€'000	31 December 2021	31 December 2022
Non-current assets			**Equity**	**37,500**	**37,500**
Current assets			**Current liabilities**		
Cash and cash equivalents and other financial assets	708	644	Current financial liabilities	-	-
Other current assets	59,518	59,746	Other current liabilities	22,726	22,890
Total current assets	**60,226**	**60,390**	**Total current liabilities**	**22,726**	**22,890**
Total assets	**60,226**	**60,390**	**Total liabilities**	**60,226**	**60,390**

€'000- Group share	31 December 2021	31 December 2022	€'000	2021	2022
			Revenue	242	228
Opening equity	**16,875**	**16,875**	Operating expenses	(235)	(228)
Group's share of comprehensive income (expense)	-	-	**Operating profit**	**7**	**-**
Capital increases and other variations	-	-	**Profit before tax**	**7**	**-**
Closing equity	**16,875**	**16,875**	Income taxes	(7)	-
Carrying amount	**16,875**	**16,875**	**Comprehensive income (expense)**	**-**	**-**

Grupo Unidos por el Canal S.A. (48%)*- Panama Canal Extension

€'000	31 December 2021	31 December 2022	€'000	31 December 2021	31 December 2022
Non-current assets			**Equity**	**5,215**	**6,553**
Other non-current assets	-	-	Other non-current liabilities	29	26
Total non-current assets	**-**	**-**	**Total non-current liabilities**	**29**	**26**
Current assets			**Current liabilities**		
Cash and cash equivalents and other financial assets	307	490	Current financial liabilities	718,212	763,551
Other current assets	1,559,709	1,647,529	Other current liabilities	836,560	877,889
Total current assets	**1,560,016**	**1,648,019**	**Total current liabilities**	**1,554,772**	**1,641,440**
Total assets	**1,560,016**	**1,648,019**	**Total liabilities**	**1,560,016**	**1,648,019**

€'000- Group share	31 December 2021	31 December 2022	€'000	2021	2022
			Revenue	(240,858)	(3,679)
Opening equity (deficit)	**(10,038)**	**2,003**	Operating expenses	(21,212)	(18,624)
Group's share of comprehensive expense	(100,590)	(11,155)	**Operating loss**	**(262,070)**	**(22,303)**
Dividends distributed	-	-	Net financing income (costs)	788	(5,158)
Capital increases and other variations	112,631	11,669	**Loss before tax**	**(261,282)**	**(27,461)**
Closing equity	**2,003**	**2,516**	Income taxes	-	-
Additional long-term interests (IAS 28.14.a)	494,916	525,955	**Loss from continuing operations**	**(261,282)**	**(27,461)**
Loss allowance	(13,458)	(2,302)	Other comprehensive expense	(673)	(1,589)
Carrying amount	**483,461**	**526,169**	**Comprehensive expense**	**(261,955)**	**(29,050)**

* Internal agreements are in place for the reallocation of the percentages for the consortium member's results, giving Webuild an investment percentage of 38.4%.

Metro C S.C.p.A. (34.50%)- Rome Metro- Line C

€'000	31 December 2021	31 December 2022	€'000	31 December 2021	31 December 2022
Non-current assets			**Equity**	**57,018**	**57,018**
Property, plant and equipment and intangible assets	1,522	1,295	**Non-current liabilities**		
Non-current financial assets	-	-	Non-current financial liabilities	-	77
Other non-current assets	-	-	Other non-current liabilities	2,511	2,686
Total non-current assets	**1,522**	**1,295**	**Total non-current liabilities**	**2,511**	**2,763**
Current assets			**Current liabilities**		
Cash and cash equivalents and other financial assets	468	12	Current financial liabilities	50,270	58,064
Other current assets	261,894	323,315	Other current liabilities	154,085	206,777
Total current assets	**262,362**	**323,327**	**Total current liabilities**	**204,355**	**264,841**
Total assets	**263,884**	**324,622**	**Total liabilities**	**263,884**	**324,622**

€'000- Group share	31 December 2021	31 December 2022	€'000	2021	2022
			Revenue	55,911	79,721
Opening equity	**19,671**	**19,671**	Operating expenses	(54,123)	(77,422)
Group's share of comprehensive income (expense)	-	-	**Operating profit**	**1,788**	**2,299**
Dividends distributed	-	-	Net financing costs	(1,583)	(2,026)
Capital increases and other variations	-	-	**Profit before tax**	**205**	**273**
Closing equity	**19,671**	**19,671**	Income taxes	(205)	(273)
Carrying amount	**19,671**	**19,671**	**Comprehensive income (expense)**	**-**	**-**

Metro de Lima Linea 2 S.A. (18.25%)- Line 2 of Lima Metro in Peru

€'000	31 December 2021	31 December 2022	€'000	31 December 2021	31 December 2022
Non-current assets			**Equity**	**172,843**	**204,513**
Property, plant and equipment and intangible assets	624	792	**Non-current liabilities**		
Other non-current assets	-	-	Other non-current liabilities	4,556	4,838
Total non-current assets	**624**	**792**	**Total non-current liabilities**	**4,556**	**4,838**
Current assets			**Current liabilities**		
Cash and cash equivalents and other financial assets	17,875	8,837	Current financial liabilities	55,210	56,046
Other current assets	437,622	447,193	Other current liabilities	223,512	191,425
Total current assets	**455,497**	**456,030**	**Total current liabilities**	**278,722**	**247,471**
Total assets	**456,121**	**456,822**	**Total liabilities**	**456,121**	**456,822**

€'000- Group share	31 December 2021	31 December 2022	€'000	2021	2022
			Revenue	248,280	190,575
Opening equity	**26,513**	**31,544**	Operating expenses	(240,386)	(192,902)
Group's share of comprehensive income	5,031	5,780	**Operating profit (loss)**	**7,894**	**(2,327)**
Dividends distributed	-	-	Net financing income	15,111	28,793
Capital increases and other variations	-	-	**Profit before tax**	**23,005**	**26,466**
Closing equity	**31,544**	**37,324**	Income taxes	(8,210)	(5,220)
			Profit from continuing operations	**14,795**	**21,246**
			Other comprehensive income	12,775	10,424
Carrying amount	**31,544**	**37,324**	**Comprehensive income**	**27,570**	**31,670**

Mobilink Hurontario G.P. (35.00%)- Light Rail Transit in Ontario, Canada

€'000	31 December 2021	31 December 2022	€'000	31 December 2021	31 December 2022
Non-current assets			**Equity**	**11,790**	**34,146**
Property, plant and equipment and intangible assets	453,627	529,941	**Non-current liabilities**		
Non-current financial assets		-	Non-current financial liabilities	383,631	411,613
Total non-current assets	**453,627**	**529,941**	**Total non-current liabilities**	**383,631**	**411,613**
Current assets			**Current liabilities**		
Cash and cash equivalents and other financial assets	4,831	5,139	Current financial liabilities		
Other current assets	265	18,763	Other current liabilities	63,302	108,084
Total current assets	**5,096**	**23,902**	**Total current liabilities**	**63,302**	**108,084**
Total assets	**458,723**	**553,843**	**Total liabilities**	**458,723**	**553,843**

€'000- Group share	31 December 2021	31 December 2022	€'000	2021	2022
			Revenue	281,938	269,957
Opening equity (deficit)	**(1,613)**	**4,126**	Operating expenses	(263,400)	(248,972)
Group's share of comprehensive income	5,990	7,825	**Operating profit**	**18,538**	**20,985**
Dividends distributed			Net financing costs	(10,822)	(11,620)
Capital increases and other variations	(251)		**Profit before tax**	**7,716**	**9,365**
Closing equity	**4,126**	**11,951**	Income taxes	-	-
			Profit from continuing operations	**7,716**	**9,365**
			Other comprehensive income	9,398	12,991
Carrying amount	**4,126**	**11,951**	**Comprehensive income**	**17,114**	**22,356**

Yuma Concesionaria S.A. (48.33%)- Sector 3 of Ruta del Sol Motorway in Colombia

	31 December	31 December		31 December	31 December
€'000	2021	2022	€'000	2021	2022
Non-current assets			**Equity**	**2,643**	**12,435**
Property, plant and equipment and intangible assets	364,800	479,932	**Non-current liabilities**		
Non-current financial assets	-	-	Non-current financial liabilities	210,963	285,129
Other non-current assets	-	197	Other non-current liabilities	360	154
Total non-current assets	**364,800**	**480,129**	**Total non-current liabilities**	**211,323**	**285,283**
Current assets			**Current liabilities**		
Cash and cash equivalents and other financial assets	2,965	6,241	Current financial liabilities	5,988	5,138
Other current assets	43,768	33,910	Other current liabilities	191,579	217,424
Total current assets	**46,733**	**40,151**	**Total current liabilities**	**197,567**	**222,562**
Total assets	**411,533**	**520,280**	**Total liabilities**	**411,533**	**520,280**

	31 December	31 December			
€'000- Group share	2021	2022	€'000	2021	2022
			Revenue	149,330	203,398
Opening equity	**5,745**	**1,277**	Operating expenses	(153,858)	(193,511)
Group's share of comprehensive income (expense)	(4,468)	4,733	**Operating profit (loss)**	**(4,528)**	**9,887**
Dividends distributed	-	-	Net financing income (costs)	(3,517)	2,286
Capital increases and other variations	-	-	**Profit (loss) before tax**	**(8,045)**	**12,173**
Closing equity	**1,277**	**6,010**	Income taxes	(489)	(513)
			Profit (loss) from continuing operations	**(8,534)**	**11,660**
			Other comprehensive expense	(711)	(1,870)
Carrying amount	**1,277**	**6,010**	**Comprehensive income (expense)**	**(9,245)**	**9,790**

Significant restrictions

At the date of preparation of this Annual Report, there were no restrictions on the associates' ability to transfer dividends, repay loans or make advances to the parent.

Contingent liabilities

At the date of preparation of this Annual Report, there were no significant contingent liabilities related to the Group's investments in associates. Any related risks are described in the "Main risk factors and uncertainties" section in the Directors' report.

9.1.2 Financial highlights of the joint ventures

The financial highlights of the main joint ventures, taken from their IFRS financial statements, are provided in the following tables.

Flatiron West Inc.- The Lane Constr. Corp. J.V. (40%)- Widening of I-405 Highway-Washington

€'000	31 December 2021	31 December 2022	€'000	31 December 2021	31 December 2022
Non-current assets			**Equity (deficit)**	**(13,566)**	**4,378**
Property, plant and equipment and intangible assets	2,434	2,358	**Non-current liabilities**		
Non-current financial assets	69	-	Non-current financial liabilities	1,359	912
Total non-current assets	**2,503**	**2,358**	**Total non-current liabilities**	**1,359**	**912**
Current assets			**Current liabilities**		
Cash and cash equivalents and other financial assets	21,208	1,047	Current financial liabilities	988	1,306
Other current assets	10,349	29,173	Other current liabilities	45,279	25,982
Total current assets	**31,557**	**30,220**	**Total current liabilities**	**46,267**	**27,288**
Total assets	**34,060**	**32,578**	**Total liabilities**	**34,060**	**32,578**

€'000- Group share	31 December 2021	31 December 2022	€'000	2021	2022
			Revenue	75,155	128,666
Opening deficit	**(3,771)**	**(5,425)**	Operating expenses	(66,947)	(114,388)
Group's share of comprehensive income	2,912	5,278	**Operating profit**	**8,208**	**14,278**
Dividends distributed	(17,249)	(12,155)	Net financing income (costs)	-	-
Capital increases and other variations	12,683	14,055	**Profit before tax**	**8,208**	**14,278**
Closing equity (deficit)	**(5,425)**	**1,753**	Income taxes	-	-
			Profit from continuing operations	**8,208**	**14,278**
			Other comprehensive expense	(929)	(1,082)
Carrying amount	**(5,425)**	**1,753**	**Comprehensive income**	**7,279**	**13,196**

Skanska-Granite-Lane J.V. (30%)- Widening of Interstate 4- Florida (USA)

€'000	31 December 2021	31 December 2022	€'000	31 December 2021	31 December 2022
Non-current assets			**Equity**	**(199,582)**	**(256,456)**
Property, plant and equipment and intangible assets	304	-	**Non-current liabilities**		
Total non-current assets	**304**	**-**	**Total non-current liabilities**	**-**	**-**
Current assets			**Current liabilities**		
Cash and cash equivalents and other financial assets	17,675	23,252	Current financial liabilities	-	-
Other current assets	10,842	3,799	Other current liabilities	228,403	283,507
Total current assets	**28,517**	**27,051**	**Total current liabilities**	**228,403**	**283,507**
Total assets	**28,821**	**27,051**	**Total liabilities**	**28,821**	**27,051**

€'000- Group share	31 December 2021	31 December 2022	€'000	31 December 2021	31 December 2022
			Revenue	220,953	35,249
Opening deficit	**(47,446)**	**(59,875)**	Operating expenses	(247,997)	(80,564)
Group's share of comprehensive expense	(12,429)	(17,063)	**Operating loss**	**(27,044)**	**(45,315)**
Dividends distributed	-	-	Net financing income	7	215
Capital increases and other variations	-	-	**Loss before tax**	**(27,037)**	**(45,100)**
Closing deficit	**(59,875)**	**(76,938)**	Income taxes	-	-
			Loss from continuing operations	**(27,037)**	**(45,100)**
			Other comprehensive expense	(14,392)	(11,775)
Carrying amount	**(59,875)**	**(76,938)**	**Comprehensive expense**	**(41,429)**	**(56,875)**

Unionport Constructors J.V. (45%)- Replacement of the Unionport Bridge- New York (USA)					
€'000	31 December 2021	31 December 2022	€'000	31 December 2021	31 December 2022
Non-current assets			**Equity**	**30,133**	**26,634**
Current assets			**Current liabilities**		
Cash and cash equivalents and other financial assets	5,276	8,243	Current financial liabilities	-	-
Other current assets	45,134	38,372	Other current liabilities	20,277	19,981
Total current assets	**50,410**	**46,615**	**Total current liabilities**	**20,277**	**19,981**
Total assets	**50,410**	**46,615**	**Total liabilities**	**50,410**	**46,615**

€'000- Group share	31 December 2021	31 December 2022	€'000	2021	2022
			Revenue	21,010	18,759
Opening equity	**12,267**	**13,559**	Operating expenses	(30,938)	(28,800)
Group's share of comprehensive expense	(3,463)	(3,646)	**Operating loss**	**(9,928)**	**(10,041)**
Dividends distributed	-	-	Net financing income (costs)	(69)	2
Capital increases and other variations	4,755	2,073	**Loss before tax**	**(9,997)**	**(10,039)**
Closing equity	**13,559**	**11,986**	Income taxes	-	-
			Loss from continuing operations	**(9,997)**	**(10,039)**
			Other comprehensive income	2,300	1,935
Carrying amount	**13,559**	**11,986**	**Comprehensive expense**	**(7,697)**	**(8,104)**

Significant restrictions

At the date of preparation of this Annual Report, there were no restrictions on the joint ventures' ability to transfer dividends, repay loans or make advances to the parent.

Contingent liabilities

At the date of preparation of this Annual Report, there were no significant contingent liabilities related to the Group's interests in joint ventures. Any related risks are described in the "Main risk factors and uncertainties" section in the Directors' report.

9.2 Other equity investments

This item may be analysed as follows:

(€'000)	31 December 2021	31 December 2022	Variation
Non-controlling interests	51,039	51,036	(3)
Participating financial instruments	29,123	29,539	417
Total	**80,161**	**80,575**	**414**

The non-controlling interests mainly refer to the SPE Linea M4 S.p.A. (€47.4 million).

The participating financial instruments consist of the equity instruments (IAS 32.16C) assigned to the former Astaldi's (now Astaris S.p.A., "Astaris") creditors as partial settlement of their unsecured claims.

9.3 Main joint operations

The Group is involved in the following main joint operations:

Joint Operation	Country	Project	Percentage
Civil Work Group	Saudi Arabia	Riyadh Metro civil works	66.00%
Salini Impregilo- NGE Genie Civil S.a.s.	France	Paris Metro "Gran Paris Express" (Line 16 Lot 2)	65.00%
Asocierea Astaldi S.p.A.- IHI Infrastructure Systems Co., Ltd.	Romania	Suspension Braila Bridge over the Danube River	60.00%
Astaldi-Turkerler Joint Venture	Turkey	Ankara Integrated Health Campus	51.00%
Mobilinx Hurontario Contractor	Canada	Hurontario Light Rail Transit	70.00%

The above entities are governed by joint control arrangements as resolutions of the governing bodies require a unanimous vote. While they are separate entities, they are structured to guarantee transparency of their rights and obligations with respect to Webuild or its subsidiaries.

10. Non-current financial assets, including derivatives

Non-current financial assets, including derivatives are analysed in the following table:

(€'000)	31 December 2021	31 December 2022	Variation
Loans and receivables- third parties	187,819	209,443	21,624
Loans and receivables- unconsolidated group companies and other related parties	207,616	289,999	82,383
Other financial assets	23,076	18,997	(4,079)
Total	**418,511**	**518,439**	**99,928**

Loans and receivables- third parties mainly include:

- sales advances of €75.0 million disbursed to Astaris' separate unit (PADE) in accordance with the approved composition with creditors plan;
- €66.0 million related to the CAV.TO.MI. consortium paid on account as a result of the ongoing dispute with the customer about the high-speed/capacity Turin- Milan railway line project;
- €64.8 million related to the undue enforcement of the performance bonds for the A1F, S3 Nowa Sol, S7 Checiny and S7 Widoma motorway contracts in Poland. The Group is confident that it will recover this amount, based also on the opinion of its legal advisors assisting it in the disputes with the customer.

Loans and receivables- unconsolidated group companies and other related parties mainly relate to the loans given to Yuma Concesionaria S.A. (€178.8 million) and the SPE Linea M4 S.p.A. (€92.3 million).

The increase in non-current assets is mostly due to: (i) the additional loans granted to Yuma Concesionaria S.A. (€81.0 million), (ii) execution of the performance bonds for the S7 Widoma project (€22.3 million), and (iii) the additional sales advances disbursed to PADE (€10.6 million).

More information about the Turin- Milan railway line contract, the motorway projects in Poland and Yuma Concesionaria S.A. is provided in the "Main risk factors and uncertainties" section in the Directors' report.

11. Deferred tax assets and liabilities

This item may be broken down as follows:

(€'000)	31 December 2021	31 December 2022	Variation
Deferred tax assets	348,480	346,289	(2,191)
Deferred tax liabilities	(56,504)	(58,060)	(1,556)

Changes in the year are shown in the following table:

(€'000)	31 December 2021	Increases	Decreases	Exchange differences	Reclass-ifications	Other changes	31 December 2022
Deferred tax assets							
Amortisation and depreciation exceeding tax rates	2,582	1,403	(920)	(157)	-	235	3,143
Provisions for risks and impairment losses	217,448	2,370	(5,927)	24	-	(58)	213,857
Tax effect of capital increase	887	-	(443)	-	-	-	444
Astaldi PPA	22,270	-	(3,360)	-	-	-	18,910
Excess maintenance	2,984	-	(2,232)	-	-	-	752
Unrealised exchange losses	30,945	18,785	(10,517)	(585)	-	-	38,628
Other	148,335	21,435	(31,595)	2,691	12,899	15,261	169,026
Deferred tax assets before offsetting	**425,451**	**43,993**	**(54,994)**	**1,973**	**12,899**	**15,438**	**444,760**
Offsetting	(76,971)	-	6,170	(1,040)	470	(27,100)	(98,471)
Net deferred tax assets	**348,480**	**43,993**	**(48,824)**	**933**	**13,369**	**(11,662)**	**346,289**

(€'000)	31 December 2021	Increases	Decreases	Exchange differences	Reclass-ifications	Other changes	31 December 2022
Deferred tax liabilities							
Fiscally-driven amortisation and depreciation	(13,999)	(269)	771	(297)	2,116	-	(11,678)
Deferred gains	(2,661)	(404)	-	95	-	(1,012)	(3,982)
Uncollected default interest	(11,177)	-	-	-	179	(748)	(11,746)
Astaldi PPA	(64,896)	-	15,537	-	-	-	(49,359)
Seli Overseas PPA	(3,751)	-	2,811	-	-	-	(940)
Contract revenue or revenue items	1,534	(4,349)	204	241	-	(226)	(2,596)
Contract revenue taxable in future years	(3,723)	(3,392)	210	132	(864)	-	(7,637)
Unrealised exchange gains	(28,951)	(25,340)	-	11	-	(6,134)	(60,414)
Other	(5,851)	(105)	13,628	(889)	(14,330)	(632)	(8,179)
Deferred tax liabilities before offsetting	**(133,475)**	**(33,859)**	**33,161**	**(707)**	**(12,899)**	**(8,752)**	**(156,531)**
Offsetting	76,971		(6,170)	1,040	(470)	27,100	98,471
Net deferred tax liabilities	**(56,504)**	**(33,859)**	**26,991**	**333**	**(13,369)**	**18,348**	**(58,060)**

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

12. Inventories

The item may be analysed as follows:

	31 December 2021			31 December 2022			
(€'000)	Gross amount	Allowance	Carrying amount	Gross amount	Allowance	Carrying amount	Variation
Real estate projects	23,528	(17,534)	5,994	3,119	-	3,119	(2,875)
Finished products and goods	7,429	-	7,429	10,544	-	10,544	3,115
Semi-finished products	793	-	793	547	-	547	(246)
Raw materials, consumables and supplies	227,216	(23,825)	203,391	257,753	(23,154)	234,599	31,208
Total	**258,966**	**(41,359)**	**217,607**	**271,963**	**(23,154)**	**248,809**	**31,202**

Real estate projects mostly consist of agricultural land in Gallarate in Lombardy and car parks in Arezzo.

The increase in inventories mainly relates to the raw materials, consumables and supplies and, specifically, the Snowy Hydro 2.0 project in Australia and Salini Saudi Arabia Company Ltd (€10.2 million and €11.8 million, respectively).

Changes in the allowance in 2022 are shown below:

(€'000)	31 December 2021	Accruals	Utilisations	Reversals	Change in cons. scope	Other changes and exchange gains (losses)	31 December 2022
Allowance- real estate projects	17,534	-	-	(17,534)	-	-	-
Allowance- raw materials	23,825	570	(317)	(858)	-	(66)	23,154
Total	**41,359**	**570**	**(317)**	**(18.392)**	**-**	**(66)**	**23,154**

13. Contract assets and liabilities

Contract assets and liabilities can be analysed as follows:

(€'000)	31 December 2021	31 December 2022	Variation
Contract assets	2,787,252	3,199,971	412,719
Contract liabilities	3,422,846	3,311,689	(111,157)

Information about the contract assets and liabilities is set out below while the "Performance by geographical area" section in the Directors' report provides information about the contracts, their performance and progress made on the main ongoing projects.

Contract assets

Contract assets include:

(€'000)	31 December 2021	31 December 2022	Variation
Contract work in progress	41,105,731	55,992,398	14,886,667
Progress payments (on approved work)	(37,346,332)	(51,807,919)	(14,461,587)
Advances	(972,147)	(984,508)	(12,361)
Total	**2,787,252**	**3,199,971**	**412,719**

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

(€'000)	31 December 2021	31 December 2022	Variation
Italy	356,869	480,229	123,360
EU (excluding Italy)	766,809	883,092	116,283
Other European countries (non-EU)	39,298	67,300	28,002
Asia/Middle East	947,329	708,742	(238,587)
Africa	317,121	422,439	105,318
Americas (including Lane)	206,745	466,716	259,971
Oceania	153,081	171,453	18,372
Total	**2,787,252**	**3,199,971**	**412,719**

Foreign contract assets increased by €289.4 million, mostly as a result of the greater production volumes achieved in the United States by Lane Group (mainly the I-10 Corridor in California, Cabot Yard and Maintenance Facilities Improvement in Boston, West Ship Canal and C43 Water Management Builders in Florida), Europe

(Braila Bridge and the Frontieră-Curtici-Simeria railway line in Romania and Line 16 of the Paris Metro in France) and Ethiopia (Koysha Hydroelectric Project).

With respect to Asia and the Middle East, contract assets decreased in the United Arab Emirates due to (i) the agreement signed with the customer to settle the claims about the Meydan One Mall project in Dubai (€154.8 million), and (ii) certification of some important milestones in Saudi Arabia (for the Riyadh Metro).

Domestic contract assets increased by €123.4 million, mostly related to the maxi lot of the Marche- Umbria road system, Line 4 of the Milan Metro and the Bicocca- Catenanuova section of the high-speed/capacity Palermo-Catania railway line.

With respect to the item's breakdown by geographical segment, the biggest Italian contributors are Lot 2 of the Marche- Umbria road system, the Infraflegrea project and Line 4 of the Milan Metro. Europe's total was pushed up by the ongoing projects in Romania (mainly the Braila Bridge, the Frontieră-Curtici-Simeria railway line and Lot 3 of the Sibiu- Pitesti Motorway) and Poland (principally the Warsaw Southern Bypass and the motorway projects). In Asia and the Middle East, the projects underway in Tajikistan (Rogun Hydropower Project), Qatar (Al Bayt Stadium) and Saudi Arabia (Line 3 of the Riyadh Metro and the SANG Villas) contributed the most to the total balance for this area.

Contributors in Africa were the projects in Ethiopia (Koysha Hydroelectric Project) and Algeria (Saida- Tiaret-Moulay railway line).

Contract liabilities

Contract liabilities include:

(€'000)	31 December 2021	31 December 2022	Variation
Contract work in progress	(22,645,081)	(14,563,160)	8,081,921
Progress payments (on approved work)	22,836,482	14,089,967	(8,746,515)
Advances	3,231,445	3,784,882	553,437
Total	**3,422,846**	**3,311,689**	**(111,157)**

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

(€'000)	31 December 2021	31 December 2022	Variation
Italy	2,322,658	2,300,252	(22,406)
EU (excluding Italy)	36,886	69,759	32,873
Other European countries (non-EU)	125,492	20,865	(104,627)
Asia/Middle East	15,506	86,233	70,727
Africa	115,034	63,038	(51,996)
Americas (including Lane)	268,972	224,897	(44,075)
Oceania	538,298	546,645	8,347
Total	**3,422,846**	**3,311,689**	**(111,157)**

The reduction in contract liabilities is mostly due to the considerable progress made on the high-speed/capacity Milan- Genoa railway line, the Snowy 2.0 project in Australia and the Koysha Hydroelectric Project in Ethiopia[73], as well as the substantial completion of the Etlik Integrated Health Campus in Ankara in Turkey. This contraction was partly countered by the advances collected in the second half of the year for the recently-awarded contracts

[73] Following the ramping up of production at the Koysha Hydroelectric Project, the amounts due from customers exceed the progress payments and advances received. As a result the related balances were reclassified to contract assets at 31 December 2022.

in Italy (Genoa Breakwater, Enna- Dittaino section of the high-speed Palermo- Catania railway line), Australia (STTOM Project) and Saudi Arabia (Diriyah Square- Package).

The breakdown of contract liabilities by geographical segment shows that the Italian balance relates to work on the high-speed/capacity Verona- Padua, Naples- Bari and Palermo- Catania- Messina railway lines, the new Genoa Breakwater and the third mega lot of the SS-106 state road Jonica.

Contract liabilities in the Americas mostly relate to progress made on projects in the United States (Lane Group) and Canada (the Hurontario Light Rail and RSSOM Project).

The Snowy 2.0, North East Link and SSTOM projects in Australia contributed to the item in the Oceania area.

Additional consideration

Contract assets and liabilities, comprising progress payments, progress billings and advances, include claims for additional consideration of €2,364.1 million and €624.8 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 contract assets and liabilities is part of the total consideration formally requested of the customers.

The "Main risk factors and uncertainties" section in the Directors' report provides information on pending disputes and assets exposed to country risk.

14. Trade receivables

This item is analysed in the following table:

(€'000)	31 December 2021	31 December 2022	Variation
Third parties	2,536,536	2,929,793	393,258
Loss allowance	(424,167)	(513,022)	(88,855)
Unconsolidated group companies and other related parties	385,865	469,335	83,470
Total	**2,498,234**	**2,886,106**	**387,873**

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

(€'000)	31 December 2021	31 December 2022	Variation
Italy	1,219,448	1,584,214	364,766
EU (excluding Italy)	206,609	247,346	40,737
Other European countries (non-EU)	203,030	56,859	(146,171)
Asia/Middle East	193,229	341,096	147,867
Africa	202,122	271,363	69,241
Americas (including Lane)	418,967	289,796	(129,171)
Oceania	54,829	95,432	40,603
Total	**2,498,234**	**2,886,106**	**387,872**

The increase seen in Italy is principally due to: (i) those contracts that made the greatest contribution to production (the high-speed/capacity Verona- Padua and Milan- Genoa railway lines and mega lot 3 of the SS-106 state road Jonica for €115.6 million), as well as (ii) the recently acquired contracts (the Enna- Dittaino section of the high-speed Palermo- Catania railway line for €55.6 million and the new Genoa Breakwater for €88.6 million). The latter increase is mostly offset (for €114.2 million) by a similar rise in liabilities to the Group's consortium partners for that contract.

Again in Italy, the subsidiary Fibe S.p.A. collected part of its trade receivables for the USW Campania projects (€20.9 million). Information about management's assessments of the recoverability of the outstanding amounts (€103.9 million) from the Campania public administrations is available in the "Main risk factors and uncertainties" section in the Directors' report.

The decrease in the other European countries (non-EU) is mostly due to completion of projects in Turkey (the Integrated Health Campuses in Ankara Etlik and Gaziantep) as well as the impairment losses recognised on the trade receivables from the Ukrainian customer Ukravtodor (described later in these notes).

Trade receivables for the projects underway in Saudi Arabia (SANG Villas) and Tajikistan (Rogun Hydropower Project) increased the balance for Asia and the Middle East.

The large reduction in the Americas is mostly a result of the settlement of pending disputes for the Muskrat Falls hydroelectric project in Canada, with collection of the outstanding amounts (the equivalent of approximately €82 million), and the Ruta del Sol Motorway in Colombia.

The increase in trade receivables from unconsolidated group companies and other related parties principally relates to the new Genoa Breakwater (€63.4 million). More information about this item is available in note 39 Related party transactions and the annex attached to these notes on intragroup transactions.

Lastly, the item includes €3.2 million (€15.8 million at 31 December 2021) related to the Group's receivables with consortia and consortium companies (SPEs) that operate by recharging costs and are not included in the consolidation scope. It is shown in the item "Net financial position (debt) with unconsolidated SPEs" as part of net financial position (indebtedness).

14.1 Impairment

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

(€'000)	31 December 2021	Impairment losses	Utilisations	Impairment gains	Change in cons. scope	Reclass. and other changes	Net exchange gains	31 December 2022
Trade receivables	362,011	70,498	(138)	(3,506)	-	23,308	269	452,442
Default interest	62,156	-	-	(1,653)	-	-	76	60,579
Total	**424,167**	**70,498**	**(138)**	**(5,159)**	**-**	**23,308**	**345**	**513,021**

The loss allowance for trade receivables of €452.4 million mostly refers to amounts due from Venezuelan customers (€324.1 million) and the Ukrainian customer Ukravtodor (€65.3 million).

<u>Impairment of the Ukrainian trade receivables</u>

Several years ago, the Group commenced arbitration proceedings (still in place) before the International Chamber of Commerce ("ICC") in Paris against the Ukrainian customer Ukravtodor for the contract to update the Kiev- Kharkiv- Dovzhanskiy section of the M03 Motorway, which the customer unilaterally terminated in August 2016. Based on the arbitration and the competent authorities' decisions, the Group recognised a trade receivable of €67.4 million in its consolidated financial statements at 31 December 2021.

On 24 February 2022, Russia invaded Ukraine. Continuation of the military conflict has increased the risks for Ukraine's economy, public finances and financial stability which could undermine the government's ability to meet its financial commitments.

As a result of this situation, Webuild tested its trade receivables for impairment in line with IFRS 9 given the growing country risk that has emerged due to Ukraine's current political and financial situation.

Management has prudently written off the trade receivables (€65.3 million using the closing rate) at 31 December 2022, leading to the related impact on profit or loss, given the rising concerns about how the war will evolve and its financial repercussions in the second half of the year.

Impairment of the Nigerian trade receivables

As the Nigerian public bodies continue to defer payments and given the country's precarious economic situation, the Group tested its trade receivables and contract assets of €101.8 million (related to work performed in Nigeria) for impairment.

The impairment test was performed in line with the conceptual framework of IFRS 9 simulating various payment scenarios and their probability of occurrence. As a result, the Group impaired the above assets by €3.5 million.

15. Current financial assets, including derivatives

This item comprises:

(€'000)	31 December 2021	31 December 2022	Variation
Loans and receivables- third parties	238,005	351,242	113,237
Loans and receivables- unconsolidated group companies and other related parties	69,130	72,427	3,297
Government bonds and insurance shares	6,106	15,687	9,581
Derivatives	3,684	2,276	(1,408)
Total	**316,925**	**441,632**	**124,707**

"Loans and receivables- third parties" mostly consist of:

- loans of €230.1 million granted to non-controlling investors by group companies, mostly for projects in Australia, Italy, Kuwait and Qatar;
- temporary advances of €42.2 million made by Lane Group for projects carried out with partners in the United States;
- deposits of €22.7 million lodged with Astaldi Canada Inc.'s trustee in conjunction with collection of the final award for the Muskrat Falls project;
- €12.2 million for the undue enforcement of performance bonds by the customer for the Orastie- Sibiu (Lot 3) contract in Romania. The Court of International Commercial Arbitration attached to the Chamber of Commerce and Industry of Romania ("CCIR") announced the final award on 25 February 2021 ordering the customer to return the unfairly enforced amounts. As a result and based on the assessments made with the Group's legal advisors, management deems that the amounts are fully recoverable. More information is available in the "Main risks and uncertainties" section in the Directors' report;
- net investment in leases of €9.6 million for the COCIV Consortium.

The €113.2 million increase in this item is mostly due to the advances recognised by Lane Group (€42.2 million), the additional loans granted to non-controlling investors by group companies (€32.0 million) and Astaldi Canada Inc.'s financial assets as described above (€22.7 million).

Loans and receivables- unconsolidated group companies and other related parties" are substantially line with the previous year. More information about this item is available in note 39 "Related party transactions" and the annex attached to these notes on intragroup transactions.

Derivatives include the reporting-date fair value of currency hedges that did not meet the criteria for application of hedge accounting for cash flow hedges under the IFRS.

Their fair value was a positive €2.3 million at the reporting date as shown below:

(€'000)	31 December 2021	31 December 2022
Currency swaps- FVTPL	-	2,276
Commodity swaps- Cash flow hedges	3,684	-
Total	**3,684**	**2,276**

16. Current tax assets and other current tax assets

Current tax assets

This item comprises:

(€'000)	31 December 2021	31 December 2022	Variation
Direct taxes	43,092	17,601	(25,491)
IRAP	2,427	4,141	1,714
Foreign direct taxes	59,189	68,757	9,568
Total	**104,708**	**90,499**	**(14,209)**

The 31 December 2022 balance mainly consists of:

- direct tax assets for excess taxes paid in previous years, which the Group has correctly claimed for reimbursement and which bear interest;
- foreign direct taxes for excess taxes paid abroad by the foreign group companies which will be recovered as per the relevant legislation.

Other current tax assets

This item comprises:

(€'000)	31 December 2021	31 December 2022	Variation
VAT	234,404	214,389	(20,015)
Other indirect taxes	15,056	19,847	4,791
Total	**249,460**	**234,236**	**(15,224)**

VAT mostly relates to Italian contracts with public administrations that the split payment regime[74] can be applied to.

17. Other current assets

Other current assets may be analysed as follows:

[74] Article 17-ter of Presidential decree no. 633/1972

(€'000)	31 December 2021	31 December 2022	Variation
Other	271,588	232,442	(39,144)
Advances to suppliers	335,440	385,166	49,726
Unconsolidated group companies and other related parties	71,746	36,150	(35,596)
Prepayments and accrued income	226,282	262,687	36,404
Total	**905,056**	**916,445**	**11,390**

This item includes (i) consideration of €47.6 million due to Fibe S.p.A. for the USW Campania projects, (ii) €33.5 million due to the parent as a result of the enforceable award in its favour for the Aguas del Buenos Aires project in Argentina, and (iii) amounts due from Webuild's partners chiefly for projects being carried out abroad for most of the remainder.

Information on the USW Campania projects is available in the "Main risk factors and uncertainties" section in the Directors' report.

Advances to suppliers increased by €49.7 million, mainly due to the greater production output achieved in Italy (the high-speed/capacity Milan- Genoa and Verona- Padua railway line projects) and the recently acquired contract in Saudi Arabia (Diriyah Square Super Basement).

The item "Unconsolidated group companies and other related parties" decreased by €35.6 million, chiefly in relation to the ongoing projects in Turkey and Romania. More information about this item is available in note 39 "Related party transactions" and the annex attached to these notes on intragroup transactions.

The increase of €36.4 million in prepayments and accrued income to €262.7 million is principally due to insurance premiums and commissions on sureties for recently awarded projects in Italy.

Impairment test

Given that Argentina's significant economic crisis has not abated, Webuild tested its financial assets (€33.5 million) with the Argentine Republic related to the Aguas del Buenos Aires project for impairment again. The impairment test was performed in line with the conceptual framework of IFRS 9 simulating various payment scenarios and their probability of occurrence. It showed that the recoverable amount of the financial assets is consistent with their carrying amount.

18. Cash and cash equivalents

This item may be analysed as follows:

(€'000)	31 December 2021	31 December 2022	Variation
Cash and cash equivalents	2,370,032	1,921,177	(448,855)

A breakdown by geographical segment is as follows:

(€'000)	31 December 2021	31 December 2022	Variation
Italy	1,199,169	626,831	(572,338)
EU (excluding Italy)	145,063	221,691	76,628
Other European countries (non-EU)	108,193	88,014	(20,179)
Asia/Middle East	82,735	259,837	177,102
Africa	45,570	22,084	(23,486)
Americas (including Lane)	593,679	415,664	(178,015)
Oceania	195,623	287,056	91,433
Total	**2,370,032**	**1,921,177**	**(448,855)**

The balance includes bank account credit balances at the end of the year and the amounts of cash, cheques and valuables at the registered offices, work sites and foreign branches. Liquidity management is designed to ensure the financial independence of ongoing contracts, considering the structure of the consortia and SPEs, which may limit the availability of financial resources to achievement of the related projects. Liquidity management also considers the existence of constraints to the transfer of currency imposed by certain countries. In this respect, the liquidity in Africa mainly comprises local currency that cannot be exported and is used for the Ethiopian projects.

The statement of cash flows and the section on the Group's net financial position in the Directors' report show the reasons for changes in this item and current account facilities (note 21).

At the reporting date, the cash and cash equivalents attributable to non-controlling interests in the consolidated SPEs amount to €162.9 million and mainly refer to the subsidiary Pergenova Breakwater (new Genoa Breakwater) (€44.3 million) and Lane Group (€27.1 million).

18.1 Restricted cash and cash equivalents

This item comprises restricted amounts of approximately €13.0 million, including €4.9 million for the Astaldi-Turkerler joint venture in Turkey, €4.8 million for Lane Group and €1.9 million for Webuild's French branch.

19. Non-current assets held for sale and disposal groups, liabilities directly associated with non-current assets held for sale and profit (loss) from discontinued operations

Net non-current assets held for sale

Net non-current assets held for sale are as follows:

(€'000)	31 December 2021	31 December 2022	Variation
Non-current assets	4,006	418	(3,588)
Current assets	38,991	14,123	(24,868)
Non-current assets held for sale	**42,997**	**14,541**	**(28,456)**
Non-current liabilities	(5,618)	(5,622)	(4)
Current liabilities	(12,530)	(8,071)	4,459
Liabilities directly associated with non-current assets held for sale	**(18,149)**	**(13,692)**	**4,456**
Net non-current assets held for sale	**24,849**	**848**	**(24,000)**
- Of which net financial position	*23,687*	*2,097*	*(21,590)*

The item of €0.8 million refers to the Astaldi Honduras division, for which the administrator appointed by the competent authorities in 2019 is completing the procedures to liquidate its assets to satisfy the local creditors.

The large reduction compared to 31 December 2021 is mostly attributable to the sale of the Group's investment in the operator Gaziantep Hastane Saglik Hizmetleri Isletme ve Yatirim A.S. (Integrated Health Campus in Gaziantep in Turkey).

Loss from discontinued operations

This item shows the results of the foreign divisions headed by the former Astaldi Group which do not comply with the Group's commercial and industrial strategies.

Industrial operations in these countries have been discontinued for some time and the administrative procedures for the definitive closure of the relevant reporting entities are currently nearing completion.

The loss from discontinued operations of €18.0 million for 2022 mostly relates to the Astaldi Georgia division. After the ICC award issued in the second quarter of 2022 on the proceedings commenced by the customer about the works to upgrade the E60 Zemo Osiauri- Chumateleti Motorway, the Group revised the previous estimates about the outcome of the arbitration to reflect its unexpected developments. More information is available in the "Main risk factors and uncertainties" section in the Directors' report.

The item may be broken down as follows:

(€'000)	2021	2022	Variation
Revenue			
Operating revenue (costs)	7,903	(12,379)	(20,282)
Other income	8,768	3,772	(4,996)
Total revenue and other income	**16,671**	**(8,607)**	**(25,278)**
Operating expenses			
Purchases	(726)	(56)	670
Subcontracts	(6,908)	(5,426)	1,482
Services	(2,677)	(1,950)	727
Other operating expenses	(3,334)	(3,277)	57
Personnel expenses	(1,913)	(1,000)	913
Amortisation, depreciation, provisions and impairment losses	(3,414)	(3,144)	270
Total operating expenses	**(18,972)**	**(14,853)**	**4,119**
Operating loss	**(2,301)**	**(23,460)**	**(21,159)**
Financing income (costs) and gains (losses) on equity investments			
Financial income	814	4	818
Financial expense	(2,500)	(870)	(3,369)
Net exchange gains	4,669	6,812	11,481
Net financing income	2,983	5,946	2,963
Net financing income and net gains (losses) on equity investments	**2,983**	**5,946**	**2,963**
Profit (loss) before tax	**682**	**(17,514)**	**(18,196)**
Income taxes	(449)	(458)	(9)
Profit (loss) from discontinued operations	**233**	**(17,972)**	**(18,205)**

20. Equity

This item may be analysed as follows:

(€'000)	31 December 2021	31 December 2022	Variation
Equity attributable to the owners of the parent			
Share capital	600,000	600,000	-
Share premium reserve	367,763	367,763	-
- Legal reserve	120,000	120,000	-
- Reserve for share capital increase related charges	(10,988)	(10,988)	-
- Reserve for treasury shares	(3,291)	(28,075)	(24,784)
- Reserve for treasury shares held by group companies	(7,051)	(6,839)	212
- LTI reserve	1,843	12,103	10,260
- Inflation reserve	73,570	108,249	34,679
- IFRS 2 reserve	74,682	71,353	(3,329)
- Extraordinary and other reserves	136	136	-
Total other reserves	248,901	265,939	17,038
Other comprehensive expense			
- Translation reserve	(178,859)	(156,437)	22,422
- Hedging reserve	1,788	3,009	1,221
- Actuarial reserve	7,251	4,706	(2,545)
Total other comprehensive expense	(169,819)	(148,722)	21,098
Retained earnings	845,412	483,836	(361,576)
Profit (loss) for the year	(304,949)	9,893	314,842
Equity attributable to the owners of the parent	**1,587,308**	**1,578,709**	**(8,598)**
Share capital and reserves attributable to non-controlling interests	246,108	349,728	103,620
Profit for the year attributable to non-controlling interests	26,183	6,637	(19,546)
Share capital and reserves attributable to non-controlling interests	272,291	356,365	84,074
Total	**1,859,599**	**1,935,074**	**75,476**

20.1 Share capital

At 31 December 2022, the parent's share capital continues to amount to €600,000,000 and consists of 1,002,425,395 shares, comprising 1,000,809,904 ordinary shares (including 4,999,867 ordinary shares to be assigned to potential creditors) and 1,615,491 savings shares, all without a nominal amount.

During the year, the number of shares increased due to the assigning of 125,402 ordinary shares to creditors not provided for and the issue of 740,056 ordinary shares after anti-dilutive warrants were exercised.

Financial instruments giving the right to new shares

During their extraordinary meeting of 30 April 2021 as part of their resolutions about the partial proportionate demerger of the former Astaldi (now Astaris) to Webuild (the "**demerger**"), Webuild's shareholders resolved, inter alia:

- to issue 80,738,448 2021-2030 Webuild warrants (ISIN IT0005454423) to the holders of ordinary Webuild shares in proportion to the shares held by them on the open market date before the demerger's effectiveness date (i.e., 30 July 2021) (the "**anti-dilutive warrants**"), as well as (b) to authorise the board of directors to issue and assign, under the terms and conditions of the anti-dilutive warrants regulation, in more than one instalment, a maximum of 80,738,448 ordinary Webuild shares, without a nominal amount, reserved for the exercise of (free) subscription rights by the anti-dilutive warrant holders. The anti-dilutive warrants were assigned free of charge on a dematerialised basis, using a ratio of 0.090496435 warrants for every ordinary Webuild share held at that date. During 2022, 740,056 anti-dilutive warrants were exercised leading to the assigning of 740,056 ordinary Webuild shares to the warrant holders;

- (a) to issue 15,223,311 warrants (the "**lender warrants**") to Unicredit S.p.A., Intesa San Paolo S.p.A., Sace S.p.A., BNP Paribas SA Succursale Italia and Banca Monte dei Paschi di Siena S.p.A. (the "**lending banks**") to replace, due to the demerger, a maximum of 74,991,680 Astaldi S.p.A. 2020-2023 warrants issued as part of the loan agreements signed on 2 August 2020 by Astaldi and its lending banks which gave them the right to subscribe ordinary Webuild shares in the ratio of one share to every lender warrant before 5 July 2023, as well as (b) to authorise the board of directors to issue and assign, under the terms and conditions set out in the lender warrants' regulation, in more than one instalment, a maximum of 15,223,311 ordinary Webuild shares, without a nominal amount, reserved for the exercise (at a unit price of €1.133 per share) of the above lender warrants;
- to authorise the board of directors to issue, in more than one instalment and before 31 August 2030, a maximum of 8,826,087 ordinary shares, without a nominal amount, to be reserved to the creditors not provided for (as defined in the demerger proposal). They will have the right to receive Webuild shares using: (a) the ratio established by Astaldi's composition with creditors plan for the exchange of claims with shares (i.e., 12.493 Astaldi shares for each €100.00 of claims), and (b) the assignment ratio (i.e., 203 Webuild shares to every 1,000 Astaldi shares). In 2022, 125,402 ordinary Webuild shares were issued and assigned to the creditors not provided for.

Changes of the year in the different equity items are summarised in the relevant schedule of the consolidated financial statements.

20.2 Share premium reserve

This item mainly reflects the parent's capital increase of 12 November 2019, net of utilisations in 2021 as per the resolution passed by the parent's shareholders in their meeting of 30 April 2021.

20.3 Other reserves

Legal reserve

At the reporting date, the legal reserve equals one fifth of the parent's share capital as required by article 2430 of the Italian Civil Code.

Reserve for share capital increase related charges

At 31 December 2022, this reserve has a negative balance of €11.0 million.

It includes the costs for the parent's capital increases carried out on 12 November 2019 (€7.0 million) and in 2014 (€4 million).

Treasury shares

Reserve for treasury shares

During their ordinary meeting of 28 April 2022, the parent's shareholders authorised the board of directors to adopt a treasury share repurchase plan as per the terms and methods approved by them (reference is made to the "Shareholders' meeting" part of the "Governance" section on the parent's website www.webuildgroup.com). At the reporting date, the parent had 17,224,895 treasury shares for €28,074,755.61.

Reserve for treasury shares held by group companies

After completion and as a result of the demerger, the parent integrated the reserve for treasury shares to include its shares issued in November 2021 to Astaldi's shareholders and assigned to the group companies that received new Astaldi shares in 2020 in exchange for their unsecured claims (the "capital increase for conversion purposes"). Considering the above and the assignment ratio defined for the demerger, the group companies held 3,485,987 Webuild shares at the reporting date, equal to approximately €6.839 million.

LTI reserve

The LTI (long term incentive plan) reserve includes the fair value of the long-term incentive plan introduced in 2020. On 11 March 2020, the board of directors of Salini Impregilo (now Webuild) approved the guidelines and draft regulation for an incentive plan open to certain employees, consultants and/or directors with special duties either with the parent and/or its direct or indirect subsidiaries as per article 2359 of the Italian Civil Code (the "Salini Impregilo 2020-2022 performance share plan" or the "plan"), subsequently approved by the company's shareholders. On 28 July 2022, based on the proposals made by the compensating and nominating committee, the parent's board of directors set the maximum number of ordinary Webuild shares to service the plan as 8,653,525 (the maximum number of ordinary Webuild shares that can be assigned if the plan performance objectives are met or exceeded by 120%).

The reserve amounts to approximately €12.1 million at the reporting date.

Inflation reserve

This reserve was set up to comply with IAS 29 - Financial reporting in hyperinflationary economies for the preparation of the financial statements of the Argentine group companies that use the Argentine peso as their functional currency.

IFRS 2 reserve

This reserve comprises (i) the fair value (€26.9 million) of the shares that could be issued – under the former Astaldi's authorised composition with creditors procedure and considering the parent's commitments taken on as part of the demerger - in exchange for potential unsecured claims (i.e., provisions for risks), and (ii) the fair value (€44.5 million) of the lender warrants.

20.4 Other comprehensive expense

The main change in this item relates to the exchange gains arising from the US dollar's appreciation, especially in relation to Grupo Unidos por el Canal S.A. and Lane Group, partly offset by the exchange losses recognised by the entities that operate using the Argentine peso.

20.5 Retained earnings

The decrease in retained earnings is mostly due to the covering of the loss for 2021 and the acquisition of non-controlling interests in DIRPA 2 S.C. a. r.l., Cossi Costruzioni S.p.A., Mosconi S.r.l. and Infraflegrea Progetto S.p.A..

20.6 Resolution of the parent's shareholders on the allocation of the loss for 2021

In their meeting held on 28 April 2022, the parent's shareholders resolved to:

- cover the loss of €245,727,865.15 shown in the 2021 separate financial statements by using the parent's distributable reserves;
- distribute a dividend of €0.055, gross of the withholding tax required by law, to each ordinary share and savings shares with dividend rights at the ex-dividend date (for a total of €54,217,104.98 at the payment date).

20.7 Share capital and reserves attributable to non-controlling interests

Share capital and reserves attributable to non-controlling interests increased due to the profit for the year (€6.6 million) and other comprehensive income (€4.0 million) as well as the capital injections by their owners to Galfar

Salini Impregilo Cimolai Joint Venture (Al Khor Stadium project) and Lane Group entities (Lane Security Paving Joint Venture and Lane Cabot Yard Joint Venture).

20.8 Consolidated group companies with material non-controlling interests

The materiality of non-controlling interests is determined by considering them as a percentage of the equity reported herein and when the subsidiaries' financial figures are considered to be material for users of these consolidated financial statements.

Details and financial highlights of subsidiaries with material non-controlling interests

(€'000)	SA.PI. NOR Salini Impregilo-Pizzarotti J.V.	Galfar- Salini Impregilo-Cimolai J.V.	Salini Saudi Arabia Ltd Co	Western Station J.V.	SLC Snowy Hydro Joint Venture
Project	Nykirke-Barkaker railway line	Al Khor Stadium	Metros and civil buildings	Line 3 of the Riyadh Metro	Snowy 2.0 Hydroelectric Scheme
Country	Norway	Qatar	Saudi Arabia	Saudi Arabia	Australia
Non-controlling interest percentage	49.0%	60.0%	49.0%	49.0%	35.0%
Profit (loss) attributable to non-controlling interests	7,272	(657)	4,351	37	18,778
Non-controlling interests	14,129	132,352	14,862	20,706	36,805

Financial highlights

Statement of financial position					
Current assets	83,375	329,405	356,812	132,337	224,322
Non-current assets	3,325	-	15,895	-	254,269
Current liabilities	49,682	108,603	337,893	90,081	371,833
Non-current liabilities	8,184	216	4,482	-	1,602
Equity	28,834	220,587	30,331	42,257	105,157
Statement of profit or loss					
Revenue	205,582	18,596	293,631	2,473	902,604
Profit (loss) for the year	14,840	(1,095)	8,879	75	53,651
Comprehensive income	1,346	3,540	34	2,457	2,065
Cash flows					
Opening cash and cash equivalents	42,877	693	28,378	365	40,618
Cash flows for the year	(11,256)	(33)	97,974	(119)	(433)
Closing cash and cash equivalents	31,621	660	126,352	246	40,185

A complete list of not wholly-owned subsidiaries is given in the "List of the Webuild Group companies" annex at the end of these notes.

Access to the assets of Italian law consortia and consortium companies and foreign SPEs and the possibility of using them to settle the Group's liabilities is generally subject to approval by qualified majorities of the members, in order to protect the operating requirements of their contracts.

Reconciliation between equity and loss of Webuild S.p.A. with consolidated equity and consolidated profit

The following table shows the reconciliation of equity and loss of the parent with the corresponding consolidated items:

€'000	Equity	Profit (loss) for the year
Equity and loss for the year of Webuild S.p.A.	**1,541,168**	**(69,557)**
Elimination of consolidated investments	(2,200,796)	112,463
Elimination of the provision for risks on equity investments	62,591	23,768
Elimination of dividends paid to the parent	-	(206,621)
Equity and profit or loss of consolidated companies	1,857,142	186,288
Treasury shares	(6,839)	-
Other consolidation entries		
Elimination of loss allowance of subsidiaries	169,308	16,248
Purchase price allocation	113,687	(44,781)
Unrealised net exchange gains (net of related tax)	-	(19,426)
Elimination of national tax consolidation system effects	42,448	11,510
Equity and profit for the year attributable to the owners of the parent	**1,578,709**	**9,893**
Equity and profit for the year attributable to non-controlling interests	356,365	6,637
Consolidated equity and profit for the year	**1,935,074**	**16,530**

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

The Group's financial indebtedness is presented below:

	31 December 2021			31 December 2022		
(€'000)	Non-current	Current	Total	Non-current	Current	Total
Bank corporate loans	241,747	454,793	696,540	230,321	74,062	304,383
Bank construction loans	24,209	54,419	78,628	7,585	71,935	79,520
Bank concession financing	11,267	1,289	12,556	10,407	1,293	11,700
Other financing	33,527	114,599	148,126	21,645	115,737	137,382
Total bank and other loans and borrowings	**310,750**	**625,100**	**935,850**	**269,958**	**263,027**	**532,985**
Current account facilities	-	13,244	13,244	-	2,452	2,452
Factoring liabilities	-	21,088	21,088	-	18,558	18,558
Loans and borrowings- unconsolidated group companies	6,515	7,634	14,149	6,309	13,382	19,691
Total	**317,265**	**667,066**	**984,331**	**276,267**	**297,419**	**573,686**

Bank corporate loans

This item includes term loans taken out by the parent.

It may be analysed as follows:

(€'000)	Country	31 December 2021 Total bank corporate loans	Current	Non-current	31 December 2022 Total bank corporate loans	Current	Non-current
Banca IMI- Term loan	Italy	444,285	392,660	51,625	52,503	20,570	31,933
BPER	Italy	100,513	932	99,581	102,829	31,500	71,329
Banca Popolare di Milano	Italy	56,498	9,956	46,542	47,293	20,234	27,059
Banca IMI Yuma	Colombia	44,365	365	44,000	101,563	1,563	100,000
Banca Popolare di Lodi	Italy	154	154	-	195	195	-
Monte dei Paschi di Siena	Italy	50,082	50,082	-	-	-	-
Banca IMI- former UBI Revolving	Italy	644	644	-	-	-	-
Total		**696,541**	**454,793**	**241,748**	**304,383**	**74,062**	**230,321**

The main conditions of the bank corporate loans in place at 31 December 2022 are as follows:

	Company	Interest rate	Expiry date
Banca Popolare di Milano (2016- 2024)	Webuild	Euribor	2024
Banca Popolare di Milano (2017- 2025)	Webuild	Euribor	2025
Banca IMI- Term loan (2016- 2024)	Webuild	Euribor	2024
Banca IMI Yuma	Webuild	Euribor	2025
BPER	Webuild	Euribor	2024
Banca Popolare di Lodi	Webuild	Fixed	2023

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 31 December 2022 with its lending banks.

The reduction in bank corporate loans during the year is mostly due to the repayment of credit facilities, partly by using the proceeds from the placement of the €400 million sustainability-linked notes issued in January 2022.

The fair value of bank corporate loans is €295.7 million.

Bank construction loans

This item mainly consists of fixed-rate loans taken out by the subsidiaries Salini Saudi Arabia Company Ltd. and CSC Costruzioni S.A. (€38.6 million and €15.7 million, respectively).

The fair value of bank construction loans is €79.5 million.

Bank concession financing

This item includes:

€'000		Borrower	Currency	Country	31 December 2021 Total bank concession financing	Current	Non-current	31 December 2022 Total bank concession financing	Current	Non-current
Monte dei Paschi di Siena	Corso del Popolo S.p.A.		Euro	Italy	6,243	567	5,676	5,676	594	5,082
Credito Sportivo	Piscine dello Stadio S.r.l.		Euro	Italy	6,313	722	5,591	6,024	699	5,325
Total					**12,556**	**1,289**	**11,267**	**11,700**	**1,293**	**10,407**

The conditions of the main bank concession financing in place at year end may be summarised as follows:

	Borrower	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.

The fair value of bank concession financing is €10.0 million.

Other financing

This item mainly comprises:

- loans of €52.9 million received from non-controlling partners to finance projects carried out by the Group in Europe, the Americas, Asia and Oceania;
- approximately €28.7 million given to the Sureties Panel (Liberty, AIG, Zurich) for projects carried out by the former Astaldi in North America.

At the reporting date, 11% of the outstanding other financing bears interest at a fixed rate.

The fair value of other financing is €137.4 million.

Current account facilities

Current account facilities of €2.5 million mainly consist of corporate credit facilities and facilities of the subsidiary Salini Nigeria Ltd.

Factoring liabilities

Factoring liabilities relate to credit facilities for contract advances, reverse factoring and recourse factoring of trade receivables related to transactions mostly performed in Italy and Ethiopia.

Maturities of bank and other loans and borrowings

The non-current portion of the bank and other loans and borrowings will be repaid at its contractual maturity, based on the following time bands:

(€'000)	Total non-current portion	Due after 13 months but within 24 months	Due after 25 months but within 60 months	Due after 60 months
Bank corporate loans	230,321	124,497	105,824	-
Bank construction loans	7,585	4,481	3,104	-
Concession financing	10,407	904	2,987	6,516
Other financing	21,645	-	21,645	-
Total	**269,958**	**129,882**	**133,560**	**6,516**

22. Bonds

The following table analyses this item:

		31 December 2021			31 December 2022		
(€'000)	Expiry date	Nominal amount	Non-current portion (net of related charges)	Current portion (accrued interest)	Nominal amount	Non-current portion (net of related charges)	Current portion (net of related charges)
Webuild 1.75% Call 26ot24	26.10.2024	500,000	497,823	1,582	500,000	498,594	1,582
Webuild 5.875% Call 15dc25	15.12.2025	750,000	745,222	1,932	750,000	746,313	1,932
Webuild 3.625% Call 28ge27	28.01.2027	250,000	244,807	8,367	250,000	245,740	8,367
Webuild Sdg Link 3.875% Call 28Lg26	28.07.2026	-	-	-	400,000	395,902	6,625
Total		**1,500,000**	**1,487,852**	**11,881**	**1,900,000**	**1,886,549**	**18,506**

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

The fair value of the bonds is €1,609.5 million at the reporting date.

On 19 January 2022, Webuild successfully placed new sustainability-linked notes with an aggregate nominal amount of €400 million reserved to institutional investors. Their maturity date is 28 July 2026 and they have an annual coupon of 3.875%.

23. Lease liabilities

Lease liabilities may be broken down as follows at 31 December 2022:

(€'000)	31 December 2021	31 December 2022	Variation
Non-current portion	101,673	68,829	(32,844)
Current portion	68,808	71,721	2,913
Total	**170,481**	**140,550**	**(29,931)**

The present value of the minimum future lease payments is as follows:

(€'000)	31 December 2021	31 December 2022
Minimum lease payments:		
Due within one year	72,996	75,612
Due between one and five years	105,065	71,300
Due after five years	724	3,684
Total	**178,785**	**150,596**
Future interest expense	(8,304)	(10,046)
Net present value	**170,481**	**140,550**

The net present value is as follows:		
Due within one year	68,808	71,721
Due between one and five years	101,050	65,519
Due after five years	623	3,310
Total	**170,481**	**140,550**

24. Analysis of net financial position

24.1 Net financial position of Webuild Group

(€'000)	Note (*)	31 December 2021	31 December 2022	Variation
Non-current financial assets	10	418,511	518,439	99,928
Current financial assets	15	313,241	439,355	126,114
Cash and cash equivalents	18	2,370,032	1,921,177	(448,855)
Total cash and cash equivalents and other financial assets		**3,101,784**	**2,878,971**	**(222,813)**
Bank and other loans and borrowings	21	(317,265)	(276,267)	40,998
Bonds	22	(1,487,852)	(1,886,549)	(398,697)
Lease liabilities	23	(101,673)	(68,829)	32,844
Total non-current indebtedness		**(1,906,790)**	**(2,231,645)**	**(324,855)**
Current portion of bank loans and borrowings and current account facilities	21	(667,066)	(297,419)	369,647
Current portion of bonds	22	(11,881)	(18,506)	(6,625)
Current portion of lease liabilities	23	(68,808)	(71,721)	(2,913)
Total current indebtedness		**(747,755)**	**(387,646)**	**360,109**
Derivative assets	10-15	3,684	2,276	(1,408)
Net financial position with unconsolidated SPEs (**)		15,754	3,229	(12,525)
Net other financial assets		**19,438**	**5,505**	**(13,933)**
Net financial position- continuing operations		**466,677**	**265,185**	**(201,492)**
Net financial position- discontinued operations	19	23,687	2,097	(21,590)
Net financial position including discontinued operations		**490,364**	**267,282**	**(223,082)**

(*) The note numbers refer to these notes to the 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 consolidated financial statements.

More information about changes in the Group's net financial position during the year is available in the Directors' report.

24.2 Financial indebtedness as per ESMA Guidelines of 4 March 2021

	(€'000)	Note (*)	31 December 2021	of which: related parties	31 December 2022	of which: related parties
A	Cash	18	2,370,032		1,921,177	
B	Cash equivalents		-		-	
C	Other current financial assets	10	6,106	69,130	15,687	72,437
D	**Cash and cash equivalents (A+B+C)**		**2,376,138**		**1,936,864**	
E	Current loans and borrowings (including debt instruments but excluding the current portion of non-current loans and borrowings)	21	41,998	7,633	29,585	13,390
F	Current portion of non-current loans and borrowings	21	705,757		358,061	
G	**Current financial indebtedness (E+F)**		**747,755**		**387,646**	
H	**Net current financial position (G-D)**		**(1,628,383)**		**(1,549,218)**	
I	Non-current loans and borrowings (excluding their current portion and debt instruments)	21	1,906,790	6,515	2,231,645	6,309
J	Debt instruments		-		-	
K	Trade payables and other non-current financial liabilities		27,861		8,500	
L	**Non-current financial indebtedness (I+J+K)**		**1,934,651**		**2,240,145**	
M	**Net financial indebtedness (H+L)**		**306,268**		**690,927**	

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

The next table provides a reconciliation between the Group's financial indebtedness as per the ESMA guidelines of 4 March 2021 and its net financial position according to the management accounts:

(€'000)	31 December 2021	31 December 2022
Difference	**796,632**	**958,209**
Due to:		
Non-current financial assets	418,511	518,439
Current financial assets with a maturity of more than 90 days (*)	307,135	423,668
Derivatives	3,684	2,276
Net financial position with unconsolidated SPEs	15,754	3,229
Net financial position- discontinued operations	23,687	2,097
Non-current portion of trade payables	27,861	8,500
Total difference	**796,632**	**958,209**

(*) The exclusion of current financial assets with a maturity of more than 90 days is based on current professional guidance.

25. Reconciliation between changes in financial assets and liabilities and cash flows from financing activities

The following table shows the monetary and non-monetary changes in financial assets and liabilities from financing activities as required by paragraph 44 of IAS 7- Statement of cash flows:

€'000	Bank and other loans and borrowings	Bonds	Lease liabilities	Other financial assets, including derivatives	Equity	Total
A) Opening balance	**984,331**	**1,499,733**	**170,481**	**(735,436)**	**1,859,599**	**3,778,708**
Changes from financing cash flows						
Dividends distributed	-	-	-	-	(61,860)	(61,860)
Capital injections by non-controlling interests in subsidiaries	-	-	-	-	47,339	47,339
Repurchase of treasury shares	-	-	-	-	(24,572)	(24,572)
Increase in bank and other loans	1,722,058	395,119	-	-	-	2,117,177
Decrease in bank and other loans	(2,108,932)	-	-	-	-	(2,108,932)
Decrease in lease liabilities	-	-	(85,633)	-	-	(85,633)
Change in other financial assets/liabilities	(1,171)			(126,113)		(127,284)
B) Cash flows generated by (used in) financing activities	**(388,045)**	**395,119**	**(85,633)**	**(126,113)**	**(39,093)**	**(243,765)**
Non-monetary changes in financial assets and liabilities						
Change in consolidation scope	(9)	-	-	73	-	64
Change in exchange rates	2,899	-	4,013	1,286	-	8,198
Other changes	(14,698)	10,203	51,689	(99,881)	-	(52,687)
C) Total non-monetary changes	**(11,808)**	**10,203**	**55,702**	**(98,522)**	**-**	**(44,425)**
Other changes						
Other changes in equity	-	-	-	-	114,568	114,568
Changes in current account facilities	(10,792)	-	-	-	-	(10,792)
D) Total other changes	**(10,792)**	**-**	**-**	**-**	**114,568**	**103,776**
E) Closing balance (A+B+C+D)	**573,686**	**1,905,055**	**140,550**	**(960,071)**	**1,935,074**	**3,594,294**

26. Post-employment benefits and other employee benefits

Employee benefits mostly consist of the Italian post-employment benefits governed by article 2120 of the Italian Civil Code and the defined benefit plans for Lane Group's full-time employees.

Post-employment benefits governed by article 2120 of the Italian Civil Code

Plan characteristics

At 31 December 2006, the Italian post-employment benefits (TFR) qualified as a defined benefit plan. Law no. 296 of 27 December 2006 (the 2007 Finance Act) and related implementing decrees issued in early 2007 introduced changes, according to which companies with at least 50 employees now classify the TFR as a defined benefit plan solely with reference to the benefits vested until before 1 January 2007 (if not paid at the reporting date), while those accrued after that date are to be classified as part of a defined contribution plan.

Accordingly, the liability for post-employment benefits recognised in the Group's statement of financial position, net of any advances paid, reflects (i) for companies with more than 50 employees, the residual obligation for the Group for the benefits vested up to 31 December 2006 that will be paid when the employees leave the company, and (ii) for the other companies, the accumulated benefits accrued by employees over their employment term, recognised on an accruals basis on the basis of the service necessary to accrue them.

Main assumptions

The main assumptions used for the actuarial estimate of the TFR at the reporting date are:

- turnover rate: 7.25%;
- advance payment rate: 3%;
- inflation rate: 2.3%.

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.

Other defined benefit plans

The item mainly consists of the liability for Lane Group's defined benefit plan for its full-time employees. This liability is calculated on the basis of the employees' years of service and remuneration and is subjected to an actuarial valuation. Lane Group also provides healthcare cover to retired employees, hired before 31 December 1992 with at least 20 years of service.

Composition and changes in employee benefits

The following tables provide a breakdown of this item and changes of the year:

(€'000)	31 December 2021	Accruals	Payments	Contributions paid to INPS treasury and other funds	Net actuarial losses	Other changes	31 December 2022
Post-employment benefits and other employee benefits	50,687	22,731	(16,025)	(5,037)	2,545	(2,295)	52,606

Management availed of the services of leading independent experts to perform the actuarial calculation of the employee benefits.

Lane Construction Corporation Defined Benefit Pension Plan

Through its US subsidiary Lane Industries Inc., the Group contributes to a pension plan that qualifies as a defined benefit plan, The Lane Construction Corporation Defined Benefit Pension Plan, which pays benefits to employees or former employees who met the related vesting conditions when they retire. The subsidiary also pays benefits to a supplementary pension plan for some senior executives. In addition, it provides employees who have reached retirement age with healthcare benefits. These employees were hired before 31 December 1992 and reached retirement age after at least 20 years' service and are also beneficiaries of The Lane Construction Corporation Defined Benefit Pension Plan.

A reconciliation between the opening balance and the closing balance of the Group's liability for employee benefits and the plan assets is as follows:

(€'000)	Liability for employee benefits	Plan assets	Net liability
1 January 2022	**190,692**	**(183,216)**	**7,476**
Service cost	6	-	6
Interest	5,422	(5,379)	43
Gains on the change in the expected return on the plan assets	-	56,432	56,432
Net losses from experience	1,104	-	1,104
Payments	(4,147)	-	(4,147)
Effect of changes in demographic assumptions	(51,618)	-	(51,618)
Payments of benefits from plan assets	(8,090)	8,090	-
Administrative fees charged to plan assets	-	293	293
Net exchange losses	12,531	(12,095)	436
31 December 2022	**145,900**	**(135,875)**	**10,025**

The following tables show the assumptions used to calculate the liability for employee benefits.

	Pension benefits		Other benefits	
	31 December 2021	31 December 2022	31 December 2021	31 December 2022
Discount rate	2.71%	5.22%	2.04%	5.01%
Expected rate of return on plan assets	4.90%	2.71%	N/A	N/A
Salary increase rate	3.50%	N/A	N/A	N/A

The long-term expected rate of return on plan assets is calculated based on the investments' performance and the plan asset mix over the period the assets are expected to increase in value before final payment.

Assumptions about the rise in healthcare service costs are set out below.

	31 December 2021	31 December 2022
Annual growth rate	5.61%	5.32%
Ultimate trend rate	4.42%	4.42%
Year in which the ultimate trend rate is expected to be reached	2039	2039

The next table shows how the liability for employee benefits would change if the main assumptions changed:

(€'000)	Variation	Increase	Decrease
Discount rate	1.00%	(14,762)	17,876
Salary increase rate	1.00%	N/A	N/A

The following table presents the plan asset categories as a percentage of total invested assets:

(€'000)	31 December 2021	%	31 December 2022	%
Common / collective trusts	182,303	99.50%	134,938	99.31%
Interest-bearing deposits	913	0.50%	937	0.69%
Total	**183,216**	**100.00%**	**135,875**	**100.00%**

The plan assets are selected to ensure a combination of returns and growth opportunity using a prudent investment strategy. Investments usually include around 82% in fixed income funds, about 9% in large and small cap equity investments, approximately 7% in international equities and about 2% in diversified hedge funds. The subsidiaries' management regularly revises its objectives and strategies.

A breakdown of the plan assets' fair value by asset category is as follows:

(€'000)	Listed prices	Other observable significant inputs	Other non-observable significant inputs	31 December 2021
	Level 1	Level 2	Level 3	Total
Common / collective trusts	182,303	-	-	182,303
Interest-bearing deposits	913	-	-	913
Total	**183,216**	**-**	**-**	**183,216**

(€'000)	Listed prices	Other observable significant inputs	Other non-observable significant inputs	31 December 2022
	Level 1	Level 2	Level 3	Total
Common / collective trusts	134,938	-	-	134,938
Interest-bearing deposits	937	-	-	937
Total	**135,875**	**-**	**-**	**135,875**

The following table shows the estimated undiscounted future payments for employee benefits:

(€'000)	Period	Pension benefits	Other benefits
	2023	11,513	204
	2024	8,436	175
	2025	8,386	184
	2026	8,755	166
	2027	8,795	189
	2028-2032	47,129	556

27. Provisions for risks

These provisions are summarised in the following table:

(€'000)	31 December 2021	31 December 2022	Variation
Provisions for risks on equity investments	85,257	95,383	10,125
Other provisions	137,334	103,496	(33,838)
Total	**222,591**	**198,879**	**(23,713)**

The provisions for risks on equity investments relate to the group's legal obligations to cover its investees' losses exceeding their equities. The increase is attributable to the joint ventures of Lane Group.

Other provisions comprise:

(€'000)	31 December 2021	31 December 2022	Variation
Provisions set up by entities in liquidation	8,665	8,553	(112)
USW Campania projects	27,165	25,031	(2,134)
Provision for ongoing litigation	18,548	15,292	(3,256)
Provisions for risks relating to ongoing contracts	56,188	22,529	(33,659)
Other	26,767	32,091	5,324
Total	**137,334**	**103,496**	**(33,838)**

The other provisions are briefly commented on below:

- the provisions set up by entities in liquidation include accruals made for probable charges related to the closing of contracts and possible developments in ongoing litigation;
- the provision for the USW Campania projects mainly consists of the estimated potential costs for the environmental remediation. The "Main risk factors and uncertainties" section in the Directors' report includes a description of the litigation and risks related to the USW Campania projects;
- the provision for ongoing litigation mostly relates to litigation in Canada and Europe;
- in accordance with paragraphs 66-69 of IAS 37- Provisions, contingent liabilities and contingent assets, the provisions for risks relating to ongoing contracts cover the estimated costs to fulfil certain onerous contracts, mainly in Italy, Poland and Chile. The decrease in 2022 is mostly related to contracts in the US and Poland, as well as the disengagement from the EPC contract for the Integrated Health Campus in Gaziantep, Turkey;
- "Other" mainly relates to additional probable obligations recognised in connection with third party claims and group companies' commitments, chiefly in Italy and the US.

Changes in the item in the year are summarised below:

(€'000)	31 December 2021	Accruals	Utilisations / Releases	Change in consolidation scope	Exchange gains (losses) and other changes	31 December 2022
Total	**137,334**	**12,368**	**(45,171)**	**(1,346)**	**311**	**103,496**

Net utilisations of €32.8 million mostly refer to the updating of valuations about the provisions for risks relating to ongoing contracts, as mentioned earlier.

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

28. Trade payables

This item is made up as follows:

(€'000)	31 December 2021	31 December 2022	Variation
Third parties	3,062,060	3,649,654	587,594
Unconsolidated group companies and other related parties	146,711	242,075	95,364
Total	**3,208,770**	**3,891,729**	**682,959**

The increase of €587.6 million in trade payables to third parties is mainly due to the contracts that contributed the most to revenue, namely, in Italy, the high-speed/capacity Verona- Padua (€199.7 million) and Naples- Bari (€47.7 million) railway line projects, in Australia, the SLC Snowy Hydro J.V. contract (€36.7 million), in Ethiopia (€44.7 million) and in Saudi Arabia, the subsidiary Salini Saudi Arabia Company Ltd (€94.6 million). Moreover, in Italy, trade payables to consortium partners for the new high-speed Palermo-Catania-Messina railway line project and the new Genoa Breakwater increased by €55.6 million and €88.9 million, respectively (see note 14 on trade receivables).

The increase in trade payables to unconsolidated group companies and other related parties is mainly due to the new Genoa Breakwater (€63.4 million) and the Brenner Base Tunnel (Lot Mules 2-3) (€36.7 million). Reference should be made to note 39 "Related party transactions" and the disclosures on intragroup transactions in these notes for additional details of this item.

At 31 December 2022 and 2021, the item does not include any amounts due to consortia and consortia companies (SPEs) that operate by recharging costs and are not included in the consolidation scope.

29. Current tax liabilities and other current tax liabilities

29.1 Current tax liabilities

Current tax liabilities are made up as follows:

(€'000)	31 December 2021	31 December 2022	Variation
IRES	4,735	4,430	(305)
IRAP	7,667	13,832	6,165
Foreign taxes	157,956	67,072	(90,884)
Total	**170,358**	**85,334**	**(85,024)**

The decrease in foreign taxes is mostly due to Ethiopia. In 2021, in addition to the ordinary taxes on income generated in this country, the Ethiopian branch was affected by an assessment for the higher corporate income taxes challenged by the local tax authorities (ERCA) for 2017, 2018 and 2019.

29. 2 Other current tax liabilities

Other current tax liabilities are broken down in the following table:

(€'000)	31 December 2021	31 December 2022	Variation
VAT	66,265	65,333	(932)
Other indirect taxes	34,521	24,848	(9,673)
Total	**100,786**	**90,181**	**(10,605)**

30. Other current liabilities

Other current liabilities are made up as follows:

(€'000)	31 December 2021	31 December 2022	Variation
State bodies	33,288	33,288	-
Other liabilities	175,789	232,656	56,867
Employees	102,920	120,116	17,196
Social security institutions	41,563	38,845	(2,718)
Unconsolidated group companies and other related parties	66,413	62,853	(3,560)
Compensation and compulsory purchases	109,745	85,145	(24,600)
Accrued expenses and deferred income	35,703	47,746	12,043
Total	**565,421**	**620,649**	**55,228**

"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 €232.7 million (€175.8 million at 31 December 2021) increased by approximately €56.9 million, mostly due to the amounts received prior to the definitive settlement of certain pending disputes relating to the USW Campania projects (€47.1 million).

In addition to that mentioned above about the USW Campania projects, the reporting-date balance of this item includes liabilities to the customers of some projects in Poland (about €30 million) and additional domestic liabilities, mainly attributable to commissions on contractual sureties, insurance premiums and other residual items of recently-awarded contracts (approximately €85 million).

Reference should be made to note 39 "Related party transactions" and the annex on intragroup transactions at the end of these notes for additional details of liabilities to unconsolidated group companies and other related parties.

"Compensation and compulsory purchases" include €81.4 million (€105.7 million at 31 December 2021) related to the high-speed/capacity Verona- Padua railway line contract.

31. Guarantees, commitments, risks and contingent liabilities

31.1 Guarantees and commitments

The key guarantees given by the Group are set out below:

(€'000)	31 December 2021	31 December 2022
Contractual sureties	18,666,478	20,265,418
Sureties for bank loans	175,666	106,332
Sureties for export credit	6,339	5,829
Other	1,998,930	2,206,773
Total	**20,847,413**	**22,584,352**

Contractual sureties are given to customers as performance bonds, to guarantee advances and retentions for all ongoing contracts or involvement in tenders. Of the balance, €8,117.1 million (€6,522.0 million at 31 December 2021) refers to sureties given directly by the Lane Group.

Sureties granted in favour of associates and joint ventures total €1,459.7 million (€1,648.9 million at 31 December 2021).

31.2 Collateral

Collateral relates to a lien on the shares of an SPE (€13.3 million).

31.3 Tax disputes

Webuild S.p.A.

With respect to the principal disputes with the tax authorities:

- the Supreme Court hearing was held on 17 January 2020 to discuss the reimbursement of tax assets with a nominal amount of €12.3 million plus interest acquired from third parties as part of previous non-recurring transactions. The court quashed the second level ruling ordering the case to be transferred to the Regional Tax Commission. The parent filed a petition for the resumption of the hearing within the legal term. Since an out-of-court settlement was reached with the tax authorities, which provides for the reimbursement of €9.3 million plus interest of €2.4 million, the parent filed an application for the dismissal of the case on 18 November 2022;
- 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.

Moreover, during the year, the Ethiopian tax authorities carried out a tax audit at the Group's Ethiopian branch, which was followed by an assessment notice. After arduous discussions, the Group reached an agreement with the tax authorities, whereby the tax authorities forgave fines and interest while the group accepted to pay the assessed taxes. These will be paid in instalments in local currency and amount to the equivalent of roughly €17 million, including €12 million relating to deductible temporary differences.

Furthermore, considering the demerger and the principal disputes of the former Astaldi S.p.A. (now Astaris) with the tax authorities:

- In 2016, the El Salvadoran branch received an assessment notice from the local tax authorities relating to its tax base and related income taxes for 2012. In this assessment, the local tax authorities alleged: (i) undeclared revenue of USD23.5 million (the equivalent of approximately €22 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 €0.8 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 €12.6 million), and (iv) costs of USD15.4 million (the equivalent of approximately €14.4 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 €8.5 million), plus fines and interest. With the assistance of its advisors, the branch has commenced the procedures to challenge all assessments.

In Italy:

- on 28 August 2020, the Italian tax authorities notified Astaldi of a recovery notice for alleged undue offsetting of excess VAT transferred by its subsidiaries under the 2017 group VAT scheme. The assessed amount is €4.8 million, plus fines and interest of €1.4 million and €0.5 million, respectively. The recalculation also led to the disallowance of both the reimbursement and the authorisation to carry forward. Astaldi challenged both the recovery notice and the disallowance of the reimbursement in court. The Rome Provincial Tax Commission allowed Astaldi's appeal about the recovery notice and the tax authorities presented a counter-appeal on 18 November 2022. With respect to the second appeal, the second level ruling was unfavourable to the group company which still has time to resort to the Supreme Court. Should it lose the case, it will carry forward a higher amount of VAT assets and will solely bear the related fines and interest.

With respect to the above pending disputes, after consulting its legal advisors, Webuild 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 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.

As disclosed in previous reports, Fibe has a pending dispute about the local property tax (ICI) on the Acerra waste-to-energy plant.

On 7 March 2018, Fibe applied for the procedure for voluntary settlement procedure of the positions assigned to the tax collection agency as per article 1 of Decree law no. 148/2017 converted with modifications into Law no. 172/2017.

Another tax dispute relates to the assessment notice for 2003 IREPG, IRAP and VAT issued by the tax authorities about assessed taxes of €6.5 million (for undue deduction of costs contrary to the principle of pertinence/accruals basis and undue deduction of VAT as a result of the application of a higher-than-allowed rate).

The Supreme Court has referred the dispute to the Campania Regional Tax Commission, before which the subsidiary duly resumed the proceeding.

With respect to the above pending dispute, 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.

COMERI S.p.A.

In 2015, the tax authorities notified COMERI of the assessment notice that repeated the same issues raised in a preliminary assessment report issued by the tax police. 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 promptly appealed this second level ruling before the Supreme Court. 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 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 claimed unpaid VAT of €8.5 million and fines and interest of €10.6 million. Supported by the opinion of its advisors, the group company believes that the risk of losing the case is remote. The group company is considering whether to voluntary agree to the settlement procedure for the tax disputes pending before the Supreme Court as per article 1.186-202 of Law no. 197 of 29 December 2022 (the 2023 budget), whereby the dispute is settled by solely paying the assessed tax, which in this case the group company would recharge to its customer.

Obrainsa- Astaldi consortium

In August 2021, as the result of an audit commenced by the local tax authorities in 2019, Obrainsa- Astaldi consortium (Peru) received an assessment notice disallowing the deduction of some costs. The amount in question is SOL38.9 million (the equivalent of roughly €9.4 million), of which Astaris' share is SOL19.9 million (the equivalent of roughly €4.8 million) based on its 51% interest in the consortium.

Assisted by its local advisors, the consortium has activated the relevant procedures to challenge the notice and present its reasons supporting the correctness of its approach. Considering the current progress of the dispute, the consortium believes that the risk of losing it is possible, but not probable.

32. Financial instruments and risk management

32.1 Classes of financial instruments

The Group's financial instruments are broken down by class in the following table, which also shows their fair value:

31 December 2021 (€'000)	Note	Financial assets at amortised cost	Financial assets at FVTPL	Hedging derivatives	Financial assets at FVTOCI	Total	Fair value
Financial assets							
Other non-current financial assets, including derivatives	10	418,511	-	-	-	418,511	418,511
Trade receivables	14	2,498,234	-	-	-	2,498,234	2,498,234
Current financial assets, including derivatives	15	313,241	3,684	-	-	316,925	316,925
Cash and cash equivalents	18	2,370,032	-	-	-	2,370,032	2,370,032
Total		**5,600,018**	**3,684**	**-**	**-**	**5,603,702**	**5,603,702**

31 December 2021 (€'000)	Note	Financial liabilities at amortised cost	Financial liabilities at FVTPL	Hedging derivatives	Financial liabilities at FVTOCI	Total	Fair value
Financial liabilities							
Bank and other loans and borrowings	21	984,331	-	-	-	984,331	983,198
Bonds	22	1,499,733	-	-	-	1,499,733	1,583,113
Lease liabilities	23	170,481	-	-	-	170,481	170,481
Trade payables	28	3,208,770	-	-	-	3,208,770	3,208,770
Total		**5,863,315**	**-**	**-**	**-**	**5,863,315**	**5,945,562**

31 December 2022 (€'000)	Note	Financial assets at amortised cost	Financial assets at FVTPL	Hedging derivatives	Financial assets at FVTOCI	Total	Fair value
Financial assets							
Other non-current financial assets, including derivatives	10	518,439	-	-	-	518,439	518,439
Trade receivables	14	2,886,106	-	-	-	2,886,106	2,886,106
Current financial assets, including derivatives	15	439,356	2,276	-	-	441,632	441,632
Cash and cash equivalents	18	1,921,177	-	-	-	1,921,177	1,921,177
Total		**5,765,078**	**2,276**	**-**	**-**	**5,767,354**	**5,767,354**

31 December 2022 (€'000)	Note	Financial liabilities at amortised cost	Financial liabilities at FVTPL	Hedging derivatives	Financial liabilities at FVTOCI	Total	Fair value
Financial liabilities							
Bank and other loans and borrowings	21	573,686	-	-	-	573,686	563,323
Bonds	22	1,905,055	-	-	-	1,905,055	1,609,549
Lease liabilities	23	140,550	-	-	-	140,550	140,550
Trade payables	28	3,891,729	-	-	-	3,891,729	3,891,729
Total		**6,511,020**	**-**	**-**	**-**	**6,511,020**	**6,205,151**

32.2 Risk management

32.2.1 Currency risk

The Group's international presence entails its exposure to currency risk arising from fluctuations in the value of trade and financial transactions in foreign currencies.

Currency risk at 31 December 2022 mainly related to the following currencies:

(€m)	2022 -5%	 +5%
Australian dollar	15.71	(14.22)
US dollar	8.84	(8.00)
Qatari Riyal	3.01	(2.72)
Colombian Peso	2.75	(2.48)
Polish Zloty	2.54	(2.30)
Saudi Riyal	(2.77)	2.50

The above table shows the results of the sensitivity analysis, which considers a 5% increase or decrease in the exchange rates compared to the actual exchange rates at 31 December 2022 to reflect the potential effects on comprehensive income.

This analysis excludes the effects of the translation of the equity of associates or joint ventures measured using the equity method with a functional currency other than the Euro.

32.2.2 Interest rate risk

Considering the Group's predominantly fixed rate debt structure in 2022, had interest rates increased or decreased by an average 75 bps in 2022, the profit before tax would have been respectively smaller or greater by a maximum of €3.5 million, assuming that all other variables remained constant and without considering cash and cash equivalents.

32.2.3 Credit risk

Credit risk is that deriving from the Group's 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 bids to be presented, through a careful analysis of the characteristics of the countries where the related activities would be carried out and the customers, which are usually state or similar bodies, requesting the bid.

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 (contract assets and liabilities) in relation to contract work in progress as a whole.

A breakdown of working capital by geographical segment is set out below:

(€'000)	31 December 2021	31 December 2022
Italy	(1,963,368)	(1,845,492)
EU (excluding Italy)	637,208	703,768
Other European (non-EU) countries	(51,379)	(86,950)
Asia/Middle East	652,406	487,710
Africa	449,195	540,011
Americas (including Lane)	(98,155)	30,592
Oceania	(430,550)	(405,603)
Total	**(804,643)**	**(575,964)**

The reconciliation of the reclassified statement of financial position presented in the Directors' report details the items included in working capital.

The Group's exposure to customers, broken down by contract location, is analysed below:

(€'000)	Trade receivables	Contract assets	Contract liabilities	Total	Allowances
31 December 2021					
Italy	1,219,448	356,869	(2,322,658)	(746,341)	98,750
EU (excluding Italy)	206,609	766,809	(36,886)	936,532	5,903
Other European (non-EU) countries	203,030	39,298	(125,492)	116,836	466
Asia/Middle East	193,229	947,329	(15,506)	1,125,052	6,673
Africa	202,122	317,121	(115,034)	404,209	11,809
Americas (including Lane)	418,967	206,745	(268,972)	356,740	310,508
Oceania	54,829	153,081	(538,298)	(330,388)	-
Total	**2,498,234**	**2,787,252**	**(3,422,846)**	**1,862,640**	**434,107**
31 December 2022					
Italy	1,584,214	480,229	(2,300,252)	(235,809)	165,855
EU (excluding Italy)	247,346	883,092	(69,759)	1,060,679	7,603
Other European (non-EU) countries	56,859	67,300	(20,865)	103,294	307
Asia/Middle East	341,096	708,742	(86,233)	963,605	7,811
Africa	271,363	422,439	(63,038)	630,764	8,370
Americas (including Lane)	289,796	466,716	(224,897)	531,615	331,081
Oceania	95,432	171,453	(546,645)	(279,760)	-
Total	**2,886,106**	**3,199,971**	**(3,311,689)**	**2,774,388**	**521,027**

The "Main risk factors and uncertainties" section of the Directors' report provides information about country risk.

32.2.4 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.

A breakdown of financial liabilities by composition and due date (based on undiscounted future cash flows) is set out below:

(€'000)	31 December 2023	31 December 2024	31 December 2025	After 2025	Total
Current account facilities	2,452	-	-	-	2,452
Bonds	77,375	575,998	818,614	683,625	2,155,612
Bank loans and borrowings	268,695	147,674	125,934	12,076	554,379
Lease liabilities	75,612	40,360	16,639	17,986	150,597
Gross financial liabilities	**424,134**	**764,032**	**961,187**	**713,687**	**2,863,040**
Trade payables	3,891,729	-	-	-	3,891,729
Total	**4,315,863**	**764,032**	**961,187**	**713,687**	**6,754,768**

Future interest has been estimated based on the market interest rates at the date of preparation of these consolidated financial statements, summarised in the notes.

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

Loans and borrowings (principal) and trade payables (net of advances) falling due before 31 March 2023 are compared with the cash and cash equivalents that can be used to meet such obligations in the table below:

(€'000)	Financial commitments due before 31 March 2023 (*)	Cash and cash equivalents (**)	Difference
Webuild (head office and branches)	255,172	512,787	257,615
Subsidiaries	692,671	470,741	(221,930)
SPEs	989,030	430,311	(558,719)
Joint operations	406,941	494,486	87,545
Total	**2,343,814**	**1,908,325**	**(435,489)**

(*) excluding amounts due to group companies.
(**) net of restricted liquidity.

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.

32.2.5 Fair value measurement hierarchy

IFRS 7 requires that the fair value of financial instruments recognised in the statement of financial position be classified using a fair value hierarchy that reflects the significance of the inputs used to determine fair value. There are three different levels:

- Level 1- quoted prices (unadjusted) in active markets for identical assets and liabilities the entity can access at the measurement date;
- Level 2- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3- unobservable inputs for the asset or liability.

Financial instruments recognised by the Group at fair value are classified at the following levels:

(€'000)	Note	Level 1	Level 2	Level 3
Derivative assets	15	-	2,276	-
Total		**-**	**2,276**	**-**

There were no movements from Level 1 to Level 2 during the year or vice versa.

Statement of profit or loss

33. Revenue

Revenue and other income are made up as follows:

(€'000)	2021	2022	Variation
Revenue from contracts with customers	5,977,821	7,656,006	1,678,185
Other income	442,513	435,147	(7,366)
Total	**6,420,334**	**8,091,153**	**1,670,819**

Revenue increased by a net €1,670.8 million mostly earned on projects underway in Italy, Oceania (Australia), the Americas (United States, Canada and Colombia), Europe (Romania, Norway and France), Middle East (Saudi Arabia) and Africa (Ethiopia).

33.1 Revenue from contracts with customers

A breakdown of revenue from contracts with customers is given in the following table:

(€'000)	2021	2022	Variation
Works invoiced to customers	5,914,254	7,529,732	1,615,478
Services	45,165	109,002	63,837
Sales	18,503	17,291	(1,212)
Real estate projects	(101)	(19)	82
Total	**5,977,821**	**7,656,006**	**1,678,185**

A breakdown of revenue from contracts with customers by geographical segment is as follows:

(€'000)	2021	Percentage of total	2022	Percentage of total
Italy	1,817,195	**30%**	2,185,870	**29%**
Oceania	623,586	10%	1,069,183	14%
EU (excluding Italy)	652,030	11%	836,943	11%
Americas (excluding Lane)	634,152	11%	742,906	10%
Other European countries (non-EU)	452,842	8%	568,074	7%
Africa	374,030	6%	472,439	6%
Middle East	317,410	5%	399,186	5%
Asia	169,514	3%	177,051	2%
Abroad	**3,223,564**	**54%**	**4,265,782**	**55%**
Lane	**937,062**	**16%**	**1,204,354**	**16%**
Total	**5,977,821**	**100%**	**7,656,006**	**100%**

Revenue from contracts with customers increased by €1,678.2 million (approximately 28.1%) on the previous year.

The main contributors to revenue are:

- the projects underway in Italy that benefited, inter alia, from the positive effects of the National Recovery and Resilience Plan, such as the high-speed/capacity Milan- Genoa, Naples- Bari, Verona- Padua and Palermo- Catania railway lines and the SS-106 state road Jonica mega lot 3;
- progress on the ongoing large foreign projects including, in particular, in (i) Australia (Snowy 2.0 and North East Link Project), (ii) the US (Lane Group), (iii) Romania (Braila Bridge and Sibiu Pitesti Motorway- Lots 3 and 5), (iv) Norway (Nykirke- Barkaker railway line and Sotra Connection), (v) Ethiopia (Koysha Hydroelectric Project and GERD), (vi) Saudi Arabia (SANG Villas and Diriyah-Super Basement), (vii) Canada (Hurontario Light Rail Project), (viii) France (Tunnel Euralpin Lyon Turin- TELT- Lot 2), and (ix) Colombia (section 3 of the Ruta del Sol Motorway).

Variable consideration made up 10.6% of revenue from contracts with customers during the year.

The transaction price of ongoing contracts allocated to the unsatisfied performance obligations amounts to €39,463.0 million at the reporting date. The Group will recognise this amount as revenue in future periods in line with the available forecasts.

(€m)	Revenue related to unsatisfied (or partially satisfied) performance obligations which will be recognised in future years	of which: from 2023 to 2025	of which: after 2025
Total		26,556.3	12,906.7

The item includes variable consideration when its realisation is highly probable.

33.2 Other income

A breakdown of other income is given in the following table:

(€'000)	2021	2022	Variation
Recharged costs	149,885	170,199	20,314
Other income from joint ventures and consortia	112,813	140,983	28,170
Gains on the disposal of non-current assets	16,038	13,237	(2,801)
Insurance compensation	12,218	5,433	(6,785)
Other	151,559	105,296	(46,263)
Total	**442,513**	**435,148**	**(7,365)**

This item is substantially unchanged from the previous year and mainly includes (i) revenue earned on services provided as part of commercial initiatives carried out as a partnership with other sector operators, principally related to the continuation of the ongoing works in Australia, and (ii) the income from the recharging of costs to consortium partners, mostly related to the high speed/capacity Verona- Padua contract, the new ENI offices and operation & maintenance activities for the four Tuscan hospitals.

34. Operating expenses

The item may be broken down as follows:

(€'000)	2021	2022	Variation
Purchases	967,545	1,447,185	479,640
Subcontracts	2,098,691	2,343,223	244,532
Services	1,590,648	1,947,645	356,997
Personnel expenses	1,101,920	1,447,605	345,685
Other operating expenses	347,819	322,750	(25,069)
Amortisation, depreciation, provisions and impairment losses	347,427	391,668	44,241
Total	**6,454,050**	**7,900,076**	**1,446,026**

Changes in this item reflect the production trends of the year with greater volumes achieved (see note 33) for projects in Oceania (Australia), Italy, the Americas (US, Canada and Colombia), Europe (Romania, Norway and France), Africa (Ethiopia), and Middle East (Saudi Arabia).

Prices of raw materials rose again in 2022 due to limited supplies, partly caused by the upturn in demand driven by the global economy's recovery. As a result, the Group introduced mitigation measures to contain price increases. Its contracts with customers usually include price adjustment clauses. More information is available in the "Covid-19 and the Russia- Ukraine crisis" section of the Directors' report.

The composition of this item may vary from one year to another, including in relation to the same project and with identical production volumes, due to changes made by management to the industrial operating model. Moreover, as these are large-scale infrastructural works that take several years to complete, resort to normal production factors for any one contract depends on the stage of completion of each one in any given year. These changes may generate significant variations in the percentage of the related cost categories depending on the contract and the year, while not affecting the total percentage of costs of total revenue.

34.1 Purchases

Purchases are made up as follows:

(€'000)	2021	2022	Variation
Purchases of raw materials and consumables	985,211	1,489,012	503,801
Change in raw materials and consumables	(17,666)	(41,826)	(24,160)
Total	**967,545**	**1,447,185**	**479,641**

The increase is mostly due to full-scale operation of some contracts in the US (Lane Group), Australia (Snowy 2.0), Ethiopia (Koysha Hydroelectric Project and GERD), Saudi Arabia (Line 3 of the Riyadh Metro) and Italy (high speed/capacity Milan - Genoa railway line and the Apice - Irpinia section of the Naples - Bari railway line).

34.2 Subcontracts

Subcontracts are made up as follows:

(€'000)	2021	2022	Variation
Subcontracts	2,098,691	2,343,223	244,532
Total	**2,098,691**	**2,343,223**	**244,532**

The increase is chiefly a result of the development of industrial activities on contracts, mostly in the United States (Lane Group), Australia (Snowy 2.0), Italy (high-speed/capacity Milan- Genoa and Verona- Padua railway lines), Tagikistan (Rogun Hydropower Project) and Norway (Nykirke- Barkaker railway line).

34.3 Services

Services are broken down below:

(€'000)	2021	2022	Variation
Consultancy and technical services	810,154	940,639	130,485
Recharging of costs by consortia	207,475	211,662	4,187
Leases	213,276	311,781	98,505
Transport and customs	99,300	153,738	54,438
Insurance	73,290	88,033	14,743
Maintenance	68,842	72,973	4,131
Fees to directors, statutory auditors and independent auditors	16,680	19,705	3,025
Other	101,631	149,115	47,484
Total	**1,590,648**	**1,947,646**	**356,999**

The increase in services over the previous year is chiefly due to progress on the Snowy 2.0 project in Australia, the Koysha Hydroelectric and GERD projects in Ethiopia, the Lane Group and the Hurontario Light Rail Project in Canada.

A breakdown of the item "Consultancy and technical services" is as follows":

(€'000)	2021	2022	Variation
Design and engineering services	495,143	628,331	133,188
Construction	140,857	129,795	(11,062)
Legal, administrative and other services	172,668	179,768	7,100
Other	1,485	2,745	1,260
Total	**810,154**	**940,640**	**130,487**

The increase in consultancy and technical services is mostly due to design activities for the Hurontario Light Rail Project in Canada and the Snowy 2.0. and North East Link projects in Australia.

The recharging of costs by consortia relate to works carried out with other sector companies and refer, in particular, to the Brenner Base Tunnel (Lot Mules 2-3) and Line C of the Rome Metro in Italy as well as the projects performed through the Swiss consortia involving the subsidiary CSC Costruzioni S.A..

The increase in leases is mostly due to the continuation of work for certain contracts of the Lane Group, the Snowy 2.0 project in Australia, the Hurontario Light Rail Project in Canada and the I-405 Expressway project in California.

34.4 Personnel expenses

This item is broken down below:

(€'000)	2021	2022	Variation
Wages and salaries	813,874	1,078,159	264,285
Social security and pension contributions	188,515	242,816	54,301
Post-employment benefits and other employee benefits	21,625	22,731	1,106
Other	77,906	103,898	25,992
Total	**1,101,920**	**1,447,604**	**345,684**

The increase in personnel expenses is mostly due to the progress made on the Snowy 2.0 contract in Australia, where the complicated nature of the project and the strong production push during the year required greater deployment of the direct workforce. Growth, although more modest, was also seen in Italy, Saudi Arabia and in relation to Lane Group due to the larger volumes produced during the year.

Information about HR management and employment is provided in the "Workforce" section of the Consolidated Non-financial Statement.

The following table shows the breakdown of the Group's workforce by category at year end and the related average number:

	31 December 2021	31 December 2022	2021 average	2022 average
Managers	477	463	502	468
White collars	8,518	9,830	8,339	9,593
Blue collars	21,803	25,701	20,991	24,941
Total	**30,798**	**35,994**	**29,832**	**35,002**

34.5 Other operating expenses

Other operating expenses are made up as follows:

(€'000)	2021	2022	Variation
Other operating costs	204,870	112,679	(92,191)
Commissions on sureties	110,306	142,169	31,863
Losses on disposals	6,574	9,300	2,726
Bank charges	7,026	13,305	6,279
Other non-recurring costs	19,043	45,298	26,255
Total	**347,819**	**322,751**	**(25,068)**

The reduction is mostly due to the higher expenses incurred in 2021 for the compulsory purchases of the areas necessary to carry out the works for the high-speed/high capacity Verona- Padua railway line.

Commissions on sureties increased, mainly in Italy (chiefly for the high-speed/high capacity Verona- Padua railway line), Europe (Romania and France) and in relation to Lane Group, due to the rise in guarantee deposits granted by banks.

34.6 Impairment losses, amortisation, depreciation and provisions

34.6.1 Net impairment losses

Net impairment losses of €84.0 million (€27.5 million for the previous year) mostly include the €69.2 million impairment loss on the Group's overall exposure (trade receivables and other assets) in Ukraine, as well as on certain assets in Poland and Nigeria.

Note 14 provides more information about the impairment of the Group's exposure with the Ukrainian customer Ukravtodor.

34.6.2 Amortisation and depreciation

Amortisation and depreciation are broken down below:

(€'000)	2021	2022	Variation
Depreciation of property, plant and equipment	85,321	173,901	88,580
Depreciation of right-of-use assets	81,655	74,920	(6,735)
Amortisation of contract costs	131,088	90,346	(40,742)
Amortisation of rights to infrastructure under concession	1,335	325	(1,010)
Amortisation of intangible assets	851	936	85
Total	**300,250**	**340,428**	**40,178**

Depreciation of property, plant and equipment increased by €88.6 million in the year, mostly related to the Snowy 2.0 project in Australia where another two TBMs were placed in service.

Amortisation of contract costs includes €69.5 million (€93.7 million in 2021) for the EPC order backlog recognised as part of the PPA procedure for the former Astaldi.

34.6.3 Provisions

Provisions of €32.8 million (€19.7 million in 2021) mainly relate to utilisations for: (i) onerous contracts in the United States (Lane Group) and Poland, and (ii) the disengagement from the EPC contract for the Integrated Health Campus in Gaziantep, Turkey.

35. Net financing costs

35.1 Financial income

Financial income is broken down in the following table:

(€'000)	2021	2022	Variation
Interest and other financial income	**70,362**	**94,146**	**23,784**
- Other	47,824	56,318	8,494
- Interest on trade receivables	18,132	26,120	7,988
- Bank interest	4,406	11,708	7,302
Interest and other income from unconsolidated group companies and other related parties	**13,439**	**18,100**	**4,661**
Income from inflation adjustment	**2,724**	**3,579**	**855**
Gains on securities	**1,012**	**3,259**	**2,247**
Total	**87,537**	**119,084**	**31,547**

The increase in financial income is mostly due to: (i) the prior year income from the discharging of debts of €18.0 million, recognised after authorisation of the composition with creditors procedure for Afragola FS S.C.a.r.l. in March, and (ii) the interest of €11.0 million collected after completion of the proceedings begun before the Bucharest Chamber of Commerce about Lot 4 of the Orastie- Sibiu Motorway in Romania.

35.2 Financial expense

Financial expense is broken down in the following table:

(€'000)	2021	2022	Variation
Intragroup interest and other expense	**(6,070)**	**(6,714)**	**(644)**
Interest and other financial expense	**(184,256)**	**(205,928)**	**(21,672)**
- Interest on bonds	(68,653)	(79,765)	(11,112)
- Other	(46,635)	(34,057)	12,578
- Interest on bank accounts and financing	(36,660)	(33,681)	2,979
- Bank fees	(11,150)	(24,335)	(13,185)
- Interest on tax liabilities	(391)	(15,952)	(15,561)
- Expense for inflation adjustments	(12,654)	(11,630)	1,024
- Leases	(8,113)	(6,508)	1,605
Total	**(190,326)**	**(212,642)**	**(22,316)**

The €22.3 million increase in financial expense is mostly due to: (i) the sustainability-linked notes issued, (ii) the floating-rate financial indebtedness, as a result of the rise in interest rates at international level, and (iii) the interest on tax liabilities (€14.2 million) following the parent's settlement of some tax disputes.

35.3 Net exchange gains

Net exchange gains of €20.4 million mostly relate to the Euro's performance against the US dollar, the Ethiopian birr and the Argentine peso.

36. Net losses on equity investments

Net losses on equity investments are made up as follows:

(€'000)	2021	2022	Variation
Share of loss of equity-accounted investees	(19,718)	(15,545)	4,173
Dividends	279	159	(120)
Gains (losses) on the disposal of equity investments	(7)	8,112	8,119
Other income	289	131	(158)
Total	**(19,157)**	**(7,143)**	**12,014**

The gains on the disposal of equity investments mostly relate to the sale of Gaziantep Hastane Saglik Hizmetleri Isletme ve Yatirim A.S (Integrated Health Campus in Gaziantep) carried out in the second half of 2022.

The following table provides a breakdown of "Share of loss of equity-accounted investees":

(€'000)	2021	2022	Variation
Ankara Etlik Hastane Isletme Ve Bakim Anonim Sirketi	25	(16,607)	(16,632)
Autopistas del Sol S.A.	(702)	415	1,117
Fisia Abeima LCC	(2,261)	688	2,949
Grupo Unido por el Canal S.A.	(27,659)	610	28,269
Lane Group's joint ventures	5,554	(10,571)	(16,125)
Mobilink Hurontario General Partnership	2,515	3,278	763
Renovation Palais Des Nations S.A.	1,471	1,373	(98)
S.E.I.S. S.p.A.	(192)	(6,633)	(6,441)
Yuma Concesionaria	(4,124)	5,636	9,760
Other	5,656	6,266	610
Total	**(19,717)**	**(15,545)**	**4,171**

37. Income taxes

Income taxes are broken down in the following table:

(€'000)	2021	2022	Variation
Current taxes (income taxes)	126,439	34,876	(91,563)
Deferred taxes	(281)	11,701	11,982
Prior year taxes	(3,092)	10,469	13,561
Total	**123,066**	**57,046**	**(66,020)**
IRAP	10,563	19,244	8,681
Total	**133,629**	**76,290**	**(57,339)**

The Group's income taxes for the year are mainly affected by permanent differences, partly offset by the recovery of foreign taxes, following the occurrence of the conditions provided for by legislation governing their recovery.

An analysis and reconciliation of the theoretical income tax rate, calculated under Italian tax legislation, and the effective tax rate are set out below:

Income taxes

	2021		2022	
	€m	%	€m	%
Profit (loss) before tax	**(145.4)**		**110.7**	
Theoretical tax expense (benefit)	(34.9)	n.a.	26.6	24%
Effect of permanent differences	59.1	n.a.	53.0	47%
Net effect of foreign taxes	100.5	n.a.	(18.2)	(16%)
Prior year and other taxes	(1.6)	n.a.	(4.4)	(4%)
Total	**123.1**	**n.a.**	**57.0**	**51%**

An analysis and reconciliation of the theoretical and effective IRAP tax rates are set out below:

IRAP

	2021		2022	
	€m	%	€m	%
Operating profit (loss)	(33.7)		191.1	
Personnel expenses	1,101.9		1,447.6	
Provisions and impairment losses	47.2		51.2	
Revenue	**1,115.4**		**1,689.9**	
Theoretical tax expense	43.5	3.9%	65.9	3.9%
Tax effect of foreign companies' production	(26.8)	(2.4%)	(38.0)	(2.2%)
Tax effect of foreign production by resident companies	(7.3)	(0.7%)	(10.5)	(0.6%)
Tax effect of permanent differences	1.2	0.1%	1.8	0.1%
Total	**10.6**	**0.9%**	**19.2**	**1.1%**

The deferred taxes' contribution to the group's profit is as follows:

(€'000)	2021	2022	Variation
Deferred tax expense for the year	(29,222)	(33,860)	(4,638)
Use of deferred tax liabilities recognised in previous years	78,089	26,990	(51,099)
Deferred tax income for the year	78,316	43,993	(34,323)
Use of deferred tax assets recognised in previous years	(126,902)	(48,824)	78,078
Total	**281**	**(11,701)**	**(11,982)**

Deferred taxes arise on temporary differences between statutory and tax legislation.

38. Earnings (loss) per share

The calculation of earnings (loss) per share is shown in the following table:

(€'000)	2021	2022
Profit (loss) from continuing operations	(278,998)	34,502
Non-controlling interests	(26,183)	(6,637)
Profit (loss) from continuing operations attributable to the owners of the parent	**(305,181)**	**27,866**
Profit (loss) from discontinued operations	(278,766)	16,530
Non-controlling interests	(26,183)	(6,637)
Profit (loss) from continuing and discontinued operations attributable to the owners of the parent	**(304,949)**	**9,893**
Profit earmarked for 1,615 thousand savings shares	**588**	**588**
Average outstanding ordinary shares	931,491	980,686
Diluting effect	-	15,223
Average number of diluted shares	**933,106**	**995,909**
(Euro per share)		
Basic earnings (loss) per share (from continuing operations)	**(0.33)**	**0.03**
Basic earnings (loss) per share (from continuing and discontinued operations)	**(0.33)**	**0.01**
Diluted earnings (loss) per share (from continuing operations)	**(0.33)**	**0.03**
Diluted earnings (loss) per share (from continuing and discontinued operations)	**(0.33)**	**0.01**

Note 20 “Equity” provides information on the weighted average number of shares used to calculate the earnings (loss) per share.

Diluted earnings (loss) per share are calculated by dividing the profit (loss) for the year attributable to the owners of the parent by the weighted average of the parent’s outstanding shares, excluding treasury shares, increased by the weighted average potential shares that may be issued to service the lender warrants.

39. Related party transactions

Related party transactions carried out during the year involved the following counterparties:

- directors, statutory auditors and key management personnel, solely related to the contracts regulating their positions within Webuild Group;
- associates and joint arrangements; these transactions mainly relate to:
  - commercial assistance with purchases and procurement of services necessary to carry out work on contracts, contracting and subcontracting;
  - services (technical, organisational, legal and administrative), carried out at centralised level;
  - financial transactions, namely loans and joint current accounts as part of cash pooling transactions and guarantees given on behalf of group companies;

    Most of the Group’s production is carried out through SPEs, set up with other partners that have participated with Webuild S.p.A. in calls for tenders. The SPEs carry out the related contracts on behalf of their partners. These transactions refer to revenue and costs for design and similar activities, incurred when presenting bids and over the contracts’ term. A significant number of the transactions with group companies are with consortia, consortium companies and similar companies that operate by recharging costs and revenue as per their by-laws. Therefore, the intragroup relationship is substantially represented by the group companies’ relationships with unrelated parties.

    All the above transactions are part of the Group’s normal business activities given that, in order to complete its contracts, Webuild mostly operates through SPEs.

    Transactions are carried out with associates and joint arrangements in the interests of Webuild, aimed at building on existing synergies in the Group in terms of production and sales integration, efficient use of existing skills, streamlining of centralised structures and financial resources. These transactions are regulated by specific contracts and are carried out on an arm’s length basis.

    Transactions with group companies performed during the year are presented in the “Group entities” column of the table showing related party transactions at the end of this note;
- other related parties: the main transactions with other related parties, identified pursuant to IAS 24, including companies managed and coordinated by Salini Costruttori S.p.A., are summarised below:

(€'000)	Loans and receivables	Financial assets	Other assets	Trade payables	Lease liabilities	Guarantees	Total revenue	Total operating expenses	Net financing income (costs)
Salini Costruttori S.p.A:									
Casada S.r.l.	161	-	-	-	-	-	13	-	-
CEDIV S.p.A.	2,452	3,241	-	-	-	-	24	-	132
C.Tiburtino	151	-	-	-	-	-	13	-	-
Dirlan S.r.l.	151	-	-	-	-	-	18	-	-
G.A.B.I.RE S.r.l.	3,964	18,001	-	-	-	-	18	-	732
Galla Placida S.c.a.r.l.	166	-	-	-	-	-	13	-	-
Imm. Agricola San Vittorino S.r.l.	214	-	-	-	-	-	10	-	-
Infernetto S.r.l.	54	-	-	-	-	-	7	-	-
Madonna dei Monti S.r.l.	106	-	-	-	-	-	17	-	-
Nores S.r.l.	103	-	-	-	-	-	8	-	-
Plus S.r.l.	208	-	-	-	-	-	27	-	-
Salini S.p.A.	28	-	-	-	-	-	28	-	-
Salini Costruttori S.p.A.	-	3,847	11,955	-	-	475,768	136	(3,679)	181
Zeis S.r.l.	416	2,509	-	-	-	-	237	-	97
C.D.P.:									
CDP S.p.A.	-	-	901	(577)	-	647,091	-	(7,177)	-
CDP Equity S.p.A.	-	-	-	(379)	-	-	-	-	-
Eni S.p.A.	-	-	-	(179)	-	-	-	(893)	-
Fincantieri Infrastruc. S.p.A.	37	-	-	(10,790)	-	-	-	(10,713)	-
Fincantieri Infr. Opere Marittime S.p.A.	63,317	-	-	(63,405)	-	-	91	-	-
Fintecna S.p.A.	120	-	-	(204)	-	-	31	-	-
Gruppo PSC S.p.A.	22,492	-	-	(17,393)	-	-	-	(2)	-
Poste Italiane S.p.A.	-	-	-	(3)	-	-	-	(4)	-
Rete S.r.l.	-	-	-	(231)	-	-	-	(325)	-
Simest S.p.A.	-	-	-	-	(6,309)	-	-	-	(410)
SNAM Rete Gas S.p.A.	-	-	-	(1,427)	-	-	-	(799)	-
Terna S.p.A.	-	-	-	(13,776)	-	-	-	(13,423)	-
Terna Rete Italia S.p.A.	-	-	7	(116)	-	-	-	(120)	-
Other:	111	-	-	-	-	-	14	-	-
Total	**94,251**	**27,598**	**12,863**	**(108,480)**	**(6,309)**	**1,122,859**	**705**	**(37,135)**	**732**

Transactions with Salini Costruttori and its subsidiaries mostly refer to service contracts for tax, administration, corporate and HR assistance.

With respect to the guarantees provided by Salini Costruttori, they are measured using a group intragroup guarantee pricing policy on a case-by-case basis (e.g., considering the reference market, type of entity/agreement and type of guarantee). This policy complies with the OECD guidelines and is reviewed once a year. The cost to the Group of applying the policy in 2022 is €3.7 million.

Since 2020, Cassa Depositi e Prestiti S.p.A. ("CDP") and its subsidiaries and associates have been included in the list of related parties as CDP has significant influence over Webuild. Transactions with these related parties include in particular the advance payment bonds, performance bonds and other guarantees to customers.

The most significant transactions include:

- subcontracting contracts agreed in previous years with Fincantieri for foreign contracts acquired through Astaldi for a total cost of €10.7 million for 2022;
- activities performed by Terna for a cost of €13.4 million related to the resolution of interference issues for high-speed contracts in Italy.

The above transactions qualify as ordinary transactions agreed at conditions identical to those that would be stipulated on the market or that are standard, based on the parent's related party transactions procedure. Therefore, they are exempt from such procedure.

Significant transactions as defined in the above procedure were not carried out during the year.

The next table shows the impact of transactions with the above related parties on the statements of financial position and profit or loss (including as a percentage):

(€'000)	Total 31 December 2022	Group entities	Other related parties	Total	%
Non-current financial assets	518,439	289,999	-	289,999	55.9%
Trade receivables	2,886,106	375,084	94,251	469,335	16.3%
Current financial assets	441,632	44,829	27,598	72,427	16.4%
Other current assets	916,445	23,287	12,863	36,150	3.9%
Non-current assets held for sale and discontinued operations	14,540	-	-	-	
Non-current portion of lease liabilities	68,829	-	-	-	0.0%
Bank loans and borrowings	276,267	-	6,309	6,309	2.3%
Current portion of loans	297,419	13,382	-	13,382	4.5%
Current portion of lease liabilities	71,721	-	-	-	0.0%
Trade payables	3,891,729	133,595	108,480	242,075	6.2%
Other current liabilities	620,648	62,852	-	62,852	10.1%
(€'000)	**Total for 2022**	**Group entities**	**Other related parties**	**Total**	**%**
Revenue from contracts with customers	7,656,006	185,398	454	185,851	2.4%
Other income	435,147	60,343	251	60,594	13.9%
Purchases	(1,447,185)	(5)	(2,893)	(2,898)	0.2%
Subcontracts	(2,343,223)	-	(23,262)	(23,262)	1.0%
Services	(1,947,645)	(209,412)	(5,815)	(215,227)	11.1%
Personnel expenses	(1,447,605)	(50)	-	(50)	0.0%
Other operating expenses	(322,750)	(2,309)	(5,166)	(7,475)	2.3%
Net impairment losses	(84,045)	36	-	36	-0.2%
Amortisation, depreciation and provisions	(307,623)	-	-	-	0.0%
Financial income	119,084	16,978	1,142	18,120	15.2%
Financial expense	(212,642)	(6,572)	(410)	(6,982)	3.3%

Transactions with directors, statutory auditors and key management personnel

Transactions with directors, statutory auditors and key management personnel are shown below:

	2021			2022		
(€'000)	Fees and remuneration	Termination benefits and post-employment benefits	Total	Fees and remuneration	Termination benefits and post-employment benefits	Total
Directors and statutory auditors	6,735	-	6,735	8,604	-	8,604
Key management personnel	9,537	-	9,537	13,970	-	13,970
Total	**16,272**	**-**	**16,272**	**22,574**	**-**	**22,574**

40. Article 1.125/127 of Law no. 124 of 4 August 2017- Disclosure of government grants

With respect to Law no. 124 of 4 August 2017 and related interpretations, it should be noted that the Group did not receive any government grants in 2022.

The Group's relations with the public administration or similar bodies have a bilateral contract nature and, therefore, do not fall under the scope of the above law.

41. Independent auditors' and their network's fees, pursuant to article 149-duodecies of the Issuer Regulation

The fees to the independent auditors, KPMG S.p.A., pertaining to 2022 on the basis of the 2015-2023 statutory audit engagement assigned by the shareholders on 30 April 2015 are detailed as follows:

		Fees (€'000)
Audit	Webuild S.p.A.	2,235
Audit	Subsidiaries	2,608
Total audit		**4,843**
Other services	Webuild S.p.A.	138
Other services	Subsidiaries	131
Total other services		**269**
Total		**5,112**

42. Events after the reporting date

Reference should be made to the related section of the Directors' report for information about events after the reporting date.

43. 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 Consob communication no. DEM/6064293[75].

[75] 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.

44. 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[76].

On behalf of the board of directors

Chairman

Donato Iacovone

(signed on the original)

[76] Significant non-recurring events and transactions are those that do not frequently occur in the normal course of business.

Consolidated financial statements of Webuild Group
–
Intragroup transactions

Assets and liabilities at 31 December 2022

	Trade receivables	Non-current financial assets	Current financial assets	Other current assets	Total assets	Trade payables	Non-current portion of bank loans, other financing and non-current lease liabilities	Current account facilities, current portion of bank loans and borrowings, current lease liabilities	Other current liabilities	Total liabilities	Net balance
101 Gaggio Consorzio	503,330	-	-	-	503,330	-	-	-	-	-	503,330
Acciona Construccion S.A. Y Webuild S.p.A. UTE	-	-	383,112	-	383,112	-	-	-	-	-	383,112
Aegek-Impregilo-Aslom Joint Venture	-	-	-	-	-	-	-	-	1,207	1,207	(1,207)
Aguas del Gran Buenos Aires S.A. (in liq.)	11,829	-	27,874	-	39,703	-	-	19,212	-	19,212	20,491
AM S.C. a r.l. (in liq.)	115,659	-	-	-	115,659	201,572	-	-	-	201,572	(85,913)
Ankara Etlik Hastane Isletme Ve Bakim Anonim Sirketi	3,213,000	-	-	-	3,213,000	-	-	-	-	-	3,213,000
Arge BBT- Baulos H41- Sillschlucht- Pfons	640,605	-	-	-	640,605	-	-	5,004,291	-	5,004,291	(4,363,686)
Arge Haupttunnel Eyholz	1,632,141	-	-	-	1,632,141	-	-	-	-	-	1,632,141
Arge Secondo Tubo	1,668,939	-	-	-	1,668,939	-	-	609,323	-	609,323	1,059,616
Asocierea Astaldi- Euroconstruct Trading 98	-	-	-	-	-	-	-	-	2,662	2,662	(2,662)
Asocierea Astaldi S.p.A-IHI Infrastructure Systems SO, Ltd. (Braila)	785,802	-	3,561	31,301	820,664	3,981	-	-	1,375,054	1,379,035	(558,371)
Asocierea Astaldi S.p.A.-Euroconstruct Trading 98 S.r.l.- RCV Global Group S.r.l. (Piata Sudului)	549,059	-	816,379	52	1,365,490	13,227	-	-	25,239	38,466	1,327,024
Asocierea Joint Venture Webuild S.p.A.- Max Bogl (Medgidia-Costanza)	-	-	16,894	3,564	20,458	24,347	-	-	-	24,347	(3,889)
Asocierea Lot 3 FCC-Webuild- Convensa	3,767,749	-	-	-	3,767,749	-	-	-	-	-	3,767,749
Asocierea Webuild S.p.A. – Max Boegl Romania S.r.l. – Astalrom Sa – Consitrans S.r.l. (Ogra-Campia Turzii)	3,713,574	-	1,344,207	969,670	6,027,451	45,413	-	-	1,165	46,578	5,980,873
Asocierea Webuild-FCC-Salcef, lot 2°a	3,115,566	-	699,804	7,182	3,822,552	163,635	-	1,045	931,670	1,096,350	2,726,202
Asocierea Webuild-FCC-Salcef, lot 2°b	2,990,640	-	156,194	2,016,025	5,162,859	130,642	-	174,380	-	305,022	4,857,837
Asocierea Webuild-FCC-UTI-ACTIV (Metro 5)	1,404,174	-	1,141,799	1,224,246	3,770,219	52,424	-	-	218,745	271,169	3,499,050
Asse Sangro Consorzio (in liq.)	-	-	-	-	-	-	-	-	22,134	22,134	(22,134)
Associazione Astaldi-SOMET-TIAB-UTI GRUP	-	-	-	-	-	569	-	-	-	569	(569)
Astadim S.C.	-	-	-	3,136	3,136	-	-	-	-	-	3,136
Astaldi S.p.A. – Astalrom S.A. Joint Venture (Mihai Bravu)	62,917	-	-	543,337	606,254	6,630	-	652,546	427	659,603	(53,349)
Astaldi-Gulermak Joint Venture	73,810	-	-	1,034,249	1,108,059	4,431	-	-	-	4,431	1,103,628
Astaldi-SC Euroconstruct Tranding 98-SC Astalrom Asocierea (Orastie- Sibiu)	18,657	-	-	5,375	24,032	-	-	287,058	7,352	294,410	(270,378)
Astaldi-Tukerler Ortak Girisimi Joint Venture	73,049	-	-	3,073	76,122	45,379	-	-	-	45,379	30,743
Astaldi-UTI-Romairport Joint Venture (Clui Napoca)	-	-	3,275	-	3,275	-	-	-	-	-	3,275
Aster Astaldi-TIM-Termomeccanica Ecologica	-	-	-	283,747	283,747	-	-	-	88,221	88,221	195,526
Aster Dantiscum	-	-	-	160,879	160,879	-	-	-	-	-	160,879
Aster Resovia TM e Termomeccanca Ecologica Astaldi S.C.	-	-	149,722	1,669,640	1,819,362	-	-	-	1,778	1,778	1,817,584
Autopistas del Sol S.A.	-	-	-	-	-	10	-	-	-	10	(10)
Avola S.C. a r.l. (in liq.)	78,291	-	84,192	-	162,483	162,482	-	-	-	162,482	1
Avrasya Metro Grubu- AMG Joint Venture	52,438	-	-	55,486	107,924	616	-	-	-	616	107,308
Avrasya Metro Grubu S.r.l . (in Liq.)	-	-	-	106,821	106,821	1	-	-	-	1	106,820
Brennero Tunnel Construction S.C. a r.l.	3,689,542	-	-	-	3,689,542	36,726,836	-	-	164	36,727,000	(33,037,458)
BSS Joint Venture- Air Academy project	276,478	-	-	-	276,478	-	-	-	-	-	276,478
BSS-KSAB Joint Venture	126,255	-	-	-	126,255	18,674	-	-	-	18,674	107,581
C.F.M. S.C. a r.l. (in liq.)	73,273	-	-	-	73,273	54,645	-	-	-	54,645	18,628
C.I.T.I.E. Consorzio Inst. Tec. Idr. Elettr. Soc. Cooperativa (in liq.)	63,790	-	-	-	63,790	-	-	-	-	-	63,790

Assets and liabilities at 31 December 2022

	Trade receivables	Non-current financial assets	Current financial assets	Other current assets	Total assets	Trade payables	Non-current portion of bank loans, other financing and non-current lease liabilities	Current account facilities, current portion of bank loans and borrowings, current lease liabilities	Other current liabilities	Total liabilities	Net balance
C.P.R.2	-	-	53,203	-	53,203	309,945	-	-	-	309,945	(256,742)
C.P.R.3	-	-	-	-	-	(1,848)	-	-	-	(1,848)	1,848
Centoquattro S.C. a r.l.	828,833	-	-	-	828,833	2,764,349	-	-	-	2,764,349	(1,935,516)
Centotre S.C. a r.l.	85,119	-	-	-	85,119	2,263,396	-	-	-	2,263,396	(2,178,277)
Churchill Construction Consortium	14,894	-	-	-	14,894	-	-	-	-	-	14,894
Churchill Hospital Joint Venture	98,768	-	-	-	98,768	-	-	-	2,694,688	2,694,688	(2,595,920)
Civil Works Joint Venture	337,209	-	-	10,470	347,679	67,029	-	(250,693)	-	(183,664)	531,343
CMS Consorzio	853,851	-	-	-	853,851	-	-	-	-	-	853,851
CO.SAT S.C. a r.l. (in liq.)	68,489	-	-	-	68,489	433,142	-	-	-	433,142	(364,653)
Col De Roches	-	-	1,167,868	-	1,167,868	299,476	-	-	-	299,476	868,392
Colli Albani S.C. a r.l. (in liq.)	333,345	-	10,000	-	343,345	343,345	-	-	-	343,345	-
Connect 6iX Contractor Joint Venture	848,392	-	-	-	848,392	-	-	-	-	-	848,392
Connect 6iX General Partnership	47,606	-	-	-	47,606	-	-	-	-	-	47,606
Consorcio Ana Cua	164,554	-	973,041	738,328	1,875,923	-	-	-	-	-	1,875,923
Consorcio Contuy Medio	-	-	457,849	122	457,971	48,059	-	-	61,116	109,175	348,796
Consorcio Contuy Medio Grupo A C.I. S.p.A. Ghella Sogene C.A., Otaola C.A.	-	-	3,584	-	3,584	-	-	-	-	-	3,584
Consorcio Europeo Hospital de Chinandega	670,052	-	-	1,127,571	1,797,623	-	-	-	111,458	111,458	1,686,165
Consorcio Federici/Impresit/Ice Cochabamba	-	-	-	-	-	-	-	100,805	-	100,805	(100,805)
Consorcio Grupo Contuy-Proyectos y Obras de Ferrocarriles	240,620	-	-	47,436	288,056	-	-	28,572	-	28,572	259,484
Consorcio OIV-TOCOMA	-	-	797,923	-	797,923	-	-	-	7,319,138	7,319,138	(6,521,215)
Consorcio Rio Mantaro	736,056	-	2,495,734	40,387	3,272,177	317	-	-	-	317	3,271,860
Consorcio Rio Urubamba	-	-	-	-	-	35,520	-	-	-	35,520	(35,520)
Consorcio V.I.T.- Tocoma	-	-	3,589,563	-	3,589,563	-	-	-	-	-	3,589,563
Consorcio V.I.T. Caroni- Tocoma	-	-	-	-	-	-	-	1,297,996	-	1,297,996	(1,297,996)
Consortium CSC S.A.-Zuttion Construction S.A.	204,761	-	-	-	204,761	-	-	-	-	-	204,761
Consortium Front Sud TETO3	84,349	-	-	-	84,349	-	-	-	-	-	84,349
Consortium Ouest TETO4	46,764	-	-	-	46,764	-	-	-	-	-	46,764
Consorzio ACE Chiasso 2	31,614	-	-	-	31,614	-	-	-	-	-	31,614
Consorzio ACE Chiasso	711,764	-	-	-	711,764	-	-	-	-	-	711,764
Consorzio Astaldi-Federici-Todini (in liq.)	155,473	-	300,000	-	455,473	36,614	-	-	-	36,614	418,859
Consorzio Astaldi-Federici-Todini Kramis	5,218,402	2,584,250	302,937	4,331,921	12,437,510	1,715,987	-	-	-	1,715,987	10,721,523
Consorzio Centro Uno (in liq.)	52,108	-	-	-	52,108	-	-	-	-	-	52,108
Consorzio Consarno	57,296	-	52,566	-	109,862	14,722	-	-	-	14,722	95,140
Consorzio Constructor M2 Lima	(12,859)	-	-	-	(12,859)	-	-	-	-	-	(12,859)
Consorzio Costruttori TEEM	-	-	-	-	-	156	-	-	-	156	(156)
Consorzio del Sinni	-	-	-	-	-	29,999	-	-	-	29,999	(29,999)
Consorzio di Penta Ugo Vitolo (in liq.)	-	-	-	-	-	699	-	-	-	699	(699)
Consorzio EPC	655,842	-	-	-	655,842	137,511	-	-	-	137,511	518,331

Assets and liabilities at 31 December 2022

	Trade receivables	Non-current financial assets	Current financial assets	Other current assets	Total assets	Trade payables	Non-current portion of bank loans, other financing and non-current lease liabilities	Current account facilities, current portion of bank loans and borrowings, current lease liabilities	Other current liabilities	Total liabilities	Net balance
Consorzio Ferrofir (in liq.)	190,963	-	-	-	190,963	30,852	-	-	-	30,852	160,111
Consorzio Fonomen	471,733	-	-	-	471,733	-	-	-	-	-	471,733
Consorzio Gdansk	-	-	-	429,260	429,260	4,650	-	-	130,170	134,820	294,440
Consorzio GI.IT. (in liq.)	124,683	-	-	-	124,683	89,365	-	-	-	89,365	35,318
Consorzio Groupement Lesi-Dipenta	-	-	-	-	-	-	-	-	15	15	(15)
Consorzio Iricav Uno (in liq.)	9,239	-	-	-	9,239	179,212	-	-	-	179,212	(169,973)
Consorzio Ital.Co.Cer. (in Liq.)	37,612	-	-	-	37,612	72,464	-	-	-	72,464	(34,852)
Consorzio Kallidromo	38,232	-	-	-	38,232	-	-	38,232	-	38,232	-
Consorzio Lublino (Astaldi- PBDIM)	16,265	-	-	257,676	273,941	33	-	-	330,022	330,055	(56,114)
Consorzio Masnan	1,333,899	-	-	-	1,333,899	-	-	-	-	-	1,333,899
Consorzio MEGE	1,146,620	-	-	-	1,146,620	609,323	-	-	-	609,323	537,297
Consorzio MM4	10,302,018	-	-	-	10,302,018	2,544,307	-	-	-	2,544,307	7,757,711
Consorzio Novocen (in liq.)	166,743	-	22,419	-	189,162	189,162	-	-	-	189,162	-
Consorzio Obrainsa- Astaldi	32,924	-	3,582,540	5,067,114	8,682,578	94,419	-	-	-	94,419	8,588,159
Consorzio Portale Vezia (CPV Lotto 854)	17,636	-	-	-	17,636	-	-	-	-	-	17,636
Consorzio Probin	-	-	-	-	-	2,114,974	-	-	-	2,114,974	(2,114,974)
Consorzio Sarda Costruzioni Generali- SACOGEN	-	-	7,549	-	7,549	42,524	-	-	-	42,524	(34,975)
Consorzio Sotpass Bess	1,016,056	-	-	-	1,016,056	-	-	-	-	-	1,016,056
Consorzio Torretta	616,228	-	-	-	616,228	-	-	-	-	-	616,228
Consorzio Tratta Determinante Città Vitale- TRA.DE.CIV	1,161,437	-	-	-	1,161,437	598,493	-	-	-	598,493	562,944
Consorzio Trevi- S.G.F. INC per Napoli	298,461	-	-	-	298,461	5,880	-	-	-	5,880	292,581
Consorzio Venezia Nuova	-	-	-	-	-	6,268	-	-	-	6,268	(6,268)
Consorzio Vertiaz	3,459,433	-	-	-	3,459,433	-	-	2,741,952	-	2,741,952	717,481
Consorzio Zeb	533,547	-	-	-	533,547	-	-	-	-	-	533,547
CS Consorzio	949,731	-	-	-	949,731	-	-	-	-	-	949,731
Depurazione Palermo S.C. a r.l. (in liq.)	-	-	-	-	-	-	-	-	3,615	3,615	(3,615)
Diga di Blufi S.C. a r.l. (in liq.)	6,831,587	-	-	-	6,831,587	5,484,488	-	-	-	5,484,488	1,347,099
Dolomiti Webuild Implenia	23,397,526	-	6,313	-	23,403,839	12,169,008	-	447,945	-	12,616,953	10,786,886
E.R. Impregilo/Dumez y Asociados para Yaciretê- ERIDAY	18,827,503	-	1,933,171	-	20,760,674	47,619	-	-	14,179,502	14,227,121	6,533,553
Ecosarno S.C. a r.l. (in Liq.)	44,471	-	-	-	44,471	41,588	-	-	-	41,588	2,883
Emittenti Titoli S.p.A. (in liq.)	-	-	-	-	-	-	-	247,575	-	247,575	(247,575)
Enecor S.A.	-	-	-	7,957	7,957	-	-	-	-	-	7,957
Etlik Hastane P.A. S.r.l.	40,495	-	-	-	40,495	1,425,859	-	-	-	1,425,859	(1,385,364)
Eurolink S.C.p.A.	10,301,924	-	-	-	10,301,924	15,597,774	-	-	-	15,597,774	(5,295,850)
FCC- Webuild Constanza Bypass	527,333	-	173,413	10,158	710,904	73,902	-	-	-	73,902	637,002
FCC Construccion S.A. – Webuild S.p.A., Joint Venture (Arad- Timisoara)	489,162	-	174,505	5,319	668,986	39,150	-	-	-	39,150	629,836
Fisia Abeima LLC	-	-	7,052,512	-	7,052,512	-	-	-	-	-	7,052,512
Fisia Abeima Salalah Joint Venture	214,648	-	-	-	214,648	-	-	-	-	-	214,648

Assets and liabilities at 31 December 2022

	Trade receivables	Non-current financial assets	Current financial assets	Other current assets	Total assets	Trade payables	Non-current portion of bank loans, other financing and non-current lease liabilities	Current account facilities, current portion of bank loans and borrowings, current lease liabilities	Other current liabilities	Total liabilities	Net balance
Fisia GS Inima (Al Ghubra) LLC	-	-	110,960	-	110,960	-	-	-	-	-	110,960
Fisia Italimpianti fil. Argentina-Acciona Agua fil. Argentina UTE	53,655	-	-	-	53,655	-	-	-	-	-	53,655
Fosso Canna S.C. a r.l. (in liq.)	-	-	77,755	-	77,755	-	-	-	-	-	77,755
Gaziantep Hastanesi Isletme Ve Bakim Hizmetleri	(299,993)	-	299,993	-	-	-	-	-	-	-	-
Gebze-İzmir Otoyolu İnşaati (NOMAYG) Adi Ortakligi	513	-	-	168	681	2,553	-	-	15,126	17,679	(16,998)
Generalny Wykonawca Salini Polska- Impregilo- Kobylarnia S.A.	3,467	-	-	-	3,467	-	-	-	-	-	3,467
Ghazi-Barotha Contractors Joint Venture	4,748	-	-	-	4,748	-	-	-	-	-	4,748
Groupement Astaldi-Somatra Get (G.A.S.)	-	-	-	22,945	22,945	-	-	-	-	-	22,945
Grupo Empresas Italianas- GEI	-	-	160,229	585,393	745,622	-	-	-	16,565	16,565	729,057
Grupo Unidos Por El Canal S.A.	40,468,919	-	-	-	40,468,919	-	-	-	-	-	40,468,919
I 405 Partners Joint Venture	-	-	-	124,463	124,463	-	-	-	-	-	124,463
Impregilo Arabia Ltd.	-	-	-	-	-	554,711	-	-	-	554,711	(554,711)
Infraflegrea S.C. a r.l. (in liq.)	608,129	-	-	-	608,129	562,876	-	-	-	562,876	45,253
IRINA S.r.l. (in liq.)	-	-	-	-	-	-	-	4,161	-	4,161	(4,161)
Joint Venture Aktor S.A.- Impregilo S.p.A.	-	-	332	-	332	-	-	-	-	-	332
Joint Venture Aktor-Webuild-Ansaldo-STS-Hitachi Rail Utaly (ex AIASA Joint Venture)	42,367	-	-	-	42,367	843	-	-	-	843	41,524
Joint Venture Impregilo S.p.A.- Empedos S.A.- Aktor A.T.E. (in liq.)	-	-	54,459	870,199	924,658	-	-	-	-	-	924,658
Kallidromo Joint Venture	445,109	-	86,360	-	531,469	-	-	-	-	-	531,469
La Maddalena	6,422,656	-	67,837	-	6,490,493	1,016,585	-	-	-	1,016,585	5,473,908
Lambro S.C. a r.l. (in liq.)	6,611	-	134	-	6,745	719	-	-	-	719	6,026
Line 3 Metro Stations	90,986	-	357,900	-	448,886	-	-	-	279,670	279,670	169,216
Lodz Consorzio	-	-	225,593	45,677	271,270	200	-	-	-	200	271,070
M.N. Metropolitana di Napoli S.p.A.	8,579,612	-	-	-	8,579,612	764,708	-	-	-	764,708	7,814,904
M.O.MES. S.C. a r.l.	-	-	-	-	-	575,087	-	-	-	575,087	(575,087)
Messina Catania tratto Nord	-	-	-	-	-	2,832	-	-	-	2,832	(2,832)
Metro 5 S.p.A.	-	-	223,582	-	223,582	3,316	-	-	-	3,316	220,266
Metro C S.C.p.A.	52,395,751	-	-	-	52,395,751	6,439,778	-	-	-	6,439,778	45,955,973
Metrogenova S.C. a r.l. (in liq.)	92,143	-	-	-	92,143	128,923	-	-	-	128,923	(36,780)
MN 6 S.C. a r.l.	2,773,925	-	-	-	2,773,925	781,411	-	-	-	781,411	1,992,514
Mobilink Hurontario General Partnership	49,463,782	-	-	91,025	49,554,807	8,859	-	-	-	8,859	49,545,948
Mobilinx Hurontario Contractor	311,849	-	-	-	311,849	-	-	-	-	-	311,849
Mobilinx Hurontario DB Joint Venture	756	-	85,679	-	86,435	-	-	-	-	-	86,435
Mose Bocca di Chioggia S.C. a r.l. (in liq.)	32,369	-	-	-	32,369	-	-	-	-	-	32,369
N.P.F. – Nuovo Polo Fieristico S.C. a r.l. (in liq.)	229,828	-	-	-	229,828	1,060	-	-	-	1,060	228,768
Nadlac-Arad Joint Venture	1,231,715	-	970,376	156,617	2,358,708	241,163	-	-	137,993	379,156	1,979,552
NGE Genie Civil S.a.s.- Salini Impregilo S.p.A.	-	-	-	-	-	54,722	-	-	-	54,722	(54,722)
Ochre Solutions Holdings Ltd.	-	16,325,755	-	(94,000)	16,231,755	-	-	-	-	-	16,231,755
OHL- Posillico- Seli Overseas Joint Venture	653,872	-	-	-	653,872	-	-	-	-	-	653,872

Assets and liabilities at 31 December 2022

	Trade receivables	Non-current financial assets	Current financial assets	Other current assets	Total assets	Trade payables	Non-current portion of bank loans, other financing and non-current lease liabilities	Current account facilities, current portion of bank loans and borrowings, current lease liabilities	Other current liabilities	Total liabilities	Net balance
Olbia 90 S.C. a r.l. (in liq.)	83,331	-	-	-	83,331	-	-	-	-	-	83,331
Passante di Mestre S.C.p.A. (in liq.)	598,651	-	-	-	598,651	30,560	-	-	-	30,560	568,091
PAV 101 Gaggio Consorzio	133,756	-	-	-	133,756	-	-	-	-	-	133,756
Pedelombarda S.C.p.A. (in liq.)	138,650	-	2,485	-	141,135	1,217,585	-	-	-	1,217,585	(1,076,450)
Pegaso S.C. a r.l. (in Liq.)	201,745	-	-	-	201,745	333,349	-	-	-	333,349	(131,604)
PerGenova S.C.p.A. (in liq.)	2,097,716	-	-	-	2,097,716	1,635,336	-	-	-	1,635,336	462,380
Piana di Licata S.C. a r.l. (in liq.)	-	-	137,444	-	137,444	139,073	-	-	-	139,073	(1,629)
Puentes del Litoral S.A. (in liq.)	3,256	-	-	-	3,256	-	-	-	-	-	3,256
Rasoira Consorzio	22,441	-	-	-	22,441	-	-	-	-	-	22,441
Regionerate DC Joint Venture	118,683	-	-	-	118,683	-	-	-	-	-	118,683
Renovation Palais Des Nations S.A.	-	-	86,321	-	86,321	-	-	-	-	-	86,321
S. Benedetto S.C. a r.l. (in liq.)	-	-	-	-	-	45,520	-	-	26	45,546	(45,546)
S. Ruffillo S.C. a r.l. (in liq.)	-	-	-	-	-	15,343,839	-	-	-	15,343,839	(15,343,839)
S.A.T. S.p.A.	23,858,480	-	-	-	23,858,480	2,772,585	-	-	-	2,772,585	21,085,895
S.E.I.S. S.p.A.	-	-	4,080,767	-	4,080,767	-	-	-	-	-	4,080,767
S.I.MA. GEST 3 S.C. a r.l. (in liq.)	-	-	-	-	-	162,355	-	-	-	162,355	(162,355)
Sailini Impregilo- NGE Genie Civil S.a.s	-	-	2,598,435	-	2,598,435	-	-	-	-	-	2,598,435
Salini- Impregilo Joint Venture for Mukorsi	7,522	-	-	-	7,522	19,761	-	-	-	19,761	(12,239)
Salini Strabag Joint Venture	-	-	210,934	-	210,934	498,095	-	-	-	498,095	(287,161)
SEDI S.C. a r.l. (in liq.)	75,046	57,608	-	-	132,654	125,059	-	-	-	125,059	7,595
Segrate S.C. a r.l.	3,759	-	348,213	-	351,972	198,944	-	-	-	198,944	153,028
Sellero S.C. a r.l. (in liq.)	-	-	-	-	-	32,618	-	-	-	32,618	(32,618)
SFI Leasing Company	-	-	4,439,086	-	4,439,086	-	-	-	3,741,830	3,741,830	697,256
Shimmick CO. INC.- FCC CO S.A.- Impregilo S.p.A.- Joint Venture	28,595,576	-	-	-	28,595,576	74,735	-	-	28,787,878	28,862,613	(267,037)
Sistranyac S.A.	419	-	-	-	419	-	-	-	-	-	419
Sotra Link A.S. Joint Venture	4,569,943	-	-	-	4,569,943	-	-	-	-	-	4,569,943
Southland Astaldi, Joint Venture	59,459	-	-	-	59,459	-	-	-	-	-	59,459
Spark NEL DC Joint Venture	1,051,632	-	-	-	1,051,632	-	-	-	-	-	1,051,632
SPV Linea M4 S.p.A.	1,453,916	92,269,085	-	-	93,723,001	215,995	-	-	-	215,995	93,507,006
Tangenziale Seconda S.C. a r.l. (in liq.)	92,232	-	-	-	92,232	25,563	-	-	-	25,563	66,669
Tartano S.r.l. Società Agricola	-	-	35,000	-	35,000	-	-	-	-	-	35,000
Techint S.A.C.I.- Hochtief A.G.- Impregilo S.p.A.-Iglys S.A. UTE	-	-	-	1,275,157	1,275,157	-	-	1,477,499	170,142	1,647,641	(372,484)
Trieste Due S.C. a r.l. (in liq.)	-	-	145,172	-	145,172	140	-	-	-	140	145,032
Uti Grup S.A.-Astaldi S.p.A. (pattinaggio)	513,403	-	-	17,463	530,866	389	-	-	42,312	42,701	488,165
Valdostana Condotte- Cossi	-	-	16,422	-	16,422	2,899	-	-	-	2,899	13,523
Veneta Sanitaria Finanza di Progetto S.p.A.- V.S.F.P. S.p.A.	1,354,897	-	-	-	1,354,897	5,265	-	-	-	5,265	1,349,632
Webuild- Fisia Joint Venture	-	-	-	-	-	-	-	115,555	-	115,555	(115,555)
Webuild- Kolin	5,672,557	-	21,060	-	5,693,617	-	-	-	-	-	5,693,617

Assets and liabilities at 31 December 2022

	Trade receivables	Non-current financial assets	Current financial assets	Other current assets	Total assets	Trade payables	Non-current portion of bank loans, other financing and non-current lease liabilities	Current account facilities, current portion of bank loans and borrowings, current lease liabilities	Other current liabilities	Total liabilities	Net balance
Webuild Apco Joint Venture (ex Reliance)	349	-	-	-	349	-	-	-	-	-	349
Webuild-FCC-Delta ACM-AB Construct (Metro 5 Bucarest struttura)	2,569,203	-	641,015	34	3,210,252	74,488	-	-	1,879,942	1,954,430	1,255,822
Webuildi-FCC Joint Venture (Basarab Overpass)	6,506,554	-	967,546	-	7,474,100	7,214,233	-	-	-	7,214,233	259,867
Webuild-Max Boegl Romania Cernavoda	195,488	-	-	-	195,488	35,114	-	256,922	44,548	336,584	(141,096)
Webuild-Max Boegl Romania-Nadlac Arad Lot 2 Joint Venture	19,485	-	64,859	-	84,344	2,535	-	127,685	22,481	152,701	(68,357)
Webuild-Max Bogl-Euroconstruct-Tecnologica-Priect Bucuresti Joint Venture (A1 Ciuriel)	-	-	329,587	-	329,587	6	-	-	208,111	208,117	121,470
Webuild-Partecipazione Italia-Salcef Timisoara- Arad lot 3 Joint Venture	23,750	-	-	-	23,750	-	-	-	-	-	23,750
Webuild-Partecipazione Italia-Salcef Timisoara- Arad lot 4 Joint Venture	49,888	-	-	-	49,888	-	-	-	-	-	49,888
Yacylec S.A.	4,823	-	-	-	4,823	-	-	-	-	-	4,823
Yuma Concesionaria S.A.	7,562,793	178,761,813	-	-	186,324,606	4,633,005	-	-	-	4,633,005	181,691,601
Totale Società del Gruppo	375,084,150	289,998,511	44,829,238	23,286,643	733,198,542	133,594,638	-	13,382,061	62,852,166	209,828,865	523,369,677
Casada S.r.l.	160,609	-	-	-	160,609	-	-	-	-	-	160,609
CDP Equity S.p.A.	-	-	-	-	-	379,176	-	-	-	379,176	(379,176)
CDP S.p.A.	-	-	-	900,440	900,440	576,765	-	-	-	576,765	323,675
CEDIV S.p.A.	2,452,493	-	3,241,000	-	5,693,493	-	-	-	-	-	5,693,493
C. Tiburtino	150,913	-	-	-	150,913	-	-	-	-	-	150,913
Dirlan S.r.l.	151,218	-	-	-	151,218	-	-	-	-	-	151,218
Eni S.p.A.	-	-	-	-	-	179,227	-	-	-	179,227	(179,227)
Fincantieri Infrastructure S.p.A.	37,183	-	-	-	37,183	10,789,649	-	-	-	10,789,649	(10,752,466)
Fincantieri Infrastructure Opere Marittime S.p.A.	63,317,030	-	-	-	63,317,030	63,404,802	-	-	-	63,404,802	(87,772)
Fintecna S.p.A.	119,955	-	-	-	119,955	204,058	-	-	-	204,058	(84,103)
G.A.B.I.RE. S.r.l.	3,963,787	-	18,001,297	-	21,965,084	-	-	-	-	-	21,965,084
Galla Placidia S.C. a r.l.	166,376	-	-	-	166,376	-	-	-	-	-	166,376
Gruppo PSC S.p.A.	22,491,939	-	-	-	22,491,939	17,393,398	-	-	-	17,393,398	5,098,541
Imm. Agricola San Vittorino S.r.l.	213,769	-	-	-	213,769	-	-	-	-	-	213,769
Infernetto S.r.l.	53,863	-	-	-	53,863	-	-	-	-	-	53,863
Madonna dei Monti S.r.l.	106,149	-	-	-	106,149	-	-	-	-	-	106,149
Nores S.r.l.	102,860	-	-	-	102,860	-	-	-	-	-	102,860
Plus S.r.l.	208,287	-	-	-	208,287	-	-	-	-	-	208,287
Poste Italiane S.p.A.	-	-	-	-	-	3,122	-	-	-	3,122	(3,122)
Rete S.r.l.	-	-	-	-	-	230,800	-	-	-	230,800	(230,800)
Salini S.p.A.	27,622	-	-	-	27,622	-	-	-	-	-	27,622
Salini Costruttori	-	-	3,846,967	11,955,426	15,802,393	-	-	-	-	-	15,802,393
SALINI SIMONPIETRO & C. S.A.P.A.	110,759	-	-	-	110,759	-	-	-	-	-	110,759
Simest S.p.A.	-	-	-	-	-	-	6,308,883	-	-	6,308,883	(6,308,883)
SNAM RETE GAS S.p.A.	-	-	-	-	-	1,427,221	-	-	-	1,427,221	(1,427,221)
Terna Rete Italia S.p.A.	-	-	-	7,320	7,320	115,609	-	-	-	115,609	(108,289)
Terna S.p.A.	-	-	-	-	-	13,776,040	-	-	-	13,776,040	(13,776,040)

Assets and liabilities at 31 December 2022

	Trade receivables	Non-current financial assets	Current financial assets	Other current assets	Total assets	Trade payables	Non-current portion of bank loans, other financing and non-current lease liabilities	Current account facilities, current portion of bank loans and borrowings, current lease liabilities	Other current liabilities	Total liabilities	Net balance
Zeis S.r.l.	416,312	-	2,508,850	-	2,925,162	112	-	-	-	112	2,925,050
Total other related parties	94,251,124	-	27,598,114	12,863,186	134,712,424	108,479,979	6,308,883	-	-	114,788,862	19,923,562
Total	469,335,274	289,998,511	72,427,352	36,149,829	867,910,966	242,074,617	6,308,883	13,382,061	62,852,166	324,617,727	543,293,239

Revenue and costs for 2022

	Revenue	Other revenue and income	Purchases	Subcontracts	Services	Personnel expenses	Total	Amortisation, depreciation, impairment losses, provisions	Financial income	Financial expense
101 Gaggio Consorzio	2,324,591	-	-	-	1,487,823	-	-	-	-	-
Abeinsa Infr. e Fisia Italimpianti UTE Salalah	38,866	4,021	-	-	-	-	-	-	-	-
Acqua Campania S.p.A.	-	-	-	-	-	-	374	-	-	-
Aguas del Gran Buenos Aires S.A. (in liq.)	23,051	-	-	-	1,215	-	-	-	-	-
AM S.C. a r.l. (in liq.)	34,730	-	-	-	98,313	-	-	-	-	-
Ankara Etlik Hastane Isletme Ve Bakim Anonim Sirketi	-	876,273	-	-	-	-	-	-	-	-
Arge BBT- Baulos H41- Sillschlucht- Pfons	852,034	24,868	-	-	-	-	-	-	-	-
Arge Haupttunnel Eyholz	162,864	-	-	-	-	-	-	-	-	-
Arge Secondo Tubo	21,815,738	-	-	-	18,642,975	-	-	-	-	-
Asocierea Astaldi S.p.A-IHI Infrastructure Systems SO, Ltd. (Braila)	1,022,661	378,965	-	-	-	-	-	-	-	-
Asocierea Lot 3 FCC-Webuild- Convensa	699,873	-	-	-	-	-	-	-	-	-
Asocierea Webuild S.p.A. – Max Boegl Romania S.r.l. – Astalrom Sa – Consitrans S.r.l. (Ogra-Campia Turzii)	2,636	-	-	-	1,531	-	-	-	-	-
Asocierea Webuild-FCC-Salcef, lot 2°a	670,940	-	-	-	26,292	-	1,049	-	-	-
Asocierea Webuild-FCC-Salcef, lot 2°b	944,955	735	-	-	28,542	-	-	-	-	-
Asocierea Webuild-FCC-UTI-ACTIV (Metro 5)	120,975	10,474	69	-	-	2,429	-	-	-	-
Astadim S.C.	-	1,016	-	-	-	-	-	-	-	-
Astaldi-Gulermak Joint Venture	-	245	-	-	-	-	-	-	-	-
Astaldi-Tukerler Ortak Girisimi Joint Venture	-	140	-	-	-	-	-	-	-	-
Astaldi-UTI-Romairport Joint Venture (Clui Napoca)	-	14,040	-	-	-	-	-	-	-	-
Aster Astaldi-TIM-Termomeccanica Ecologica	-	3,731	-	-	-	-	-	-	-	-
Aster Dantiscum	-	662,807	-	-	-	-	-	-	-	-
Aster Resovia TM e Termomeccanca Ecologica Astaldi S.C.	-	27,531	-	-	-	-	-	-	4	-
Autopistas del Sol S.A.	-	-	-	-	120	-	54,175	-	-	-
Brennero Tunnel Construction S.C. a r.l.	220,147	60,766	-	-	68,453,101	-	9,700	-	71,827	-
BSS Joint Venture- Air Academy project	-	2,886,490	-	-	-	-	-	-	-	-
BSS-KSAB Joint Venture	38,273	4,841,685	-	-	17,352	-	-	-	-	-
C.F.M. S.C. a r.l. (in liq.)	-	5,487	-	-	-	-	-	-	-	-
Centoquattro S.C. a r.l.	-	-	-	-	587,413	-	-	-	-	-
Centotre S.C. a r.l.	-	-	-	-	707,544	-	-	-	-	-
Churchill Construction Consortium	14,072	-	-	-	-	-	-	-	-	-
Churchill Hospital Joint Venture	28,144	-	-	-	773,589	-	-	-	-	-
Civil Works Joint Venture	-	355,906	-	-	63,406	-	-	-	-	-
CMC- Consorzio Monte Ceneri lotto 851	65,909	-	-	-	41,497	-	-	-	-	-
CMS Consorzio	8,647,234	16,244	-	-	6,816,346	-	-	-	-	-
Col De Roches	931,252	525	-	-	1,927,404	-	-	-	-	-
Connect 6iX Contractor Joint Venture	-	894,487	-	-	-	-	-	-	-	-
Connect 6iX General Partnership	59,120	-	-	-	-	-	-	-	-	-
Consorcio Ana Cua	18,612	353,745	-	-	-	-	-	-	159,515	-
Consorcio Contuy Medio	-	-	-	-	155,247	-	-	-	-	-
Consorcio Grupo Contuy-Proyectos y Obras de Ferrocarriles	-	-	-	-	125,317	-	-	-	-	-
Consorcio OIV-TOCOMA	-	-	-	-	283,844	-	-	14,337	-	-

Revenue and costs for 2022

	Revenue	Other revenue and income	Purchases	Subcontracts	Services	Personnel expenses	Total	Amortisation, depreciation, impairment losses, provisions	Financial income	Financial expense
Consorcio Rio Mantaro	-	-	-	-	-	-	2,722	-	-	-
Consorcio V.I.T. Caroni - Tocoma	-	-	-	-	972,140	-	-	-	-	-
Consortium CSC S.A.-Zuttion Construction S.A.	28,902	-	-	-	-	-	-	-	-	-
Consortium Front Sud TETO3	34,059	-	-	-	-	-	-	-	-	-
Consorzio ACE Chiasso	4,212,075	-	-	-	3,190,653	-	-	-	-	-
Consorzio ACE Chiasso 2	102,053	-	-	-	80,778	-	-	-	-	-
Consorzio Astaldi-Federici-Todini Kramis	-	-	-	-	28,528	-	-	-	-	-
Consorzio Consarno	1,630	-	-	-	29,505	-	-	-	-	-
Consorzio Constructor M2 Lima	2,586,613	12,404	-	-	-	-	-	-	-	-
Consorzio Costruttori TEEM	-	-	-	-	30	-	-	-	-	-
Consorzio EPC	57,709,161	13,603	-	-	2,118,504	-	-	-	-	-
Consorzio Ferrofir (in liq.)	-	-	-	-	47,636	-	-	-	-	-
Consorzio Fonomen	8,460	-	-	-	-	-	-	-	-	-
Consorzio Iricav Uno (in liq.)	-	5,724	-	-	-	-	-	-	-	-
Consorzio Masnan	16,978,241	-	-	-	15,102,129	-	-	-	-	-
Consorzio MEGE	1,754,129	2,448	-	-	1,298,594	-	-	-	-	-
Consorzio MM4	1,441,927	(515,855)	-	-	2,608,845	-	-	-	-	-
Consorzio Novocen (in liq.)	-	-	-	-	114,266	-	-	(139,625)	-	-
Consorzio Probin	38,027	-	-	-	73,323	-	-	-	-	-
Consorzio Sotpass Bess	3,513,005	-	-	-	2,178,007	-	-	-	-	-
Consorzio Torretta	7,271,634	27,467	-	-	6,082,413	-	-	-	-	-
Consorzio Tratta Determinante Città Vitale - TRA.DE.CIV	-	-	-	-	202,735	-	-	-	-	-
Consorzio Venezia Nuova	-	-	-	-	-	-	2,177,311	-	-	-
Consorzio Vertiaz	8,192,934	-	-	-	4,778,584	-	-	-	-	4,887
CS Consorzio	13,663,426	16,751	-	-	10,117,691	-	-	-	-	-
Diga di Blufi S.C. a r.l. (in liq.)	-	-	-	-	2,838	-	-	-	-	-
Dolomiti Webuild Implenia	7,810	1,003,946	-	-	7,633,782	-	-	-	377,646	732,813
E.R. Impregilo/Dumez y Asociados para Yaciretê - ERIDAY	679,445	-	-	-	6,684,038	-	-	88,121	767,322	1,554,538
Ecosarno S.C. a r.l. (in Liq.)	-	-	-	-	(8,106)	-	-	-	-	-
Enecor S.A.	9,385	-	-	-	-	-	-	-	-	-
Etlik Hastane P.A. S.r.l.	-	229,326	-	-	5,647	-	-	-	-	-
Eurolink S.C.p.A.	23,206	150,000	-	-	101,422	-	-	-	-	-
Fisia Abeima Salalah Joint Venture	180,162	-	-	-	-	-	-	-	-	-
Fisia Italimpianti fil. Argentina-Acciona Agua fil. Argentina UTE	251,398	19,530	-	-	-	-	-	-	-	-
Ghazi-Barotha Contractors Joint Venture	-	9,412	-	-	-	-	-	-	-	-
Grupo Empresas Italianas - GEI	-	-	-	-	320,366	-	-	-	-	-
Grupo Unidos Por El Canal S.A.	866,106	74,939	-	-	-	-	-	-	-	-
I 405 Partners Joint Venture	-	579,355	-	-	-	-	-	-	-	-
Impregilo Arabia Ltd.	611	-	-	-	-	-	-	1,012	-	-
Impresit Bakolori Plc	-	-	-	-	-	-	-	-	1,469,620	1,469,620
Infraflegrea S.C. a r.l. (in liq.)	-	-	-	-	338	-	-	-	-	-

Revenue and costs for 2022

	Revenue	Other revenue and income	Purchases	Subcontracts	Services	Personnel expenses	Total	Amortisation, depreciation, impairment losses, provisions	Financial income	Financial expense
Joint Venture Aktor-Webuild-Ansaldo-STS-Hitachi Rail Utaly (ex AIASA Joint Venture)	-	102,500	-	-	-	-	-	-	-	-
La Maddalena	8,196,842	93,200	-	-	8,083,835	14,674	-	-	-	-
Lane Securety Paving Joint Venture	-	75,973	-	-	-	-	-	-	-	-
Line 3 Metro Stations	-	-	-	-	11,263	-	-	-	-	-
Lodz Consorzio	-	26	-	-	7	-	-	-	-	-
M.N. Metropolitana di Napoli S.p.A.	-	-	-	-	362,479	-	6	-	-	-
M.O.MES. S.C. a r.l.	-	-	-	-	1,361,033	-	-	-	-	-
Metro C S.C.p.A.	45,700	198,075	-	-	26,935,212	-	-	-	-	-
Metrogenova S.C. a r.l. (in liq.)	-	10,692	-	-	-	-	-	-	-	-
MN 6 S.C. a r.l.	-	-	-	-	160,137	-	-	-	-	-
Mobilink Hurontario General Partnership	651,379	403,438	-	-	-	-	-	-	-	-
Mobilinx Hurontario Contractor	1,574,507	3,935,640	-	-	-	-	-	-	-	-
Mobilinx Hurontario DB Joint Venture	111,257	657,044	4,288	-	361,741	-	41,832	-	-	-
Mose Operae S.C. a r.l. (in liq.)	-	-	-	-	284	-	-	-	-	-
N.P.F. – Nuovo Polo Fieristico S.C. a r.l. (in liq.)	-	-	-	-	806	-	-	-	-	-
NGE Genie Civil S.a.s.- Salini Impregilo S.p.A.	-	66,882	-	-	-	-	-	-	-	-
Ochre Solutions Holdings Ltd.	-	-	-	-	-	-	-	-	934,427	-
OHL- Posillico- Seli Overseas Joint Venture	-	-	363	-	25,387	32,999	-	-	-	-
Olbia 90 S.C. a r.l. (in liq.)	-	-	-	-	267	-	-	-	-	-
Passante di Mestre S.C.p.A. (in liq.)	-	-	-	-	45,230	-	-	-	-	-
PAV 101 Gaggio Consorzio	95,632	-	-	-	-	-	-	-	-	-
Pedelombarda S.C.p.A. (in liq.)	27,823	153	426	-	(912)	-	5,300	-	-	-
Pegaso S.C. a r.l. (in Liq.)	-	-	-	-	15,348	-	-	-	-	-
PerGenova S.C.p.A. (in liq.)	-	-	-	-	(71,445)	-	-	-	-	-
Portovesme S.C. a r.l. (in liq.)	-	-	-	-	16,155	-	-	-	-	-
Puentes del Litoral S.A. (in liq.)	12,688	-	-	-	2,560	-	-	-	-	972,845
Rasoira Consorzio	873,809	-	-	-	1,002,407	-	-	-	-	-
Regionerate DC Joint Venture	-	1,110,759	-	-	-	-	-	-	-	-
Renovation Palais Des Nations S.A.	87,516	-	-	-	-	-	-	-	-	-
S.E.I.S. S.p.A.	-	-	-	-	-	-	-	-	97,190	1,864,664
Sailini Impregilo- NGE Genie Civil S.a.s	5,581,092	3,670,019	-	-	-	-	-	-	10,763	-
SEDI S.C. a r.l. (in liq.)	-	732	-	-	780	-	-	-	-	-
Segrate S.C. a r.l.	-	-	11	-	174,534	-	-	-	13,060	-
Sellero S.C. a r.l. (in liq.)	-	-	-	-	18,142	-	-	-	-	-
SFI Leasing Company	-	-	-	-	48,934	-	-	-	-	-
Shimmick CO. INC.- FCC CO S.A.- Impregilo S.p.A -Joint Venture	2,565,553	-	-	-	4,521,390	-	-	-	-	-
Sistranyac S.A.	4,897	-	-	-	-	-	377	-	-	-
Sotra Link A.S.	-	2,119,033	-	-	-	-	-	-	-	-
Sotra Link A.S. Joint Venture	-	7,581,127	-	-	-	-	-	-	-	-
South Al Mutlaa Joint Venture	49,510	-	-	-	-	-	-	-	-	-
Southland Astaldi, Joint Venture	-	326,736	-	-	-	-	-	-	-	-

Revenue and costs for 2022

	Revenue	Other revenue and income	Purchases	Subcontracts	Services	Personnel expenses	Total	Amortisation, depreciation, impairment losses, provisions	Financial income	Financial expense
Spark NEL DC Joint Venture	6,595	13,377,748	-	-	-	-	-	-	-	-
SPV Linea M4 S.p.A.	-	508,538	-	-	38,841	-	-	-	4,446,423	-
Tangenziale Seconda S.C. a r.l. (in liq.)	-	-	-	-	439	-	-	-	-	-
TB Metro S.r.l. (in liq.)	-	-	-	-	-	-	-	-	-	(27,214)
Techint S.A.C.I.- Hochtief A.G.- Impregilo S.p.A.-Iglys S.A. UTE	-	-	-	-	1,360,944	-	-	-	-	-
Telt Lot 2	-	4,350,697	-	-	-	-	-	-	-	-
Telt Villarodin-Bourget Modane Avrieux	4,959	4,159,349	-	-	-	-	-	-	-	-
Trieste Due S.C. a r.l. (in liq.)	-	-	-	-	140	-	-	-	-	-
UTE Abeima Fisia Shoaibah	25,314	21,234	-	-	-	-	-	-	-	-
Veneta Sanitaria Finanza di Progetto S.p.A.- V.S.F.P. S.p.A.	-	1,056,025	-	-	-	-	-	-	-	-
Webuild- Kolin	6,771,024	301	-	-	-	-	-	-	-	-
Webuild Apco Joint Venture (ex Reliance)	-	440,011	-	-	-	-	-	-	-	-
Webuild-FCC-Delta ACM-AB Construct (Metro 5 Bucarest struttura)	100,744	-	-	-	-	-	1,000	-	-	-
Webuild-Partecipazione Italia-Salcef Timisoara- Arad lot 3 Joint Venture	-	23,750	-	-	-	-	-	-	-	-
Webuild-Partecipazione Italia-Salcef Timisoara- Arad lot 4 Joint Venture	-	49,888	-	-	-	-	-	-	-	-
Yacylec S.A.	22,314	-	-	-	-	-	3,957	-	-	-
Yuma Concesionaria S.A.	297,285	2,953,715	-	-	932,787	-	11,550	-	8,630,214	-
Total group companies	185,397,516	60,342,516	5,157	-	209,412,282	50,102	2,309,353	(36,155)	16,978,011	6,572,153
Casada S.r.l.	10,421	2,898	-	-	-	-	-	-	-	-
CDP S.p.A.	-	-	-	-	2,011,355	-	5,166,050	-	-	-
CEDIV S.p.A.	21,090	2,898	-	-	-	-	-	-	131,788	-
C. Tiburtino	9,688	2,898	-	-	-	-	-	-	-	-
Dirlan S.r.l.	15,444	2,898	-	-	-	-	-	-	-	-
Eni S.p.A.	-	-	893,079	-	403	-	2	-	-	-
Fincantieri Infrastructure Opere Marittime S.p.A.	-	90,953	-	-	-	-	-	-	-	-
Fincantieri Infrastructure S.p.A.	-	-	2,000,201	8,713,305	-	-	-	-	-	-
Fintecna S.p.A.	-	31,202	-	-	-	-	-	-	-	-
G.A.B.I.RE. S.r.l.	15,387	2,898	-	-	-	-	-	-	731,984	-
Galla Placidia S.C. a r.l.	10,042	2,898	-	-	-	-	-	-	-	-
Gruppo PSC S.p.A.	-	-	-	1,601	-	-	-	-	-	-
Imm. Agricola San Vittorino S.r.l.	7,269	2,898	-	-	-	-	-	-	-	-
Infernetto S.r.l.	4,371	2,898	-	-	-	-	-	-	-	-
Madonna dei Monti S.r.l.	13,651	2,898	-	-	-	-	-	-	-	-
Nores S.r.l.	5,428	2,898	-	-	-	-	-	-	-	-
Plus S.r.l.	24,242	2,898	-	-	-	-	-	-	-	-
Poste Italiane S.p.A.	-	-	-	-	3,893	-	-	-	-	-
Rete S.p.A.	-	-	-	324,500	-	-	-	-	-	-
Salini S.p.A.	24,724	2,898	-	-	-	-	-	-	-	-
Salini Costruttori S.p.A.	132,721	2,898	-	-	3,679,116	-	-	-	181,208	-
SALINI SIMONPIETRO & C. S.A.P.A.	14,394	-	-	-	-	-	-	-	-	-
Simest S.p.A.	-	-	-	-	-	-	-	-	-	410,077

Revenue and costs for 2022

	Revenue	Other revenue and income	Purchases	Subcontracts	Services	Personnel expenses	Total	Amortisation, depreciation, impairment losses, provisions	Financial income	Financial expense
SNAM RETE GAS S.p.A.	-	-	-	798,602	-	-	-	-	-	-
Terna S.p.A.	-	-	-	13,423,500	-	-	-	-	-	-
Terna Rete Italia S.p.A.	-	-	-	-	119,762	-	-	-	-	-
Zeis S.r.l.	145,074	91,667	-	-	-	-	-	-	96,810	-
Total other related parties	453,946	251,496	2,893,280	23,261,508	5,814,529	-	5,166,052	-	1,141,790	410,077
Total	185,851,462	60,594,012	2,898,437	23,261,508	215,226,811	50,102	7,475,405	(36,155)	18,119,801	6,982,230

Consolidated financial statements of Webuild Group

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Equity investments

Changes in equity investments of Webuild Group in 2022

Investments in associates

€'000		Changes of the year							
	Carrying amount at 31 December 2021	Acquisitions, capital injections and (disinvestments) and other contributions	Share of profit (loss) of equity-accounted investees	Impairment (losses) gains	Measurement at equity through OCI	(Dividends)	Change in inflation reserve	Reclassifications and other changes	Carrying amount at 31 December 2022
Autopistas del Sol S.A.	16,769	-	415	-	(8,054)	(803)	11,006	-	19,333
Brennero Tunnel Construction S.C.r.l.	47	-	-	-	-	-	-	-	47
C.P.R.3	1	-	-	-	-	-	-	-	1
CO.SAT S.C.r.l. (in liq.)	5	-	-	-	-	-	-	-	5
Consorzio Astaldi-Federici-Todini (in liq.)	31	-	-	-	-	-	-	-	31
Consorzio Consarno	5	-	(5)	-	-	-	-	-	-
Consorzio del Sinni	12	-	-	-	-	-	-	-	12
Consorzio Imprese Lavori FF.SS. di Saline- FEIC	5	(5)	-	-	-	-	-	-	-
Consorzio Iricav Uno (in liq.)	124	-	-	-	-	-	-	-	124
Consorzio Ital.Co.Cer. (in Liq.)	15	-	-	-	-	-	-	-	15
Consorzio MM4	129	-	-	-	-	-	-	-	129
Consorzio NOG.MA (in liq.)	83	(74)	-	(9)	-	-	-	-	-
Consorzio Sarda Costruzioni Generali- SACOGEN	3	-	-	-	-	-	-	-	3
Consorzio Trevi- S.G.F. INC per Napoli	5	-	-	-	-	-	-	-	5
Diga di Blufi S.C.r.l. (in liq.)	15	-	-	-	-	-	-	-	15
Ecosarno S.C.r.l. (in Liq.)	17	-	-	-	-	-	-	-	17
Enecor S.A.	-	-	64	-	(40)	-	63	-	86
Eurolink S.C.p.A.	16,875	-	-	-	-	-	-	-	16,875
Grupo Unidos Por El Canal S.A.	483,461	11,417	(10,545)	11,155	30,681	-	-	-	526,169
IRINA S.r.l. (in liq.)	308	-	-	-	-	-	-	-	308
M.N. Metropolitana di Napoli S.p.A.	5,174	-	362	-	-	-	-	-	5,536
M.O.MES. S.C.r.l.	6	-	-	-	-	-	-	-	6
Metro C S.C.p.A.	19,671	-	-	-	-	-	-	-	19,671
Metro de Lima Linea 2 S.A.	31,544	-	3,877	-	1,902	-	-	-	37,324
Metrogenova S.C.r.l. (in liq.)	13	-	-	-	-	-	-	-	13
Mobilink Hurontario General Partnership	4,127	-	3,278	-	4,547	-	-	-	11,951
Mobilinx Hurontario Services Ltd.	207	-	168	-	(9)	-	-	-	366
Mose Bocca di Chioggia S.C.r.l. (in liq.)	2	-	-	-	-	-	-	-	2
Mose-Treporti S.C.r.l. (in liq.)	4	-	-	-	-	-	-	-	4
N.P.F. – Nuovo Polo Fieristico S.C.r.l. (in liq.)	20	-	-	-	-	-	-	-	20
Olbia 90 S.C.r.l. (in liq.)	3	-	-	-	-	-	-	-	3
Otoyol Deniz Tasimaciligi A.S.	67	-	-	-	(16)	-	-	-	51
Otoyol Isletme Ve Bakim A.S.	7,792	-	1,087	(1,418)	(219)	(699)	-	-	6,543
Passante di Mestre S.C.p.A. (in liq.)	2,333	(848)	-	-	-	-	-	-	1,485
Pedelombarda S.C.p.A. (in liq.)	3,550	-	-	-	-	-	-	-	3,550
Pegaso S.C.r.l. (in Liq.)	114	-	-	-	-	-	-	-	114
Renovation Palais Des Nations S.A.	1,556	-	-	1,373	23	(1,558)	-	-	1,393
S. Ruffillo S.C.r.l. (in liq.)	21	-	-	-	-	-	-	-	21
S.E.I.S. S.p.A.	8,507	-	(214)	(6,418)	-	-	-	-	1,874
Sellero S.C.r.l. (in liq.)	4	-	-	-	-	-	-	-	4
Sistranyac S.A.	150	-	-	-	-	-	-	-	150

Changes in equity investments of Webuild Group in 2022

Investments in associates

€'000		Changes of the year							
	Carrying amount at 31 December 2021	Acquisitions, capital injections and (disinvestments) and other contributions	Share of profit (loss) of equity-accounted investees	Impairment (losses) gains	Measurement at equity through OCI	(Dividends)	Change in inflation reserve	Reclassifications and other changes	Carrying amount at 31 December 2022
Sotra Link Holdco A.S.	-	5	-	-	-	-	-	-	5
Tangenziale Seconda S.C.r.l. (in liq.)	19	-	-	-	-	-	-	-	19
Tartano S.r.l. Società Agricola	994	-	-	(4)	-	-	-	-	990
Trieste Due S.C.ar.l. (in liq.)	5	-	-	-	-	-	-	-	5
Valdostana Condotte- Cossi	20	-	-	-	-	-	-	-	20
VE.CO. S.C.r.l.	3	-	-	-	-	-	-	-	3
Yacylec S.A.	566	-	35	-	(217)	(57)	323	7	658
Yuma Concesionaria S.A.	1,277	-	5,636	-	(904)	-	-	-	6,010
Total investments in associates	605,658	10,494	4,157	4,679	27,695	(3,117)	11,392	7	660,965

Joint ventures

€'000		Changes of the year							
	Carrying amount at 31 December 2021	Acquisitions, capital injections and (disinvestments) and other contributions	Share of profit (loss) of equity-accounted investees	(Impairment losses) / impairment gains	Measurement at equity through OCI	(Dividends)	Change in inflation reserve	Reclassifications and other changes	Carrying amount at 31 December 2022
Ankara Etlik Hastane Isletme Ve Bakim Anonim Sirketi	20,110	-	(1,993)	(14,615)	(3)	-	-	-	3,500
Arge BBT- Baulos H41- Sillschlucht- Pfons	-	50	1,453	-	-	-	-	-	1,503
C.F.M. S.C.r.l. (in liq.)	21	-	-	-	-	-	-	-	21
Consorcio Federici/Impresit/Ice Cochabamba	16	-	-	-	-	-	-	-	16
Consorzio GI.IT. (in liq.)	1	-	-	-	-	-	-	-	1
Depurazione Palermo S.C.r.l. (in liq.)	4	-	-	-	-	-	-	-	4
Dolomiti Webuild Implenia	5	-	-	-	-	-	-	-	5
Etlik Hastane P.A. S.r.l.	2,628	-	585	-	-	-	-	-	3,213
Flatiron West Inc.- The Lane Constr. Corp. Joint Venture	-	14,055	5,711	-	(433)	(12,156)	-	(5,426)	1,751
Fluor-Lane 95 LLC	17	-	-	-	1	-	-	-	18
I4 Leasing LLC	9,880	-	469	-	605	-	-	-	10,954
ICA LT Limited Liability Company	-	-	-	-	-	-	-	-	1
Infraflegrea S.C.r.l. (in liq.)	15	-	-	-	-	-	-	-	15
La Maddalena	6	-	-	-	-	-	-	-	6
OHL- Posillico- Seli Overseas Joint Venture	1,841	-	-	784	-	-	-	-	2,625
PerGenova S.C.p.A. (in liq.)	500	-	-	-	-	-	-	-	500
Purple Line Transit Constructors LLC	1,802	-	(241)	-	132	(1,368)	-	-	326
Segrate S.C.r.l.	4	-	-	-	-	-	-	-	4
Techint S.A.C.I.- Hochtief A.G.- Impregilo S.p.A.-Iglys S.A. UTE	4	382	-	-	-	-	-	-	386
Unionport Constructors Joint Venture	13,560	2,073	(4,517)	-	870	-	-	-	11,986
Total joint ventures	50,414	16,560	1,468	(13,830)	1,173	(13,523)	-	(5,426)	36,834

Subtotal- investments in equity-accounted investees	656,071	27,054	5,625	(9,151)	28,868	(16,641)	11,392	(5,419)	697,799

Other equity investments

€'000		Changes of the year							
	Carrying amount at 31 December 2021	Acquisitions, capital injections and (disinvestments) and other contributions	Share of profit (loss) of equity-accounted investees	Impairment (losses) gains	Measurement at equity through OCI	(Dividends)	Change in inflation reserve	Reclassifications and other changes	Carrying amount at 31 December 2022
Acqua Campania S.p.A.	10	-	-	-	-	-	-	-	10
Asse Sangro Consorzio (in liq.)	22	-	-	-	-	-	-	-	22
Centoquattro S.C.r.l.	1	-	-	-	-	-	-	-	1
Centotre S.C.r.l.	1	-	-	-	-	-	-	-	1
Consorzio Casale Nei	1	-	-	-	-	-	-	-	1
Consorzio Centro Uno (in liq.)	3	-	-	-	-	-	-	-	3
Consorzio Ferrofir (in liq.)	535	-	-	-	-	-	-	-	535
Consorzio Tratta Determinante Città Vitale- TRA.DE.CIV	28	-	-	-	-	-	-	-	28
Consorzio Utenti Servizi Salaria Vallericca	17	-	-	-	-	-	-	-	17
Consorzio Venezia Nuova	48	-	-	-	-	-	-	-	48
Emittenti Titoli S.p.A. (in liq.)	11	-	-	-	-	-	-	-	11
Grassetto S.p.A. (in liq.)	8	-	-	-	-	-	-	-	8
Immobiliare Golf Club Castel D'Aviano S.r.l.	20	-	-	-	-	-	-	-	20
Istituto per lo Sviluppo Edilizio ed Urbanistico - ISVEUR S.p.A. (in liq.)	64	-	-	-	-	-	-	-	64
Markland S.r.l. (in liq.)	1	(1)	-	-	-	-	-	-	-
Messina Catania tratto Nord	7	-	-	-	-	-	-	-	7
Metro 5 S.p.A.	1,645	-	-	-	-	-	-	-	1,645
MN 6 S.C.r.l.	1	-	-	-	-	-	-	-	1
Mose Operae S.C.r.l. (in liq.)	2	-	-	-	-	-	-	-	2
Nomisma- Società di Studi Economici S.p.A.	27	-	-	-	-	-	-	-	27
Pavimental S.p.A.	62	-	-	-	-	-	-	-	62
PROG.ESTE S.p.A.	92	-	-	-	-	-	-	-	92
S. Benedetto S.C.r.l. (in liq.)	10	-	-	-	-	-	-	-	10
S.A.T. S.p.A.	361	-	-	-	-	-	-	-	361
Skiarea Valchiavenna S.p.A.	117	-	-	-	-	-	-	-	117
SPV Linea M4 S.p.A.	47,421	-	-	-	-	-	-	-	47,421
UJoint Venture Astaldi S.p.A. (Suc. Cile), VCGP (Ag en Chile) e VCGP–Astaldi Ingenieria y Const.Ltd.	14	-	-	-	-	-	-	(2)	12
Veneta Sanitaria Finanza di Progetto S.p.A.- V.S.F.P. S.p.A.	512	-	-	-	-	-	-	-	512
Strumenti finanziari partecipativi- PA.DE.- Astaris S.p.A.	29,123	-	-	-	-	-	-	416	29,539
Total other equity investments	80,161	(1)	-	-	-	-	-	414	80,575
Total equity investments	736,233	27,053	5,625	(9,151)	28,868	(16,641)	11,392	(5,005)	778,373

Provisions for risks on equity investments

€'000		Changes of the year					
	Carrying amount at 31 December 2021	Acquisitions, capital injections and (disinvestments) and other contributions	Measurement at equity through OCI	Impairment (losses) gains	(Accruals to) / utilisations of provisions for risks	Reclassifications and other changes	Carrying amount at 31 December 2022
AGL Joint Venture	(1,997)	-	(144)	-	1,585	-	(556)
Aguas del Gran Buenos Aires S.A. (in liq.)	-	-	-	-	(18)	-	(18)
Avrasya Metro Grubu S.r.l . (in Liq.)	-	-	-	-	(146)	-	(146)
Cagliari 89 S.c.r.l. (in liq.)	(133)	93	-	-	40	-	-
Consorzio Astaldi-Federici-Todini Kramis	(4,204)	-	-	-	(455)	-	(4,658)
Consorzio Groupement Lesi-Dipenta	(1)	-	-	-	-	-	(1)
Fisia Abeima LLC	(9,077)	-	(567)	-	688	-	(8,956)
Fisia GS Inima (Al Ghubra) LLC	-	-	(18)	-	(11)	-	(29)
Flatiron West Inc.- The Lane Constr. Corp. Joint Venture	(5,426)	-	-	-	-	5,426	-
Fluor-Lane South Carolina LLC	(1,671)	-	(103)	-	(48)	-	(1,821)
Impregilo Arabia Ltd.	(2,096)	406	-	-	(81)	-	(1,771)
Ochre Solutions Holdings Ltd.	(168)	-	-	-	168	-	-
Sclafani S.c.r.l. (in liq.)	(161)	161	-	-	-	-	-
Skanska-Granite-Lane Joint Venture	(59,874)	-	(3,532)	-	(13,530)	-	(76,937)
VCGP- Astaldi Ingenieria y Construccion Limitada	(323)	-	-	-	-	-	(323)
Webuild- Kolin	(126)	-	-	-	(40)	-	(166)
Total provisions for risks on equity investments	(85,257)	660	(4,364)	-	(11,848)	5,427	(95,383)

List of Webuild Group companies

List of Webuild Group companies

	Country	Currency	Share/quota capital subscribed	Investment %	% direct	% indirect	Indirect parent	Consolidation or measurement method
Webuild S.p.A.	Italy	Euro	600,000,000	100	100			line-by-line
3E System S.r.l. (in liq.)	Italy	Euro	10,000	100		100	NBI S.p.A.	line-by-line
A1 Motorway Tuszyn-Pyrzowice lot F Joint Venture	Poland			100	94.99	5	Salini Polska Ltd. Liability	line-by-line
						0.01	HCE Costruzioni S.p.A.	
A10 S.C. a r.l. (in liq.)	Italy	Euro	10,000	62.52		62.52	NBI S.p.A.	line-by-line
Afragola FS S.C. a r.l. (in liq.)	Italy	Euro	10,000	100	82.54	17.46	NBI S.p.A.	line-by-line
AGN HAGA AB	Sweden	SEK	1,000	40	40			line-by-line
Aguas de Punilla Sociedad Concesionaria S.A.	Chile	CLP	40,000,000,000	99.998		99.998	Astaldi Concessions S.p.A.	line-by-line
Al Maktoum International Airport Joint Venture	United Arab Emirates			29.4		29.4	Lane Mideast Contrac. LLC	line-by-line
AR.GI. S.C.p.A. (in liq.)	Italy	Euro	35,000,000	99.99		99.99	Partecipazioni Italia S.p.A.	line-by-line
AS.M. S.C. a r.l.	Italy	Euro	10,000	75.91		75.91	Partecipazioni Italia S.p.A.	line-by-line
Astaldi Algerie-E.u.r.l.	Algeria	DZD	50,000,000	100	100			line-by-line
Astaldi Arabia Ltd.	Saudi Arabia	SAR	5,000,000	100	60	40	Astaldi International Ltd.	line-by-line
Astaldi Bulgaria Ltd. (in liq.)	Bulgaria	BGN	5,000	100	100			line-by-line
Astaldi Canada Design and Construcion Inc.	Canada	CAD	20,000	100		100	Astaldi Canada Enterp. Inc.	line-by-line
Astaldi Canada Enterprises Inc.	Canada	CAD	10,000	100	100			line-by-line
Astaldi Canada Inc.	Canada	CAD	20,000	100	100			line-by-line
Astaldi Concessions S.p.A.	Italy	Euro	300,000	100	100			line-by-line
Astaldi Construction Corporation	USA	USD	18,972,000	65.813	65.813			line-by-line
Astaldi de Venezuela C.A.	Venezuela	VED	110,300	99.803	99.803			line-by-line
Astaldi India Services LLP	India	INR	30,003,000	99.99	99.99			line-by-line
Astaldi International Inc.	Liberia			100	100			line-by-line
Astaldi International Ltd. (in liq.)	UK			100	100			line-by-line
Astaldi Mobilinx Hurontario GP Inc.	Canada			100		100	Astaldi Canada Enterp. Inc.	line-by-line
Astaldi Polska SZoo (in liq.)	Poland	PLN	120,000	100	100			line-by-line
Astaldi-Max Bogl-CCCF Joint Venture	Romania	RON	40,000	66	66			line-by-line
Astalnica S.A.	Nicaragua	NIO	2,000,000	98	98			line-by-line
Astalrom S.A.	Romania	RON	3,809,897	99.707	99.707			line-by-line

List of Webuild Group companies

	Country	Currency	Share/quota capital subscribed	Investment %	% direct	% indirect	Indirect parent	Consolidation or measurement method
Astur Construction and Trade A.S.	Turkey	TRY	35,500,000	100	100			line-by-line
Bielle Impianti S.C. a r.l. (in liq.)	Italy	Euro	100,000	75		75	NBI S.p.A.	line-by-line
Bovino Orsara AV	Italy	Euro	10,000	70		45	Webuild Italia S.p.A.	line-by-line
						25	Partecipazioni Italia S.p.A.	
Brennero Galleriaacque S.C. a r.l. (in liq.)	Italy	Euro	10,000	51		51	Fisia Italimpianti S.p.A.	line-by-line
Bussentina S.C. a r.l. (in liq.)	Italy	Euro	25,500	78.902	78.902			line-by-line
C.O.MES. S.C. a r.l. (in liq.)	Italy	Euro	20,000	55		55	Partecipazioni Italia S.p.A.	line-by-line
C43 Water Management Builders	USA			100	30	70	Lane Constr. Corporation	line-by-line
Capodichino AS.M. S.C. a r.l.	Italy	Euro	10,000	66.83		66.83	Partecipazioni Italia S.p.A.	line-by-line
CDE S.C. a r.l.	Italy	Euro	10,000	60		60	Webuild Italia S.p.A.	line-by-line
CO.ME.NA. S.C. a r.l. (in liq.)	Italy	Euro	20,658	70.433	70.433			line-by-line
CO.MERI S.p.A.	Italy	Euro	35,000,000	99.99		99.99	Partecipazioni Italia S.p.A.	line-by-line
CO.VA. S.C. a r.l. (in liq.)	Italy	Euro	10,000	60		60	NBI S.p.A.	line-by-line
Collegamenti Integrati Veloci C.I.V. S.p.A.	Italy	Euro	20,000	85		85	Webuild Italia S.p.A.	line-by-line
Compagnia Gestione Macchinari CO.GE.MA. S.p.A.	Italy	Euro	200,000	100	100			line-by-line
Consorcio Constructor Webuild- Cigla (florianopolis)	Brazil			100	60	40	Cigla S.A.	line-by-line
Consorcio Impregilo Yarull	Dom. Republic			70	70			line-by-line
Consortium Front Sud TETO3	Switzerland			70		70	CSC Costruzioni S.A.	line-by-line (b)
Consortium Ouest TETO4	Switzerland			70		70	CSC Costruzioni S.A.	line-by-line (b)
Consorzio Alta Velocità Torino/Milano- C.A.V.TO.MI.	Italy	Euro	5,000,000	74.69	74.69			line-by-line
Consorzio C.A.V.E.T.- Consorzio Alta Velocità Emilia/Toscana	Italy	Euro	5,422,797	75.983	75.983			line-by-line
Consorzio Cociv	Italy	Euro	516,457	99.999		92.753	Webuild Italia S.p.A.	line-by-line
						7.246	C.I.V. S.p.A.	
Consorzio Cossi LGV Ceneri	Switzerland			100		80	Cossi Costruzioni S.p.A.	line-by-line
						20	CSC Costruzioni S.A.	
Consorzio Hirpinia AV	Italy	Euro	10,000	100		60	Webuild Italia S.p.A.	line-by-line
						40	Partecipazioni Italia S.p.A.	
Consorzio Iricav Due	Italy	Euro	510,000	82.93		45.44	Webuild Italia S.p.A.	line-by-line

List of Webuild Group companies

	Country	Currency	Share/quota capital subscribed	Investment %	% direct	% indirect	Indirect parent	Consolidation or measurement method
						37.49	Partecipazioni Italia S.p.A.	
Consorzio Italvenezia (in liq.)	Italy	Euro	77,450	100		100	Partecipazioni Italia S.p.A.	line-by-line
Consorzio Libyan Expressway Contractor	Italy	Euro	10,000	78.91	78.91			line-by-line
Consorzio Palermo Catania ED	Italy	Euro	10,000	70		70	Webuild Italia S.p.A.	line-by-line
Consorzio Scilla (in liq.)	Italy	Euro	1,000	51		51	HCE Costruzioni S.p.A.	line-by-line
Consorzio Stabile Busi (in liq.)	Italy	Euro	100,000	95.025		94	NBI S.p.A.	line-by-line
						0.025	C.I.T.I.E. (in liq.)	
						1	3E System S.r.l. (in Liq.)	
Consorzio Stabile Operae	Italy	Euro	500,000	100		98	Partecipazioni Italia S.p.A.	line-by-line
						1	Webuild Italia S.p.A.	
						1	NBI S.p.A.	
Constructora Ariguani SAS En Reorganizacion	Colombia	COP	100,000,000	100	100			line-by-line
Construtora Impregilo y Associados S.A.-CIGLA S.A.	Brazil	BRL	2,480,849	100	100		Cigla S.A.	line-by-line
Copenaghen Metro Team I/S	Denmark			99.989	99.989			line-by-line
Corso del Popolo Engineering S.C. a r.l. (in liq.)	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	100		100	HCE Costruzioni S.p.A.	line-by-line
Cossi Costruzioni S.p.A.	Italy	Euro	12,598,426	100	100			line-by-line
CSC Costruzioni S.A.	Switzerland	CHF	2,000,000	100	100			line-by-line
CSI Simplon Consorzio	Switzerland			100	0.01	99.99	CSC Costruzioni S.A.	line-by-line
D&C Joint Venture	Australia			78	78			line-by-line (a)
DCSC Data Center Swiss Contractor	Switzerland			99.9		99.9	CSC Costruzioni S.A.	line-by-line
DEAS S.C. a r.l. (in liq.)	Italy	Euro	10,000	57		57	NBI S.p.A.	line-by-line
DIRPA 2 S.C. a r.l.	Italy	Euro	50,020,000	100		100	Consorzio Stabile Operae	line-by-line
DMS Design Consortium S.C. a r.l.	Italy	Euro	10,000	60	60			line-by-line
Fibe S.p.A.	Italy	Euro	3,500,000	99.998	99.989	0.003	Impregilo Intern. Infr. N.V.	line-by-line
						0.006	Fisia Ambiente S.p.A.	
Fisia- Alkatas Joint Venture	Turkey			51		51	Fisia Italimpianti S.p.A.	line-by-line
Fisia Ambiente S.p.A.	Italy	Euro	3,000,000	100	100			line-by-line

List of Webuild Group companies

	Country	Currency	Share/quota capital subscribed	Investment %	% direct	% indirect	Indirect parent	Consolidation or measurement method
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 Joint Venture	Turkey			48		48	Fisia Italimpianti S.p.A.	line-by-line
Forum S.C. a r.l. (in liq.)	Italy	Euro	51,000	99.98		79.98	Partecipazioni Italia S.p.A.	line-by-line
						20	Webuild Italia S.p.A.	
Galfar- Salini Impregilo- Cimolai Joint Venture	Qatar			40	40			line-by-line
Garbi Linea 5 S.C. a r.l. (in liq.)	Italy	Euro	10,000	100		100	Partecipazioni Italia S.p.A.	line-by-line
GE.SAT. S.C. a r.l.	Italy	Euro	10,000	53.85		35	Partecipazioni Italia S.p.A.	Line-by-line
						18.85	Astaldi Concessions S.p.A.	
Generalny Wykonawca Salini Polska- Impregilo- Kobylarnia S.A.	Poland			66.68	33.34	33.34	Salini Polska Ltd. Liability	line-by-line
Grupo ICT II SAS	Colombia	COP	9,745,180,000	100	100			line-by-line
HCE Costruzioni S.p.A.	Italy	Euro	2,186,743	100	100			line-by-line
HCE Costruzioni Ukraine LLC	Ukraine	Euro	10,000	100	1	99	HCE Costruzioni S.p.A.	line-by-line
Hirpinia Orsara AV	Italy	Euro	10,000	70		45	Webuild Italia S.p.A.	line-by-line
						25	Partecipazioni Italia S.p.A.	
IGLYS S.A.	Argentina	ARS	10,000,000	100		100	Impregilo Intern. Infr. N.V.	line-by-line
Impregilo International Infrastructures N.V.	Netherlands	Euro	45,000	100		100	Astaldi Concessions S.p.A.	line-by-line
Impregilo Lidco Libya Co	Libya	LYD	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 Joint Venture	Qatar			41.25	41.25			line-by-line
INC- Il Nuovo Castoro Algerie S.a.r.l.	Algeria	DZD	301,172,000	99.983	99.983			line-by-line
Infraflegrea Progetto S.C.p.A.	Italy	Euro	500,000	76		76	Partecipazioni Italia S.p.A.	line-by-line
IS Joint Venture	Australia			100	50	50	Salini Australia PTY Ltd.	line-by-line
Isarco S.C. a r.l.	Italy	Euro	100,000	79.98		79.98	Webuild Italia S.p.A.	line-by-line
Italstrade CCCF Joint Venture Romis S.r.l.	Romania	RON	540,000	51	51			line-by-line
Italstrade S.p.A.	Italy	Euro	611,882	100	100			line-by-line
Joint Venture Impregilo S.p.A.- S.G.F. INC S.p.A.	Greece			100	100			line-by-line

List of Webuild Group companies

	Country	Currency	Share/quota capital subscribed	Investment %	% direct	% indirect	Indirect parent	Consolidation or measurement method
Laguna S.C. a r.l. (in liq.)	Italy	Euro	10,000	84.7		84.7	NBI S.p.A.	line-by-line
Lane Abrams Joint Venture	USA			51		51	Lane Constr. Corporation	line-by-line
Lane Construction Corporation	USA	USD	1,392,955	100		100	Lane Industries Incorporated	line-by-line
Lane Corman Joint Venture	USA			60		60	Lane Constr. Corporation	line-by-line
Lane DS- NC Consortium (Ada)	United Arab Emirates			24.5		24.5	Lane Mideast Contrac. LLC	line-by-line
Lane Industries Incorporated	USA	USD	5	100		100	Salini Impregilo- US Holdings Inc.	line-by-line
Lane 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 Joint Venture	USA			60		60	Lane Constr. Corporation	line-by-line
LMH_lane Cabot Yard Joint Venture	USA			50		50	Lane Constr. Corporation	line-by-line
MEL PP Pty Ltd.	Australia	AUD	1,000	100		100	Salini Australia PTY Ltd.	line-by-line
MEL PP Trust	Australia	AUD	1,000	100		100	Salini Australia PTY Ltd.	line-by-line (a)
Melito S.C. a r.l. (in liq.)	Italy	Euro	77,400	66.667		66.667	HCE Costruzioni S.p.A.	line-by-line
Mercovia S.A.	Argentina	ARS	10,000,000	60		60	Impregilo Intern. Infr. N.V.	line-by-line
Messina Catania lotto Nord	Italy	Euro	10,000	70		45	Webuild Italia S.p.A.	line-by-line
						25	Partecipazioni Italia S.p.A.	
Messina Catania lotto Sud	Italy	Euro	10,000	70		45	Webuild Italia S.p.A.	line-by-line
						25	Partecipazioni Italia S.p.A.	
Messina Stadio S.C. a r.l. (in liq.)	Italy	Euro	30,600	100	100			line-by-line
Metro B S.r.l.	Italy	Euro	20,000,000	52.52		52.52	Webuild Italia S.p.A.	line-by-line
Metro B1 S.C. a r.l.	Italy	Euro	100,000	80.7	80.7			line-by-line
Metro Blu S.C. a r.l.	Italy	Euro	10,000	100		50	Webuild Italia S.p.A.	line-by-line
						50	Partecipazioni Italia S.p.A.	
Mondial Milas-Bodrum Havalimani Uluslararasi Terminal İşletmeciliği Ve Yatirim A.S.	Turkey	TRY	37,518,000	80		80	Astaldi Concessions S.p.A.	line-by-line
Mosconi S.r.l.	Italy	Euro	100,000	100		100	Cossi Costruzioni S.p.A.	line-by-line
Napoli Cancello Alta Velocità S.C. a r.l.	Italy	Euro	10,000	100		60	Webuild Italia S.p.A.	line-by-line
						40	Partecipazioni Italia S.p.A.	
NBI Elektrik Elektromekanik Tesisat Insaat Ve Ticaret I.S.	Turkey	TRY	10,720,000	100		94.999	NBI S.p.A.	line-by-line

List of Webuild Group companies

	Country	Currency	Share/quota capital subscribed	Investment %	% direct	% indirect	Indirect parent	Consolidation or measurement method
						5.001	Astur Construction and Trade A.S.	
NBI S.p.A.	Italy	Euro	7,500,000	100	100			line-by-line
Nuovo Ospedale Sud Est Baresen S.C. a r.l.	Italy	Euro	35,000	100		100	Partecipazioni Italia S.p.A.	line-by-line
Ospedale del Mare S.C. a r.l. (in liq.)	Italy	Euro	50,000	100		100	Partecipazioni Italia S.p.A.	line-by-line
Ospedale Monopoli Fasano S.C. a r.l. (in liq.)	Italy	Euro	10,000	51		51	NBI S.p.A.	line-by-line
Partecipazioni Italia S.p.A.	Italy	Euro	1,000,000	100	100			line-by-line
Partenopea Finanza di Progetto S.C.p.A. (in liq.)	Italy	Euro	9,300,000	99.99		99.99	Partecipazioni Italia S.p.A.	line-by-line
Passante Dorico S.p.A.	Italy	Euro	24,000,000	71		47	Webuild Italia S.p.A.	line-by-line
						24	Partecipazioni Italia S.p.A.	
Pedelombarda Nuova S.C.p.A.	Italy	Euro	50,000	70		45	Webuild Italia S.p.A.	Line-by-line
						25	Partecipazioni Italia S.p.A.	
Pergenova Breakwater	Italy	Euro	10,000	40	40			line-by-line
PGH Ltd.	Nigeria	NGN	52,000,000	100	100			line-by-line
Pietrarossa S.C. a 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	2,369,333	99.716		99.716	HCE Costruzioni S.p.A.	line-by-line
Radimero S.C. a r.l. (in liq.)	Italy	Euro	10,000	100		100	Seli Overseas S.p.A.	line-by-line
Redo-Association Momentanée	Congo			100	75	25	Astaldi Internationale Inc.	line-by-line
Reggio Calabria- Scilla S.C.p.A. (in liq.)	Italy	Euro	35,000,000	51	51			line-by-line
RI.MA.TI. S.C. a r.l. (in liq.)	Italy	Euro	100,000	83.42	83.42			line-by-line
Rivigo Joint Venture (Nigeria) Ltd.	Nigeria	NGN	100,000,000	70		70	PGH Ltd.	line-by-line
Romairport S.r.l.	Italy	Euro	500,000	99.263	99.263			line-by-line
S. Agata FS S.C. a r.l.	Italy	Euro	20,000	100		60	Webuild Italia S.p.A.	line-by-line
						40	Partecipazioni Italia S.p.A.	
S. Filippo S.C. a r.l. (in liq.)	Italy	Euro	10,200	80	80			line-by-line
S.P.T.-Società Passante Torino S.C. a r.l. (in liq.)	Italy	Euro	50,000	82.5		82.5	Partecipazioni Italia S.p.A.	line-by-line
SA.PI. NOR Salini Impregilo- Pizzarotti Joint Venture	Norway			51	51			line-by-line
Salerno-Reggio Calabria S.C.p.A. (in liq.)	Italy	Euro	50,000,000	51	51			line-by-line
Salini Australia Pty Ltd.	Australia	AUD	4,350,000	100	100			line-by-line

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Salini Impregilo- Duha Joint Venture	Slovakia			75	75			line-by-line
Salini Impregilo- Healy Joint Venture (Tunnel 3RPORT Indiana)	USA			100	30	70	Lane Constr. Corporation	line-by-line
Salini Impregilo- Healy Joint Venture 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 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 Ltd.	Namibia	NAD	100	100	100			line-by-line
Salini Nigeria Ltd.	Nigeria	NGN	10,000,000	100	99	1	CO.GE.MA. S.p.A.	line-by-line
Salini Polska- Todini- Salini Impregilo - S7 Joint Venture	Poland			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 Joint Venture	Poland			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 Joint Venture	Poland			95	71.24	23.75	Salini Polska Ltd. Liability	line-by-line
						0.01	HCE Costruzioni S.p.A.	
Salini Polska Ltd. Liability Co	Poland	PLN	393,450	100	100			line-by-line
Salini Saudi Arabia Company Ltd.	Saudi Arabia	SAR	1,000,000	51	51			line-by-line
Sartori Tecnologie Industriali S.r.l. (in liq.)	Italy	Euro	500,000	100		100	NBI S.p.A.	line-by-line
SC Hydro Pty Ltd.	Australia			50		50	Salini Australia PTY Ltd.	line-by-line
SCI ADI Ortakligi	Turkey	TRY	10,000	50	50			line-by-line
SCLC Polihali Diversion Tunnel Joint Venture	Lesotho			69.99	69.99			line-by-line
Scuola Carabinieri S.C. a r.l. (in liq.)	Italy	Euro	50,000	76.4		76.4	Partecipazioni Italia S.p.A.	line-by-line
Seac S.C. a r.l. (in liq.)	Congo			100	100			line-by-line
Seli Middle East Construction Co. W.L.L.	Qatar	QAR	200,000	49		49	Seli Overseas S.p.A.	line-by-line
Seli Overseas S.p.A.	Italy	Euro	3,000,000	100	100			line-by-line
Seli Overseas USA Inc.	USA	USD	1,000	100		100	Seli Overseas S.p.A.	line-by-line
Seli Tunneling Denmark A.p.s.	Denmark	DKK	130,000	100		100	HCE Costruzioni S.p.A.	line-by-line
Sirjo S.C.p.A.	Italy	Euro	30,000,000	100		60	Partecipazioni Italia S.p.A.	line-by-line

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						40	Webuild Italia S.p.A.	
SLC Snowy Hydro Joint Venture	Australia			65	64.99	0.01	Lane Constr. Corporation	line-by-line
So Tunneling India Private Limited	India	INR	100,000	100		100	Seli Overseas S.p.A.	line-by-line
Sociedad Austral Mantenciones y Operaciones S.p.A.	Chile	CLP	1,049,950,347	100		79.443	Astaldi Concessions S.p.A.	line-by-line
						20.557	NBI S.p.A.	
Società Autostrada Broni- Mortara S.p.A.	Italy	Euro	28,902,600	60		60	Webuild Italia S.p.A.	line-by-line
Suramericana de Obras Publicas C.A.- Suropca C.A.	Venezuela	VED	2,874,118,000	100	99	1	CSC Costruzioni S.A.	line-by-line
Susa Dora Quattro S.C. a r.l. (in liq.)	Italy	Euro	51,000	90	90			line-by-line
SYS TS Pty Ltd.	Australia			100		100	WBCA Pty Ltd.	line-by-line (a)
T.E.Q Construction Enterprise Inc.	Canada	CAD	10,000	100		100	Astaldi Canada Enterp. Inc.	line-by-line
TB Metro S.r.l. (in liq.)	Italy	Euro	100,000	51	51			line-by-line
Texas High Speed Rail	USA			100	50	50	Lane Constr. Corporation	line-by-line
The Lane Blythe Construction Joint Venture	USA			50		50	Lane Constr. Corporation	line-by-line
Thessaloniki Metro CW Joint Venture (AIS Joint Venture)	Greece			50	50			line-by-line
Tione 2008 S.C. a r.l. (in liq.)	Italy	Euro	100,000	95.025		95.025	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. a r.l. (in liq.)	Italy	Euro	50,000	90.394		90.394	Partecipazioni Italia S.p.A.	line-by-line
Valle Aconcagua S.A.	Chile	CLP	19,064,993	84.308		84.308	Astaldi Concessions S.p.A.	line-by-line
VSL Electrical, Signing, Lighting LLC	USA			100		100	Lane Constr. Corporation	line-by-line
WBCA Pty Ltd.	Australia			100		100	Webuild Concessions S.p.A.	line-by-line (a)
Webuild- Connect 6iX GP Inc.	Canada			100		100	Webuild Canada Holding Inc.	line-by-line
Webuild- US Holdings Inc.	USA	USD	1,100	100	100			line-by-line
Webuild Canada Holding Inc.	Canada			100	100			line-by-line
Webuild Civil Works	Canada			100		100	Webuild Canada Holding Inc.	line-by-line
Webuild Concessions S.p.A.	Italy	Euro	1,000,000	100	100			line-by-line
Webuild- Fisia Joint Venture	Turkey			100	99.933	0.067	Fisia Muhendislik VE Insaat Anonim Sirketi	line-by-line
Webuild Innovations S.r.l.	Italy	Euro	1,000,000	100	100			line-by-line
Webuild Italia S.p.A.	Italy	Euro	100,000	100	100			line-by-line

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Webuild Mobilink Hurontario GP Inc.	Canada			100		100	Webuild Canada Holding Inc.	line-by-line
Webuild 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
Webuild-Terna SNFCC Joint Venture	Greece	Euro	100,000	51	51			line-by-line
Western Station Joint Venture	Saudi Arabia			51	51			line-by-line
Wres Senqu Bridge Joint Venture	Lesotho			55	55			line-by-line
Abeinsa Infr. e Fisia Italimpianti UTE Salalah	Spain			51		51	Fisia Italimpianti S.p.A.	joint oper.
Acciona Construccion S.A. Y Webuild S.p.A. UTE	Spain			40	40			joint oper.
Arriyad New Mobility Consortium	Saudi Arabia			33.48	33.48			joint oper.
Asocierea Astaldi- Euroconstruct Trading 98	Romania			70	70			joint oper.
Asocierea Astaldi S.p.A-IHI Infrastructure Systems SO, Ltd. (Braila)	Romania			60	60			joint oper.
Asocierea Astaldi S.p.A.-Euroconstruct Trading 98 S.r.l.- RCV Global Group S.r.l. (Piata Sudului)	Romania			50	50			joint oper.
Asocierea Joint Venture Webuild S.p.A.- Max Bogl (Medgidia-Costanza)	Romania			60	60			joint oper.
Asocierea Lot 3 FCC-Webuild- Convensa	Romania			49.5	49.5			joint oper.
Asocierea Webuild S.p.A. – Max Boegl Romania S.r.l. – Astalrom S.A. – Consitrans S.r.l. (Ogra-Campia Turzii)	Romania			49.971	40	9.971	Astalrom S.A.	joint oper.
Asocierea Webuild-FCC-Salcef, lot 2°a	Romania			49.5	49.5			joint oper.
Asocierea Webuild-FCC-Salcef, lot 2°b	Romania			49.5	49.5			joint oper.
Asocierea Webuild-FCC-UTI-ACTIV (Metro 5)	Romania			38.99	38.99			joint oper.
Astadim S.C. SZoo	Poland	PLN	10,000	90	90			joint oper.
Astaldi S.p.A. – Astalrom S.A. Joint Venture (Mihai Bravu)	Romania			99.927	75	24.927	Astalrom S.A.	joint oper.
Astaldi-Gulermak Joint Venture	Turkey	TRY	1,500	51	51			joint oper.
Astaldi-SC Euroconstruct Tranding 98-SC Astalrom Asocierea (Orastie- Sibiu)	Romania			99.975	94.99	4.985	Astalrom S.A.	joint oper.
Astaldi-Tukerler Ortak Girisimi Joint Venture	Turkey	TRY	1,500	51	51			joint oper.
Astaldi-UTI-Romairport Joint Venture (Clui Napoca)	Romania			78.779	49	29.779	Romairport S.r.l.	joint oper. (a)
Astalrom- Decora Rezident	Romania			56.833		56.833	Astalrom S.A.	joint oper. (a)
Aster Astaldi-TIM-Termomeccanica Ecologica	Poland			51	51			joint oper.
Aster Dantiscum	Poland	PLN	10,000	51	51			joint oper.
Aster Resovia TM e Termomeccanca Ecologica Astaldi S.C.	Poland			49	49			joint oper.
Avrasya Metro Grubu- AMG Joint Venture	Turkey	TRY	1,000	42	42			joint oper.

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	Country	Currency	Share/quota capital subscribed	Investment %	% direct	% indirect	Indirect parent	Consolidation or measurement method
BSS-KSAB Joint Venture	Saudi Arabia			37.5	37.5			joint oper.
Civil Works Joint Venture	Saudi Arabia			59.14	52	7.14	Salini Saudi Arabia Company Ltd.	joint oper.
CMC- Mavundla- Impregilo Joint Venture	South Africa			39.2	39.2			joint oper.
Connect 6iX Contractor Joint Venture	Canada			65		65	Webuild Civil Works	joint oper.
Consorcio Ana Cua	Paraguay			55	55			joint oper.
Consorcio Constructor Tumarin	Nicaragua			50	50			joint oper.
Consorcio Contuy Medio Grupo A C.I. S.p.A. Ghella Sogene C.A., Otaola C.A.	Venezuela			36.4	36.4			joint oper.
Consorcio Europeo Hospital de Chinandega	Nicaragua			29.65	29.65			joint oper.
Consorcio Rio Mantaro	Peru			50	50			joint oper.
Consorcio Rio Urubamba	Peru			40	40			joint oper.
Consorzio Constructor M2 Lima	Peru			25.5	25.5			joint oper.
Consorzio Constructora El Arenal	Honduras			49	49			joint oper.
Consorzio Gdansk	Poland			51	51			joint oper.
Consorzio Lublino (Astaldi- PBDIM)	Poland			94.98	94.98			joint oper.
Consorzio Obrainsa- Astaldi	Peru			51	51			joint oper.
FCC- Webuild Constanza Bypass	Romania			50	50			joint oper.
FCC Construccion S.A. – Webuild S.p.A., Joint Venture (Arad- Timisoara)	Romania			50	50			joint oper.
Fisia Abeima Salalah Joint Venture	Oman			35.7		35.7	Fisia LLC	joint oper.
Fisia Italimpianti fil. Argentina-Acciona Agua fil. 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			68.68	68.68			joint oper. (a)
Gebze-İzmir Otoyolu İnşaati (NOMAYG) Adi Ortakligi	Turkey	TRY	50,000	17.5	17.5			joint oper.
Ghazi-Barotha Contractors Joint Venture	Pakistan			57.8	57.8			joint oper.
Groupement Astaldi-Somatra Get (G.A.S.)	Tunisia			60	60			joint oper. (a)
Groupement ASTEH	Algeria			51	51			joint oper. (a)
Groupement GR-RDM	Algeria			51	51			joint oper. (a)
GS Inima-Fisia Italimp. S.p.A. UTE Ghubrah III Swro	Oman			50		50	Fisia Italimpianti S.p.A.	joint oper.
I 405 Partners Joint Venture	USA			26.325		26.325	Astaldi Construction Corporation	joint oper.
Ilka Metro Yapim Joint Venture	Turkey	TRY	10,000	15		15	Astur Construction and Trade A.S.	joint oper.

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Lodz Consorzio	Poland			40	40			joint oper.
Max Boegl Romania S.r.l.- Astaldi S.p.A.	Romania			50	50			joint oper. (a)
Mobilinx Hurontario Contractor	Canada			70		42	Webuild Civil Works	joint oper.
						28	Astaldi Canada Design & Construction Inc.	
Mobilinx Hurontario DB Joint Venture	Canada			48.692		48.692	Mobilinx Hurontario Contractor	joint oper.
Nadlac-Arad Joint Venture	Romania			50	50			joint oper.
Nathpa Jhakri Joint Venture	India	USD	1,000,000	60		60	HCE Costruzioni S.p.A.	joint oper.
NBI- S.I.TE Installati	Romania			51		51	NBI S.p.A.	joint oper. (b)
NBI-A4 Joint Venture (Elektromak)	Turkey	TRY	1,500	99.99		99.99	NBI Elektrik Elekt. Tesisat Insaat	joint oper.
NBI-A4 Tunnel Joint Venture	Turkey			99.99		99.99	NBI S.p.A.	joint oper.
NGE Genie Civil S.a.s.- Salini Impregilo S.p.A.	France			50	50			joint oper.
Regionerate DC Joint Venture	Australia			50	50			joint oper.
Sailini Impregilo- NGE Genie Civil S.a.s	France			65	65			joint oper.
Sotra Link A.S. Joint Venture	Norway			35	35			joint oper.
South Al Mutlaa Joint Venture	Kuwait			55	55			joint oper.
Southland Astaldi, Joint Venture	Canada			30		30	Astaldi Canada Design & Construction Inc.	joint oper.
Spark NEL DC Joint Venture	Australia			29	29			joint oper.
Swietelsky-Astalrom-Euroconstruct-Transferoviar Grup	Romania			24.927		24.927	Astalrom S.A.	joint oper. (a)
Telt Lot 2	France			50	50			joint oper.
Telt Villarodin-Bourget Modane Avrieux	France			33.33	33.33			joint oper.
Tristar Salini Joint Venture	United Arab Emirates			40	40			joint oper.
UTE Abeima Fisia Shoaibah	Saudi Arabia			50		50	Fisia Italimpianti S.p.A.	joint oper.
Uti Grup S.A.-Astaldi S.p.A. (pattinaggio)	Romania			65	65			joint oper.
Webuild- Kolin	Turkey			50.01	50.01			joint oper. (a)
Webuild-FCC-Delta ACM-AB Construct (Metro 5 Bucarest struttura)	Romania			47.495	47.495			joint oper.
Webuild-FCC-Salcef Thales, lot 2°b	Romania			42.075	42.075			joint oper. (a)
Webuild-FCC-Salcef-Thales, lot 2°a	Romania			42.075	42.075			joint oper. (a)
Webuildi-FCC Joint Venture (Basarab Overpass)	Romania			50	50			joint oper.

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Webuild-Max Boegl Romania Cernavoda	Romania			50	50			joint oper.
Webuild-Max Boegl Romania-Nadlac Arad Lot 2 Joint Venture	Romania			50	50			joint oper.
Webuild-Max Bogl-Euroconstruct-Tecnologica-Priect Bucuresti Joint Venture (A1 Ciuriel)	Romania			27.66	27.66			joint oper.
Webuild-Pizzarotti Joint Venture	Romania			62.5	62.5			joint oper. (a)
101 Gaggio Consorzio	Switzerland			35		35	CSC Costruzioni S.A.	equity
Aegek-Impregilo-Aslom Joint Venture	Greece			45.8	45.8			equity
AGL Joint Venture	USA			20		20	Lane Constr. Corporation	equity
Aguas del Gran Buenos Aires S.A. (in liq.)	Argentina	ARS	45,000,000	42.588	16.503	23.727	Impregilo Intern. Infr. N.V.	equity
						2.358	Iglys. S.A.	
AM S.C. a r.l. (in liq.)	Italy	Euro	10,000	42.74		42.74	NBI S.p.A.	equity
Ankara Etlik Hastane Isletme Ve Bakim Anonim Sirketi	Turkey	TRY	50,000	51		51	Astaldi Concessions S.p.A.	equity
Arge BBT- Baulos H41- Sillschlucht- Pfons	Austria	Euro	100,000	50	25	25	CSC Costruzioni S.A.	equity
Arge Haupttunnel Eyholz	Switzerland			36		36	CSC Costruzioni S.A.	equity
Arge Secondo Tubo	Switzerland			40	5	35	CSC Costruzioni S.A.	equity
Associazione Astaldi-SOMET-TIAB-UTI GRUP	Romania			40	40			equity (a)
Associera Webuild S.p.A.-Tancrad S.r.l. Sibiu-Pitesti S3	Romania			90	90			equity (a)
Atayde North Holding	Mexico			40	40			equity (a)
Autopistas del Sol S.A.	Argentina	ARS	175,396,394	19.818		19.818	Impregilo Intern. Infr. N.V.	equity
Avola S.C. a r.l. (in liq.)	Italy	Euro	10,200	50	50			equity
Avrasya Metro Grubu S.r.l . (in Liq.)	Italy	Euro	10,000	42	42			equity
Biomedica S.C. a r.l. (in liq.)	Italy	Euro	10,000	42.666		42.666	Consorzio Stabile Busi (in liq.)	equity (a)
Brennero Tunnel Construction S.C. a r.l.	Italy	Euro	100,000	47.23		47.23	Partecipazioni Italia S.p.A.	equity
C.F.M. S.C. a r.l. (in liq.)	Italy	Euro	40,800	50	50			equity
C.P.R.2	Italy	Euro	2,066	35.97		35.97	HCE Costruzioni S.p.A.	equity
C.P.R.3	Italy	Euro	2,066	35.97		35.97	HCE Costruzioni S.p.A.	equity
Churchill Construction Consortium	UK			30		30	Impregilo New Cross Ltd.	equity
Churchill Hospital Joint Venture	UK			50		50	Impregilo New Cross Ltd.	equity
CMC- Consorzio Monte Ceneri lotto 851	Switzerland			40		40	CSC Costruzioni S.A.	equity

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CMS Consorzio	Switzerland			70		70	CSC Costruzioni S.A.	equity
CO.SAT S.C. a r.l. (in liq.)	Italy	Euro	10,000	50		50	Partecipazioni Italia S.p.A.	equity
Col De Roches	Switzerland			90		90	CSC Costruzioni S.A.	equity
Colli Albani S.C. a r.l. (in liq.)	Italy	Euro	25,500	60	60			equity
Connect 6iX DB Joint Venture	Canada			21.31		21.31	Connect 6iX Contractor Joint Venture	equity (a)
Consorcio Contuy Medio	Venezuela			57.34	57.34			equity
Consorcio Federici/Impresit/Ice Cochabamba	Bolivia	USD	100,000	25		25	HCE Costruzioni S.p.A.	equity
Consorcio Grupo Contuy-Proyectos y Obras de Ferrocarriles	Venezuela			66.658	66.658			equity
Consorcio Normetro	Portugal			13.18	13.18			equity
Consorcio OIV-TOCOMA	Venezuela			40	40			equity
Consorcio V.I.T.- Tocoma	Venezuela			35	35			equity
Consorcio V.I.T. Caroni- Tocoma	Venezuela			35	35			equity
Consorcio V.S.T. Tocoma	Venezuela			30	30			equity
Consortium CSC S.A.-Zuttion Construction S.A.	Switzerland			50		50	CSC Costruzioni S.A.	equity
Consorzio 201 Quintai	Switzerland			60		60	CSC Costruzioni S.A.	equity
Consorzio ACE Chiasso	Switzerland			50		50	CSC Costruzioni S.A.	equity
Consorzio ACE Chiasso 2	Switzerland			50		50	CSC Costruzioni S.A.	equity
Consorzio Astaldi-Federici-Todini (in liq.)	Italy	Euro	46,000	66.67	33.33	33.34	HCE Costruzioni S.p.A.	equity
Consorzio Astaldi-Federici-Todini Kramis	Italy	Euro	100,000	99.99	49.995	49.995	HCE Costruzioni S.p.A.	equity
Consorzio Consarno	Italy	Euro	20,658	25	25			equity
Consorzio del Sinni	Italy	Euro	51,646	43.16		43.16	HCE Costruzioni S.p.A.	equity
Consorzio di Penta Ugo Vitolo (in liq.)	Italy	Euro	2,582	50	50			equity (a)
Consorzio di Riconversione Industriale Apuano- CO.RI.A. S.C. a r.l.	Italy	Euro	46,481	10		10	HCE Costruzioni S.p.A.	equity
Consorzio EPC	Peru			18.25	18.25			equity
Consorzio Ferrofir (in liq.)	Italy	Euro	30,987	100	66.667	33.333	HCE Costruzioni S.p.A.	equity
Consorzio Fonomen	Switzerland			33.33		33.33	CSC Costruzioni S.A.	equity
Consorzio GI.IT. (in liq.)	Italy	Euro	2,582	50	50			equity
Consorzio Iniziative Ferroviarie- INFER (in liq.)	Italy	Euro	41,316	35.001		35.001	HCE Costruzioni S.p.A.	equity

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Consorzio Iricav Uno (in liq.)	Italy	Euro	338,676	42.853		42.853	Partecipazioni Italia S.p.A.	equity
Consorzio Ital.Co.Cer. (in Liq.)	Italy	Euro	51,600	30	30			equity
Consorzio Kallidromo	Greece	Euro	8,804	23		23	HCE Costruzioni S.p.A.	equity
Consorzio Masnan	Switzerland			70		70	CSC Costruzioni S.A.	equity
Consorzio MEGE	Switzerland			25		25	CSC Costruzioni S.A.	equity
Consorzio MM4	Italy	Euro	200,000	64.27		32.135	Webuild Italia S.p.A.	equity
						32.135	Partecipazioni Italia S.p.A.	
Consorzio Novocen (in liq.)	Italy	Euro	51,640	40.76	40.76			equity
Consorzio Pizzarotti Todini-Kef-Eddir. (in liq.)	Italy	Euro	100,000	50		50	HCE Costruzioni S.p.A.	equity
Consorzio Portale Vezia (CPV Lotto 854)	Switzerland			60		60	CSC Costruzioni S.A.	equity
Consorzio Probin	Switzerland			50		50	CSC Costruzioni S.A.	equity
Consorzio Sarda Costruzioni Generali- SACOGEN	Italy			25		25	HCE Costruzioni S.p.A.	equity
Consorzio Sotpass Bess	Switzerland			36		36	CSC Costruzioni S.A.	equity
Consorzio Torretta	Switzerland			50		50	CSC Costruzioni S.A.	equity
Consorzio Trevi- S.G.F. INC per Napoli	Italy	Euro	10,000	45	45			equity
Consorzio Vedeggio	Switzerland			99		99	CSC Costruzioni S.A.	equity
Consorzio Vertiaz	Switzerland			100	0.01	99.99	CSC Costruzioni S.A.	equity
Consorzio Zeb	Switzerland			25		25	CSC Costruzioni S.A.	equity
Constructora Astaldi Cachapoal Limitada	Chile	CLP	10,000,000	99	99			equity (a)
CS Consorzio	Switzerland			85		85	CSC Costruzioni S.A.	equity
Depurazione Palermo S.C. a r.l. (in liq.)	Italy	Euro	20,000	50		50	HCE Costruzioni S.p.A.	equity
Diga di Blufi S.C. a r.l. (in liq.)	Italy	Euro	45,900	50	50			equity
Dolomiti Webuild Implenia	Italy	Euro	10,000	51		51	Webuild Italia S.p.A.	equity
E.R. Impregilo/Dumez y Asociados para Yaciretê- ERIDAY	Argentina	USD	539,400	20.75	18.75	2	Iglys S.A.	equity
Ecosarno S.C. a r.l. (in Liq.)	Italy	Euro	50,490	33.334	33.334			equity
EDIL.CRO S.C. a r.l. (in liq.)	Italy	Euro	10,200	16.65		16.65	HCE Costruzioni S.p.A.	equity
Enecor S.A.	Argentina	ARS	8,000,000	30		30	Impregilo Intern. Infr. N.V.	equity
Etlik Hastane P.A. S.r.l.	Italy	Euro	110,000	51	51			equity

List of Webuild Group companies

	Country	Currency	Share/quota capital subscribed	Investment %	% direct	% indirect	Indirect parent	Consolidation or measurement method
Eurolink S.C.p.A.	Italy	Euro	150,000,000	45		45	Webuild Italia S.p.A.	equity
Fisia Abeima LLC	Saudi Arabia	SAR	500,000	50		50	Fisia Italimpianti S.p.A.	equity
Fisia GS Inima (Al Ghubra) LLC	Oman	OMR	250,000	50		50	Fisia Italimpianti S.p.A.	equity
Flatiron West Inc.- The Lane Constr. Corp. Joint Venture	USA			40		40	Lane Constr. Corporation	equity
Fluor-Lane 95 LLC	USA			35		35	Lane Constr. Corporation	equity
Fluor-Lane LLC	USA			35		35	Lane Constr. Corporation	equity
Fluor-Lane South Carolina LLC	USA			45		45	Lane Constr. Corporation	equity
Fosso Canna S.C. a r.l. (in liq.)	Italy	Euro	25,500	32	32			equity
Gaziantep Hastanesi Isletme Ve Bakim Hizmetleri	Turkey	TRY	6,050,000	50	50			equity
Groupement de Raccordement de la Station d'El Hamma (G.R.S.H.)	Algeria			100	51	49	Astaldi Algerie- E.u.r.l.	equity (a)
Groupement Webuild- Consider TP	Algeria			60	60			equity (a)
Grupo Empresas Italianas- GEI	Venezuela	VED	10,500,000	66.666	66.666			equity
Grupo Unidos Por El Canal S.A.	Panama	USD	1,000,000	48	48			equity
I4 Leasing LLC	USA			30		30	Lane Constr. Corporation	equity
ICA LT Limited Liability Company	Russia			50	50			equity (a)
Impregilo Arabia Ltd.	Saudi Arabia	SAR	40,000,000	50	50			equity
Impresit Bakolori Plc	Nigeria	NGN	100,800,000	50.707	50.707			equity
Infraflegrea S.C. a r.l. (in liq.)	Italy	Euro	46,600	50	50			equity
IRINA S.r.l. (in liq.)	Italy	Euro	103,300	36		36	HCE Costruzioni S.p.A.	equity
Isibari S.C. a r.l. (in liq.)	Italy	Euro	15,494	100		100	HCE Costruzioni S.p.A.	equity
Joint Venture Salini Impregilo- Doprastav	Czech Rep.			50	50			equity
Joint Venture Aktor-Webuild-Ansaldo-STS-Hitachi Rail Utaly (ex AIASA Joint Venture)	Greece			26.7	26.7			equity
Joint Venture Impregilo S.p.A.- Empedos S.A.- Aktor A.T.E. (in liq.)	Greece			66		66	HCE Costruzioni S.p.A.	equity
Joint Venture Terna- Impregilo	Greece			45	45			equity
Joint Venture Salini- Secol	Romania			80	80			equity
Kallidromo Joint Venture	Greece	Euro	29,347	23		20.7	HCE Costruzioni S.p.A.	equity
						2.3	Consorzio Kallidromo	
La Maddalena	Italy			66.67	5	61.67	CSC Costruzioni S.A.	equity

List of Webuild Group companies

	Country	Currency	Share/quota capital subscribed	Investment %	% direct	% indirect	Indirect parent	Consolidation or measurement method
La Quado S.C. a r.l. (in liq.)	Italy	Euro	10,000	35		35	HCE Costruzioni S.p.A.	equity
Line 3 Metro Stations	Greece			50	50			equity
M.N. Metropolitana di Napoli S.p.A.	Italy	Euro	3,655,397	22.62		22.62	Partecipazioni Italia S.p.A.	equity
M.O.MES. S.C. a r.l.	Italy	Euro	10,000	60		60	Partecipazioni Italia S.p.A.	equity
Messina Catania tratto Nord	Italy	Euro	10,000	70	45	25	Partecipazioni Italia S.p.A.	equity (a)
Metro C S.C.p.A.	Italy	Euro	150,000,000	34.5		34.5	Partecipazioni Italia S.p.A.	equity
Metro de Lima Linea 2 S.A.	Peru	PEN	368,808,060	18.25	18.25			equity
Metrogenova S.C. a r.l. (in liq.)	Italy	Euro	25,500	57.439	57.439			equity
Mobilink Hurontario General Partnership	Canada			35		21	Webuild Mobilink Hur. GP Inc.	equity (a)
						14	Astaldi Mobilinx Hur. GP Inc.	
Mobilinx Hurontario Services Ltd.	Canada			20	12	8	Astaldi Canada Enterprises Inc.	equity
Mose Bocca di Chioggia S.C. a r.l. (in liq.)	Italy	Euro	10,000	15		15	Partecipazioni Italia S.p.A.	equity
Mose-Treporti S.C. a r.l. (in liq.)	Italy	Euro	10,000	35		35	Partecipazioni Italia S.p.A.	equity
N.P.F. – Nuovo Polo Fieristico S.C. a r.l. (in liq.)	Italy	Euro	40,000	50	50			equity
NLF Nowa Lodz Fabryczna Sc SZoo	Poland			50	50			equity (a)
Ochre Solutions Holdings Ltd.	UK	GBP	20,000	40		40	Impregilo Intern. Infr. N.V.	equity
OHL- Posillico- Seli Overseas Joint Venture	USA			20		20	Seli Overseas USA Inc.	equity (a)
Olbia 90 S.C. a r.l. (in liq.)	Italy	Euro	10,200	24.5		24.5	HCE Costruzioni S.p.A.	equity
Otoyol Deniz Tasimaciligi A.S.	Turkey	TRY	5,000,000	17.5	17.5			equity
Otoyol Isletme Ve Bakim A.S.	Turkey	TRY	5,000,000	18.14	18.14			equity
Passante di Mestre S.C.p.A. (in liq.)	Italy	Euro	5,500,000	42.424		42.424	HCE Costruzioni S.p.A.	equity
PAV 101 Gaggio Consorzio	Switzerland			33.34		33.34	CSC Costruzioni S.A.	equity
Pedelombarda S.C.p.A. (in liq.)	Italy	Euro	5,000,000	71	47	24	Partecipazioni Italia S.p.A.	equity
Pegaso S.C. a r.l. (in Liq.)	Italy	Euro	260,000	43.75		43.75	Partecipazioni Italia S.p.A.	equity
PerGenova S.C.p.A. (in liq.)	Italy	Euro	1,000,000	50	50			equity
Piana di Licata S.C. a r.l. (in liq.)	Italy	Euro	10,200	43.745	43.745			equity
Puentes del Litoral S.A. (in liq.)	Argentina	ARS	43,650,000	26	22	4	Iglys S.A.	equity
Purple Line Transit Constructors LLC	USA			30		30	Lane Constr. Corporation	equity

List of Webuild Group companies

	Country	Currency	Share/quota capital subscribed	Investment %	% direct	% indirect	Indirect parent	Consolidation or measurement method
Rasoira Consorzio	Switzerland			50		50	CSC Costruzioni S.A.	equity
Renovation Palais Des Nations S.A.	Switzerland	CHF	100,000	17		17	CSC Costruzioni S.A.	equity
S. Benedetto S.C. a r.l. (in liq.)	Italy	Euro	25,823	57		57	HCE Costruzioni S.p.A.	equity
S. Ruffillo S.C. a r.l. (in liq.)	Italy	Euro	60,000	35	35			equity
S.E.I.S. S.p.A.	Italy	Euro	3,877,500	48.333	48.333			equity
Salini Strabag Joint Venture	Guinea			50	50			equity
SEDI S.C. a r.l. (in liq.)	Italy	Euro	10,000	34		34	HCE Costruzioni S.p.A.	equity
Segrate S.C. a r.l.	Italy	Euro	10,000	35		35	Webuild Italia S.p.A.	equity (a)
Sellero S.C. a r.l. (in liq.)	Italy	Euro	10,000	39		39	Cossi Costruzioni S.p.A.	equity
SFI Leasing Company	USA			30	30			equity
Shimmick CO. INC.- FCC CO S.A.- Impregilo S.p.A -Joint Venture	USA			30	30			equity
Sistranyac S.A.	Argentina	ARS	3,000,000	20.101		20.101	Impregilo Intern. Infr. N.V.	equity
Skanska-Granite-Lane Joint Venture	USA			30		30	Lane Constr. Corporation	equity
Sotra Link A.S.	Norway	NOK	30,000	10		10	Sotra Link Holdco AS	equity (a)
Sotra Link Holdco A.S.	Norway	NOK	30,000	10		10	Astaldi Concessions S.p.A.	equity (a)
Spark Nel DC Workforce Pty Ltd.	Australia			34.118		34.118	Salini Australia PTY Ltd.	equity
Tangenziale Seconda S.C. a r.l. (in liq.)	Italy	Euro	45,900	42.73	42.73			equity
Tartano S.r.l. Società Agricola	Italy	Euro	110,000	32.5		32.5	Cossi Costruzioni S.p.A.	equity
Techint S.A.C.I.- Hochtief A.G.- Impregilo S.p.A.-Iglys S.A. UTE	Argentina			35	26.25	8.75	Iglys S.A.	equity
TM-Salini Consortium	Malaysia			90	90			equity
Trieste Due S.C. a r.l. (in liq.)	Italy	Euro	10,000	45		45	Cossi Costruzioni S.p.A.	equity
Unionport Constructors Joint Venture	USA			45		45	Lane Constr. Corporation	equity
Valdostana Condotte- Cossi	Italy	Euro	100,000	20.0		20.0	Cossi Costruzioni S.p.A.	equity
VE.CO. S.C. a r.l.	Italy	Euro	10,200	25	25			equity
Webuild Apco Joint Venture (ex Reliance)	India			30	30			equity
Webuild-Partecipazione Italia-Salcef Timisoara- Arad lot 3 Joint Venture	Romania			80		75	Webuild S.p.A.	equity (a)
						5	Partecipazioni Italia S.p.A.	
Webuild-Partecipazione Italia-Salcef Timisoara- Arad lot 4 Joint Venture	Romania			80		75	Webuild S.p.A.	equity (a)

List of Webuild Group companies

	Country	Currency	Share/quota capital subscribed	Investment %	% direct	% indirect	Indirect parent	Consolidation or measurement method
						5	Partecipazioni Italia S.p.A.	
Webuild-Pizzarotti-Salcef Joint Venture	Romania			50	50			equity (a)
Yacylec S.A.	Argentina	ARS	20,000,000	18.67		18.67	Impregilo Intern. Infr. N.V.	equity
Yuma Concesionaria 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.	IFRS 9
Arge Tulfes Pfons	Austria	Euro	1,000	0.01	0.01			IFRS 9
Asse Sangro Consorzio (in liq.)	Italy	Euro	464,811	4.762	4.762			IFRS 9
Astaldi- Gulemark TR- Gulemark PL (C4-C6)	Poland			0.1	0.1			IFRS 9
Astaldi- Gulemark TR- Gulemark PL (Mory)	Poland			0.1	0.1			IFRS 9
BSS Joint Venture- Air Academy project	Saudi Arabia			5	5			IFRS 9
C.F.C. S.C. a r.l. (in liq.)	Italy	Euro	45,900	0.01	0.01			IFRS 9
C.I.T.I.E. Consorzio Inst. Tec. Idr. Elettr. Soc. Cooperativa (in liq.)	Italy	Euro	8,035	0.49		0.39	NBI S.p.A.	IFRS 9
						0.10	3E System S.r.l. (in liq.)	IFRS 9
CE.DI.R. S.C. a r.l. (in liq.)	Italy	Euro	10,200	1		1	HCE Costruzioni S.p.A.	IFRS 9
Centoquattro S.C. a r.l.	Italy	Euro	10,000	12.07		12.07	NBI S.p.A.	IFRS 9
Centotre S.C. a r.l.	Italy	Euro	10,000	12.52		12.52	NBI S.p.A.	IFRS 9
CO.SA.VI.D. S.C. a r.l.	Italy	Euro	25,500	0.011	0.011			IFRS 9
Connect 6iX General Partnership	Canada			10		10	Webuild- Connect 6iX GP Inc.	IFRS 9
Consorzio Aree Industriali Potentine (in liq.)	Italy	Euro	408,000	2		2	Fisia Ambiente S.p.A.	IFRS 9
Consorzio Casale Nei	Italy	Euro	27,889	2.779		2.779	HCE Costruzioni S.p.A.	IFRS 9
Consorzio Centro Uno (in liq.)	Italy	Euro	154,937	2	2			IFRS 9
Consorzio Costruttori TEEM	Italy	Euro	10,000	0.01		0.01	HCE Costruzioni S.p.A.	IFRS 9
Consorzio Groupement Lesi-Dipenta	Italy	Euro	258,228	0.01	0.01			IFRS 9
Consorzio infrastruttura area metropolitana- Metro Cagliari (in liq.)	Italy	Euro	129,114	7.5		7.5	HCE Costruzioni S.p.A.	IFRS 9
Consorzio Malagrotta	Italy	Euro	2,840	0.035	0.035			IFRS 9
Consorzio Nazionale Imballaggi- CO.NA.I.	Italy	Euro	130	1	1			IFRS 9
Consorzio Tratta Determinante Città Vitale- TRA.DE.CIV	Italy	Euro	155,535	17.727		17.727	Partecipazioni Italia S.p.A.	IFRS 9
Consorzio Utenti Servizi Salaria Vallericca	Italy	Euro	10,500	0.01	0.01			IFRS 9

List of Webuild Group companies

	Country	Currency	Share/quota capital subscribed	Investment %	% direct	% indirect	Indirect parent	Consolidation or measurement method
Consorzio Venezia Nuova	Italy	Euro	274,000	17.55		17.55	Consorzio Italvenezia	IFRS 9
DIRPA S.C. a r.l.	Italy	Euro	50,000,000	98.98		98.98	Consorzio Stabile Operae	IFRS 9
Elektromak- Mekatronik- NBI, Joint Venture	Turkey			0.1		0.1	NBI Elektrik Elektromekanik	IFRS 9
Emittenti Titoli S.p.A. (in liq.)	Italy	Euro	4,264,000	0.244	0.244			IFRS 9
Fusaro S.C. a r.l. (in liq.)	Italy	Euro	10,200	0.01	0.01			IFRS 9
Grassetto S.p.A. (in liq.)	Italy	Euro	111,650,000	0.001		0.001	HCE Costruzioni S.p.A.	IFRS 9
Guida Editori S.C. a r.l. (in liq.)	Italy	Euro	10,329	1.05	1.05			IFRS 9
Gulemark- TR Astaldi- Gulemark PL (C18-C21)	Poland			0.1	0.1			IFRS 9
Hobas Italiana S.p.A. (in liq.)	Italy			8.829		8.829	HCE Costruzioni S.p.A.	IFRS 9
Immobiliare Golf Club Castel D'Aviano S.p.A.	Italy	Euro	4,540,340	0.444		0.444	HCE Costruzioni S.p.A.	IFRS 9
Impregilo S.p.A.-Avax S.A.-Ate Gnomon S.A., Joint Venture	Greece			1		1	HCE Costruzioni S.p.A.	IFRS 9
Istituto per lo Sviluppo Edilizio ed Urbanistico- ISVEUR S.p.A. (in liq.)	Italy	Euro	2,500,000	2.6	1.2	1.4	HCE Costruzioni S.p.A.	IFRS 9
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.)	IFRS 9
Joint Venture Aktor S.A.- Impregilo S.p.A.	Greece			0.1	0.1			IFRS 9
Lambro S.C. a r.l. (in liq.)	Italy	Euro	200,000	0.01		0.01	HCE Costruzioni S.p.A.	IFRS 9
Lane-Developement Co. For Road Works-Tadmur Joint Venture	Qatar			0.49		0.49	Lane Mideast Qatar LLC	IFRS 9
Manifesto S.p.A. (in liq.)	Italy	Euro	2,970,268	0.36		0.36	CO.GE.MA. S.p.A.	IFRS 9
Metro 5 S.p.A.	Italy	Euro	53,300,000	2		2	Partecipazioni Italia S.p.A.	IFRS 9
Mika Adi Ortakligi Joint Venture	Turkey			15		15	Astur Construction and Trade A.S.	IFRS 9
MN 6 S.C. a r.l.	Italy	Euro	51,000	21.132		20.132	M.N. Metropolitana di Napoli S.p.A.	IFRS 9
						1	Partecipazioni Italia S.p.A.	IFRS 9
Mose Operae S.C. a r.l. (in liq.)	Italy	Euro	10,000	17.28		17.28	Partecipazioni Italia S.p.A.	IFRS 9
Nomisma- Società di Studi Economici S.p.A.	Italy	Euro	20,433,801	0.245		0.245	HCE Costruzioni S.p.A.	IFRS 9
Normetro- Agrupamento Do Metropolitano Do Porto, A.C.E.	Portugal	PTE	100,000	2.12		2.12	HCE Costruzioni S.p.A.	IFRS 9
Nova Via Festinat Industrias (in liq.)	Italy	Euro	10,329	0.01	0.01			IFRS 9
Pavimental S.p.A.	Italy	Euro	10,116,452	0.601	0.601			IFRS 9
PROG.ESTE S.p.A.	Italy	Euro	11,956,151	2.698		2.698	NBI S.p.A.	IFRS 9
S.A.T. S.p.A.	Italy	Euro	19,126,000	1		1	Partecipazioni Italia S.p.A.	IFRS 9

List of Webuild Group companies

	Country	Currency	Share/quota capital subscribed	Investment %	% direct	% indirect	Indirect parent	Consolidation or measurement method
S.I.MA. GEST 3 S.C. a r.l. (in liq.)	Italy	Euro	50,000	0.01		0.01	HCE Costruzioni S.p.A.	IFRS 9
Salini Impregilo Bin Omran Joint Venture	Qatar			50	50			IFRS 9
Simple Partership Ictas-Astaldi	Russia			0.1	0.1			IFRS 9
Skiarea Valchiavenna S.p.A.	Italy	Euro	12,000,000	1.09	0.165	0.925	HCE Costruzioni S.p.A.	IFRS 9
Spark North East Holding Pty Ltd.	Australia	AUD	1,000	7.5		7.5	MEL PP Pty Ltd.	IFRS 9
Spark North East Link Pty Ltd.	Australia	AUD	2	7.5		7.5	Spark North East Holding Pty Ltd.	IFRS 9
Spark North East Link Trust	Australia			7.5		7.5	Spark North East Holding Pty Ltd.	IFRS 9
SPV Linea M4 S.p.A.	Italy	Euro	61,531,500	19.268		9.634	Webuild Italia S.p.A.	IFRS 9
						9.634	Partecipazioni Italia S.p.A.	IFRS 9
Tangenziale Esterna S.p.A.	Italy	Euro	464,945,000	0.001	0.001			IFRS 9
Todini-Impregilo Almaty Khorgos Joint Venture	Kazakhstan			0.01	0.01			IFRS 9
Transmetro- Construcao de Metropolitano A.C.E.	Portugal			5		5	HCE Costruzioni S.p.A.	IFRS 9
UJoint Venture Astaldi S.p.A. (fil. Cile), VCGP (Ag en Chile) e VCGP–Astaldi Ingenieria y Const.Ltd.	Chile			0.01	0.01			IFRS 9
Valtellina Golf Club S.p.A.	Italy	Euro	2,813,300	0.636		0.46	Cossi Costruzioni S.p.A.	IFRS 9
						0.176	Mosconi S.r.l.	IFRS 9
VCGP- Astaldi Ingenieria y Construccion Limitada	Chile	CLP	66,000,000	0.011	0.011			IFRS 9
Veneta Sanitaria Finanza di Progetto S.p.A.- V.S.F.P. S.p.A.	Italy	Euro	20,500,000	1		0.5	Partecipazioni Italia S.p.A.	IFRS 9
						0.5	Astaldi Concessions S.p.A.	IFRS 9
Wurno Construction Materials- WUCOMAT Ltd.	Nigeria	NGN	3,300,000	5.071		5.071	Impresit Bakolori Plc	IFRS 9
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			(*)
Portovesme S.C. a r.l. (in liq.)	Italy	Euro	25,500	99.98	99.98			(*)
Rinfra-Astaldi, Joint Venture	India			26	26			(*)
Salini- Impregilo Joint Venture for Mukorsi	Zimbabwe			100	99.9	0.1	HCE Costruzioni S.p.A.	(*)

(*) No longer consolidated
(a) Inactive
(b) Indirectly controlled operating company

Statement on the 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 year to prepare the consolidated financial statements.

2 No significant issues arose.

3 Moreover, they state that:

3.1 the consolidated financial statements:

a) have been prepared in accordance with the applicable International Financial Reporting Standards endorsed by the European Union pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and Council of 19 July 2002;

b) are consistent with the accounting records and entries;

c) are suitable to give a true and fair view of the financial position at 31 December 2022 and the results of operations and cash flows for the year then ended of the Issuer and its consolidated companies.

3.2 The Directors' report includes a reliable analysis of the financial performance and financial position of the Issuer and the consolidated companies, together with information about the key risks and uncertainties to which they are exposed.

Milan, 16 March 2023

Chief executive officer	Manager in charge of financial reporting
Pietro Salini	Massimo Ferrari
(signed on the original)	(signed on the original)

Separate financial statements of Webuild S.p.A. as at and for the year ended 31 December 2022

Separate financial statements

Statement of financial position

ASSETS (Euro)	Note	31 December 2021	of which: related parties	31 December 2022	of which: related parties
Non-current assets					
Property, plant and equipment	7	120,416,162		136,640,638	
Right-of-use assets	7	57,317,067		38,648,305	
Intangible assets	7	90,817,890		59,148,676	
Equity investments	8	2,123,670,799		2,202,347,274	
Non-current financial assets, including derivatives	9	177,893,120	103,210,141	294,516,486	187,555,436
Deferred tax assets	10	302,072,495		256,086,605	
Total non-current assets		**2,872,187,533**		**2,987,387,984**	
Current assets					
Inventories	11	114,939,819		112,102,327	
Contract assets	12	1,509,807,249		1,494,904,924	
Trade receivables	13	1,698,950,256	1,210,334,510	1,743,853,826	1,135,351,853
Current financial assets, including derivatives	14	1,169,245,197	1,098,567,836	1,253,286,053	1,168,896,804
Current tax assets	15	73,393,005		48,279,483	
Other current tax assets	15	85,655,602		86,227,363	
Other current assets	16	522,812,880	209,936,256	447,377,439	174,191,888
Cash and cash equivalents	17	692,568,232		961,906,263	
Total current assets		**5,867,372,240**		**6,147,937,678**	
Non-current assets held for sale and disposal groups	18	16,962,197		14,731,619	
Total assets		**8,756,521,970**		**9,150,057,281**	

Statement of financial position

EQUITY AND LIABILITIES	Note	31 December 2021	of which: related parties	31 December 2022	of which: related parties
(Euro)					
Equity					
Share capital		600,000,000		600,000,000	
Share premium reserve		367,763,241		367,763,241	
Other reserves		962,929,270		645,272,674	
Other comprehensive expense		(8,891,059)		(6,359,917)	
Retained earnings		-		4,048,499	
Loss for the year		(245,727,865)		(69,556,545)	
Total	19	**1,676,073,587**		**1,541,167,952**	
Non-current liabilities					
Bank and other loans and borrowings	20	269,639,223	7,805,189	241,203,443	6,881,975
Bonds	21	1,487,852,150		1,886,548,878	
Lease liabilities	22	55,105,040		28,480,027	
Post-employment benefits and other employee benefits	25	13,031,036		13,155,500	
Deferred tax liabilities	10	30,928,452		43,170,077	
Provisions for risks	26	74,234,687		83,296,990	
Total non-current liabilities		**1,930,790,588**		**2,295,854,915**	
Current liabilities					
Current portion of bank loans and borrowings and current account facilities	20	2,152,765,133	1,624,566,702	2,330,154,238	2,181,607,988
Current portion of bonds	21	11,880,993		18,505,651	
Current portion of lease liabilities	22	18,001,626		32,854,658	
Contract liabilities	12	554,666,472		769,676,896	
Trade payables	27	1,945,142,323	1,196,865,181	1,809,225,374	981,773,284
Current tax liabilities	28	149,348,198		55,804,559	
Other current tax liabilities	28	58,727,741		50,355,823	
Other current liabilities	29	240,743,610	86,612,537	232,559,177	88,116,099
Total current liabilities		**5,131,276,096**		**5,299,136,376**	
Non-current liabilities associated with non-current assets held for sale	18	18,381,699		13,898,038	
Total equity and liabilities		**8,756,521,970**		**9,150,057,281**	

Statement of profit or loss

(Euro)	Note	2021	of which: related parties	2022	of which: related parties
Revenue					
Revenue from contracts with customers	32	1,676,077,540	82,133,616	1,863,092,799	113,028,802
Other income	32	208,113,822	80,952,852	199,236,647	80,416,659
Total revenue and other income		**1,884,191,362**		**2,062,329,446**	
Operating expenses					
Purchases	33.1	(229,875,813)	(797,585)	(369,718,539)	(2,137,693)
Subcontracts	33.2	(308,039,037)	(7,229,327)	(545,890,788)	(8,885,657)
Services	33.3	(906,989,406)	(504,992,762)	(595,766,882)	(49,679,475)
Personnel expenses	33.4	(306,442,382)	(1,410,887)	(399,291,186)	(4,354,930)
Other operating expenses	33.5	(70,379,769)	(25,214,947)	(96,785,894)	(1,203,075)
Net impairment losses	33.6	(17,137,813)	(6,326,100)	(893,507)	(562,741)
Amortisation, depreciation and provisions	33.6	(95,522,481)		(78,725,373)	
Total operating expenses		**(1,934,386,701)**		**(2,087,072,169)**	
Operating loss		**(50,195,339)**		**(24,742,723)**	
Financing income (costs) and gains (losses) on equity investments					
Financial income	34.1	61,765,679	38,251,894	80,562,296	49,002,376
Financial expense	34.2	(124,242,125)	(5,982,464)	(222,790,880)	(56,454,757)
Net exchange gains	34.3	61,973,798		64,555,244	
Net financing costs		(502,648)		(77,673,340)	
Net gains (losses) on equity investments	35	(103,021,058)		69,893,418	
Net financing income and net gains (losses) on equity investments		**(103,523,706)**		**(7,779,922)**	
Loss before tax		**(153,719,045)**		**(32,522,645)**	
Income taxes	36	(96,708,520)		(13,956,130)	
Loss from continuing operations		**(250,427,565)**		**(46,478,775)**	
Profit (loss) from discontinued operations	18	4,699,700		(23,077,770)	
Loss for the year		**(245,727,865)**		**(69,556,545)**	

Statement of comprehensive income

(€'000)		2021	2022
Loss for the year (a)		(245,728)	(69,557)
- items that may be subsequently reclassified to profit or loss, net of the tax effect:			
Net exchange gains on the translation of foreign companies' financial statements	19	3,529	2,075
- 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	(188)	455
Other comprehensive income (b)		3,341	2,530
Comprehensive expense (a) + (b)		(242,387)	(67,027)

Statement of cash flows

(€'000)	Note	2021	2022
Operating activities			
Loss from continuing operations		(245,728)	(46,479)
adjusted by:			
Amortisation of intangible assets	33	44,267	31,705
Depreciation of property, plant and equipment and right-of-use assets	33	45,747	49,934
Net impairment losses and provisions (reversals)	33	22,646	(2,020)
Accrual for post-employment benefits and other employee benefits	25	9,152	9,704
Net (gains) losses on the sale of assets	32- 33	(1,161)	3,456
Deferred taxes	36	10,569	58,006
Net (gains) losses on equity investments	35	98,687	(68,607)
Income taxes	36	86,140	(44,050)
Net exchange gains	34	(61,974)	(64,556)
Net financial expense	34	62,476	137,021
Other non-monetary items		141,105	(19,734)
		211,927	**44,379**
Increase in inventories and contract assets	11- 12	(231,255)	(79,571)
Increase in trade receivables	13	(753,963)	(212,430)
Increase in contract liabilities	12	345,878	309,730
Increase in trade payables	27	539,324	85,240
Decrease in other assets/liabilities		88,281	54,838
Total changes in working capital		**(11,735)**	**157,807**
Decrease (increase) in other items not included in working capital		(1,655)	48,404
Income taxes		(73,677)	(104,114)
Interest expense paid		(102,274)	(110,968)
Financial income collected		8,699	3,018
Cash flows generated by operating activities		**31,286**	**38,527**
Investing activities			
Investments in intangible assets	7	(24)	(13)
Investments in property, plant and equipment	7- 7	(3,876)	(49,497)
Proceeds from the sale or reimbursement value of property, plant and equipment		33,135	6,103
Investments in non-current financial assets		(307,813)	(121,936)
Dividends distributed by subsidiaries		-	1,286
Proceeds from the sale or reimbursement value of non-current financial assets	8	7,045	10,909
Acquisitions and/or sales of subsidiaries and business units net of cash and cash equivalents		-	(7)
Partial demerger of Astaldi to Webuild Italia S.p.A.		75,255	-
Cash flows used in investing activities		**(196,278)**	**(153,155)**
Financing activities			
Share capital increase			
Dividends distributed	19	(49,085)	(54,217)
Repurchase of treasury shares			(24,643)

Statement of cash flows

(€'000)	Note	2021	2022
Increase in bank and other loans	20	909,012	1,912,177
Decrease in bank and other loans	20	(1,660,038)	(1,905,003)
Decrease in lease liabilities		(30,578)	(29,574)
Change in other financial assets/liabilities		653,542	495,920
Cash flows generated by (used in) financing activities		**(177,148)**	**394,659**
Net exchange gains (losses) on cash and cash equivalents		**4,544**	**(843)**
Increase (decrease) in cash and cash equivalents		**(337,595)**	**279,187**
Cash and cash equivalents	17	1,065,865	692,568
Current account facilities	20	(46,234)	(10,531)
Total opening cash and cash equivalents		**1,019,631**	**682,037**
Cash and cash equivalents	17	692,568	961,906
Current account facilities	20	(10,531)	(681)
Total closing cash and cash equivalents		**682,037**	**961,225**

(€'000)		Share capital	Share premium reserve	Other reserves							Other comprehensive expense			Retained earnings	Loss for the year	Equity
				Legal reserve	Share capital increase related charges	Negative goodwill (merger)	Reserve for treasury shares	Negative goodwill (demerger)	IFRS 2 reserve	Total	Translation reserve	Actuarial reserve	Total other comprehensive expense			
As at 1 January 2021		**600,000**	**654,486**	**120,000**	**(10,988)**	**89,601**	**(3,291)**	**-**	**-**	**195,322**	**(12,080)**	**(152)**	**(12,232)**	**23,833**	**(351,072)**	**1,110,337**
Astaldi demerger	19	-	-	-	-	-	-	780,908	69,615	850,523	-	-	-	-	-	850,523
Allocation of loss and reserves	19	-	(237,638)	-	-	(89,601)	-	-	-	(89,601)	-	-	-	(23,833)	351,072	1
Dividend distribution	19	-	(49,085)	-	-	-	-	-	-	-	-	-	-	-	-	(49,085)
Long-term incentive plan	19	-	-	-	-	-	-	-	1,843	1,843	-	-	-	-	-	1,843
Other changes	19	-	-	-	-	-	*(224)*	-	5,067	4,843	-	-	-	-	-	4,843
Loss for the year	19	-	-	-	-	-	-	-	-	-	-	-	-	-	(245,728)	(245,728)
Other comprehensive income	19	-	-	-	-	-	-	-	-	-	*3,529*	*(188)*	*3,341*	-	-	3,341
Comprehensive expense	19	-	-	-	-	-	-	-	-	-	*3,529*	*(188)*	*3,341*	-	*(245,728)*	(242,387)
As at 31 December 2021	**19**	**600,000**	**367,763**	**120,000**	**(10,988)**	**-**	**(3,515)**	**780,908**	**76,525**	**962,930**	**(8,551)**	**(340)**	**(8,891)**	**-**	**(245,728)**	**1,676,074**
As at 1 January 2022	**19**	**600,000**	**367,763**	**120,000**	**(10,988)**	**-**	**(3,515)**	**780,908**	**76,525**	**962,930**	**(8,551)**	**(340)**	**(8,891)**	**-**	**(245,728)**	**1,676,074**
Allocation of loss and reserves	19	-	-	-	-		-	(245,728)	-	(245,728)	-	-	-	-	245,728	-
Dividend distribution	19	-	-	-	-	-	-	(54,217)	-	(54,217)	-	-	-	-	-	(54,217)
Treasury shares	19	-	-	-	-	-	(24,643)	-	-	(24,643)	-	-	-	-	-	(24,643)
Long-term incentive plan	19	-	-	-	-	-	-	-	10,260	10,260	-	-	-	-	-	10,260
Other changes	19	-	-	-	-	-	-	-	(3,329)	(3,329)	-	-	-	4,048	-	718
Loss for the year	19	-	-	-	-	-	-	-	-	-	-	-	-	-	(69,557)	(69,557)
Other comprehensive income	19	-	-	-	-	-	-	-	-	-	*2,075*	*455*	*2,530*	-	-	2,530
Comprehensive expense	19	-	-	-	-	-	-	-	-	-	*2,075*	*455*	*2,530*	-	*(69,557)*	(67,027)
As at 31 December 2022	**19**	**600,000**	**367,763**	**120,000**	**(10,988)**	**-**	**(28,158)**	**480,963**	**83,456**	**645,273**	**(6,476)**	**115**	**(6,360)**	**4,048**	**(69,557)**	**1,541,168**

1. Reporting entity

Webuild S.p.A. (the "company" or "Webuild") has its registered office in Rozzano (Milan) and is listed on the Milan Stock Exchange. Webuild is a global operator specialised in building large complex infrastructure, market leader in Italy and one of the main players on the international stage.

At the date of preparation of these separate financial statements, Webuild S.p.A. is managed and coordinated by Salini Costruttori S.p.A..

2. Basis of preparation – General part

2.1 Statement of compliance with the IFRS

As required by Regulation 1606/2002 issued by the European Parliament and Council, implemented in Italy by Legislative decree no. 38/2005, these separate financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union.

The company's accounting policies and related changes are detailed in notes 3 and 4.

2.2 Functional and presentation currency

These separate financial statements are prepared in Euros, which is the company's functional and presentation currency. The statement of financial position and the statement of profit or loss are presented in Euros, whereas the amounts in the statement of comprehensive income, the statement of cash flows, the statement of changes in equity and these notes are shown in thousands of Euros, unless stated otherwise.

2.3 Authorisation for publication

Webuild S.p.A.'s board of directors authorised the publication of these separate financial statements at its meeting of 16 March 2023.

2.4 Going concern

Webuild has prepared its separate financial statements at 31 December 2022 on a going concern basis. The directors have checked that events that could affect the company's ability to meet its commitments in the near future and, specifically, in the next 12 months do not exist. Preparation of separate financial statements requires management to make judgements and complex estimates about the company'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 separate financial statements.

2.5 Basis of presentation

The company's separate financial statements at 31 December 2022 are comprised of the following:

- statement of financial position;
- statement of profit or loss;
- statement of comprehensive income;
- statement of cash flows;

- statement of changes in equity;
- notes.

The company opted to present these separate financial statements in line with previous years as follows:

- current and non-current assets and current and non-current liabilities are presented separately in the statement of financial position. Current assets and liabilities are those expected to be realised or extinguished in the company's normal operating cycle, which usually exceeds twelve months. Non-current assets and liabilities include property, plant and equipment, intangible assets, financial assets, right-of-use assets, deferred tax assets, employee benefits, deferred tax liabilities and other balances expected to be realised, extinguished, used, sold or settled after the company's normal operating cycle, i.e., more than twelve months after the reporting date;
- the statement of profit or loss gives a classification of costs by nature and shows the profit or loss before financing income (costs) and gains (losses) on equity investments and income taxes. The profit or loss from continuing operations and the profit or loss from discontinued operations are also presented;
- the statement of comprehensive income shows all non-owner changes in equity;
- the statement of cash flows presents the cash flows from operating, investing and financing activities separately. The indirect method is used.

2.6 Judgements and complex accounting estimates

Preparation of financial statements and the related notes in accordance with the IFRS requires management to make judgements and estimates that affect the carrying amount of assets and liabilities and financial statements disclosures. The estimates are used, inter alia, to recognise:

note 32, contract revenue;

note 33.6, any impairment losses on assets;

note 33.6, provisions for risks and charges;

notes 10 and 36, income taxes;

note 33.6, amortisation and depreciation;

note 25, employee benefits.

Considering the company's sector, the key estimates are those used to determine contract revenue, including claims for additional consideration, total contract costs and the related stage of completion (see the "Contract assets and liabilities" paragraph of the "Basis of preparation – Significant accounting policies" section). A significant part of the company'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 company may incur during performance of such contracts.

The accounting estimates and significant judgements made by management to prepare these separate financial statements are affected by (i) the current macroeconomic scenario characterised by the lingering impacts of the Covid-19 pandemic, inflation, rising interest rates and geopolitical risks associated with the Russia-Ukraine crisis, and (ii) the risks and opportunities of climate change and the energy transition (these issues are discussed in the Directors' report - Part I, to which reference is made). They may have an impact on the company's financial position, financial performance and cash flows.

Russia-Ukraine crisis

The company has no ongoing projects in either Russia or Ukraine. Its exposure to these countries solely refers to a trade receivable due to its subsidiary HCE Costruzioni S.p.A. from the Ukrainiane customer Ukravtodor relating to the contract to upgrade the Kiev- Kharkiv- Dovzhanskiy section of the M03 motorway, which the customer unilaterally terminated in August 2016. The receivable was fully impaired in 2022.

Macroeconomic scenario

Affected by the pandemic and, more recently, by the Russia-Ukraine war, the macroeconomic scenario has lately been characterised by particularly volatile commodity and energy prices, coupled with rising inflation and interest rates.

With reference to the rise in the price of raw materials and energy costs, as already discussed in the Directors' report, the company's approach to its supply chain was to continue the mitigation measures introduced in previous years such as the identification of alternative procurement solutions and the urgent transfers of equipment from one work site to another. It also closely observed the market in order to adapt its purchasing strategies to contain prices.

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

The Italian government issued Law no. 91 of 15 July 2022, converting Decree law no. 50 of 17 May 2022 (the Aiuti decree) in the second half of the year. This confirmed the measures to counter the rise in prices of raw materials, fuel and energy. In addition, Law no. 197 of 29 December 2022 (the 2023 budget act), effective from 1 January 2023, confirmed the measures to update price lists and revise the prices of contract work in progress in order to tackle the exceptional hikes in prices expected for 2023. During preparation of the contract budget, Webuild considered the expected commodity and energy price trends.

Lastly, the company also considered the upward interest rate trend when testing its assets (goodwill, equity investments and loans and receivables) for impairment, especially when calculating their WACC. Reference should be made to note 31.2.2 for the potential impact of additional interest rate fluctuations on the company's financial income and expense.

Climate change and energy transition

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

In order to identify and adopt the necessary solutions and tools to (i) minimise the impact of physical risks, and (ii) pre-empt transition risks arising on the transition to a low-carbon economy, Webuild has deemed it appropriate to continue to include ESG risks in the regular group risk assessment performed by the risk management department.

The budgets for the company's and Group's contracts reflect their identified risk mitigation measures and include regular investments to ensure their greater efficiency.

Climate change risks have also been considered when planning the impairment tests of certain assets (goodwill, equity investments and loans and receivables). Given their characteristics and short life cycle (e.g., TBMs for tunnel boring), the company's other assets, specifically the plant, machinery and equipment that the company uses in its ongoing projects, do not bear a significant obsolescence risk.

The utilisation of the up-to-date 2023 budget that reflects the uncertainties as a basis for the judgements is essential. The company's procedures include a planning process split into two parts that take place before the preparation of the annual separate and interim consolidated financial statements. In this case, the 2023 budget was prepared considering the current macroeconomic scenario and the results of the climate risk and opportunity assessment.

Furthermore, 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.

The actual results may differ from those estimated due to uncertainties underlying the assumptions and the conditions on which the estimates are based.

3. Basis of preparation – Significant accounting policies

The significant accounting policies adopted to draw up these separate financial statements are described below.

3.1 Property, plant and equipment

Webuild has opted to recognise property, plant and equipment at purchase or production cost net of accumulated depreciation and any impairment losses.

Depreciation is calculated on a straight-line basis using rates determined based on the assets' residual possible use. The annual rates are as follows:

Category	Depreciation rate
Land	0%
Buildings	3%
Plant and machinery	from 10% to 20%
Industrial and commercial equipment	from 25% to 40%
Other assets	from 12% to 25%

Leasehold improvements are classified in the different items of property, plant and equipment on the basis of their nature. They are depreciated over the shorter of the estimated useful life of the relevant asset and the residual term of the lease.

When a substantial period of time is required for an asset to be ready for use, the purchase or production cost includes borrowing costs incurred in the period required to make the asset available for use.

3.2 Right-of-use assets and lease liabilities

Right-of-use assets and lease liabilities are recognised in accordance with IFRS 16 as described below.

Leases of property, plant and equipment

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases.

Webuild as lessee

The company has adopted a single model to recognise and measure all leases, except for short-term leases and leases of low-value assets. It recognises a lease liability representing its obligation to make lease payments and a right-or-use asset representing its right to use the underlying asset.

Right-of-use assets: at the commencement date (the date on which a lessor makes an underlying asset available for use by a lessee), the company recognises the right-of use assets. These are measured at cost, net of accumulated amortisation/depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liabilities. The cost of a right-of-use asset comprises the amount of the initial measurement of the lease liability, any initial direct costs incurred and any lease payments made at or before the commencement date, less any lease incentives received. Right-of-use assets are amortised/depreciated on a straight-line basis from the commencement date to the end of their useful life. If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the lessee shall depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Right-of-use assets shall be tested for impairment (see the section on impairment of intangible assets).

Lease liabilities: At the commencement date, the company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments include fixed payments (including in-substance fixed payments), less any incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be payable under residual value guarantees. They also include the exercise price of a purchase option if the company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the company exercising an option to terminate the lease. Variable lease payments that do not depend on an index or a rate are recognised in profit or loss (unless those costs are incurred to produce inventories) in the period in which the event or condition that triggers those payments occurs. The company uses the incremental borrowing rate to discount the lease payments at the commencement date if the interest rate implicit in the lease cannot be readily determined. After the commencement date, the lease liability increases to reflect interest thereon and decreases to reflect the lease payments made. Moreover, the carrying amount of the lease liability is remeasured to reflect any lease modifications or revised in-substance fixed lease payments. It is also remeasured if there is any change in the assessment of an option to purchase the underlying asset or if there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments.

The company elected to apply the recognition exemption available for short-term leases and leases of low-value assets. The former are those relating to machinery and equipment (i.e., those with a lease term of 12 months or less at the commencement date and do not contain a purchase option), while the latter relate to office equipment of a low value. The related lease payments are recognised as costs on a straight-line basis over the lease term.

Webuild as lessor

Operating leases

Leases that do not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are classified as operating leases. Lease payments from operating leases are recognised as income on a straight-line basis over the lease term. The company adds initial direct costs incurred in obtaining an operating lease to the carrying amount of the underlying asset and recognises those costs as an expense over the lease term on the same basis as the lease income. Income from unexpected leases is recognised as revenue when it accrues.

Finance leases

The company classifies leases as finance leases based on whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset to the lessee. If this is the case, at the commencement date, the company recognises the leased assets in its statement of financial position as a financial asset with the lessee at an amount equal to the present value of the investment in the lease discounted at the interest rate implicit in the lease.

3.3 Intangible assets

Other intangible assets with a finite useful life comprise:

- the order backlog acquired by the company (i.e., contract acquisition costs);
- patents, trademarks and application software acquired or generated internally.

They are recognised when it is probable that the use of the asset will generate future economic benefits and the cost of the asset can be measured reliably. They are measured at acquisition or development cost and amortised on a straight-line basis over their estimated useful lives. Recoverability of their carrying amount is checked by using the criteria set out in the section on “Impairment testing”.

3.4. Equity investments

Investments in subsidiaries and associates and interests in joint ventures are measured at cost and tested for impairment when trigger events are identified (see the section on “Impairment testing”). When an impairment loss is required, this is recognised immediately in profit or loss. When the reasons for a previous impairment loss no longer exist, the carrying amount of the investment is restated to the extent of its original cost. Impairment gains are recognised in profit or loss.

Under IFRS 9 - Financial instruments, non-controlling interests (i.e., of less than 20%) are considered to be equity investments measured at fair value.

The cost of acquiring investments in consortia and consortium companies is deemed to reflect their fair value.

3.5 Dividends

Dividends are recognised when the investors’ right to receive payment arises in line with local ruling legislation.

3.6 Contract assets, contract liabilities and revenue from contracts with customers

Contract assets, contract liabilities and revenue from contracts with customers are recognised and measured in accordance with the guidelines of IFRS 15 - Revenue from contracts with customers. Revenue is recognised using the five-step model as set out below:

1. identify the contract with a customer;
2. identify the performance obligations in the contract;
3. determine the transaction price;
4. allocate the transaction price to the performance obligations in the contract;
5. recognise revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 also covers contract costs, contract modifications and financial statements disclosures.

The methods used by the company to apply IFRS 15 are summarised below.

Identifying the contract with a customer

The company identifies and measures contracts with customers in line with IFRS 15 after they have been signed and are binding, creating enforceable rights and obligations for the company and the customer. It considers the criteria of IFRS 15.9 set out below to identify the contract:

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);
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.

Identifying performance obligations and allocating the transaction price

IFRS 15 identifies a performance obligation as a promise included in the contract with a customer to transfer: a) a good and/or service (or a bundle of goods or services) that is distinct; or b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

In the company's case, its performance obligation is usually the entire project. In fact, although the individual performance obligations provided for in the contract are distinct, they are highly interdependent and integrated as the contract provides for the transfer of the entire infrastructure to the customer.

However, certain contractual items include additional services that should be considered as distinct performance obligations. For example, these may be post-completion maintenance services after final inspection and additional or different contract warranties compared to those provided for by law or normal sector practices.

When a contract has more than one performance obligation, the appropriate portion of the contract consideration is allocated to each separate performance obligation pursuant to IFRS 15. The company's contracts with customers usually specify the price of each contractual item (detailed in the contract).

Determining the criteria for satisfaction of the performance obligations and recognition of the revenue

IFRS 15 provides that revenue shall be recognised when (or as) the performance obligation is satisfied transferring the promised good or service (or asset) to the customer. An asset is transferred when (or as) the customer obtains control.

The company's contracts with customers are usually long-term contracts that include obligations to be satisfied over time based on the progress towards completion and transfer of control of the asset to the customer over time.

The reasons why recognition of revenue over time is considered the correct approach are:

- the customer controls the asset as it is constructed (the asset is built directly in the area made available by the customer);
- the asset under construction does not have an alternative use and the company has an enforceable right to payment for its performance completed to date over the contract term.

IFRS 15 requires that progress towards satisfaction of a performance obligation be measured using the method that best represents the transfer of control of the asset under construction to the customer. The objective when measuring progress is to depict an entity's performance in transferring control of goods or services promised to a customer. The company considers its market sector and the complex mix of goods and services it provides when it selects the appropriate revenue recognition method. IFRS 15 provides for two alternative methods to recognise revenue over time:

a. output method;

b. input method.

Output methods recognise revenue on the basis of direct measurements of the value to the customer of the goods or services transferred to the date relative to the remaining goods or services promised under the contract (e.g., surveys of performance completed to date, milestones reached, units delivered, etc.). Input methods recognise revenue on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation (e.g., resources consumed, labour hours expended, costs incurred, time elapsed or machine hours used) relative to the total expected inputs to the satisfaction of that performance obligation.

The most appropriate model for measuring revenue based on inputs is the cost to cost method calculated by applying the percentage of completion (the ratio of costs incurred to total estimated costs) to contract revenue. The calculation of the ratio of costs incurred to estimated costs only considers costs that contribute to the actual transfer of control of the goods and/or services. This method allows the objective measurement of the transfer of control to the customer as it considers quantitative variables related to the contract as a whole.

When choosing the appropriate method for measuring the transfer of control to the customer, the company did not adopt the output method (e.g., surveys of performance completed to date) for its ongoing contracts as it considered that although this output method would allow a direct measurement of progress, it would also lead to operating difficulties in managing and monitoring progress considering all the resources necessary to satisfy the obligation.

In addition, an output method would entail the application of criteria and measurement inputs that are not directly observable and the incurring of excessive costs to obtain useful information.

Finally, in the company's reference sector, the objective of contractual outputs (milestones) refers to, inter alia, modulation of cash flows to obtain financial resources useful to perform the contract and the definition of technical specifications of the works and related performance timing.

Determining the transaction price

Given the engineering and operating complexities, the size and length of time involved in completing the contracts, in addition to the fixed consideration agreed in the contract, the transaction price also includes additional consideration, whose conditions need to be assessed. A claim is an amount that the contractor seeks to collect as reimbursement for costs incurred (and/or to be incurred) due to reasons or events that could not be foreseen and are not attributable to the contractor, for more work performed (and/or to be performed) or variations that were not formalised in riders.

The measurement of the additional consideration arising from claims is subject to a high level of uncertainty, given its nature, both in terms of the amounts that the customer will pay and the collection times, which usually depend on the outcome of negotiations between the parties or decisions taken by judicial/arbitration bodies.

This type of consideration is regulated by IFRS 15 as "contract modifications". The standard provides that a contract modification exists if it is approved by the parties to the contract. IFRS 15 provides that a contract modification can be approved in writing, by oral agreement or implied by customary business practices. A contract modification may exist even though the parties to the contract have a dispute about the scope or price (or both) of the modification. The rights to the consideration shall be provided for contractually generating an enforceable right. Once the enforceable right has been identified, in order to recognise the claims and amount of the additional consideration requested, the company applies the guidance about the variable consideration given in IFRS 15. Therefore, in order to adjust the transaction price to include the additional consideration arising from the claims, the company decides whether it is highly probable that the revenue will not be reversed in the future.

The company considers all the relevant aspects and circumstances such as the contract terms, business and negotiating practices of the sector or other supporting evidence when taking the above decision.

Optional works

The consideration for optional works is additional consideration for future works that have not yet been agreed and/or ordered by the customer when it signs the contract.

The consideration for optional works is provided for in the contracts with the customer as it represents potential future work interrelated with the main contract object. However, most contracts provide that the additional works shall be specifically defined and approved by the customer before they start. Otherwise, the contractor does not have an enforceable right to payment for this performance.

Accordingly and based on sector practices, this type of consideration is a contract modification and, under IFRS 15, shall be considered when measuring the transaction price if approved by both parties to the contract. In this case, the enforceable right can only be identified after specific approval or instructions from the customer in line with its customary business practices or operating methods.

Penalties

Contracts with customers may include penalties due to non-compliance with certain contract terms (such as, for example, non-compliance with delivery times).

When the contract penalties are "reasonably expected", the transaction price is reduced accordingly. The company analyses all the indicators available at the reporting date to assess the probability of a contract default that would lead to the application of penalties.

Significant financing component

It is normal practice in the construction and large-scale infrastructure sector that the transaction price for a project (which is usually completed over more than one year) is paid in the form of an advance and subsequent progress billing (based on progress reports).

This method of allocating cash flows is often defined in the calls for tenders. The customer's payment flows (advances and subsequent progress billing) are usually organised to make construction of the project by the contractor feasible, limiting its financial exposure. Constructors in the large-scale infrastructure sector build projects for large amounts of money and the initial outlay is usually high.

The contract advance is used for the following reasons:

- to finance the initial contract investments and pay the related advances to subcontractors;
- as a form of guarantee to cover any risks of contractual breach by the customer.

The advance is reabsorbed by the subsequent progress billing in line with the stage of completion of the contract.

Furthermore, the company's operating cycle is generally several years. Therefore, it considers the correct time-scale of its works to determine whether its contracts include a significant financing component.

Based on the above, it has not identified significant financing components in the transaction price for the contracts that include changes in the advances or progress billings in line with sector practices and/or of amounts that are suitable as guarantees and have a timeframe in line with the cash flows required to complete the contract.

Losses to complete

IFRS 15 does not specifically cover the accounting treatment of loss-making contracts but refers to IAS 37, which regulates the measurement and classification of onerous contracts. IAS 37 provides that an onerous contract is one in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The present obligation under the contract is recognised and measured as a provision when the loss is probable based on the most recent forecasts prepared by management.

The unavoidable costs are all those costs that:

- are directly related to the contract and increase the performance obligation transferred to the customer;
- do not include those costs that will be incurred regardless of satisfaction of the performance obligation;
- cannot be avoided by the company through future actions.

Measurement of any loss-making contracts (the onerous test) is performed at individual performance obligation level. This approach best represents the different contract profits or losses depending on the nature of the goods and services transferred to the customer.

Contract costs

Incremental costs of obtaining a contract

IFRS 15 allows an entity to recognise the incremental costs of obtaining a contract as an asset if it expects to recover those costs through the future economic benefits of the contract. The incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained are recognised as an expense when incurred (costs not explicitly chargeable to the customer). The incremental costs are recognised as an asset (contract costs) and amortised on a systematic basis that is consistent with the pattern of transfer of control of the goods or services to the customer.

Costs to fulfil a contract

Under IFRS 15, an entity recognises an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- the costs relate directly to a contract;
- the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future;
- the costs are expected to be recovered.

It is the practice of the company's sector that these costs usually consist of pre-operating costs that are recognised by customers and included in precise contract items or are not explicitly recognised and are covered by the contract profit. Formal recognition of these costs implies that, when they are incurred, control of the asset provided for in the contract is transferred. Therefore, they are recognised as assets and contribute to the stage of completion.

When the contract does not provide for their explicit recognition as per the above three criteria, the pre-operating costs are recognised as assets and amortised on a systematic basis that is consistent with the pattern of transfer of control of the goods and/or services to the customer.

In addition, IFRS 15 defines all those costs that, by their nature, do not contribute to the stage of completion as, although they are referred to in the contract and can be recovered, they do not contribute to generating or enhancing the resources that will be used to satisfy the performance obligations or to transfer of control of the good and/or service to the customer.

Presentation in the separate financial statements

In the statement of financial position, intangible assets include the costs capitalised under the criteria described in this section. Amortisation of these costs is included in the statement of profit or loss item "Amortisation, depreciation and provisions".

Contract assets and liabilities are presented in the statement of financial position items "Contract assets" and "Contract liabilities", respectively under assets and liabilities. The classification in line with IFRS 15 depends on the relationship between the company's performance obligation and payment by the customer. These items show the sum of the following components analysed individually for each customer:

(+) Amount of work performed calculated using the cost-to-cost method pursuant to IFRS 15

(-) Progress payments and advances received

(-) Contract advances

When the total is positive, the net balance is recognised as a "Contract asset". If it is negative, it is recognised as a "Contract liability". When the amounts represent an unconditional right to payment of the consideration, they are recognised as financial assets.

The company's statement of profit or loss includes a revenue item "Revenue from contracts with customers" presented and measured in accordance with IFRS 15. The item "Other income" includes income from transactions other than contracts with customers and is measured in line with other standards or the company's specific accounting policy elections.

3.7 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and other short-term, highly liquid investments with a term of less than three months. This item is shown in the statement of cash flows net of bank borrowings at the reporting date.

3.8 Financial assets – Debt instruments

Financial assets are classified in the following three categories depending on the instruments' contractual cash flow characteristics and the business model for managing them:

- financial assets at amortised cost;
- financial assets at fair value through other comprehensive income (FVTOCI);
- financial assets at fair value through profit or loss (FVTPL).

Financial assets are initially recognised at fair value. Trade receivables that do not contain a significant financing component are measured at their transaction price.

Financial assets at amortised cost

After initial recognition, financial assets that generate contractual cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortised cost if they are held within a business model whose objective is to hold them in order to collect contractual cash flows (hold to collect business model). Under the amortised cost method, the financial assets' amount at initial recognition is decreased by principal repayments, any loss allowance and cumulated amortisation of the difference between that initial amount and the maturity amount.

Amortisation is calculated using the effective interest rate that exactly discounts the expected future cash flows to their initial carrying amount.

Loans and receivables and other financial assets at amortised cost are recognised net of the related loss allowance.

In 2022, the company did not have any debt instruments measured at FVTOCI or FVTPL.

3.9 Loans and borrowings and bonds

Loans and borrowings and bonds are initially recognised at fair value less transaction costs and are subsequently measured at amortised cost.

The company does not have any loans, borrowings or bonds measured as a financial liability at FVTPL.

Any difference between the amount received (less transaction costs) and the nominal amount of the liability is recognised in profit or loss using the effective interest method.

Financial liabilities are classified as current liabilities unless the company has a contractual right to extinguish its obligations after 12 months of the reporting date.

3.10 Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable, part of a financial asset or parts of a group of similar financial assets) is derecognised when:

- the contractual rights to the cash flows from the financial asset expire;
- the company retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in full and immediately;
- the company transfers the contractual rights to receive the cash flows of the asset and has transferred substantially all the risks and rewards of ownership of the financial asset and the related control.

When the company has transferred the contractual rights to receive the cash flows of the financial asset and has neither transferred nor retained substantially all the risks and rewards or has retained control, it continues to recognise the asset to the extent of its continuing involvement in the asset. Continuing involvement that takes the form of guaranteeing the transferred asset is measured at the lower of the initial carrying amount of the asset and the maximum amount of the consideration that the company could be required to pay.

Financial liabilities

Financial liabilities are derecognised when the underlying obligation is extinguished, cancelled or settled.

When an existing financial liability is exchanged with another by the same lender at substantially different terms, or the terms of an existing liability are substantially modified, this exchange or modification is treated as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amounts is recognised in profit or loss.

When the modification and exchange of a financial liability does not qualify for derecognition under IFRS 9, its carrying amount is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial instrument's original effective interest rate. Any difference between the recalculated carrying amount and the carrying amount of the original financial instrument is immediately recognised in profit or loss.

3.11 Employee benefits

Defined benefit plans

Defined benefit plans include the benefits the employees will receive when they retire and which are usually dependent on one or more factors such as age, years of service and remuneration. The company recognises a liability for these defined benefits equal to the present value of its obligation at year end, including any adjustments for unrecognised costs related to past service less the fair value of the plan assets. The company calculates its liability once a year using the projected unit credit method. Present value is calculated by discounting the future outlays using the interest rate applied to high quality corporate bonds with a currency and term consistent with the currency and estimated term of the post-employment benefit obligations. Actuarial gains and losses on defined benefit plans arising from changes in the underlying assumptions or in the plan conditions are recognised in other comprehensive income in the period in which they arise. Past service cost is expensed immediately. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss.

Defined contribution plans

The company pays benefits to public and private pension funds on a mandatory, contractual or voluntary basis for the defined contribution plans. The contributions are recognised as personnel expense as the related service is provided.

The company contributes to multi-employer pension plans via its US subsidiaries. These plans pool the assets contributed by the various entities to provide benefits to the employees of more than one entity determining the contribution and benefit levels without regard to the identity of the entity that employs the employees concerned. The company recognises these plans as defined contribution plans.

Share-based payments

Equity-settled share-based payments are measured at fair value and recognised as personnel expenses, with a corresponding increase in equity. Specifically, the cost is recognised over the vesting period, i.e., the period from the grant date to the assignment date, considering the fair value of the shares at the grant date and the expected fulfilment of the performance conditions provided for by the plan.

3.12 Income taxes

Current taxes are provided for using the enacted tax rates and laws ruling in Italy and other countries in which the company operates, including through its branches, based on the best estimate of the taxable profit for the year.

Beginning from 2004, the company has joined the national tax consolidation system, as the consolidating party, which is regulated by the conditions set out in agreements drawn up by the participating companies.

The agreements provide that tax losses transferred by the subsidiaries give rise to a benefit for them to the extent to which they can be offset through the national tax consolidation system, taking into account any losses of the consolidating party and/or other companies that joined the system.

3.13 Deferred tax assets and liabilities

Deferred tax assets and liabilities are calculated on the basis of the temporary differences between the tax base of an asset or liability and its carrying amount in the statement of financial position. Deferred tax assets are recognised when the company holds their recovery to be probable.

The carrying amount of deferred tax assets is reviewed at each reporting date and, to the extent necessary, is decreased when it is no longer probable that sufficient taxable profits will be available in the future to use all or part of the related benefit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantially enacted at the reporting date.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively, and are netted level if related to taxes that may be offset. If the balance is positive, it is recognised as “Deferred tax assets”, if not, as “Deferred tax liabilities”.

Taxes that could arise from the transfer of undistributed profits by subsidiaries are only calculated when the subsidiary has the positive intention to transfer such profits.

In the case of transactions recognised directly in equity, the related deferred tax asset or liability also affects equity.

3.14 Provisions for risks and charges

In accordance with IAS 37, the company makes accruals to provisions for risks and charges when the following conditions exist:

- the company has a present obligation (legal or constructive) at the reporting date as a result of a past event where an outflow of resources embodying economic benefits will be required to settle the obligation;
- it is probable that the obligation (through an outflow of resources) will have to be settled;
- a reliable estimate can be made of the amount of the obligation.

When the time value is material and the obligation payment dates can be estimated reliably, the amount recognised as the provision equals the pre-tax future cash flows (i.e., forecast outflows) discounted at a rate that reflects the present market value and risks specific to the liability.

The increase in the provision due to discounting is recognised as a financial expense.

When the expected cash flows are included in an estimate range with the same probability of occurrence, the median value is discounted to measure the liability.

Provision for restructuring costs is recognised when the company has approved a detailed formal plan that has been implemented and communicated to the third parties involved.

3.15 Translation criteria for foreign currency items

The translation criteria for foreign currency items adopted by the company are as follows:

- foreign currency monetary assets and liabilities, excluding property, plant and equipment, intangible assets and equity investments measured at cost, are translated at the closing spot rate with any exchange rate gains or losses taken to profit or loss;
- non-monetary foreign currency assets and liabilities are recognised at historical cost denominated in the foreign currency and translated using the historical exchange rate;
- revenue and costs related to foreign currency transactions are recognised in profit or loss at the exchange rate ruling on the date of the transaction;
- any material effects deriving from changes in exchange rates after the reporting date are disclosed in the notes.

The foreign branches' functional currency is the Euro, as it is the primary currency they use in their operations.

3.16 Non-current assets held for sale and discontinued operations

Non-current assets (and disposal groups) are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use.

Assets held for sale are recognised as such when the following events take place:

- signing of a binding sales agreement;
- approval and communication of a formal sales plan by directors.

In order to be correctly measured, the assets shall be:

- available for immediate sale in their present condition;
- subject only to terms that are usual and customary for sales of such assets;
- the sale must be highly probable and expected to take place within twelve months.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

A discontinued operation is a component of an entity that either has been disposed of or classified as held for sale and that meets any of the following criteria: i) it represents a separate major line of business or geographical area of operations, ii) it is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or iii) it is a subsidiary acquired exclusively with a plan to resell.

The profit or loss from discontinued operations is disclosed separately in the statement of profit or loss. As required by paragraph 34 of IFRS 5 - Non-current assets held for sale and discontinued operations, the corresponding prior year figures are reclassified accordingly.

Non-current assets that are to be abandoned

Under IFRS 5.13, non-current assets to be abandoned are those that are destined to be no longer used. Their carrying amount will never be recovered through their sale but through their continuous use to the end of their economic life (scrapping).

However, if the asset to be abandoned (i) represents a separate major line of business or geographical area of operations, or (ii) is a subsidiary acquired exclusively with a view to resale, it is recognised as a discontinued operation.

These assets are reclassified as discontinued operations at the date on which they cease to be used. They are considered owned and used until they are actually disposed of.

3.17 Impairment testing

Intangible assets and equity investments were tested for impairment at the reporting date in accordance with IAS 36 and IFRS 9, respectively.

The company carried out the impairment tests considering:

- the procedures approved, also in compliance with the joint Bank of Italy/Consob/Isvap document no. 4 of 3 March 2010, which are based, inter alia, on: (i) the applicable IFRS, (ii) the guidance and recommendations of the market regulators, and (ii) valuation best practices;
- the actual and forward-looking (2023 budget) financial data prepared by the investees' management.

Lastly, as customary, management availed itself of the advice of a network of international experts for the preparation of the impairment tests.

Market capitalisation below equity

Since the company's market capitalisation (€1,376.1 million) at the reporting date is lower than its equity (€1,541.2 million), management deemed it appropriate to check whether this fact would represent an impairment indicator. Like other sector operators, the company's market value was affected by external factors that penalised financial markets in Italy and abroad during the year. These were mainly attributable to international monetary policies, rising inflation and uncertainties related to the war between Russia and Ukraine.

Considering the above and that the company's market capitalisation levelled off at levels higher than its equity, management concluded that there were no impairment indicators.

Property, plant and equipment, intangible assets and equity investments

If there is any indication that an intangible asset or an item of property, plant and equipment is impaired, the recoverable amount of the asset is estimated to determine the amount of the impairment loss. Goodwill is tested at least annually for impairment.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

If a binding sales agreement does not exist, fair value is estimated using the observable prices of an active market, recent transactions or the best information available to reflect the amount the entity could obtain by disposing of the asset.

Value in use is determined by discounting the estimated future cash flows expected to arise from the continuing use of an asset, net of taxes, and, if reasonably determinable, from its disposal at the end of its useful life. Discounting is applied by using a post-tax discount rate which reflects the current market assessments of the time value of money and the risks specific to the asset.

The assessment is made for individual assets or the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets from its continuing use (cash-generating unit). An impairment loss is recognised when the recoverable amount is lower than the carrying amount. If the reasons for the impairment loss are no longer valid, the impairment loss (except in the case of goodwill) is reversed and the adjustment is taken to profit or loss as a reversal of impairment losses. A reversal of impairment losses is recognised to the extent of the lower of the recoverable amount and original carrying amount less depreciation/amortisation that would have been recognised had the impairment loss not been recognised.

Financial assets

The company tests the recoverable amount of financial assets at amortised cost using the expected credit loss model. This model develops estimates of the impact of changes in economic factors (including future changes) on the expected credit losses using a probability-weighted outcome.

Credit-impaired financial assets are individually impaired, taking into account the parameters identified from time to time and disclosed in these notes.

The company's 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.

4. Changes in standards

New EU-endorsed standards, amendments and interpretations that became effective on 1 January 2022

This section lists the standards, amendments and interpretations published by the IASB, endorsed by the European Union and applicable since 1 January 2022:

Standard/Interpretation	IASB application date
Amendments to: ▪ IFRS 3- Business combinations; ▪ IAS 16- Property, plant and equipment; ▪ IAS 37- Provisions, contingent assets and contingent liabilities Annual Improvements 2018-2020 issued on 14 May 2020	1 January 2022

The above amendments, applicable since 1 January 2022, have not had a significant effect on these separate financial statements

EU-endorsed standards, amendments and interpretations that the company has adopted early

The company has early adopted the Amendments to IAS 1- Presentation of financial statements and IFRS Practice Statement 2: Disclosure of accounting policies (issued on 12 February 2021, whose effective date provided for by the IASB is 1 January 2023) in preparing the disclosures on its accounting policies presented in note 3 hereto.

EU-endorsed standards, amendments and interpretations that the company has not adopted early

The standards, amendments and interpretations published by the IASB and the International Financial Reporting Standards Interpretations Committee (IFRS-IC) and endorsed by the competent EU bodies at the reporting date are set out below:

Standard/Interpretation	IASB application date
Amendments to IAS 8- Accounting policies, changes in accounting estimates and errors: definition of accounting estimates (issued on 12 February 2021)	1 January 2023
IFRS 17 (Insurance contracts) issued on 18 May 2017, including the amendments to IFRS 17 issued on 25 June 2020)	1 January 2023

Standard/Interpretation	IASB application date
Amendments to IFRS 17 (Insurance contracts)- Initial application of IFRS 17 and IFRS 9 – Comparative information issued on 9 December 2021)	1 January 2023
Amendments to IAS 12- Income taxes: deferred tax related to assets and liabilities arising from a single transaction (issued on 7 May 2021)	1 January 2023

The standards and amendments that became applicable on 1 January 2023 are not expected to have a significant effect on the separate financial statements, except for IFRS 17, whose effects on the company's financial position, financial performance and cash flows are currently being assessed, especially with reference to the contractual performance bonds issued in the interest of subsidiaries.

Published standards, amendments and interpretations not yet endorsed by the EU

The standards, amendments and interpretations published by the IASB and the International Financial Reporting Standards Interpretations Committee (IFRS-IC) but not yet endorsed by the competent EU bodies at the reporting date are set out below:

Standard/Interpretation	IASB application date
Amendments to 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) ▪ Non-current liabilities with covenants (issued on 31 October 2022)	1 January 2024
Amendments to IFRS 16 Leases: Lease liability in a sale and leaseback (issued on 22 September 2022)	1 January 2024

5. Scope of the separate financial statements

Joint operations

The company is involved in the following main joint operations:

Joint Operation	Country	Project	Share
Civil Work Group	Saudi Arabia	Riyadh Metro (civil works)	52.00%
Salini Impregilo- NGE Genie Civil S.a.s	France	Paris Metro ("Gran Paris Express"- Line 16- Lot 2)	65.00%
Asocierea Astaldi S.p.A.- IHI Infrastructure Systems Co. Ltd.	Romania	Braila Bridge	60.00%
Astaldi-Turkerler Joint Venture	Turkey	Etilik Integrated Health Campus in Ankara	51.00%

The above entities are governed by joint control arrangements as resolutions of the governing bodies require a unanimous vote. While they are separate entities, they are structured to guarantee transparency of their rights and obligations with respect to Webuild.

6. Segment reporting

Segment reporting is presented according to macro geographical regions, based on the management review approach adopted by management, for the '"Italy" and "Abroad" operating segments.

The methods of aggregating information by business segment have been revised in 2022, in order to continue to ensure consistency with the reporting system in use by senior management. The 2021 comparative figures have been restated accordingly.

Revenue by operating segment- 2021

(€'000)	Italy	Abroad	Total
Revenue from contracts with customers	531,258	1,144,819	1,676,077
Other income	31,168	176,946	208,114
Total revenue and other income	**562,426**	**1,321,765**	**1,884,191**

Revenue by operating segment- 2022

(€'000)	Italy	Abroad	Total
Revenue from contracts with customers	32,986	1,830,107	1,863,093
Other income	34,727	164,509	199,236
Total revenue and other income	**67,713**	**1,994,616**	**2,062,329**

Statement of financial position by operating segment- 31 December 2021

(€'000)	Italy	Abroad	Total
Non-current assets	953,664	1,438,559	**2,392,223**
Liabilities held for sale, net	-	(1,420)	**(1,420)**
Provisions for risks	(14,795)	(59,440)	**(74,235)**
Post-employment benefits and other employee benefits	(5,789)	(7,242)	**(13,031)**
Net tax assets (liabilities)	294,718	(72,601)	**222,117**
Net working capital	**102,504**	**999,975**	**1,102,479**
Net invested capital	**1,330,302**	**2,297,831**	**3,628,133**
Equity			**1,676,074**
Net financial indebtedness			**1,952,059**
Total financial resources			**3,628,133**

Statement of financial position by operating segment- 31 December 2022

(€'000)	Italy	Abroad	Total
Non-current assets	983,052	1,453,734	**2,436,786**
Assets held for sale, net	-	834	**834**
Provisions for risks	(12,215)	(71,082)	**(83,297)**
Post-employment benefits and other employee benefits	(5,148)	(8,007)	**(13,155)**
Net tax assets	225,903	15,359	**241,262**
Net working capital	**119,679**	**866,618**	**986,297**
Net invested capital	**1,311,271**	**2,257,456**	**3,568,727**
Equity			**1,541,168**
Net financial indebtedness			**2,027,559**
Total financial resources			**3,568,727**

Statement of financial position

7. Property, plant and equipment, intangible assets and right-of-use assets

7.1 Property, plant and equipment

The historical cost and the carrying amounts of property, plant and equipment are analysed in the table below:

	31 December 2021			31 December 2022		
(€'000)	Cost	Acc. dep.	Carrying amount	Cost	Acc. dep.	Carrying amount
Land	624	-	624	624	-	624
Buildings	73,660	(45,441)	28,219	67,016	(44,118)	22,898
Plant and machinery	563,820	(503,936)	59,884	566,379	(500,908)	65,471
Industrial and commercial equipment	83,258	(78,922)	4,336	88,671	(79,453)	9,218
Other assets	36,297	(31,841)	4,456	39,844	(31,639)	8,205
Assets under const. and payments on account	22,897	-	22,897	30,224	-	30,224
Total	**780,556**	**(660,140)**	**120,416**	**792,758**	**(656,118)**	**136,641**

Changes during the year are summarised below:

(€'000)	31 December 2021	Increases	Depreciation	Reversals of imp. losses (Imp. losses)/Reval.	Reclass-ifications	Disposals	Change in scope	Exchange gains (losses) and other changes	31 December 2022
Land	624	-	-	-	-	-	-	-	624
Buildings	28,219	1,953	(3,808)	-	-	(3,224)	(4)	(238)	22,898
Plant and machinery	59,884	10,749	(15,742)	-	15,301	(4,845)	(125)	249	65,471
Industrial and commercial equipment	4,336	6,963	(2,188)	-	242	(144)	-	8	9,218
Other assets	4,456	5,796	(1,650)	-	7	(363)	(11)	(30)	8,205
Assets under const. and payments on account	22,897	24,036	-	-	(15,543)	(983)	(9)	(173)	30,224
Total	**120,416**	**49,497**	**(23,388)**	**-**	**7**	**(9,559)**	**(149)**	**(184)**	**136,641**

The most significant changes include:

- increases of €49.5 million, mainly related to investments made to develop the TELT Lot 2 project in France and the North East Link Project in Australia;
- depreciation of €23.4 million, principally recognised on the Rogun Hydropower Project in Tajikistan, the Koysha Hydroelectric Project in Ethiopia and Line 2 of the Lima Metro in Peru;
- decreases of €9.6 million, related to the sale of the building used for offices and accommodation in Via Agrigento, Rome (€2.3 million) and equipment no longer necessary for contracts in Australia.

7.2 Right-of-use assets

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

(€'000)	31 December 2021 Cost	Acc. dep.	Carrying amount	31 December 2022 Cost	Acc. dep.	Carrying amount
Land	55	(16)	39	670	(623)	47
Buildings	50,348	(26,157)	24,191	44,948	(26,369)	18,579
Plant and machinery	70,629	(38,757)	31,873	51,828	(33,797)	18,031
Industrial and commercial equipment	783	(719)	64	572	(550)	22
Other assets	3,998	(2,848)	1,150	4,032	(2,063)	1,969
Total	**125,814**	**(68,497)**	**57,317**	**102,050**	**(63,402)**	**38,648**

Changes during the year are summarised below:

(€'000)	31 December 2021	Increases	Depreciation	Reversals of imp. losses (Imp. losses)/Reval.	Reclass-ifications	Remeasure-ment	Change in scope	Exchange gains (losses) and other changes	31 December 2022
Land	39	33	(76)	-	-	42	-	8	47
Buildings	24,191	4,294	(7,436)	-	-	(3,376)	-	905	18,578
Plant and machinery	31,873	7,395	(18,391)	-	(7)	(1,852)	-	(986)	18,032
Industrial and commercial equipment	64	-	(49)	-	-	(11)	-	19	22
Other assets	1,150	1,419	(594)	-	-	(6)	-	-	1,969
Assets under const. and payments on account	-	-	-	-	-	-	-	-	-
Total	**57,317**	**13,141**	**(26,546)**	**-**	**(7)**	**(5,203)**	**-**	**(53)**	**38,648**

The most significant changes of the year include:

- increases of €13.1 million, mainly related to the Rogun Hydropower Project in Tajikistan and the North East Link Project in Australia;
- depreciation of €26.5 million, principally recognised on Line 16 of the Paris Metro in France and the Rogun Hydropower Project in Tajikistan;
- changes due to the remeasurement of right-of-use assets under IFRS 16, mostly related to the Ethiopian branch.

7.3 Intangible assets

The historical cost and carrying amounts of intangible assets are given in the following table:

(€'000)	31 December 2021 Cost	Acc. amort.	Carrying amount	31 December 2022 Cost	Acc. amort.	Carrying amount
Industrial patents	1,215	(1,167)	48	1,058	(1,046)	12
Software	1,964	(1,791)	173	2,155	(1,995)	160
Assets under devel. and payments on account	61	(37)	24	37	-	37
Contract acquisition costs	180,804	(90,257)	90,547	180,804	(121,885)	58,919
Costs to fulfil a contract	632	(606)	26	671	(650)	21
Total	**184,676**	**(93,858)**	**90,818**	**184,725**	**(125,576)**	**59,149**

Changes during the year are set out below:

(€'000)	31 December 2021	Increases	Amortisation	Reclass-ifications	Disposals	Net exchange gains	Change in scope	31 December 2022
Industrial patents	48	-	(10)	-	-	(26)	-	12
Software	173	-	(60)	-	-	47	-	160
Other	24	13	-	-	-	-	-	37
Contract acquisition costs	90,547	-	(31,628)	-	-	-	-	58,919
Costs to fulfil a contract	26	-	(7)	-	-	2	-	21
Total	**90,818**	**13**	**(31,705)**	**-**	**-**	**23**	**-**	**59,149**

The contract acquisition costs mostly refer to the EPC order backlog of the former Astaldi and the decrease in this item is due to amortisation for the year (€31.6 million).

There are no indicators of impairment of the company's intangible assets.

8. Equity investments

This item may be analysed as follows:

(€'000)	31 December 2021	31 December 2022	Variation
Investments in subsidiaries	1,580,909	1,636,969	56,060
Investments in associates	541,255	563,827	22,572
Participating financial instruments	956	1,003	47
Other equity investments	551	548	(3)
Total	**2,123,671**	**2,202,347**	**78,676**

Changes during the year are summarised below:

(€'000)	31 December 2022
Acquisitions (disinvestments), capital injections and other contributions	167,566
Net impairment losses	(112,959)
Net exchange gains	31,298
Reclassifications and other changes	(7,229)
Total	**78,676**

The most significant changes include:

- capital injections into the subsidiaries Webuild US Holdings Inc. (€69.4 million) and HCE Costruzioni S.p.A. (€60 million);
- the gains recognised on the investment in Grupo Unidos por el Canal S.A. thanks to the US dollar's strong appreciation during the year;
- impairment losses, mostly on the investments in HCE Costruzioni S.p.A. and Astaldi Concessions S.p.A..

For the purposes of determining whether any impairment losses or gains should be recognised in the item "Equity investments", the company has analysed each investee individually according to the specific objectives it pursues in carrying out its operations.

Impairment test

The company checked the carrying amount of the following equity investments given the existence of impairment indicators[77].

	Carrying amount	WACC/TIE	G-rate	IT (Loss)
Webuild US Holdings Inc.	661,405	10.3%	None	-
Partecipazioni Italia S.p.A.	550,032	10.0%	Not applicable	-
Grupo Unidos Por El Canal S.A.	526,169	4 %- 4.5 %	Not applicable	-
Webuild Italia S.p.A.	122,890	10.0%	None	-
HCE Costruzioni S.p.A.	71,947	22.4%	Not applicable	(71,947)
Fisia Italimpianti S.p.A.	57,341	15.4%	None	-
Salini Nigeria Ltd.	19,815	12.3%	None	-
Cossi Costruzioni S.p.A.	18,602	13.3%	None	-
Seli Overseas S.p.A.	12,767	12.0%	None	-
NBI S.p.A.	8,540	13.8%	None	-
Yuma Concesionaria S.A.	5,757	14.1%	Not applicable	-

Webuild US Holdings Inc.

The discounted cash flow model used to test the investment in Webuild US Holdings Inc. for impairment was based on the cash flows over a five-year period. The terminal growth rate was prudently estimated to be zero.

The 2023-2027 financial projections were based on the following main assumptions:

- the operating profit on new orders was estimated upwards compared to the previous business plan, in line with the existing order backlog;
- a reduction in the overheads to total revenue ratio was envisaged over the plan horizon;
- scheduled capex was estimated considering the various projects and the requirements of each of Lane's business units. Amortisation and depreciation were estimated on the basis of the expected useful lives of property, plant and equipment and intangible assets;
- working capital trends over the plan period were estimated considering the DPO and DSO over the period and specific assumptions for each project.

The underlying assumptions for which a reasonably possible change would give a carrying amount in excess of the investment's recoverable amount are:

- WACC 10.8%;
- G-rate-0.8%;
- decrease in operating profit-1.4%.

Partecipazioni Italia S.p.A.

The discounted cash flow model used to test the investment in Partecipazioni Italia S.p.A. for impairment was based on the cash flows over a five-year period. The terminal growth rate was prudently estimated to be zero.

The 2023-2027 financial projections were based solely on the existing order backlog.

The company performed a sensitivity analysis of the recoverable amount (change in WACC of up to-1%/+1% combined with a change in gross operating profit) to establish the sensitivity of the impairment test result to a

[77] Mostly in the case where the carrying amount exceeds the company's share of the investee's equity

change in the parameters. This analysis confirmed that reasonably possible changes would not lead to the carrying amount being greater than the recoverable amount.

Webuild Italia S.p.A.

The discounted cash flow model used to test the investment in Webuild Italia S.p.A. for impairment was based on the cash flows over a five-year period. The terminal growth rate was prudently estimated to be zero.

The 2023-2027 financial projections were prepared considering profit margins in line with those for the current order backlog.

The company performed a sensitivity analysis of the recoverable amount (change in WACC of up to -1%/+1% combined with a change in gross operating profit) to establish the sensitivity of the impairment test result to a change in the parameters. This analysis confirmed that reasonably possible changes would not lead to the carrying amount being greater than the recoverable amount.

Grupo Unidos por el Canal S.A.

The company tested its investment in the associate Grupo Unidos por el Canal S.A. (the "SPE") for impairment by discounting the cash flows expected from its operations using the assumed settlement of the claims and other assets held by 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 (4.5% for the claims and 4.0% for the other assets) were defined considering:

- the average return on risk-free rates of the six months before the reporting date in order to consider the current macroeconomic climate;
- a country risk component;
- a spread that reflects the typical business risk.

The impairment test confirmed the equity investment's carrying amount to be recoverable.

The impairment test was subjected to a sensitivity analysis to check its results' sensitivity to a reasonable 1% variation in the discount rate. No potential impairment losses were identified.

Other equity investments

The company tested the other equity investments shown in the above table for impairment by calculating their recoverable amount using the unlevered discounted cash model or the dividend discount model, discounting the cash flows expected from their operations. It used the business plans prepared by the investees' management to apply this model.

When appropriate, the company estimated the equity investments' terminal value using the perpetual income formula assuming the investee would generate sustainable profits based on the explicit projections in its business plan and that it could continue as a going concern.

A sensitivity analysis was performed of the equity investments' recoverable amount using a worst case scenario with a 1% increase in the discount rate or a hypothetical 5% decrease in the cash flows. The results of this analysis were not significantly different to those obtained from the impairment tests.

Impairment tests of SPEs

In this case, the company considered the accounting mismatches between the carrying amount of the investments in the special-purpose entities and its share of their equity[78], as shown in their accounting records and draft financial statements at 31 December 2022 provided by their management.

In 2022, the company recognised impairment losses on its investment in Astaldi Concessions S.p.A. (€17 million, mainly for the O&M project for the Etlik Integrated Health Campus in Ankara) and AGN HAGA AB (€5.4 million).

[78] As these SPEs are set up solely for specific projects, their accounting records already reflect any expected contract losses.

In some cases, the impairment test considered the claims for additional consideration to the extent their payment is highly probable, based also on the technical and legal opinions of the company's advisors. More information is available in the "Main risk factors and uncertainties" section of the Directors' report.

9. Non-current financial assets, including derivatives

This item may be analysed as follows:

(€'000)	31 December 2021	31 December 2022	Variation
Loans and receivables- group companies	103,210	187,555	84,345
Loans and receivables- third parties	65,551	98,842	33,291
Other financial assets	9,132	8,119	(1,013)
Total	**177,893**	**294,516**	**116,623**

Loans and receivables- group companies mainly comprise the loans given to Yuma Concesionaria (€178.8 million).

Loans and receivables- third parties of €98.8 million mostly refer to: (i) sales advances of €75.0 million disbursed to Astaris' separate unit (PADE) in accordance with the approved composition with creditors plan, and (ii) €22.3 million related to the undue enforcement of the performance bonds for the S7 Widoma Motorway contract in Poland. The company is confident that it will recover this amount, based also on the opinion of its legal advisors assisting it in the dispute with the customer.

The other financial assets amount to €8.1 million at the reporting date, substantially in line with the previous year end. They include unlisted guaranteed-return securities of the "Fondo de Capital Privado Ruta del Sol" held as part of Yuma's concession project in Colombia.

The increase in non-current financial assets is mostly due to: (i) the additional loans granted to Yuma Concesionaria S.A. (€79.9 million), (ii) the execution of the performance bonds for the S7 Widoma Motorway project (€22.3 million), and (iii) the additional sales advances disbursed to PADE (€10.6 million).

More information about the S7 Widoma Motorway project in Poland and Yuma Concesionaria S.A. is provided in the "Main risk factors and uncertainties" section of the Directors' report.

Impairment test

At the reporting date, the company reperformed the impairment test to check the recoverability of the loans given to Yuma Concesionaria (€178.8 million). The test was performed in line with the conceptual framework of IFRS 9 simulating various collection scenarios. It showed that the recoverable amount of the loans is consistent with their carrying amount.

10. Deferred tax assets and liabilities

This item may be broken down as follows:

(€'000)	31 December 2021	31 December 2022	Variation
Deferred tax assets	302,072	256,087	(45,985)
Deferred tax liabilities	(30,928)	(43,170)	(12,242)

Changes in the year are shown in the following table:

(€'000)	31 December 2021	Increases	Decreases	Net exchange losses	Change in tax rate	Reclass-ifications	Other changes	31 December 2022
Deferred tax assets								
Amortisation and depreciation exceeding tax rates	1,949	301	(839)	-	-	-	242	1,653
Provisions for risks and impairment losses	214,180	2,370	(5,927)	-	-	-	-	210,623
Tax effect of capital increase	887	-	(443)	-	-	-	-	444
Excess maintenance	2,984	-	(2,232)	-	-	-	-	752
Unrealised exchange losses	27,910	16,959	(10,517)	-	-	-	-	34,352
Other	115,896	482	(22,394)	(5)	-	4,488	(3,594)	94,873
Deferred tax assets before offsetting	**363,806**	**20,112**	**(42,352)**	**(5)**	**-**	**4,488**	**(3,352)**	**342,697**
Offsetting	(61,734)	-	6,170	-	-	(4,694)	(26,352)	(86,610)
Net deferred tax assets	**302,072**	**20,112**	**(36,182)**	**(5)**	**-**	**(206)**	**(29,704)**	**256,087**

(€'000)	31 December 2021	Increases	Decreases	Net exchange gains	Change in tax rate	Reclass-ifications	Other changes	31 December 2022
Deferred tax liabilities								
Uncollected default interest	(5,006)	-	-	-	-	179	-	(4,827)
Contract revenue or revenue items	-	-	-	-	-	-	(226)	(226)
Contract revenue taxable in future years	-	(527)	-	21	-	-	-	(506)
Unrealised exchange gains	(26,873)	(41,339)	-	-	-	-	-	(68,212)
Provision for the national tax consolidation system	(30,928)	-	-	-	-	-	(11,510)	(42,438)
Other	(29,855)	97	6,005	-	-	(4,668)	14,850	(13,571)
Deferred tax liabilities before offsetting	**(92,662)**	**(41,769)**	**6,005**	**21**	**-**	**(4,489)**	**3,114**	**(129,780)**
Offsetting	61,734	-	(6,170)	-	-	4,694	26,352	86,610
Net deferred tax liabilities	**(30,928)**	**(41,769)**	**(165)**	**21**	**-**	**205**	**29,466**	**(43,170)**

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

"Other" principally reflects the temporary differences generated by the assessment notices settled by the Ethiopian branch for the years from 2017 to 2020 as well as the deferred tax liabilities arising on carryforward losses and those generated by the application of new standards.

The provision for the national tax consolidation system relates to the national and world tax consolidation model[79] and the regulations signed by the subsidiaries when they joined the scheme.

11. Inventories

Inventories may be analysed as follows:

	31 December 2021			31 December 2022			
(€'000)	Gross amount	Allowance	Carrying amount	Gross amount	Allowance	Carrying amount	Variation
Real estate projects	17,534	(17,534)	-	-	-	-	-
Finished products and goods	2,118	-	2,118	3,044	-	3,044	926
Raw materials, consumables and supplies	135,008	(22,186)	112,822	131,288	(22,230)	109,058	(3,764)
Total	**154,660**	**(39,720)**	**114,940**	**134,332**	**(22,230)**	**112,102**	**(2,838)**

The balance of raw materials, consumables and supplies is substantially in line with the previous year end and mostly relates to goods to be used for foreign contracts and, specifically, those in Ethiopia (€74.9 million).

Changes in the allowance in 2022 are shown below:

(€'000)	31 December 2021	Accruals	Utilisations	Reversals	Other changes	Net exchange gains	31 December 2022
Allowance- real estate projects	17,534	-	-	(17,534)	-	-	-
Allowance- raw materials	22,186	59	(32)	(31)	-	48	22,230
Total	**39,720**	**59**	**(32)**	**(17,565)**	**-**	**48**	**22,230**

12. Contract assets and liabilities

Contract assets and liabilities can be analysed as follows:

(€'000)	31 December 2021	31 December 2022	Variation
Contract assets	1,509,807	1,494,905	(14,902)
Contract liabilities	554,666	769,677	215,011

Information about the contract assets and liabilities is set out below while the "Performance by geographical area" section of the Directors' report provides information about the contracts, their performance and progress made on the main ongoing projects.

Contract assets

Contract assets include:

(€'000)	31 December 2021	31 December 2022	Variation
Contract work in progress	18,920,365	31,464,115	12,543,750
Progress payments (on approved work)	(17,047,591)	(29,523,193)	(12,475,602)
Advances	(362,967)	(446,017)	(83,050)
Total	**1,509,807**	**1,494,905**	**(14,902)**

[79] National IRES tax consolidation system pursuant to article 117 and subsequent articles of the Consolidated Income Tax Act

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

(€'000)	31 December 2021	31 December 2022	Variation
Italy	85,974	65,581	(20,393)
EU (excluding Italy)	583,494	680,495	97,001
Other European (non-EU) countries	24,476	10,141	(14,335)
Asia/Middle East	574,140	367,142	(206,998)
Africa	189,005	285,217	96,212
Americas	52,718	86,329	33,611
Total	**1,509,807**	**1,494,905**	**(14,902)**

Foreign contract assets increased in (i) Europe (Braila Bridge and the Frontieră-Curtici-Simeria railway line in Romania and Line 16 of the Paris Metro in France), and (ii) Africa (mostly for the Koysha Hydroelectric Project in Ethiopia).

With respect to Asia and the Middle East, contract assets decreased in the United Arab Emirates due to (i) the agreement signed with the customer to settle the claims about the Meydan One Mall project in Dubai (€151 million), and (ii) certification of some important milestones in Saudi Arabia (for the Riyadh Metro).

With respect to the item's breakdown by geographical segment, the biggest European contributors are the ongoing projects in Romania (mainly the Braila Bridge, the Frontieră-Curtici-Simeria railway line and Lot 3 of the Sibiu - Pitesti Motorway) and Poland (principally the Warsaw Southern Bypass and the motorway projects).

The projects underway in Tajikistan (Rogun Hydropower Project) contributed the most to the total balance for Asia and the Middle East.

Contributors in Africa were the projects in Ethiopia (the Koysha Hydroelectric Project) and Algeria (the Saida - Tiaret - Moulay railway line).

Contract liabilities

Contract liabilities include:

(€'000)	31 December 2021	31 December 2022	Variation
Contract work in progress	(14,091,033)	(3,099,784)	10,991,249
Progress payments (on approved work)	14,431,338	3,556,270	(10,875,068)
Advances	214,361	313,191	98,830
Total	**554,666**	**769,677**	**215,011**

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

(€'000)	31 December 2021	31 December 2022	Variation
Italy	216,323	294,986	78,663
EU (excluding Italy)	37,413	70,994	33,581
Other European (non-EU) countries	44,679	16,115	(28,564)
Asia/Middle East	14,599	-	(14,599)
Africa	75,471	11,198	(64,273)
Americas	34,338	21,369	(12,969)
Oceania	131,843	355,015	223,172
Total	**554,666**	**769,677**	**215,011**

The increase in this item is mostly due to the advances received in the second half of the year for the recently-awarded contracts in Italy (the Genoa Breakwater), Australia (STTOM Project) and France (TELT Lot 2).

This increase was partly countered by the decrease related to the Koysha Hydroelectric Project following the ramping up of production during the year with the result that the amounts due from the customer exceed the progress payments and advances received[80].

The breakdown of contract liabilities by geographical segment shows that the Italian balance relates to work on the high-speed/capacity Novara- Milan railway line and the new Genoa Breakwater.

The largest contributor in Europe is Lot 2 of the TELT project in France.

The North East Link and SSTOM (Sydney metro line) projects in Australia contributed to the item in the Oceania segment.

Additional consideration

Contract assets and liabilities, comprising progress payments, progress billings and advances, include claims for additional consideration of €849.1 million and €22.5 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 company's advisors. The additional consideration recognised in contract assets and liabilities 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.

13. Trade receivables

This item is analysed in the following table:

(€'000)	31 December 2021	31 December 2022	Variation
Third parties	815,116	955,177	140,061
Loss allowance	(326,501)	(346,675)	(20,174)
Group companies and other related parties	1,210,335	1,135,352	(74,983)
Total	**1,698,950**	**1,743,854**	**44,904**

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

(€'000)	31 December 2021	31 December 2022	Variation
Italy	1,117,651	1,042,772	(74,879)
EU (excluding Italy)	232,822	269,933	37,111
Other European (non-EU) countries	36,964	19,299	(17,665)
Asia/Middle East	80,453	152,260	71,807
Africa	123,450	177,110	53,660
Americas	86,497	45,200	(41,297)
Oceania	21,113	37,280	16,167
Total	**1,698,950**	**1,743,854**	**44,904**

[80] Reclassified to contract assets at 31 December 2022

The decrease seen in Italy is principally due to the accounting offsetting of amounts due to and from the COCIV consortium (€200.8 million), partly countered by new trade receivables recognised after billing the contract advance for the new Genoa Breakwater (€101.2 million).

Trade receivables in Europe increased mostly as a result of progress made on contracts in Romania (Braila Bridge) and the commercial activities carried out by the Romanian branch on behalf of the subsidiaries and joint operations active in that country.

The largest trade receivables in Asia and the Middle East relate to the Rogun Hydropower Project in Tajikistan.

The increase in Africa is chiefly due to the Saida- Tiaret- Moulay railway line project in Algeria (approximately €34 million) after the achievement of contract milestones, for which the related invoices were issued around year end and paid in January 2023.

The decrease in the Americas is mostly seen in the United States and refers to Lane Group.

More information about trade receivables from group companies is available in note 37 and the annex on intragroup transactions attached to these notes.

Trade receivables- third parties (€608.4 million) refer to invoices issued and work performed and approved by customers that still has to be invoiced, mostly carried out in Europe (principally Romania, France and Slovakia), Ethiopia and Tajikistan.

Lastly, the item includes €0.5 million (€3.5 million at 31 December 2021) related to the company's receivables with consortia and consortium companies (SPEs) that operate by recharging costs and are not included in the consolidation scope. It is shown in the item "Net financial position (debt) with unconsolidated SPEs" as part of net financial indebtedness.

13.1 Impairment

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

(€'000)	31 December 2021	Impairment losses	Utilisations	Impairment gains	Change in scope	Reclass./Other changes	Net exchange gains	31 December 2022
Trade receivables	318,833	716	(50)	(2,309)	-	23,299	75	340,564
Default interest	7,668	-	-	(1,633)	-	-	76	6,111
Total	**326,501**	**716**	**(50)**	**(3,942)**	**-**	**23,299**	**151**	**346,675**

The loss allowance for trade receivables amounts to €340.6 million and mostly relates to the impairment of the receivables from the Venezuelan government.

Note 31.2.3 "Credit risk" provides information on management's assessments of potential losses arising from customers' non-compliance with their obligations.

14. Current financial assets, including derivatives

This item comprises:

(€'000)	31 December 2021	31 December 2022	Variation
Loans and receivables- group companies and other related parties	1,098,568	1,168,907	70,339
Loans and receivables- third parties	69,146	81,761	12,615
Government bonds and insurance shares	1,531	341	(1,190)
Derivatives	-	2,276	2,276
Total	**1,169,245**	**1,253,285**	**84,040**

Loans and receivables- group companies and other related parties include joint current accounts and other financing governed by specific agreements and carried out on an arm's length basis. The increase in this item is the net balance of: (i) the additional loans given to the subsidiaries Salini Impregilo- NRW Joint Venture, Lane Construction Corporation, Copenhagen Metro Team I/S and Fisia Italimpianti S.p.A., partly offset by (ii) the reduction in loans due from HCE Group, mostly as a result of the conversion of part of the loans disbursed to HCE Construzioni S.p.A. into equity.

More information about this item is available in note 37 "Related party transactions" and the annex on intragroup transactions attached to these notes.

Loans and receivables- third parties mostly comprise loans given to partners in joint ventures set up for projects in Kuwait (€25.9 million) and Slovakia (€17.8 million) as well as the undue enforcement of performance bonds by the customer for the Orastie- Sibiu (Lot 3) contract in Romania (€12.2 million). The Court of International Commercial Arbitration attached to the Chamber of Commerce and Industry of Romania ("CCIR") announced the final award on 25 February 2021 ordering the customer to return the unfairly enforced amounts. As a result and based on the assessments made with the company's legal advisors, management deems that the receivables are fully recoverable. More information is available in the "Main risks and uncertainties" section of the Directors' report.

Derivative include the reporting-date fair value of currency hedges that did not meet the criteria for application of hedge accounting for cash flow hedges under the IFRS.

This item is analysed below:

(€'000)	31 December 2021	31 December 2022
Currency swaps- FVTPL	-	2,276
Total current derivatives shown in net financial indebtedness	**-**	**2,276**

15. Current tax assets and other current tax assets

Current tax assets

This item comprises:

(€'000)	31 December 2021	31 December 2022	Variation
Direct taxes	38,542	11,508	(27,034)
IRAP	1	-	(1)
Foreign direct taxes	34,850	36,771	1,921
Total	**73,393**	**48,279**	**(25,114)**

The 31 December 2022 balance mainly consists of:

- direct tax assets for excess taxes paid in previous years, which the company has correctly claimed for reimbursement and which bear interest;
- foreign direct taxes for excess taxes paid abroad by the foreign branches which will be recovered as per the relevant legislation.

Other current tax assets

This item comprises:

(€'000)	31 December 2021	31 December 2022	Variation
VAT	81,642	77,612	(4,030)
Other indirect taxes	4,014	8,615	4,601
Total	**85,656**	**86,227**	**571**

VAT mostly relates to Italian contracts with public administrations that the split payment regime can be applied to. It is transferred to the company as part of the Italian VAT consolidation scheme in which most of the Italian subsidiaries participate.

16. Other current assets

The composition of this item and changes during the year are shown below:

(€'000)	31 December 2021	31 December 2022	Variation
Other	129,881	102,322	(27,559)
Advances to suppliers	97,158	79,811	(17,347)
Group companies and other related parties	209,936	174,192	(35,744)
Prepayments and accrued income	85,838	91,052	5,214
Total	**522,813**	**447,377**	**(75,436)**

"Other" includes €33.5 million due to the company as a result of the enforceable award in its favour for the Aguas del Buenos Aires project in Argentina as well as amounts due from Webuild's partners chiefly for projects being carried out abroad for most of the remainder.

The decrease mostly relates to the projects underway in India, Romania and Peru.

Advances to suppliers decreased by a net €17.3 million, mainly due to continuation of work on the projects in Saudi Arabia, Ethiopia, Australia and Romania.

The item "Group companies and other related parties" decreased by €35.7 million, mostly related to projects in Argentina, Romania and Turkey.

More information about this item is available in the annex on intragroup transactions attached to these notes.

Impairment test

Given that Argentina's significant economic crisis has not abated, Webuild tested its financial assets (€33.5 million) with the Argentine Republic related to the Aguas del Buenos Aires project for impairment again. The impairment test was performed in line with the conceptual framework of IFRS 9 simulating various collection scenarios and their probability of occurrence. It showed that the recoverable amount of the financial assets is consistent with their carrying amount.

17. Cash and cash equivalents

This item may be analysed as follows:

(€'000)	31 December 2021	31 December 2022	Variation
Cash and cash equivalents	692,568	961,906	269,338

A breakdown by geographical segment is as follows:

(€'000)	31 December 2021	31 December 2022	Variation
Italy	289,441	344,014	54,573
EU (excluding Italy)	121,588	186,602	65,014
Other European countries (non-EU)	20,941	34,819	13,878
Asia/Middle East	44,587	110,524	65,937
Africa	34,186	17,630	(16,556)
Americas	29,903	27,201	(2,702)
Oceania	151,923	241,116	89,193
Total	**692,569**	**961,906**	**269,337**

The balance includes bank account credit balances at the end of the year and the amounts of cash, cheques and valuables at the registered offices, work sites and foreign branches. Liquidity management is designed to ensure the financial independence of ongoing contracts, considering the structure of the consortia and SPEs, which may limit the availability of financial resources to achievement of the related projects. Liquidity management also considers the existence of constraints to the transfer of currency imposed by certain countries. In this respect, the liquidity in Africa mainly comprises local currency that cannot be exported and is used for the Ethiopian projects. The statement of cash flows shows the reasons for changes in this item and current account facilities (note 20).

This item comprises restricted amounts of approximately €7.3 million, including €4.9 million for the Astaldi-Turkerler joint venture in Turkey and €1.9 million for the company's French branch.

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

Net non-current assets (liabilities) held for sale are as follows:

(€'000)	31 December 2021	31 December 2022	Variation
Non-current assets	1,372	418	(954)
Current assets	15,590	14,314	(1,276)
Non-current assets held for sale	**16,962**	**14,732**	**(2,230)**
Non-current liabilities	(5,618)	(5,621)	(3)
Current liabilities	(12,764)	(8,277)	4,487
Liabilities directly associated with non-current assets held for sale	**(18,382)**	**(13,898)**	**4,484**
Net non-current assets (liabilities) held for sale	**(1,420)**	**834**	**2,254**
- Of which net financial position	*85*	*2,087*	*2,002*

The item of €0.8 million refers to the Astaldi Honduras division, for which the administrator appointed by the competent authorities in 2019 is completing the procedures to liquidate its assets to satisfy the local creditors.

Loss from discontinued operations

This item shows the results of the foreign divisions headed by the former Astaldi Group which do not comply with the company's commercial and industrial strategies.

Industrial operations in these countries have been discontinued for some time and the administrative procedures for the definitive closure of the relevant reporting entities are currently nearing completion.

The loss from discontinued operations of €23.1 million for 2022 mostly relates to the Astaldi Georgia division. After the ICC award issued in the second quarter of 2022 on the proceedings commenced by the customer about the works to upgrade the E60 Zemo Osiauri- Chumateleti Motorway, the company revised the previous estimates about the outcome of the arbitration to reflect its unexpected developments. More information is available in the “Main risk factors and uncertainties” section in the Directors’ report.

The item may be broken down as follows:

(€’000)	2021	2022	Variation
Revenue			
Operating revenue (costs)	1,584	(17,995)	(19,579)
Other income	6,012	3,719	(2,293)
Total revenue and other income	**7,596**	**(14,276)**	**(21,872)**
Operating expenses			
Purchases	(130)	(56)	74
Subcontracts	(2,680)	(5,426)	(2,746)
Services	(1,509)	(1,913)	(404)
Other operating expenses	(629)	(3,169)	(2,540)
Personnel expenses	(461)	(1,000)	(539)
Amortisation, depreciation, provisions and impairment losses	(2,069)	(3,112)	(1,043)
Total operating expenses	**(7,478)**	**(14,675)**	**(7,198)**
Operating profit (loss)	**118**	**(28,951)**	**(29,070)**
Financing income (costs) and gains (losses) on equity investments			
Net financing income	4,775	6,199	1,424
Net financing income and net gains (losses) on equity investments	**4,775**	**6,199**	**1,424**
Profit (loss) before tax	**4,893**	**(22,752)**	**(27,646)**
Income taxes	(194)	(326)	(132)
Profit (loss) from discontinued operations	**4,699**	**(23,078)**	**(27,778)**

19. Equity

A breakdown of equity is provided below while more information about changes in the different items are shown in the statement of changes in equity.

(€'000)	31 December 2021	31 December 2022	Variation
Share capital	600,000	600,000	-
Share premium reserve	367,763	367,763	-
- Legal reserve	120,000	120,000	-
- Negative goodwill (demerger)	780,908	480,963	(299,945)
- Reserve for treasury shares	(3,291)	(28,075)	(24,784)
- Reserve for treasury shares held by joint operations	(224)	(83)	141
- Reserve for share capital increase related charges	(10,988)	(10,988)	-
- LTI reserve	1,843	12,103	10,260
- IFRS 2 reserve	74,682	71,353	(3,329)
Total other reserves	962,930	645,273	(317,657)
- Actuarial reserve	(340)	116	456
- Translation reserve	(8,551)	(6,476)	2,075
Total other comprehensive expense	(8,891)	(6,360)	2,531
Retained earnings	-	4,048	4,048
Loss for the year	(245,728)	(69,557)	176,171
Total	**1,676,074**	**1,541,168**	**(134,907)**

19.1 Share capital

At 31 December 2022, the company's share capital continues to amount to €600,000,000 and consists of 1,002,425,395 shares, comprising 1,000,809,904 ordinary shares (including 4,999,867 ordinary shares to be assigned to potential creditors) and 1,615,491 savings shares, all without a nominal amount.

During the year, the number of shares increased due to the assigning of 125,402 ordinary shares to creditors not provided for and the issue of 740,056 ordinary shares after anti-dilutive warrants were exercised.

Savings shares issued pursuant to the law do not carry voting rights, have preference dividend and capital repayment rights and can be bearer shares, subject to the provisions of article 2354.2 of the Italian Civil Code. Upon the shareholder's request and at their own expense, they can be converted into registered shares and vice versa. Savings shares held by directors, statutory auditors and CEOs are registered. Except when the company's by-laws or relevant legislation provide for otherwise, savings shares give the holders the same rights as those of ordinary shares.

Holders of savings shares do not have the right to attend the company's shareholders' meetings or to request that they are called. The special savings shareholders' meeting is regulated by law. When reserves are distributed, the savings shares have the same rights as ordinary shares.

Upon dissolution of the company, savings shares bear preference rights to capital repayment, up to €5.2 per share. When shares are grouped or split (as well as when capital transactions are carried out and as necessary in order to protect the savings shareholders' rights in the case the shares have a nominal amount), the above fixed amount is adjusted accordingly.

Profit for the year as per the separate financial statements is allocated as follows:

a) 5% to the legal reserve, up to the legally-required amount;

b) to savings shares, to the extent of 5% of €5.2 per share (i.e., €0.26 per share). If a dividend lower than 5% of €5.2 per share (i.e., €0.26 per share) is paid one year, the difference is taken as an increase in the preferred dividend of the following two years;

c) the residual amount, to all shareholders in such a way as to allocate to savings shares a total dividend which is 2% of €5.2 per share (i.e., €0.104 per share) greater than that distributed to ordinary shares, except when the shareholders decide to allocate an amount to the extraordinary reserves or for other uses.

Financial instruments giving the right to new shares

During their extraordinary meeting of 30 April 2021 as part of their resolutions about the partial proportionate demerger of the former Astaldi (now Astaris S.p.A., "Astaris") to Webuild (the "**demerger**"), Webuild's shareholders resolved, inter alia:

- to issue 80,738,448 2021-2030 Webuild warrants (ISIN IT0005454423) to the holders of ordinary Webuild shares in proportion to the shares held by them on the open market date before the demerger's effectiveness date (i.e., 30 July 2021) (the "**anti-dilutive warrants**"), as well as (b) to authorise the board of directors to issue and assign, under the terms and conditions of the anti-dilutive warrants regulation, in more than one instalment, a maximum of 80,738,448 ordinary Webuild shares, without a nominal amount, reserved for the exercise of (free) subscription rights by the anti-dilutive warrant holders. The anti-dilutive warrants were assigned free of charge on a dematerialised basis, using a ratio of 0.090496435 warrants for every ordinary Webuild share held at that date. During 2022, as the conditions for their partial exercise were met, 740,056 anti-dilutive warrants were exercised, leading to the assigning of 740,056 ordinary Webuild shares to the warrant holders.
- (a) to issue 15,223,311 warrants (the "**lender warrants**") to Unicredit S.p.A., Intesa San Paolo S.p.A., Sace S.p.A., BNP Paribas SA Succursale Italia and Banca Monte dei Paschi di Siena S.p.A. (the "**lending banks**") to replace, due to the demerger, a maximum of 74,991,680 Astaldi S.p.A. 2020-2023 warrants issued as part of the loan agreements signed on 2 August 2020 by Astaldi and its lending banks which gave them the right to subscribe ordinary Webuild shares in the ratio of one share to every lender warrant before 5 July 2023, as well as (b) to authorise the board of directors to issue and assign, under the terms and conditions set out in the lender warrants' regulation, in more than one instalment, a maximum of 15,223,311 ordinary Webuild shares, without a nominal amount, reserved for the exercise (at a unit price of €1.133 per share) of the above lender warrants;
- to authorise the board of directors to issue, in more than one instalment and before 31 August 2030, a maximum of 8,826,087 ordinary shares, without a nominal amount, to be reserved to the creditors not provided for (as defined in the demerger proposal). They will have the right to receive Webuild shares using: (a) the ratio established by Astaldi's composition with creditors plan for the exchange of claims with shares (i.e., 12.493 Astaldi shares for each €100.00 of claims), and (b) the assignment ratio (i.e., 203 Webuild shares to every 1,000 Astaldi shares). In 2022, 125,402 ordinary Webuild shares were issued and assigned to the creditors not provided for.

19.2 Share premium reserve

This item mainly reflects the company's capital increase of 12 November 2019, net of utilisations in 2021 as per the resolution passed by the parent's shareholders in their meeting of 30 April 2021.

19.3 Other reserves

Legal reserve

At the reporting date, the legal reserve equals one fifth of the parent's share capital as required by article 2430 of the Italian Civil Code.

Negative goodwill

This item increases the company's equity as a result of the difference between the cost incurred to acquire Astaldi (now Astaris) and the net assets combined after the demerger calculated to the extent of the same amount recognised in Webuild's consolidated financial statements at 1 August 2021, the effective date of the transaction.

Treasury shares

Reserve for treasury shares

During their ordinary meeting of 28 April 2022, the company's shareholders authorised the board of directors to adopt a treasury share repurchase plan as per the terms and methods approved by them (available in the "Shareholders' meeting" part of the "Governance" section on the parent's website www.webuildgroup.com). At the reporting date, the company had 17,224,895 treasury shares for €28,074,755.61.

Reserve for treasury shares held by joint operations

After completion and as a result of the demerger, the company integrated the reserve for treasury shares to include its shares issued in November 2021 to the former Astaldi's shareholders and assigned to the joint operations that received new Astaldi shares in 2020 in exchange for their unsecured claims (the "capital increase for conversion purposes"). Considering the above and the assignment ratio defined for the demerger, the joint operations held 36,766 Webuild shares at the reporting date, equal to approximately €82,675 million.

Share capital increase related charges

At 31 December 2022, this reserve has a negative balance of €11.0 million.

It includes the costs for the company's capital increases carried out on 12 November 2019 (€7.0 million) and in 2014 (€4.0 million).

LTI reserve

The LTI (long term incentive plan) reserve includes the fair value of the long-term incentive plan introduced in 2020. On 11 March 2020, the board of directors of Salini Impregilo (now Webuild) approved the guidelines and draft regulation for an incentive plan open to certain employees, consultants and/or directors with special duties either with the company and/or its direct or indirect subsidiaries as per article 2359 of the Italian Civil Code (the "Salini Impregilo 2020-2022 performance share plan" or the "plan"), subsequently approved by the company's shareholders. On 28 July 2022, based on the proposals made by the compensating and nominating committee, the company's board of directors set the maximum number of ordinary Webuild shares to service the plan as 8,653,525 (the maximum number of ordinary Webuild shares that can be assigned if the plan performance objectives are met or exceeded by 120%.

The reserve amounts to approximately €12.1 million at the reporting date.

IFRS 2 reserve

This reserve comprises (i) the fair value (€26.9 million) of the shares that could be issued - under the former Astaldi's authorised composition with creditors procedure and considering the company's commitments taken on as part of the demerger - in exchange for potential unsecured claims (i.e., provisions for risks), and (ii) the fair value (€44.5 million) of the lender warrants.

19.4 Other comprehensive expense

The main change in this item relates to the exchange gains arising from the US dollar's appreciation.

19.5 Retained earnings

The increase in retained earnings is due to the transfer from the IFRS 2 reserve of the fair value of 125,402 shares for the creditors not provided for and 916,976 shares for potential creditors exchanged for approved unsecured claims in 2022.

19.6 Resolution of the shareholders on the allocation of the loss for 2021

In their meeting held on 28 April 2022, the company's shareholders resolved to:

- cover the loss of €245,727,865.15 shown in the 2021 separate financial statements by using the negative goodwill (€245,727,865.15);
- distribute a dividend of €0.055, gross of the legal withholding, to each ordinary share and savings shares with dividend rights at the ex-dividend date (for a total of €54,217,104.98 at the payment date).

19.7 Availability of reserves as per article 2427.7-bis of the Italian Civil Code

Details on the possible use of equity items and uses in prior years are summarised below:

(€'000)

	Amount	Possible use	Available portion	Summary of use in the previous three years: To cover losses	Summary of use in the previous three years: For other reasons
Share capital	**600,000**				
Equity-related reserves:					
Share premium reserve	367,763	A, B, C	367,763	237,638	49,085
Other reserves:					
Legal reserve	120,000	B	120,000		
Negative goodwill (demerger)	480,963	A, B, C (*)	480,963	245,728	54,217
Reserve for treasury shares	(28,157)				
Share capital increase related charges	(10,988)				
Unavailable LTI reserve	12,103				
Unavailable IFRS 2 reserve	71,353				
Translation reserve	(6,476)				
Unavailable actuarial reserve	116				
Negative goodwill (merger)	-			89,601	
Total other reserves	**638,913**		**600,963**	**335,329**	**54,217**
Retained earnings	**4,048**	A, B, C	**4,048**	**23,833**	
Total	**1,610,724**		**972,775**	**596,799**	**103,302**
Non-distributable portion (**)			**239,645**		
Covering of 2022 loss			**69,557**		
Residual distributable portion			**663,573**		

(*) including €119.6 million related to the fair value gains on the former Astaldi's net assets acquired that cannot be distributed pursuant to article 6 of Legislative decree no. 38 of 28 February 2005.

(**) including €119.6 million that cannot be distributed as per Legislative decree no. 38 of 28 February 2025 and the legal reserve of €120 million

A: capital increase

B: to cover losses

C: dividends

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

The company's financial indebtedness is presented below:

(€'000)	31 December 2021 Non-current	Current	Total	31 December 2022 Non-current	Current	Total
Bank corporate loans	241,748	454,793	696,541	230,321	74,062	304,383
Bank construction loans	1,463	11,967	13,430	-	10,400	10,400
Other financing	18,623	46,677	65,300	3,998	58,370	62,368
Current account facilities	-	10,531	10,531	-	681	681
Factoring liabilities	-	4,230	4,230	-	5,033	5,033
Loans and borrowings- group companies and related parties	7,805	1,624,567	1,632,372	6,882	2,181,608	2,188,490
Total	**269,639**	**2,152,765**	**2,422,404**	**241,201**	**2,330,154**	**2,571,355**

Bank corporate loans

This item includes term loans taken out by the company. They are broken down in the following table:

		31 December 2021			31 December 2022		
(€'000)	Country	Total bank corporate loans	Current	Non-current	Total bank corporate loans	Current	Non-current
Banca IMI- Term loan	Italy	444,285	392,660	51,625	52,503	20,570	31,933
BPER	Italy	100,513	932	99,581	102,830	31,501	71,329
Banca Popolare di Milano	Italy	56,498	9,956	46,542	47,293	20,234	27,059
Banca IMI Yuma	Colombia	44,365	365	44,000	101,563	1,563	100,000
Banca Popolare di Lodi	Italy	154	154	-	194	194	-
Monte dei Paschi di Siena	Italy	50,082	50,082	-	-	-	-
Banca IMI- former UBI Revolving	Italy	644	644	-	-	-	-
Total		**696,541**	**454,793**	**241,748**	**304,383**	**74,062**	**230,321**

The reduction in bank corporate loans during the year is mostly due to the repayment of credit facilities, partly by using the proceeds from the placement of the €400 million sustainability-linked bonds issued in January 2022.

The fair value of bank corporate loans is €295.5 million.

The main conditions of the bank corporate loans in place at 31 December 2022 are as follows:

	Entity	Interest rate	Expiry date
Banca Popolare di Milano (2016- 2024)	Webuild	Euribor	2024
Banca Popolare di Milano (2017- 2025)	Webuild	Euribor	2025
Banca IMI (term loan) (2016- 2024)	Webuild	Euribor	2024
Banca IMI Yuma	Webuild	Euribor	2025
BPER	Webuild	Euribor	2024
Banca Popolare di Lodi	Webuild	Fixed	2023

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 31 December 2022 with its lending banks.

The non-current portion of the above other financing will be repaid at its contractual maturity, based on the following time bands:

€'000	Total non-current portion	Due after 13 months but within 24 months	Due after 25 months but within 60 months	Due after 60 months
Bank corporate loans	230,321	124,497	105,824	-

Other financing

Other financing at 31 December 2022 totals €62.4 million and mainly relates to loans of €48.5 million from the company's partners to finance projects carried out with them in Asia, Africa and South America.

The fair value of other financing is €62.4 million.

Bank construction loans

This item mainly consists of fixed-rate loans taken out by the Romanian and Chilean branches (€4.2 million and €6.2 million, respectively).

Current account facilities

Current account facilities decreased by €9.9 million to €0.7 million and almost entirely relates to the corporate treasury management activities at the reporting date.

Factoring liabilities

Factoring liabilities amount to €5.0 million at the reporting date and relate to the recourse factoring of trade receivables by the Ethiopian and the Panama branches (€3.0 million and €1.9 million, respectively).

Loans and borrowings- group companies and related parties

The €557.6 million increase in this item is mostly due to the transactions on the cash pooling account with Webuild Italia and the Pergenova Breakwater Consortium to optimise the company's and group's liquidity management.

More information about loans and borrowings from group companies and related parties is available in note 37 and the annex on intragroup transactions attached to these notes.

21. Bonds

The following table analyses this item:

		31 December 2021			31 December 2022		
	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 (accrued interest)
Webuild 1.75% Call 26ot24	26.10.2024	500,000	497,823	1,582	500,000	498,594	1,582
Webuild 5.875% Call 15dc25	15.12.2025	750,000	745,222	1,932	750,000	746,313	1,932
Webuild 3.625% Call 28ge27	28.01.2027	250,000	244,807	8,367	250,000	245,740	8,367
Webuild Sdg Link Tf 3.875% Lg26 Call Eur	28.07.2026	-	-	-	400,000	395,902	6,625
Total		**1,500,000**	**1,487,852**	**11,881**	**1,900,000**	**1,886,549**	**18,506**

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

The fair value of the bonds is €1,609.6 million at the reporting date.

On 19 January 2022, Webuild successfully placed new sustainability-linked notes with an aggregate nominal amount of €400 million reserved to institutional investors. Their maturity date is 28 July 2026 and they have an annual coupon of 3.875%.

22. Lease liabilities

Lease liabilities may be broken down as follows at 31 December 2022:

(€'000)	31 December 2021	31 December 2022	Variation
Non-current portion	55,105	28,480	(26,625)
Current portion	18,002	32,855	14,853
Total	**73,107**	**61,335**	**(11,772)**

The present value of the minimum future lease payments is as follows:

(€'000)	31 December 2021	31 December 2022
Minimum lease payments:		
Due within one year	18,983	34,376
Due between one and five years	56,353	29,105
Due after five years	16	2,982
Total	**75,352**	**66,463**
Future interest expense	(2,245)	(5,128)
Net present value	**73,107**	**61,335**
The net present value is as follows:		
Due within one year	18,002	32,855
Due between one and five years	55,089	25,794
Due after five years	16	2,686
Total	**73,107**	**61,335**

23. Analysis of net financial indebtedness

23.1 Net financial indebtedness of the company

(€'000)	Note (*)	31 December 2021	31 December 2022	Variation
Non-current financial assets	9	177,893	294,516	116,623
Current financial assets	14	1,169,245	1,251,010	81,765
Cash and cash equivalents	17	692,568	961,906	269,338
Total cash and cash equivalents and other financial assets		**2,039,706**	**2,507,432**	**467,726**
Bank and other loans and borrowings	20	(269,639)	(241,203)	28,436
Bonds	21	(1,487,852)	(1,886,549)	(398,697)
Lease liabilities	22	(55,105)	(28,480)	26,625
Total non-current indebtedness		**(1,812,596)**	**(2,156,232)**	**(343,636)**
Current portion of bank loans and borrowings and current account facilities	20	(2,152,765)	(2,330,154)	(177,389)
Current portion of bonds	21	(11,881)	(18,506)	(6,625)
Current portion of lease liabilities	22	(18,002)	(32,855)	(14,853)
Total current indebtedness		**(2,182,648)**	**(2,381,515)**	**(198,867)**
Derivative assets	13	-	2,276	2,276
Net financial position with unconsolidated SPEs (**)		3,479	480	(2,999)
Net other financial assets		**3,479**	**2,756**	**(723)**
Net financial indebtedness- continuing operations		**(1,952,059)**	**(2,027,559)**	**899,181**
Net financial position- discontinued operations	18	85	2,087	2,002
Net financial indebtedness including discontinued operations		**(1,951,974)**	**(2,025,472)**	**(73,498)**

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

(**) This item shows the company's net amounts due from/to consortia and consortium companies operating under a cost recharging system. The balance reflects the company'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 separate financial statements.

At 31 December 2022, the company has net financial indebtedness of €2,027.6 million compared to €1,952.1 million at the end of the previous year.

More information about changes in the company's net financial indebtedness during the year is available in the "Financial position of the parent Webuild S.p.A." section of the Directors' report.

23.2 Financial indebtedness as per ESMA Guidelines of 4 March 2021

	(€'000)	Note (*)	31 December 2021	of which: related parties	31 December 2022	of which: related parties
A	Cash	17	692,568		961,906	
B	Cash equivalents		-		-	
C	Other current financial assets	14	1,531	1,098,568	341	1,168,897
D	**Cash and cash equivalents (A+B+C)**		**694,099**		**962,247**	
E	Current loans and borrowings (including debt instruments but excluding the current portion of non-current loans and borrowings)	20	1,639,547	7,805	2,189,332	6,882
F	Current portion of non-current loans and borrowings	20	543,100		192,183	
G	**Current financial indebtedness (E+F)**		**2,182,647**		**2,381,515**	
H	**Net current financial indebtedness (G-D)**		**1,488,548**		**1,419,268**	
I	Non-current loans and borrowings (excluding the current portion and debt instruments)	20	1,812,596	1,624,567	2,156,232	2,181,608
J	Debt instruments		-		-	
K	Trade payables and other non-current liabilities		20,798		6,586	
L	**Non-current financial indebtedness (I+J+K)**		**1,833,394**		**2,162,818**	
M	**Net financial indebtedness (H+L)**		**3,321,942**		**3,582,086**	

The next table provides a reconciliation between the company's financial indebtedness as per the ESMA guidelines of 4 March 2021 and its net financial indebtedness:

(€'000)	31 December 2021	31 December 2022
Difference	**1,369,968**	**1,556,614**
Due to:		
Non-current financial assets	177,893	294,516
Current financial assets with a maturity of more than 90 days (*)	1,167,714	1,250,669
Derivatives	-	2,276
Net financial position with unconsolidated SPEs	3,479	480
Net financial position- discontinued operations	85	2,087
Non-current portion of trade payables	5,809	70
Other non-current financial liabilities	14,989	6,516
Total difference	**1,369,969**	**1,556,614**

(*) The exclusion of current financial assets with a maturity of more than 90 days is based on current professional guidance.

24. Reconciliation between changes in financial assets and liabilities and cash flows from financing activities

The following table shows the monetary and non-monetary changes in financial assets and liabilities from financing activities as required by paragraph 44 of IAS 7- Statement of cash flows:

(€'000)	Bank and other loans and borrowings	Bonds	Lease liabilities	Other financial assets, including derivatives	Equity	Total
A) Opening balance	**2,422,404**	**1,499,733**	**73,107**	**(1,347,138)**	**1,676,074**	**4,324,180**
Changes from financing cash flows						
Dividends distributed	-	-	-	-	(54,217)	(54,217)
Repurchase of treasury shares	-	-	-	-	(24,643)	(24,643)
Increase in bank and other loans	1,517,058	395,119	-	-	-	1,912,177
Decrease in bank and other loans	(1,905,003)	-	-	-	-	(1,905,003)
Decrease in lease liabilities	-	-	(29,574)	-	-	(29,574)
Change in other financial assets/liabilities	664,958	-	-	(169,038)	-	495,920
B) Cash flows generated by (used in) financing activities	**131,678**	**395,119**	**(29,574)**	**(169,038)**	**(78,860)**	**394,659**
Non-monetary changes						
Change in consolidation scope	-	-	-	26	-	26
Change in exchange rates	286	-	(100)	1,013	-	1,199
Other changes	(118,495)	10,203	17,902	(32,665)	-	(123,055)
C) Total non-monetary changes	**27,126**	**10,203**	**17,802**	**(31,626)**	**-**	**(121,830)**
Other changes						
Changes in current account facilities	(9,850)	-	-	-	-	(9,850)
Other changes in equity	-	-	-	-	(56. 045)	(56,045)
D) Total changes in current account facilities and other changes	**(9,850)**	**-**	**-**	**-**	**(56,045)**	**(65,895)**
E) Closing balance (A+B+C+D)	**2,571,358**	**1,905,055**	**61,335**	**(1,547,802)**	**1,541,169**	**4,531,115**

25. Post-employment benefits and other employee benefits

Employee benefits of €13.2 million at the reporting date mostly consist of the post-employment benefits governed by article 2120 of the Italian Civil Code.

Post-employment benefits governed by article 2120 of the Italian Civil Code

Plan characteristics

At 31 December 2006, the Italian post-employment benefits (TFR) qualified as a defined benefit plan. Law no. 296 of 27 December 2006 (the 2007 Finance Act) and related implementing decrees issued in early 2007 introduced changes, according to which companies with at least 50 employees now classify the TFR as a defined benefit plan solely with reference to the benefits vested until before 1 January 2007 (if not paid at the reporting date), while those accrued after that date are to be classified as part of a defined contribution plan.

Accordingly, the liability for post-employment benefits recognised in the company's statement of financial position, net of any advances paid, reflects the residual obligation for the company for the benefits vested up to 31 December 2006 that will be paid when the employees leave the company.

<u>Main assumptions</u>

The main assumptions used for the actuarial estimate of the TFR at the reporting date are:

- turnover rate: 7.25%;
- advance payment rate: 3%;
- inflation rate: 2.30%.

The company has used the Eurocomposite AA index, which has an average financial duration in line with the fund being valued, to calculate the discount rate.

Changes in this item are as follows:

(€'000)	31 December 2021	Accruals	Payments	Contributions paid to INPS treasury and other funds	Net actuarial gains	Other changes	31 December 2022
Post-employment benefits and other employee benefits	13,031	9,704	(4,886)	(2,723)	(455)	(1,515)	13,156

With respect to the potential effects on the company's liability for employee benefits at the reporting date caused by hypothetical changes in the actuarial assumptions, the following should be noted:

	Discount rate	
(€'000)	+ 0.25%	- 0.25%
Total liability	(39)	40

26. Provisions for risks

These provisions are summarised in the following table:

(€'000)	31 December 2021	31 December 2022	Variation
Provisions for risks on equity investments	42,476	57,708	15,232
Other provisions	31,759	25,589	(6,170)
Total	**74,235**	**83,297**	**9,062**

The provisions for risks on equity investments relate to the company's legal obligations to cover its investees' losses exceeding their equities. The increase is mostly attributable to Salini Polska S.p.z.o.o. (€7.9 million) and Grupo ICT II SAS (€7.2 million).

Other provisions comprise:

(€'000)	31 December 2021	31 December 2022	Variation
Provisions for risks relating to ongoing contracts	17,001	7,397	(9,604)
Provision for ongoing litigation	2,018	3,254	1,236
Other	12,740	14,938	2,198
Total	**31,759**	**25,589**	**(6,169)**

The other provisions are briefly commented on below:

- in accordance with paragraphs 66-69 of IAS 37- Provisions, contingent liabilities and contingent assets, the provisions for risks relating to ongoing contracts cover the estimated costs to fulfil certain onerous contracts, mainly in Algeria and Poland. The decrease in 2022 is mostly related to contracts in Poland;
- the provision for ongoing litigation mostly relates to litigation in Georgia;
- "Other" relates to additional probable obligations in connection with third party claims and commitments taken on chiefly in Italy and Romania. The increase for the year mostly relates to Romania.

Changes for the year are summarised below:

(€'000)	31 December 2021	Accruals	Utilisations / Releases	Change in scope	Exchange gains (losses) and other changes	31 December 2022
Total	**31,759**	**4,604**	**(7,517)**	**(1,346)**	**(1,911)**	**25,589**

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

27. Trade payables

This item is made up as follows:

(€'000)	31 December 2021	31 December 2022	Variation
Third parties	748,277	827,451	79,174
Group companies and other related parties	1,196,865	981,773	(215,092)
Total	**1,945,142**	**1,809,225**	**(135,917)**

The €79.1 million increase in trade payables to third parties is principally due to the ramping-up of production at the hydroelectric projects in Ethiopia (Koysha) and Tajikistan (Rogun).

The reduction in trade payables to group companies and other related parties is mostly a result of the accounting offsetting of trade receivables and payables due from and to the COCIV Consortium (€200.8 million). A complete list of transactions with group companies and other related parties is provided at the end of these notes.

28. Current tax liabilities and other current tax liabilities

Current tax liabilities

Current tax liabilities are made up as follows:

(€'000)	31 December 2021	31 December 2022	Variation
IRES	454	246	(208)
IRAP	261	164	(97)
Foreign taxes	148,634	55,395	(93,239)
Total	**149,349**	**55,805**	**(93,544)**

The decrease in foreign taxes is mostly due to Ethiopia. In 2021, in addition to the ordinary taxes on income generated in this country, the Ethiopian branch was affected by an assessment for the higher corporate income taxes challenged by the local tax authorities (ERCA) for 2017, 2018 and 2019.

Other current tax liabilities

Other current tax liabilities are broken down in the following table:

(€'000)	31 December 2021	31 December 2022	Variation
Withholdings	36	41	5
VAT	41,017	39,516	(1,501)
Other indirect taxes	17,675	10,799	(6,876)
Total	**58,728**	**50,356**	**(8,372)**

29. Other current liabilities

The composition of this item and changes during the year are shown below:

(€'000)	31 December 2021	31 December 2022	Variation
Employees	44,671	47,948	3,277
Social security institutions	12,305	11,127	(1,178)
Group companies and other related parties	86,613	88,116	1,503
Other liabilities	87,722	74,150	(13,572)
Accrued expenses and deferred income	9,433	11,218	1,785
Total	**240,744**	**232,559**	**(8,185)**

Reference should be made to the annex on intragroup transactions at the end of these notes for additional details of liabilities to group companies and other related parties.

"Other liabilities" of €74.2 million (€87.7 million at 31 December 2021) mostly refer to amounts due to customers for projects in Poland (roughly €30 million) and additional liabilities in Italy and South America (approximately €26 million). The decrease in this item is principally related to Poland.

30. Guarantees, commitments, risks and contingent liabilities

30.1 Guarantees and commitments

The key guarantees given by the company are set out below.

(€'000)	31 December 2021	31 December 2022
Contractual sureties	12,062,967	12,131,343
Sureties for bank loans	497,028	436,571
Sureties for export credit	3,389	2,879
Sureties for customs and tax obligations	110,298	239,121
Other	7,044,413	7,470,619
Total	**19,718,096**	**20,280,534**

Contractual sureties are given to customers as performance bonds, to guarantee advances and retentions for all ongoing contracts or involvement in tenders.

30.2 Litigation and contingent liabilities

The company is involved in civil and administrative proceedings that, based on the information currently available and taking into account the existing provisions for risks, are not expected to have a significant negative effect on its separate financial statements. The "Main risk factors and uncertainties" section in the Directors' report provides information about the main disputes.

Tax disputes

With respect to the principal disputes with the tax authorities:

- the Supreme Court hearing was held on 17 January 2020 to discuss the reimbursement of tax assets with a nominal amount of €12.3 million plus interest acquired from third parties as part of previous non-recurring transactions. The court quashed the second level ruling ordering the case to be transferred to the Regional Tax Commission. The company filed a petition for the resumption of the hearing within the legal term. Since an out-of-court settlement was reached with the tax authorities, which provides for the reimbursement of €9.3 million plus interest of €2.4 million, the company filed an application for the dismissal of the case on 18 November 2022;
- 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 company'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.

Moreover, during the year, the Ethiopian tax authorities carried out a tax audit at the company's Ethiopian branch, which was followed by an assessment notice. After arduous discussions, the company reached an agreement with the tax authorities, whereby the tax authorities forgave fines and interest while the company accepted to pay the assessed taxes. These will be paid in instalments in local currency and amount to the equivalent of roughly €17 million, including €12 million relating to deductible temporary differences.

Furthermore, considering the demerger and the principal disputes of the demerged company the former Astaldi (now Astaris) with the tax authorities:

- In 2016, the El Salvadoran branch received an assessment notice from the local tax authorities relating to its tax base and related income taxes for 2012. In this assessment, the local tax authorities alleged: (i) allegedly undeclared revenue of USD23.5 million (the equivalent of approximately €22 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 €0.8 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 €12.6 million), and (iv) costs of USD15.4 million (the equivalent of approximately €14.4 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 €8.5 million), plus fines and interest. With the assistance of its advisors, the branch has commenced the procedures to challenge all assessments.

In Italy:

- on 28 August 2020, the Italian tax authorities notified Astaldi of a recovery notice for alleged undue offsetting of excess VAT transferred by its subsidiaries under the 2017 group VAT scheme. The assessed amount is €4.8 million, plus fines and interest of €1.4 million and €0.5 million, respectively. The recalculation also led to the disallowance of both the reimbursement and the authorisation to carry forward. Astaldi challenged both the recovery notice and the disallowance of the reimbursement in court. The Rome Provincial Tax Commission allowed Astaldi's appeal about the recovery notice and the tax authorities presented a counter-appeal on 18 November 2022. With respect to the second appeal, the second level ruling was unfavourable to the group company which still has time to resort to the Supreme Court. Should it lose the case, it will carry forward a higher amount of VAT assets and will solely bear the related fines and interest.

With respect to the above pending disputes, after consulting its legal advisors, the company 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.

31. Financial instruments and risk management

31.1 Classes of financial instruments

The company's financial instruments are broken down by class in the following table, which also shows their fair value:

31 December 2021 (€'000)	Note	Financial assets at amortised cost	Financial assets at FVTPL	Hedging derivatives	Financial assets at FVTOCI	Total	Fair value
Financial assets							
Other non-current financial assets, including derivatives	9	177,893	-	-	-	177,893	177,893
Trade receivables	13	1,698,950	-	-	-	1,698,950	1,698,950
Current financial assets, including derivatives	14	1,169,245	-	-	-	1,169,245	1,169,245
Cash and cash equivalents	17	692,568	-	-	-	692,568	692,568
Total		**3,738,656**	**-**	**-**	**-**	**3,738,656**	**3,738,656**

31 December 2021 (€'000)	Note	Financial liabilities at amortised cost	Financial liabilities at FVTPL	Hedging derivatives	Financial liabilities at FVTOCI	Total	Fair value
Financial liabilities							
Bank and other loans and borrowings	20	2,422,404	-	-	-	2,422,404	2,421,237
Bonds	21	1,499,733	-	-	-	1,499,733	1,583,113
Lease liabilities	22	73,107	-	-	-	73,107	73,107
Trade payables	27	1,945,142	-	-	-	1,945,142	1,945,142
Total		**5,940,386**	**-**	**-**	**-**	**5,940,387**	**6,022,599**

31 December 2022 (€'000)	Note	Financial assets at amortised cost	Financial assets at FVTPL	Hedging derivatives	Financial assets at FVTOCI	Total	Fair value
Financial assets							
Other non-current financial assets, including derivatives	9	294,516	-	-	-	294,516	294,516
Trade receivables	13	1,743,854	-	-	-	1,743,854	1,743,854
Current financial assets, including derivatives	14	1,251,010	2,276	-	-	1,253,286	1,253,286
Cash and cash equivalents	17	961,906	-	-	-	961,906	961,906
Total		**4,251,286**	**2,276**	**-**	**-**	**4,253,562**	**4,253,562**

31 December 2022 (€'000)	Note	Financial liabilities at amortised cost	Financial liabilities at FVTPL	Hedging derivatives	Financial liabilities at FVTOCI	Total	Fair value
Financial liabilities							
Bank and other loans and borrowings	20	2,571,357	-	-	-	2,571,357	2,562,948
Bonds	21	1,905,055	-	-	-	1,905,055	1,609,549
Lease liabilities	22	61,335	-	-	-	61,335	61,335
Trade payables	27	1,809,225	-	-	-	1,809,225	1,809,225
Total		**6,346,972**	**-**	**-**	**-**	**6,346,972**	**6,043,057**

31.2 Risk management

31.2.1 Currency risk

Webuild's international presence entails its exposure to currency risk arising from fluctuations in the value of trade and financial transactions in currencies other than the functional currencies of the individual companies, branches or joint operations. The company has adopted a currency risk management strategy to mitigate this risk based on the guidelines described in the "Risk management system" section of the Directors' report to which reference is made.

The company considers monetary assets and liabilities in currencies other than its functional currency, net of derivatives agreed to hedge the above trade and financial transactions, when assessing the potential effects of fluctuations in the above currencies.

The following table shows the results of the sensitivity analysis, which considers a 5% appreciation or depreciation of the Euro against the foreign currency compared to the actual exchange rates at 31 December 2022 to reflect the potential effects on comprehensive income.

	2022	
(€m)	-5%	+5%
Australian dollar	23.24	(21.03)
Canadian dollar	5.05	(4.57)
Colombian peso	3.51	(3.17)
US dollar	4.31	(3.90)
Polish zloty	(7.52)	6.80

31.2.2 Interest rate risk

The company has revised its debt structure significantly, increasing its fixed rate exposure. For this reason, had interest rates increased or decreased by an average 75 bps in 2022, the loss before tax for the year would have been respectively smaller or greater by a maximum of €2.8 million, assuming that all other variables remained constant and without considering cash and cash equivalents.

31.2.3 Credit risk

Credit risk is that deriving from the company's 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 bids to be presented, through a careful analysis of the characteristics of the countries where the related activities would be carried out and the customers, which are usually state or similar bodies, requesting the bid.

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 (mostly due from state bodies) should be assessed together with the other working capital items, especially those reflecting the net exposure to customers (contract assets and liabilities) in relation to contract work in progress as a whole.

A breakdown of working capital by geographical segment is set out below.

(€'000)	31 December 2021	31 December 2022
Italy	102,503	119,678
EU (excluding Italy)	345,718	375,876
Other European countries (non-EU)	(5,755)	(11,828)
Asia/Middle East	484,264	386,867
Africa	293,738	451,295
Americas	22,110	13,341
Oceania	(140,099)	(348,932)
Total	**1,102,479**	**986,297**

The reconciliation of the reclassified statement of financial position presented in the Directors' report details the items included in working capital.

The company's exposure to customers, broken down by contract location, is analysed below.

(€'000)	Trade receivables	Contract assets	Contract liabilities	Total	Allowances
31 December 2021					
Italy	1,117,651	85,974	(216,323)	987,302	42,143
EU (excluding Italy)	232,822	583,494	(37,413)	778,903	-
Other European countries (non-EU)	36,964	24,476	(44,679)	16,761	-
Asia/Middle East	80,453	574,140	(14,599)	639,994	-
Africa	123,450	189,005	(75,471)	236,984	9,252
Americas	86,497	52,718	(34,338)	104,877	312,457
Oceania	21,113	-	(131,843)	(110,730)	-
Total	**1,698,950**	**1,509,807**	**(554,666)**	**2,654,091**	**363,852**

(€'000)	Trade receivables	Contract assets	Contract liabilities	Total	Allowances
31 December 2022					
Italy	1,042,772	65,581	(294,986)	813,367	44,257
EU (excluding Italy)	269,933	680,495	(70,994)	879,434	-
Other European countries (non-EU)	19,299	10,141	(16,115)	13,325	386
Asia/Middle East	152,260	367,142	-	519,402	-
Africa	177,110	285,217	(11,198)	451,129	5,310
Americas	45,200	86,329	(21,369)	110,160	333,341
Oceania	37,280	-	(355,015)	(317,735)	-
Total	**1,743,854**	**1,494,905**	**(769,677)**	**2,469,082**	**383,294**

The "Main risk factors and uncertainties" section of the Directors' report provides information about country risk.

31.2.4 Liquidity risk

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

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

A breakdown of financial liabilities by composition and due date (based on undiscounted future cash flows) is set out below:

(€'000)	31 December 2023	31 December 2024	31 December 2025	After 2025	Total
Current account facilities	681	-	-	-	681
Bonds	77,375	575,998	818,614	683,625	2,155,612
Bank and other loans and borrowings	143,956	133,242	115,678	-	392,875
Lease liabilities	34,376	15,974	6,298	9,815	66,463
Gross financial liabilities	**256,388**	**725,214**	**940,590**	**693,440**	**2,615,630**
Trade payables	1,809,225	-	-	-	1,809,225
Total	**2,065,613**	**725,214**	**940,590**	**693,440**	**4,424,855**

Future interest has been estimated based on the market interest rates at the date of preparation of these separate financial statements, summarised in the notes.

Liquidity risk management is mainly based on maintaining a balanced financial position.

Loans and borrowings (principal) and trade payables (net of advances) falling due before 31 March 2023 are compared with the cash and cash equivalents that can be used to meet such obligations in the table below:

(€'000)	
Trade payables and financial liabilities due before 31 March 2023 (*)	580,268
Cash and cash equivalents (**)	954,620
Difference	**374,352**

(*) excluding amounts due to group companies.
(**) net of restricted liquidity.

At the date of preparation of this report, the company 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.

31.2.5 Fair value measurement hierarchy

IFRS 7 requires that the fair value of financial instruments recognised in the statement of financial position be classified using a fair value hierarchy that reflects the significance of the inputs used to determine fair value. There are three different levels:

- Level 1- quoted prices (unadjusted) in active markets for identical assets and liabilities the entity can access at the measurement date;
- Level 2- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3- unobservable inputs for the asset or liability.

Financial instruments recognised by the company at fair value are classified at the following levels:

(€'000)	Note	Level 1	Level 2	Level 3
Derivative assets	14	-	2,276	-
Total		**-**	**2,276**	**-**

There were no movements from Level 1 to Level 2 during the year or vice versa.

Statement of profit or loss

Initial considerations on the comparability of the statement of profit or loss figures

The 2021 statement of profit or loss figures include the effects of the partial proportionate demerger of Astaldi to Webuild and the contribution of the business unit to Webuild Italia S.p.A., which took accounting effect on 1 August 2021.

32. Revenue

Revenue and other income are made up as follows:

(€'000)	2021	2022	Variation
Revenue from contracts with customers	1,676,078	1,863,093	187,015
Other income	208,114	199,237	(8,877)
Total	**1,884,192**	**2,062,330**	**178,138**

32.1 Revenue from contracts with customers

A breakdown of revenue from contracts with customers is given in the following table:

(€'000)	2021	2022	Variation
Works invoiced to customers	1,625,700	1,777,134	151,434
Services	39,961	84,657	44,696
Sales	10,416	1,302	(9,114)
Total	**1,676,077**	**1,863,093**	**187,016**

A breakdown of revenue from contracts with customers by geographical segment is as follows:

(€'000)	2021	Percentage of total	2022	Percentage of total
Italy	**531,258**	**32%**	**32,987**	**2%**
EU (excluding Italy)	313,551	19%	641,278	34%
Other European (non-EU) countries	86,444	5%	135,586	7%
Americas	86,433	5%	186,497	10%
Asia/Middle East	312,503	19%	309,268	17%
Africa	334,219	20%	436,843	23%
Oceania	11,669	1%	120,634	6%
Abroad	**1,144,819**	**68%**	**1,830,106**	**98%**
Total	**1,676,077**	**100%**	**1,863,093**	**100%**

This item increased by a net €187.0 million, principally due to progress made on contracts in (i) Romania (Braila Bridge and Lots 3 and 5 of the Sibiu- Pitesti Motorway), (ii) France (TELT Lot 2), (iii) Norway (Sotra Connection), (iv) Ethiopia (Koysha Hydroelectric Project and GERD), and (v) Australia (North East Link Project).

Italy was affected by the non-recurring transaction involving the transfer of management of industrial activities in Italy to the subsidiary Webuild Italia S.p.A. effective from 1 August 2021.

Variable consideration made up 5.6% of revenue from contracts with customers during the year.

32.2 Other income

A breakdown of other income is given in the following table:

(€'000)	2021	2022	Variation
Recharged costs	153,316	137,112	(16,204)
Gains on the disposal of non-current assets and equity investments	3,137	3,382	245
Rent and leases	607	2	(605)
Other	51,054	58,739	7,685
Total	**208,114**	**199,235**	**(8,879)**

The slight decrease of €8.9 million in this item is mainly due to the smaller volumes in Italy.

33. Operating expenses

The item may be broken down as follows:

(€'000)	2021	2022	Variation
Purchases	229,876	369,719	139,843
Subcontracts	308,039	545,891	237,852
Services	906,989	595,767	(311,222)
Personnel expenses	306,442	399,291	92,849
Other operating expenses	70,380	96,786	26,406
Amortisation, depreciation, provisions and impairment losses	112,660	79,619	(33,041)
Total	**1,934,386**	**2,087,073**	**152,687**

Changes in the individual items are due to the continuation of production output during the year as can be seen from the note 32 "Revenue from contracts with customers", with greater volumes on the projects underway in Europe (Romania and France), Africa (Ethiopia) and Oceania (Australia) and a strong contraction in Italy following the transfer of the Italia business unit to Webuild Italia S.p.A..

Prices of raw materials rose again in 2022 due to limited supplies, partly caused by the upturn in demand driven by the global economy's recovery. As a result, the company introduced mitigation measures to contain price increases. Its contracts with customers usually include price adjustment clauses. More information is available in the "Covid-19 and the Russia- Ukraine crisis" section of the Directors' report.

The variations in the individual items compared to 2021 are partly 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 year to another. Moreover, as these are large-scale infrastructural works that take several years to complete, resort to normal production factors depends on the stage of completion of each contract in any given year. These changes may generate significant variations in the percentage of the related cost categories depending on the contract and the year, while not affecting the total percentage of costs of total revenue.

33.1 Purchases

Purchases are made up as follows:

(€'000)	2021	2022	Variation
Purchases of raw materials and consumables	225,673	364,090	138,417
Change in raw materials and consumables	4,203	5,628	1,425
Total	**229,876**	**369,718**	**139,842**

The increase is mostly due to the full-scale operation of certain contracts, especially in Ethiopia (Koysha Hydroelectric Project and GERD), Romania (Braila Bridge and Lot 3 of the Frontieră-Curtici-Simeria railway line) and Turkey (Etilik Integrated Health Campus in Ankara).

33.2 Subcontracts

A breakdown of this item is as follows:

(€'000)	2021	2022	Variation
Subcontracts	308,039	545,891	237,852
Total	**308,039**	**545,891**	**237,852**

The increase is a result of the development of industrial activities on contracts in Tajikistan (Rogun Hydropower Project), Ethiopia (Koysha Hydroelectric Project and GERD), Turkey (Etilik Integrated Health Campus in Ankara) and Romania (Braila Bridge and Lot 3 of the Frontieră-Curtici-Simeria railway line), offset by smaller volumes achieved in Kuwait (South Al Mutlaa Housing Project).

33.3 Services

Services are broken down below:

(€'000)	2021	2022	Variation
Consultancy and technical services	214,644	336,188	121,544
Recharging of costs by consortia	544,003	17,494	(526,509)
Leases	50,635	84,885	34,250
Transport and customs	30,137	55,137	25,000
Insurance	25,466	30,363	4,897
Fees to directors, statutory auditors and independent auditors	9,620	15,509	5,889
Maintenance	5,864	7,207	1,343
Other	26,620	48,984	22,364
Total	**906,989**	**595,767**	**(311,222)**

The reduction in this item mostly relates to Italy, while it increased abroad for the contracts underway in Europe (Romania and France) and Australia.

A breakdown of "Consultancy and technical services" is as follows:

(€'000)	2021	2022	Variation
Design and engineering services	160,533	269,326	108,793
Construction	14,541	16,380	1,839
Legal, administrative and other services	39,369	50,257	10,888
Testing	201	225	24
Total	**214,644**	**336,188**	**121,544**

The €121.5 million increase in this item is mostly due to (i) the study and start-up phase for some important projects in Australia (North East Link Project) and Norway (Sotra Connection), and (ii) the design activities for Line 16 of the Paris Metro.

The large reduction in the recharging of costs by consortia is a result of the non-recurring transaction to transfer the industrial activities in Italy to Webuild Italia S.p.A. effective from 1 August 2021.

The increase in leases is mostly due to the continuation of work in Romania (Braila Bridge and Lot 3 of the Frontieră-Curtici-Simeria railway line) and France (Line 16 of the Paris Metro and TELT Lot 2).

33.4 Personnel expenses

This item is made up as follows:

(€'000)	2021	2022	Variation
Wages and salaries	224,951	296,417	71,466
Social security and pension contributions	32,810	35,538	2,728
Post-employment benefits	9,152	9,704	552
Pension and similar obligations	-	248	248
Other	39,530	57,385	17,855
Total	**306,443**	**399,292**	**92,849**

The increase in this item is mostly due to the projects underway in Australia (North East Link Project) and Romania (Braila Bridge and Lots 3 and 5 of the Sibiu- Pitesti Motorway).

The following table shows the workforce at year end and the related average number:

	31 December 2021	31 December 2022	2021 average	2022 average
Managers	258	276	254	272
White collars	4,024	4,216	3,573	4,146
Blue collars	12,624	14,117	12,191	13,294
Total	**16,906**	**18,609**	**16,018**	**17,712**

33.5 Other operating expenses

Other operating expenses are made up as follows:

(€'000)	2021	2022	Variation
Other operating costs	64,230	76,807	12,577
Non-recurring costs	6,149	19,979	13,830
Total	**70,379**	**96,786**	**26,407**

The increase is mostly due to the higher operating expenses of the contracts in Romania.

33.6 Impairment losses, amortisation, depreciation and provisions

33.6.1 Net impairment losses

Net impairment losses amount to €0.9 million (€17.1 million for the previous year). In 2021, they included the impairment losses of €10.6 million recognised on the Venezuelan assets.

33.6.2 Amortisation and depreciation

Amortisation and depreciation are broken down below:

(€'000)	2021	2022	Variation
Depreciation of property, plant and equipment	20,582	23,388	2,806
Depreciation of right-of-use assets	25,165	26,546	1,381
Amortisation of contract costs	43,994	31,635	(12,359)
Amortisation of intangible assets	273	70	(203)
Total	**90,014**	**81,639**	**(8,375)**

Depreciation of property, plant and equipment mostly refers to the Rogun Hydropower Project in Tajikistan and the Koysha Hydroelectric Project in Ethiopia.

Depreciation of right-of-use assets principally relates to Line 16 of the Paris Metro in France and the Rogun Dam in Tajikistan.

Amortisation of contract costs decreased by €12.4 million and mainly relates to the costs incurred to acquire the EPC[81] order backlog as part of the demerger of Astaldi S.p.A.'s core assets scope to Webuild.

33.6.3 Provisions

Net utilisations of provisions of €2.9 million (net accruals of €5.5 million in 2021) mainly relate to the onerous Polish contracts.

34. Net financing costs

34.1 Financial income

Financial income is broken down in the following table:

(€'000)	2021	2022	Variation
Gains on securities	**-**	**26**	**26**
Intragroup interest and other income	**38,252**	**49,002**	**10,750**
Interest and other financial income	**23,514**	**31,534**	**8,020**
- Default interest	9,213	16,574	7,361
- Other	8,313	6,038	(2,275)
- Bank interest	3,025	5,081	2,056
- Income from inflation adjustment	2,439	3,576	1,137
- Financial discounts and allowances	192	265	73
- Interest on financing	129	-	(129)
- Leases	203	-	(203)
Total	**61,766**	**80,562**	**18,796**

[81] Engineering Procurement Construction

The increase in financial income is mostly due to: (i) the interest of €11.0 million collected after completion of the proceedings begun before the Bucharest Chamber of Commerce about Lot 4 of the Orastie- Sibiu Motorway in Romania, and (ii) the interest of €4.5 million accrued on the additional loans (approximately €80 million) given to Yuma Concesionara S.A. during the year.

More information about intragroup interest and other income is available in note 37 and the annex on intragroup transactions attached to these notes.

34.2 Financial expense

Financial expense is broken down in the following table:

(€'000)	2021	2022	Variation
Intragroup interest and other expense	**(5,982)**	**(56,455)**	**(50,473)**
Interest and other financial expense	**(118,260)**	**(166,335)**	**(48,075)**
- Interest on bonds	(68,653)	(79,778)	(11,125)
- Interest on bank accounts and financing	(26,033)	(28,971)	(2,938)
- Bank fees	(10,202)	(22,929)	(12,727)
- Other	(11,687)	(16,471)	(4,784)
- Leases	(1,395)	(2,771)	(1,376)
- Interest on tax liabilities	(290)	(15,415)	(15,125)
Total	**(124,242)**	**(222,790)**	**(98,548)**

The €98.5 million increase in financial expense is mostly due to: (i) the interest of €20.3 million accrued on the cash pooling account with Webuild Italia S.p.A. and Partecipazioni Italia S.p.A., (ii) impairment losses of €16.7 million (impairment gains of €6.3 million in 2021) mostly recognised on loans given to the subsidiaries Astaldi Construction Corporation, Astaldi Canada Enterprises Inc. and Astaldi Canada Inc., (iii) greater interest of €11.1 million on bonds after the issue of the new sustainability-linked notes, and (iv) the interest of €14.3 million on tax liabilities following the settlement of some tax disputes.

More information about intragroup interest and other expense is available in note 37 and the annex on intragroup transactions attached to these notes.

34.3 Net exchange gains

Net exchange gains of €64.6 million (€62.0 million in 2021) mostly relate to the Euro's performance against the US dollar, the Ethiopian birr and the Argentine peso.

35. Net gains on equity investments

Net gains on equity investments are made up as follows:

(€'000)	2021	2022	Variation
Impairment gains	11,465	6,547	(4,918)
Impairment losses/provisions for equity investments	(108,409)	(143,274)	(34,865)
Net gains (losses) on equity investments	**(6,077)**	**206,620**	**212,697**
- Dividends	655	206,620	205,965
- Other expense	(6,732)	-	6,732
Total	**(103,021)**	**69,893**	**172,914**

The item mostly comprises the dividends distributed by Webuild Italia S.p.A. (€203.4 million), partly offset by the net losses on the investments in the subsidiaries HCE Costruzioni S.p.A. (€77.1 million) and Astaldi Concessions S.p.A. (€17 million).

More information about this item is available in the annex “Equity investments”.

36. Income taxes

The company’s income tax expense for the year is as follows:

(€’000)	2021	2022	Variation
Current taxes (income taxes)	98,163	(22,258)	(120,421)
Deferred taxes	10,569	58,006	47,437
Utilisation of the provision for the national tax consolidation system	(10,837)	(38,973)	(28,136)
Prior year taxes	(3,972)	16,752	20,724
Total	**93,923**	**13,527**	**(80,396)**
IRAP	2,786	429	(2,357)
Total	**96,709**	**13,956**	**(82,753)**

An analysis and reconciliation of the theoretical income tax rate, calculated under Italian tax legislation, and the effective tax rate are set out below:

Income taxes

	2021		2022	
	€m	%	€m	%
Loss before tax	**(153.7)**		**(32.5)**	
Theoretical tax expense	(36.9)	n.a.	(7.8)	n.a.
Effect of permanent differences	31.9	n.a.	30.1	n.a.
Net effect of foreign taxes	100.5	n.a.	(18.2)	n.a.
Prior year and other taxes	(1.6)	n.a.	9.4	n.a.
Total	**93.9**	**n.a.**	**13.5**	**n.a.**

The item reflects the permanent differences (mostly impairment losses on equity investments) and prior year taxes, partly offset by the recovery of foreign taxes as the conditions for their recovery were met.

An analysis and reconciliation of the theoretical IRAP tax rate and the effective tax rate are set out below:

IRAP

	2021		2022	
	€m	%	€m	%
Operating loss	(50.2)		(24.7)	
Personnel expenses	306.4		399.3	
Provisions and impairment losses	22.6		(2.0)	
Revenue	**278.9**		**372.6**	
Theoretical tax expense	10.9	3.9%	14.5	3.9%
Tax effect of foreign production	(7.3)	(2.6%)	(10.5)	(2.8%)
Tax effect of permanent differences	(0.8)	(0.3%)	(3.6)	(1.0%)
Total	**2.8**	**1.0%**	**0.4**	**0.1%**

The deferred taxes' contribution to the company's loss is as follows:

(€'000)	2021	2022	Variation
Deferred tax expense for the year	(33,874)	(41,770)	(7,896)
Use of deferred tax liabilities recognised in previous years	1,519	(165)	(1,684)
Deferred tax income for the year	58,743	20,112	(38,631)
Use of deferred tax assets recognised in previous years	(36,957)	(36,183)	774
Total	**(10,569)**	**(58,006)**	**(47,437)**

The net deferred taxes are mainly due to temporary differences, the most significant of which are the unrealised exchange losses.

37. Related party transactions

Transactions performed in 2022 with related parties, as defined by IAS 24, were of an ordinary nature.

Webuild S.p.A. has been managed and coordinated by Salini Costruttori S.p.A. since 1 January 2014.

Related party transactions carried out during the year involved the following counterparties:

- directors, statutory auditors and key management personnel, solely related to the contracts regulating their positions within Webuild Group;
- subsidiaries and associates; 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 subsidiaries and 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:

(€'000)	Loans and receivables	Financial assets	Other assets	Trade payables	Lease liabilities	Guarantees	Total revenue	Total operating expenses	Net financing income (costs)
Salini Costruttori:									
Casada S.r.l.	161	-	-	-	-	-	13	-	-
CEDIV S.p.A.	833	-	-	-	-	-	24	-	-
C.Tiburtino	151	-	-	-	-	-	13	-	-
Dirlan S.r.l.	151	-	-	-	-	-	18	-	-
G.A.B.I.RE S.r.l.	218	-	-	-	-	-	18	-	-
Galla Placida S.C a r.l.	166	-	-	-	-	-	13	-	-
Imm. Agricola San Vittorino S.r.l.	214	-	-	-	-	-	10	-	-
Infernetto S.r.l.	54	-	-	-	-	-	7	-	-
Madonna dei Monti S.r.l.	106	-	-	-	-	-	17	-	-
Nores S.r.l.	103	-	-	-	-	-	8	-	-
Plus S.r.l.	208	-	-	-	-	-	27	-	-
Salini S.p.A.	28	-	-	-	-	-	28	-	-
Salini Costruttori S.p.A.	-	981	-	-	-	475,768	136	(3,679)	30
Zeis S.r.l.	416	2,509	-	-	-	-	237	-	97
C.D.P.:									
CDP Equity S.p.A.	-	-	-	(379)	-	-	-	-	-
Eni S.p.A.	-	-	-	-	-	-	-	(98)	-
Fincantieri Infrastruc. S.p.A.	37			(10,790)				(10,713)	
Simest S.p.A.	-	-	-	-	(6,309)	-	-	-	(410)
Other:	111	-	-	-	-	-	14	-	-
Total	**2,957**	**3,490**	**-**	**(11,169)**	**(6,309)**	**475,768**	**583**	**(14,490)**	**(283)**

The most significant transactions include the subcontracting contracts agreed with Fincantieri in previous years for foreign contracts acquired through Astaldi for a total cost of €10.7 million in 2022.

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 in tenders. The SPEs carry out the related contracts on behalf of its 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 companies on the statements of financial position and profit or loss (including as a percentage), while their effect on cash flows is shown in the statement of cash flows, when material:

(€'000)	Total 31 December 2022	Group entities	Other related parties	Total	%
Non-current financial assets	294,516	187,555	-	187,555	63.7%
Trade receivables	1,743,854	1,132,395	2,957	1,135,352	65.1%
Current financial assets	1,253,286	1,165,407	3,490	1,168,897	93.3%
Other current assets	447,377	174,192	-	174,192	33.9%
Non-current portion of lease liabilities	28,480	-	-	-	0.0%
Bank loans and borrowings	241,203	573	6,309	6,882	2.9%
Current portion of loans	2,330,154	2,181,608	-	2,181,608	93.6%
Current portion of lease liabilities	32,855	-	-	-	0.0%
Trade payables	1,809,225	970,604	11,169	981,773	54.3%
Other current liabilities	232,559	88,116	-	88,116	37.9%

(€'000)	Total 2022	Group entities	Other related parties	Total	%
Revenue from contracts with customers	1,863,093	112,575	454	113,029	6.1%
Other income	199,237	80,287	129	80,417	40.4%
Purchases	(369,719)	(40)	(2,098)	(2,138)	0.6%
Subcontracts	(545,891)	(172)	(8,713)	(8,886)	1.6%
Services	(595,767)	(46,000)	(3,679)	(49,679)	8.3%
Personnel expenses	(399,291)	(4,355)	-	(4,355)	1.1%
Other operating expenses	(96,786)	(1,203)	-	(1,203)	1.2%
Impairment losses	(894)	(563)	-	(563)	63.0%
Amortisation, depreciation and provisions	(78,725)	-	-	-	0.0%
Financial income	80,562	48,875	127	49,002	60.8%
Financial expense	(222,791)	(56,045)	(410)	(56,455)	25.3%

Transactions with directors, statutory auditors and key management personnel

Transactions with directors, statutory auditors and key management personnel are shown below:

	2021			2022		
(€'000)	Fees and remuneration	Termination benefits and post-employment benefits	Total	Fees and remuneration	Termination benefits and post-employment benefits	Total
Directors and statutory auditors	6,735	-	6,735	8,604	-	8,604
Key management personnel	9,537	-	9,537	13,970	-	13,970
Total	**16,272**	**-**	**16,272**	**22,574**	**-**	**22,574**

Management and coordination

In relation to the requirements of article 2.6.2.11 of the Rules of the Markets organised and managed by Borsa Italiana S.p.A., the company states that all requirements listed in article 16.1 of the Consob Regulation on Markets, have been met, as regards the quotation of shares of subsidiaries managed and coordinated by other companies.

In accordance with article 2497-bis of the Italian Civil Code, the key figures from the financial statements of Salini Costruttori S.p.A., which manages and coordinates Webuild, at 31 December 2021, the most recently approved financial statements, are presented below. These financial statements have been prepared in accordance with the IFRS.

2021 highlights	
(€'000)	
Statement of profit or loss	
Revenue	26,252
Operating profit	17,655
Profit before tax	7,145
Profit for the year	7,142
Statement of financial position	
Non-current assets	255,066
Current assets	75,423
Total assets	**330,489**
Equity	294,416
Non-current liabilities	408
Current liabilities	35,665
Total liabilities	**330,489**

Salini Costruttori S.p.A. did not have any employees at 31 December 2021.

38. Article 1.125 and 127 of Law no. 124 of 4 August 2017- Disclosure of government grants

With respect to Law no. 124 of 4 August 2017 and related interpretations, it should be noted that the company did not receive any government grants in 2022.

The company's relations with the public administration or similar bodies have a bilateral contract nature and, therefore, do not fall under the scope of the above law.

39. Independent auditors' and their network's fees, pursuant to article 149-duodecies of the Issuer Regulation

The fees to the independent auditors, KPMG S.p.A., pertaining to 2022 on the basis of the 2015-2023 statutory audit engagement assigned by the shareholders on 30 April 2015 are detailed as follows:

		Fees (€'000)
Audit	Webuild S.p.A.	2,235
Other services	Webuild S.p.A.	138
Total Webuild S.p.A.		**2,373**

40. Events after the reporting date

Reference should be made to the related section of the Directors' report for information about events after the reporting date.

41. Balances or transactions arising from atypical and/or unusual transactions

During the year, Webuild did not carry out any atypical and/or unusual transactions, as defined in the above Consob communication no. DEM/6064293[82].

42. Significant non-recurring events and transactions

The company'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[83].

[82] 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 company's assets and non-controlling interests.
[83] Significant non-recurring events and transactions are those that do not frequently occur in the normal course of business.

Proposal to the shareholders of Webuild S.p.A.

Dear shareholders,

We propose:

- you approve the separate financial statements of Webuild S.p.A. as at and for the year ended 31 December 2022 which show a loss of €69,556,544.54 for the year;
- the loss of €69,556,544.54 be covered using all the retained earnings (€4,048,498.81) and part of the other reserves - negative goodwill (demerger) (€65,508,045.73), which will decrease to €415,454,774.14;
- the distribution of a dividend of €0.057, gross of the legal withholding, for each existing ordinary and saving share with dividend rights at the ex-dividend date, taking the amount from the above residual other reserves- negative goodwill (demerger);
- the aforementioned ordinary and savings dividends be distributed on 22 May 2023, with an ex-dividend date of 24 May 2023 (record date of 23 May 2023).

On behalf of the board of directors

Donato Iacovone

(signed on the original)

Separate financial statements of Webuild – Intragroup transactions

Assets and liabilities at 31 December 2022

	Trade receivables	Non-current financial assets	Current financial assets	Other current assets	Total assets	Trade payables	Non-current portion of bank loans, other financing and non-current lease liabilities	Current account facilities, current portion of bank loans and borrowings, current lease liabilities	Other current liabilities	Total liabilities	Net balance
3E System S.r.l. (in liq.)	567	-	-	-	567	-	-	-	-	-	567
A1 Motorway Tuszyn-Pyrzowice lot F Joint Venture	23,864,813	-	203,550	-	24,068,363	75,712,284	-	-	-	75,712,284	(51,643,921)
Acciona Construccion S.A. Y Webuild S.p.A. UTE	-	-	383,112	-	383,112	-	-	-	-	-	383,112
Aegek-Impregilo-Aslom Joint Venture	-	-	-	-	-	-	-	-	1,207	1,207	(1,207)
Afragola FS S.C. a r.l. (in liq.)	-	-	-	-	-	95,384	-	-	-	95,384	(95,384)
AGN HAGA AB	-	-	-	1,620,126	1,620,126	-	-	-	-	-	1,620,126
Aguas del Gran Buenos Aires S.A. (in liq.)	11,829	-	27,874	-	39,703	-	-	-	-	-	39,703
Al Maktoum International Airport Joint Venture	20,733	-	-	-	20,733	-	-	-	-	-	20,733
AR.GI. S.C.p.A. (in liq.)	221,638	-	-	-	221,638	-	-	-	-	-	221,638
Arge BBT- Baulos H41- Sillschlucht- Pfons	123,933	-	-	-	123,933	-	-	5,000,000	-	5,000,000	(4,876,067)
AS.M. S.C. a r.l.	115,900	-	-	-	115,900	-	-	-	-	-	115,900
Asocierea Astaldi- Euroconstruct Trading 98	-	-	-	-	-	-	-	-	2,662	2,662	(2,662)
Asocierea Astaldi S.p.A-IHI Infrastructure Systems SO, Ltd. (Braila)	762,807	-	3,561	31,301	797,669	3,981	-	-	1,375,054	1,379,035	(581,366)
Asocierea Astaldi S.p.A.-Euroconstruct Trading 98 S.r.l.- RCV Global Group S.r.l. (Piata Sudului)	471,789	-	816,379	52	1,288,220	13,227	-	-	25,239	38,466	1,249,754
Asocierea Joint Venture Webuild S.p.A.- Max Bogl (Medgidia-Costanza)	-	-	16,894	-	16,894	24,347	-	-	-	24,347	(7,453)
Asocierea Lot 3 FCC-Webuild- Convensa	3,767,749	-	-	-	3,767,749	-	-	-	-	-	3,767,749
Asocierea Webuild S.p.A. – Max Boegl Romania S.r.l. – Astalrom S.A. – Consitrans S.r.l. (Ogra-Campia Turzii)	3,056,457	-	1,344,207	969,670	5,370,334	45,413	-	-	1,165	46,578	5,323,756
Asocierea Webuild-FCC-Salcef, lot 2°a	2,968,361	-	699,804	-	3,668,165	163,635	-	1,045	931,670	1,096,350	2,571,815
Asocierea Webuild-FCC-Salcef, lot 2°b	2,835,064	-	156,194	2,016,025	5,007,283	130,642	-	174,380	-	305,022	4,702,261
Asocierea Webuild-FCC-UTI-ACTIV (Metro 5)	1,404,174	-	1,141,799	1,224,246	3,770,219	39,593	-	-	218,745	258,338	3,511,881
Asse Sangro Consorzio (in liq.)	-	-	-	-	-	-	-	-	22,134	22,134	(22,134)
Associazione Astaldi-SOMET-TIAB-UTI GRUP	-	-	-	-	-	569	-	-	-	569	(569)
Astadim S.C.	-	-	-	3,136	3,136	-	-	-	-	-	3,136
Astaldi Algerie-E.u.r.l.	20,152	-	106,255	386,474	512,881	402,167	-	-	-	402,167	110,714
Astaldi Arabia Ltd.	3,360,962	-	670,454	24,206	4,055,622	3,542,322	125,544	-	3,979	3,671,845	383,777
Astaldi Bulgaria Ltd. (in liq.)	162	45,113	-	-	45,275	-	-	10	-	10	45,265
Astaldi Canada Design and Construcion Inc.	240,517	-	-	-	240,517	-	-	-	-	-	240,517
Astaldi Canada Enterprises Inc.	1,433,962	-	608,840	-	2,042,802	-	-	-	68	68	2,042,734
Astaldi Canada Inc.	2,054,433	-	20,660,364	473	22,715,270	-	-	1	473	474	22,714,796
Astaldi Concessions S.p.A.	385,664	-	38,402,531	-	38,788,195	-	-	-	-	-	38,788,195
Astaldi Construction Corporation	6,169,640	-	-	920,536	7,090,176	6,499,286	-	-	818,304	7,317,590	(227,414)
Astaldi de Venezuela C.A.	-	53,257	8,948	8,776	70,981	8,777	422,215	-	-	430,992	(360,011)
Astaldi India Services LLP	2,366,285	-	471,004	-	2,837,289	-	-	-	143,122	143,122	2,694,167
Astaldi Polska zo.o. (in liq.)	-	-	224,146	8,511	232,657	1,758	-	-	6,752	8,510	224,147
Astaldi S.p.A. – Astalrom S.A. Joint Venture (Mihai Bravu)	62,917	-	-	218,823	281,740	6,630	-	652,546	427	659,603	(377,863)
Astaldi-Gulermak Joint Venture	73,810	-	-	1,034,249	1,108,059	397	-	-	-	397	1,107,662
Astaldi-Max Bogl-CCCF Joint Venture	2,637,443	-	1,011	2,403	2,640,857	1,935,070	-	393,884	-	2,328,954	311,903

Assets and liabilities at 31 December 2022

	Trade receivables	Non-current financial assets	Current financial assets	Other current assets	Total assets	Trade payables	Non-current portion of bank loans, other financing and non-current lease liabilities	Current account facilities, current portion of bank loans and borrowings, current lease liabilities	Other current liabilities	Total liabilities	Net balance
Astaldi-SC Euroconstruct Tranding 98-SC Astalrom Asocierea (Orastie- Sibiu)	-	-	-	-	-	-	-	287,058	7,033	294,091	(294,091)
Astaldi-Tukerler Ortak Girisimi Joint Venture	73,049	-	-	3,073	76,122	45,379	-	-	-	45,379	30,743
Astaldi-UTI-Romairport Joint Venture (Clui Napoca)	-	-	3,275	-	3,275	-	-	-	-	-	3,275
Astalnica S.A.	-	-	-	-	-	-	-	-	46,853	46,853	(46,853)
Astalrom S.A.	2,953,509	-	12,326	2,927,432	5,893,267	4,031,305	25,333	4,027,216	473,796	8,557,650	(2,664,383)
Aster Astaldi-TIM-Termomeccanica Ecologica	-	-	-	283,747	283,747	-	-	-	88,221	88,221	195,526
Aster Dantiscum	-	-	-	160,879	160,879	-	-	-	-	-	160,879
Aster Resovia TM e Termomeccanca Ecologica Astaldi S.C.	-	-	149,722	1,669,640	1,819,362	-	-	-	1,778	1,778	1,817,584
Astur Construction and Trade A.S.	-	50,000	226,340	25,680	302,020	450,950	-	16,287	-	467,237	(165,217)
Avola S.C. a r.l. (in liq.)	78,291	-	84,192	-	162,483	162,482	-	-	-	162,482	1
Avrasya Metro Grubu- AMG Joint Venture	52,438	-	-	55,486	107,924	29	-	-	-	29	107,895
Avrasya Metro Grubu S.r.l. (in Liq.)	-	-	-	106,821	106,821	1	-	-	-	1	106,820
Bovino Orsara AV	216,287	-	-	-	216,287	-	-	50,342,654	-	50,342,654	(50,126,367)
Brennero Galleriaacque S.C. a r.l. (in liq.)	250	-	-	-	250	-	-	-	-	-	250
Brennero Tunnel Construction S.C. a r.l.	411,410	-	-	-	411,410	-	-	-	-	-	411,410
BSS Joint Venture- Air Academy project	276,478	-	-	-	276,478	-	-	-	-	-	276,478
BSS-KSAB Joint Venture	107,947	-	-	-	107,947	18,674	-	-	-	18,674	89,273
Bussentina S.C. a r.l. (in liq.)	294,098	-	175,643	-	469,741	175,643	-	-	-	175,643	294,098
C.F.M. S.C. a r.l. (in liq.)	73,273	-	-	-	73,273	54,645	-	-	-	54,645	18,628
C.O.MES. S.C. a r.l. (in liq.)	49,977	-	-	-	49,977	-	-	-	-	-	49,977
C43 Water Management Builders	-	-	-	5,346,697	5,346,697	-	-	-	-	-	5,346,697
Capodichino AS.M. S.C. a r.l.	660,596	-	-	-	660,596	-	-	-	-	-	660,596
CDE S.C. a r.l.	909,593	-	7,472,009	-	8,381,602	6,384	-	-	-	6,384	8,375,218
CO.ME.NA. S.C. a r.l. (in liq.)	64,614	-	-	-	64,614	-	-	-	-	-	64,614
CO.MERI S.p.A.	94,951	-	-	-	94,951	-	-	-	-	-	94,951
Collegamenti Integrati Veloci C.I.V. S.p.A.	56,987	-	6,504,303	-	6,561,290	-	-	-	-	-	6,561,290
Colli Albani S.C. a r.l. (in liq.)	333,345	-	10,000	-	343,345	343,345	-	-	-	343,345	-
Compagnia Gestione Macchinari CO.GE.MA. S.p.A.	313,888	-	2,956,285	-	3,270,173	4,666,000	-	-	-	4,666,000	(1,395,827)
Connect 6iX Contractor Joint Venture	155	-	-	-	155	-	-	-	-	-	155
Consorcio Ana Cua	64	-	779,404	738,328	1,517,796	-	-	-	-	-	1,517,796
Consorcio Constructor Webuild- Cigla (florianopolis)	-	-	16,527,637	70	16,527,707	-	-	-	-	-	16,527,707
Consorcio Contuy Medio	-	-	457,849	122	457,971	48,059	-	-	61,116	109,175	348,796
Consorcio Contuy Medio Grupo A C.I. S.p.A. Ghella Sogene C.A., Otaola C.A.	-	-	3,584	-	3,584	-	-	-	-	-	3,584
Consorcio Europeo Hospital de Chinandega	670,052	-	-	1,127,571	1,797,623	-	-	-	111,458	111,458	1,686,165
Consorcio Grupo Contuy-Proyectos y Obras de Ferrocarriles	240,620	-	-	47,436	288,056	-	-	28,572	-	28,572	259,484
Consorcio Impregilo Yarull	109,503	-	3,009,146	-	3,118,649	-	-	-	496,831	496,831	2,621,818
Consorcio OIV-TOCOMA	-	-	797,923	-	797,923	-	-	-	7,319,138	7,319,138	(6,521,215)
Consorcio Rio Mantaro	589,986	-	2,495,734	39,912	3,125,632	317	-	-	-	317	3,125,315

Assets and liabilities at 31 December 2022

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Consorzio Rio Urubamba	-	-	-	-	-	35,520	-	-	-	35,520	(35,520)
Consorzio V.I.T.- Tocoma	-	-	3,589,563	-	3,589,563	-	-	-	-	-	3,589,563
Consorzio V.I.T. Caroni- Tocoma	-	-	-	-	-	-	-	1,297,996	-	1,297,996	(1,297,996)
Consorzio 201 Quintai	1,900	-	-	-	1,900	-	-	-	-	-	1,900
Consorzio Alta Velocità Torino/Milano- C.A.V.TO.MI.	60,955,735	-	-	-	60,955,735	9,671,805	-	6,964,708	-	16,636,513	44,319,222
Consorzio Astaldi-Federici-Todini (in liq.)	155,473	-	300,000	-	455,473	36,614	-	-	-	36,614	418,859
Consorzio Astaldi-Federici-Todini Kramis	1,580,072	-	302,937	4,331,921	6,214,930	281,807	-	-	-	281,807	5,933,123
Consorzio C.A.V.E.T.- Consorzio Alta Velocità Emilia/Toscana	947,909	-	-	-	947,909	3,014,788	-	2,736,690	-	5,751,478	(4,803,569)
Consorzio Centro Uno (in liq.)	52,108	-	-	-	52,108	-	-	-	-	-	52,108
Consorzio Cociv	198,803,865	-	-	-	198,803,865	41,031,984	-	1,815,552	-	42,847,536	155,956,329
Consorzio Consarno	57,296	-	52,566	-	109,862	14,722	-	-	-	14,722	95,140
Consorzio Constructor M2 Lima	(12,859)	-	-	-	(12,859)	-	-	-	-	-	(12,859)
Consorzio di Penta Ugo Vitolo (in liq.)	-	-	-	-	-	699	-	-	-	699	(699)
Consorzio EPC	655,842	-	-	-	655,842	137,511	-	-	-	137,511	518,331
Consorzio Ferrofir (in liq.)	79,925	-	-	-	79,925	20,637	-	-	-	20,637	59,288
Consorzio Gdansk	-	-	-	429,260	429,260	4,650	-	-	130,170	134,820	294,440
Consorzio GI.IT. (in liq.)	124,683	-	-	-	124,683	89,365	-	-	-	89,365	35,318
Consorzio Groupement Lesi-Dipenta	-	-	-	-	-	-	-	-	15	15	(15)
Consorzio Hirpinia AV	305,628	-	-	-	305,628	-	-	-	-	-	305,628
Consorzio Iricav Due	1,692,814	-	-	-	1,692,814	-	-	-	-	-	1,692,814
Consorzio Iricav Uno (in liq.)	9,239	-	-	-	9,239	-	-	-	-	-	9,239
Consorzio Ital.Co.Cer. (in Liq.)	37,612	-	-	-	37,612	72,464	-	-	-	72,464	(34,852)
Consorzio Libyan Expressway Contractor	1,447,818	-	29,556	-	1,477,374	1,177,263	-	-	-	1,177,263	300,111
Consorzio Lublino (Astaldi- PBDIM)	16,265	-	-	257,676	273,941	33	-	-	330,022	330,055	(56,114)
Consorzio MM4	193,114	-	-	-	193,114	373,924	-	-	-	373,924	(180,810)
Consorzio Novocen (in liq.)	166,743	-	22,419	-	189,162	189,162	-	-	-	189,162	-
Consorzio Obrainsa- Astaldi	32,924	-	3,582,540	5,067,114	8,682,578	94,419	-	-	-	94,419	8,588,159
Consorzio Trevi- S.G.F. INC per Napoli	298,461	-	-	-	298,461	5,880	-	-	-	5,880	292,581
Consorzio Venezia Nuova	-	-	-	-	-	356	-	-	-	356	(356)
Consorzio Vertiaz	1,146	-	-	-	1,146	-	-	-	-	-	1,146
Constructora Ariguani SAS En Reorganizacion	9,282,620	-	26,673,854	-	35,956,474	-	-	-	-	-	35,956,474
Constructora Astaldi Cachapoal Limitada	867,768	-	2,506,036	1,177,241	4,551,045	1,759,102	-	-	3,487,318	5,246,420	(695,375)
Construtora Impregilo y Associados S.A.-CIGLA S.A.	161,543	-	3,555,808	-	3,717,351	25,361	-	-	305	25,666	3,691,685
Copenaghen Metro Team I/S	1,096,725	-	120,124,221	-	121,220,946	-	-	-	-	-	121,220,946
Corso del Popolo Engineering S.C. a r.l. (in liq.)	690,928	-	1,707,390	-	2,398,318	-	-	-	-	-	2,398,318
Corso del Popolo S.p.A.	106,820	-	219,958	-	326,778	-	-	-	-	-	326,778
Cossi Costruzioni S.p.A.	366,260	-	-	-	366,260	-	-	47,998,789	-	47,998,789	(47,632,529)
CSC Costruzioni S.A.	783,287	-	9,519,487	-	10,302,774	598,931	-	-	-	598,931	9,703,843

Assets and liabilities at 31 December 2022

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CSI Simplon Consorzio	-	-	-	-	-	-	-	16,432	-	16,432	(16,432)
DCSC Data Center Swiss Contractor	-	-	-	-	-	-	-	10,163,671	-	10,163,671	(10,163,671)
Diga di Blufi S.C. a r.l. (in liq.)	6,831,587	-	-	-	6,831,587	5,484,488	-	-	-	5,484,488	1,347,099
DIRPA 2 S.C. a r.l.	-	-	-	-	-	-	-	7,213,094	-	7,213,094	(7,213,094)
DMS Design Consortium S.C. a r.l.	159,449	-	-	-	159,449	324,326	-	-	-	324,326	(164,877)
Dolomiti Webuild Implenia	942,564	-	-	-	942,564	-	-	447,945	-	447,945	494,619
E.R. Impregilo/Dumez y Asociados para Yaciretê- ERIDAY	18,825,097	-	823,652	-	19,648,749	7,272	-	-	12,875,640	12,882,912	6,765,837
Ecosarno S.C. a r.l. (in Liq.)	44,471	-	-	-	44,471	41,588	-	-	-	41,588	2,883
Emittenti Titoli S.p.A. (in liq.)	-	-	-	-	-	-	-	247,575	-	247,575	(247,575)
Etlik Hastane P.A. S.r.l.	17,748	-	-	-	17,748	1,425,859	-	-	-	1,425,859	(1,408,111)
Eurolink S.C.p.A.	178,311	-	-	-	178,311	-	-	-	-	-	178,311
FCC- Webuild Constanza Bypass	527,333	-	173,413	8,107	708,853	73,645	-	-	-	73,645	635,208
FCC Construccion S.A. – Webuild S.p.A., Joint Venture (Arad- Timisoara)	483,460	-	174,505	3,076	661,041	39,150	-	-	-	39,150	621,891
Fibe S.p.A.	390,500	-	-	-	390,500	-	-	53,130,462	-	53,130,462	(52,739,962)
Fisia- Alkatas Joint Venture	20,900	-	-	-	20,900	-	-	-	-	-	20,900
Fisia Ambiente S.p.A.	61,270	-	-	-	61,270	-	-	27,970,580	-	27,970,580	(27,909,310)
Fisia Italimpianti S.p.A.	869,451	-	19,349,575	-	20,219,026	783,775	-	-	-	783,775	19,435,251
Fisia Italimpianti fil. Argentina-Acciona Agua fil. Argentina UTE	153,300	-	-	-	153,300	-	-	-	-	-	153,300
Fisia LLC	23,050	-	-	-	23,050	-	-	-	-	-	23,050
Fisia Muhendislik VE Insaat Anonim Sirketi	24,012	-	-	-	24,012	-	-	-	-	-	24,012
Forum S.C. a r.l. (in liq.)	35,282	-	-	-	35,282	-	-	-	-	-	35,282
Fosso Canna S.C. a r.l. (in liq.)	-	-	77,755	-	77,755	-	-	-	-	-	77,755
Galfar- Salini Impregilo- Cimolai Joint Venture	718,457	-	30,166,579	88,234,992	119,120,028	5,479	-	-	-	5,479	119,114,549
Gaziantep Hastanesi Isletme Ve Bakim Hizmetleri	(299,993)	-	299,993	-	-	-	-	-	-	-	-
Gebze-İzmir Otoyolu İnşaati (NOMAYG) Adi Ortakligi	513	-	-	168	681	2,553	-	-	15,126	17,679	(16,998)
Generalny Wykonawca Salini Polska- Impregilo- Kobylarnia S.A.	-	-	1,895,401	-	1,895,401	-	-	-	-	-	1,895,401
Ghazi-Barotha Contractors Joint Venture	4,748	-	-	-	4,748	-	-	-	-	-	4,748
Groupement Astaldi-Somatra Get (G.A.S.)	-	-	-	22,945	22,945	-	-	-	-	-	22,945
Grupo Empresas Italianas- GEI	-	-	160,229	585,393	745,622	-	-	-	16,565	16,565	729,057
Grupo ICT II SAS	3,842,252	-	54,036,322	-	57,878,574	294,400	-	-	-	294,400	57,584,174
Grupo Unidos Por El Canal S.A.	40,468,919	-	-	-	40,468,919	-	-	-	-	-	40,468,919
HCE Costruzioni S.p.A.	310,306	-	142,995,393	-	143,305,699	-	-	-	-	-	143,305,699
Hirpinia Orsara AV	886,115	-	-	-	886,115	-	-	150,617,529	-	150,617,529	(149,731,414)
IGLYS S.A.	8,712	-	501	-	9,213	26,897	-	370,583	-	397,480	(388,267)
Impregilo Arabia Ltd.	-	-	-	-	-	553,461	-	-	-	553,461	(553,461)
Impregilo International Infrastructures N.V.	32,300	-	2,141,472	-	2,173,772	-	-	-	-	-	2,173,772
Impregilo Lidco Libya Co	297,804	-	-	-	297,804	126,714	-	3,271,523	-	3,398,237	(3,100,433)
Impregilo New Cross Ltd.	48,323	-	3,947,689	-	3,996,012	166,297	-	-	-	166,297	3,829,715

Assets and liabilities at 31 December 2022

	Trade receivables	Non-current financial assets	Current financial assets	Other current assets	Total assets	Trade payables	Non-current portion of bank loans, other financing and non-current lease liabilities	Current account facilities, current portion of bank loans and borrowings, current lease liabilities	Other current liabilities	Total liabilities	Net balance
Impregilo-SK E&C-Galfar al Misnad Joint Venture	836,942	-	318,746	11,297,115	12,452,803	81,492	-	-	-	81,492	12,371,311
INC- Il Nuovo Castoro Algerie S.a.r.l.	333,339	-	5,201,329	-	5,534,668	97,371	-	-	-	97,371	5,437,297
Infraflegrea Progetto S.C.p.A.	268,252	-	-	-	268,252	-	-	989,346	-	989,346	(721,094)
Infraflegrea S.C. a r.l. (in liq.)	532,336	-	-	-	532,336	562,876	-	-	-	562,876	(30,540)
IS Joint Venture	9,238,444	-	79,489,439	-	88,727,883	-	-	-	17,549,207	17,549,207	71,178,676
Isarco S.C. a r.l.	641,625	-	-	-	641,625	-	-	-	-	-	641,625
Italstrade CCCF Joint Venture Romis S.r.l.	17,390	-	62,549	-	79,939	153,280	-	-	-	153,280	(73,341)
Italstrade S.p.A.	286,510	-	2,288,266	-	2,574,776	-	-	-	-	-	2,574,776
Joint Venture Aktor S.A.- Impregilo S.p.A.	-	-	332	-	332	-	-	-	-	-	332
Joint Venture Aktor-Webuild-Ansaldo-STS-Hitachi Rail Utaly (ex AIASA Joint Venture)	42,367	-	-	-	42,367	843	-	-	-	843	41,524
Joint Venture Impregilo S.p.A.- Empedos S.A.- Aktor A.T.E. (in liq.)	-	-	54,459	223,931	278,390	-	-	-	-	-	278,390
Joint Venture Impregilo S.p.A.- S.G.F. INC S.p.A.	1,483,063	-	7,670,704	32,869	9,186,636	4,840	-	-	1,727,445	1,732,285	7,454,351
La Maddalena	4,443,354	-	-	-	4,443,354	1,001,911	-	-	-	1,001,911	3,441,443
Lane Construction Corporation	2,528,541	-	15,774,893	-	18,303,434	110,324	-	-	-	110,324	18,193,110
Lane Industries Incorporated	757	-	-	-	757	-	-	-	-	-	757
Lane Mideast Contracting LLC	88,055	-	-	-	88,055	-	-	-	-	-	88,055
Lane Mideast Qatar LLC	260,131	-	-	-	260,131	-	-	-	-	-	260,131
Line 3 Metro Stations	90,986	-	357,900	-	448,886	-	-	-	279,670	279,670	169,216
Lodz Consorzio	-	-	225,593	45,677	271,270	200	-	-	-	200	271,070
M.N. Metropolitana di Napoli S.p.A.	164,998	-	-	-	164,998	20,050	-	-	-	20,050	144,948
Mercovia S.A.	1,620	-	-	-	1,620	-	-	-	-	-	1,620
Messina Catania lotto Nord	256,423	-	-	-	256,423	-	-	140,054,123	-	140,054,123	(139,797,700)
Messina Catania lotto Sud	11,752	-	-	-	11,752	-	-	89,653,291	-	89,653,291	(89,641,539)
Messina Catania tratto Nord	-	-	-	-	-	2,807	-	-	-	2,807	(2,807)
Messina Stadio S.C. a r.l. (in liq.)	1,233,652	-	2,469,784	-	3,703,436	3,693,219	-	-	-	3,693,219	10,217
Metro 5 S.p.A.	-	-	-	-	-	385	-	-	-	385	(385)
Metro B1 S.C. a r.l.	7,203,014	-	4,416,819	-	11,619,833	15,328,516	-	-	-	15,328,516	(3,708,683)
Metro Blu S.C. a r.l.	2,518,334	-	-	-	2,518,334	-	-	-	-	-	2,518,334
Metro C S.C.p.A.	1,042,483	-	-	-	1,042,483	10,838	-	-	-	10,838	1,031,645
Metrogenova S.C. a r.l. (in liq.)	92,143	-	-	-	92,143	128,923	-	-	-	128,923	(36,780)
Mobilinx Hurontario Contractor	80,180	-	-	-	80,180	-	-	-	-	-	80,180
Mondial Milas-Bodrum Havalimani Uluslararasi Terminal İşletmeciliği Ve Yatirim A.S.	6,635	-	-	35,733	42,368	7,314	-	1,113	-	8,427	33,941
Mosconi S.r.l.	7,489	-	-	-	7,489	-	-	558,724	-	558,724	(551,235)
Mose Bocca di Chioggia S.C. a r.l. (in liq.)	32,369	-	-	-	32,369	-	-	-	-	-	32,369
N.P.F. – Nuovo Polo Fieristico S.C. a r.l. (in liq.)	229,828	-	-	-	229,828	999	-	-	-	999	228,829
Nadlac-Arad Joint Venture	738,829	-	970,376	44,570	1,753,775	241,163	-	-	137,993	379,156	1,374,619
Napoli Cancello Alta Velocità S.C. a r.l.	348,936	-	-	-	348,936	-	-	13,733,880	-	13,733,880	(13,384,944)
NBI Elektrik Elektromekanik Tesisat Insaat Ve Ticaret I.S.	50,236	495,000	-	320,745	865,981	10,369	-	-	-	10,369	855,612

Assets and liabilities at 31 December 2022

	Trade receivables	Non-current financial assets	Current financial assets	Other current assets	Total assets	Trade payables	Non-current portion of bank loans, other financing and non-current lease liabilities	Current account facilities, current portion of bank loans and borrowings, current lease liabilities	Other current liabilities	Total liabilities	Net balance
NBI S.p.A.	1,607,971	-	266	1,694,154	3,302,391	270,184	-	600,000	-	870,184	2,432,207
NGE Genie Civil S.a.s.- Salini Impregilo S.p.A.	-	-	-	-	-	54,722	-	-	-	54,722	(54,722)
Nova Via Festinat Industrias (in liq.)	-	-	-	-	-	4	-	-	-	4	(4)
Nuovo Ospedale Sud Est Baresen S.C. a r.l.	95,088	-	-	-	95,088	-	-	-	-	-	95,088
Partecipazioni Italia S.p.A.	9,244,712	-	-	-	9,244,712	305,407	-	40,166,257	-	40,471,664	(31,226,952)
Partenopea Finanza di Progetto S.C.p.A. (in liq.)	195,135	-	-	-	195,135	-	-	-	-	-	195,135
Passante Dorico S.p.A.	8,749	-	-	-	8,749	-	-	-	-	-	8,749
Pedelombarda S.C.p.A. (in liq.)	94,392	-	2,485	-	96,877	814,160	-	-	-	814,160	(717,283)
Pegaso S.C. a r.l. (in Liq.)	3,424	-	-	-	3,424	-	-	-	-	-	3,424
Pergenova Breakwater	102,552,265	-	-	-	102,552,265	145,524	-	179,150,859	-	179,296,383	(76,744,118)
PerGenova S.C.p.A. (in liq.)	2,097,716	-	-	-	2,097,716	1,635,336	-	-	-	1,635,336	462,380
PGH Ltd.	76,422	-	4,591,890	-	4,668,312	8,286	-	-	-	8,286	4,660,026
Piana di Licata S.C. a r.l. (in liq.)	-	-	137,444	-	137,444	139,073	-	-	-	139,073	(1,629)
Pietrarossa S.C. a r.l. (in liq.)	12,396	-	-	-	12,396	-	-	-	-	-	12,396
Piscine dello Stadio S.r.l.	141,669	-	311,488	-	453,157	-	-	-	-	-	453,157
Puentes del Litoral S.A. (in liq.)	3,256	-	-	-	3,256	-	-	-	-	-	3,256
Reggio Calabria- Scilla S.C.p.A. (in liq.)	24,178,702	-	340,548	-	24,519,250	42,642,275	-	-	-	42,642,275	(18,123,025)
Regionerate DC Joint Venture	92,774	-	-	-	92,774	-	-	-	-	-	92,774
RI.MA.TI. S.C. a r.l. (in liq.)	125,271	-	-	-	125,271	-	-	615,754	-	615,754	(490,483)
Rivigo Joint Venture (Nigeria) Ltd.	190,105	-	-	-	190,105	-	-	-	-	-	190,105
Romairport S.r.l.	5,507,272	-	3,702,313	7,413	9,216,998	7,638,267	-	614,719	1,672,361	9,925,347	(708,349)
S. Agata FS S.C. a r.l.	550,209	-	-	-	550,209	-	-	8,332,040	-	8,332,040	(7,781,831)
S. Filippo S.C. a r.l. (in liq.)	963,732	-	-	-	963,732	89,095	-	-	-	89,095	874,637
S. Ruffillo S.C. a r.l. (in liq.)	-	-	-	-	-	15,343,839	-	-	-	15,343,839	(15,343,839)
S.A.T. S.p.A.	101,581	-	-	-	101,581	-	-	-	-	-	101,581
S.E.I.S. S.p.A.	-	-	4,080,767	-	4,080,767	-	-	-	-	-	4,080,767
S.P.T.-Società Passante Torino S.C. a r.l. (in liq.)	1,134	-	-	-	1,134	-	-	-	-	-	1,134
SA.PI. NOR Salini Impregilo- Pizzarotti Joint Venture	2,647,570	-	-	-	2,647,570	-	-	-	-	-	2,647,570
Sailini Impregilo- NGE Genie Civil S.a.s	-	-	2,598,435	-	2,598,435	-	-	-	-	-	2,598,435
Salerno-Reggio Calabria S.C.p.A. (in liq.)	77,483,637	-	-	-	77,483,637	95,862,150	-	153,187	-	96,015,337	(18,531,700)
Salini- Impregilo Joint Venture for Mukorsi	-	-	-	-	-	19,761	-	-	-	19,761	(19,761)
Salini Australia Pty Ltd.	-	-	60,281,480	-	60,281,480	658,361	-	-	-	658,361	59,623,119
Salini Impregilo- Healy Joint Venture (Tunnel 3RPORT Indiana)	-	-	-	-	-	-	-	-	2,779,752	2,779,752	(2,779,752)
Salini Impregilo- Healy Joint Venture NEBT	13,687	-	-	2,299,365	2,313,052	-	-	-	-	-	2,313,052
Salini Impregilo- NRW Joint Venture	5,103,743	-	78,326,617	-	83,430,360	83,889	-	-	-	83,889	83,346,471
Salini Impregilo- Tristar	2,253,289	-	-	-	2,253,289	505,551	-	-	-	505,551	1,747,738
Salini Malaysia SDN BHD	40,165	-	-	-	40,165	-	-	73,154	-	73,154	(32,989)
Salini Namibia Proprietary Ltd.	29,266	-	-	-	29,266	84,946	-	2,704,036	349	2,789,331	(2,760,065)

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Salini Nigeria Ltd.	5,345,552	-	81,273,908	-	86,619,460	516,073	-	-	-	516,073	86,103,387
Salini Polska- Todini- Salini Impregilo- S7 Joint Venture	21,415,646	-	-	-	21,415,646	68,773,487	-	-	-	68,773,487	(47,357,841)
Salini Polska- Todini- Salini Impregilo- Pribex- S3 Joint Venture	18,271,163	-	361,058	-	18,632,221	52,332,904	-	-	-	52,332,904	(33,700,683)
Salini Polska- Todini- Salini Impregilo- Pribex- S8 Joint Venture	1,771,898	-	-	-	1,771,898	28,454,727	-	-	-	28,454,727	(26,682,829)
Salini Polska Ltd. Liability Co	733,372	-	224,699,300	-	225,432,672	72,389	-	-	-	72,389	225,360,283
Salini Saudi Arabia Company Ltd.	4,606,512	-	120,491	-	4,727,003	1,795,703	-	4,858,390	-	6,654,093	(1,927,090)
Salini Strabag Joint Venture	-	-	210,934	-	210,934	498,095	-	-	-	498,095	(287,161)
Sartori Tecnologie Industriali S.r.l. (in liq.)	4,453	-	-	-	4,453	-	-	-	-	-	4,453
SCI ADI Ortakligi	872	8,150,253	-	-	8,151,125	-	-	-	-	-	8,151,125
SCLC Polihali Diversion Tunnel Joint Venture	110,392	-	-	-	110,392	5,511	-	20,529	-	26,040	84,352
Scuola Carabinieri S.C. a r.l. (in liq.)	499,898	-	-	-	499,898	-	-	-	-	-	499,898
Seac S.C. a r.l. (in liq.)	5,177	-	269,682	-	274,859	-	-	-	-	-	274,859
SEDI S.C. a r.l. (in liq.)	1,005	-	-	-	1,005	-	-	-	-	-	1,005
Segrate S.C. a r.l.	3,759	-	-	-	3,759	-	-	-	-	-	3,759
Seli Middle East Construction Co. W.L.L.	914	-	-	-	914	-	-	-	-	-	914
Seli Overseas S.p.A.	2,367,497	-	25,169,108	-	27,536,605	613,649	-	-	-	613,649	26,922,956
SFI Leasing Company	-	-	4,439,086	-	4,439,086	-	-	-	3,741,830	3,741,830	697,256
Shimmick CO. INC.- FCC CO S.A.- Impregilo S.p.A.- Joint Venture	28,595,576	-	-	-	28,595,576	74,735	-	-	28,787,878	28,862,613	(267,037)
Sirjo S.C.p.A.	2,445,121	-	-	-	2,445,121	-	-	66,302,709	-	66,302,709	(63,857,588)
Sistranyac S.A.	419	-	-	-	419	-	-	-	-	-	419
SLC Snowy Hydro Joint Venture	8,305,538	-	-	-	8,305,538	-	-	40,838,436	-	40,838,436	(32,532,898)
Sociedad Austral Mantenciones y Operaciones S.p.A.	21,453	-	-	-	21,453	-	-	-	-	-	21,453
Società Autostrada Broni- Mortara S.p.A.	23,214	-	-	-	23,214	-	-	274,249	-	274,249	(251,035)
Sotra Link A.S. Joint Venture	4,569,943	-	-	-	4,569,943	-	-	-	-	-	4,569,943
Spark NEL DC Joint Venture	182,357	-	-	-	182,357	-	-	-	-	-	182,357
SPV Linea M4 S.p.A.	136,173	-	-	-	136,173	24,500	-	-	-	24,500	111,673
Suramericana de Obras Publicas C.A.- Suropca C.A.	-	-	34,063	-	34,063	-	-	938,281	-	938,281	(904,218)
Susa Dora Quattro S.C. a r.l. (in liq.)	-	-	-	-	-	11,839	-	-	-	11,839	(11,839)
T.E.Q Construction Enterprise Inc.	1,018,872	-	-	-	1,018,872	-	-	-	-	-	1,018,872
Tangenziale Seconda S.C. a r.l. (in liq.)	92,232	-	-	-	92,232	25,563	-	-	-	25,563	66,669
Techint S.A.C.I.- Hochtief A.G.- Impregilo S.p.A.-Iglys S.A. UTE	-	-	-	1,275,157	1,275,157	-	-	1,108,124	170,142	1,278,266	(3,109)
Texas High Speed Rail	8,652,167	-	8,749,435	-	17,401,602	-	-	-	-	-	17,401,602
Thessaloniki Metro CW Joint Venture (AIS Joint Venture)	176,992	-	-	-	176,992	-	-	-	-	-	176,992
Toledo S.C. a r.l. (in liq.)	153,213	-	-	-	153,213	-	-	-	-	-	153,213
Uti Grup S.A.-Astaldi S.p.A. (pattinaggio)	513,166	-	-	17,463	530,629	389	-	-	42,312	42,701	487,928
Valle Aconcagua S.A.	5,190	-	-	29,382	34,572	-	-	-	56,285	56,285	(21,713)
Veneta Sanitaria Finanza di Progetto S.p.A.- V.S.F.P. S.p.A.	14,783	-	-	-	14,783	1,417	-	-	-	1,417	13,366
Webuild- Connect 6iX GP Inc.	71,431	-	-	-	71,431	-	-	-	-	-	71,431

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Webuild- Fisia Joint Venture	-	-	5,149,819	-	5,149,819	-	-	115,555	-	115,555	5,034,264
Webuild- Kolin	5,672,557	-	21,060	-	5,693,617	-	-	-	-	-	5,693,617
Webuild Apco Joint Venture (ex Reliance)	349	-	-	-	349	-	-	-	-	-	349
Webuild Canada Holding Inc.	966,674	-	992,884	-	1,959,558	-	-	-	-	-	1,959,558
Webuild Civil Works	4,368,681	-	1,422,875	-	5,791,556	-	-	-	-	-	5,791,556
Webuild Concessions S.p.A.	-	-	781	-	781	-	-	-	-	-	781
Webuild Italia S.p.A.	299,374,112	-	-	-	299,374,112	430,901,583	-	1,207,172,482	-	1,638,074,065	(1,338,699,953)
Webuild Mobilink Hurontario GP Inc.	574,808	-	-	-	574,808	-	-	-	-	-	574,808
Webuild S.p.A.- The Lane Construction Co.- Jose J Chediack S.A. UTE	618,451	-	-	11,846,899	12,465,350	432,792	-	2,338,085	5,811	2,776,688	9,688,662
Webuild-FCC-Delta ACM-AB Construct (Metro 5 Bucarest struttura)	2,122,240	-	641,015	34	2,763,289	74,488	-	-	1,879,942	1,954,430	808,859
Webuildi-FCC Joint Venture (Basarab Overpass)	6,506,554	-	967,546	-	7,474,100	7,214,233	-	-	-	7,214,233	259,867
Webuild-Max Boegl Romania Cernavoda	194,870	-	-	-	194,870	35,114	-	256,922	42,144	334,180	(139,310)
Webuild-Max Boegl Romania-Nadlac Arad Lot 2 Joint Venture	16,622	-	64,859	-	81,481	2,535	-	127,685	22,481	152,701	(71,220)
Webuild-Max Bogl-Euroconstruct-Tecnologica-Priect Bucuresti Joint Venture (A1 Ciuriel)	-	-	329,587	-	329,587	6	-	-	208,111	208,117	121,470
Webuild-Terna SNFCC Joint Venture	-	-	-	2,350,718	2,350,718	-	-	-	-	-	2,350,718
Western Station Joint Venture	7,143,193	-	-	21,550,869	28,694,062	24,362,581	-	4,669,276	-	29,031,857	(337,795)
Wres Senqu Bridge Joint Venture	264,852	-	773,243	-	1,038,095	-	-	-	-	-	1,038,095
Yuma Concesionaria S.A.	-	178,761,813	-	-	178,761,813	-	-	-	-	-	178,761,813
Total group companies	1,132,395,285	187,555,436	1,165,406,769	174,191,888	2,659,549,378	970,604,459	573,092	2,181,607,988	88,116,099	3,240,901,638	(581,352,260)
Casada S.r.l.	160,609	-	-	-	160,609	-	-	-	-	-	160,609
CDP S.p.A.	-	-	-	-	-	379,176	-	-	-	379,176	(379,176)
CEDIV S.p.A.	832,595	-	-	-	832,595	-	-	-	-	-	832,595
C. Tiburtino	150,913	-	-	-	150,913	-	-	-	-	-	150,913
Dirlan S.r.l.	151,218	-	-	-	151,218	-	-	-	-	-	151,218
Fincantieri Infrastruc. S.p.A.	37,183	-	-	-	37,183	10,789,649	-	-	-	10,789,649	(10,752,466)
G.A.B.I.RE. S.r.l.	218,054	-	-	-	218,054	-	-	-	-	-	218,054
Galla Placidia S.C.ar.l.	166,376	-	-	-	166,376	-	-	-	-	-	166,376
Imm. Agricola San Vittorino	213,769	-	-	-	213,769	-	-	-	-	-	213,769
Infernetto S.r.l.	53,863	-	-	-	53,863	-	-	-	-	-	53,863
Madonna dei Monti S.r.l.	106,149	-	-	-	106,149	-	-	-	-	-	106,149
Nores S.r.l.	102,860	-	-	-	102,860	-	-	-	-	-	102,860
Plus S.r.l.	208,287	-	-	-	208,287	-	-	-	-	-	208,287
Salini S.p.A.	27,622	-	-	-	27,622	-	-	-	-	-	27,622
Salini Costruttori S.p.A.	-	-	981,185	-	981,185	-	-	-	-	-	981,185
SALINI SIMONPIETRO & C. S.A.P.A.	110,758	-	-	-	110,758	-	-	-	-	-	110,758
Simest S.p.A.	-	-	-	-	-	-	6,308,883	-	-	6,308,883	(6,308,883)
Zeis S.r.l.	416,312	-	2,508,850	-	2,925,162	-	-	-	-	-	2,925,162
Total other related parties	2,956,568	-	3,490,035	-	6,446,603	11,168,825	6,308,883	-	-	17,477,708	(11,031,105)

Assets and liabilities at 31 December 2022

	Trade receivables	Non-current financial assets	Current financial assets	Other current assets	Total assets	Trade payables	Non-current portion of bank loans, other financing and non-current lease liabilities	Current account facilities, current portion of bank loans and borrowings, current lease liabilities	Other current liabilities	Total liabilities	Net balance
Total	1,135,351,853	187,555,436	1,168,896,804	174,191,888	2,665,995,981	981,773,284	6,881,975	2,181,607,988	88,116,099	3,258,379,346	(592,383,365))

Revenue and costs for 2022

	Revenue	Other income	Purchases	Subcontracts	Services	Personnel expenses	Total	Amortisation, depreciation, impairment losses, provisions	Financial income	Financial expense
A1 Motorway Tuszyn-Pyrzowice lot F Joint Venture	-	-	-	-	4,923,945	-	-	-	-	-
Afragola FS S.C. a r.l. (in liq.)	-	-	-	-	(42,392)	-	-	-	-	-
AGN HAGA AB	-	3,023,240	73	-	-	-	-	-	-	-
Aguas del Gran Buenos Aires S.A. (in liq.)	23,051	-	-	-	-	-	-	-	-	-
AR.GI. S.C.p.A. (in liq.)	90,000	538	-	-	-	-	-	-	-	-
Arge BBT- Baulos H41- Sillschlucht- Pfons	231,533	16,635	-	-	-	-	-	-	-	-
AS.M. S.C. a r.l.	25,000	-	-	-	-	-	-	-	-	-
Asocierea Astaldi S.p.A-IHI Infrastructure Systems SO, Ltd. (Braila)	1,022,661	378,965	-	-	-	-	-	-	-	-
Asocierea Lot 3 FCC-Webuild- Convensa	699,873	-	-	-	-	-	-	-	-	-
Asocierea Webuild S.p.A. – Max Boegl Romania S.r.l. – Astalrom S.A. – Consitrans S.r.l. (Ogra-Campia Turzii)	2,636	-	-	-	1,531	-	-	-	-	-
Asocierea Webuild-FCC-Salcef, lot 2°a	402,253	-	-	-	-	-	1,049	-	-	-
Asocierea Webuild-FCC-Salcef, lot 2°b	722,810	735	-	-	-	-	-	-	-	-
Asocierea Webuild-FCC-UTI-ACTIV (Metro 5)	120,975	10,474	69	-	-	2,429	-	-	-	-
Astadim S.C.	-	1,016	-	-	-	-	-	-	-	-
Astaldi Arabia Ltd.	-	-	-	-	-	-	-	-	40,623	-
Astaldi Canada Enterprises Inc.	-	1,973	-	-	-	-	-	-	2,002,045	4,785,498
Astaldi Canada Inc.	-	-	-	-	-	-	-	-	1,325,088	3,418,921
Astaldi Concessions S.p.A.	156,051	5,231	-	-	-	-	-	-	1,408,757	-
Astaldi Construction Corporation	83,454	451	-	-	-	-	-	883,672	389,112	6,285,669
Astaldi India Services LLP	-	4,159	-	-	-	-	-	-	-	-
Astaldi-Gulermak Joint Venture	-	245	-	-	-	-	-	-	-	-
Astaldi-Tukerler Ortak Girisimi Joint Venture	-	140	-	-	-	-	-	-	-	-
Astaldi-UTI-Romairport Joint Venture (Clui Napoca)	-	14,040	-	-	-	-	-	-	-	-
Astalrom S.A.	-	-	42	-	1,176,633	-	-	-	-	-
Aster Astaldi-TIM-Termomeccanica Ecologica	-	3,731	-	-	-	-	-	-	-	-
Aster Dantiscum	-	662,807	-	-	-	-	-	-	-	-
Aster Resovia TM e Termomeccanca Ecologica Astaldi S.C.	-	27,531	-	-	-	-	-	-	4	-
Astur Construction and Trade A.S.	-	440	-	-	-	-	-	-	4,250	-
Bovino Orsara AV	26,783	55,434	-	-	-	-	-	-	-	1,161,300
Brennero Tunnel Construction S.C. a r.l.	114,838	-	-	-	-	-	-	-	-	-
BSS Joint Venture- Air Academy project	-	2,886,490	-	-	-	-	-	-	-	-
BSS-KSAB Joint Venture	38,273	4,704,768	-	-	17,352	-	-	-	-	-
Bussentina S.C. a r.l. (in liq.)	-	-	-	-	-	-	-	(294,098)	-	-
C.F.M. S.C. a r.l. (in liq.)	-	5,487	-	-	-	-	-	-	-	-
Capodichino AS.M. S.C. a r.l.	40,000	2,087	-	-	-	-	-	-	-	-
CDE S.C. a r.l.	60,259	464,367	-	-	6,384	-	-	-	165,528	3,524
CO.ME.NA. S.C. a r.l. (in liq.)	-	-	-	-	15,258	-	-	-	-	-
CO.MERI S.p.A.	91,910	1,500	-	-	-	-	-	-	-	-
Collegamenti Integrati Veloci C.I.V. S.p.A.	24,064	4,000	-	-	-	-	-	-	-	-
Compagnia Gestione Macchinari CO.GE.MA. S.p.A.	134,928	93,600	-	-	2,650,000	-	-	-	112,898	-
Consorcio Ana Cua	-	353,745	-	-	-	-	-	-	88,509	-

Revenue and costs for 2022

	Revenue	Other income	Purchases	Subcontracts	Services	Personnel expenses	Total	Amortisation, depreciation, impairment losses, provisions	Financial income	Financial expense
Consorcio Constructor Webuild- Cigla (florianopolis)	-	-	-	-	-	-	-	-	492,307	-
Consorcio Contuy Medio	-	-	-	-	155,247	-	-	-	-	-
Consorcio Grupo Contuy-Proyectos y Obras de Ferrocarriles	-	-	-	-	125,317	-	-	-	-	-
Consorcio Impregilo Yarull	6,893	5,600	-	-	-	-	-	-	19,206	-
Consorcio OIV-TOCOMA	-	-	-	-	283,844	-	-	14,337	-	-
Consorcio V.I.T. Caroni- Tocoma	-	-	-	-	972,140	-	-	-	-	-
Consorzio Alta Velocità Torino/Milano- C.A.V.TO.MI.	124,773	-	-	-	779,477	-	12	-	101,745	100,163
Consorzio Astaldi-Federici-Todini Kramis	-	-	-	-	17,807	-	-	-	-	-
Consorzio C.A.V.E.T.- Consorzio Alta Velocità Emilia/Toscana	57,388	-	-	-	842,657	-	-	-	67,992	89,035
Consorzio Cociv	597,801	499,143	-	-	-	-	-	-	-	1,308,751
Consorzio Consarno	1,630	-	-	-	29,505	-	-	-	-	-
Consorzio Constructor M2 Lima	2,404,136	12,404	-	-	-	-	-	-	-	-
Consorzio EPC	57,709,161	13,603	-	-	2,118,504	-	-	-	-	-
Consorzio Ferrofir (in liq.)	-	-	-	-	37,421	-	-	-	-	-
Consorzio Hirpinia AV	62,417	71,502	-	-	-	-	-	-	-	-
Consorzio Iricav Due	116,366	626,146	-	-	-	-	-	-	-	-
Consorzio Libyan Expressway Contractor	57,560	2,800	-	-	81,815	-	-	-	-	-
Consorzio MM4	79,737	(904,188)	-	-	-	-	-	-	-	-
Consorzio Novocen (in liq.)	-	-	-	-	114,266	-	-	(139,625)	-	-
Constructora Ariguani SAS En Reorganizacion	675,855	231,644	-	-	-	-	-	-	855,933	-
Construtora Impregilo y Associados S.A.-CIGLA S.A.	-	-	-	-	25,689	-	-	-	123,547	-
Copenaghen Metro Team I/S	(166,187)	658,204	-	-	-	-	-	-	4,341,419	-
Corso del Popolo Engineering S.C. a r.l. (in liq.)	10,698	2,800	-	-	-	-	-	-	65,155	-
Corso del Popolo S.p.A.	25,551	2,800	-	-	-	-	-	-	6,963	-
Cossi Costruzioni S.p.A.	135,459	377,407	-	-	-	-	-	-	142,508	210,967
CSC Costruzioni S.A.	62,536	70,200	-	-	-	-	-	-	296,224	-
DCSC Data Center Swiss Contractor	-	-	-	-	-	-	-	-	-	163,671
Diga di Blufi S.C. a r.l. (in liq.)	-	-	-	-	2,838	-	-	-	-	-
DMS Design Consortium S.C. a r.l.	-	-	-	-	739	-	-	-	-	-
Dolomiti Webuild Implenia	7,810	104,392	-	-	-	-	-	-	-	-
E.R. Impregilo/Dumez y Asociados para Yaciretê- ERIDAY	679,445	-	-	-	6,684,038	-	-	88,121	731,911	1,533,666
Ecosarno S.C. a r.l. (in Liq.)	-	-	-	-	(8,106)	-	-	-	-	-
Enecor S.A.	9,385	-	-	-	-	-	-	-	-	-
Etlik Hastane P.A. S.r.l.	-	229,326	-	-	5,647	-	-	-	-	-
Eurolink S.C.p.A.	23,206	150,000	-	-	-	-	-	-	-	-
Fibe S.p.A.	170,179	3,851	-	-	-	-	-	-	-	-
Fisia- Alkatas Joint Venture	-	3,800	-	-	-	-	-	-	-	-
Fisia Ambiente S.p.A.	20,774	-	-	-	-	-	-	-	-	543,658
Fisia Italimpianti S.p.A.	246,821	400,702	-	-	179,485	-	-	-	453,649	30,737
Fisia Italimpianti fil. Argentina-Acciona Agua fil. Argentina UTE	-	55,800	-	-	-	-	-	-	-	-
Fisia LLC	-	3,800	-	-	-	-	-	-	-	-
Fisia Muhendislik VE Insaat Anonim Sirketi	14,310	3,800	-	-	-	-	-	-	-	-

Revenue and costs for 2022

	Revenue	Other income	Purchases	Subcontracts	Services	Personnel expenses	Total	Amortisation, depreciation, impairment losses, provisions	Financial income	Financial expense
Galfar- Salini Impregilo- Cimolai Joint Venture	-	718,302	-	-	985	-	966	-	-	-
Gaziantep Hastanesi Isletme Ve Bakim Hizmetleri	-	-	-	-	-	-	-	-	1,156,026	(3,528,716)
Ghazi-Barotha Contractors Joint Venture	-	9,412	-	-	-	-	-	-	-	-
Grupo Empresas Italianas- GEI	-	-	-	-	320,366	-	-	-	-	-
Grupo ICT II SAS	87,302	-	-	-	-	-	-	-	1,864,576	-
Grupo Unidos Por El Canal S.A.	866,106	74,939	-	-	-	-	-	-	-	-
HCE Costruzioni S.p.A.	744,238	561,089	-	-	-	-	-	-	6,526,738	5,359,594
Hirpinia Orsara AV	34,878	37,715	-	-	-	-	-	-	-	3,483,900
IGLYS S.A.	-	-	-	-	-	288	-	-	-	125,633
Impregilo Arabia Ltd.	611	-	-	-	-	-	-	1,012	-	-
Impregilo International Infrastructures N.V.	-	5,700	-	-	-	-	-	-	89,673	-
Impregilo Lidco Libya Co	297,804	11,264	-	-	-	-	-	-	34,812	-
Impregilo New Cross Ltd.	4,995	3,328	-	-	-	-	-	-	91,635	-
Impregilo-SK E&C-Galfar al Misnad Joint Venture	164,927	283,612	-	-	-	-	-	-	-	-
Impresit Bakolori Plc	-	-	-	-	-	-	-	-	1,469,620	1,469,620
Infraflegrea Progetto S.C.p.A.	92,149	-	-	-	-	-	-	-	-	-
Infraflegrea S.C. a r.l. (in liq.)	-	-	-	-	338	-	-	-	-	-
IS Joint Venture	-	1,140,442	-	-	-	-	-	-	-	-
Isarco S.C. a r.l.	85,374	213,164	-	-	-	-	-	-	-	-
Italstrade S.p.A.	15,000	4,000	-	-	-	-	-	-	73,300	-
Joint Venture Aktor-Webuild-Ansaldo-STS-Hitachi Rail Utaly (ex AIASA Joint Venture)	-	102,500	-	-	-	-	-	-	-	-
Joint Venture Impregilo S.p.A.- S.G.F. INC S.p.A.	-	75,000	-	-	15	-	-	-	-	-
La Maddalena	19,398	93,200	-	-	998,251	-	-	-	-	-
Lane Construction Corporation	2,271,012	72,752	-	-	126,559	-	60,121	-	366,891	-
Lane Industries Incorporated	757	-	-	-	-	-	-	-	-	-
Lane Mideast Contracting LLC	-	37,607	-	-	-	-	-	-	-	-
Line 3 Metro Stations	-	-	-	-	11,263	-	-	-	-	-
Lodz Consorzio	-	26	-	-	7	-	-	-	-	-
Mercovia S.A.	18,931	-	-	-	-	-	-	-	-	-
Messina Catania lotto Nord	35,168	73,100	-	-	-	-	-	-	-	3,235,050
Messina Catania lotto Sud	11,752	-	-	-	-	-	-	-	-	2,073,750
Messina Stadio S.C. a r.l. (in liq.)	-	-	-	-	735	-	-	-	-	-
Metro B1 S.C. a r.l.	23,771	-	-	-	354,626	-	2	-	177,442	8,480
Metro Blu S.C. a r.l.	184,577	613,600	-	-	-	-	-	-	-	30,815
Metro C S.C.p.A.	45,000	157,988	-	-	-	-	-	-	-	-
Metrogenova S.C. a r.l. (in liq.)	-	10,692	-	-	-	-	-	-	-	-
Mobilinx Hurontario Contractor	35,000	87,480	-	-	-	-	-	-	-	-
Mondial Milas-Bodrum Havalimani Uluslararasi Terminal İşletmeciliği Ve Yatirim A.S.	-	440	-	-	-	-	-	-	-	-
Mosconi S.r.l.	3,672	4,433	-	-	-	-	-	-	-	6,301
N.P.F. – Nuovo Polo Fieristico S.C. a r.l. (in liq.)	-	-	-	-	806	-	-	-	-	-
Napoli Cancello Alta Velocità S.C. a r.l.	50,830	68,921	-	-	-	-	-	-	-	170,442
NBI Elektrik Elektromekanik Tesisat Insaat Ve Ticaret I.S.	-	440	-	-	-	-	-	-	45,824	-

Revenue and costs for 2022

	Revenue	Other income	Purchases	Subcontracts	Services	Personnel expenses	Total	Amortisation, depreciation, impairment losses, provisions	Financial income	Financial expense
NBI S.p.A.	170,720	755,443	-	-	13,456	-	-	-	-	-
NGE Genie Civil S.a.s.- Salini Impregilo S.p.A.	-	66,882	-	-	-	-	-	-	-	-
Partecipazioni Italia S.p.A.	2,970,402	1,753,709	-	-	181,991	-	1,354	-	-	2,982,066
Partenopea Finanza di Progetto S.C.p.A. (in liq.)	37,200	-	-	-	-	-	-	-	-	-
Passante Dorico S.p.A.	1,252	2,800	-	-	-	-	-	-	-	-
Pedelombarda S.C.p.A. (in liq.)	27,823	-	426	-	(912)	-	4,514	-	-	-
Pergenova Breakwater	-	1,390,540	-	-	145,524	-	-	-	-	39,748
PerGenova S.C.p.A. (in liq.)	-	-	-	-	(71,445)	-	-	-	-	-
PGH Ltd.	-	-	-	-	-	-	-	-	122,612	-
Piscine dello Stadio S.r.l.	16,314	2,800	-	-	-	-	-	-	14,644	-
Portovesme S.C. a r.l. (in liq.)	-	-	-	-	16,155	-	-	-	-	-
Puentes del Litoral S.A. (in liq.)	12,688	-	-	-	-	-	-	-	-	972,845
Reggio Calabria- Scilla S.C.p.A. (in liq.)	15,161	3,058	-	-	354,644	-	-	-	-	23,008
Regionerate DC Joint Venture	-	1,086,387	-	-	-	-	-	-	-	-
RI.MA.TI. S.C. a r.l. (in liq.)	-	5,000	-	-	8,069	-	-	-	-	-
Romairport S.r.l.	-	-	-	-	-	-	30	-	-	-
S. Agata FS S.C. a r.l.	67,011	160,889	-	-	-	-	-	-	-	106,228
S.E.I.S. S.p.A.	-	-	-	-	-	-	-	-	97,190	1,864,664
SA.PI. NOR Salini Impregilo- Pizzarotti Joint Venture	2,369,776	2,857,326	-	-	-	-	-	-	-	-
Sailini Impregilo- NGE Genie Civil S.a.s	5,581,092	3,670,019	-	-	-	-	-	-	10,763	-
Salerno-Reggio Calabria S.C.p.A. (in liq.)	12,645	6,115	-	-	1,892,050	-	-	-	453	26,923
Salini Australia Pty Ltd.	-	-	-	-	60,288	4,194,485	7,718	-	-	-
Salini Impregilo- NRW Joint Venture	57,199	1,409,386	-	-	922	50,522	-	-	892,024	-
Salini Impregilo- Tristar	-	130,678	-	-	293,803	-	-	-	-	-
Salini Insaat Taahhut Sanayi Ve Ticaret Anonim Sirketi (in liq.)	-	-	-	-	-	-	19,938	-	-	-
Salini Malaysia SDN BHD	-	11,920	-	-	-	-	-	-	-	-
Salini Namibia Proprietary Ltd.	7,808	14,657	-	-	-	-	-	-	3,067	33,878
Salini Nigeria Ltd.	971,017	151	-	-	-	-	-	-	3,609,998	-
Salini Polska- Todini- Salini Impregilo- S7 Joint Venture	-	112,121	-	-	6,401,536	-	-	-	-	-
Salini Polska- Todini- Salini Impregilo- Pribex- S3 Joint Venture	-	41,235	-	-	2,865,174	-	-	-	-	-
Salini Polska- Todini- Salini Impregilo- Pribex- S8 Joint Venture	-	128	-	-	3,798,043	-	-	-	-	-
Salini Polska Ltd. Liability Co	-	288,669	-	-	-	86,993	-	-	8,489,328	87
Salini Saudi Arabia Company Ltd.	99,391	4,326,583	-	172,352	1,143,501	-	-	-	-	-
Seli Overseas S.p.A.	406,167	240,914	-	-	107,581	-	-	-	1,003,025	-
SC Hydro Pty Ltd.	-	64,220	-	-	-	-	-	-	-	-
SCI ADI Ortakligi	154	580	-	-	-	-	1,060,000	-	-	-
SCLC Polihali Diversion Tunnel Joint Venture	-	468,197	-	-	-	20,213	-	-	-	-
Seac S.C. a r.l. (in liq.)	-	-	-	-	-	-	-	-	230,747	-
SFI Leasing Company	-	-	-	-	48,934	-	-	-	-	-
Shimmick CO. INC.- FCC CO S.A.- Impregilo S.p.A.- Joint Venture	2,565,553	-	-	-	4,521,390	-	-	-	-	-
Sirjo S.C.p.A.	120,712	557,227	-	-	-	-	-	-	-	205,623
Sistranyac S.A.	4,897	-	-	-	-	-	-	-	-	-

Revenue and costs for 2022

	Revenue	Other income	Purchases	Subcontracts	Services	Personnel expenses	Total	Amortisation, depreciation, impairment losses, provisions	Financial income	Financial expense
SLC Snowy Hydro Joint Venture	7,035,640	12,984,778	-	-	7,815	-	-	-	-	380,206
Società Autostrada Broni- Mortara S.p.A.	12,200	2,800	-	-	-	-	-	-	-	-
Sotra Link A.S. Joint Venture	-	7,581,127	-	-	-	-	-	-	-	-
South Al Mutlaa Joint Venture	49,510	-	-	-	-	-	-	-	-	-
Spark NEL DC Joint Venture	6,595	7,325,933	-	-	-	-	-	-	-	-
SPV Linea M4 S.p.A.	-	95,643	-	-	-	-	-	-	-	-
Suramericana de Obras Publicas C.A.- Suropca C.A.	-	-	-	-	-	-	-	-	-	23,932
Susa Dora Quattro S.C. a r.l. (in liq.)	-	-	-	-	1,171	-	-	-	-	-
T.E.Q Construction Enterprise Inc.	122,017	-	-	-	-	-	-	-	-	-
Tangenziale Seconda S.C. a r.l. (in liq.)	-	-	-	-	439	-	-	-	-	-
TB Metro S.r.l. (in liq.)	3,972	2,898	-	-	-	-	-	9,322	27,214	27,214
Techint S.A.C.I.- Hochtief A.G.- Impregilo S.p.A.-Iglys S.A. UTE	-	-	-	-	1,020,708	-	-	-	-	-
Telt Lot 2	-	4,350,697	-	-	-	-	-	-	-	-
Telt Villarodin-Bourget Modane Avrieux	4,959	4,159,349	-	-	-	-	-	-	-	-
Texas High Speed Rail	-	-	-	-	-	-	-	-	144,389	-
Thessaloniki Metro CW Joint Venture (AIS Joint Venture)	884,843	-	-	-	-	-	-	-	-	-
Todini Akkord Salini	-	-	-	-	-	-	-	-	360,113	-
Toledo S.C. a r.l. (in liq.)	12,000	-	-	-	-	-	-	-	-	-
Webuild- Fisia Joint Venture	-	-	-	-	-	-	-	-	32,811	-
Webuild- Kolin	6,771,024	301	-	-	-	-	-	-	-	-
Webuild Canada Holding Inc.	-	1,001,540	-	-	-	-	-	-	21,177	17
Webuild Civil Works	-	972,225	-	-	-	-	-	-	42,875	-
Webuild Italia S.p.A.	8,601,281	860,432	-	-	92	-	-	-	10,912	17,287,812
Webuild Mobilink Hurontario GP Inc.	35,968	-	-	-	-	-	-	-	-	-
Webuild S.p.A.- The Lane Construction Co.- Jose J Chediack S.A. UTE	783,528	46,600	39,085	-	178,438	-	46,371	-	-	-
Webuild-FCC-Delta ACM-AB Construct (Metro 5 Bucarest struttura)	100,744	-	-	-	-	-	1,000	-	-	-
Western Station Joint Venture	-	996,509	-	-	-	-	-	-	-	-
Wres Senqu Bridge Joint Venture	-	252,308	-	-	-	-	-	-	-	-
Yuma Concesionaria S.A.	297,285	416,033	-	-	-	-	-	-	8,630,214	-
Total group companies	**112,574,856**	**80,287,318**	**39,695**	**172,352**	**46,000,359**	**4,354,930**	**1,203,075**	**562,741**	**48,875,466**	**56,044,680**
Casada S.r.l.	10,421	2,898	-	-	-	-	-	-	-	-
CEDIV S.p.A.	21,090	2,898	-	-	-	-	-	-	-	-
C. Tiburtino	9,688	2,898	-	-	-	-	-	-	-	-
Dirlan S.r.l.	15,444	2,898	-	-	-	-	-	-	-	-
Eni S.p.A.	-	-	97,798	-	-	-	-	-	-	-
Fincantieri Infrastruc. S.p.A.	-	-	2,000,200	8,713,305	-	-	-	-	-	-
G.A.B.I.RE. S.r.l.	15,387	2,898	-	-	-	-	-	-	-	-
Galla Placidia S.C. a r.l.	10,042	2,898	-	-	-	-	-	-	-	-
Imm. Agricola San Vittorino	7,269	2,898	-	-	-	-	-	-	-	-
Infernetto S.r.l.	4,371	2,898	-	-	-	-	-	-	-	-
Madonna dei Monti S.r.l.	13,651	2,898	-	-	-	-	-	-	-	-

Revenue and costs for 2022

	Revenue	Other income	Purchases	Subcontracts	Services	Personnel expenses	Total	Amortisation, depreciation, impairment losses, provisions	Financial income	Financial expense
Nores S.r.l.	5,428	2,898	-	-	-	-	-	-	-	-
Plus S.r.l.	24,242	2,898	-	-	-	-	-	-	-	-
Salini S.p.A.	24,724	2,898	-	-	-	-	-	-	-	-
Salini Costruttori S.p.A.	132,721	2,898	-	-	3,679,116	-	-	-	30,100	-
SALINI SIMONPIETRO & C. S.A.P.A.	14,394	-	-	-	-	-	-	-	-	-
Simest S.p.A.	-	-	-	-	-	-	-	-	-	410,077
Zeis S.r.l.	145,074	91,667	-	-	-	-	-	-	96,810	-
Total other related parties	453,946	129,341	2,097,998	8,713,305	3,679,116	-	-	-	126,910	410,077
Total	113,028,802	80,416,659	2,137,693	8,885,657	49,679,475	4,354,930	1,203,075	562,741	49,002,376	56,454,757

Separate financial statements of Webuild - Equity investments

Webuild S.p.A. Changes in equity investments in 2022

	Investment %	Registered office	Carrying amount at 31 December 2021	Changes of the year: Acquisitions, capital injections and (disinvestments and liquidations) and other contributions	Changes of the year: Impairment (losses) gains	Changes of the year: Exchange differences	Changes of the year: (Accruals to) / utilisations of provisions for risks	Changes of the year: Reclassifications and other changes	Carrying amount at 31 December 2022	Equity (deficit) (Group share)
SUBSIDIARIES										
AGN HAGA AB	40.00	Sweden	12,181,779	2,844,692	(5,386,957)	-	-	-	9,639,514	9,639,514
Astaldi Algerie-E.u.r.l.	100.00	Algeria	871,672	-	-	-	-	-	871,672	931,714
Astaldi Canada Enterprises Inc.	100.00	Canada	4,721,060	-	-	-	-	-	4,721,060	(20,441,102)
Astaldi Concessions S.p.A.	100.00	Italy	27,258,861	-	(17,019,149)	-	-	-	10,239,712	4,579,377
Astaldi de Venezuela C.A.	99.80	Venezuela	1,472,291	-	(297,516)	-	-	-	1,174,775	1,174,811
Astaldi India Services LLP	99.99	India	-	19,586,127	(3,178,207)	-	-	-	16,407,920	16,264,797
Astaldi International Inc.	100.00	Liberia	86,480	-	-	-	-	-	86,480	86,480
Astaldi International Ltd. (in liq.)	100.00	UK	380,127	-	(29,633)	-	-	-	350,494	350,494
Astalnica S.A.	98.00	Nicaragua	32,778	-	-	-	-	-	32,778	(3,479)
Astalrom S.A.	99.71	Romania	6,046,178	-	-	-	-	-	6,046,178	6,871,554
Astur Construction and Trade A.S.	100.00	Turkey	3,776,648	-	(1,987,314)	-	-	-	1,789,334	7,205,014
Webuild Concessions S.p.A.	100.00	Italy	10,000	247,500	-	-	-	-	257,500	300,787
CO.ME.NA. S.C.r.l. (in liq.)	70.43	Italy	14,550	-	-	-	-	-	14,550	14,550
Compagnia Gestione Macchinari CO.GE.MA. S.p.A.	100.00	Italy	2,059,427	-	-	-	-	-	2,059,427	4,122,601
Consorzio Alta Velocità Torino/Milano- C.A.V.TO.MI.	74.69	Italy	3,734,493	-	-	-	-	-	3,734,493	3,734,500
Consorzio C.A.V.E.T.- Consorzio Alta Velocità Emilia/Toscana	75.98	Italy	4,115,301	-	-	-	-	5,103	4,120,404	4,120,404
Consorzio Libyan Expressway Contractor	78.91	Italy	5,800	2,091	-	-	-	-	7,891	7,891
Copenaghen Metro Team I/S	99.99	Denmark	9,272,673	-	(3,646,739)	-	-	(1)	5,625,933	5,625,933
Cossi Costruzioni S.p.A.	100.00	Italy	4,602,117	14,000,000	-	-	-	-	18,602,117	17,186,968
CSC Costruzioni S.A.	100.00	Switzerland	9,521,592	-	-	-	-	-	9,521,592	361,931
DMS Design Consortium S.C.r.l.	60.00	Italy	6,000	-	-	-	-	-	6,000	6,000
Fibe S.p.A.	99.99	Italy	25,694,803	-	(421,429)	-	-	-	25,273,374	25,273,374
Fisia Ambiente S.p.A.	100.00	Italy	21,580,565	-	-	-	-	-	21,580,565	43,441,269
Fisia Italimpianti S.p.A.	100.00	Italy	57,341,118	-	-	-	-	-	57,341,118	7,941,692
HCE Costruzioni S.p.A.	100.00	Italy	11,947,246	60,000,000	(71,947,246)	-	-	-	-	-
Impregilo Lidco Libya Co	60.00	Libya	766,464	-	-	-	-	-	766,464	1,272,390
Italstrade CCCF Joint Venture Romis S.r.l.	51.00	Romania	192,129	-	(192,129)	-	-	-	-	-
Italstrade S.p.A.	100.00	Italy	528,627	-	(316,806)	-	-	-	211,821	211,822
Messina Stadio S.C.r.l. (in liq.)	100.00	Italy	46,481	-	-	-	-	-	46,481	46,481
Metro B1 S.C.ar.l.	80.70	Italy	1,952,940	-	-	-	-	-	1,952,940	1,952,940
NBI S.p.A.	100.00	Italy	8,539,855	-	-	-	-	-	8,539,855	5,985,330
Partecipazioni Italia S.p.A.	100.00	Italy	550,031,838	-	-	-	-	-	550,031,838	509,024,920
Pergenova Breakwater	40.00	Italy	-	4,000	-	-	-	-	4,000	4,000
Portovesme S.C.r.l. (in liq.)	99.98	Italy	25,817	(25,817)	-	-	-	-	-	-

Webuild S.p.A. Changes in equity investments in 2022

	Investment %	Registered office	Carrying amount at 31 December 2021	Changes of the year: Acquisitions, capital injections and (disinvestments and liquidations) and other contributions	Changes of the year: Impairment (losses) gains	Changes of the year: Exchange differences	Changes of the year: (Accruals to) / utilisations of provisions for risks	Changes of the year: Reclassifications and other changes	Carrying amount at 31 December 2022	Equity (deficit) (Group share)
SUBSIDIARIES										
Redo-Association Momentanée	75.00	Congo	236,131	-	-	-	-	-	236,131	177,098
Reggio Calabria- Scilla S.C.p.A. (in liq.)	51.00	Italy	17,850,000	-	-	-	-	-	17,850,000	17,850,000
RI.MA.TI. S.C.ar.l. (in liq.)	83.42	Italy	699,418	-	-	-	-	-	699,418	83,420
Romairport S.r.l.	99.26	Italy	6,878,088	-	(238,845)	-	-	(1)	6,639,242	5,988,499
Salerno-Reggio Calabria S.C.p.A. (in liq.)	51.00	Italy	25,500,000	-	-	-	-	-	25,500,000	25,500,000
Salini Australia Pty Ltd.	100.00	Australia	-	928,976	-	-	-	-	928,976	1,142,716
Salini Impregilo- Healy Joint Venture (Tunnel 3RPORT Indiana)	30.00	USA	5,462,094	-	-	-	-	(5,462,094)	-	-
Webuild Canada Holding Inc.	100.00	Canada	1	-	-	-	-	-	1	1,371,602
Webuild S.p.A.- The Lane Construction Co.- Jose J Chediack S.A. UTE	73.00	Argentina	669,470	-	-	-	-	-	669,470	11,833,054
Salini Insaat Taahhut Sanayi Ve Ticaret Anonim Sirketi (in liq.)	100.00	Turkey	13,691	-	-	-	-	-	13,691	11,543
Salini Malaysia SDN BHD	90.00	Malaysia	610,468	-	(305,921)	-	-	-	304,547	304,547
Salini Namibia Proprietary Ltd.	100.00	Namibia	358	-	-	-	-	-	358	4,207,835
Salini Nigeria Ltd.	99.00	Nigeria	19,814,623	-	-	-	-	-	19,814,623	6,658,097
Salini Polska Ltd. Liability Co	100.00	Poland	361,114	-	(361,114)	-	-	-	-	-
Salini Saudi Arabia Company Ltd.	51.00	Saudi Arabia	3,795,080	-	-	-	-	-	3,795,080	14,272,568
Seli Overseas S.p.A.	100.00	Italy	12,767,316	-	-	-	-	-	12,767,316	2,921,137
Suramericana de Obras Publicas C.A.- Suropca C.A.	99.00	Venezuela	788,614	-	-	-	-	-	788,614	963,083
Susa Dora Quattro S.C.r.l. (in liq.)	90.00	Italy	46,481	-	-	-	-	-	46,481	46,481
TB Metro S.r.l. (in liq.)	51.00	Italy	35,754	-	-	-	-	-	35,754	(897,665)
Thessaloniki Metro CW Joint Venture (AIS Joint Venture)	50.00	Greece	1,002,420	-	-	-	-	-	1,002,420	-
Todini Akkord Salini	25.00	Ukraine	612,165	-	(149,711)	-	-	-	462,454	462,454
Webuild- US Holdings Inc.	100.00	USA	592,007,028	69,398,236	-	-	-	-	661,405,264	469,422,337
Webuild Innovations S.r.l.	100.00	Italy	-	10,000	-	-	-	-	10,000	10,000
Webuild Italia S.p.A.	100.00	Italy	122,890,040	-	-	-	-	-	122,890,040	216,879,524
Webuild-Terna SNFCC Joint Venture	51.00	Greece	51,000	-	-	-	-	-	51,000	2,400,679
Total investments in subsidiaries			1,580,909,064	166,995,805	(105,478,716)	-	-	(5,456,993)	1,636,969,160	

Webuild S.p.A. Changes in equity investments in 2022

	Investment %	Registered office	Carrying amount at 31 December 2021	Changes of the year					Carrying amount at 31 December 2022	Equity (deficit) (Group share)
				Acquisitions, capital injections and (disinvestments and liquidations) and other contributions	Impairment (losses) gains	Exchange differences	(Accruals to) / utilisations of provisions for risks	Reclassifications and other changes		
ASSOCIATES										
Consorzio Astaldi-Federici-Todini (in liq.)	33.33	Italy	15,494	-	-	-	-	-	15,494	15,492
Consorzio Consarno	25.00	Italy	5,165	-	-	-	-	-	5,165	(3,846)
Consorzio Ital.Co.Cer. (in Liq.)	30.00	Italy	15,494	-	-	-	-	-	15,494	15,494
Consorzio Trevi- S.G.F. INC per Napoli	45.00	Italy	4,500	-	-	-	-	-	4,500	4,500
Diga di Blufi S.C.r.l. (in liq.)	50.00	Italy	23,241	-	(8,134)	-	-	(1)	15,106	15,106
Ecosarno S.C.r.l. (in Liq.)	33.33	Italy	17,043	-	-	-	-	-	17,043	17,043
Grupo Unidos Por El Canal S.A.	48.00*	Panama	483,460,836	11,416,629	-	31,291,633	-	-	526,169,098	3,145,496
Impregilo Arabia Ltd.	50.00	Saudi Arabia	1,770,919	-	-	-	-	(1,770,919)	-	-
Metro de Lima Linea 2 S.A.	18.25	Peru	18,481,628	-	-	-	-	-	18,481,628	37,323,652
Metrogenova S.C.r.l. (in liq.)	57.44	Italy	13,313	-	-	-	-	-	13,313	13,313
Mobilinx Hurontario Services Ltd.	12.00	Canada	8	-	-	-	-	-	8	219,692
N.P.F. – Nuovo Polo Fieristico S.C.r.l. (in liq.)	50.00	Italy	20,000	-	-	-	-	-	20,000	20,000
Otoyol Deniz Tasimaciligi A.S.	17.50	Turkey	101,741	-	(50,790)	-	-	1	50,952	50,952
Otoyol Isletme Ve Bakim A.S.	18.14	Turkey	7,242,618	-	(699,237)	-	-	-	6,543,381	1,107,411
Pedelombarda S.C.p.A. (in liq.)	47.00	Italy	2,350,000	-	-	-	-	-	2,350,000	2,350,000
S. Ruffillo S.C.r.l. (in liq.)	35.00	Italy	21,000	-	-	-	-	-	21,000	21,000
S.E.I.S. S.p.A.	48.33	Italy	8,588,094	-	(6,713,969)	-	-	-	1,874,125	8,292,364
Tangenziale Seconda S.C.r.l. (in liq.)	42.73	Italy	19,861	-	(463)	-	-	-	19,398	19,398
VE.CO. S.C.r.l.	25.00	Italy	2,582	-	-	-	-	-	2,582	2,582
Yuma Concesionaria S.A.	40.00	Colombia	5,757,551	-	-	-	-	-	5,757,551	4,973,830
Total investments in associates			527,911,088	11,416,629	(7,472,593)	31,291,633	-	(1,770,919)	561,375,838	

Webuild S.p.A. Changes in equity investments in 2022

	Investment %	Registered office	Carrying amount at 31 December 2021	Changes of the year: Acquisitions, capital injections and (disinvestments and liquidations) and other contributions	Impairment (losses) gains	Exchange differences	(Accruals to) / utilisations of provisions for risks	Reclassifications and other changes	Carrying amount at 31 December 2022	Equity (deficit) (Group share)
JOINT VENTURES										
Arge BBT- Baulos H41- Sillschlucht- Pfons	25.00	Austria	-	25,000	-	-	-	-	25,000	751,568
C.F.M. S.c.r.l. (in liq.)	50.00	Italy	20,658	-	-	-	-	-	20,658	20,659
Consorzio GI.IT. (in liq.)	50.00	Italy	1,291	-	-	-	-	-	1,291	1,291
Etlik Hastane P.A. S.r.l.	51.00	Italy	1,879,361	-	-	-	-	-	1,879,361	3,213,328
Gaziantep Hastane Sanglik Hizmetleri Isletme Yatrim Joint Stock Company	24.50	Turkey	10,909,320	(10,909,320)	-	-	-	-	-	-
ICA LT Limited Liability Company	50.00	Russia	521	-	-	-	-	-	521	-
Infraflegrea S.c.r.l. (in liq.)	50.00	Italy	23,300	-	(8,155)	-	-	-	15,145	15,145
La Maddalena	5.00	Switzerland	5,500	-	-	-	-	-	5,500	5,500
PerGenova S.c.p.a. (in liq.)	50.00	Italy	500,000	-	-	-	-	-	500,000	500,000
Techint S.A.C.I.- Hochtief A.G.- Impregilo S.p.A.-Iglys S.A. UTE	26.25	Argentina	3,944	-	-	-	-	-	3,944	3,944
Total joint ventures			13,343,895	(10,884,320)	(8,155)	-	-	-	2,451,420	

Webuild S.p.A. Changes in equity investments in 2022

	Investment %	Registered office	Carrying amount at 31 December 2021	Changes of the year: Acquisitions, capital injections and (disinvestments and liquidations) and other contributions	Changes of the year: Impairment (losses) gains	Changes of the year: Exchange differences	Changes of the year: (Accruals to) / utilisations of provisions for risks	Changes of the year: Reclassifications and other changes	Carrying amount at 31 December 2022	Equity (deficit) (Group share)
OTHER EQUITY INVESTMENTS										
Asse Sangro Consorzio (in liq.)	4.76	Italy	22,134	-	-	-	-	-	22,134	-
C.F.C. S.c.r.l. (in liq.)	0.01	Italy	5	-	-	-	-	-	5	-
CO.SA.VI.D. S.c.r.l.	0.01	Italy	3	-	-	-	-	-	3	-
Consorzio Centro Uno (in liq.)	2.00	Italy	3,099	-	-	-	-	-	3,099	-
Consorzio Ferrofir (in liq.)	66.67	Italy	356,530	-	(32)	-	-	-	356,498	-
Consorzio Malagrotta	0.04	Italy	300	-	-	-	-	-	300	-
Consorzio Nazionale Imballaggi - CO.NA.I.	1.00	Italy	5	-	-	-	-	-	5	-
Consorzio Utenti Servizi Salaria Vallericca	0.01	Italy	16,500	-	-	-	-	-	16,500	-
Emittenti Titoli S.p.A. (in liq.)	0.24	Italy	10,832	-	-	-	-	-	10,832	-
Fusaro S.c.r.l. (in liq.)	0.01	Italy	1	-	-	-	-	-	1	-
Guida Editori S.c.r.l. (in liq.)	1.05	Italy	5	-	-	-	-	-	5	-
Istituto per lo Sviluppo Edilizio ed Urbanistico - ISVEUR S.p.A. (in liq.)	1.20	Italy	41,420	-	-	-	-	-	41,420	-
Messina Catania tratto Nord	45.00	Italy	4,500	-	-	-	-	-	4,500	-
Nova Via Festinat Industrias (in liq.)	0.01	Italy	1	-	-	-	-	-	1	-
Pavimental S.p.A.	0.60	Italy	62,007	-	-	-	-	-	62,007	-
Skiarea Valchiavenna S.p.A.	0.17	Italy	18,445	-	-	-	-	-	18,445	-
Tangenziale Esterna S.p.A.	-	Italy	100	-	-	-	-	-	100	-
UJoint Venture Astaldi S.p.A. (Suc. Cile), VCGP (Ag en Chile) e VCGP–Astaldi Ingenieria y Const.Ltd.	0.01	Chile	13,998	-	-	(1,892)	-	-	12,106	-
Markland S.r.l. (in liq.)	1.90	Italy	1,269	(1,269)	-	-	-	-	-	-
Strumenti finanziari partecipativi - PA.DE. - Astaris S.p.A.	n.a	n.a	955,598	38,691	-	8,603	-	-	1,002,892	-
Total other equity investments			1,506,752	37,422	(32)	6,711	-	-	1,550,853	
Total equity investments			2,123,670,799	167,565,536	(112,959,496)	31,298,344	-	(7,227,912)	2,202,347,274	

Webuild S.p.A. Changes in equity investments in 2022

	Investment %	Registered office	Carrying amount at 31 December 2021	Changes of the year: Acquisitions, capital injections and (disinvestments and liquidations) and other contributions	Impairment (losses) gains	Exchange differences	(Accruals to) / utilisations of provisions for risks	Reclassifications and other changes	Carrying amount at 31 December 2022	Equity (deficit) (Group share)
PROVISIONS FOR RISKS ON EQUITY INVESTMENTS										
Aguas del Gran Buenos Aires S.A. (in liq.)	16.50	Argentina	(18,315)	-	-	-	-	-	(18,315)	(10,175)
Astaldi Arabia Ltd.	60.00	Saudi Arabia	(1,102,309)	-	-	-	(116,372)	-	(1,218,681)	(994,870)
Astaldi Bulgaria Ltd. (in liq.)	100.00	Bulgaria	(45,113)	-	-	-	(806)	-	(45,919)	(45,919)
Astaldi India Services LLP	99.99	India	(2,062,908)	2,062,908	-	-	-	-	-	-
Astaldi Polska zo.o. (in liq.)	100.00	Poland	(203,926)	-	-	-	(14,161)	-	(218,087)	(218,087)
Astaldi-Max Bogl-CCCF Joint Venture	66.00	Romania	-	-	-	-	(824,731)	-	(824,731)	(2,621,374)
Avrasya Metro Grubu S.r.l. (in Liq.)	42.00	Italy	(146,341)	-	-	-	-	-	(146,341)	(131,203)
Bussentina S.C.r.l. (in liq.)	78.90	Italy	(78,502)	-	-	-	(75,718)	-	(154,220)	(253,459)
Consorzio Astaldi-Federici-Todini Kramis	50.00	Italy	(2,370,000)	-	-	-	-	-	(2,370,000)	(2,288,256)
Consorzio Groupement Lesi-Dipenta	0.01	Italy	(570)	-	-	-	-	-	(570)	(570)
Constructora Ariguani SAS En Reorganizacion	100.00	Colombia	(3,441,685)	-	-	-	1,833,715	-	(1,607,970)	(1,607,970)
Construtora Impregilo y Associados S.A.-CIGLA S.A.	100.00	Brazil	(3,050,235)	-	-	-	(591,928)	-	(3,642,163)	(3,642,163)
Grupo ICT II SAS	100.00	Colombia	(7,435,738)	-	-	-	(7,206,959)	-	(14,642,697)	(14,642,697)
HCE Costruzioni Ukraine LLC	1.00	Ukraine	(63,878)	-	-	-	-	-	(63,878)	(18,139)
Impregilo Arabia Ltd.	50.00	Saudi Arabia	(1,770,920)	406,003	-	-	(2,176,922)	1,770,920	(1,770,919)	(4,121,122)
INC- Il Nuovo Castoro Algerie S.a.r.l.	99.98	Algeria	(6,307,054)	-	-	-	(67,256)	-	(6,374,310)	(6,375,330)
Italstrade CCCF Joint Venture Romis S.r.l.	51.00	Romania	-	-	-	-	(43,133)	(1)	(43,134)	(43,134)
Joint Venture Impregilo S.p.A.- S.G.F. INC S.p.A.	100.00	Greece	(17,972)	-	-	-	-	-	(17,972)	(1,744,894)
PGH Ltd.	100.00	Nigeria	(4,225,390)	-	-	-	(1,545,251)	-	(5,770,641)	(5,770,641)
Salini Australia Pty Ltd.	100.00	Australia	(992,253)	992,253	-	-	-	-	-	-
Salini Impregilo- Healy Joint Venture NEBT	30.00	USA	(3,303,677)	-	-	-	-	3,303,677	-	-
Salini Polska Ltd. Liability Co	100.00	Poland	-	-	-	-	(7,859,930)	-	(7,859,930)	(7,859,930)
SCI ADI Ortakligi	50.00	Turkey	(4,744,863)	-	-	-	(5,038,493)	-	(9,783,356)	(9,783,356)
Seac S.C.r.l. (in liq.)	100.00	Congo	(645,098)	-	-	-	-	-	(645,098)	(11,653,753)
VCGP- Astaldi Ingenieria y Construccion Limitada	0.01	Chile	(322,955)	-	-	-	-	-	(322,955)	-
Webuild- Kolin	50.01	Turkey	(126,064)	-	-	-	(39,843)	-	(165,907)	-
Total provisions for risks on equity investments			(42,475,766)	3,461,164	-	-	(23,767,788)	5,074,596	(57,707,794)	

Statement on the separate 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 company's characteristics; and
- that they were actually applied during the year to prepare the separate financial statements.

2 No significant issues arose.

3 Moreover, they state that:

3.1 The separate financial statements:

a) have been prepared in accordance with the applicable International Financial Reporting Standards endorsed by the European Union pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and Council of 19 July 2002;

b) are consistent with the accounting records and entries;

c) are suitable to give a true and fair view of the financial position at 31 December 2022 and the results of operations and cash flows for the year then ended of the Issuer.

3.2 The Directors' report includes a reliable analysis of the financial position and results of operations of the Issuer, together with information about the main risks and uncertainties to which it is exposed.

Milan, 16 March 2023

Chief executive officer	Manager in charge of financial reporting
Pietro Salini	Massimo Ferrari
(signed on the original)	(signed on the original)

Reports

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Revisione e organizzazione contabile
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(The accompanying translated consolidated financial statements of the Webuild Group constitute a non-official version which is not compliant with the provisions of Commission Delegated Regulation (EU) 2019/815. This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537 of 16 April 2014

To the shareholders of
Webuild S.p.A.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of the Webuild Group (the "group"), which comprise the statement of financial position as at 31 December 2022, the statements of profit or loss, comprehensive income, cash flows and changes in equity for the year then ended and notes thereto, which include a summary of the significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Webuild Group as at 31 December 2022 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the consolidated financial statements*" section of our report. We are independent of Webuild S.p.A. (the "parent") in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG S.p.A. è una società per azioni di diritto italiano e fa parte del network KPMG di entità indipendenti affiliate a KPMG International Limited, società di diritto inglese.

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Padova Palermo Parma Perugia
Pescara Roma Torino Treviso
Trieste Varese Verona

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Measurement of contract assets and liabilities

Notes to the consolidated financial statements: notes 2.6 "Judgements and complex accounting estimates", 3.7 "Contract assets, contract liabilities and revenue from contracts with customers", 13 "Contract assets and liabilities", 32 "Financial instruments and risk management" and 33 "Revenue"

Key audit matter	Audit procedures addressing the key audit matter
The consolidated financial statements at 31 December 2022 include contract assets of €3,200 million, contract liabilities of €3,311.7 million and revenue for works invoiced to customers of €7,529.7 million recognised using the percentage of completion method based on the cost to cost model. Measuring contract assets and liabilities is based on significant estimates about the total contract revenue and costs and the related stage of completion which entail a high level of judgement by the directors. These estimates are affected by many factors, including: • claims for additional consideration compared to that contractually agreed, which are recognised under contract assets and liabilities for a total of approximately €2,988.9 million in the consolidated financial statements at 31 December 2022; • the projects' long timeframe and size, engineering and operating complexity and the volatility of supply prices; • the risk profile of certain countries in which the work is carried out. For the above reasons, we believe that the measurement of contract assets and liabilities is a key audit matter.	Our audit procedures included: • understanding the process for the measurement of contract assets and liabilities, assessing the design and implementation of related controls and checking the operating effectiveness of material controls; • for a sample of ongoing contracts: - analysing contracts with customers in order to check that the significant factors have been appropriately considered by the directors; - analysing the reasonableness of the assumptions underlying the estimates of total contract revenue and costs through discussions with the contracts' project managers and operation controllers, examining the correspondence with customers, including about contract variations and claims, and the legal and technical opinions of the experts; - analysing the most significant discrepancies between the previous year contract budgets and the current year actual figures and discussing the findings with the project managers and operation controllers; • assessing the appropriateness of the disclosures provided in the annual report about revenue for works invoiced to customers and contract assets and liabilities.

Significant litigation and disputes

Notes to the consolidated financial statements: notes 2.6 "Judgements and complex accounting estimates", 3.16 "Provisions for risks and charges", 7.3 "Intangible assets", 9 "Equity investments, 10 "Non-current financial assets, including derivatives", 13 "Contract assets and liabilities", 14 "Trade receivables", 15 "Current financial assets, including derivatives", 17 "Other current assets", 27 "Provisions for risks", 30 "Other current liabilities", 31 "Guarantees, commitments, risks and contingent liabilities", 32 "Financial instruments and risk management", 33 "Revenue" and 34.6 "Impairment losses, amortisation, depreciation and provisions"

Key audit matter	Audit procedures addressing the key audit matter
The group has significant pending litigation and disputes, initiated by either itself or third parties, at the reporting date, which are described in the notes and in the "Main risk factors and uncertainties" section of the directors' report, to which the notes to the consolidated financial statements make reference. Assessing significant litigation and disputes entails complex estimates and a significant level of judgement by the directors about their outcome which could have a significant impact on the recoverability of financial assets, trade receivables and contract assets, as well as the calculation of provisions for risks. For the above reasons, we believe that the assessment of significant litigation and disputes is a key audit matter.	Our audit procedures included: • understanding the process for the assessment of significant litigation and disputes and assessing the design and implementation of related controls; • analysing the assessment models used by the directors to estimate the outcome of significant litigation and disputes; • analysing the assessments made by the relevant internal departments and related supporting documentation, including the technical and legal opinions of the experts engaged by the group, in relation to the recoverability of the financial assets, trade receivables and contract assets affected by significant pending litigation and disputes; • sending written requests for information to the legal advisors assisting the group about the assessment of the risk of losing significant litigation and disputes and the quantification of the related liability; • analysing the events after the reporting date that provide information useful for an assessment of significant litigation and disputes; • assessing the appropriateness of the disclosures provided in the annual report about significant litigation and disputes.

Measurement of equity-accounted investments

Notes to the consolidated financial statements: notes 2.6 "Judgements and complex accounting estimates", 3.20 "Impairment testing", 9 "Equity investments", 27 "Provisions for risks" and 36 "Net losses on equity investments"

Key audit matter	Audit procedures addressing the key audit matter
The consolidated financial statements at 31 December 2022 include equity-accounted investments of €697.8 million. They comprise €526.2 million relating to the SPE GUPC set up for the project to widen the Panama Canal, which was completed in June 2016. The directors have described the pending claims and arbitration proceedings relating to that project in the "Main risk factors and uncertainties" section of the directors' report, to which the notes to the consolidated financial statements make reference. Measuring investments in equity-accounted investments entails, in certain cases, complex estimates as it considers the recoverability of assets arising from claims for additional consideration compared to that contractually agreed, which are, sometimes, subject to pending claims and arbitration proceedings, as mentioned above. These estimates require a significant level of judgement by the directors. For the above reasons, we believe that the measurement of equity-accounted investments is a key audit matter.	Our audit procedures included: • understanding the process for the measurement of equity-accounted investments and assessing the design and implementation of related controls; • analysing the reasonableness of the assumptions underlying the claims for additional consideration through discussions with the relevant internal departments and the legal and technical opinions of the experts; • assessing the appropriateness of the disclosures provided in the annual report about the measurement of equity-accounted investments.

Responsibilities of the parent's directors and board of statutory auditors ("Collegio Sindacale") for the consolidated financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the group's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the consolidated financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the parent or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at the appropriate level required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the ethics and independence rules and standards applicable in Italy and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the measures taken to eliminate those threats or the safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are, therefore, the key audit matters. We describe these matters in our auditors' report.

Other information required by article 10 of Regulation (EU) no. 537/14

On 30 April 2015, the parent's shareholders appointed us to perform the statutory audit of its separate and consolidated financial statements as at and for the years ending from 31 December 2015 to 31 December 2023.

We declare that we did not provide the prohibited non-audit services referred to in article 5.1 of Regulation (EU) no. 537/14 and that we remained independent of the parent in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed herein is consistent with the additional report to the *Collegio Sindacale*, in its capacity as audit committee, prepared in accordance with article 11 of the Regulation mentioned above.

Report on other legal and regulatory requirements

Opinion on the compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The parent's directors are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (ESEF) to the consolidated financial statements at 31 December 2022 to be included in the annual financial report.

We have performed the procedures required by Standard on Auditing (SA Italia) 700B in order to express an opinion on the compliance of the consolidated financial statements with Commission Delegated Regulation (EU) 2019/815.

In our opinion, the consolidated financial statements at 31 December 2022 have been prepared in XHTML format and have been marked up, in all material respects, in compliance with the provisions of Commission Delegated Regulation (EU) 2019/815.

Due to certain technical limitations, some information included in the notes to the consolidated financial statements when extracted from the XHTML format to an XBRL instance may not be reproduced in an identical manner with respect to the corresponding information presented in the consolidated financial statements in XHTML format.

Opinion pursuant to article 14.2.e) of Legislative decree no. 39/10 and article 123-bis.4 of Legislative decree no. 58/98

The parent's directors are responsible for the preparation of the group's directors' report and report on corporate governance and ownership structure at 31 December 2022 and for the consistency of such reports with the related consolidated financial statements and their compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to express an opinion on the consistency of the directors' report and the specific information presented in the report on corporate governance and ownership structure indicated by article 123-bis.4 of Legislative decree no. 58/98 with the group's consolidated financial statements at 31 December 2022 and their compliance with the applicable law and to state whether we have identified material misstatements.

In our opinion, the directors' report and the specific information presented in the report on corporate governance and ownership structure referred to above are consistent with the group's consolidated financial statements at 31 December 2022 and have been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Statement pursuant to article 4 of the Consob regulation implementing Legislative decree no. 254/16

The directors of Webuild S.p.A. are responsible for the preparation of a consolidated non-financial statement pursuant to Legislative decree no. 254/16. We have checked that the directors had approved such consolidated non-financial statement. In accordance with article 3.10 of Legislative decree no. 254/16, we attested the compliance of the non-financial statement separately.

Milan, 4 April 2023

KPMG S.p.A.

(signed on the original)

Angelo Pascali
Director of Audit

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(The accompanying translated separate financial statements of Webuild S.p.A. constitute a non-official version which is not compliant with the provisions of Commission Delegated Regulation (EU) 2019/815. This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537 of 16 April 2014

To the shareholders of
Webuild S.p.A.

Report on the audit of the financial statements

Opinion

We have audited the separate financial statements of Webuild S.p.A. (the "company"), which comprise the statement of financial position as at 31 December 2022, the statements of profit or loss, comprehensive income, cash flows and changes in equity for the year then ended and notes thereto, which include a summary of the significant accounting policies.

In our opinion, the separate financial statements give a true and fair view of the financial position of Webuild S.p.A. as at 31 December 2022 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the separate financial statements*" section of our report. We are independent of the company in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the separate financial statements of the current year. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG S.p.A. è una società per azioni di diritto italiano e fa parte del network KPMG di entità indipendenti affiliate a KPMG International Limited, società di diritto inglese.

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Measurement of contract assets and liabilities

Notes to the separate financial statements: notes 2.6 "Judgements and complex accounting estimates", 3.6 "Contract assets, contract liabilities and revenue from contracts with customers", 12 "Contract assets and liabilities", 31 "Financial instruments and risk management" and 32 "Revenue"

Key audit matter	Audit procedures addressing the key audit matter
The separate financial statements at 31 December 2022 include contract assets of €1,494.9 million, contract liabilities of €769.7 million and revenue for works invoiced to customers of €1,777.1 million recognised using the percentage of completion method based on the cost to cost model. Measuring contract assets and liabilities is based on significant estimates about the total contract revenue and costs and the related stage of completion which entail a high level of judgement by the directors. These estimates are affected by many factors, including: • claims for additional consideration compared to that contractually agreed, which are recognised under contract assets and liabilities for a total of approximately €871.6 million in the separate financial statements at 31 December 2022; • the projects' long timeframe and size, engineering and operating complexity and the volatility of supply prices; • the risk profile of certain countries in which the work is carried out. For the above reasons, we believe that the measurement of contract assets and liabilities is a key audit matter.	Our audit procedures included: • understanding the process for the measurement of contract assets and liabilities, assessing the design and implementation of related controls and checking the operating effectiveness of material controls; • for a sample of ongoing contracts: - analysing contracts with customers in order to check that the significant factors have been appropriately considered by the directors; - analysing the reasonableness of the assumptions underlying the estimates of total contract revenue and costs through discussions with the contracts' project managers and operation controllers, examining the correspondence with customers, including about contract variations and claims, and the legal and technical opinions of the experts; - analysing the most significant discrepancies between the previous year contract budgets and the current year actual figures and discussing the findings with the project managers and operation controllers; • assessing the appropriateness of the disclosures provided in the annual report about revenue for works invoiced to customers and contract assets and liabilities.

Significant litigation and disputes

Notes to the separate financial statements: notes 2.6 "Judgements and complex accounting estimates", 3.14 "Provisions for risks and charges", 9 "Non-current financial assets, including derivatives", 12 "Contract assets and liabilities", 26 "Provisions for risks", 30 "Guarantees, commitments, risks and contingent liabilities", 31 "Financial instruments and risk management" and 33.6 "Impairment losses, amortisation, depreciation and provisions"

Key audit matter	Audit procedures addressing the key audit matter
The company has significant pending litigation and disputes, initiated by either itself or third parties, at the reporting date, which are described in the notes and in the "Main risk factors and uncertainties" section of the directors' report, to which the notes to the separate financial statements make reference. Assessing significant litigation and disputes entails complex estimates and a significant level of judgement by the directors about their outcome which could have a significant impact on the recoverability of financial assets, trade receivables and contract assets, as well as the calculation of provisions for risks. For the above reasons, we believe that the assessment of significant litigation and disputes is a key audit matter.	Our audit procedures included: • understanding the process for the assessment of significant litigation and disputes and assessing the design and implementation of related controls; • analysing the assessment models used by the directors to estimate the outcome of significant litigation and disputes; • analysing the assessments made by the relevant internal departments and related supporting documentation, including the technical and legal opinions of the experts engaged by the company, in relation to the recoverability of the financial assets, trade receivables and contract assets affected by significant pending litigation and disputes; • sending written requests for information to the legal advisors assisting the company about the assessment of the risk of losing significant litigation and disputes and the quantification of the related liability; • analysing the events after the reporting date that provide information useful for an assessment of significant litigation and disputes; • assessing the appropriateness of the disclosures provided in the annual report about significant litigation and disputes.

Measurement of investments in subsidiaries and associates

Notes to the separate financial statements: notes 2.6 "Judgements and complex accounting estimates", 3.4 "Equity investments", 8 "Equity investments", 26 "Provisions for risks" and 35 "Net gains on equity investments"

Key audit matter	Audit procedures addressing the key audit matter
The separate financial statements at 31 December 2022 include investments in subsidiaries and associates of €2,200.8 million, which mainly comprises the carrying amount of the investments in Webuild - US Holding Inc. (€661.4 million), Partecipazioni Italia S.p.A. (€550 million) and the joint venture GUPC (€526.2 million). They comprise certain investments in SPEs set up for the performance of important projects that are involved in pending claims and arbitration proceedings, which the directors have described in the "Main risk factors and uncertainties" section of the directors' report, to which the notes to the separate financial statements make reference. Equity investments are measured at cost and, when there are indicators of impairment, they are tested for impairment by comparing their carrying amount to their recoverable amount. The company estimated the latter based on value in use determined using the discounted cash flow method. Impairment testing entails a high level of judgement, in addition to the uncertainty inherent in any forecast, especially in relation to: • the expected operating cash flows, calculated by taking into account the general economic performance and that of investees' sector, the actual cash flows generated by the investees in the last few years and their projected long-term growth rates; • the financial parameters to be used to discount the above cash flows. Measuring equity investments entails, in certain cases, complex estimates as it considers the recoverability of assets arising from claims for additional consideration compared to that contractually agreed, which are, sometimes, subject to pending claims and arbitration proceedings, as mentioned above. These estimates require a significant level of judgement by the directors. For the above reasons, we believe that the measurement of investments in subsidiaries and associates is a key audit matter.	Our audit procedures included: • understanding the processes adopted for impairment testing and assessing the design and implementation of related controls; • understanding the process adopted to prepare the forecasts from which the expected cash flows used for impairment testing have been derived; • analysing the reasonableness of the assumptions used by the company to prepare the forecasts; • checking any discrepancies between the previous year forecast and actual figures, in order to check the level of accuracy of the estimation process; • analysing, including by involving our own specialists, the reasonableness of the material assumptions used by the directors in impairment testing, as well as the valuation models used and the underlying data; • checking the sensitivity analysis made by the directors in relation to the key assumptions used to test equity investments for impairment; • analysing the reasonableness of the assumptions underlying the claims for additional consideration through discussions with the relevant internal departments and the legal and technical opinions of the experts; • assessing the appropriateness of the disclosures provided in the annual report about the measurement of investments in subsidiaries and associates.

Other matters - Management and coordination

As required by the law, the company disclosed the key figures from the latest financial statements of the company that manages and coordinates it in the notes to its own separate financial statements. Our opinion on the separate financial statements of Webuild S.p.A. does not extend to such data.

Responsibilities of the company's directors and board of statutory auditors ("Collegio Sindacale") for the separate financial statements

The directors are responsible for the preparation of separate financial statements that give a true and fair view in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the company's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the separate financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the company or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the company's financial reporting process.

Auditors' responsibilities for the audit of the separate financial statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or

conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at the appropriate level required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the ethics and independence rules and standards applicable in Italy and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the measures taken to eliminate those threats or the safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current year and are, therefore, the key audit matters. We describe these matters in our auditors' report.

Other information required by article 10 of Regulation (EU) no. 537/14

On 30 April 2015, the company's shareholders appointed us to perform the statutory audit of its separate and consolidated financial statements as at and for the years ending from 31 December 2015 to 31 December 2023.

We declare that we did not provide the prohibited non-audit services referred to in article 5.1 of Regulation (EU) no. 537/14 and that we remained independent of the company in conducting the statutory audit.

We confirm that the opinion on the separate financial statements expressed herein is consistent with the additional report to the Collegio Sindacale, in its capacity as audit committee, prepared in accordance with article 11 of the Regulation mentioned above.

Report on other legal and regulatory requirements

Opinion on the compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The company's directors are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (ESEF) to the separate financial statements at 31 December 2022 to be included in the annual financial report.

We have performed the procedures required by Standard on Auditing (SA Italia) 700B in order to express an opinion on the compliance of the separate financial statements with Commission Delegated Regulation (EU) 2019/815.

In our opinion, the separate financial statements at 31 December 2022 have been prepared in XHTML format in compliance with the provisions of Commission Delegated Regulation (EU) 2019/815.

Opinion pursuant to article 14.2.e) of Legislative decree no. 39/10 and article 123-bis.4 of Legislative decree no. 58/98

The company's directors are responsible for the preparation of a directors' report and a report on corporate governance and ownership structure at 31 December 2022 and for the consistency of such reports with the related separate financial statements and their compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to express an opinion on the consistency of the directors' report and the specific information presented in the report on corporate governance and ownership structure indicated by article 123-bis.4 of Legislative decree no. 58/98 with the company's separate financial statements at 31 December 2022 and their compliance with the applicable law and to state whether we have identified material misstatements.

In our opinion, the directors' report and the specific information presented in the report on corporate governance and ownership structure referred to above are consistent with the company's separate financial statements at 31 December 2022 and have been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Milan, 4 April 2023

KPMG S.p.A.

(signed on the original)

Angelo Pascali
Director of Audit

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

REPORT OF THE BOARD OF STATUTORY AUDITORS PURSUANT TO ARTICLE 153 OF LEGISLATIVE DECREE NO. 58/1998 TO THE SHAREHOLDERS' MEETING OF 27 APRIL 2023

Dear shareholders,

The current board of statutory auditors was appointed by the shareholders of Webuild S.p.A. (the "**company**" or "**Webuild**") on 4 May 2020. Its term of office ends with the shareholders' meeting called to approve the separate financial statements as at and for the year ended 31 December 2022. The chairperson of the board of statutory auditors, Giacinto Sarubbi, held the same position in the board's previous mandate (2017-2019).

Pursuant to article 153.1 of Legislative decree no. 58 of 24 February 1998 (the "**Consolidated Finance Act**" or the "**TUF**"), we note that we performed our supervisory and control duties prescribed by the current regulations during the year, with specific reference to the Italian Civil Code, article 148 and subsequent articles of the TUF, Legislative decree no. 39 of 27 January 2010 ("**Legislative decree no. 39/2010**") and Legislative decree no. 254 of 30 December 2016 ("**Legislative decree no. 254/2016**"). We also considered the guidelines set out in the Consob (the Italian Commission for Listed Companies and the Stock Exchange) communications about the duties of statutory auditors, the guidance of the 2020 Code of Corporate Governance for Listed Companies (the "**Code of Corporate Governance**") and the ethical standards recommended by the Italian Accounting Profession (Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili).

We have prepared this report for the ordinary shareholders' meeting called to meet on 27 April 2023 on single call to approve the separate financial statements as at and for the year ended 31 December 2022 (as well as on the other matters listed in the call notice, to which reference should be made).

That being said, we describe below our activities performed during the year and up to the date of this report, including as required by Consob communication no. DEM/1025564 of 6 April 2001 as subsequently amended.

1. Significant financial or capital transactions

We note the following key events and transactions which took place in 2022:

- on 28 January 2022, the company completed the issue of new unsecured fixed rate senior notes of €400 million maturing in 2026 ("€400,000,000 3.875 per cent. Sustainability-Linked Notes due 28 July 2026") pursuant to the Sustainability-Linked Bond Principles published by the International Capital Markets Association (ICMA), to refinance part of the company's debt and to service the group's general objectives;
- on 25 March 2022, the company's board of directors ascertained that Progetto Italia had been completed as all its objectives had been met. This led to by-laws and corporate governance changes, affecting in particular the board of directors' duties, and leading to the dissolution of the strategic committee and the setting up of a special list for shareholders that intend to avail of loyalty shares;
- on 4 May 2022, Webuild finalised its acquisition of Cossi Costruzioni, specialised in tunnelling and in the roads maintenance sector in Italy and abroad.

After the reporting date:

- on 3 February 2023, Webuild signed the contract to acquire assets from the Administrators of Clough Limited (Clough). The acquisition perimeter comprises Clough's organisation and more than €4 billion worth of projects (in the order backlog) and the related workforce. Following approval from Clough's creditors of Webuild's proposed acquisition of the assets, the Group took over control and management of Clough's activities in Australia and Papua New Guinea on 16 February 2023;

- on 16 March 2023, Webuild rolled out its new 2023-2025 business plan.

The directors and management informed us periodically about the operations and key transactions undertaken by the company and its subsidiaries. They also described such operations and transactions in their report, to which reference is made, with details of their characteristics and effects.

We obtained adequate information about them in order to be in a position to reasonably believe that they comply with the law, the by-laws and principles of correct administration and that they are not imprudent, risky or contrary to the resolutions taken by the shareholders or such that would compromise the company's assets.

The directors analysed the Russia-Ukraine crisis and its possible repercussions on the global economy and the Group's business, cyber risks and management of ESG risks in their report, including in the light of Consob's warning notice of 18 March 2022.

Transactions in which the directors or other related parties have an interest are subjected to the transparency procedures required by the ruling legislation.

2. Atypical and/or unusual transactions carried out with third parties, intragroup transactions or related party transactions

We did not identify nor were we informed by the directors, the independent auditors, KPMG S.p.A., or the internal audit supervisor about any atypical and/or unusual transactions (as per the definition in Consob communication no. DEM/6064293 of 28 July 2006) carried out with third parties, related parties or other group companies.

The directors described the day-to-day transactions carried out during the year with group companies and related parties in the notes to the separate financial statements to which reference should be made, also for details about their characteristics and financial effects.

They did not identify any critical issues with respect to their suitability and compliance with the company's interests.

We checked that the procedure for related party transactions adopted by the company is applied, including the regular reporting to the board of directors on any such transactions.

3. Comments on and proposals about the findings and disclosures in the independent auditors' report

On 4 April 2023, KPMG S.p.A. issued its report pursuant to article 14 of Legislative decree no. 39/2010 and article 10 of Regulation (EU) no. 537 of 16 April 2014 ("**Regulation EU 537/2014**"). KPMG S.p.A. states that, in its opinion:

- *the separate and consolidated financial statements of Webuild S.p.A. give a true and fair view of the financial position of the company and the group as at 31 December 2022 and of their financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38 of 28 February 2005 ("**Legislative decree no. 38/2005**");*

- *the directors' report and the specific information presented in the report on corporate governance and ownership structure are consistent with the separate and consolidated financial statements of the company and the group at 31 December 2022 and have been prepared in compliance with the applicable law;*

- *there is nothing to report with reference to the statement required by article 14.2.e) of Legislative* *decree no. 39/2010 based on KPMG S.p.A.'s knowledge and understanding of the entity and its environment obtained through its audit;*

- the separate financial statements have been prepared in XHTML format in compliance with the provisions of Commission Delegated Regulation (EU) 2019/815;

- the consolidated financial statements have been prepared in XHTML format and have been marked, in all material respects, in compliance with the provisions of Commission Delegated Regulation (EU) 2019/815. Due to certain technical limitations, some information included in the notes to the consolidated financial statements when extracted from the XHTML format to an XBRL instance may not be reproduced in an identical manner with respect to the corresponding information presented in the consolidated financial statements in XHTML format.

On 4 April 2023, KPMG S.p.A. also issued its additional report pursuant to article 11 of Regulation (EU) no. 537/2014 confirming, inter alia, that no significant deficiencies in internal control and/or the accounting system were identified.

KPMG S.p.A.'s reports detail the key audit matters with respect to which reference should be made thereto.

On 4 April 2023, KPMG S.p.A. issued its attestation of compliance on the information provided in the Consolidated Non-financial Statement required by articles 3 and 4 of Legislative decree no. 254/2016 and the GRI Standards. Its conclusion does not extend to the information set out in the "EU taxonomy for sustainable economic activities" section of the NFS required by article 8 of Regulation (EU) 852 of 18 June 2020.

4. Complaints as per article 2408 of the Italian Civil Code, actions taken by the board of statutory auditors and related outcome

In 2022, we received a complaint as per article 2408 of the Italian Civil Code from a holder of 100 shares about their right to inspect the shareholder register in accordance with article 2422 of the Italian Civil Code and its proper keeping. Based on the results of our checks, we did not identify any critical issues or wrongdoings to be brought to your attention.

On 23 March 2023, we received a complaint from the common representative of the savings shareholders, Stella d'Atri, about the alleged lack of information about the company's results in its press release of 16 March 2023 necessary to allow her to assess the lawfulness of the non-distribution of the minimum dividend to the savings shareholders envisaged by article 34 of the by-laws. While we do not believe the common representative has the powers to exercise the right that article 2408 of the Italian Civil Code reserves exclusively to the shareholders, we undertook the necessary checks. We noted that the published press release includes the company's statement of profit or loss figures on page 17, showing that the company has not made the necessary profits to allow distribution of the dividend as per article 34 of the by-laws. Therefore, we did not identify any critical issues that require remediation.

The company has a whistleblowing procedure and information channels suitable to ensure the receipt, analysis and processing of reports about internal control, corporate information, the company's administrative liability, fraud or other issues by employees, members of the company bodies or third parties, which can also be made confidentially or anonymously.

5. Engagement of independent auditors and related fees

We confirm that the fees received by KPMG S.p.A. for its attestation services amount to €138,000. This amount consists of €118,000 for engagements approved by us in advance and €20,000 for engagements not approved in advance as they were either for amounts below the threshold established in the Procedure for the conferral of engagements to audit companies or related to long-term services approved in previous years.

Reference should be made to the table presenting the fees paid to KPMG S.p.A. and its network entities in 2022 provided in the notes to the separate financial statements.

Pursuant to article 6.2.a) of Regulation (EU) no. 537/2014, KPMG S.p.A. provided us with the statement that, considering the services it provided, it remained independent vis-à-vis the company and the Group throughout the year.

6. Main opinions issued by the board of statutory auditors in accordance with the ruling regulations

During 2022, we specifically:

- examined and found in favour of the 2022 audit plan prepared by the internal audit supervisor approved by the board of directors. We were also informed that this plan was revisited to include the activities required during the year;
- issued our reasoned recommendation on the integration of the fees requested by the independent auditors engaged to perform the statutory audit of the financial statements for the nine-year period from 2015 to 2023, supporting the proposals made to the shareholders in their ordinary meeting of 28 April 2022;
- examined and found in favour of the 2021 report on corporate governance and the ownership structure approved by the board of directors on 25 March 2022; we checked that it included the information required by article 123-bis of the TUF and the recommendations of the Chairperson of the Corporate Governance Committee of 3 December 2021 and was consistent with the template prepared by Borsa Italiana S.p.A. (IX Edition, January 2022);
- found that the targets of the 2021 short-term incentive plan for the chief executive officer, the general managers and key management personnel had been met in line with the 2021 remuneration policy. Specifically, we examined and found in favour of the remuneration package for the control departments (internal audit & compliance director and group risk officer);
- found in favour of the 2022 remuneration policy and examined and found in favour of the remuneration report approved by the board of directors in its meeting of 5 April 2022. We checked that it included the information required by article 123-ter of the TUF, article 84-quater of Consob regulation no. 11971/1999, the Code of Corporate Governance and the recommendations of the Chairperson of the Corporate Governance Committee of 3 December 2021;
- issued our favourable opinion pursuant to article 19.1.e) of Legislative decree no. 39/2010 and article 5 of Regulation EU 537/2014 about the assignment of non-audit services to the independent auditors;
- found in favour of, pursuant to article 4.6 of Consob resolution no. 17221 of 12 March 2010 as subsequently amended, the compliance of the update to the company's procedure for related party transactions with the principles set out in this Regulation;
- found in favour of the co-option of Andrea Alghisi and Francesco Renato Mele, replacing outdoing directors Pierpaolo Di Stefano and Tommaso Sabato, in accordance with article 2386.1 of the Italian Civil Code and article 20 of the by-laws;
- given the scale and complexity of the group, including to comply with the cooling-in period introduced by article 5 of Regulation (EU) no. 537/2014, started the procedure to select new independent auditors for the 2024-2032 period one year in advance.

During the period from 31 December 2022 and up until the date of this report, we also:

- examined and found in favour of the 2023 audit plan prepared by the internal audit supervisor approved by the board of directors;
- completed the procedure to select the new independent auditors for the 2024-2032 period, issuing our reasoned recommendation in accordance with article 13 of Legislative decree no. 39/2010;
- found that the targets of the 2022 short-term incentive plan and the 2020-2022 long-term incentive plan for the chief executive officer, the general managers and key management personnel had been met in line with the 2022 remuneration policy. Specifically, we examined and found in favour of the remuneration package for the chief executive officer, as per article 2389 of the Italian Civil Code, and the control departments (internal audit & compliance director and group risk officer);
- found in favour of the 2023-2025 remuneration policy and examined and found in favour of the remuneration report approved by the board of directors in its meeting of 16 March 2023. We checked that it included the information required by article 123-ter of the TUF, article 84-quater of Consob regulation no. 11971/1999, the Code of Corporate Governance and the recommendations of the Chairperson of the Corporate Governance Committee of 25 January 2023;
- examined and found in favour of the 2022 report on corporate governance and the ownership structure approved by the board of directors on 16 March 2023; we checked that it included the information required by article 123-bis of the TUF and the recommendations of the Chairperson of the Corporate Governance Committee of 25 January 2023 and was consistent with the template prepared by Borsa Italiana S.p.A..

Reference should be made to the "Final assessment of the supervisory activities and proposal to the shareholders" section for information on our activities carried on the separate and consolidated financial statements at 31 December 2022.

7. Frequency of attendance at company body meetings

In 2022, most meetings were held using audio/video conference devices (as established by the by-laws) to comply with the public authorities' measures brought in to contain the Covid-19 emergency and for prudent reasons. Developments in the pandemic allowed a return to in-person meetings during the second half of 2022 and in 2023.

As the company was able to ensure reliably that meetings were held correctly and on a timely basis and it has an adequate information communication system, we believe that adoption of this method did not diminish or affect the reliability of the information received or the effectiveness of our activities.

In 2022, we attended all 14 meetings of the board of directors during which we were informed about the operations and key transactions performed by the company and its subsidiaries. We also received information about the exercise of his powers from the chief executive officer.

We met 19 times in 2022 and during our meetings, some of which were held jointly with the control, risk and sustainability committee, we exchanged information with the independent auditors and this committee to ensure that no transactions took place that were imprudent or risky, could give rise to potential conflicts of interest, are not compliant with the law or the company's by-laws or the shareholders' resolutions or that could prejudice the company's assets.

We attended 11 meetings of the control, risk and sustainability committee, nine meetings of the compensation and nominating committee, three meetings of the committee for related-party transactions and three meetings of the strategic committee (attended by our chairperson).

We also participated in the ordinary and extraordinary shareholders' meetings held on 28 April 2022 and the special meetings of the savings shareholders of 23 June and 29 November 2022.

During 2023 and up to the date of this report, we attended all the meetings of the company bodies and, specifically, 3 meetings of the board of directors, five meetings of the control, risk and sustainability committee, four meetings of the compensation and nominating committee and one meeting of the committee for related-party transactions. We have carried out 10 checks so far this year.

8. Compliance with correct administration standards

We have no comments to make about compliance with such standards based on our work. We checked that the directors are aware of the riskiness and effects of the transactions performed.

Specifically, we checked that management decisions were taken in the company's interests, in line with its resources and assets and that they were adequately supported by information, analysis and checking processes, including by resort to the committees and external professionals, when necessary.

9. Adequacy of the organisational structure

We obtained information about the company's organisational structure and any modifications thereto on a regular basis, including through meetings with the competent company managers. As a result, we believe that the company's organisational structure, procedures, duties and responsibilities are adequate given its size and type of activities.

We also checked the adequacy of the organisational, administrative and accounting structures of the company and its key subsidiary Lane Industries.

10. Adequacy of internal controls and risk management system

We supervised the adequacy of the internal controls and risk management systems of the company and its key subsidiary Lane Industries as follows:

a. we regularly obtained information from the chief executive officer, the manager in charge of financial reporting, the internal audit supervisor, the compliance supervisor, the group risk officer and the heads of the other departments involved from time to time about the activities carried out, the mapping of risks related to ongoing activities, test programmes and projects to implement internal controls; we also obtained the related documentation;

b. we participated regularly in the activities of the control, risk and sustainability committee set up in line with the Code of Corporate Governance as well as the board of directors' meetings;

c. we reviewed the reports of the control, risk and sustainability committee periodically;

d. we reviewed the internal audit reports on the internal units of both the branches and head office and the working of the Group's internal controls and risk management system; we also monitored the implementation of remedial actions identified as a result of the internal audit; we reviewed the internal audit report prepared every six months by the internal audit supervisor on the activities performed during the period, and the internal audit supervisor's positive assessment of the internal controls and risk management system given the company's characteristics and risk profile;

e. we discussed the methods adopted to manage risk within the company, compliance with the related containment plans and strategic containment and efficiency objectives;

f. we reviewed the reports of the compliance department on the prevention, monitoring and management of the risk of non-compliance with the law and anti-corruption regulations.

We also:

- checked that the company has an organisational, management and control model which complies with the provisions of Legislative decree no. 231/01 and the guidelines issued by the sector associations, most recently updated by the board of directors on 14 October 2020;

- checked that the company has an anti-corruption model, which the board of directors last updated on 15 December 2020;
- examined the integrity board's regular reports as required by Legislative decree no. 231/2001, which summarise its activities of the year; we also met with the board's members;
- met the statutory auditors of the wholly-controlled subsidiaries Partecipazioni Italia and Webuild Italia in 2022 and 2023 to exchange information about, inter alia, the subsidiaries' operations and compliance with instructions received from the company, their internal controls and organisation, the composition and activities performed by the integrity boards, committees and internal audit department.

During our work, we:

a) did not identify any critical situations or facts that would have led us to believe that the internal controls and risk management systems of the company and its key subsidiary Lane Industries were inadequate during the year, acknowledging the board of directors' positive assessment in this respect;

b) based also on the information provided by the chairperson of the integrity board and the reports referred to above which stated that no censurable events or violations of the model took place in 2022, to the extent of our duties, we deem that the above model is suitable to prevent the crimes covered by the aforesaid regulations and has been implemented properly, without considering the additional updates to the model to be made in 2023 to comply with the new recent requirements;

c) acknowledged the board of directors' positive assessment of the adequacy and correct working of the internal controls and risk management system in 2022.

11. Adequacy of the administrative-accounting system and its reliability

To the extent of our duties, we monitored the adequacy of the administrative and accounting system and its ability to correctly show the company's operations and the activities undertaken as coordinated by the manager in charge of financial reporting to comply with Law no. 262/05 on guidelines for the protection of savings and regulation of financial markets as subsequently amended and integrated by:

a) obtaining information from the manager in charge of financial reporting and the different department heads, including through participation in the activities carried out by the control, risk and sustainability committee;

b) obtaining information about the procedures adopted and instructions issued by the company for the preparation of the 2022 Annual Report and the 2022 Interim Financial Report;

c) obtaining information about the existence of the conditions required by article 15 of the Market Regulation adopted with Consob resolution no. 20249 of 28 December 2017 for significant subsidiaries set up in and regulated by laws of non-EU states. We also checked that circumstances entailing non-compliance with the conditions did not exist as they would have required reporting to Consob and Borsa Italiana S.p.A. pursuant to article 15.1.c.ii of the Regulation;

d) reviewing the reports prepared by the manager in charge of financial reporting and the internal audit supervisor on the effective application of the administrative and accounting procedures pursuant to Law no. 262/05 and the results of the related tests as per the annual mandate assigned by the manager in charge of financial reporting;

e) meeting the independent auditors and analysing the findings of their work;

f) reviewing internal documents.

We also acknowledged that, independently and before the approval of the separate financial statements, the board of directors approved the impairment test applied by the company during preparation of the separate financial statements at 31 December 2022 and the impairment test procedures to be applied to the financial statements of the group companies, after receiving the favourable opinion of the control, risk and sustainability committee and pursuant to the recommendations issued by the ESMA on 21 January 2013, the joint Bank of Italy/Consob/Isvap document no. 4 of 3 March 2010 and Consob communication no. 3907 of 19 January 2015.

We did not identify any critical situations or facts during the above activities that would have led us to believe that the adequacy or reliability of company's administrative and accounting system had been compromised during the year.

12. Adequacy of the instructions given to subsidiaries

The company regulates the information provided by the subsidiaries, especially that related to more important transactions, with specific procedures.

We believe that the instructions issued by the company to its subsidiaries pursuant to article 114.2 of the TUF are adequate to ensure compliance with the legal disclosure requirements.

13. Issues which arose during meetings with the independent auditors

During our activities related to the 2022 Annual Report, we met the independent auditors:

- to exchange information about the checks performed in accordance with Legislative decree no. 39/2010 and article 150.3 of the TUF to ensure the company's accounts were kept properly and that the accounting entries accurately reflected its operations. No issues arose as a result of these meetings;
- to examine and assess the procedures used to prepare the 2022 Interim Financial Report and the 2022 Annual Report, including the assessment of the correct application of the accounting policies and their consistency; we also reviewed the audit findings and assessment of these reports;

Specifically, we:

- analysed the audit procedures performed by the independent auditors and, in particular, their methodology, the audit approach to key audit matters and audit planning;
- discussed issues related to the company's risks with the independent auditors and were favourably impressed by the adequacy of their planned approach to the structural and risk profiles of the company and the Group.

In addition to that set out in paragraph 3, we also:

a) received the additional report from the independent auditors pursuant to article 11.2 of Regulation (EU) no. 537/2014 on key audit matters and any significant deficiencies identified in the internal controls over financial reporting stating that no significant deficiencies were identified;

b) acknowledged KPMG's statement of its independence pursuant to article 6 of Regulation (EU) no. 537/2014 attached to the additional report, which did not report situations that could have compromised its independence;

c) discussed the risks related to the independent auditors' independence and the measures adopted to limit these risks in accordance with article 6.2.b) of Regulation (EU) no. 537/2014.

14. Compliance with the Code of Corporate Governance of the Corporate Governance Committee of Listed companies

The company complies with the 2020 Code of Corporate Governance of Listed Companies, effective since 1 January 2021.

During 2022 and up until the date of preparation of this report, we checked that the corporate governance rules applicable from time to time were properly complied with in accordance with article 149.1.c-bis) of the TUF. Specifically:

- the correct application of the criteria and procedures used by the board of directors to assess the independence of its members;
- the self-assessment performed by the board of directors and its committees;
- the company's corporate governance structure.

We note that the board of directors examined the recommendations made by the Corporate Governance Committee in its letter dated 25 January 2023 from the committee chairperson, Lucia Calvosa, to the chairpersons of the boards of directors of Italian listed companies and copied to the chief executive officers and chairpersons of the boards of statutory auditors in order to take the necessary resolutions. In turn, we examined the recommendations in so far as they extended to the board of statutory auditors.

We monitored the activities of the board committees, including with respect to the requirements of the Code of Corporate Governance.

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In addition to that set out above, we:

- checked the compliance of the board's composition with the law in terms of gender and its adequacy with respect to age diversity and professional experience and background of its members. We did not find it necessary to communicate the need to adopt additional and/or specific diversity policies to the board of directors;
- assessed that the board had carried out its duties correctly and efficiently, considering the professionalism, experience and competence of its members and compliance with the regulations about the number of positions that can be held, the time dedicated to carry out their activities and the functionality and quality of the information exchanged with the board of directors, the control, risk and sustainability committee, the independent auditors and other control functions;
- regularly checked that we met the independence criteria pursuant to the relevant legislation, regulations and self-assessment criteria; the outcome of these checks was positive;
- prepared the reports summarising our control activities performed in 2021 as required by Consob communication no. 1025564 of 6 April 2001:
- monitored compliance with the election regulations for the appointment of directors and statutory auditors pursuant to article 149 of the TUF and Consob communication no. DEM/9017893 of 26 February 2009 and the correct presentation of the lists, given that a new board of statutory auditors is to be elected for the 2023-2025 three-year term.

15. Comments on Covid-19 and the Russia-Ukraine crisis

During the year, we continued to monitor developments in the reference legislative framework and measures issued by the competent authorities to combat the Covid-19 pandemic that has continued into 2022 to the extent of our supervisory duties. We received constant information from the company about the actions taken to protect the health of its employees in accordance with the emergency regulations in place from time to time. We have no information in this respect to be communicated to the shareholders.

We noted that, as allowed by article 3.10-undecies of Decree law no. 198 of 29 December 2022, converted by Law no. 14 of 24 February 2023 (which extended the measures of article 106.4 of Law decree no. 18 of 17 March 2020, converted by Law no. 27 of 24 April 2020), participation in the shareholders' meeting will solely take place through the proxy designated by the company in accordance with article 135-undecies of the TUF (Monte Titoli S.p.A.) as in-person attendance is not envisaged.

We also monitored the repercussions of the Russia-Ukraine war.

More information is available in the "Covid-19 and the Russia-Ukraine crisis" section of the Directors' report

The directors stated that they have not identified critical factors that could trigger a financial stress scenario at the date of preparation of this report.

In addition, the directors set out the company's strategies and its 2023 objectives in the "Outlook" section of their report. These forecasts are based on the assumption that no significant changes will take place in the ongoing geopolitical crisis with the war in Ukraine and the public health emergency and that the macroeconomic scenario will not undergo extreme disruption.

16. Consolidated Non-financial Statement

We checked compliance of the company's Consolidated Non-financial Statement (the "NFS") with the provisions of Legislative decree no. 254/2016 and Consob regulation no. 20267 of 18 January 2018 (**"Consob regulation no. 20267/2018"**).

We noted that, as parent, the company prepared the NFS in accordance with articles 3 and 4 of Legislative decree no. 254/2016 and the Global Reporting Initiative Sustainability Reporting Standards (the "GRI Standards") defined by GRI - Global Reporting Initiative, identified as the reporting standards by the directors as described in the "Methodology for reporting non-financial information" section of the NFS.

We checked compliance with the provisions of Legislative decree no. 254/2016, ascertaining that the NFS provides an understanding of the Group, its performance, results and impacts and that the NFS discloses information on environmental, social, human resources, respect for human rights and governance issues, considering the company's activities and characteristics in accordance with that set out in article 3 of Legislative decree no. 254/2016.

We discussed the procedures performed by the independent auditors on the NFS with them and were informed that no critical issues arose.

We also checked the board of directors' approval of the Consolidated Non-financial Statement on 16 March 2023 and the expression by the independent auditors of a conclusion about its compliance, in all material respects, with the requirements of articles 3 and 4 of Legislative decree no. 254/2016 and the GRI Standards on 4 April 2023. KPMG's conclusion does not extend to the information set out in the "EU taxonomy for sustainable economic activities" section of the NFS required by article 8 of Regulation (EU) 852 of 18 June 2020.

Final assessment of the supervisory activities and proposal to the shareholders

Based on that set out above, during the year:

- we monitored compliance with the law and by-laws, the principles of correct administration and, specifically, the adequacy of the organisational, administrative and accounting models adopted by the company and their correct working;
- we monitored compliance with the disclosure requirements about confidential information;
- we monitored the working and efficiency of the internal controls and administrative-accounting system in order to assess their compliance with the company's requirements and reliability in presenting its operations;

- we monitored compliance with the laws about the preparation, checks, approval and publication of the company's separate financial statements and the preparation, checks and publication of the Group's consolidated financial statements and the directors' report for 2022, including through direct checks and information obtained from the independent auditors, assessing the appropriateness of the impairment method;
- we checked that, pursuant to Regulation (EC) no. 1606/2002 and Legislative decree no. 38/2005, the separate financial statements of Webuild S.p.A. and the consolidated financial statements of Webuild Group as at and for the year ended 31 December 2022 were prepared in compliance with the IFRS endorsed by the European Commission and integrated by the interpretations issued by the International Accounting Standards Board (IASB);
- we checked that the company had taken the necessary measures to prepare its separate and consolidated financial statements in electronic format (using XHTML technology) as prescribed by the ESEF Regulation;
- we monitored compliance with the procedure for preparation and presentation of the separate financial statements to the shareholders;
- we monitored the financial reporting process, the effectiveness of internal controls, internal audit and risk management systems pursuant to article 19.1 of Legislative decree no. 39/2010 and informed the board of directors of the findings of the statutory audit;
- we monitored compliance with the provisions of Legislative decree no. 254/2016 and Consob regulation no. 20267/2018 on the preparation of the Consolidated Non-financial Statement;

That being said, no reprehensible behaviour, omissions or irregularities were noted during our work that would require communication to the competent bodies.

As a result, we invite the shareholders to approve the separate financial statements as at and for the year ended 31 December 2022 presented to you by the board of directors together with its report and proposal.

Milan, 4 April 2023

Board of Statutory Auditors

Giacinto Gaetano Sarubbi – Chairperson (signed on the original)

Paola Simonelli – Statutory auditor (signed on the original)

Roberto Cassader – Statutory auditor (signed on the original)