2023 ANNUAL REPORT

webuild

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

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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CEO’s letter to the stakeholders

2023 was a pivotal year for the Group in which we made further strides along the development path embarked on in 2012. We achieved **landmark results** thanks to our **consistent strategic vision**, which we have pursued with **commitment and dedication**, seizing the opportunities generated by **global megatrends** and **reinforcing our strong relationship with stakeholders**.

Infrastructure is **central to development and the well-being of billions of people**. It plays an important role in the energy transition, combating climate change, responding to the needs of a growing population and the increasing demand for water, energy and sustainable transport. These are all hot topics in the countries where the Group has a leadership position.

This favourable context has formed the backdrop to our pursuit of our **vision** of building **large complex infrastructure around the world** and we have consolidated our position in key markets and expanded our footprint. We are the partner of choice for clients and institutions as we help our local communities to grow, we offer employment and training to young people and we create a top notch supply chain.

Our **scale** has enabled us to improve our performance and respond to the challenges presented by the macroeconomic scenario over the years. We invest in **training**, safety, **research, innovation** and strategic **de-risking** projects and we strive to **improve our profitability and cash generation** all while ensuring we **deliver** our projects, even in the most challenging conditions.

With 4,000 engineers around the world, we **offer our clients first-class technical solutions**, cutting construction costs and timelines and complying with the most stringent sustainability, health and safety and quality standards. For the third consecutive year, we have a **record-breaking order book** of €22 billion and a book-to-bill of 2.7x, well above the 1.1x target for this year. The order portfolio has reached an all-time high of €64 billion, outperforming the target set for the end of 2025.

Continuing our solid track record of the past few years, we have ended the year with excellent results, surpassing the **plan targets**, and proving the success of the business model we have pursued. 2023 revenue and EBITDA are up more than 20% and 40%, respectively, at €10 billion and €819 million and the business generated exceptional cash flows for a net cash position of €1,431 million and financial leverage down to 3.2x compared to 4.6x for 2022.

At **home**, we have won four new lots of the Palermo - Catania railway line and a lot of the new high-speed/capacity Salerno- Reggio Calabria line. Abroad, we were awarded the contract to build the Shiplift Facility in the Port of Darwin on **Australia**’s northern coast and the Ceres urea plant for Perdaman Chemicals and Fertilisers, while in the **United States**, we obtained the contract to design and carry out reconstruction works on the intersection between Interstate 4 (I-4) and Apopka-Vineland road (State Road 535) in Orange County, Florida to improve traffic flow and enhance driver safety. In **Saudi Arabia**, we acquired the contract to build and operate a water treatment plant in the ZULUF onshore oil facilities and another to design and build 527 km of high-speed railway line as part of the NEOM mega project.

In 2023, we **delivered** important **works** for the development of local communities such as the Braila Bridge in Romania, the second longest suspension bridge in continental Europe, the Tricolore and San Babila Stations which make it possible to get to the city centre from the airport in 12 minutes on Line 4 of the Milan Metro, the Isarco River Underpass, which is part of the Brenner Base Tunnel, the longest underground railway line in the world, and Eni’s new headquarters in San Donato Milanese.

At the beginning of the year, we completed the acquisition of the Australian company **Clough**, making this continent the Group’s second most important market with 3,000 employees and nine projects underway. As was the case for Astaldi, Cossi, Lane and Seli Overseas, Clough joining our Group is another important milestone in our competitive strategy as we have gained scale and new expertise in different business sectors, thus creating greater value. During the year, we also monetised a non-core asset by selling the Group’s share in the concession for Line 4 of the Milan Metro.

It is thanks to our **team** of 87,000 direct and indirect workers of more than 100 nationalities in over 50 countries and our **supply chain** of 19,400 companies that we will achieve the targets in the 2023-2025 “The future is now” plan. We hired more than 12,000 people in 2023 and will take on another 10,000 in Italy alone by 2026 as part of our large-scale **Cantiere Lavoro Italia** recruitment, training and hiring project. This project is a great source of pride for our Group as we created it to train up the next generation of builders.

Being a large construction company does not only mean excavating and pouring concrete, it also means **taking care of the people** who work with us. This includes providing accommodation to around 40,000 people in our base camps and 35 million meals a day. Our base camps are not unlike small towns, with all the necessary services and, in 2023, we provided 270,000 medical check-ups to direct workers, our subcontractors’ workers and people from the local communities.

We have **pioneered change in practices** along the entire production **chain** in our sector, providing more than 2 million hours of training on **safety** since 2020, 668,000 hours alone in 2023, to both our direct workers and those of the supply chain. We have also developed an internal programme on leadership and a safety culture - the Safety Builders Program - which has involved over 11,800 people since its launch. Every day, safety talks are held at Webuild work sites with the workers and their number has continued to grow from 2021 with 440,000 safety talks held globally in 2023 (over 700 a day).

We have continued to take a stance, selecting the **most sustainable projects** and choosing to execute them in a **legal and transparent** manner with a **strict work ethic**, which makes us the partner of choice for clients and the people who work with us, safely.

We have similarly guided change in our sector with respect to **environmental sustainability**, reducing our emissions intensity rate by 67% compared to the 2017 baseline (-50% target by 2050), thanks in part to the continuous investments in **clean technology** and circular economy initiatives.

We are confident and optimistic about this year, which has started well with the award of a mega project in Saudi Arabia as part of the futuristic NEOM development initiative. We will take on the **challenges facing us** drawing on our **solid** financial position and performance, our experience and our transparent, agreed plan in order to create value for our shareholders and all internal and external stakeholders.

Accountability is the cornerstone of the implementation, in line with all the companies in the supply chain and our clients, of the sustainable business and 360-degree partnership model. Under this model, the commitment of each of the operators in the production chain is tangible and profitable, generating **shared growth with the aim of building a more sustainable future for the current and future generations, together.**

Pietro Salini

Company officers

Board of directors

Elected by the shareholders on 30 April 2021- with subsequent resolutions taken by the shareholders in their ordinary meeting of 27 April 2023 for the appointment of two directors (Andrea Alghisi and Francesco Renato Mele)-, in office until approval of the financial statements as at and for the year ended 31 December 2023.

Position	*Name*
Chairperson	Donato Iacovone
Deputy chairperson	Nicola Greco
Chief executive officer	Pietro Salini
Director	Andrea Alghisi
Director	Davide Croff
Director	Barbara Marinali
Director	Flavia Mazzarella
Director	Francesco Renato Mele
Director	Teresa Naddeo
Director	Marina Natale
Director	Ferdinando Parente
Director	Alessandro Salini
Director	Serena Maria Torielli
Director	Michele Valensise
Director	Laura Zanetti

Control, risk and sustainability committee

Position	*Name*
Chairperson	Teresa Naddeo
Member	Donato Iacovone
Member	Flavia Mazzarella
Member	Marina Natale
Member	Ferdinando Parente
Member	Serena Maria Torielli

Compensation and nominating committee

Position	*Name*
Chairperson	Ferdinando Parente
Member	Barbara Marinali
Member	Laura Zanetti

Committee for related-party transactions

Position	*Name*
Chairperson	Barbara Marinali
Member	Davide Croff
Member	Ferdinando Parente

Board of statutory auditors

Elected by the shareholders on 27 April 2023; in office until approval of the financial statements as at and for the year ending 31 December 2025.

Position	*Name*
Chairperson	Giovanni Maria Alessandro Angelo Garegnani
Standing statutory auditor	Antonio Santi
Standing statutory auditor	Lucrezia Iuliano
Substitute statutory auditor	Pierumberto Spanò
Substitute statutory auditor	Marco Seracini

Independent auditors

KPMG S.p.A., appointed by the shareholders on 30 April 2015 with a term of engagement that ends with approval of the financial statements as at and for the year ended 31 December 2023.

2023 highlights

Operating results

No. 1 player in Italy[1]
GENERAL CONTRACTOR

Global leader[2]
IN THE WATER SECTOR

ONE OF THE **Top 10 Players**[3]
INTERNATIONAL

IN **Australia**
IN **USA**
IN **Europe**

+270
PROJECTS DELIVERED SINCE 2012

150
PROJECTS UNDERWAY IN 50 COUNTRIES

87,000
PEOPLE INVOLVED OF 116 NATIONALITIES

19,400
SUPPLY CHAIN **VENDORS**

Track record

METROS AND RAILWAYS
14,140km

TUNNELS
3,408km

DAMS AND HYDROPOWER PLANTS
313

ROADS AND MOTORWAYS
82,533km

BRIDGES AND VIADUCTS
1,020km

Financial results

€64 bn
ORDER BACKLOG

€22 bn
NEW ORDERS

€10 bn
REVENUE

€819 m
EBITDA

€1.4 bn
NET CASH POSITION

ESG results

Green builders

-67%
GHG EMISSIONS INTENSITY (scope 1 & 2) (2023 vs 2017)

Safe & inclusive builders

-58%
LTIFR (2023 vs 2017)

25%
WOMEN IDENTIFIED FOR KEY ROLES IN THE SUCCESSION PLANNING (BY THE END OF 2023)

Innovative & smart builders

+€57 m
ADDITIONAL INVESTMENTS IN HIGH-IMPACT INNOVATIVE PROJECTS (END OF 2023)

[1] TOP 200 construction companies – Guamari 2024
[2] ENR Report, Global Sourcebook, 11/18 December 2023
[3] ENR Report, The TOP 250, 21/28 August 2023

Directors' report-
Part I

Webuild Group

A global leader with 120 years experience across five continents

Webuild is a **major global operator** specialised in building large complex infrastructure for the **sustainable mobility, hydropower, water and green buildings** sectors.

With **120 years of engineering experience** deployed on five continents, drawing on the skills of **87,000 people** of more than **116 nationalities**, Webuild builds complex, long-lasting infrastructure, assisting its customers to **work towards the Sustainable Development Goals (SGDs)**, **combat climate change** and **engage in the energy transition**.

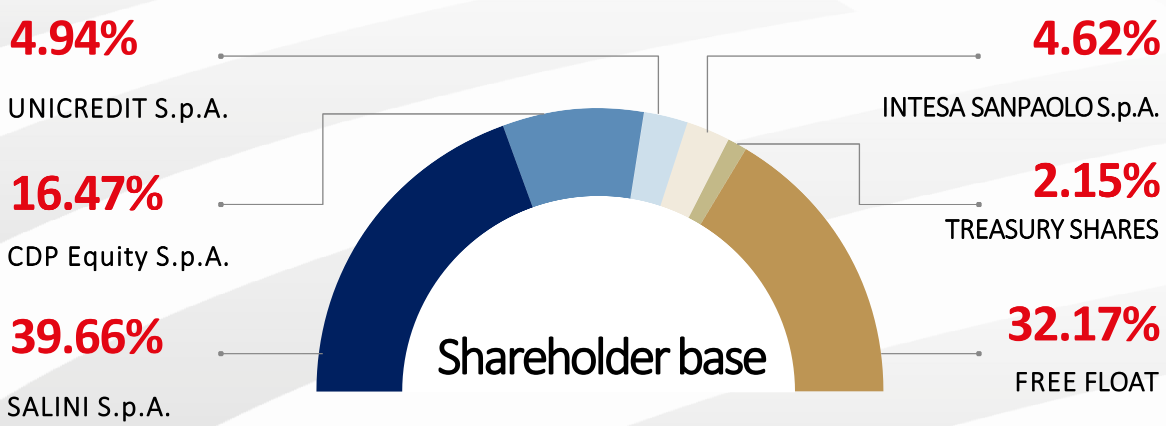
Recognised by Engineering News-Record (ENR) as **the world's top contractor** in the **water infrastructure sector** and **one of the Top 10 for the construction of large sustainable mobility works**[4], the Group also **leads the Italian market** and is one of the main industry players on the international stage (it is a **Top 10 construction operator in Europe** and an **international player in Australia and the United States**).

Webuild is the most recent chapter in a century-old story, **bringing together the leading sector operators** like Clough (Australia), Astaldi (Italy), Lane (United States), Impregilo, Cossi and Seli Overseas (Italy) to create a large construction group able to compete on international markets and supported by its **value chain**.

Today, **together with its 19,400 partners, Webuild works in roughly 50 countries, with a focus on Italy, Europe, North America and Australia, in line with its de-risking strategy**.

During its history, the Group has delivered some of the **world's most iconic** works, such as the Panama Canal, two bridges spanning the Bosphorus River, some of the Paris, New York, Rome and Milan metro lines, most of the high-speed railway lines in Italy and the "Art Stations" in Naples, as well as the salvage of the Abu Simbel temples in Egypt.

The Group's growth has been supported by its **solid shareholder base**: its current shareholders comprise Salini, CDP Equity and major Italian banks, including Intesa Sanpaolo and Unicredit, with the following stakes:



[4] Related to the Highways and Mass transit and rail sectors.

webuild

2023 classification of the sector magazine ENR
Engineering News-Record

Global Leader IN THE INTERNATIONAL WATER SECTOR	**Top 10** INTERNATIONAL COMPANIES IN THE SECTOR FOR SUSTAINABLE MOBILITY PROJECTS[4]	**Top 10** COMPANIES IN EUROPE	**Top 10** INTERNATIONAL COMPANIES IN AUSTRALIA	**Top 10** INTERNATIONAL COMPANIES IN THE US

No. 1 PLAYER IN ITALY	**50** COUNTRIES - GLOBAL PRESENCE	**~60** OFFICES IN THE WORLD	**150** KEY PROJECTS UNDERWAY INTHE WORLD

Countries where Webuild operates around the world

Business areas: our contribution to a sustainable world

Webuild **conceives, designs and builds** complex infrastructure for the sustainable mobility, hydro energy, water and green buildings sectors, contributing to the achievement of 11 of the 17 SDGs.

SUSTAINABLE MOBILITY

9 IMPRESE, INNOVAZIONE E INFRASTRUTTURE

11 CITTÀ E COMUNITÀ SOSTENIBILI

13 LOTTA CONTRO IL CAMBIAMENTO CLIMATICO

€40.4 bn

CONSTRUCTION BACKLOG

Transport infrastructure is essential to allow the socio-economic development of cities and areas, reduce CO2 emissions and make travel safer.

Webuild's metro line projects alone will enable roughly **4.3 million people** to travel quickly, efficiently and in an environmentally-friendly way every day thanks to their state-of-the-art infrastructure.

The high-speed railway projects underway will **avoid approximately 6 million tons of CO2 emissions per year**.

METROS

RAILWAYS

ROADS AND MOTORWAYS

BRIDGES VIADUCTS

CLEAN HYDRO ENERGY

7 ENERGIA PULITA E ACCESSIBILE

13 LOTTA CONTRO IL CAMBIAMENTO CLIMATICO

€8.8 bn

CONSTRUCTION BACKLOG

Hydropower is the largest source of renewable energy in the world. Of the renewable energies, it is the most reliable and constant source, as well as one of the sources with the lowest unit cost. This makes it an effective solution both as part of the energy transition and to expand access to energy in countries and areas where it is still lacking or insufficient.

The hydropower projects under construction by the Group will have **capacity of more than 14,000 MW** and will provide low-cost clean energy to tens of millions of people around the world.

HYDROPOWER PLANTS

PUMPED STORAGE

CLEAN WATER

6 ACQUA PULITA E SERVIZI IGIENICO-SANITARI

13 LOTTA CONTRO IL CAMBIAMENTO CLIMATICO

€0.8 bn

CONSTRUCTION BACKLOG

The sustainable management of water is one of the principal global challenges: 5 billion people live in areas at risk of water scarcity while 2.4 billion do not have access to drinking water.
More than 15 million people are served by the plants being built by the Webuild Group.

- DRINKING WATER AND DESALINATION PLANTS
- WASTEWATER MANAGEMENT PLANTS
- HYDRAULIC PROJECTS
- DRINKING WATER AND IRRIGATION WATER RESERVOIRS

GREEN BUILDINGS

9 IMPRESE, INNOVAZIONE E INFRASTRUTTURE

11 CITTÀ E COMUNITÀ SOSTENIBILI

13 LOTTA CONTRO IL CAMBIAMENTO CLIMATICO

€4.9 bn

CONSTRUCTION BACKLOG (*)

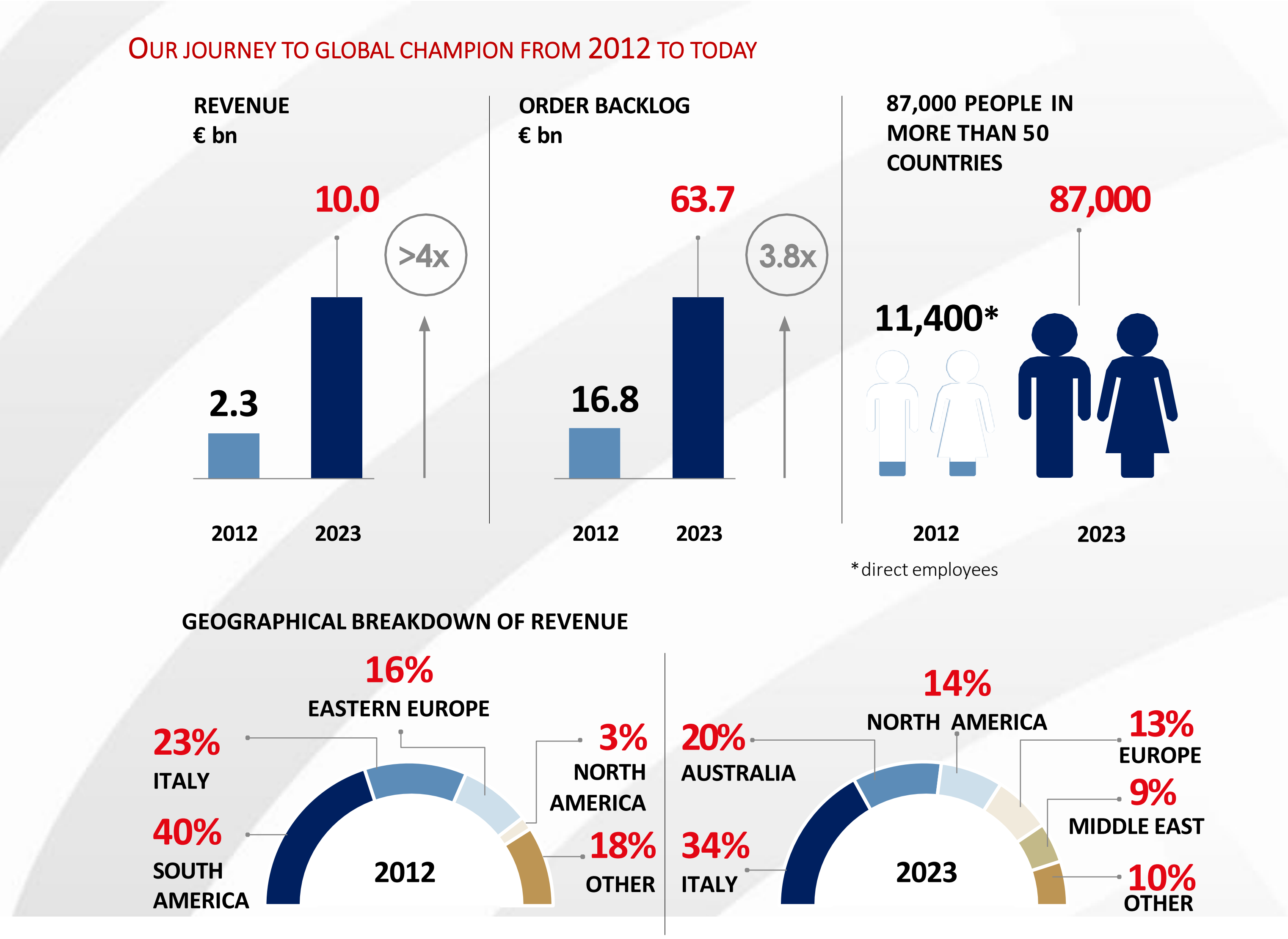
Designing sustainable infrastructure is essential to improve the liveability of cities in a world that is urbanising quickly.
Over the years, the Group has acquired significant experience in eco design & eco construction techniques, fundamental to reduce the carbon footprint of civil and industrial buildings over their life cycle.

- CIVIL AND INDUSTRIAL BUILDINGS
- AIRPORTS
- STADI UMS
- HOSPITALS

(*) Including Green Buildings and Others

A track record of strong operating results

The Group's 2023 results confirm the growth trajectory set in motion in 2012 with the pursuit of its **clear-cut, far-reaching strategic vision**, which has made Webuild a trusted partner for the construction of innovative, long-lasting infrastructure that underpins sustainable development for the current and future generations.



In 2023, the Group achieved **revenue of €10 billion, four times that of 2012**. As part of its de-risking policy, it has shifted its business towards **low-risk countries** such as Italy, Australia, North America, Europe and the Middle East, which **accounted for 90%** of its 2023 revenue (compared to 42% in 2012).

With **new orders of more than €100 billion acquired since 2012**, the Group's **order backlog** has reached an **all-time high of €64 billion**. Thanks to this robust order book, which mostly consists of long-term contracts which will allow the Group to reach its revenue and EBITDA objectives set in the 2023-2025 business plan, and its strategic diversification into multiple geographical areas, the Group is able to ride out possible fluctuations in regional economic cycles.

In line with the Group's sustainability-focused strategy, more than 90% of the construction order backlog and 87% of revenue relate to projects linked to achievement of the United Nations' SDGs.

In just over ten years, Webuild's **workforce** (direct and indirect workers) has grown from 11,400 people to **87,000**, including approximately 16,900 in Italy.

A SUCCESSFUL STRATEGIC VISION

The Group's strategy underpinning these successful years is based on three pillars:

i. a focus on the construction of highly complex and innovative infrastructure to become the "go-to" partner for customers on the global stage;
ii. the consolidation of its leadership position in key geographical areas such as Europe, Australia, the United States and the Middle East, as part of a de-risking strategy;
iii. growth in size, which has permitted the Group to invest in innovation, training, health and safety and in strategic de-risking projects in order to improve profitability, generate cash and deleverage.

Since 2012, the Group has prioritised growth as a key tool to achieve strategic objectives as it allows the Group to increase its investments in innovation and health and safety, acquire and bring together resources and expertise, pursue cost synergies and stream-lining, facilitate a better positioning on the core markets and enter into new competitive sectors.

Today, Webuild has a robust organisational structure. With more than **4,000 engineers located around the world**, it designs innovative solutions for **highly complex engineering challenges** and minimises costs and project construction timelines, all to the highest sustainability, quality and safety standards. Webuild has drawn on this expertise to carve itself a place as a **global leader in the infrastructure sector**, especially for the more challenging and complex projects.

Webuild'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 promoting a circular economy.

Webuild has **prioritised occupational health & safety** over the years. In the last four years, it has provided more than two million hours of health & safety training to employees and the supply chain and brings its experience and best-in-class procedures in this area to wherever it operates. In Australia, which is one of the markets with the greatest focus on this issue, the North East Link has been acknowledged as one of the best projects in terms of its technical and innovative approaches to safety. The rating agency MSCI- ESG Solutions has rated the Group's health & safety performance as better than its competitors.

The Group has proven to be a very attractive workplace for young talents. In 2023 alone, a year marked by strong demand, it **hired more than 12,000 people**. Its workforce's growth is the result of numerous initiatives rolled out over the years, such as recruiting and training programmes, scholarships and collaborations with Italian and international universities.

In-person and on-site training provided to employees in 2023 was part of a larger project covering a wide range of topics for a total of approximately 712 thousand hours for the Group's direct workers. This figure rises to nearly one million hours if the training courses provided to subcontractors' personnel are included.

In November 2023, the Group launched its "CANTIERE LAVORO ITALIA" programme in response to the issue of the growing demand for resources on the market. This programme is designed to attract people to the construction sector and train the next generation of operators, technicians and professionals for work sites of projects both underway and scheduled to be rolled out.

The Group's size has also made it possible to **centralise some highly specialised functions**, generating economies of scale across the entire organisation. The risk management system has been strengthened through a **rigorous risk management system** applied to every phase of the business from strategic and commercial planning to bidding and execution. Risk management activities at individual work site level and the group companies have benefited from the adoption of a shared common risk management framework, promoting the harmonisation and monitoring of the main risks and opportunities at central level. **Supply chain management** has also been **centralised**, through a procurement team that coordinates and supervises the procurement processes, planning investments and the disposal of plant and machinery with the support of innovative digital tools.

Management's strategic vision during this growth period was supported by **various initiatives aimed at improving margins and streamlining cash generation**.

Webuild has consolidated a **selective approach** to the calls for tenders it bids on, based on an in-depth analysis of the projects using next generation digital tools. Furthermore, the market is more interested in a contractor's technical skills than prices. Combined with its outstanding technical expertise, this approach has allowed Webuild to **acquire a significant share of new contracts thanks to its technical offer**, thus obtaining better profitability on projects.

The Group's **operational efficiency plan**, rolled out in 2020 to reduce both direct and indirect project costs, has also led to better profitability.

Certain **strategic projects launched with the business plan** have been developed and applied through the Group. They include **working capital** management and the **sale of non-core assets**, such as the concession for Line 4 of the Milan Metro sold in 2023 thanks to an agreement signed during the final phases of the project, testament to the Group's extraordinary ability to build highly complex infrastructure.

Webuild is also committed to **enhancing** its **subsidiaries**, including through their reorganisation. Key subsidiaries include **Clough** and **Lane**, with which the Group plans to exploit opportunities in their fast-growing markets (Australia and the United States), leveraging the subsidiaries' strong skill-set and local footprint. Population growth and water scarcity will drive the rapid development of the global water market, especially for water treatment and desalination projects, and the Group can benefit from the strong positioning and expertise of the subsidiary **Fisia Italimpianti**.

Sustainability targets reached

The Group made great progress with respect to its ESG objectives in 2023.

In addition to its recent **confirmation as a global leader in the actions to combat climate change** by CDP (the former Carbon Disclosure Project), Webuild was upgraded to AA by MSCI ESG Ratings in 2023, as recognition of its **continuous commitment to corporate governance and health & safety matters**.

Confirming its leadership position, the Group maintained its excellent scores from the other ESG rating agencies, with a B- rating from ISS-ESG, Advanced from Moody's ESG (former Vigeo Eiris) and inclusion in Borsa Italiana's MIB® ESG Index.

Webuild's sustainability strategy is set out in its ESG Plan, drawn up in 2021 to improve the environmental sustainability of the Group's projects and operations and leveraging innovation and digitalisation to optimise the sector's efficiency in terms of health, safety, diversity and inclusion.

This three-year plan ended in 2023. **Webuild comfortably achieved all the targets and consolidated its sustainability credentials**.

For example, it exceeded its GHG intensity rate reduction target (scope 1 & 2), down 67% compared to the 2017 baseline and the 2025 target of-50%. Moreover, additional investments in high-impact innovative projects to be completed by 2023 doubled compared to expectations to exceed €57 million, well above the planned-for €30 million.

In line with the plan targets, the injury rate (LTIFR) dropped 41% compared to the 2017 baseline in 2022 and improved again in 2023.

The Group also achieved its target of including 25% women in the succession planning.

The above results representing the completion of the ESG Plan compared to the targets are summarised below.

Green builders

RESULTS	TARGET	TARGET STATUS
-67% GHG emissions intensity (scope 1 & 2) (2023 vs 2017)	**-50%** GHG emissions intensity (scope 1 & 2) (2025 vs 2017)	✓

Safe & inclusive builders

RESULTS	TARGET	TARGET STATUS
-41% Injury rate (LTIFR) (2022 vs 2017)	**-40%** Injury rate (LTIFR) (2022 vs 2017)	✓
25% Women identified for key roles in the succession planning (by the end of 2023)	**25%** Women identified for key roles in the succession planning (by 2023)	

Innovative & smart builders

RESULTS	TARGET	TARGET STATUS
+€57m Additional investments in high-impact innovative projects (end of 2023)	**+€30m** Additional investmentsin high-impact innovative projects (by 2023)	✓

Global trends benefiting the Group

Global growth was surprisingly resilient in 2023, with falling energy prices and easing supply chain pressure helping inflation decrease faster than expected.

The IMF's most recent analysis showed that the global economy grew 3.1% in 2023, boosted by the increase in public and private spending, despite the higher interest rates in many countries. During the year, the labour market continued to grow and unemployment rates remained low.

As well as **fuelling** significant **growth** for nations' **GDPs** with a more than proportionate return for the economy, **infrastructure** is an **increasingly strategic lever for providing solutions to major global challenges, such as climate change, demographic growth and the growing scarcity of water resources**.

Webuild is well-placed in the main sectors that contribute to providing solutions to these challenges, especially with respect to the design and building of works linked to the reduction of emissions, such as railway and metro lines in the world's most polluted cities; the construction of plants that generate energy from alternative renewable sources, like dams and hydropower plants, the construction of desalination plants to produce drinking water, and polluted water regeneration systems in large cities.

THE MAIN MEGATRENDS TO 2050[5]

-50%

REDUCTION IN GHG EMISSIONS BY 2030 TO ACHIEVE CARBON NEUTRALITY
(VS 1990)

+20/30%

RISING GLOBAL DEMAND FOR WATER
(2050 vs 2010)

+100%

GROWING URBAN POPULATION
(2050 vs 2023)

50%

PERCENTAGE OF ELECTRICAL ENERGY USED COMPARED TO GLOBAL ENERGY CONSUMPTION
(by 2050 vs 20% in 2023)

All the geographical areas where the Group has acquired an important strategic position, such as Europe, Australia, the United States and the Middle East, as well as Italy, continue to prioritise investments in infrastructure.

+6.9 t €

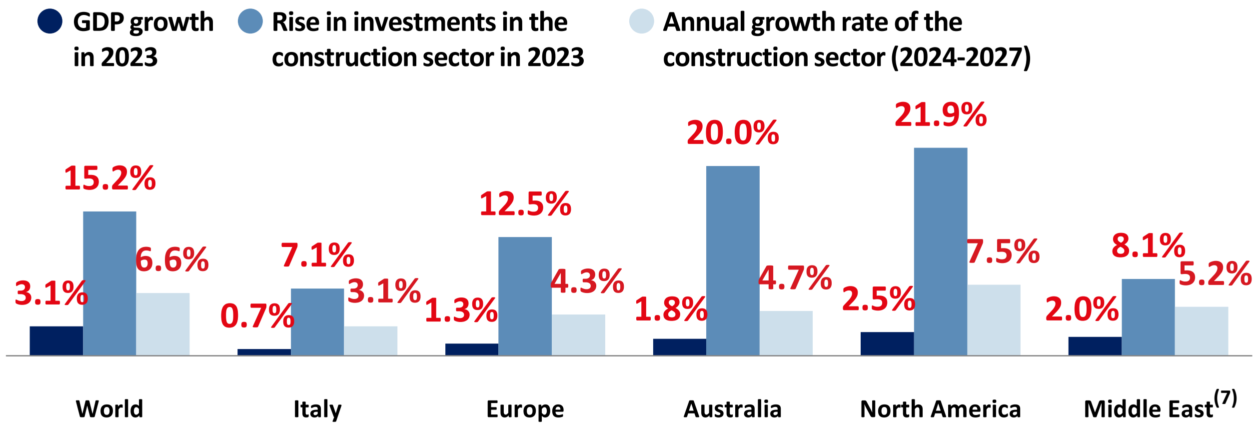
GLOBAL INVESTMENTS in 2023 +17% vs 2022

6.6%

ANNUAL GROWTH RATE for the next four years

[5] Source: European Enviromental Agency – 2030 Climate target plan; The United Nations World Water Development Report 2023; The World Bank – Urban Delevopment; The International Energy Agency

THE CONSTRUCTION MARKET IN THE 2023–2027 PERIOD[6]



CONSTRUCTION MARKET IN 2024-2027 PERIOD

€bn

World	Italy	Europe	Australia	North America	Middle East
32,600	330	6,400	400	5,000	790

In Europe, investments in infrastructure continue to benefit from the funds allocated under the NextGenerationEU package. In Italy, in particular, the sector is bolstered by projects under the umbrella of the National Recovery and Resilience Plan. The European Union plans to invest €208 billion to speed up the energy transition through the REPowerEU programme, increasing investments in clean energy and energy savings , in addition to the €600 billion provided for in the European Green Deal already earmarked for projects that combat climate change.

In Australia, new investments in the sector will be driven mainly by the climate and energy sector, with funds in excess of AUD40 billion made available under the Powering Australia Plan, approved in 2021, designed to make Australia a leader in the production of clean energy. The infrastructure market will also be helped by additional investments in the water and resources sectors. Thanks to its strong local footprint, strengthened by the acquisition of Clough, the Group is one of the top five contractors in this continent and is well-placed to avail of opportunities in this large and steadily growing market in its sectors.

In North America, the Group is mostly active through its subsidiary Lane and is developing an integrated approach to seize opportunities in the US and Canadian markets. The sector will be supported by government stimulus packages in the United States, such as the Infrastructure Investment and Jobs Act (IIJA), the Inflation Reduction Act (IRA) and CHIPS and Science Act, which will boost strong growth in the civil infrastructures sector, mainly railways and roads, industrial and energy infrastructure.

Finally, Webuild will draw on its strong local expertise to continue to monitor geographical areas with great growth potential, like the Middle East. Infrastructure investments in this area will be driven by Saudi Arabia's ambitious investments programme, Saudi Vision 2030, designed to diversify the country's economy, reduce its dependence on oil and encourage tourism. The programme includes the development of giga projects like Neom, Red Sea Global and Diriyah, in which Webuild has recently acquired large contracts. The 2034 FIFA World Cup and the 2030 Expo events are expected to give investments in infrastructure an additional boost.

In addition to the traditional sectors of renewable energy, with dams, and sustainable mobility, in particular railways and subways, which are attracting investments in the sector, the clean water and data centre segments

[6] Source: Global Date, December 2023 (excluding the maintenance and residential segments); International Monetary Fund, January 2023 (reference should be made to the "REGIONAL ECONOMIC OUTLOOK" of November 2023 for the Eurozone GDP)
[7] GDP of the Middle East and Central Asia area

are among the **businesses with the greatest growth potential, and are of considerable interest for the subsidiaries of the Fisia Italimpianti Group and CSC Costruzioni**, respectively. Increasing demand and decreasing water resources are driving the demand for water in most regions of the world. Conventional approaches that rely on rainfall and river runoff in water-scarce areas are no longer sufficient to meet the needs of urbanisation and continued population growth. In this context, the supply of desalinated water plays a key role in reducing the gap between water supply and demand. Urbanisation and population growth also trigger the growing demand for digital services. Since 2010, the number of internet users worldwide has more than doubled, while global internet traffic has increased 20-fold. In this context, data centres appear to be an asset class destined to play a key role at a global level for the purposes of the digital transition.

Milestones achieved in 2023

Key milestones

JANUARY/FEBRUARY

- Awarded highway contract to widen the I-4/Sand Lake Road Interchange in Florida, USA (USD218 million)
- Consortium including Webuild awarded contract for the Trento rail bypass on the south access line to the Brenner Base Tunnel (€934 million)
- Acquisition of Clough assets completed, making Webuild Group a key player in Australia

MARCH/APRIL

- New contract won to upgrade the largest wastewater treatment plant in Western Australia as part of a joint venture (AUD238 million)
- Contract to upgrade the Caltanissetta Xirbi - Nuova Enna section of the high-capacity Palermo - Catania railway line in Sicily awarded to Webuild joint venture (€1.2 billion)
- Memorandum of Collaboration signed with Ukrhydroenergo for the construction of new hydropower facilities in Ukraine
- Financial closure reached for construction of Perdaman urea plant in Western Australia by joint venture including Clough (USD2.8 billion)
- Lane and joint venture partners preferred bidder for Tampa's Westshore Interchange (I-275/SR 60) in Florida, USA (USD1 billion)

MAY/JUNE

- Laying of first stone for the New Genoa Breakwater
- Fisia Italiampianti awarded two contracts to build and operate a water treatment plant at the ZULUF onshore oil facilities in Saudi Arabia (USD439 million)
- Design and build contract for a 57 km high-speed railway line along the north coast of the Red Sea in Saudi Arabia awarded to a Webuild joint venture by NEOM (€1.4 billion)
- Award of contract to develop the Battipaglia - Romagnano section of the new high-speed Salerno - Reggio Calabria railway line to Webuild joint venture (€2 billion)
- Award of contract to upgrade the Lercara - Caltanissetta Xirbi section of the high-speed Palermo - Catania railway line in Sicily to Webuild joint venture (€1.65 billion)
- Cossi Costruzione awarded contract to develop a section of the Pedemontana Piemontese in Italy (€284 million)
- ENI's new headquarters completed in San Donato Milanese
- Awarded contract to upgrade the Fiumetorto - Lercara section of the high-capacity Palermo - Catania railway line in Sicily as part of a joint venture (€1.32 billion)

JULY/AUGUST

- 8 stations of the M4 metro line opened to the public
- Braila Bridge inaugurated in Romania
- Awarded contract to upgrade the section of the high-speed/capacity Verona - Padua railway line that crosses Vicenza (€1.8 billion)
- Joint venture including Webuild awarded new contract for the N2 Gentilino - Lamone motorway project in Switzerland (€157 million)
- Awarded new contract for the partial reconstruction of the interchange between Interstate 4 (I-4) and Apopka - Vineland Road (State Road 535), in Florida, USA (USD102 million)
- Tunnel work completed for the Isarco River Underpass

SEPTEMBER/OCTOBER

- S&P Global Ratings upgrades Webuild to a BB rating with stable outlook
- Awarded contract to build the Shiplift Facility in the Port of Darwin in Australia (€250 million)
- Snowy 2.0 contact changed to an incentivised target cost model with the related estimated total costs (€7 billion)
- Liability management transaction completed with the concurrent issue of bonds for €450 million maturing in 2028
- Documentation updating the definitive designs for the Messina Strait Bridge delivered to Stretto di Messina
- Awarded "AA" rating (leader) by MSCI ESG Ratings
- Next stage of the works at Venezia Station of Line C of the Rome Metro started

NOVEMBER/DECEMBER

- RFI and Webuild sign a €700 million amendment to the Giovi third railway crossing/Genoa Junction contract to speed up the project
- Belpasso factory opened for the automated production of tunnel lining sections for railway lines in Sicily
- Webuild sells its share of the concession for the Milan M4 metro line (€141 million)
- Basement of the Rogun Dam in Tajikistan completed
- First 8.5 km of the new railway line for the Giovi third railway crossing/Genoa Junction contract operational

KEY

- SUSTAINABLE MOBILITY
- GREEN BUILDINGS & OTHERS
- CLEAN WATER
- CLEAN HYDROENERGY
- OTHER

Roadmap to 2025: The future is now

The **2023-2025 business plan**, which represents consolidation of a new phase for the Group, guided its actions in 2023.

Thanks in part to the acquisitions made in recent years as part of Progetto Italia to shore up the Italian construction sector and after the acquisition of Clough in Australia at the start of 2023, the Group has achieved a level of scale, skills and technologies that allows it to achieve more ambitious goals.

The business plan is based on **three drivers**:

i) **Business growth** leveraging:

1) a robust order backlog that gives more than six years of revenue visibility;
2) organisation, people, know-how and local presence in core markets, with a focus on lower-risk countries;
3) building up certain group companies so they can exploit new market opportunities, including through their reorganisation.

ii) **Operational efficiency and cash generation**

Webuild continues to focus on containing head office and work site costs and streamlining its investment plan for the 2023-2025 period. These measures, together with a careful and rigorous approach to project management will facilitate an improved payments cycle and the monetisation of slow-moving assets thus enabling the Group to improve its cash generation and financial structure.

iii) **Investments in Safety, Innovation and Environment for an increasingly sustainable business**

For Webuild, it is not only important what is built but how it is built in order to contribute to the development of sustainable infrastructure.
Occupational health and safety is a priority for Webuild, as can be seen from its commitment to improving the injury rates and its continuous investments in programmes designed to promote a safety culture in all its work places, such as the award-winning cultural change programme Safety Builders Program.

In an era of technological and environmental challenges, innovation is a strategic lever that the Group is investing in increasingly at both project and corporate level. Its aim is to optimise the time and costs of its projects and its social and environmental performances by improving safety conditions and the impact on the infrastructure's environment.
At project level, in addition to researching new 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. Webuild'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 customers' requirements while protecting the local environment and communities.

Webuild has set itself the following climate action targets: (i) reduction of its carbon intensity emissions (scope 1 & 2) by 50% by 2025 compared to the 2017 baseline and (ii) 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 Science Based Target Initiative (SBTi).

With a **financial performance well above expectations and the scale and quality of the order backlog** giving ample revenue and profitability visibility and cover for the next six years, the 2023 results allow the Group to be very confident about its outlook. It **brings forward its 2025 revenue target stated in its "Roadmap to 2025 – The future is now" to 2024**.

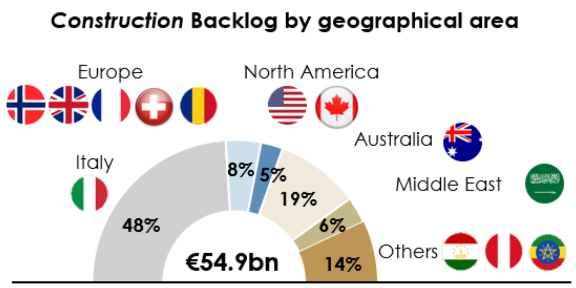
The Group expects a book-to-bill higher than 1.0x for 2024 and another year of growth with revenue in excess of €11 billion and EBITDA of more than €900 million. Furthermore, the Group will continue to focus on cash generation, maintaining a solid net cash position of more than €400 million.

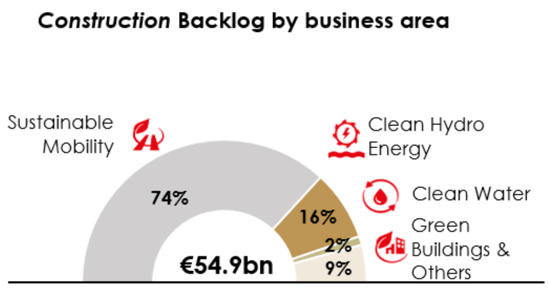
Order backlog

In 2023, the total order backlog amounts to €63.7 billion, including €54.9 billion related to construction projects and €8.9 billion related to concessions and operations & maintenance projects. The construction order backlog has increased by around 25% on 2022.

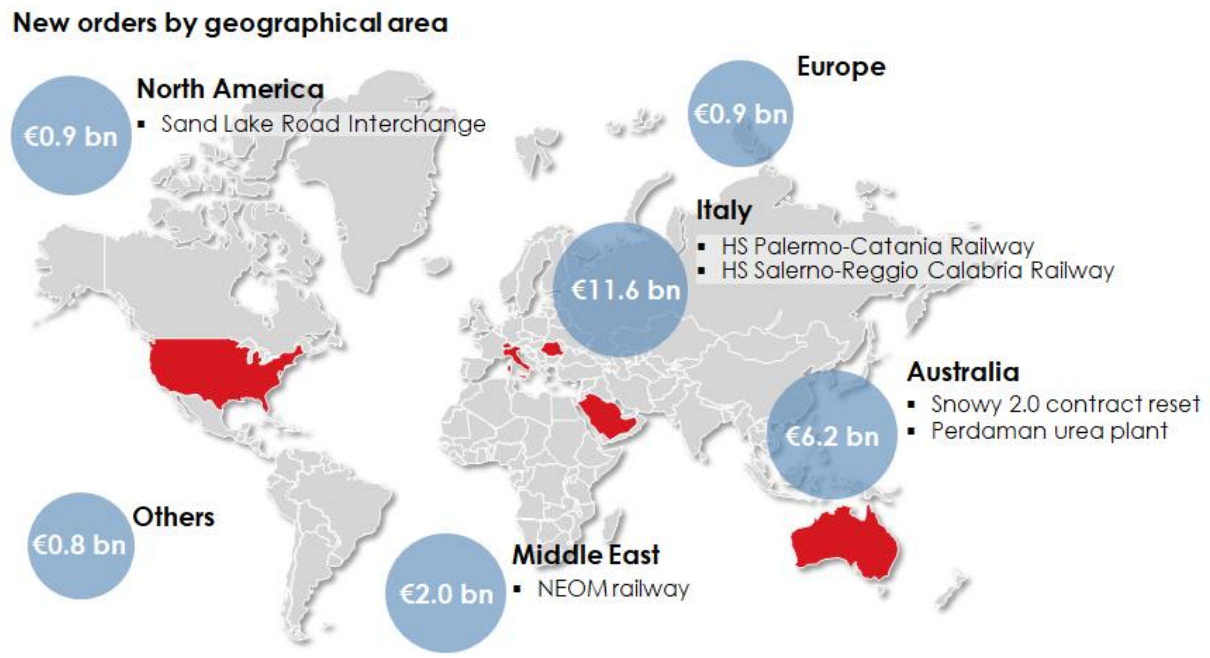
Over 90% of the construction order backlog is tied to achievement of the SDGs. Webuild has continued its geographical de-risking strategy and most of its contracts are based in Italy, central and north Europe, the United States, the Middle East and Australia (more than 85% of the total construction order backlog). They are mainly in segments linked to sustainable mobility, such as high-speed railway lines, the railway sector and the road sector.

A breakdown of the construction order backlog by geographical area and business area is as follows:





Total new orders acquired, including change orders, approximate €22.4 billion, of which more than 95% obtained in key low-risk geographical areas. A breakdown of the new orders and details of the main contracts won by geographical area is provided below:



Since the start of 2024, new orders (including projects for which Webuild is the preferred bidder) are worth approximately €4.9 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 conditions.

The value of the order backlog decreases:

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

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

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

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

The above measurement method differs from the method used to prepare the disclosure on performance obligations yet to be satisfied in accordance with IFRS 15 as set out in the note 33 to the consolidated financial statements. Specifically, the main contract revenue included in the order backlog and not considered in the note 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.

Main ongoing projects

Italy

Reference context

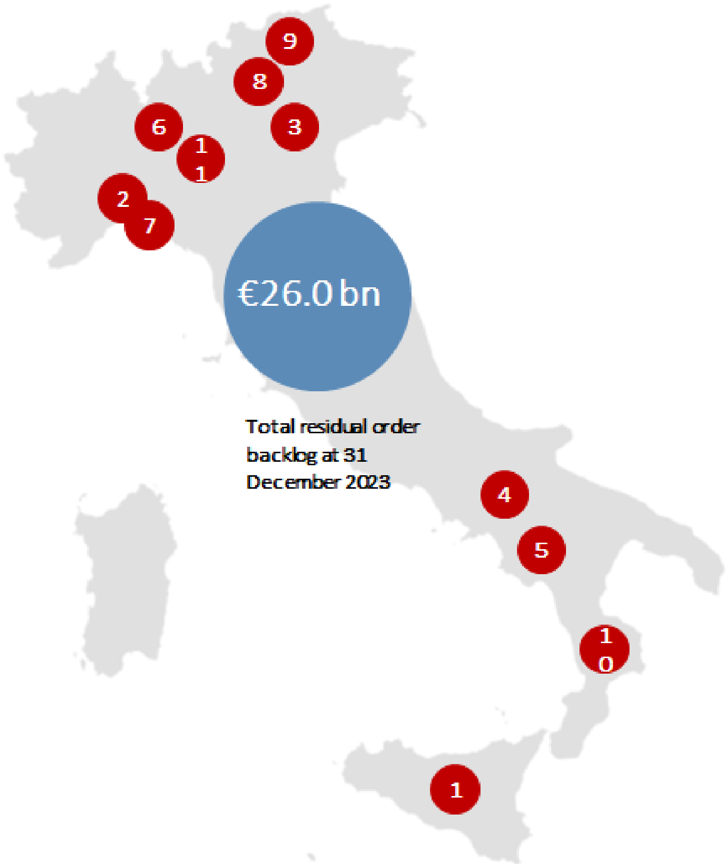
Italy is ranked 24th in the SDG Global Rank, the index that measures progress towards achievement of the SDGs in 166 countries around the world. Italy shows progress in the majority of the goals that are most pertinent to the Group's business areas although there is still room for improvement with respect to, in particular, public mobility and combatting climate change.

SDG	TREND	AREAS OF IMPROVEMENT RELATED TO THE GROUP'S BUSINESS
6 CLEAN WATER AND SANITATION	↑	Wastewater treated
7 AFFORDABLE AND CLEAN ENERGY	↗	Renewable energy in final consumption
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	↗	Quality of transportation infrastructure
11 SUSTAINABLE CITIES AND COMMUNITIES	↗	Satisfaction with public transport
13 CLIMATE ACTION	↗	CO_2 emissions per capita linked to energy and cement production (ton)

↑ In line with objectives ↗ Improving → Stable ↓ Deteriorating

The ongoing projects are mostly for the Sustainable Mobility (railways, metros and road projects) and Green Buildings (civil and industrial) business areas, with a positive contribution to achievement of the SDGs in terms of improved transport and lower GHG emissions.

Main ongoing projects



(Share in millions of Euros)

	Project	Residual order backlog at 31 December 2023
1	High-speed Palermo - Catania - Messina railway line	6,562.2
2	High-speed/capacity Milan - Genoa railway line	3,910.8
3	High-speed/capacity Verona - Padua railway line	3,505.3
4	High-speed Naples - Bari railway line	2,130.4
5	High -speed Salerno - Reggio Calabria railway line (Battipaglia - Romagnano section, lot 1A)	2,031.1
6	Pedemontana Lombarda Motorway	1,238.8
7	New Genoa Breakwater	958.4
8	Trento rail bypass (lot 3A)	902.6
9	Fortezza Verona railway line (Fortezza Ponte Gardena section)	534.0
10	SS-106 state road Jonica - Third maxi-lot	467.7
11	Milan - Metro Line 4	122.1

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 development of a metro-style service from Catania to Taormina/Letojanni.

The Group is currently involved in construction of the following sections of the line assigned by Rete Ferroviaria Italiana (RFI):

- **lot 3 Lercara- Caltanissetta Xirbi** - development of a new 47-km line, including tunnels of 22 km, viaducts of 11 km, connector roads of 32 km and the modernisation of the Vallelunga Station for a consideration of €1,655.5 million (Group's share: 60%). At the date of preparation of this report, the executive designs presented are being studied and the preparatory activities for the construction of the works are being carried out, such as the clearance of ordnance;

- **Lots 1 and 2 Fiumetorto- Lercara**- development of a new 30-km railway line, including tunnels of 20 km, viaducts of 2 km, connector roads of 7 km and three stations for a consideration of €1,319.8 million (Webuild Group: 75%). At the date of preparation of this report, the executive designs are being prepared;
- **Lot 4 A Caltanissetta Xirbi- Nuova Enna** - development of a new 27-km railway line, including tunnels of 20 km, mostly to be excavated using tunnel boring machines (TBMs), and viaducts of 3 km for a consideration of €1,218.8 million (Webuild Group: 75%). At the date of preparation of this report, the executive designs are being studied and the preparatory activities for the construction of the works are being carried out, such as the clearance of ordnance;
- **Lot 2 Taormina- Giampilieri**- preparation of the executive designs and performance of the works to develop a new railway line of approximately 28.3 km and build two single tube bored tunnels, six twin tube bored tunnels and seven viaducts for a consideration of €1,051.3 million. The main activities performed in 2023 included ordnance clearance, setting up work sites, pilings and micro pilings for the tunnel entrance walls, resolving interference issues with the underground utility cables with the operators and constructing the production plant for the prefabricated tunnel sections. In addition, seven tunnel entrances have been completed while another three are under construction. Conventional excavation has commenced on the Messina side of Taormina Tunnel. The Sciglio TBM has arrived on site and is being assembled. Finally, the two base camps are nearly set up;
- **Lot 1 Taormina - Fiumefreddo** - development of a new railway line of roughly 13.9 km, including an underground station, a single tube bored tunnel, a twin tube bored tunnel, a cut-and-cover tunnel and two viaducts, connection with an existing station, two stops and restoration of the existing roads and hydraulics. The contract is worth €640.2 million (Webuild Group: 70%). During 2023, the executive designs were completed and approved, amending the consideration to €705.6 million. The Catania side entrance to Taormina Tunnel was completed and another three tunnel entrances are under construction while the TBM Taormina arrived in Italy in November 2023. Finally, the Trappitello work site is being set up;
- **Enna- Dittaino**- development of a new 15-km railway line, including the new Enna Station, upgrading of Dittaino Station, three tunnels and five viaducts for €616.7 million (Webuild Group: 70%). On 11 August 2023, the first amendment was signed approving the executive designs and revising the consideration to €646.1 million. During the year, ordnance clearance, work site and earth movement activities were commenced, along with the consolidation works preparatory to the start of mechanised boring. In addition, the procedures to purchase the areas necessary for the work site, resolve interference issues with the utility cables and ready the electricity and water connections necessary for the functioning of the work site were initiated;
- **Bicocca- Catenanuova**- doubling of an approximately 38-km section between Bicocca and Catenanuova on the Palermo- Catania line carried out in part alongside the existing line, currently single-track, in part by laying a double track. The €234 million contract also covers the building of viaducts and cut-and-cover tunnels, restructuring the Bicocca Station and a signal box (Motta S. Anastasia). During 2023, work performed included the substantial completion of the civil works for the viaducts and overpasses, discontinuation of the existing railway line, continuation of the ordnance clearance activities and earthworks as well as completion of some sections of the road-railway part. The partial deadline for the delivery of the technological buildings was 7 November 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) and the Genoa Junction works to upgrade the Voltri-Brignole infrastructure and the last mile between the Giovi third railway crossing and Genoa Port.

The contract is worth approximately €8.3 billion and covers the construction of a railway line of 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.

The new infrastructure will improve connections between the port and the main railway lines in northern Italy and the rest of Europe in line with the European Transportation Commission's intention to increase rail freight traffic by 30% by 2030 and 50% by 2050 to the benefit of the environment, safety and the economy. The railway line will also significantly optimise transportation and considerably shorten the travel times on the Genoa- Milan, Genoa- Turin and Genoa- Venice lines.

In 2023, work continued on the Giovi third railway crossing and the Genoa Junction, including commencement of work for the two recent agreements signed in the last quarter of 2022. New amendments were signed in November and December 2023 for additional work at the Genoa Junction and to regulate some design changes.

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, improving the quality of the Italian railway system and assisting its integration into the European network.

During 2023, the executive design activities continued, as did the expropriation work, ordnance clearance and environmental activities. The consortium also resolved the interferences with the existing underground utility cables and the motorway with the relevant operators. Work continued at the Verona work site and the contractors awarded works through EU calls for tenders began their activities.

The second amendment of €1.8 billion was signed in July 2023 for the second functional lot covering the sections running through the city of Vicenza. This triggered the immediate effectiveness of the contractual activities of the first construction lot which has a consideration of approximately €1 billion.

In addition to the executive designs for the second functional lot, the preliminary expropriation activities and geognostic-environmental investigations were commenced.

High-speed Naples- Bari railway line

The high-capacity Naples- Bari railway line project is of great strategic importance to southern Italy as it will connect 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 the country 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 €1,038.4 million (Webuild Group: 70%) defined after approval of the executive designs during the year. Activities to set up the base and operating work sites continued in 2023;
- **Apice- Hirpinia**- an 18.7-km section between Benevento and Avellino, construction of Hirpinia Station, three bored tunnels and four viaducts for a total consideration of €628.9 million (Webuild Group: 100%). In 2023, cement works were continued and the activities for the elevation works at Hirpinia Station and two viaducts at the end of the lot are nearing completion. The Group also completed assembly of a TBM, which commenced boring Grottaminarda Tunnel (25% complete). The second TBM, which will be used to excavate Rocchetta Tunnel, is currently being assembled while the launching area has been completed.
- **Orsara- Bovino**- an 11.8-km section mostly running through tunnels worth €388 million (Webuild Group: 70%). During 2023, the first TBM to be used to bore Orsara Tunnel was delivered. In addition, the ordnance clearance activities continued as did those to set up the base and operating work sites;
- **Naples- Cancello**- a 15.5-km section between Naples and Cancello worth €455.7 million (Webuild Group: 100%). In 2023, activities continued with the substantial completion of some viaducts while an arched viaduct is still under construction. The undercover excavation activities of a tunnel continued (normobaric section) and the installation of the hyperbaric chamber preparatory to the undercover excavation (hyperbaric section) has almost been completed. Furthermore, work for the embankments continues.

High-speed Salerno- Reggio Calabria railway line (Battipaglia- Romagnano, Lot 1A)

The new high-speed Salerno- Reggio Calabria railway line is a part of the strategic passenger and freight line connecting southern and northern Italy extending the country’s backbone route. Lot 1A (Battipaglia - Romagnano) is the first major section of a larger project to build a modern, sustainable infrastructure system that can manage the mobility requirements of a large interregional basin, and remedy the chronic shortage of railway lines in the areas involved.

The contract covers the development of a new railway line of 35 km, including tunnels of 14 km, viaducts of 6 km and cut-and-cover tunnels of 5 km as well as a junction to connect with the existing line. It is worth €2,039.4 million (Webuild Group: 60%). At the date of preparation of this report, the executive designs are being prepared.

Pedemontana Lombarda Motorway

Pedelombarda Nuova S.C.p.A. (Webuild Group: 70%) is the general contractor for 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 (ex novo 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 adjacent to 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.

The customer issued the notice to proceed on 12 December 2022 when the contractual period started for preparation of the executive designs, which were delivered on 2 October 2023.

At the date of preparation of this report, the deadline for approval of the executive designs has been postponed due to critical issues identified in the road designs, platform hydraulics, systems, work sites, geology and geotechnics.

New Genoa Breakwater

The PerGenova Breakwater Consortium (Webuild Group: 40%) was set up to design and build Genoa's roughly 6,200-metre new breakwater which will reduce wave action within the port, extend the manoeuvring space for ships and ensure depths of up to 50 metres to allow next generation container ships to berth at Genoa Port. The contract is worth approximately €843 million and deploys innovative construction technologies. It will also be sustainable in order to maximise the circular economy. In 2023, the definitive and executive designs for Phase A and related preparatory works were completed. On 12 December, the customer issued service order 13 authorising the preparation of designs for a change in the layout. Roughly 670,000 tons of gravel have been laid as part of the activities to consolidate the sea bed while work site activities started at Vado Ligure to pre-fabricate the cellular caissons.

Trento rail bypass (Lot 3A)

The Tridentum Consortium (Webuild Group: 55%) was set up to build the Trento rail bypass, a variation of the existing Verona- Brennero line for the part that crosses the city, and the new Trento Nord Station on the Trento Malè railway line.

This Lot 3A is part of the more extensive project to quadruple the Fortezza- Verona railway line as part of the upgrading of the TEN-T Scandinavian-Mediterranean corridor.

The contract is worth approximately €934.6 million and covers the construction of a twin tube tunnel of roughly 11 km and all the work necessary to connect the new tracks with the existing line.

During 2023, the consortium completed the deviation of the existing Trento- Malè line, delivered the executive designs to RFI and commenced the activities for the "preparatory works for Part A", i.e., ordnance clearance, demolitions and the preliminary work for the north entrance to the tunnel in the former Filzi railway yard section and the south entrance to the tunnel in the Acquiviva area.

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 2023, works continued for the underground excavation of the bored Trebisacce and Roseto Capo Spulico Tunnels. Activities were also continued in the south section with completion of the viaduct decks, the road works and minor works (hydraulic works, overpasses and underpasses). With respect to the north section, excavations continued for the cut-and-cover tunnels, while construction of the related inverted arches and caps, the foundation and elevation works for the viaducts started, as well as all the works on the final section that interfere with the current road system (Roseto 2 Tunnel and Annunziata viaduct).

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.

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 and the notice to proceed was formalised.

On 12 October 2023, following approval of the executive designs for Part B, the conformity deed was signed adjusting the consideration to €1,064.5 million while the notice to proceed for this part was formalised. The first of the four TBMs to be deployed is currently being assembled.

Milan- Metro Line 4

Metro Blu S.C.a.r.l. (Webuild Group: 100%) was set up to carry out the works and services related to the civil works to build the new Line 4 of the Milan Metro, 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 is fully automated (i.e., driverless) with intelligent traffic control technology and 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 €1.8 billion.

The first, second and third functional sections (Linate- Forlanini F.S.- Dateo- San Babila) have been completed and delivered to the customer. The Linate- S. Babila section is fully operational and in use, allowing travel times of just 12 minutes from Linate Airport to the city centre.

Work to complete and deliver the fourth functional section, i.e., the entire metro line (Linate- S. Cristoforo), which will allow the public to travel the entire route crossing the city almost transversally, continues. Once completed, Line 4 will help remove 180 thousand cars per day from the road, generating significant benefits in terms of avoidable CO2 emissions.

Oceania

Australia

Reference context

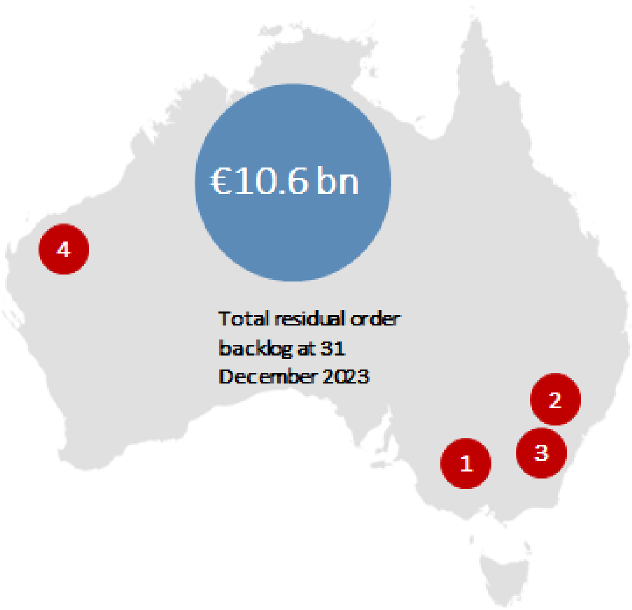
Australia is ranked 40th in the SDG Global Rank. It shows progress in the majority of the goals that are most pertinent to the Group's business areas in this country, although there is room for improvement with respect to, in particular, renewable energy and combatting climate change.

SDG	TREND	AREAS OF IMPROVEMENT RELATED TO THE GROUP'S BUSINESS
6 CLEAN WATER AND SANITATION	Improving	Wastewater treated
7 AFFORDABLE AND CLEAN ENERGY	Improving	Renewable energy in final consumption
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Improving	Quality of transportation infrastructure
11 SUSTAINABLE CITIES AND COMMUNITIES	Improving	Satisfaction with public transport
13 CLIMATE ACTION	Stable	CO_2 emissions per capita linked to energy and cement production (ton)

In line with objectives Improving Stable Deteriorating

The ongoing projects are mostly for the Sustainable Mobility (railways, metros and roads) and Clean Hydro Energy (pumped-storage hydro) business 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.

Main ongoing projects



(Share in millions of Euros)

	Project	Residual order backlog at 31 December 2023
1	Snowy Hydro 2.0	5,176.7
2	SSTOM Sydney Metro	2,163.9
3	North East Link	1,691.7
4	Perdaman Project	1,152.1

SSTOM Sydney Metro

The Parklife Metro SSTOM consortium, which includes Webuild Group (78%), will build the new metro line connecting Sydney with the new airport. The contract (Webuild Group's share: AUD3.8 billion) provides for the construction of six stations along the section from St. Marys interchange station to Western Sydney Aerotropolis Station, a stabling and maintenance facility (SMF) at Orchard Hills as well as the superstructure, signalling systems, mechanical and electrical systems for the entire line and the supply of the new driverless trains.
Webuild 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 continued in 2023, as well as the preliminary stages of the work site set-up.

North East Link

The Spark Consortium, of which the Group is the leader for the design and build works with a 29% share, 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.
Webuild is also involved in the 32-year concession as an equity provider of the operator (with a share of 7.5%).
During 2023, design activities continued, placement of the pilings was completed and the excavation work was continued together with the activities to complete the storage area, the launching area for the TBM and the warehouse to manage the earth and rocks excavated from the tunnels.

Snowy Hydro 2.0

After negotiations with the customer Snowy Hydro, the Deed of Amendment, Settlement and Release (DOSA) of AUD8.1 billion (Webuild Group: 100%) was executed on 13 September 2023 and took retrospective effect from 1 July 2023.

The reset contract, changed to an open book incentivized target cost model, provides for completion of the works to link the Tantangara and Talbingo reservoirs by excavating a series of tunnels and building an underground power station with pumping capacity located roughly 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 4,300 MW by 2,200 MW (200 MW more than in the original contract).

The excavation of the main access tunnel to the underground power station using the TBM Eileen has been completed as well as most of the surface activities necessary to perform the contract.

In 2023, the boring of the other tunnels connecting the two existing Tantagara and Talbingo reservoirs continued, as did the excavation of the piezometric wells, while work started on the cavern that will house the power station.

Perdaman Project

The joint venture (Webuild Group: 50%) will build a urea plant in the Burrup Peninsula in Western Australia for Perdaman Chemicals & Fertilisers. This production plant will be the largest of its kind in Australia and one of the biggest in the world with capacity of more than 2 million tons of urea (important to support agriculture and food security) per year.

Webuild's share of the contract is approximately USD1.4 billion. The related engineering and procurement activities are underway.

North America

United States

Reference context

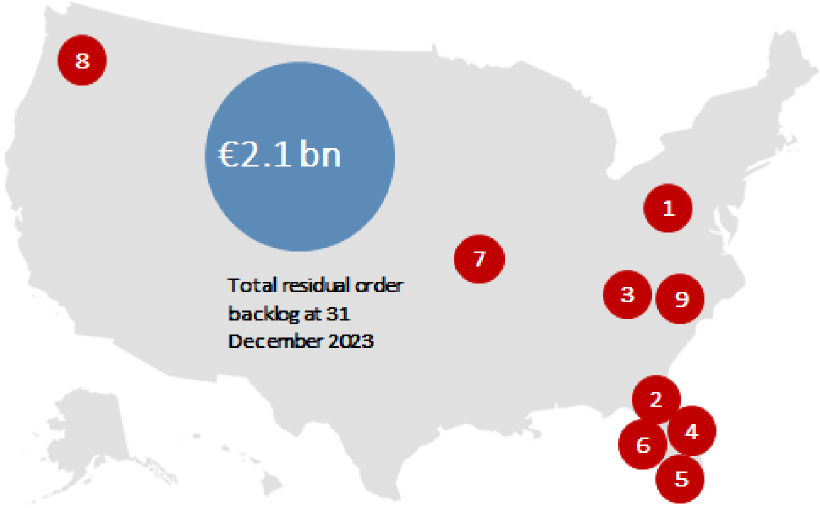
The US is ranked 39th in the SDG Global Rank, the index that measures progress towards achievement of the SDGs in 166 countries around the world. The US shows progress in the majority of the goals that are most pertinent to the Group's business areas although there is still room for improvement with respect to, in particular, combatting climate change and renewable energy.

SDG	TREND	AREAS OF IMPROVEMENT RELATED TO THE GROUP'S BUSINESS
6 CLEAN WATER AND SANITATION	Improving	Wastewater treated
7 AFFORDABLE AND CLEAN ENERGY	Improving	Renewable energy in final consumption
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Improving	Quality of transportation infrastructure
11 SUSTAINABLE CITIES AND COMMUNITIES	Improving	Satisfaction with public transport
13 CLIMATE ACTION	Stable	CO_2 emissions per capita linked to energy and cement production (ton)

In line with objectives | Improving | Stable | Deteriorating

The ongoing projects are mostly for the Sustainable Mobility (railways, metros and road projects) and Clean Water (hydraulic engineering works and environmental remediation projects) business areas, with a positive contribution to achievement of the SDGs in terms of improved transport, water management and water quality, and lower GHG emissions.

Main ongoing projects



(Share in millions of Euros)

	Project	Residual order backlog at 31 December 2023
1	I-495 NEXT - Washington, D.C.	280.1
2	Tyndall Airforce Base - Florida	239.7
3	I-40 - Orange County - North Carolina	177.6
4	I-4 Sand Lake Road Interchange - Florida	176.7
5	Downtown Tampa Interchange - Florida	175.2
6	Florida Turnpike Enterprise - Minneola to US27 - Florida	145.6
7	Kansas Citys Levees Flood Protection Project - Missouri	143.6
8	I-405 Bellevue - Flatiron-Lane JV - Washington State	125.1
9	I-440 Beltline Widening - North Carolina	113.8

I-495 NEXT- Washington, D.C.

Lane Construction was selected to build the 495 Express Lanes Northern Extension in Virginia with Transurban, one of the biggest international developers and operators of toll roads. The contract is worth USD457 million. The project is fundamental to improve mobility in one of the most congested corridors in the US in the Washington, D.C. area. I-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 design activities were substantially completed in 2023 and Lane started construction activities.

Tyndall Airforce Base- Florida

The contract, worth USD361 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 base and includes the design and building of roadways, car parks, electrical, hydraulic, wastewater, storm water, communication and fire protection systems and related works.

In 2023, design activities continued and construction of the telecommunications infrastructure and ponds commenced.

I-40- Orange County- North Carolina

The USD246 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.

During 2023, design activities continued and construction work started.

I-4 Sand Lake Road Interchange- Florida

The USD218 million contract covers the conversion of the Sand Lake Road/I-4 Interchange into a diverging diamond interchange. The revamped interchange will contribute to meeting future traffic demand and improve road safety and efficiency.

In 2023, design activities continued and construction work started.

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 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.

In 2023, design activities continued and construction work started.

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 lanes a seven-mile section of the Turnpike Mainline (SR 91) from the Minneola Interchange at O’Brien Road to Lake County. 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.

The design activities were completed and construction work started in 2023.

Kansas Citys Levees Flood Protection Project- Missouri

The Kansas Citys Levees Flood Risk Management Project was awarded by U.S. Army Corps of Engineers and is worth approximately USD265 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.

Construction work continued during 2023.

I-405 Bellevue- Washington State

The USD793 million contract, awarded to the Lane/Flatiron joint venture, provides for the widening of the highway and installation of a dual express toll system on Washington's I-405 between the I-405/SR Interchange in Renton and the NE 6th Street in Bellevue, one of the state's most travelled and congested corridors.

Construction work continued during 2023.

I-440 Beltline Widening- North Carolina

The Raleigh Beltline contract is worth USD406 million and covers the widening of the I-440 from four to six lanes along a 6.5 mile section.

Construction work continued during 2023.

Canada

Reference context

Canada is ranked 26th 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 combatting climate change.

SDG	TREND	AREAS OF IMPROVEMENT RELATED TO THE GROUP'S BUSINESS
		Wastewater treated
		Renewable energy in final consumption
		Quality of transportation infrastructure
		Satisfaction with public transport
		CO_2 emissions per capita linked to energy and cement production (ton)

In line with objectives — Improving — Stable — Deteriorating

The ongoing projects are mostly for the Sustainable Mobility (light rail) and Green Buildings business areas, with a positive contribution to achievement of the SDGs in terms of improved public transport, the built environment and lower GHG emissions.

Main ongoing projects

(Share in millions of Euros)

	Project	Residual order backlog at 31 December 2023
1	Ontario Line - Rolling Stock, Systems, Operations and Maintenance (RSSOM)	398.8
2	Hurontario Light Rail Project	335.9

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%).

In 2023, the design offices were set up and the personnel mobilisation phase completed. The joint venture also continued the design and engineering activities, mostly for the Operations Maintenance Storage Facility (OMSF).

Hurontario Light Rail Project

The project, commissioned by Infrastructure Ontario and Metrolinx, is worth €1,129 million (civil works) 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, modification and rehabilitation of bridges, car parks and an Operations Maintenance Storage Facility for the LRT vehicles.

In 2023, several key milestones were achieved: near completion of construction of the Operations Maintenance Storage Facility, which will be the central hub for the maintenance, repair and storage of the LRT vehicles and completion of the QEW Pushbox and Lakeshore West Pushbox, strengthening the infrastructure along the track. The design of the elevated line near the "Square One" area was completed and work on the viaduct continued in the second half of the year.

Europe

Romania

Reference context

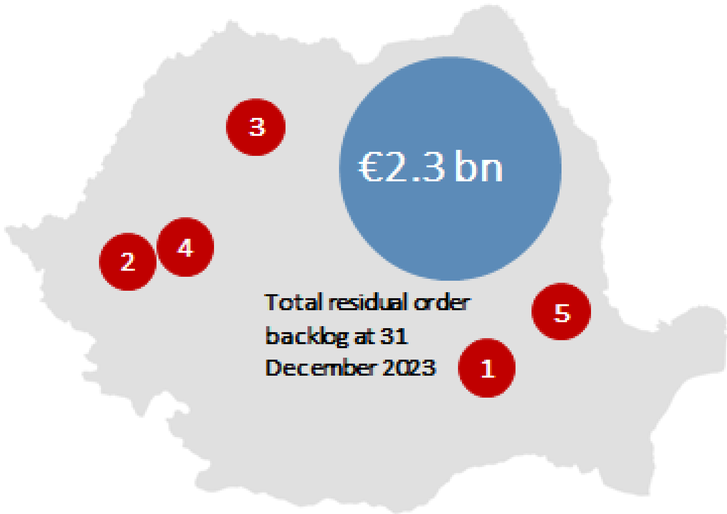
Romania is ranked 35th in the SDG Global Rank. It shows progress with respect to the quality of transport infrastructure although there is room for improvement in the other goals that are most pertinent to the Group's business areas.

SDG	TREND	AREAS OF IMPROVEMENT RELATED TO THE GROUP'S BUSINESS
6 CLEAN WATER AND SANITATION	↑	Wastewater treated
7 AFFORDABLE AND CLEAN ENERGY	→	CO_2 emissions to generate energy (Mton/TWh)
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	↗	Quality of transportation infrastructure
11 SUSTAINABLE CITIES AND COMMUNITIES	↗	Satisfaction with public transport
13 CLIMATE ACTION	↓	CO_2 emissions per capita linked to energy and cement production (ton)

↑ In line with objectives ↗ Improving → Stable ↓ Deteriorating

The ongoing projects are mostly for the Sustainable Mobility (railways, roads and bridges) business area, with a positive contribution to achievement of the SDGs in terms of improved public transport and lower GHG emissions.

Main ongoing projects



(Share in millions of Euros)

	Project	Residual order backlog at 31 December 2023
1	Sibiu - Pitesti Motorway	1,282.1
2	Caransebes - Timişoara - Arad railway line	550.6
3	Cluj-Bihor railway line, Lot 4	232.0
4	Frontieră - Curtici - Simeria railway line	81.0
5	Braila Bridge	13.4

Sibiu- Pitesti Motorway

Commissioned by CNAIR (the state company owned by the Romanian Ministry of Transport and Infrastructure), the contract worth approximately €1.6 billion covers the design and construction of the Sibiu- Pitesti Motorway, one of the most important motorway sections under development in Romania. It is 85% financed by EU funds and the remaining 15% by state funds.

- **Lot 3** - the contract of more than the equivalent of €1 billion performed by a consortium led by the Group (90%) provides for the design and construction of 37.4 km of Lot 3 of the Sibiu- Pitesti Motorway, the construction of 49 bridges and viaducts, a 1.7-km tunnel, two interchanges, consolidation works, two service areas, a maintenance and control centre and work to preserve the environment.
  The notice to proceed was issued on 1 February 2023 and the contractor has complied with the preliminary investigations and 35% of the building design permit. It carried out site organisation activities in 2023.
- **Lot 5** - the contract worth approximately €635 million (Webuild Group: 100%) covers the development of more than 30 km of the Sibiu- Pitesti Motorway. During 2023, the Group completed the consolidation works on the embankment surface, including the gravel pilings, almost all of the minor civil works cast on site and the elevated works for the bridges and viaducts. It also completed the connections with all utilities, including the gas network, the TLC network and the low and high tension electricity grid. It transported the metal structures for the bridge superstructures to the work site where they are being prepared.

Caransebeș- Lugoj- Timişoara- Arad railway line

The project of 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 speeds 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 (Romania's national railway company) and the works are financed by the EU, as part of the Large Infrastructure Operational Programme (LIOP), and the state.

- **Lot 4 Ronat Triaj Gr. D-Arad** - the contract, for which the Group is the leader (72.65%), is worth RON2.2 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.

  During 2023, work continued on the detailed and executive designs and the related preparatory activities (topographic surveys, survey of all interferences, geognostic investigations and clearance of ordnance, and archaeological investigations are underway) were carried out. At the date of preparation of this report, works management is assessing the designs. Their approval will be followed by receipt of the construction permit and subsequent commencement of construction work.

- **Lot 3 Timisoara Est- Ronat Triaj Gr. D**- the contract, for which the Group is the leader (72.1%), is worth RON1.5 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.

  After the signing of the contract and issue of the notice to proceed in 2022, the consortium performed the design activities in 2023 in order to obtain the construction permit. On 27 November 2023, the construction permit for 82% of the contract activities was issued, while the designs for the remaining part of the contract, impacted by the works officially added by the customer, are underway. Approval of the executive designs from the customer for the authorised activities, without which work cannot effectively start, is still pending.

  The site organisation activities are concurrently taking place in the specific areas near the railway line and the consortium is finalising purchasing and subcontracting contracts.

Cluj- Oradea- Bihor- Hungarian border railway line, Lot 4 Alesd- border

The contract worth RON2.4 billion was awarded to a joint venture in which the Group has a 62.5% share. It provides for the modernisation of the current Cluj- Oradea- Bihor- Hungarian border railway line as part of the upgrading of the railway infrastructure financed by Romania's National Recovery and Resilience Plan funds.

The work mostly consists of doubling the historical line and rehabilitating 46 km of the existing line, building five railway stations, including the related buildings, three metal bridges, 11 steel-concrete composite bridges and additional works.

The initial design phases of the project were completed in 2023 and preliminary activities for the site mobilisation phase commenced, which included the set-up of the site in the Calea Borsului area.

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 (Romania's national railway 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 36 km of the Frontieră- Curtici- Simeria double track railway line and the construction of a new 5-km section between Gurasada and Simeria for a total length of 41 km. It also comprises the construction of three metal bridges over the Mures River and four overpasses in urban areas, electrification and the renovation of four railway stations and four stops. In 2023, activities to move the electricity lines, which blocked the laying of some railway line sections, commenced and work at Simeria Station continued. The RON3.1 billion contract has been awarded to a joint venture which includes Webuild (49.5%). During the year, the customer decided not to restructure the run down Deva Station but to partly demolish it and to design and build a new structure.

- **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%).

At the end of 2023, the entire Lot 2A was operational.

The site possession procedures for the critical part of Lot 2B, related to the excavation in hard rock and unresolved impediment represented by the Varadia de Mures archaeological area were completed during the year.

Braila Bridge

The works, worth 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%).

The bridge is the longest in Romania and the second longest suspension bridge in continental Europe.

In 2023, works on the bridge (waterproofing of metal deck segments, laying of asphalt, installation of safety barriers, road lighting system and road signs) were completed. Construction of the maintenance facility and the toll gates was also completed along with roughly 9.5 km of the road making the bridge ready for use. Completion of these works has meant that the suspension bridge and access roads were opened to the public in July 2023.

Work to move the materials and complete the road infrastructure with all the related engineering and hydraulic structures has continued on the remaining roughly 12 km of roads (which is not essential to allow the bridge to be used).

France

Reference context

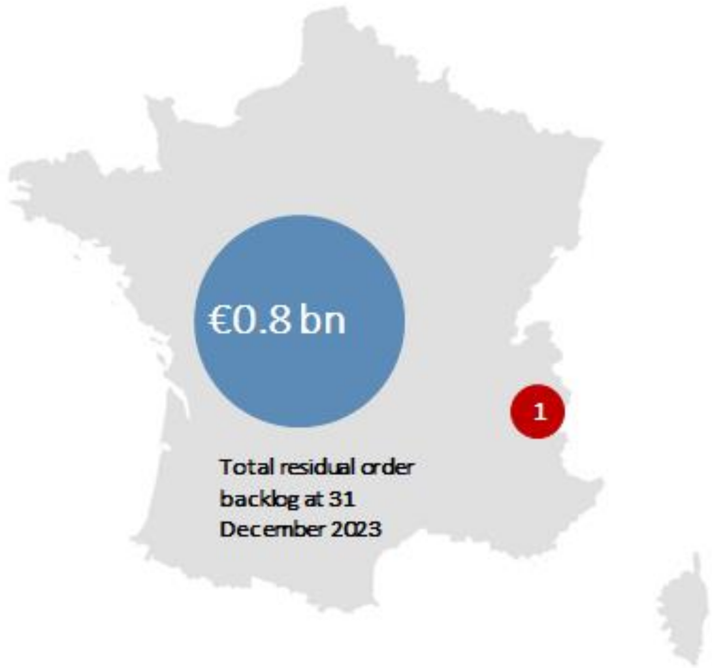
France is one of the countries where the Group operates with the highest sustainability levels. It is ranked 6th in the SDG Global Rank. France shows progress in the majority of the goals that are most pertinent to the Group's business areas although there is room for improvement with respect to, in particular, combatting climate change.

SDG	TREND	AREAS OF IMPROVEMENT RELATED TO THE GROUP'S BUSINESS
6 CLEAN WATER AND SANITATION	→	Wastewater treated
7 AFFORDABLE AND CLEAN ENERGY	↗	Renewable energy in final consumption
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	↗	Quality of transportation infrastructure
11 SUSTAINABLE CITIES AND COMMUNITIES	↗	Satisfaction with public transport
13 CLIMATE ACTION	↗	CO_2 emissions per capita linked to energy and cement production (ton)

↑ In line with objectives ↗ Improving → Stable ↓ Deteriorating

The ongoing projects are mostly for the Sustainable Mobility (metros and railways) business area, with a positive contribution to achievement of the SDGs in terms of improved public transport and lower GHG emissions.

Main ongoing project



(Share in millions of Euros)

	Project	Residual order backlog at 31 December 2023
1	TELT - Turin - Lyon Tunnel - Lot 2	767.0

TELT Lot 2

The contract, worth €1.4 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 2023, excavation work on the logistics tunnels was completed and excavation work on the technical cavern and the logistics cavern began at work site 7. Work was completed on the final section of the La Praz access adit at work site 6 while excavation of the connection shaft started.

Norway

Reference context

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

SDG	TREND	AREAS OF IMPROVEMENT RELATED TO THE GROUP'S BUSINESS
6 Clean water and sanitation	Stable	Wastewater treated
7 Affordable and clean energy	Improving	Renewable energy in final consumption
9 Industry, innovation and infrastructure	Improving	Quality of transportation infrastructure
11 Sustainable cities and communities	Improving	Satisfaction with public transport
13 Climate action	Improving	CO_2 emissions per capita linked to energy and cement production (ton)

In line with objectives | Improving | Stable | Deteriorating

The ongoing projects are mostly for the Sustainable Mobility (railways and roads) business area, with a positive contribution to achievement of the SDGs in terms of improved public transport and lower GHG emissions.

Main ongoing projects

(Share in millions of Euros)

	Project	Residual order backlog at 31 December 2023
1	Rv.555 - Sotra Connection	367.3
2	Nykirke - Barkaker railway line	19.8

Rv.555- Sotra Connection

The contract of €1.2 billion (over NOK13 billion), called Rv.555 - Sotra Connection, commissioned by the Norwegian Public Roads Administration (NPRA), is of great strategic importance to Norway. 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 (the new Sotra 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 public-private partnership (PPP) involving various players, including the grantor Norwegian Public Roads Administration (NPRA), the operator Sotra Link AS (Webuild Group: 10% share), the operator and contractor Sotra Link Construction JV ANS (Webuild Group: 35% share).

In 2023, the design activities were continued as was construction of four tunnels, four road underpasses, three bridges and the foundations of the New Sotra Bridge.

Nykirke- Barkaker railway line

The contract, worth €457 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.

All the intermediate milestones were achieved in 2023 and specifically the bored Skottas Tunnel, two cut-and-cover tunnels and the civil works at Horten Station while the electromechanical works and steel covering are in progress.

Africa

Ethiopia

Reference context

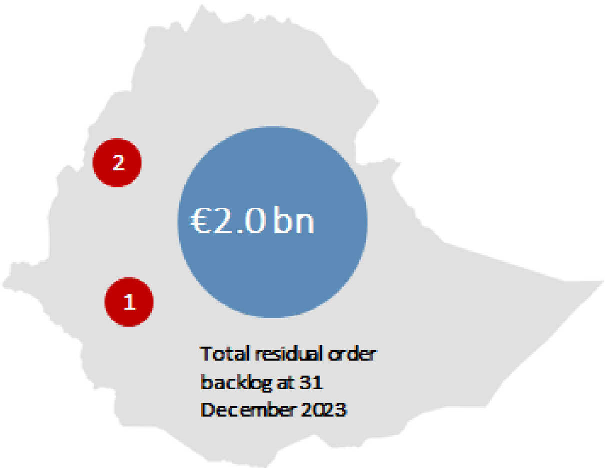
Ethiopia is ranked 144th in the SDG Global Rank. With respect to the goals that are most pertinent to the Group's business areas, it has achieved the targets for combatting climate change, mainly thanks to the massive investments in renewable energy, although there is still ample room for improvement with respect to water and mobility.

SDG	TREND	AREAS OF IMPROVEMENT RELATED TO THE GROUP'S BUSINESS
6 Clean water and sanitation	Stable	Population with access to basic drinking water services
7 Affordable and clean energy	Improving	Population with access to electricity
9 Industry, innovation and infrastructure	Stable	Quality of transportation infrastructure
11 Sustainable cities and communities	Stable	Satisfaction with public transport
13 Climate action	Stable	CO_2 emissions per capita linked to energy and cement production (ton)

In line with objectives | Improving | Stable | Deteriorating

The ongoing projects are mostly for the Clean Hydro Energy (hydropower plants) business 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.

Main ongoing projects



(Share in millions of Euros)

	Project	Residual order backlog at 31 December 2023
1	Koysha Hydroelectric Project	1,673.4
2	Gerd	282.0

Koysha Hydroelectric Project

This project of €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 2022.

In 2023, the pouring of the roller compacted concrete (RCC) continued to raise the dam walls and the structural phases of the power station continued as per the works schedule.

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 €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.

The power station's first turbine was commissioned in 2022.

In 2023, the central part of the dam was raised to 620 metres ASL while the pouring of the RCC for the shoulders was completed up to the design level of 644 metres.

The civil works inside the two power stations and the transformer yard continued as per the works schedule.

Middle East

Saudi Arabia

Reference context

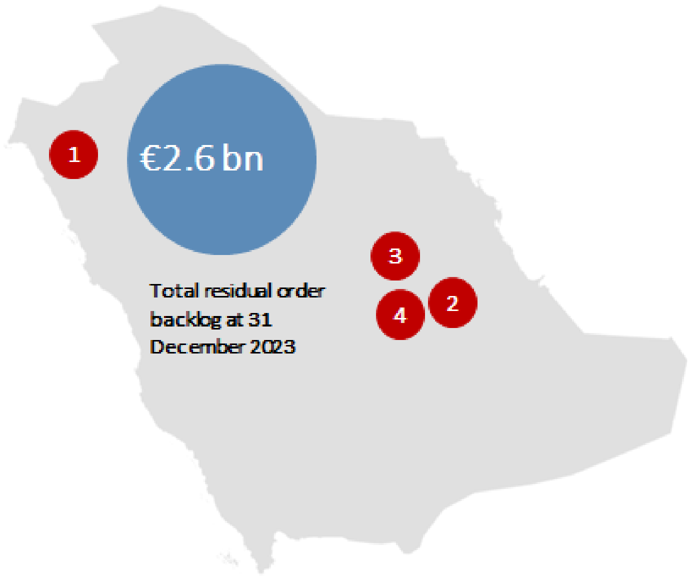
Saudi Arabia is ranked 94th in the SDG Global Rank. It shows progress in the majority of the goals that are most pertinent to the Group's business areas, although there is ample room for improvement with respect to, in particular, combatting climate change.

SDG	TREND	AREAS OF IMPROVEMENT RELATED TO THE GROUP'S BUSINESS
6 CLEAN WATER AND SANITATION	↑	Wastewater treated
7 AFFORDABLE AND CLEAN ENERGY	↗	CO_2 emissions to generate energy (Mton/TWh)
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	↗	Quality of transportation infrastructure
11 SUSTAINABLE CITIES AND COMMUNITIES	↗	Satisfaction with public transport
13 CLIMATE ACTION	↗	CO_2 emissions per capita linked to energy and cement production (ton)

↑ In line with objectives ↗ Improving → Stable ↓ Deteriorating

The ongoing projects are mostly for the Sustainable Mobility (metros) and Green Buildings and other (civil and commercial buildings, urbanisation, etc.) business areas, with a positive contribution to achievement of the SDGs in terms of improved public transport, the built environment and lower GHG emissions.

Main ongoing projects



(Share in millions of Euros)

	Project	Residual order backlog at 31 December 2023
1	NEOM Connector South Civil Works	1,292.4
2	Riyadh National Guard Military (SANG Villas)	507.0
3	Diriyah Square Super Basement	502.1
4	Riyadh Metro Line 3	294.5

NEOM Connector South Civil Works

This €1.4 billion project commissioned by NEOM includes the design and construction of most of the Connector South, a high-speed railway line along the north coast of the Red Sea in Saudi Arabia which will connect Oxagon, NEOM's state-of-the-art industrial centre, with the futuristic city The Line.

The international joint venture led by the Group with a 70% stake has been commissioned to build a high-speed railway line and a freight line, both double track, along 57.2 km. The contract also includes viaducts, road bridges, and road and rail underpasses.

The joint venture acquired this contract in the first half of 2023. During the year, it began geognostic investigations, design activities and excavation work after the work site set-up had been completed. It also carried out the preliminary activities for construction of the viaducts.

Riyadh National Guard Military (SANG Villas)

The Group has a 51% share in this contract commissioned by Saudi Arabia National Guard worth 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 than 250 km, paths and utilities with above and below ground connections.

During 2023, the A1 neighbourhood of 472 villas and the A2 neighbourhood in District A were delivered to the customer. Work on the prefabricated buildings (production and assembly) was continued as well as activities in Districts B and C.

Work also continued on the public buildings in District A with the completion of two mosques while another 14 mosques and two schools are under construction.

Diriyah Square Super Basement- Riyadh

Commissioned by Diriyah Gate Development Authority, this project is worth €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 park 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 2023, the excavation and waterproofing works were continued as well as the preparation of the protective screed. Concrete works for the construction of the service tunnels and the car park were completed in all the sectors.

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 2023, after substantial completion of the civil works, the consortium has almost finished the systems set-up and fit-out works for the 22 stations and two facilities. The urban development and landscaping activities were continued as were the trains' dynamic and static tests.

Latin America

Peru

Reference context

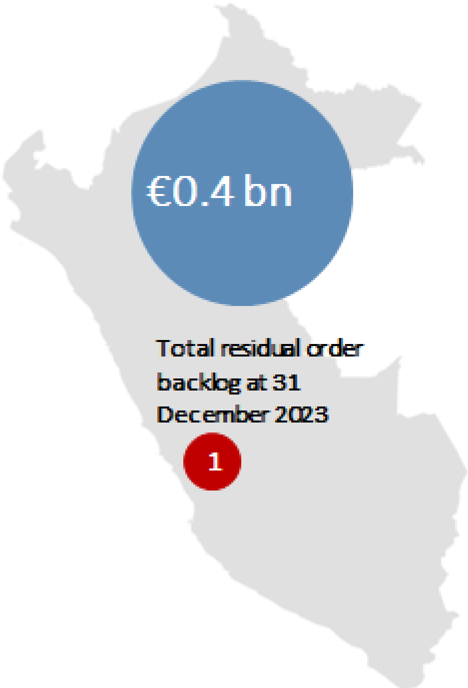
Peru is ranked 65th in the SDG Global Rank. It shows progress in some of the goals that are most pertinent to the Group's business areas, although there is room for improvement with respect to, in particular, water and mobility.

SDG	TREND	AREAS OF IMPROVEMENT RELATED TO THE GROUP'S BUSINESS
6 CLEAN WATER AND SANITATION	Improving	Wastewater treated
7 AFFORDABLE AND CLEAN ENERGY	Improving	CO_2 emissions to generate energy (Mton/TWh)
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Improving	Quality of transportation infrastructure
11 SUSTAINABLE CITIES AND COMMUNITIES	Improving	Satisfaction with public transport
13 CLIMATE ACTION	Improving	CO_2 emissions per capita linked to energy and cement production (ton)

In line with objectives — Improving — Stable — Deteriorating

The ongoing projects are mostly for the Sustainable Mobility (metros) business area, with a positive contribution to achievement of the SDGs in terms of improved public transport and lower GHG emissions.

Main ongoing project



(Share in millions of Euros)

	Project	Residual order backlog at 31 December 2023
1	Lima Metro Line 2	362.5

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 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 2023, 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, preparation of the definitive designs was also continued as well as the integration tests of the non-rail systems, delivery of the works and the commercial roll-out of section 1A (the first five stations).

Asia

Tajikistan

Reference context

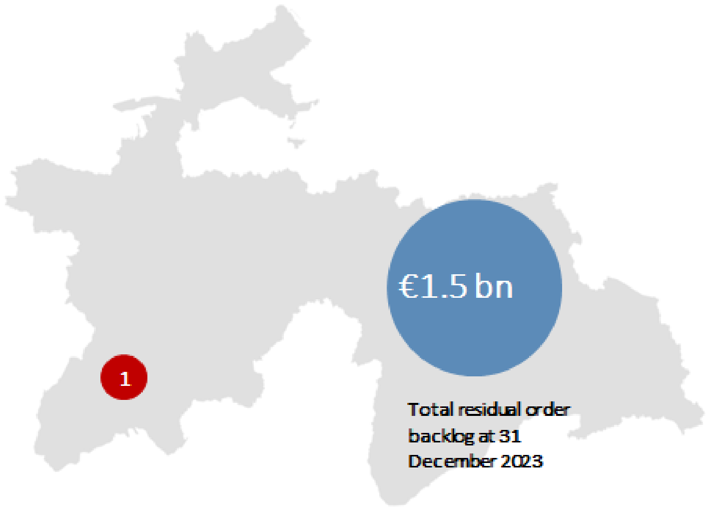
Tajikistan is ranked 85th in the SDG Global Rank. It shows progress in the majority of the goals that are most pertinent to the Group’s business areas, although there is still room for improvement with respect to, in particular, water and mobility.

SDG	TREND	AREAS OF IMPROVEMENT RELATED TO THE GROUP’S BUSINESS
6 CLEAN WATER AND SANITATION	↗	Wastewater treated
7 AFFORDABLE AND CLEAN ENERGY	↗	CO_2 emissions to generate energy (Mton/TWh)
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	→	Quality of transportation infrastructure
11 SUSTAINABLE CITIES AND COMMUNITIES	↗	Satisfaction with public transport
13 CLIMATE ACTION	↗	CO_2 emissions per capita linked to energy and cement production (ton)

↑ In line with objectives ↗ Improving → Stable ↓ Deteriorating

The ongoing projects are mostly for the Clean Hydro Energy (hydropower plants) business 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.

Main ongoing project



(Share in millions of Euros)

	Project	Residual order backlog at 31 December 2023
1	Rogun Hydropower Project	1,537.7

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 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 value was increased to approximately USD2.3 billion.

In 2023, work on the concrete pad in RCC continued as did work to consolidate the core's foundations while the main materials to be used to build the dam were transported to the site and used. The installation activities of Phase 2 of the materials conveyor belt system also took place.

…

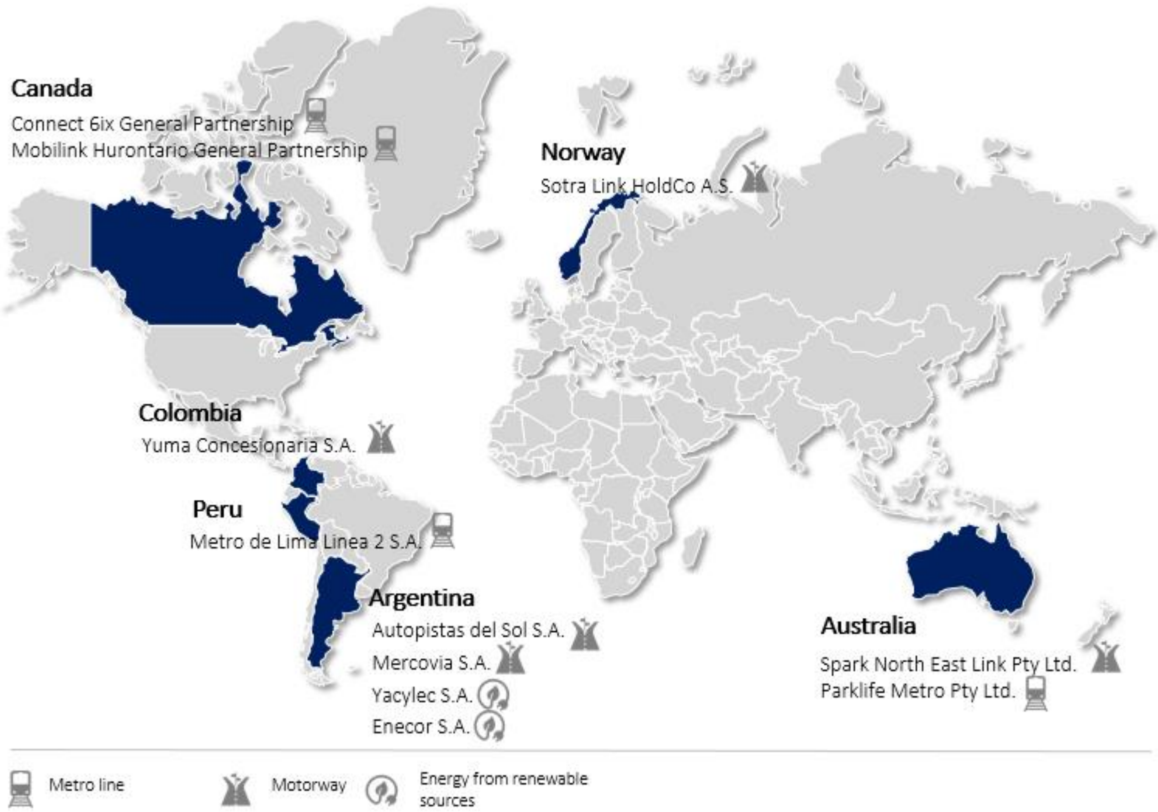
Some of the ongoing Italian and international contracts have incurred unforeseen costs for which requests for additional consideration have been presented. The costs are included in the measurement of contract assets and liabilities for the part deemed highly probable to be recovered, based also on the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

Concessions

The Group's 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 the future.

The current concessions are held in Italy, 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.

The chart shows the figures of the main concessions at the reporting date, broken down by geographical and business area:



The following table shows the main figures of the concessions at the reporting date:

Operator	% of investment	Stage	Start date	End date
Connect 6ix General Partnership	10.0	Under construction	2022	2061
Mobilink Hurontario General Partnership	35.0	Under construction	2019	2054
Yuma Concesionaria S.A.	48.3	Active	2011	2031
Metro de Lima Linea 2 S.A.	18.3	Under construction	2014	2049
Autopistas del Sol S.A.	19.8	Active	1993	2030
Mercovia S.A.	60.0	Active	1996	2024
Yacylec S.A.	18.7	Active	1992	2091
Enecor S.A.	30.0	Active	1995	2094
Sotra Link HoldCo A.S.	10.0	Under construction	2022	2042
Spark North East Link Pty. Ltd.	7.5	Under construction	2021	2053
Parklife Metro Pty Ltd.	10.0	Under construction	2022	2042

Performance

This section presents the Group's reclassified statement of profit or loss and statement of financial position and a breakdown of its net financial position at 31 December 2023, together with the key performance indicators, in order to present the Group's performance for the year.

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.

Table 1 Adjusted reclassified statement of profit or loss

(€'000)	2022	2023	Variation
Revenue from contracts with customers	7,727,882	9,389,896	1,662,014
Other revenue and income	435,147	604,492	169,345
Revenue	**8,163,029**	**9,994,388**	**1,831,359**
Operating expenses	(7,590,855)	(9,175,449)	(1,584,594)
Gross operating profit (EBITDA)	**572,174**	**818,939**	**246,765**
Gross operating profit margin (EBITDA)	*7.0%*	*8.2%*	
Net impairment losses	(12,867)	(11,952)	915
Amortisation, depreciation and provisions	(238,091)	(331,915)	(93,824)
Operating profit (EBIT)	**321,216**	**475,072**	**153,856**
R.o.S.	*3.9%*	*4.8%*	
Net financing costs	(73,141)	(91,767)	(18,626)
Net gains on equity investments	3,428	9,669	6,241
Profit before tax (EBT)	**251,503**	**392,974**	**141,471**
Income taxes	(108,659)	(142,534)	(33,875)
Profit from continuing operations	**142,844**	**250,440**	**107,596**
Loss from discontinued operations	(17,972)	(10,071)	7,901
Non-controlling interests	(6,637)	(4,383)	2,254
Profit for the year attributable to the owners of the parent	**118,235**	**235,986**	**117,751**

Adjusted revenue for the year is €9,994.4 million (€8,163.0 million)[8], showing year-on-year growth of €1,831.4 million or 22%. This improvement was the result of an upturn in industrial activities in Italy, bolstered by the investments in sustainability mobility under the National Recovery and Resilience Plan (high-speed/capacity Milan- Genoa, Verona- Padua and Naples- Bari railway lines and SS-106 state road Jonica), and greater output on the projects in Australia (Snowy Hydro 2.0, North East Link in Melbourne and SSTOM Sydney metro) and the Middle East (Diriyah Square Super Basement in Saudi Arabia).

Adjusted 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 **adjusted gross operating profit** amounts to €818.9 million (EBITDA margin 8.2%), up 43% or €246.8 million on 2022.

[8]The figures in brackets refer to the previous year.

These results reflect the Group's high-quality order backlog, which includes projects won thanks to the presentation of the best technical bids, and efficiency initiatives to maximise the profitability of the contracts underway, thus enabling the Group to outperform its 2023 targets.

Adjusted impairment losses amount to €12.0 million (€12.9 million).

Adjusted amortisation, depreciation and provisions of €331.9 million (€238.1 million) mainly comprise:

- depreciation of property, plant and equipment of €207.7 million (€173.9 million);
- depreciation of right-of-use assets of €58.8 million (€74.9 million);
- amortisation of contract costs and intangible assets of €13.3 million (€22.1 million);
- accruals to provisions for risks of a net €52.1 million compared to net utilisations of €32.8 million for 2022, mostly for disputes about contracts in the Middle East.

The **adjusted operating profit** jumped to €475.1 million (€321.2 million) with a year-on-year increase of 48% (€153.9 million).

The **adjusted net financing costs** approximate €91.8 million compared to €73.1 million for 2022.

They include:

- financial expense of €244.8 million (€212.6 million), partly offset by financial income of €119.4 million (€119.0 million);
- net exchange gains of €33.6 million (net gains of €20.4 million), mostly due to the Euro's performance against the Nigerian Naira and the Colombian Peso, partly offset by its depreciation against the Argentine Peso and the United Arab Emirates Dirham.

The rise in net financing costs is mostly due to: i) the higher cost of debt as a result of the reference interest rates' performance which affects the Group's floating-rate debt, and ii) the reversal of interest income on delayed payments by the Ethiopian customer following the contractualisation of its claims.

The **adjusted net gains on equity investments** come to €9.7 million compared to €3.4 million for 2022.

The **adjusted profit before tax** amounts to €393.0 million (€251.5 million), up 56% on 2022.

Adjusted income taxes for the year amount to €142.5 million compared to €108.7 million for 2022.

The **adjusted profit from continuing operations** comes to €250.4 million (€142.8 million), up 75% on the previous year.

The **adjusted loss from discontinued operations** of €10.1 million (€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 Central and South America for 2023).

The **profit attributable to non-controlling interests** is €4.4 million compared to €6.6 million for 2022.

As a result of the above, the **adjusted profit attributable to the owners of the parent** amounts to €236.0 million, double that of the previous year (€118.2 million).

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 2022	31 December 2023	Variation
Non-current assets	7.1-7.2-7.3-9	1,976,156	2,081,538	105,382
Goodwill	8	82,884	80,267	(2,617)
Net non-current assets held for sale	19	849	3,688	2,839
Provisions for risks	27	(198,879)	(245,637)	(46,758)
Post-employment benefits and employee benefits	26	(52,606)	(57,217)	(4,611)
Net tax assets	11-16-29	437,449	479,527	42,078
- Inventories	12	248,809	229,144	(19,665)
- Contract assets	13	3,199,971	3,910,278	710,307
- Contract liabilities	13	(3,311,689)	(5,897,320)	(2,585,631)
- Trade receivables (**)	14	2,882,877	3,894,071	1,011,194
- Trade payables	28	(3,891,729)	(4,683,590)	(791,861)
- Other current assets	17	916,445	1,101,483	185,038
- Other current liabilities	30	(620,648)	(636,132)	(15,484)
Net working capital		(575,964)	(2,082,066)	(1,506,102)
Net invested capital		**1,669,889**	**260,100**	**(1,409,789)**
Equity attributable to the owners of the parent		**1,578,709**	**1,512,411**	**(66,298)**
Non-controlling interests		356,365	178,419	(177,946)
Equity	20	**1,935,074**	**1,690,830**	**(244,244)**
Net financial position		**(265,185)**	**(1,430,730)**	**(1,165,545)**
Total financial resources		**1,669,889**	**260,100**	**(1,409,789)**

(*) 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 €2.4 million (€3.2 million) classified in the net financial position 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.

Net invested capital

This item decreased by €1,409.8 million on the previous year end to €260.1 million at 31 December 2023. The main changes are due to the factors listed below.

Non-current assets

Non-current assets increased by €105.4 million. They may be analysed as follows:

(€'000)	31 December 2022	31 December 2023	Variation
Property, plant and equipment	710,267	915,878	205,611
Right-of-use assets	113,541	131,921	18,380
Intangible assets	373,974	383,026	9,052
Equity investments	778,374	650,713	(127,661)
Total non-current assets	**1,976,156**	**2,081,538**	**105,382**

Property, plant and equipment increased by €205.6 million, chiefly due to the investments made for the ongoing projects in Australia (Snowy 2.0), France (TELT Lot 2), Italy (high-speed Naples- Bari and Palermo- Catania-Messina railway lines and other recently-awarded railway projects), net of depreciation recognised in the year. Net investments in technical equipment approximated €416.4 million (€236.8 million), reflecting the roll-out phase of large domestic and international projects.

Right-of-use assets amount to €131.9 million, showing an increase of €18.4 million principally due to the Group's acquisition of the Clough assets in Australia and investments made in Italy (high-speed Palermo- Catania-Messina railway line and the New Genoa Breakwater) and the United States (Lane Group), partly offset by depreciation.

Intangible assets show a net increase of €9.1 million following the acquisition of the Clough assets in Australia, net of amortisation of €82.7 million (including €69.3 million related to the order backlogs of the former Astaldi and Clough).

The net decrease of €127.7 million in equity investments is chiefly due to: (i) the equity-accounting of the investment in the associate Grupo Unidos por el Canal S.A. (€105.6 million), (ii) the sale of the investment (with a carrying amount of €47.4 million) in the SPE Linea M4 S.p.A. (consideration of €141.3 million, including the shareholder loan), and (iii) the capital contributions to the Lane Group joint ventures (€31 million)

Provisions for risks

These provisions of €245.6 million increased by €46.8 million over the 31 December 2023 balance of €198.8 million and mostly relate to disputes about projects in the Middle East.

Net tax assets

The following table analyses the item:

(€'000)	31 December 2022	31 December 2023	Variation
Deferred tax assets	346,289	400,000	53,711
Deferred tax liabilities	(58,060)	(73,510)	(15,450)
Net deferred tax assets	**288,229**	**326,490**	**38,261**
Current tax assets	90,499	84,654	(5,845)
Current tax liabilities	(85,334)	(156,439)	(71,105)
Net current tax assets (liabilities)	**5,165**	**(71,785)**	**(76,950)**
Other current tax assets	234,236	324,036	89,800
Other current tax liabilities	(90,181)	(99,214)	(9,033)
Net other current tax assets	**144,055**	**224,822**	**80,767**
Net tax assets	**437,449**	**479,527**	**42,078**

Net working capital

Net working capital amounts to a negative €2,082.1 million at the reporting date compared to a negative €576.0 million at 31 December 2023 (difference of €1,506.1 million).

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

- trade receivables increased by €1,011.2 million, of which €759.8 million due from the Group's consortium partners for the recently-awarded railway contracts in Italy (the Palermo- Catania- Messina line, the Trento rail bypass and the Salerno- Reggio Calabria line). The remainder of the increase (€251.4 million) relates to Italian contracts (€133.5 million) and foreign contracts (€117.9 million; mostly in Europe and Oceania). The €61 million increase in Oceania is due to the acquisition of the Clough assets;
- trade payables increased by €791.9 million as follows: (i) €656.7 million in Italy (mostly comprising liabilities due to the consortium partners of the contracts mentioned above with respect to trade receivables, and for the high-speed/capacity Milan- Genoa railway line) and (ii) €135.2 million abroad (mostly in Asia, the Middle East and Oceania). The €72 million increase in Oceania is due to the acquisition of the Clough liabilities;
- contract assets and liabilities amount to €3,910.3 million (€3,200.0 million) and €5,897.3 million (€3,311.7 million), respectively. The variation in this item is due to, inter alia, the monetisation of some slow-moving items (mainly in the Middle East and Australia) and the Group's considerable success in obtaining new contracts, confirming its competitive edge;
- other current assets and liabilities come to €1,101.5 million (€916.4 million) and €636.1 million (€620.6 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 2023 and 2022:

(€'000)	Note (*)	31 December 2022	31 December 2023	Variation
Non-current financial assets	10	518,440	360,198	(158,242)
Current financial assets	15	439,355	615,006	175,651
Cash and cash equivalents	18	1,921,177	3,060,541	1,139,364
Total cash and cash equivalents and other financial assets		**2,878,972**	**4,035,745**	**1,156,773**
Bank and other loans and borrowings	21	(276,267)	(139,857)	136,410
Bonds	22	(1,886,549)	(1,600,074)	286,475
Lease liabilities	23	(68,829)	(82,037)	(13,208)
Total non-current indebtedness		**(2,231,645)**	**(1,821,968)**	**409,677**
Current portion of bank loans and borrowings and current account facilities	21	(297,419)	(413,981)	(116,562)
Current portion of bonds	22	(18,506)	(306,465)	(287,959)
Current portion of lease liabilities	23	(71,721)	(66,219)	5,502
Total current indebtedness		**(387,646)**	**(786,665)**	**(399,019)**
Derivative assets	10-15	2,276	1,203	(1,073)
Net financial position with unconsolidated SPEs (**)		3,229	2,415	(814)
Net other financial assets		**5,505**	**3,618**	**(1,887)**
Net financial position- continuing operations		**265,186**	**1,430,730**	**1,165,544**
Net financial position- discontinued operations	19	2,097	2,681	584
Net financial position including discontinued operations		**267,283**	**1,433,411**	**1,166,128**

(*) 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 €1,430.7 million, which is the best position it has ever achieved.

The considerable improvement of €1,165.5 million over 31 December 2022 (€265.2 million) is due to the positive performance of the Group's operations and the variation in net working capital. This latter result was achieved thanks to the Group's continuous optimisation of its working capital dynamics and quality, including by monetising some slow-moving items and the very positive commercial performance of the year.

Gross indebtedness improved by €10.7 million to €2,608.6 million from €2,619.3 million at 31 December 2022. The gross indebtedness/EBITDA ratio for 2023 is 3.2x compared to 4.6x for 2022. At year end, 89% of the Group's outstanding bank corporate loans bears interest at a fixed rate and the first large repayment dates are in the fourth quarter of 2024.

Webuild has given guarantees of €101.8 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 (*)	2022	2023	Variation
Revenue from contracts with customers		1,863,093	2,512,955	649,862
Other income		199,237	252,366	53,129
Total revenue and other income	32	**2,062,330**	**2,765,321**	**702,991**
Operating expenses	33	(2,007,454)	(2,644,429)	(636,975)
Gross operating profit (EBITDA)		**54,876**	**120,892**	**66,016**
Gross operating profit margin (EBITDA)		2.7%	4.4%	
Net impairment losses	33.6	(894)	(1,943)	(1,049)
Amortisation, depreciation and provisions	33.6	(78,725)	(118,613)	(39,888)
Operating profit (loss) (EBIT)		**(24,743)**	**336**	**25,079**
R.o.S.		-1.2%	0.0%	
Financing income (costs) and gains (losses) on equity investments				
Net financing costs	34	(77,673)	(221,753)	(144,080)
Net gains on equity investments	35	69,893	266,089	196,196
Net financing costs and net gains on equity investments		**(7,780)**	**44,336**	**52,116**
Profit (loss) before tax (EBT)		**(32,523)**	**44,672**	**77,195**
Income taxes	36	(13,956)	(6,623)	7,333
Profit (loss) from continuing operations		**(46,479)**	**38,049**	**84,528**
Loss from discontinued operations	18	(23,078)	(9,156)	13,922
Profit (loss) for the year		**(69,557)**	**28,893**	**98,450**

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

Revenue

Total revenue for the year amounts to €2,765.3 million (€2,062.3 million), including €141.5 million (€67.7 million) earned in Italy and €2,623.9 million (€1,994.6 million) abroad.

Operating profit (EBIT)

The operating profit amounts to €0.3 million compared to a loss of €24.7 million for 2022. It reflects, inter alia, the effects of (i) amortisation of €25.7 million (€33.8 million) of contract acquisition costs recognised after completion of the purchase price allocation (PPA) procedure for the former Astaldi and (ii) net accruals of €45.1 million to the provisions for risks made for disputes about projects performed in the Middle East.

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

The parent recognised net financing costs of €221.8 million (costs of €77.7 million). The item comprises:

- financial expense of €279.8 million (€ 222.8 million), partly offset by financial income of €113.7 million (€80.6 million);
- net exchange losses of €38.6 million (net gains of €64.6 million).

The €57.0 million increase in financial expense is mostly due to: (i) interest accrued on the cash pooling account with the subsidiaries, (ii) the higher cost of debt as a result of the reference interest rates' performance which affects the parent's floating-rate debt, and (iii) the reversal of interest income on delayed payments by the Ethiopian customer following the contractualisation of its claims.

Financial income increased by approximately €33.2 million principally due to the greater interest income that accrued on the loans given to group companies and on the parent's current accounts during the year.

Net exchange losses of €38.6 million (net gains of €64.6 million) are mostly due to the Euro's performance against the Ethiopian Birr and the US Dollar, partly offset by its depreciation against the Colombian Peso.

Net gains on equity investments amount to €266.1 million (€69.9 million) and mainly comprise dividends distributed by Webuild Italia S.p.A. and Partecipazioni Italia S.p.A. as well as the foreign subsidiaries, less the impairment losses recognised on the parent's investments in Grupo Unidos por el Canal S.A., Webuild - US Holdings Inc. and Salini Nigeria Ltd.

Income taxes

This item amounts to €6.6 million (€14 million).

Loss from discontinued operations

The loss from discontinued operations of €9.2 million mostly refers to the former Astaldi's divisions in Central and South America.

Profit for the year

The parent made a profit of €28.9 million for the year compared to a loss of €69.6 million for 2022.

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

Table 5- Reclassified statement of financial position

(€'000)	Note (*)	31 December 2022	31 December 2023	Variation
Non-current assets	7-7-7-8	2,436,786	2,598,430	161,644
Net non-current assets held for sale		834	922	88
Provisions for risks	26	(83,297)	(119,549)	(36,252)
Post-employment benefits and other employee benefits	25	(13,155)	(15,395)	(2,240)
Net tax assets	10-15-28	241,262	163,346	(77,916)
- Inventories	11	112,102	115,518	3,416
- Contract assets	12	1,494,905	1,765,932	271,027
- Contract liabilities	12	(769,677)	(799,364)	(29,687)
- Trade receivables (**)	13	1,743,374	1,692,792	(50,582)
- Trade payables	27	(1,809,225)	(1,733,227)	75,998
- Other current assets	16	447,377	415,970	(31,407)
- Other current liabilities	29	(232,559)	(214,003)	18,556
Net working capital		986,297	1,243,618	257,321
Net invested capital		**3,568,727**	**3,871,372**	**302,645**
Equity	19	**1,541,168**	**1,496,324**	**(44,844)**
Net financial indebtedness		**2,027,559**	**2,375,048**	**347,489**
Total financial resources		**3,568,727**	**3,871,372**	**302,645**

(*) 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 €0.2 million (€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.

Net invested capital

This item increased by €302.6 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 €161.6 million. They may be analysed as follows:

(€'000)	31 December 2022	31 December 2023	Variation
Property, plant and equipment	136,641	199,349	62,708
Right-of-use assets	38,648	37,438	(1,210)
Intangible assets	59,150	31,446	(27,704)
Equity investments	2,202,347	2,330,197	127,850
Total non-current assets	**2,436,786**	**2,598,430**	**161,644**

Property, plant and equipment increased by €62.7 million, mostly due to investments in recently acquired projects in France (TELT Lot 2) and Australia (North East Link in Melbourne), partly offset by depreciation.

Right-of-use assets decreased slightly by €1.2 million to €37.4 million due to depreciation, partly offset by the investments in Romania and Tajikistan.

The net decrease of €27.7 million in intangible assets chiefly reflects the amortisation of the costs to acquire contracts recognised after completion of the PPA procedure for the former Astaldi (€25.7 million).

Equity investments increased by a net €127.9 million mainly due to the capital injections into Webuild - US Holdings Inc., HCE Construzioni S.p.A. and Grupo Unidos por el Canal S.A., partly offset by the impairment losses recognised at the end of the year.

Provisions for risks

This item of €119.5 million shows a €36.3 million increase on 31 December 2022, mostly for disputes related to projects in the Middle East.

Net tax assets

At 31 December 2023, net tax assets amount to €163.3 million (€241.3 million) and may be analysed as follows:

(€'000)	31 December 2022	31 December 2023	Variation
Deferred tax assets	256,087	257,235	1,148
Deferred tax liabilities	(43,170)	(30,596)	12,574
Net deferred tax assets	**212,917**	**226,639**	**13,722**
Current tax assets	48,279	42,455	(5,824)
Current tax liabilities	(55,805)	(126,842)	(71,037)
Net current tax liabilities	**(7,526)**	**(84,387)**	**(76,861)**
Other current tax assets	86,227	79,970	(6,257)
Other current tax liabilities	(50,356)	(58,876)	(8,520)
Net other current tax assets	**35,871**	**21,094**	**(14,777)**
Net tax assets	**241,262**	**163,346**	**(77,916)**

Net working capital

Net working capital increased by €257.3 million to €1,243.6 million at 31 December 2023, mostly as a result of the greater production volumes in Romania (Sibiu - Pitesti Motorway, Lot 5), Tajikistan (Rogun Hydropower Project) and Ethiopia (Koysha Hydroelectric Project). More information is available in the notes to the separate financial statements about the individual items making up net working capital.

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 2023 and 2022:

(€'000)	Note (*)	31 December 2022	31 December 2023	Variation
Non-current financial assets	9	294,516	306,093	11,577
Current financial assets	14	1,251,010	1,488,320	237,310
Cash and cash equivalents	17	961,906	913,212	(48,694)
Total cash and cash equivalents and other financial assets		**2,507,432**	**2,707,625**	**200,193**
Bank and other loans and borrowings	20	(241,203)	(123,958)	117,245
Bonds	21	(1,886,549)	(1,600,074)	286,475
Finance lease liabilities	22	(28,480)	(24,023)	4,457
Total non-current indebtedness		**(2,156,232)**	**(1,748,055)**	**408,177**
Current portion of bank loans and borrowings and current account facilities	20	(2,330,154)	(3,004,806)	(674,652)
Current portion of bonds	21	(18,506)	(306,465)	(287,959)
Current portion of lease liabilities	22	(32,855)	(24,762)	8,093
Total current indebtedness		**(2,381,515)**	**(3,336,033)**	**(954,518)**
Derivative assets	13	2,276	1,203	(1,073)
Net financial position with unconsolidated SPEs (**)		480	212	(268)
Net other financial assets		**2,756**	**1,415**	**(1,341)**
Net financial indebtedness- continuing operations		**(2,027,559)**	**(2,375,048)**	**(347,489)**
Net financial position- discontinued operations	18	**2,087**	**2,671**	**584**
Net financial indebtedness including discontinued operations		**(2,025,472)**	**(2,372,377)**	**(346,905)**

(*) 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 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 2023, the parent has net financial indebtedness of €2,372.4 million compared to €2,025.5 million at the end of the previous year.

The €346.9 million increase is mostly due to: (i) the capital injections of approximately €356 million into some investees, including Webuild - US Holding Inc., HCE Costruzioni S.p.A. and Grupo Unidos por el Canal S.A., (ii) dividend distributions (€56 million), (iii) net investments in property, plant and equipment (approximately €92 million), and (iv) contributions to the working capital of some large foreign projects underway.

The increase is partly offset by the dividends of €464.9 million received from the Italian and foreign subsidiaries.

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

Gross indebtedness of €5,084.1 million shows an increase of roughly €546.3 million on the 31 December 2022 balance of €4,537.7 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

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. However, the Group deems that these adjusted figures and data facilitate an understanding of the Group's business performance and better comparability of its results over time.

Notes to the adjusted reclassified statement of profit or loss

Group management monitors Lane Group's performance for management purposes, adjusting the IFRS figures to present the results of the joint ventures not controlled by Lane on a proportionate basis. These figures ("Joint ventures not controlled by Lane") 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 relate to 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 additional adjusting effects:

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;
- elimination of the accounting effects of the impairment losses recognised on the trade receivables due from the Ukrainian customer Ukravtodor after performing the impairment test.

reclassified statement of profit or loss for 2023:

- elimination of the accounting effects of the amortisation of the intangible assets arising from the PPA procedure for the acquisition of control of Astaldi Group;
- elimination of the accounting effects of the gain from the bargain purchase, the acquisition costs and amortisation of the intangible assets arising from the PPA procedure for the acquisition of control of Clough Group;
- adjustment of the results of the associate Grupo Unidos por el Canal S.A., mainly to reflect the award issued by the ICC (more information is available in the "Main risk factors and uncertainties" section of this report).

The effects of these adjustments are presented below.

Bridge between the IFRS statement of profit or loss and the adjusted figures

(€'000)	Note (*)	2022 adjusted Reclassified statement of profit or loss	Joint ventures not controlled by Lane	Amortisation of intangible assets as part of Astaldi's PPA	Impairment-Ukraine	Adjusted	2023 adjusted Reclassified statement of profit or loss	Joint ventures not controlled by Lane	Amortisation of intangible assets as part of Astaldi's PPA	PPA-Clough	GUPC award	Adjusted
Revenue from contracts with customers		7,656,006	71,876	-	-	7,727,882	9,290,118	99,778	-	-	-	9,389,896
Other revenue and income		435,147	-	-	-	435,147	604,492	-	-	-	-	604,492
Gain from bargain purchase		-	-	-	-	-	56,645	-	-	(56,645)	-	-
Revenue	33	**8,091,153**	**71,876**	**-**	**-**	**8,163,029**	**9,951,255**	**99,778**	**-**	**(56,645)**	**-**	**9,994,388**
Operating expenses	34	(7,508,408)	(82,447)	-	-	(7,590,855)	(9,087,401)	(99,160)	-	11,112	-	(9,175,449)
Gross operating profit (EBITDA)		**582,745**	**(10,571)**	**-**	**-**	**572,174**	**863,854**	**618**	**-**	**(45,533)**	**-**	**818,939**
Gross operating profit margin (EBITDA)		*7.2%*				*7.0%*	-					*8.2%*
Net impairment losses	34.6	(84,045)	-	-	71,178	(12,867)	(11,952)	-	-	-	-	(11,952)
Amortisation, depreciation and provisions	34.6	(307,623)	-	69,532	-	(238,091)	(401,262)	-	56,008	13,339	-	(331,915)
Operating profit (EBIT)		**191,077**	**(10,571)**	**69,532**	**71,178**	**321,216**	**450,640**	**618**	**56,008**	**(32,194)**	**-**	**475,072**
R.o.S.		*2.4%*				*3.9%*	-					*4.8%*
Net financing costs	35	(73,141)	-	-	-	(73,141)	(91,767)	-	-	-	-	(91,767)
Net gains on equity investments	36	(7,143)	10,571	-	-	3,428	(95,326)	(618)	-	-	105,613	9,669
Profit before tax (EBT)		**110,793**	**-**	**69,532**	**71,178**	**251,503**	**263,547**	**-**	**56,008**	**(32,194)**	**105,613**	**392,974**
Income taxes	37	(76,290)	-	(16,688)	(15,681)	(108,659)	(125,090)	-	(13,442)	(4,002)	-	(142,534)
Profit from continuing operations		**34,503**	**-**	**52,845**	**55,497**	**142,844**	**138,457**	**-**	**42,566**	**(36,196)**	**105,613**	**250,440**
Loss from discontinued operations	19	(17,972)	-	-	-	(17,972)	(10,071)	-	-	-	-	(10,071)
Non-controlling interests		(6,637)	-	-	-	(6,637)	(4,383)	-	-	-	-	(4,383)
Profit (loss) for the year attributable to the		**9,894**	**-**	**52,845**	**55,497**	**118,235**	**124,003**	**-**	**42,566**	**(36,196)**	**105,613**	**235,986**

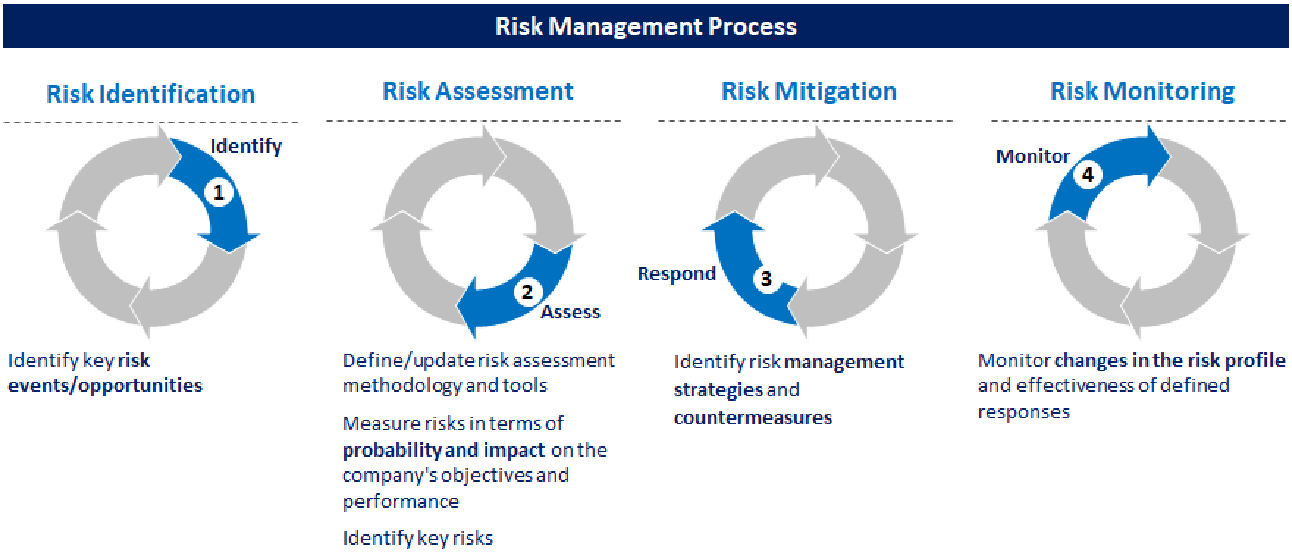
(*) The note numbers refer to the notes to the consolidated financial statements where the items are analysed in detail.

Directors' report-
Part II

Risk management system

The context in which the Group currently operates, characterised by rapid macroeconomic changes, financial markets' instability and progressive developments of legal and regulatory compliance regulations, including as a result of the developments of the geopolitical tensions and ongoing conflicts, and affected by megatrends such as climate change and growing 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 keeps evolving, 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. It designed and implemented this framework in accordance with the standards and guidelines of ISO 31000.



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 specific 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).

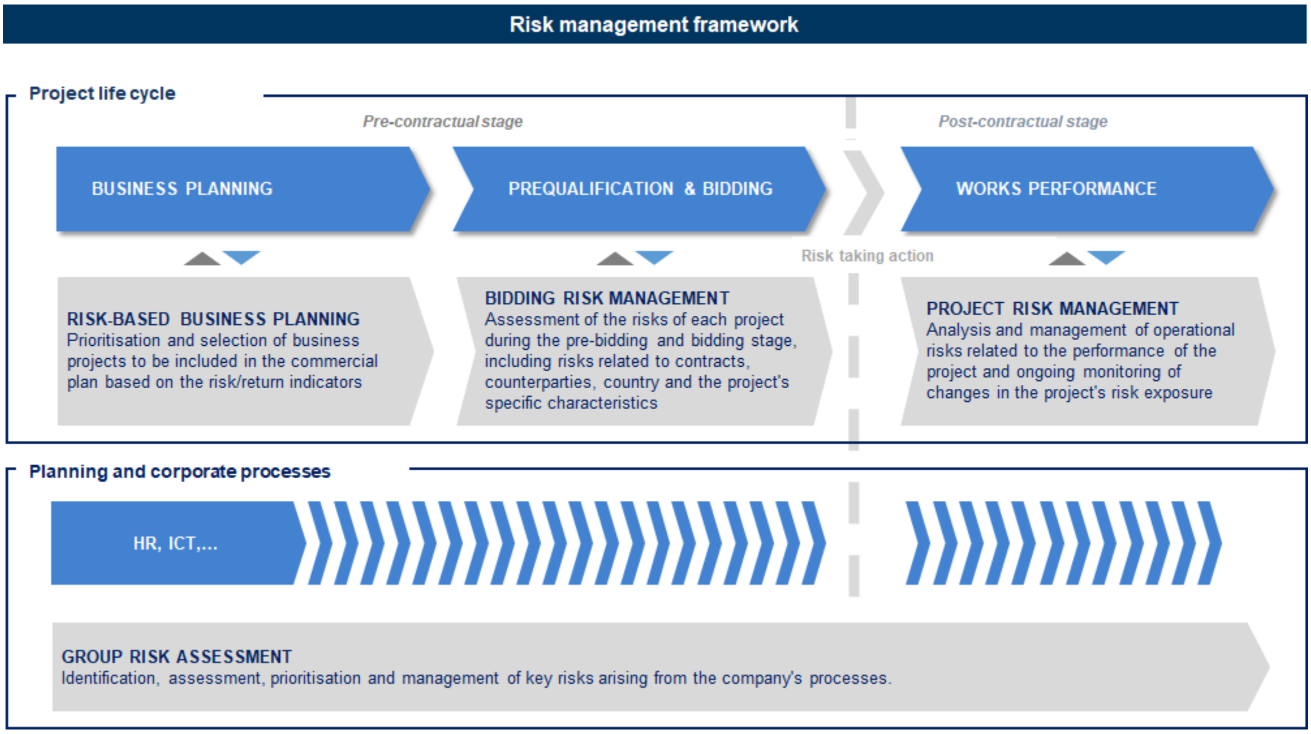
In 2022, the outbreak of war between Russia and Ukraine worsened the macroeconomic context in which the Group and its supply chain operate, heightening the inflationary effect of raw material and commodity prices already seen during the Covid-19 pandemic. During 2023, raw material and commodity prices gradually stabilised and this trend is expected to continue in 2024 albeit with slight increases. The Group continued its risk management activities focused on the identification and management of the repercussions of the conflicts underway and the Red Sea crisis, which has pushed up shipping freight costs significantly and may affect commodity prices in general, and the risks and opportunities related to climate change and the energy transition.

With respect to the volatility of commodity prices and in line with its approach adopted in 2021 and 2022, the risk management department 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 apply promptly in 2023 for compensation for the hikes in the more significant construction material prices for its Italian contracts in accordance with Law no. 197 of 29 December 2022 (the 2023 Budget Act), which confirmed the measures introduced by Decree law no. 50/2022 (the Aiuti decree) for contracts in place and extended them for the whole of 2023. Paragraph 304 of the 2024 Budget Act has extended the effectiveness of article 26 of Decree law no. 50/2022, which covers the price adjustment mechanism, to work performed or recorded in 2024.

The ECB raised its interest rates in 2023, which led to an increase in the cost in credit for businesses. The Group's liabilities are long-term in nature and bear interest at a fixed rate thus allowing it to mitigate any interest rate risks.

The Group completed the first phase of the project to implement a business continuity management system in compliance with ISO 22301, designed to develop procedures to manage critical events that could undermine its operations. It defined a business continuity governance model, an escalation and crisis management process and the related information flows. It also carried out an initial pilot to align the business impact analysis methodology with the Group's specific needs by analysing and checking the appropriateness of the existing disaster recovery plan, which was found to be both suitable and effective. The next steps include prioritising and planning the scope of the analysis perimeter for all corporate and contract processes as well as the concurrent preparation of a training programme to be provided throughout the Group on a top-down and rolling basis.

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 embeds 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 compromise the 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 and 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 on 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 prebid risk assessment aimed at identifying potential risks and impacts linked to the project, as well as the necessary mitigation and/or contingency measures to counter them. The risk surveillance activity is 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.

The Group's governance control framework establishes the oversight of operational risks is achieved through processes, procedures, organisational systems and proxy and power systems developed using the check and balance approach, under which key decisions are taken at project level after obtaining authorisation from the head office.

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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 most 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, first and foremost, 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, partners, 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 govern the relationship. The chief risk officer coordinates and oversees a counterparty analysis for each new project, involving all the competent departments, and this analysis 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 precise planning of the possible mitigation strategies. It is a key pillar of the Group's procedure to monitor, manage and mitigate risks.

Contract risk

The contract dimension is key to an effective analysis of all risks linked to the Group's core business. It informs the design of tools to identify and monitor contract risks right from the bidding stage, with a view to risk prevention, as part of an in-depth analysis of the risks and opportunities linked to a specific activity. Another fundamental aspect is the ongoing tracking of risks once they have been consciously taken on by management, taking a proactive, dynamic approach to managing the resulting risk exposure, as well as its 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 potential changes to 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 embedded 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.

ESG risk management

The infrastructure sector plays a key role in a community's economic and social development and it can also make an invaluable contribution to achieving the UN's SDGs with respect to ensuring access to basic services, providing protection from extreme weather events and stimulating economic growth and innovation.

Infrastructure has a two-sided relationship with climate change as while it can provide significant impetus to the global CO2 reduction objectives, it is also very vulnerable to the effects of climate change.

It is expected that these current trends will gain strength:

- increasingly higher expectations that the sector will increase its commitment to achieving net zero. In order to remain competitive and to be looked on favourably by banks, sector operators must show their genuine commitment to the decarbonisation process;
- growing public and private investments for the strengthening, protection, transfer and reconstruction of infrastructures (including to ensure continuity of essential services);

Webuild's Sustainability Strategy incorporates all these aspects and informs the Group's strategy to ensure the sustainability of its internal processes during the construction phases and of the completed works once operative.

Over the years, the Group has stepped up its commitment with the definition of ESG plans, with objectives tied to its three main sustainability "construction sites": Green builders, Safe & inclusive builders and Innovative & smart builders.

It prioritises combatting climate change and promotion of the circular economy (Planet), the protection and enhancement of its people (People) and continuous improvement leveraging innovation and digitalisation, focusing in particular on investments in clean technology (Progress)[9].

In addition to the objectives set in its three-year plans, the Group has defined direct and indirect emission reduction targets (to 2030) in line with the SBTi (Science Based Targets initiative) which were validated in 2022. The systematic inclusion of efficiency investments and measures in the bids presented to customers during the tender phase also contributes to the achievement of these targets, meaning that the Group's reduction targets are reflected in the contract budgets, based on the specific characteristics of each project.

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 2023-2025 long-term variable incentive (LTI) plan which includes dedicated sustainability targets.

In addition, as part of the regular group risk assessment performed by the risk management department with the various risk owners, Webuild analyses climate change risks and, in particular, potential risks caused by an acceleration in environmental and climate policies, technological progress and stakeholders' increasingly close scrutiny of environmental issues.

[9] More information is available in the "Sustainability Strategy" section of the 2023 Consolidated Non-financial Statement.

In line with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and the European Securities and Markets Authority (ESMA) guidelines, Webuild assesses the possible financial impacts that climate risks could have on its business.

In 2023, this assessment included deep diving the Group's exposure to risks arising from extreme weather events (acute physical risks), such as flooding, storm surges, heat waves, earthquakes, landslides, etc. These events can damage production equipment and works as well as, more generally, disrupt the value chain.

The Group has numerous mitigation strategies to deal with these physical risks depending on the nature of the project and its environmental and regulatory context, such as insurance cover for the assets and contract clauses or negotiations with customers. Its analysis confirmed the substantial effectiveness of these strategies and the inexistence of any residual economic or financial impacts.

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 2023 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 damages of €43 million. During the hearing, the commissioner increased its claims to €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 damages 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 appealed to the Supreme Court, which, with its ruling no. 10854/2022 published on 18 December 2023, established the jurisdiction of the ordinary judge. The deadlines for possible reinstatement (3 months from publication) before the competent Court are pending.
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 damages 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 €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 €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 collection agency has notified Fibe of a notice of payment for the aforementioned amount of €10 million (increased to approximately €14 million to include the interest), against which Fibe has lodged an objection.

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 €729 million and disbursing additional advances amounting to €91 million. The group of contracting companies met their obligation by directly disbursing €91 million and additional financial resources, through the conversion into cash of existing performance guarantees totalling €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 S.A. ("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 ("ICC") in Miami, Florida between GUPC (with its European partners Sacyr, Webuild (previously Salini Impregilo) and Jan De Nul and the Panama Canal Authority ("PCA") as described below:

1. arbitration about the DAB's decisions on the claims presented by GUPC about the inadequate quality of the basalt compared to the quality guaranteed by PCA and the lengthy delays caused by PCA to approve the design formula for the concrete mix. The DAB had found that GUPC was due USD265.3 million, which it collected in full. After the proceeding confirming the arbitration tribunal's competence to rule on the damages incurred by the individual consortium members, the tribunal issued a partial award at the end of September 2020, accepting some of GUPC's claims for USD20.7 million as well as some claims for which the parties have agreed the amounts. PCA also paid GUPC an additional approximate USD6.1 million. The

arbitration tribunal defined the arbitration costs with a final award as USD33.4 million (USD13.5 million for Webuild). At the end of November 2020, GUPC's legal advisors filed a petition for the cancellation of the partial award with the Miami Court (Florida, USA). In February 2021, after the arbitration tribunal's final award, GUPC paid USD272 million to settle its liabilities with the customer, using the financial support provided by its European partners (Webuild's share: 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. On 18 August 2023, the 11th Circuit District Court rejected the appeal to have the award cancelled. On 15 December, a petition was filed with the Supreme Court of the United States, which has yet to rule on its admissibility.

2. arbitration about the extra costs incurred by GUPC due to certain unjustified conditions imposed by PCA for the design of the lock gates and other claims about labour costs. The arbitration tribunal issued an award on 17 May 2023 unanimously establishing that GUPC is entitled to receive an additional USD34.9 million for the claims related to the labour costs, in addition to the amount previously assigned by the DAB. However, the arbitration tribunal did not accept GUPC's application about the construction of the lock gates which it had to build for reasons it did not deem were attributable to it and referred other issues to another arbitration tribunal. This decision was taken by majority vote by the tribunal members while one arbitrator issued a dissenting opinion. The parties appealed to the arbitration tribunal for the interpretation and correction of the award based on article 36 of the ICC regulation. On 8 September 2023, the tribunal found that the amounts due to GUPC were not yet collectible as part of the total refers to GUPC's EoT (extension of time) right for completion of the contract, which will be determined by the arbitration tribunal that will rule on the other issues. For the same reason, the tribunal also deferred any reimbursements due to PCA based on the cancelled DAB's rulings, again influenced by considerations about the EoT. The dissenting opinion states that the part of the ruling about the award obliges PCA to immediately pay GUPC the amounts in question, including interest accrued after the award;
3. arbitration commenced at the end of 2016 involving the sundry claims mentioned in the completion certification; the arbitration tribunal has already been set up and GUPC presented its first brief in October 2021. The hearing is underway.

On 11 March 2020, Webuild filed its arbitration application with the International Centre for Settlement of Investment Disputes (ICSID) against Panama. It has claimed damages 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 proceeding is underway.

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 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 2023, the estimate of the project's extra costs 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 valuations 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 96.14%, 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 €187 million (of which €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 €175 million and subsequently the two parties reached an agreement whereby FCA (i) paid €66 million and (ii) issued RFI a bank surety of €100 million.

On 2 February 2022, the Supreme Court handed down its ruling rejecting FCA's appeal, based on which Webuild had adjusted the claims' estimated realisable value and the carrying amount of contract assets in its separate 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 commenced the following actions:

- filing of an appeal by FCA with the Lazio Regional Administrative Court on 11 November 2016 for the claims of €18 million presented during the contract's term and not covered by the previous award of 2013. Following this court's decision that it did not have jurisdiction in ruling no. 1381/2023, the proceeding has been resumed before the Rome Court where it is currently pending;
- 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 on 12 October 2017. 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 €21 million. Both parties challenged the Rome Court's ruling and Stellantis has collected the amount it was ordered to pay in the meantime before the hearings (which will presumably be reinstated) are held. The consortium has requested Stellantis pay the outstanding amounts due to it;
- 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 S.C.p.A.

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. 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 commenced various legal proceedings in Italy and the EU, arguing that the provisions of the above Decree law are contrary to the Constitution and EU laws and that they damage Eurolink's legally acquired rights under the contract. It 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 damages 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) SdM 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 €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.

Pending the handing down of the ruling, Decree law no. 35 of 31 March 2023 was issued and converted with amendments into Law no. 58 of 26 March 2023 (Urgent measures for the Sicily - Calabria bridge). These measures regulate, inter alia, the recommencement of the work and revival of the expired contract. Negotiations are underway between the parties to define the related arrangements envisaged by the measures to revive the contract and the related decision by Eurolink and its co-venturers to discontinue the legal proceedings.

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 was adversely affected by a number of events outside Webuild's control such as unforeseeable widespread 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 unpredictability 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 collected the performance guarantees of RON60.5 million (€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") and the proceedings are underway.

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. CNAIR concurrently 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. The proceedings have ended and the award has yet to be handed down. On 21 February 2023, the arbitration tribunal published its award accepting all Webuild's claims (and ordering that its court costs be paid). It established that CNAIR's unilateral offsetting was not valid.

On 17 February 2020, the Group filed a new different application for arbitration to the CCIR challenging the validity of the reasons allowing CNAIR's collection 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 unduly collected performance bond and to reimburse the legal costs and interest as well as the arbitration costs (€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 the joint venture's 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 €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 the joint venture attempted to resolve by proposing new solutions to the customer (although it was not contractually obliged to do so).

In June 2018, the joint venture 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, the customer unilaterally terminated the contract in January 2019.

The joint venture 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 Court) requesting payment of the higher dismantlement costs of €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, its legal advisors requested the urgent and precautionary suspension of the actions to collect the performance guarantees.

The Joinville Court granted the judicial blocking of collection of the performance guarantees on a precautionary basis.

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

The customer in turn obtained the suspension of the arbitration proceedings from the Joinville Court, which the joint venture immediately appealed before the Santa Caterina Appeal Court.

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

In the meantime, the Joinville 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 and the freezing of the collection 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, the joint venture 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. The joint venture proceeded to file an appeal with the Supreme Court on 3 October 2023. The ruling has not yet been handed down.

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.

<u>Supreme Court- claims for the final billing for the Bologna- Conca d'Oro section</u>

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 €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.

<u>Rome Court- first set of claims for the Conca d'Oro- Jonio section</u>

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. 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 €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, as did Roma Metropolitane.

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

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

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

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

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

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

<u>Rome Court- second set of claims for the Conca d'Oro- Jonio section</u>

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.

With its ruling no. 3370 of 11 May 2023, the Rome Appeal Court partly accepted Roma Metropolitane's counter appeal and reformulated the first level ruling reducing the amounts to be paid to the joint venture to €105 thousand (from the €2.9 million established by the Rome Court). The joint venture has appealed this second level ruling before the Supreme Court.

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, 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 damages due to termination of the contract as a result of the customer's default.

On 14 November 2022, DeA Capital filed its response, challenging the admissibility and grounds of the claims made by the joint venture and presenting its counterclaims for approximately €61.9 million.

At the last hearing, held on 20 November 2023, the arbitration tribunal reserved the right to continue the proceedings.

The conclusions were clarified on 2 February 2024.

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 Webuild, on 22 December 2011.

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

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

After more than a year of negotiations, on 20 February 2020, the parties signed an addendum 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 ("ICC") as part of the international arbitration.

Webuild concurrently withdrew its application for arbitration to the ICC, 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 ICC commenced by Yuma.

At the same time, two other addenda to the EPC contract were signed by Yuma and the 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 (€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 credit facility signed by the Italian banks (i) Banca Intesa Sanpaolo and (ii) Banca Popolare di Sondrio and Webuild was set up with ANI. This €100 million facility has been agreed to fund and complete the works. On 18 June 2021, Webuild and Yuma Concesionaria signed the related loan agreement. At 31 December 2023, the parent has lent Yuma Concesionaria a nominal €194.3 million.

On 12 September 2023, the ICC notified the parties of its award acknowledging Yuma's right to have the contract's economic balance redressed as it found that ANI was guilty of: (i) violations of its obligation to provide truthful and sufficient information during the tender stage, (ii) violations of its obligation to cooperate and abuse of rights in delivering a section of the project in a state of anomalous and unforeseeable deterioration, and (iii) abuse of the power of control and violation of the obligation of collaboration in requiring the operator to carry out certain works even though they were neither mandatory nor requested. Therefore, the concession continues to be effective, it will be subject to price reviews and compensation will have to be paid to redress its economic imbalance as decided by the arbitrators. The two parties will continue to negotiate in good faith under the award's provisions to settle the other costs or risks.

On 11 December 2023, a new application for arbitration was filed to obtain quantification of how the contract's economic balance is to be re-established given that the previous tribunal had only confirmed Yuma's right to such rebalancing.

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 attempted to collect the performance guarantees of approximately €8 million. The joint venture obtained a court order from the Parma Court preventing this on a precautionary basis.

On 31 October 2019, the joint venture 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 €2.9 million as contractual fines due to the termination of the contract for reasons allegedly attributable to the joint venture. At the date of preparation of this report, the ruling has not yet been handed down.

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 €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 collection of the performance guarantees of €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 €54 million. At the date of preparation of this report, the ruling has not yet been handed down.

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 €25 million.

The customer attempted to collect the performance guarantees of €13 million, which the joint venture had provided.

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 joint venture filed a claim form with the Warsaw first level court for the return of the amounts related to the performance guarantees 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. At the date of preparation of this report, the proceedings are at an initial phase.

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 collected performance guarantees of €15 million.

The joint venture signed an out-of-court agreement about the guarantees with the customer in December 2022, obtaining the return of PLN45 million (€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 (€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 Webuild 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 guarantees. 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 have been terminated unjustly and that it be due the additional consideration of approximately €55 million, subsequently revised to roughly €84.5 million.

GDDKiA collected the performance guarantees for a total of €25 million, included in Webuild's claims as part of the dispute before the Polish courts.

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.

Copenhagen Cityringen

As a result of critical issues about this project related to its specific features and the scale of the works, the joint venture including Webuild (Copenhagen Metro Team I/S, "CMT") had to significantly revise the cost estimates for the early stages of this project. The most critical of these issues included 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 joint venture to collect €145 million) and other agreements which enabled it to collect additional advances (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 joint venture 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 joint venture deems that these counterclaims are completely groundless and lacking the minimum requirements to be considered as such, by virtue of their failure to provide even the most basic information, such as a description of the events, timing, place of the facts, the cause effect link, contractual justification and support for quantification. On the basis of the above, CMT entirely rejected the counterclaims, judging them without any foundation.

On 26 April 2021, CMT 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 fully 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 underway and the ruling is pending.

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.

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 (Skytrain Bridge). The metro opened in May 2019.

The Group participated in the project through a joint venture of Salini Impregilo S.p.A. (now Webuild S.p.A.) and Salini Australia Pty Ltd.

After the joint venture presented claims, the DAB issued a decision acknowledging its right to AUD34.5 million (€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.

Following negotiations between the parties, they signed a settlement deed covering the dispute under arbitration, which assigned roughly AUD25.5 million to the joint venture and confirmed the amount previously awarded by the DAB (approximately AUD36 million), on 15 September 2023. The joint venture has already received the amounts.

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 S.p.A. (now Webuild S.p.A.) 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 contractor 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 for approximately QAR1.3 billion (€300 million). As part of the same arbitration proceedings, GSIC JV presented its counterclaim for costs incurred on behalf of and for the Leonardo/PSC joint venture.

The award was notified to the parties on 6 October 2023.

Both joint ventures have commenced proceedings with the ICC to have certain disputed items of the award corrected and interpreted. An addendum to the award was notified as a result of these proceedings on 7 March 2024. As a result of both awards, GSIC JV was ordered to pay the Leonardo/PSC JV approximately QAR608 million (€152.5 million), net of its counterclaims accepted by the arbitration tribunal.

GSIC JV is assessing what additional measures it can take to challenge the award.

Saudi Arabia

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

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

The 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 pre-trial stage is underway.

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 undertakes to certify in the short term most of the works performed and awaiting approval for bureaucratic reasons;
- 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, the joint venture 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 €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 pending.

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. (Argentina)

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 Ausol, in which Webuild has a 19.8% stake. At the date of preparation of this report, the related ruling has not yet been handed down.

The renegotiation agreement provided that Ausol would receive USD499 million for its investment, which it could not recover 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.

On 23 October 2022, an arbitration application was filed requesting that the renegotiation agreement ("Acuerdo Integral de Renegociación", AIR) be found to be valid and the Argentine government be ordered to comply therewith (and hence pay the established amount which had never been collected). On 4 July 2023, the Argentine government obtained a precautionary measure suspending the arbitration proceedings. The legal counsel has informed the tribunal and has filed an appeal.

On 16 November 2023, a trigger letter was filed to commence an ICSID arbitration proceeding against Argentina due to its violations of the bilateral Argentina-Italy treaty.

Supported by the opinion of its legal advisors, Ausol is confident that its arguments will be accepted at the end of the dispute.

Naples - Bari railway line, Naples - Cancello section - NACAV S.C. a r.l.

With respect to the contract for the Naples- Cancello section of the Naples- Bari railway line, NACAV S.C. a r.l. (Webuild Group: 100%) has terminated the subcontracting contract with A.B.S.ING S.r.l. due to the latter's continued non-compliance with the related contract terms. The subcontractor subsequently appealed to the Rome Civil Court claiming damages of approximately €7.3 million. NACAV presented itself in court challenging the admissibility and validity of the subcontractor's claims. The proceeding is underway and the court-appointed technical expert has not yet commenced their work.

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. On 29 January 2021, the commissioner (appointed after other commissioners resigned or did not accept the position and interim reports) 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. These amounts are included in the requests made by Fibe as part of the civil proceedings.

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 the 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 and (ii) an appeal before the Council of State for revocation due to inconsistent rulings and the error of fact made by the Appeal Judge. The Council of State accepted the appeal for revocation 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 performance 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 requesting the withdrawal of jurisdiction 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 revoked 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 revocation 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 given the partial nature of the information available 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. In October 2023, the deadline was extended by another six months to the end of June 2024.

While the special commission was carrying out their activities, the technical unit notified the parties of:

- on 31 December 2023, decree no. 512 of the unit manager dated 30 December 2023 stating that FIBE should be paid €7.7 million based on a report prepared by the unit's technical staff;
- on 12 January 2024, decree no. 4 of the unit manager offsetting this receivable of €7.7 million plus interest of €1.3 million (for a total of €9.0 million) against the larger receivable due by it to FIBE as ruled by the Naples Court with its judgement no. 5658/2019.

Fibe has appealed against these measures and the report before the Council of State with compliance appeal no. 1686/2024. A date for the hearing has yet to be set.

The Rome Court assigned Fibe the total amount of approximately €71 million which it collected on 20 July 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.

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. In the ruling of 12 February 2016, the judge rejected the request for default interest submitted by Fibe, which Fibe challenged.With its ruling no. 2383/2023 published on 30 March 2023, the Appeal Court ruled that the first level judgment was procedurally null and void given the absence of the third party subjected to attachment in the same trial and, therefore, referred the case to the first level judge for integration of the cross-examination and summary judgement.

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.

With respect to these latter rulings, the Campania Regional Administrative Court published ruling no. 02761/2023 on 5 May 2023 on the ruling related to the conformity deed and ruling no. 02623/2023 on 2 May 2023 on the “environmental restoration”. It ordered Fibe to pay approximately €20 million and €33 million in the two rulings, respectively, plus legal interest accruing from December 2005.

Fibe has appealed to the Council of State against both rulings.

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 the subject of the proceedings, was filed with the Council of State, which accepted Fibe’s appeal in its ruling no. 5076/2018, reversing the first level ruling and cancelling the reclamation and safety measures. 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 appealed this ruling before the Supreme Court, which issued a joint ruling no. 3077/7023 dated 1 February 2023, accepting Fibe’s appeal and quashing the ruling in question referring the case to the Superior Court of Public Waters (with a different composition to that of the previous hearing). 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 grantor 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 grantor ILSpA (now ARIA S.p.A.) 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 grantor 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, the grantor filed an appeal with the Council of State, which rejected it with its decision fo 23 January 2024.

Supported by its technical and legal advisors, Sabrom deems that the assets recognised under intangible assets at 31 December 2023 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 Naples 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.

COCIV Consortium

On 26 October 2016, some managers and employees of COCIV were arrested as were other persons (including the chairman of Reggio Calabria- Scilla S.C.p.A., who promptly resigned) with warrants issued on 7 October 2016 by the Genoa 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. On 17 March 2023, the reasons for the decision were filed and the public prosecutor appealed against them in relation to the few remaining charges not yet time-barred, together with the civil party and the defence counsels of the defendants found guilty in the case of bid rigging (the Vecchie Fornaci market survey).

At the date of preparation of this report, a date for the appeal hearing has not yet been set.

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.

Various courts (Rome, Bolzano and subsequently Alessandra) have gradually excluded their territorial jurisdiction to hear the case and, accordingly, on 25 November 2022, the Supreme Court charged with finally resolving the negative conflict of jurisdiction raised 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.

On 19 July 2023, after another application for a hearing, the Judge for Preliminary Hearing at the Bolzano Court set a new date for a preliminary hearing as 13 October 2023. After checking the appearance of the parties, the Judge noted some defects in the notification of the summons, in particular to the entities charged with Legislative decree no. 231 offences, and ordered the irregular notifications be remedied.

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 Costruzioni Generali 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 Costruzioni Generali 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 another 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 amount.

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

For completeness purposes, it should be noted that, 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

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);
- Consorzio Libyan 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 observations 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., Consorzio Libyan Expressway Contractors, Salerno Reggio Calabria S.C.p.A. and Reggio Calabria Scilla S.C.p.A. as unsecured claims, as well as the interest calculated as per the observations, 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.

Consorzio Libyan Expressway Contractors, Eurolink S.C.p.A., Reggio Calabria Scilla S.C.p.A. and Salerno Reggio Calabria S.C.p.A. 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 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.

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:

1a) 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.

1b) 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 damages 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.

With its ruling no. 1338/2023 of 27 January 2023, the Rome Court declared Roma Capitale's lack of capacity to be sued, ordered Roma Metropolitane to pay Metro C the sum of €1.2 million plus interest from the individual deadlines to the payment date and rejected the other requests for compensation for damages proposed by Metro C against Roma Metropolitane. Both Metro C and Roma Metropolitane have appealed this ruling and the related hearing is underway.

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.

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 €56 million, mainly for alleged indirect damages. The first four arbitration hearings have ruled in favour of the joint venture, awarding it €6.4 million (Astaldi's share: €3.2 million). The fifth award was notified on 28 August 2023 rejecting the joint venture's claims about the unlawful termination of the contract. It found that both parties were responsible and the joint venture was not due any compensation for damages or additional costs incurred as a result of the termination. Therefore, the amount due for the customer's collection of the performance guarantees of PEN47.5 million (approximately €11.6 million) is to be returned to the Obrainsa Astaldi joint venture as part of the amounts involved in winding up the contract. Should the two parties not be able to come to an agreement, a new arbitration proceeding will be commenced.

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 Pudahuel 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 contractual joint venture comprising the Chilean branches of Astaldi and VINCI Construction Grands Projets (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 designs 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 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 at both first and second level.

Astaldi was notified by VCGP by registered letter received on 1 July 2021 that the latter has sued Astaldi's chairperson and CEO and Astaldi itself as the parties 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 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 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 have started.

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. The proceedings are underway.

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.

On 27 March 2023, VCGP requested and obtained the preventive attachment of all Webuild's French accounts with all its banks and especially BNP Paribas for Astaldi's alleged liabilities for the Santiago Airport. On 17 May 2023, it managed to have €7.8 million held in two accounts jointly with NGE frozen. Webuild immediately filed an appeal for the cancellation of these attachments. On 19 October 2023, the French judge confirmed the preventive attachments which decision Webuild has appealed.

ESO E-ELT (European Extremely Large Telescope) Observatory (Chile)

On 3 December 2018, Astaldi's joint venture partner Cimolai claimed Astaldi had defaulted on the commitments made under the deed of partnership and thus requested its investment in the joint venture be diluted to 0.01%. On 5 December 2018, Astaldi disputed Cimolai's claim as being ungrounded and unlawful. On 17 June 2019, Cimolai commenced arbitration proceedings, claiming damages of roughly €100 million. Astaldi deems all claims to be unfounded and has requested payment of damages of €6.5 million.

The arbitration tribunal decided that an expert was to be appointed to analyse certain technical and accounting issues with its order of 7 September 2020. In an attempt to amicably resolve the dispute, Cimolai and Astaldi asked the arbitration tribunal to suspend the proceedings. The arbitration tribunal granted the suspension.

Chacayes hydroelectric power plant (Chile)

In October 2008, Pacific Hydro Chacayes S.A. and Constructora Astaldi Cachapoal Ltda. signed an EPC contract for the design, procurement and construction of the Chacayes hydroelectric power 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 one of the structures of the hydroelectric plant collapsed (the emergency spillway) in February 2016 and, therefore, before Astaldi's composition with creditors procedure. 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. This application was rejected in June 2023 and the two companies challenged the decision before the Chilean Supreme Court while concurrently filing an unconstitutionality appeal with the Constitutional Court.

In November 2023, the parties signed an out-of-court agreement which provided that Pacific Hydro would receive approximately €9 million from the insurance companies, while the outstanding amount would be covered by participating financial instruments issued by Astaris and shares by Webuild as provided for in the composition with creditors procedures. As part of the settlement, Webuild acquired these financial instruments for a consideration of approximately €1.2 million. As a result, the appeals before the Supreme Court and the Constitutional Court were withdrawn.

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 €30 million be enforced. The contractor, Astaldi Sucursal 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 damages and lost profit and return of the enforced guarantees for a total of around €103 million. SCMA presented its counterclaim for €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 €150 million. Astaldi Sucursal Chile has appealed against the award to the competent Appeal Court (the Queja appeal).

In the meantime, in accordance with Chilean law, the enforcement procedure was initiated by SCMS before the arbitrator that issued the award and this proceeding is still underway.

On 1 August 2022, the Santiago Appeal Court deemed the limit of liability provided for in the contract to be applicable. This should reduce the amount to a maximum of UF2.3 billion (Chile's unit of account- Unidad de Fomento; at the current exchange rate, approximately €88 million).

Astaldi Sucursal Chile challenged this decision before the Appeal Court, which rejected the Queja appeal before the Supreme Court in mid September 2022. On 12 June 2023, the Supreme Court handed down its ruling rejecting the appeal, stating that the Appeal Court was responsible for possibly decreasing the original award and that it was up to the arbitration tribunal to establish the definitive amount of the ruling.

In the meantime, SCMS commenced a procedure in Delaware (US), Ontario and Quebec to have the award issued against Astaldi Sucursal Chile acknowledged and enforced against Webuild, as the assumed successor of Astaldi, now Astaris, as a result of the demerger. Webuild is organising its defence before these jurisdictions, asserting its non-involvement in the events.

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 claimed 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 challenged OHL's claims and 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.

On 23 October, the arbitration tribunal handed down its declaratory award, which established that ACC was in default as of 14 June 2019 and this constitutes a violation of the JV Agreement. ACC was solely ordered to pay OHL's legal cost, which it has already done.

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; €29 million) and collecting 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 (€19 million), net of the collected performance guarantees (€9.4 million). The customer also requested repayment of PLN8.1 million (including interest) (€1.8 million) it had paid to the subcontractors. Astaldi filed its defence brief on 2 December 2019 and the first level ruling is still pending.

Following the termination of the contract, Astaldi filed a claim before the Warsaw Court on 17 March 2020 for the non-payment of work performed and certified worth PLN17.6 million (€4 million). Subsequently, it filed an additional claim on 26 May 2020 requesting payment of a further PLN16.8 million (€3.9 million, of which €1.3 million for unpaid invoices and €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; €55 million) and collecting 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 (€34.4 million), net of the collected guarantees (€21.7 million). The customer also requested repayment of PLN66.8 million (€15 million, including interest) it had paid to the subcontractors.

Astaldi filed its defence brief on 2 December 2019 and the first level ruling is still pending. Following termination of the contract, Astaldi presented its claim to the Warsaw Court for non-payment of work performed and certified by the works manager of PLN37.9 million (€8.4 million). It subsequently filed a second claim on 26 May 2020 requesting payment of a further PLN135.3 million (€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 collecting the guarantees for a total of €24.1 million. The arbitration proceeding also includes the application for the return of the collected guarantees of €12 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 roughly €15 million. Astaldi gave its legal advisors a mandate to appeal the award before the Paris (France) arbitration tribunal and the proceeding is underway.

On 22 September 2023, the Milan Appeal Court accepted the Road Department's appeal as per article 839 of the Code of Civil Procedure and ruled that the ICC's award was enforceable in Italy. Astaris and Webuild filed their defence statements on 22 October 2023.

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. The judge still has to hand down their ruling on the indictments.

Country risk

Libya

Webuild 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 €64 million. Moreover, the Group's exposure for that project is not material. The Group is also involved in the Libyan Coastal Highway project (€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 2023, the subsidiary continued to liaise with its customers but production activities have not resumed.

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 notified to 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.

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

The new government elected in May 2023 after the presidential elections immediately doubled the price of petrol by abolishing the state subsidies, strongly devalued the Naira (90% in December) and removed the governor of the central bank (CBN). These measures and the lack of support for the population have led to unrest and dissatisfaction with the social parties unable to reach a definitive solution after general strikes, demonstrations and numerous meetings. This additional recessionary phase has triggered a rise in criminality and poverty, generating greater security risks in the country.

Given the price hikes caused by the above measures, the Group has prepared and is negotiating price variations and/or currency fluctuation clauses with its customers to adjust the contract considerations.

The Group is present in Nigeria via its subsidiaries Salini Nigeria Ltd. (eight contracts), PGH Ltd. and Rivigo JV (Nigeria) Ltd. (a joint venture with Rivers State for the Ogoni contract; Webuild Group: 70%). The projects are also affected by the customers' limited financial resources, which has led to delays in their completion.

Work is being carried out for the Inner Northern Expressway and the Inner Southern Expressway (main roads in the Abuja network) and the Adiyan water treatment plant in Lagos.

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

After two years of growth (11% and 5% in 2021 and 2022, respectively), bolstered by the post-Covid recovery, the Argentine economy contracted by 1.1% in 2023 according to the IMF's most recent forecasts. In addition to a series of external factors, such as the surge in commodity prices and the rise in interest rates introduced by the main central banks which aggravated the global financial scenario, the country has also faced challenges such as inflation at 211% in 2023, large public debt and the strong devaluation of its official currency. This situation was not helped by the great political uncertainty and the effects of the serious drought, which worsened at the start of 2023 reducing agricultural output which had a follow-on effect on growth and caused a drop in exports.

The new government which took office on 10 December 2023 introduced a number of urgent economic measures to deal with this complicated situation, including significant tax reforms.

The measures, welcomed by the IMF, include, inter alia, devaluing the country's currency, cutting public spending and reducing energy and transport subsidies in order to drastically drive down the deficit. Argentina has an extended credit facility of USD44 billion with the IFM, which has given the country access to almost all the agreed funding thanks to the measures introduced to restore its balance of payments and avoid a worsening in the crisis.

The IMF's outlook for Argentina is positive, supporting the government's policies to restabilise the economy. It believes that the effects of the fiscal consolidation measures, currently being introduced in the country, will be seen in 2025, when its GDP growth should return to positive territory at 5% after another negative growth rate of 2.8% in 2024.

Once it has implemented its policies, the country should experience a gradual disinflation process with a further upturn in production, demand and real wages. According to the IMF, this should allow inflation to return to 150% by the end of 2024 and to continue to decrease.

Exports are expected to recover, bolstered by the agricultural sector's relaunch, assisted by improved weather conditions, and investments in the energy sector which will lead to a reduction in gas imports. The peso's depreciation against the US dollar and a number of spending cuts should gradually allow Argentina to improve its inflation and debt levels.

The Group is currently carrying out the following projects in this country:

- Riachuelo Lot 2, funded by the World Bank, which includes the construction of a wastewater pre-treatment plant and is part of the government's mega project for the environmental restoration of the Matanza Riachuelo River Basin in the Buenos Aires Metropolitan Area;
- Aña-Cuá contract signed with Entidad Binacional Yacyretá (50% Argentina - 50% Paraguay) for civil works and part of the electromechanical works to extend the Yacyretá hydroelectric plant (Webuild Group: 55%).

These projects have continued despite the country’s difficult macroeconomic situation.

Directors' report-
Part III

2023 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** (93 million in 2022), providing better access to water, energy, mobility and public utility infrastructure, and avoid GHG emissions of **approximately 20.4 million tonnes of CO_2** a year (25 million in 2022).

Confirming its role as a key mover in the global climate transition, **63% of the Group's 2023 revenue, 72% of its OpEx and 57% of its CapEx** (81%[10], 61% and 71% in 2022) 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 **€10,009 million** in 2023 (€8,224 million in 2022), of which 95% distributed to suppliers, employees, investors and lenders, public administration and local communities.

Webuild has always been committed to making a significant contribution to the economies of the local areas where it works. It favours the use of local workers as much as possible, also offering **training and professional advancement** opportunities; in 2023, **local managers** accounted for **77%** of the total (unchanged from 2022). The Group also tends to work with suppliers based in the countries where its projects are located, with the majority of its purchases being made from **local suppliers** (**93%** in 2023, 94% in 2022). If the indirect and induced effects in the Group's main markets are also considered, Webuild contributed to the creation of **six jobs** for each direct employee, generating a GDP multiplier of 2.8 (i.e., **€2.8 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 2023 decreased by **4%** on the previous year, thanks to the actions taken to decarbonise the core business and works.

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 67% compared to the 2017 baseline (-50% target for 2025);
- the **Lost Time Injury Frequency Rate** (LTIFR) has improved again after meeting the target in 2022 (-41%) compared to the 2017 baseline (-40% target for 2022);
- the **percentage of women** identified for key roles in succession planning fully achieved the 25% target in 2023;
- additional investments in **innovative projects** approximated €27 million in 2023 which, added to the €29.8 million of the previous two years, give a total of around €57 million (for a target of €30 million by 2023).

The Group is 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 (AA), CDP Climate Change (A-), ISS-ESG (B- Prime) and Moody's ESG (ex Vigeo Eiris) (Advanced).

[10] The difference is mostly due to the fact that, based on a FAQ published in October 2023 by the European Commission, economic activity 6.15 is considered eligible for the climate change adaptation objective (which does not consider revenue) instead of the mitigation objective. More information is available in the "EU taxonomy for sustainable economic activities" paragraph of the "Climate change" section.

Our contribution to global challenges

Through our core business

63% EU taxonomy-eligible turnover

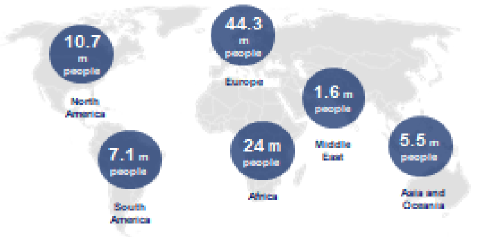
57% EU taxonomy-eligible CapEx

72% 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	Clean hydro energy	Clean water	Green buildings & others
51.9 m people served	23.4 m eq. people served	15.1 m people served	2.8 m people served

Advancing Sustainable Development Goals - SDGs

- 4,100+ additional hospital beds
- 8.6 m m^3 of water treated daily
- 14,000+ MW new renewable installed capacity
- 52% reduction in high-speed travelling times
- 3.3 m avoidable car journeys per day thanks to metro projects
- 20.4 m tCO_2 avoidable per year

Our ESG performance

We look after and develop our people

- Injury rates — Among the best in the world
- 41% — Personnel under 35
- 35% — Women at corporate level
- > 960,000 — Hours of training provided to direct and indirect personnel

We protect the environment

- -4% — GHG emissions Scope 1&2
- 68% — Reused excavation materials
- 56% — Low-carbon steel used
- 79% — Materials purchased within a 160 km radius of work sites

We sustain local economies

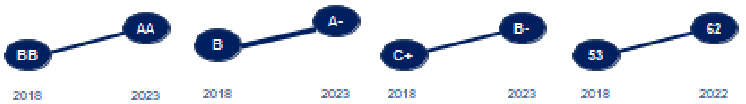
- 72% — Local personnel hired
- 93% — Local purchases
- 6x — Total jobs created for each direct employee*
- €2.8x — GDP generated for each euro of added value*

We guarantee the highest governance standards

- 40% — Women in BoD
- ESG Target — Included in LTI remuneration plan
- Robust — Ethics and compliance system
- €165m — Investments in innovation 2019-2023

Main ESG ratings

MSCI ESG	CDP Climate	ISS ESG	Moody's ESG
AA rating	A- rating	Prime rating	Advanced rating



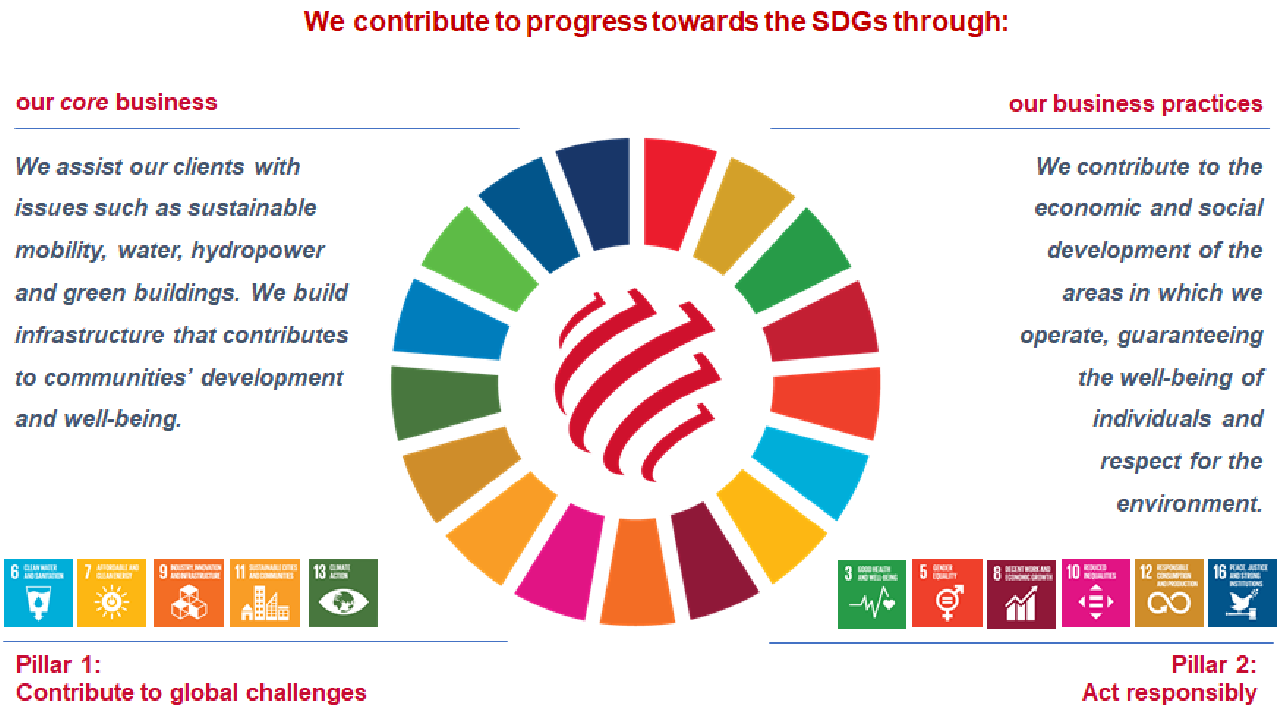
Indicators and rewards

- Europe Climate Leaders 2023 — FT Financial Times, statista
- Italian Sustainability Leaders 2023 — Il Sole 24 Ore, statista
- 2024 More climate-conscious Company — 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[11] 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 SDGs 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 2023 will generate benefits for over 93 million people around the world (like in 2022) and avoid GHG emissions of roughly 20.4 million tonnes[12] per year (25 million tonnes in 2022). In geographical terms, the largest benefits were seen in Europe in 2023 (44.3 million people compared to 40.5 million in 2022) while the Sustainability Mobility area saw the most growth (51.9 million beneficiaries compared to 46.5 million in 2022). These figures confirm the Group's pivotal role as a major contributor to the sustainable mobility sector's growth in Italy and Europe.

[11] Additional information is available in the "Webuild Group" section of the Directors' report.
[12] 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

Webuild's sustainability strategy is set out in its ESG Plan, defined on the basis of the materiality assessment in line with the Strategic Plan. It has three specific short and medium to long-term objectives:

- Accelerate climate transition by developing innovative solutions to improve the environmental sustainability of the Group's projects and operations
- Be the sector benchmark for health and safety, expertise, diversity and inclusion
- Contribute to improving the sector's efficiency, leveraging innovation and digitalisation.

In 2021, based on the above objectives, Webuild drew up its first ESG Plan for the 2021-2023 three-year period focusing on three sustainability "construction sites": Green builders, Safe & inclusive builders and Innovative & smart builders. The plan ended in 2023 with full satisfaction of the objectives, consolidating the Group's sustainability credentials.

The above results representing the completion of the ESG Plan compared to the targets are summarised below.

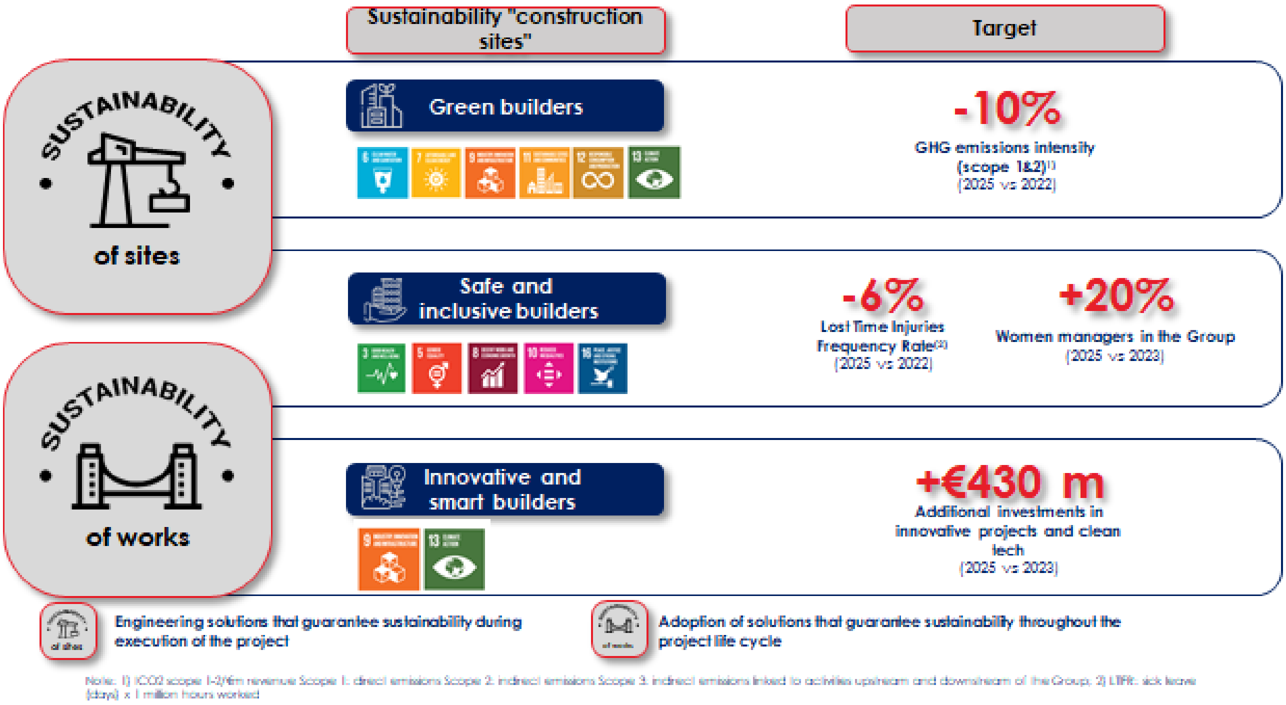
Topics	GHG emissions intensity (scope 1&2)	LTIFR	Women identified for key roles in the succession planning[13]	Investments in innovative, high impact projects
	2025 vs 2017	2022 vs 2017	2023	2023 vs 2020
Target	-50%	-40%	25%	+€30 m
Results	-67%	-41%	25%	+€57 m

After meeting its targets in full, Webuild defined a new ESP Plan in early 2024 to step up its commitment and satisfy its stakeholders' increasing needs and the global challenges in an increasingly tangible manner.

The Company has once again prioritised combating climate change and promotion of the circular economy, the protection and enhancement of its people and continuous improvement leveraging innovation and digitalisation, focusing in particular on investments in clean technology.

[13] Successors identified for key/strategic roles within the Group at head office and in the field to guarantee business continuity

The new targets are shown below by sustainability "construction site":



Material non-financial topics

Webuild defines and regularly revises a list of material topics in line with the methodology proposed by the GRI Universal Standards 2021 based on the impact assessment approach. The assessment provides for the initial identification of the main impacts (positive and negative, current and potential) generated by the Company on the economy, the environment and people, including the impact on their human rights. It subsequently identifies material topics through the assessment, prioritisation and grouping of the mapped impacts.[14]

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.

[14] More information is provided in the "Materiality assessment" paragraph of the "Methodology for reporting non-financial information" section.

Social

A. Occupational health and safety
B. Human rights
C. Diversity and inclusion
D. Attraction, management and development of employees
E. Contribution to local economies
F. Supply chain
G. Stakeholder engagement

Environment

H. Climate change
I. Natural resources and circular economy
J. Biodiversity

Governance

K. Ethics and integrity
L. Excellence and innovation
M. Anti-corruption
N. Cyber security
O. Finance for sustainable growth

The analysis showed that the impacts related to the topics of "Occupational health and safety", "Diversity and inclusion", "Supply chain" and "Excellence and innovation" were allocated greater 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" and "Supply chain"	"Supply chain"
Combating 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 2023, the Company's Board of Directors had 15 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 for the parts related to 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.

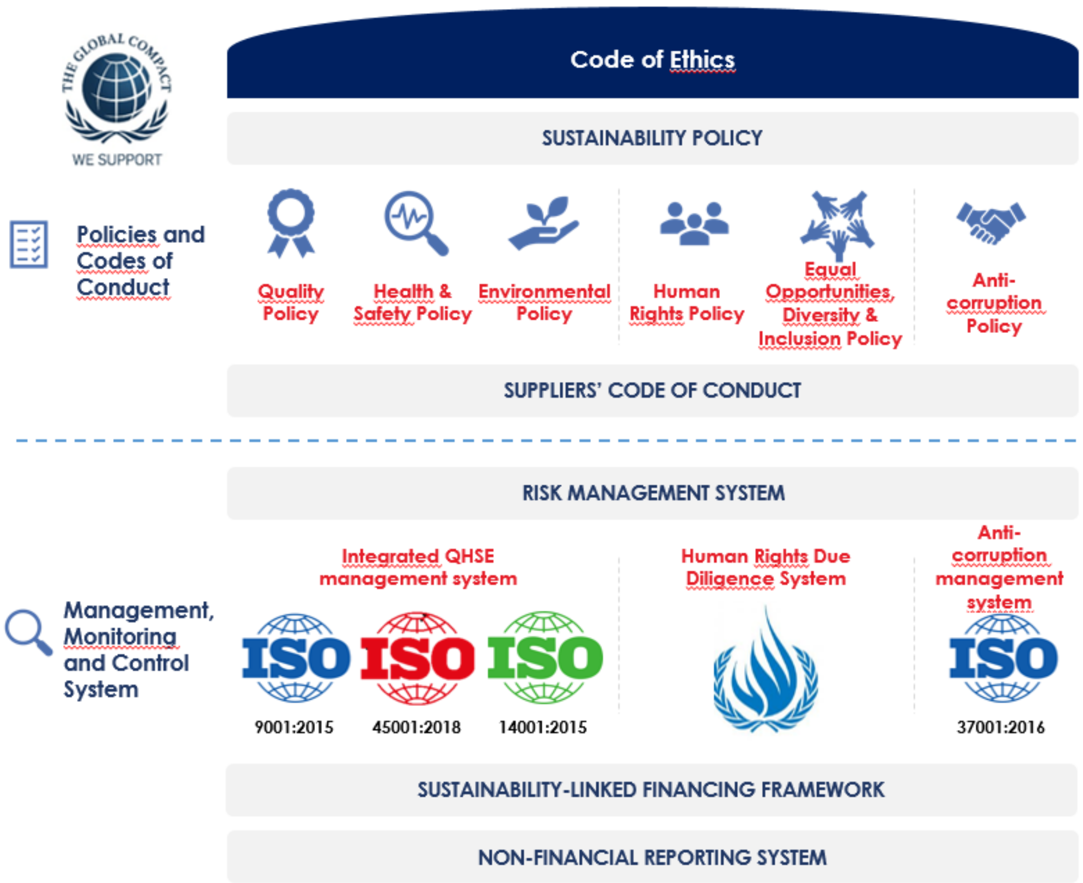
In line with the Group's traditions, the pillars reiterate and reinforce its commitment to sustainable development and its intention to return part of the value generated to society to make a positive contribution to the communities and local areas where it operates.

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 supervise 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 during their daily activities.

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; it sets out the workers' right to intervene when necessary its objective of "zero injuries".

Environmental 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, fair and favourable working conditions and the protection of the human rights of stakeholders affected by its activities.

Equal Opportunities, Diversity & Inclusion Policy: the principles that the Company is committed to complying with to encourage an inclusive work environment that cultivates each individual's potential, developing the Company's 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 Fillea-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.

The Company refreshed its Sustainability Policy at the end of 2023 to give greater emphasis to the identification, mitigation and control of ESG risks and its commitment to combating climate change.

Management, monitoring and control systems

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 and that can be mapped and documented;
- that the allocation and exercise of powers as part of a decision-making process are 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 QEHS 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 ISO 9001 certification also covers the production of prefabricated structures (IAF 16).

Moreover, the quality management system 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 QEHS management system is installed at the Italian head offices (corporate), direct projects, subsidiaries' projects, and projects of joint operations where the Group manages the operating activities or has specific agreements with its partners. Where health and safety management is the responsibility of its partners in joint ventures, compliance with the requirements of ISO 9001, ISO 14001 and ISO 45001 is nonetheless guaranteed. While Lane Construction Corporation, Clough, Webuild Innovations, Cossi, Fisia Italimpianti and Seli Overseas have independent certifications which comply with the applicable ISO standards, they also comply with the Company's procedures and guidance.

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**, confirmed 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[15], UNI/PdR 125 gender equality certification, a road traffic safety management system certified in accordance with ISO 39001 and are being assessed for ISO 30415 diversity and inclusion certification.

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

[15] At the end of 2023, Webuild Italia S.p.A., Cossi S.p.A. and NBI S.p.A. were SA8000 certified.

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 coordinated and align with 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. Reports 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 system complies with Law no. 179/2017, Legislative decree no. 24/2023, Confindustria's (General Confederation of Italian Industry) guidelines for the set-up of organisational, management and control models (2021) and ANAC's (Italian National Anti-corruption Authority) guidelines (2023).

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 climate transition globally.

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 sets 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 the 2017 baseline.

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;

- ongoing 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:

<u>Preventative Analysis</u>

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 disposal 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.

<u>Physical security and employee safety</u>

Physical security activities include:

- Travel security which, depending on the security risk level, may consist of:
    - information about the risks in the geographical area they will be travelling to using resources from open sources or restricted-access sources accessible by the relevant employees;
    - training about the behaviour to be adopted in riskier areas to minimise the exposure to security risks;
    - implementing physical security measures to contain security risks triggered by employees' presence in non-permissive environments.
- Physical security of assets: activities to protect the Group's assets designed to prevent, minimise, manage and overcome the consequences of illicit and violent acts directed against the Group's people and tangible assets:
    - the direct or indirect deployment of qualified personnel;
    - document management system.

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

The security personnel may be employees and/or personnel supplied by private companies, who are usually unarmed and/or by personnel supplied by the army or local police departments through 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 supplied by 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 supplied by private companies act in accordance with operating procedures approved by Webuild's security units and/or those of their companies, 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 & 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 handling any resulting 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 info-sharing 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 & Digital Systems 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 or 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 GDPR 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 response to the Group's continuous growth, both in its order backlog and new acquisitions, the corporate departments underwent an organisational overhaul during 2023, resulting in greater oversight of those subsidiaries requiring consistent coordination and support (methodological and operational) from head office. The extension of the Group's organisational protocols for governance, process and application tools to subsidiaries picked up pace during the year and Webuild also launched initiatives to facilitate the subsidiaries' adoption of such protocols. Specifically, it:

- launched a review of Lane's corporate and work site organisational models to more closely align roles, responsibilities and governance with the Group's model and encouraged full compliance with its procedures;
- introduced an integrated organisational model for the Australian subsidiary Clough, which included the set-up of a local unit to oversee procedural compliance;
- aligned the organisational, procedural, governance structures and application tools of the subsidiaries Cossi, Fisia, Seli, CSC and NBI on the basis of the 2022 gap analysis. The alignment was carried out according to an agenda, which considered the different priorities of the subsidiaries and was determined based on the Group's business plan and in close collaboration with the Corporate Development Unit and the units coordinating the subsidiaries set up in 2023 (Subsidiaries Business Coordination, Risk Methodologies and Subsidiaries, Commercial Coordination Domestic Market and Subsidiaries).

The main organisational reshuffles at the Company's headquarters were as follows:

- a new Corporate Development Department reporting to the General Manager Corporate and Finance - Group CFO. This department liaises with the competent departments (Operations, AFC, Contract, Commercial, Bidding, Engineering, HR, Supply Chain, etc.) to make the Company's matrix organisational structure more effective and efficient. It will supervise implementation of the corporate processes by the subsidiaries and concession operators and will also be in charge of M&A transactions;
- a new Design Quantities Management Unit reporting to the Engineering Unit, to introduce and manage a quantity identification and monitoring model to ensure quantities are initially determined correctly when the bid is prepared and their monitoring over the executive design stages;
- reorganisation of the Group HR, Organisation and Systems Department, and specifically:
    - the Health and Organisation Units transferred under the umbrella of the Human Resources and Organisation Department in order to pursue synergies in the HR Management, Industrial Relations and Organisation area, streamline the Group's organisational development and monitor occupational health matters (head office and work sites);
    - a new Learning and Development Unit to oversee one of the Group's strategic areas (training and development of technical expertise) in response to the scarcity of resources and skills available on the labour market and to develop the expertise needed for the Group's future growth;

- a new Financial Relationships Development Unit reporting directly to the CFO, which will work closely and liaise with the Finance Department to maximise the procurement of financial resources through the development and consolidation of relationships with banks and institutions at national and international level;
- a new unit reporting directly to the CEO, to monitor the Group's real estate and urban regeneration projects;
- the expansion of the Controlling and Accounting Department to include an International Operations and Risk Controlling role, a new organisational layer to strengthen coordination and supervision of the Operations & Risk Control Area;
- a new Subsidiaries Business Coordination Unit reporting to the Corporate Development Department, to assist the subsidiaries adopt the operating tools and models necessary to implement their business plans in line with the Group's strategies and to ensure procedural compliance with group standards;
- reorganisation of the Group Commercial Department to incorporate a new Commercial Coordination Domestic Market and Subsidiaries position. The role involves liaising with the relevant units at corporate and the subsidiaries to coordinate the Group's commercial activities in Italy with a view to achieving its order, backlog and turnover objectives;
- a new Risk Methodologies and Subsidiaries Unit reporting to the Risk Management Department to develop the Group's risk management methods, align controls and promote and implement such methods at all the subsidiaries;
- succession plans and optimisation projects were also put in place for the following group structures:
    - *Global Operations General Manager*
    - *Total Rewards and Mobility Policies*
    - *Plant and Equipment*
    - *Procurement*
    - *Safety, Environment and Quality*
    - *Budgeting and Planning*
    - *Corporate Identity, Communication and Institutional Affairs*
    - *Security.*

Continuous communication and transparency with all stakeholders

Full transparency was a hallmark of the Group's engagement with its Italian and foreign internal and external stakeholders in 2023, with a continuous flow of information to an increasingly niche audience during this time of surging infrastructure investments.

The Group's acquisition of the Perth-based Australian construction company, Clough, presented new communication challenges, requiring the Group to step up its engagement with stakeholders in that continent.

In 2023, the Group conceived and launched more than 20 strategic communication plans, published more than 170 press releases/notes, produced over 340 videos and podcasts and 380 infographics to provide transparency about its business and to present and explain complicated technical information. Senior management also participated in 45 events/meetings with major stakeholders during the year.

Webuild decided to again use art to promote an understanding of the Group's sector and activities, organising two large exhibitions ("Costruire il Futuro" held in the Triennale di Milano and "Roma Silenziosa Bellezza" held in the VIVE, Vittoriano e Palazzo Venezia). It also showcased a preview of its immersive multi-media Leonardo da Vinci exhibit at THE LUME in Melbourne (opening in March 2024).

One of the Company's key objectives is to provide user-friendly information in real time about the key milestones of its projects underway and completed. In 2023, dedicated communication plans shone a light on the laying of the first stone of the Genoa Breakwater and the commencement of work at Venezia Station on Line C of the

Rome Metro and completion of Eni's iconic new headquarters, the opening of the San Babila and Tricolore Stations on the M4 Line of the Milan Metro and the Braila Bridge in Romania were similarly showcased.

To broaden and diversify the reader base, the Group has bolstered the output of its We Build Value newsletter, whose reach has extended significantly in 2023 in Italy, the US and Australia, all countries of great strategic interest.

Delivery capacity, innovation, employment, training and young talents are some of the fundamental issues underpinning the Group's journey in 2023. It held the second edition of the Alberto Giovannini Award (dedicated to the economist who passed in 2019 and who was a former chairman of the Group) and it launched its new Cantiere Lavoro Italia project to train and bring up the new generation of tomorrow's builders. Webuild also signed two protocols covering training and employment with the Sicily and Calabria Regions, and launched a communication campaign targeting young talents and unemployed people.

The Group's innovation activities included the opening of the first robotic factory, Roboplant, in Belpasso, Catania. This environmentally-friendly and safe factory will produce tunnel segments for the railway lines under construction in Sicily.

Innovation and transparency are also hallmarks of Webuild's work sites in Italy, where the "Cantieri Trasparenti" digital communication project rolled out in 2022 continues to attract growing interest. The **www.cantieritrasparenti.com** platform has 36 active webcams (20 in 2022) streaming the construction of large Webuild infrastructure projects and includes two new sites added in 2023: the Piazza Venezia site for the new Metro C in Rome and Lot 2 of the new high-capacity Messina- Catania line.

Webuild communicates constantly with its stakeholders on digital media, which includes nine sites and five social media channels for a total of 9.2 million interactions in 2023.

With respect to digital research and development, the Group completely overhauled all its websites in 2023 launching a new portal **www.webuildgroup.com**, an innovative platform designed to provide increasingly transparent and accessible information with more than 5,000 pages. The portal confirmed its role as one of the Group's main ambassadors with a 36% increase in visits compared to 2022 and an average time spent on the website of more than three minutes.

The Group's online brand presence is strengthened by its five social media channels. Thanks to its continuous output and an extensive communications plan with 3,000 posts a year and an average of eight posts a day seven days a week, these digital touchpoints collected 47 million impressions with an engagement rate of above 15%.

Webuild also focused on its strategic plan and internal communication activities in 2023. This included strengthening the Group's identity in response to its fast-paced growth to create a shared culture among all its people at the headquarters, subsidiaries and work sites. The three main concepts underpinning this strategy during the year were: proximity and inclusion, facilitating access to work tools and to communication tools in order to bridge distances; consistency and reach in initiatives, to ensure alignment on business objectives and the changes underway; and engagement and listening to encourage and respond to feedback.

During the year, the Company launched its new intranet, webe, which was the result of a co-design project to create a digital workplace involving around 4,000 people from throughout the Group through focus groups, online surveys and test sessions. The new digital hub saw a 380% increase in users compared to 2019: a considerable jump in technological terms with respect to its functionalities and communication strategy. Webuild plans to steadily extend access to the platform in Italy and abroad.

Research and innovation activities involving digital technologies for internal communication purposes led to the development of the Webuilders app for the Group's employees. This app was launched at some Italian websites and the headquarters at the end of 2022.

The Group extended and diversified the Brand Advocacy project, which involves employees as ambassadors to promote the Group's activities in the countries most important to it. The platform was expanded in 2023 to include Instagram, which joins LinkedIn and Facebook, and a dedicated app was developed for the ambassadors. Webuild also launched the Webuilders project as part of its drive to co-create content with employees on its digital platforms as well. For the first time, the ambassadors have become content creators (photos, videos and stories) that are shared on Webuild's official profiles.

Webuild actively promoted its internal Safety, Environment, Health and Inclusion & Diversity communication campaigns during the year, linking its activities to the World Days dedicated to these topics to organise initiatives that directly involve its employees and meetings at all its work sites and offices.

An internal communication campaign was carried out at all the Italian work sites to support Webuild's recruiting plan through recommendations from its personnel and dedicated campaigns to promote development, training and mentoring initiatives.

Innovation, research and development

Strategic for the Group's sustainable growth and competitive edge

€165m
Investments in innovation 2019-2023

≈480
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 designed thanks to 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 corporate level.

At project level, in addition to researching new 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. Webuild's technical teams partner with the best experts and professionals in the market, universities and research centres right from day one to develop tailored solutions able to meet clients' requirements while protecting the local environment and communities.

In 2023, the Group opened its first Innovation Centre aimed at promoting innovation for both its work sites and external stakeholders. This new centre will deploy disruptive technologies to design and develop an array of complex solutions, also from a sustainability and safety viewpoint, with the objective of improving the Group's construction products and processes and narrowing the technological gap that has traditionally affected the construction sector.

The innovation Centre will also allow the Group to teach and foster new expertise, generating greater employment and enhancing territorial resources by creating virtuous collaboration mechanisms both with the academic world and with research organisations and local counterparts. This shared physical and digital centre will cultivate innovation, and develop and optimise methodologies and technologies for the construction sector.

During the 2019-2023 five-year period, the Company invested on average around €33 million in innovation, research and development projects for a grand total of over €165 million. These projects have involved an average of around 480 group specialised resources[16] each year.

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 study and development of a system to collect, integrate and manage large quantities of data about contracts in order to process and structure 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.

Webuild wrapped up the first pilot application of the Robotic Process Automation (RPA) technology to automate, standardise and streamline certain repetitive work site activities that require a high level of manual dexterity. The success of this pilot paved the way for a specific project to be carried out at the Innovation Centre.

New research projects launched in 2023 included:

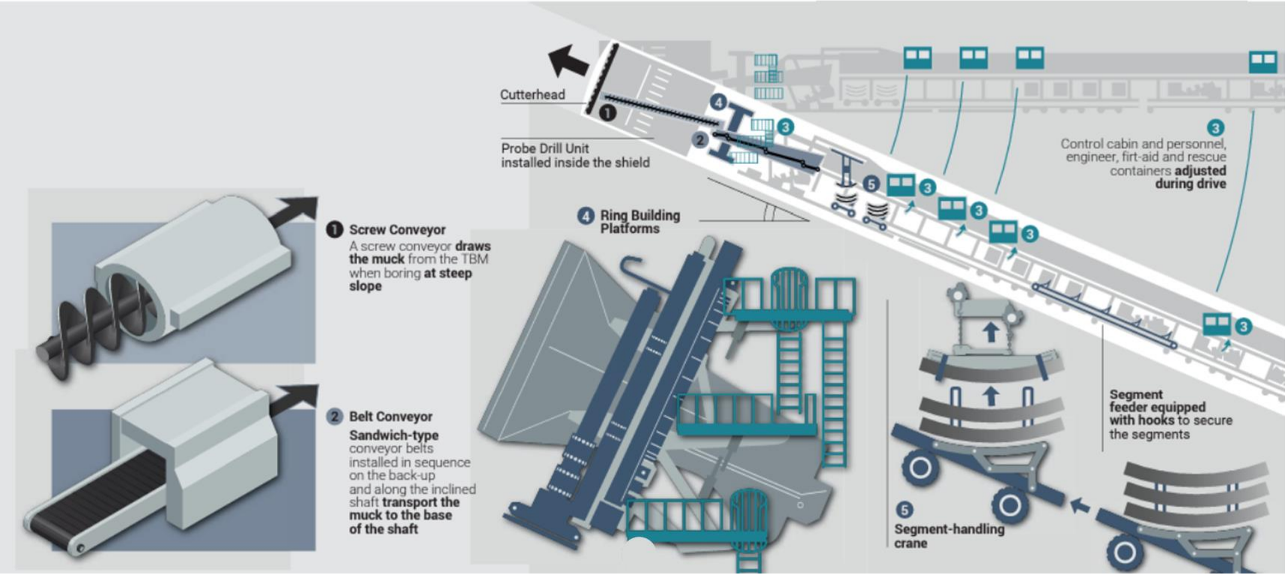
- a study into *new procedures for the seismic analysis of elevated viaduct structures*, to assess the overestimations resulting from the existing methodology and identify an analysis procedure more accurate than the current one but still compatible with the timeframes available for the development of the definitive and executive designs;
- the *definition of innovative criteria for the optimised design of pile foundations* includes the formulation of new mathematical models that take into account the complex actual load conditions the infrastructure is subject to, which are also calibrated using numerical analyses of the finite elements. Validation will be carried out using data available in the literature referring to real scale elements and also through experimentation on a physical model.

Construction techniques

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

[16] Personnel involved in long-term projects are included for each year of the project. The figures for 2023 include Lane's figures based on conservative estimates considering the information available that could be verified at the date of preparation of this Statement.

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 metres 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 TBM (Tunnel Boring Machines) sector. The TBM can operate both in an open mode and closed mode as well if there is naturally occurring asbestos material. In line with previous years, Webuild continued its studies and practical application of these new technologies in 2023.

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.

Materials

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

With respect to the reuse of excavation materials, the WeCycle research project studied the microstructural, physical and mechanical characteristics of conditioned soils coming from the face of tunnels excavated with TBMs on an experimental basis in 2023. This project was conceived to explore the feasibility of reusing earth and rocks excavated by TBMs as part of a circular economy.

From a circular economy viewpoint, the objective is to integrate the 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 introduced a water treatment technology to break down surfactants in wastewater. The development phase has been completed and it will shortly be trialled at the Forch work site on the Fortezza- Ponte Gardena line.

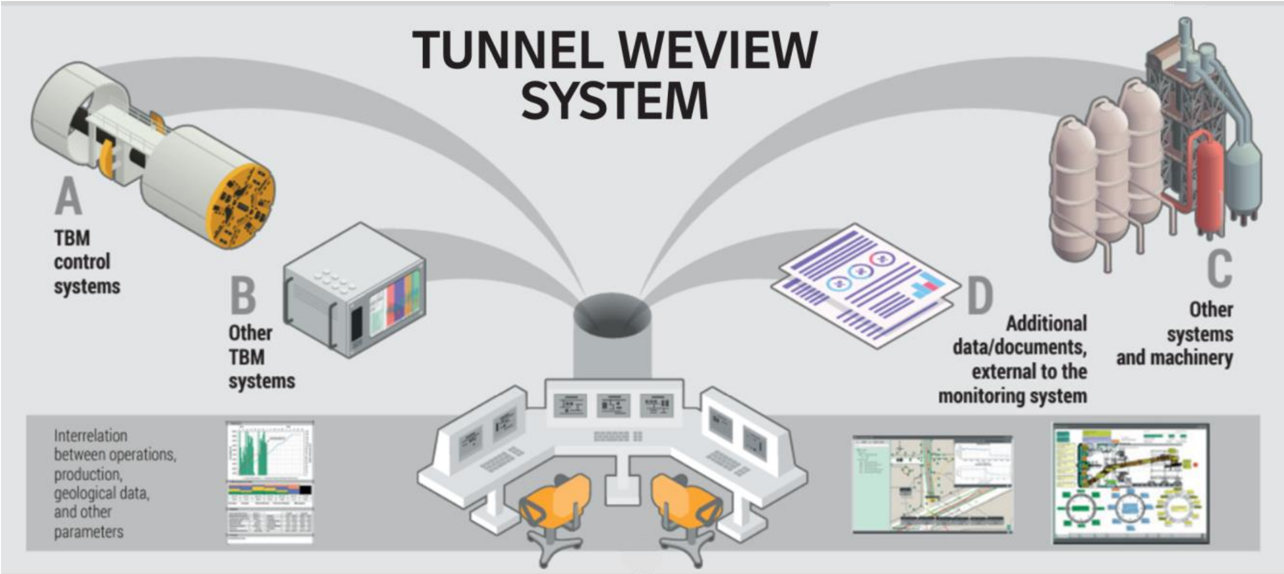
The Group also invested in the study of innovative materials. It developed numerous solutions including the development of an innovative aerated two-component grout with the aim of creating a drainage cushion in the annular space around the prefabricated tunnel section lining, to decrease the pressure on the lining where there is significant water head. Laboratory tests were performed on the solution to check its feasibility and actual effectiveness for its intended use.

In addition to the above projects, the Group developed an ingenious test method to explore the explosive spalling of the fibre-reinforced tunnel sections in the close-in explosions test using the confined slab spalling test. After completion of the design and development of this technology, in 2023, six confined slab spalling tests were performed for the Fortezza- Ponte Gardena project, confirming the validity of the design which meets the fire resistance design requirements.

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 succinct results available in real time. Digital innovation is essential to Webuild's competitive edge. The main initiatives undertaken are:

- development of a FIELD platform for the 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 using their mobile devices (tablets, smartphones). This solution ensures a better trail, established inputs, and eliminates the need for transcription thereby simplifying the validation process. It improves the quality, granularity and frequency of information collected from the field and simplifies and optimises the data collection and aggregation 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 2023, the Group activated WeView at the Snowy 2.0, Paris and Apice Hirpinia work sites. It also started to develop a Corporate Tunnel WeView system to extend the platform to a combined solution that connects with the individual company servers for Italian projects;

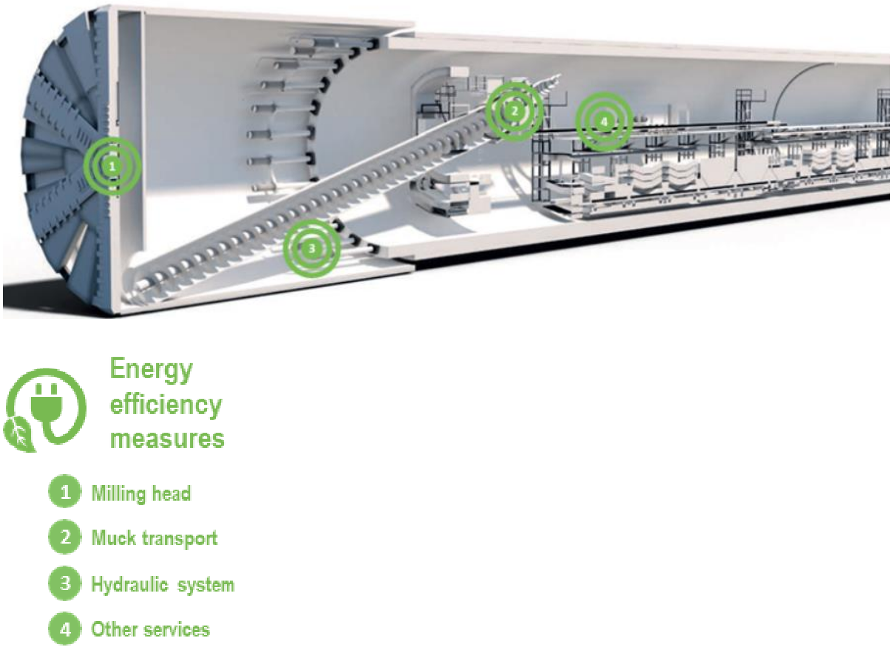


- development of SMILE (TBM & Conveyors AI Maintenance Software), a solution that harnesses all the most recent developments of the digital world (IoT, digital twins, big data, machine learning) to provide a practical and simple solution to schedule daily and extraordinary maintenance, thus drastically reducing the breakdowns that interrupt the TBMs' production process and the tunnel conveyor belt. The study, which began in 2023, includes a preliminary design identifying the main steps for its roll-out;
- knowledge management ecosystem to encourage a new approach to processes and activities to increase productivity, operating efficiency, sustainability, flexibility and traceability. In 2023, the Group continued to develop the platform, which was trialled at selected pilot work sites. The communities continued their work and a new internal community was developed and set up to support a training programme;
- 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 resolves certain limitations inherent in the existing solutions, such as insufficient integration of the data and management aspects or the impossibility to map the entire supply cycle. It also reflects the specific needs of the construction market and Webuild in particular. In 2023, implementation of the platform for Webuild's procurement process was completed;
- 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 data 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. In 2023, development of the system continued as planned to maximize the platform's functionalities.

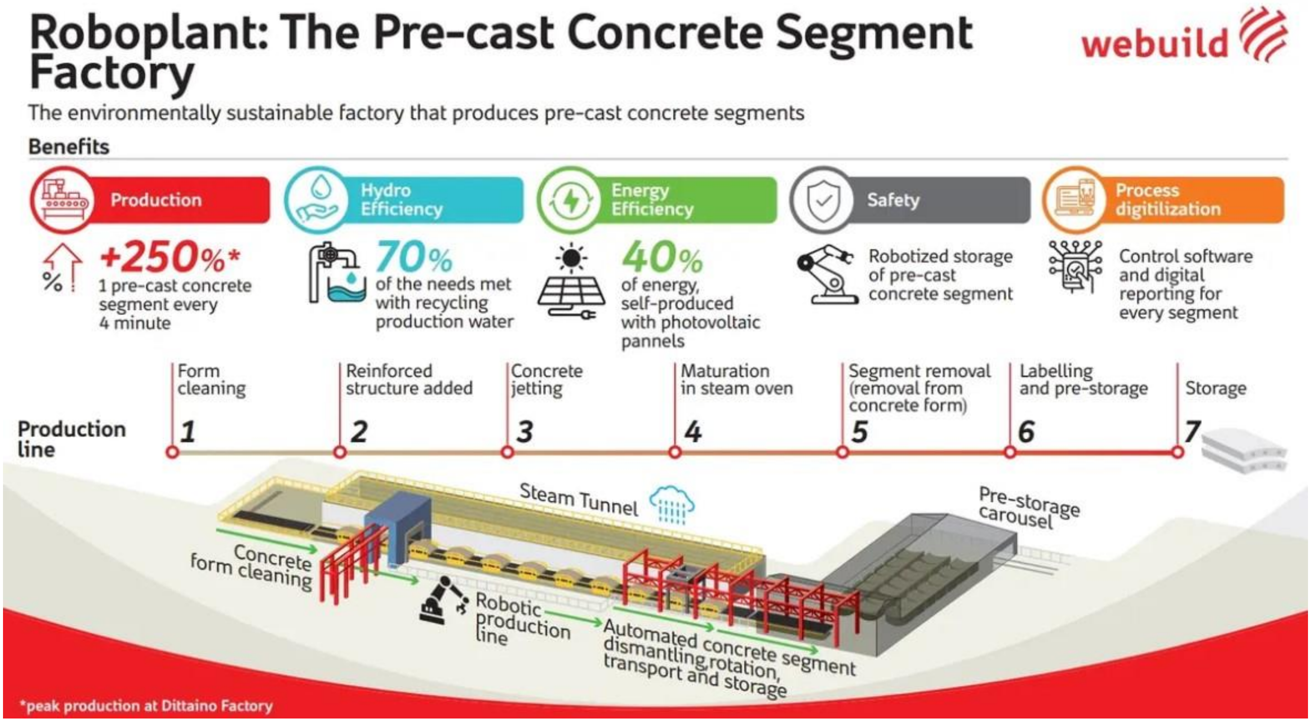
Safety, quality and the environment

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. 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; Based on the initial simulations, an environmentally-friendly TBM consumes around 20% less energy per cubic metre of tunnel bored compared to a traditional TBM. In 2023, the first three Green TBMs were delivered to the Messina- Catania and Naples- Bari railway line work sites;



- 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) is ready for deployment at all the Group's projects after its successful testing at a pilot site;
- 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 nearly entirely self-sufficient in terms of its water and energy requirements. In 2023, the first automated environmentally-friendly factory was inaugurated in Catania and the design of a second automated environmentally-friendly factory with 75% more operating capacity is underway;



- environmentally-friendly electrical transformer cabins built using a combination of low environmental impact technologies and materials. In 2023, the analysis was concluded with a positive outcome and Webuild began to gather the documentation required for the EDP (Environmental Product Declaration) certification from its suppliers;
- 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;
- installation of systems which use cameras, sensors and/or AI to improve the management of movement interference risks between machinery, and machinery and workers, on board TBMs and in the pre-cast plants, raising safety standards and reducing the probability of accidents.
- installation of smart tunnel lighting systems to provide a diversified visual indication depending on different safety levels within a tunnel area. The systems are controlled by a PLC system that also connects to multiple environmental monitoring sensors, such as air quality and temperature in the tunnel.

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

Webuild invested additional resources of more than €57 million in the 2021-2023 three-year period to roll out high impact innovative technological and digital projects within its business processes to make them more efficient and sustainable, well in excess of the target set in its 2021-2023 ESG Plan (over €30 million).

Human resources

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

Injury rates	41%
one of the best in the sector	employees under 35
35% women	> 960 thousand hours
at the head office	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:

- ensure 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 cultivate 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 to 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 2023, the Group's workforce was as follows:

Direct workforce by category (GRI 2-7)	Unit	2021	2022	2023	% 2023
Managers	no.	477	463	487	1.3%
White collars	no.	8,518	9,830	11,571	30.4%
Blue collars	no.	21,803	25,701	25,937	68.3%
Total	No.	30,798	35,994	37,995	100%

Direct workforce by geographical region (GRI 2-7)	Unit	2021	2022	2023	% 2023
Italy	no.	3,554	4,075	5,276	14%
Africa	no.	11,340	11,679	10,594	28%
Europe (excluding Italy)	no.	2,322	2,305	2,401	6%
Americas	no.	8,084	7,657	6,565	17%
Asia and Oceania	no.	5,498	10,278	13,159	35%
Abroad	no.	27,244	31,919	32,719	86%
Total	**no.**	**30,798**	**35,994**	**37,995**	**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 permanent and temporary employment contracts is 81% and 19%, 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 2023 numbered 79,499.

Direct and indirect workforce by geographical region (GRI 2-7 and 2-8)	Unit	2021	2022	2023	% 2023
Italy	no.	15,779	16,040	16,654	21%
Africa	no.	12,440	12,716	12,105	15%
Europe (excluding Italy)	no.	9,427	5,654	4,841	6%
Americas	no.	25,356	22,422	18,049	23%
Asia and Oceania	no.	11,103	18,682	27,850	35%
Abroad	no.	58,326	59,474	62,845	79%
Total	**no.**	**74,105**	**75,514**	**79,499**	**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[17]. Considering the workforce engaged in the Group's projects, the total at 31 December 2023 is over 87 thousand direct and indirect resources.

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 2023, the Group hired 8,919 resources, including 2,948 under 30 years of age. Outgoing employees numbered 6,682, and this figure includes the transfers of resources among group sites. The greatest number of incoming resources was seen in the Middle East (mainly Saudi Arabia) and the Americas, while most departures were seen in the Americas and Asia for the main ongoing or newly acquired projects.

Attraction, selection and development

In 2023, Webuild further extended its programmes and initiatives to attract, recruit and develop talents and other employees the Company needs to rise to its business challenges. The aim is to create jobs and foster professional growth in the infrastructure sector, train up the future generations and prepare the builders of tomorrow.

Employer Branding

After the restrictions imposed to deal with the Covid-19 emergency in previous years, 2023 marked the definitive return to in-person working arrangements. Webuild's approach to this "new normal" was to maintain the use of digital tools, which have forever revolutionised day-to-day life for new generations, while also returning to in-person participation at events to engage directly with young talents. To this end, it organised more than 30 events of various kinds during the year, ranging from company testimonials, seminars held by Webuild managers, career orientation meetings, career days and recruitment days, representing a valuable opportunity to engage with the younger generations.

The up-and-coming generations are a fundamental resource to the Group, which renewed and extended its commitment with innovative and engaging initiatives that gave young people the opportunity to get to know the Group and take part in demanding educational challenges organised by Webuild with the main universities.

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.

[17] 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 equity-accounted investees; and (iii) none of the employees are included in the calculation for other companies.

Main initiatives of 2022 and 2023

Italy
In 2023, UniWeLab, the research lab set up by Webuild and Genoa University in 2021, organised a hackathon for undergraduates to brainstorm innovative ideas on how to leverage digital, robotic and automated solutions to streamline the tracking of progress on site and how dangerous work is performed. The winning team proposed a digital ecosystem able to integrate different levels of technology in the work sites. The second edition of the Alberto Giovannini Award, set up in memory of the Group's former chairperson following his untimely passing in 2019, ended in May 2023. Its aim is to make a concrete contribution to the professional growth of young people and to reward innovation. The winners of this edition were awarded an internship within the Group. The PhD bursary for research and innovation in the sector was assigned to the Salerno University.
United States
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. It participated for the very first time in the National Association of Women in Construction (NAWIC), for the first time after years in the National Society of Black Engineers (NSBE) and for the third consecutive year, in the Society for Women Engineers (SWE) conference. 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. Most of the events were held in person. During the year, the group company launched its Field Engineers graduate onboarding programme. The group who joined in June met in Florida to participate in the 20-hour induction programme. Lane's team has also trialled a programme to provide high school students with internships. It has achieved its objective of increasing brand awareness at an earlier stage to stimulate students' interest in the construction industry and help solve the skill shortage in the US.
Australia
In 2023, the Group continued to partner with the University of Technology (UTS) in Sydney, sponsoring the "Webuild Tomorrow's Builders 2022" and "Women in Engineering and IT" scholarships. The latter programme promotes female engineers' academic and professional training. Webuild also continued its collaboration with the University of Melbourne and funded a scholarship for a female engineering student in the state of Victoria ("Webuild Women into Engineering Pathway Scholarship"). During the year, the recipients of the scholarships for First Nations engineering students started their courses at the University of Queensland. This project speaks to the importance to the Group of developing the young talent in the areas where it operates. In addition to the scholarships and partnerships with the above-mentioned universities, the Australian team is promoting STEM (science, technology, engineering and mathematics) initiatives to develop the key skills essential for the construction industry. These initiatives, targeted at high school students with an additional focus on diversity, equality & inclusion issues, included Open Days, events with the partners of Clough Foundation, such as Stars Academy and Clontarf Academy, the Girls Engineering Tomorrow Program (GET) with Curtin University and the "It Takes a Spark EDU 2023" project. The aim of the latter project is to connect primary school children (4-10 years) and their teachers with industry leaders and educators using a real co-learning and hands-on model.

During the year, the Universum classification of the "Most Attractive Employers Italy 2023" 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.

This prestigious accolade bolsters 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 high school students. Webuild has launched its Build Up project, the PCTO (Pathway for Transversal Skills and Orientation), for students at technical high schools to present the Group, illustrate the career paths in Webuild and incentivise them to work in its work sites once they have finished high school. Roughly 1,000 students will participate in this project in the 2023-2024 academic year in Italy.

Selection and acquisition

The employee selection and acquisition activities are regulated by a defined, standardised procedure (described in the Recruiting procedure section) at corporate level and for the Group's 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) in compliance with the principles of diversity for all positions.

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. In 2023, Webuild started its roll-out of a new dedicated tool for training and hiring opportunities in Italy in order to address the exponential need for workers in the infrastructure sector. This tool will speed up the creation of jobs necessary to meet the targets set in Italy's National Recovery and Resilience Plan, thanks to the shared and centralised management of vacant positions, which will facilitate the more efficient application by candidates across Italy. The project will serve as a pilot for the tool's subsequent implementation throughout the Group.

Alongside the recruiting activities to fill vacant positions, in 2023, the Company continued to use its advanced search tool to create a national and international pool of talent 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 2024 by extending the analyses performed to date. During the year, recruitment activities were extended to younger generations with attraction and professional orientation projects, assisted by the trialling of innovative channels and expansion of the Group's academic partnerships. To fast-track their entry into the workforce, Webuild encouraged students to explore professional opportunities that build on their strengths and interests. Considering the Italian contracts alone, the Group hired more than a hundred young talents, who chose to take their first step on their career path with Webuild, during the year. It will continue its early recruiting project for schools and universities in 2024, given the strategic importance of promoting large infrastructure works as a job opportunity and professional career for the younger generations.

During the year, the Group continued its inclusion-oriented selection programme, launched in 2021 to foster diversity and inclusion as part of Webuild's larger 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 ability described in the leadership model;
- the presentation of blind CVs to managers involved in selection to avoid possible involuntary bias during the selection phase.

In 2023, the programme, already implemented at the head office and branches and shared with third party suppliers that assisted the Group in making the selections, was introduced at the directly managed projects and joint ventures led by Webuild, including through the scouting of supporting digital solutions.

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 Italian and international recruitment agencies during the year and entered into new partnerships covered by master agreements at advantageous terms for all group entities. It will continue in this direction again in 2024.

Management training and development

Fostering personal development and talents is important to Webuild to build its business. In 2023, it consolidated tools to support and promote career paths. It also introduced new programmes and initiatives to help its people grow and ensure the success 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.

The process is managed via a dedicated application and its main features are:

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

The Group continued to roll out the model during the year, extending it to the foreign group companies' key resources.

Managerial and talent development

In 2023, the Group continued to hone and introduce dedicated tools to identify talents and accelerate their growth paths towards management positions both at corporate and contract 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 academy provides training paths for figures who are already working in key roles or who are rising within the Company and is designed to foster both the development of their managerial and technical skills that are fundamental to the Group's business.

In 2023, the academy provided training to 223 managers from all over the world working in different business areas.

Webuild launched its Early Careers project, which is a new assessment methodology for use in a mapping and identification project in order to create a structured system to identify and manage young talents.

Its aim is to identify the Group's talented resources who will be encouraged to develop their skills through a self-awareness course to become more aware of their strengths, areas that need improvement and career goals, backed up by feedback reports and interviews with their supervisors.

Webuild also defined different pathways to accompany these employees on their journey. They include soft skills training, technical training to fine-tune specialist knowledge, job rotation possibilities and a dedicated academy, which will all be rolled out in 2024.

In order to provide additional encouragement to its key resources, Webuild also continued to use the tools developed in previous years, such as:

- 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.

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.

The platform is continuously refreshed with new content and functionalities. It currently has 120 learning pills and training courses on technical subjects, innovation, leadership, D&I 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 2023, 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 its sector 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 on 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 model initially piloted in two company areas.

In 2023, the model was extended to the selected pilot work sites. The Innovation Community also continued its activities to share internal know-how about innovative topics, as did the IT & DS Community of employees specialised in Information Technologies and Digital Systems to consult about problems, share solutions and ideas and to make their daily work more efficient. Webuild also conceived and introduced a new community, Skills up, to support a training programme on innovation and environmental sustainability expertise (more information is available in the next section). 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 is expected to undergo 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 high demand 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 labourers in the infrastructure sector. The school continued to provide courses in 2023 with on-site experience offered by the Sirjo SS 106 (Calabria) and the Hirpinia AV (Campania) work sites.

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 are mentored in the work sites by more senior resources who have been provided with dedicated 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 experience critical conditions in a controlled environment.

The school's key objectives are to:

- 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;
- instil 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 form the workers of the future while continuing to invest in Webuild people and continuously ramp up its own internal expertise.

The school's involvement in three projects continued in 2023:

- the students completed their training at 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 saw the arrival and training of new resources in the second half of the year as well as the training of additional master builders to act as tutors during each work shift;
- new master builders were involved in the training of trainers on the Hirpinia- Orsara section of the high-speed Naples- Bari railway line project in the first half of the year and additional new hires specialised in mechanised excavation were provided with training.

In the first half of the year, in order to increase training capacity and extend the project to the Group's professional staff and managers, Webuild started and completed the blue print of an in-house 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 achieve internal upskilling and provide training to the local communities. This project, CANTIERE LAVORO ITALIA, is described in the relevant section.

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 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 "Sostenibilità ambientale in ConstrAction: eco-design, decarbonizzazione ed economia circolare". Three editions were provided: two for Italian work site personnel and one for the USA and Australia areas.

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. A stripped-down version of the course was provided to a larger swathe of the workforce to raise awareness about environmental sustainability as well as training. It was short-listed for the CIBSE Building Performance Awards 2024 in the training initiatives category for environmental sustainability courses provided in the period from 2020 to 31 August 2023.

SKILLSUP

For Webuild Group, the growth of its people represents a key element in supporting the enhancement of skills and business development.

Training is one of the most effective tools to ensure this growth which is why Webuild has launched an intensive management and technical training programme called SKILLSUP focused on two macro-areas essential to the Group's sector, namely sustainability and digital innovation.

The programme consists of weekly deep dives prepared with the assistance of training bodies, universities, lecturers and company trainers. For example, sessions have covered the digital mindset, disruptive technologies in the construction sector, sustainability in the construction sector and the leadership skills required for all levels to ensure environmental sustainability.

More than 2,500 employees from 16 group companies have attended the sessions for a total of more than 74,000 hours of training.

Training (classroom and on-site) provided in 2023 formed of a broader project and covered many aspects (health and safety, the environment, quality, technical/specialist, compliance, management, etc.) for a total of 712,089 hours (730,734 hours in 2022). 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 2023, the Group carried out roughly 206 thousand Tool Box Talks (178 thousand in 2022)- short meetings on health and safety-related aspects and the environment held at the start of work shifts- at its work sites. Overall, Tool Box Talks on health and safety-related aspects numbered approximately 187 thousand (131 thousand in 2022) which, including those on the environment, brought the average to more than 560 a day (480 in 2022).

In addition to training given to group personnel, the staff of the Group's subcontractors attended courses on QEHS subjects totalling 252,140 hours in 2023.

A total of 964,229 hours of training were provided in 2023 to direct and indirect personnel (997,081 in 2022).

Average per capita training hours (GRI 404-1)	Unit	2021	2022	2023
Managers and white collars	hours	10	19	19
Blue collars	hours	14	21	19
Total	**hours**	**13**	**20**	**19**

Cantiere Lavoro Italia

For years, the Group has invested in the training of people in the large infrastructure sector and to attract young people to create the new generation of future builders, “Tomorrow’s Builders”.

Cantiere Lavoro Italia is Webuild’s new training and employment programme for young and unemployed people. It has been conceived to attract new resources, raise the standard of basic skills and professional expertise in the construction world, train and ensure a steady flow of the most sought-after technical profiles and to systematise the sector’s know-how.

Infrastructure is set to grow exponentially in Italy in the coming years, making up for the slowdown of recent years. Therefore, it is essential to train new resources to meet the increased demand for skilled personnel that are currently hard to find.

The strict timeline for the completion of the works included in the National Recovery and Resilience Plan mean that all stakeholders have to work together to find and train the resources necessary to allow Italy to meet its commitments and strengthen the construction sector’s competitive edge abroad.

Webuild intends to play its part by developing and launching a training programme in 2023 to supplement the other initiatives it has had in place for many years. The intention is to attract new resources to the sector and ensure professional quality by offering them paid specialist training, a regular employment contract, room and board and a skills attestation system.

This programme will allow Webuild to train and subsequently hire a variety of professionals, both skilled labourers (including excavator operators, electricians and plant engineers) and staff positions (including buyers, job accountants and TBM engineers).

Its ambition is to develop the future cohort of workers, providing them with exclusive know-how and professional development paths that meld their classroom learning with on-site experience.

Cantiere Lavoro Italia develops pathways for different skills through experiential learning, on-the-job training or shadowing, as well as training in transversal and safety skills, essential for working on construction sites and to raising quality standards in the sector.

Webuild’s programme has three schools aimed at different external resources, and a school for its own employees to provide continuous training.

The three schools set up for external resources have a two-phased training system and offer:

- general basic training for the sector with a pre-employment formula, organised with the main employment agencies in Italy;
- specialist training in the work sites (on the job) for staff positions and in the advanced training centres for blue collar workers, where they can learn to use site equipment and machinery.

The three schools are structured as follows:

a territorial school:
for young and unemployed people with no work experience. This school is run in collaboration with the Adecco and Randstad employment agencies and provides basic pre-employment training, with separate courses of approximately two to three weeks for work site workers and white collars designed by company experts (around 11,000 hours of training was provided in 2023). Through these courses, the community school also aims to combat school dropout and the NEETs- Not in Education, Employment or Training- phenomenon by stimulating

work awareness and the development of technical construction skills. In 2023, an additional approximate 12,000 thousand hours were provided to a potential pool of young workers;

a trade school:
for skilled labourers and specialised technicians (e.g., excavator miners, TBM multi-function operators, electricians and mechanics). The courses are tailored to the different roles with specialist classroom learning and practical training using machinery and simulators using programs prepared by company experts (approximately two to three weeks);

a professions school:
for work site white collars (buyers, BIM specialists, job accountants, TBM engineers, planners and environmental staff). The courses are tailored to the different roles with specialist classroom learning and on-the-job training provided by expert personnel (approximately three to four weeks).

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 scrupulously complies with 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-designed 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, verify that remuneration is commensurate with 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; incentivise 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 financial performance in line with that of senior management or the individual group company. The second is individual performance while the third refers to the skills required 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.

During the year, the Company defined a new long-term incentive plan, the LTI 2023-2025 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 2023-2025 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 is part of this. In 2023, it continued to provide a number of services to draw attention to the importance of work/life balance.

Another important aspect of this issue relates to the journey to and 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. It designed a home-work travel plan for 2023, which sets out initiatives and solutions to improve and make the commute more sustainable. The plan provides for the possibility to work from home and reflects the needs communicated by its employees.

Equal opportunities, diversity and inclusion

The Group is committed to maintaining a work environment that fosters inclusion, recognition and enhancement 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.

Webuild continued its awareness-raising, communication, employer branding, recruiting and training initiatives and actions to proactively foster an inclusive culture which supports diversity in 2023.

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 2023, 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.

Webuild also introduced training and development projects for inclusive leadership and to promote the professional growth of young people and women.

Its head office continued the mentoring project with two initiatives focused heavily on the enhancement of diversity & 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;
- a mentoring project for female leadership to encourage the development of women in managerial roles and/or towards roles with greater responsibility at head office and the work sites.

Webuild's training initiatives include online courses on diversity & inclusion such as a course on unconscious bias, another course on SDG 5 Gender Equality and a course designed to deep dive the topic of harassment and gender-based violence, accompanied by targeted communication and awareness-raising actions.

The Group's commitment to fostering a diversity & inclusion culture was demonstrated with Webuild Italia's certification pursuant to UNI PDR 125:2022 Gender Equality and confirmation of its ISO 30415: Diversity and Inclusion certification. These achievements confirm the Group's work to develop internal processes characterised by greater inclusiveness and sustainability and the promotion of equal opportunities.

The Group has employees of more than 100 nationalities, 72% of the workforce is local, increasing to 99% in Italy, 95% in Africa and 93% 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 team includes international managers from non-construction companies who contribute their different perspectives and outlooks. International resources cover 22% 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 group (GRI 405-1)	Unit	2021	2022	2023
< 30 years	%	24%	25%	22%
30-50 years	%	58%	58%	59%
> 50 years	%	18%	17%	19%

Considering employees under 35 years old, the percentage of this age group increases to 41%.

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	2021	2022	2023
Men	%	88%	88%	89%
Women	%	12%	12%	11%

At group level, women make up 9% of the management team, 21% of white collars and 7% of the blue collars, while at functional level, they represent 6% of the technical and production staff and 32% 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 2023, the Group continued to develop its gender pay gap analysis methodology. 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.

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, Webuild achieved its 25% target for women set for the end of 2023, confirming its focus on promoting career paths for women towards management roles. It will continue this policy in the next few years by dedicating new tools, programmes and initiatives to talented female resources.

Health and safety in the workplace

A 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 were updated in 2021 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 be increasingly responsive to management's objectives:

- ensuring coordination of the HSE management system activities to support the 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 the Company 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 the risks associated with each position;
- identification of control measures to reduce the risks;
- 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 must 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 workers 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 evaluation, 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 workers, checking that they comply with the legal and internal rules and the use of collective and personal protection equipment.

Workers, Officers/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 Talk, 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 concern 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 and 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

Activities to implement the Safety Builders Program took place during the year. 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 safety communication and training strategy, Valyou- Our Health and Safety Way".

Thanks in part to careful planning, 91 workshops and 230 safety intervention (s.a.f.e.r.) training courses were held in 2023, with the participation of 5,958 managers, supervisors and workers for a total of over 18,800 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:

- supplement the cultural change process commenced with the Safety Builders Program;
- foster workers' active involvement;
- strengthen the sense of belonging to the Group;
- systematise conduct;
- promote the conscious 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 2023. In line with the theme promoted by the International Labour Organisation (ILO) "A safe and healthy working environment as a fundamental principle and right at work", the Group focused on encouraging the participation and contribution of everyone to strengthening and maintaining a healthy and safe workplace. The turnout was very satisfactory with more than 20 Italian and foreign work sites and over 16,500 participants celebrating the WSD and actively involving managers and workers in Safety Management Walkabouts and Toolbox Talks to promote the near miss report and the user of the right to intervene (the s.a.f.e.r. 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 part in December 2023 with the awarding of the trophy by the CEO Pietro Salini to the Ruta del Sol work site in Colombia.

The objective of the activities carried out in the work sites as part of the ValYou project, the Safety Builders Program, the Your Lifesaving 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 cultural 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 work sites, 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[18].

[18] More information about injuries recorded during 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.

Injury rates- Direct workforce (GRI 403-9)	Unit	2021	2022	2023
Hours worked	hours	89,844,575	96,203,020	121,828,095
Lost Time Injury Frequency Rate	LTIFR	2.727	2.204	1.551
Total Recordable Frequency rate	TRFR	6.70	6.00	3.18

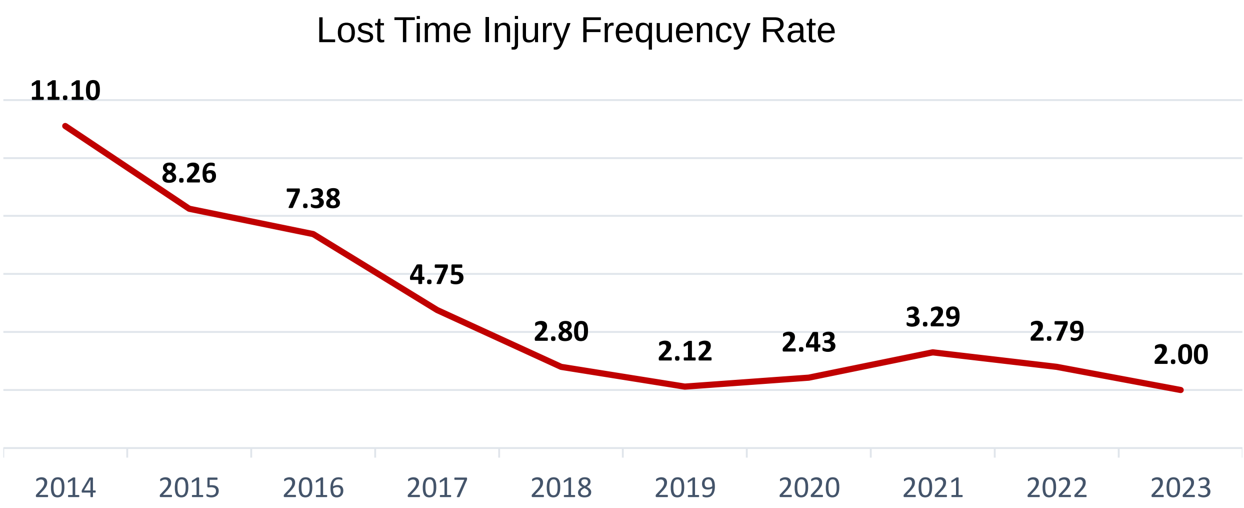
Injury rates- Subcontractors' workforce (GRI 403-9)	Unit	2021	2022	2023
Hours worked	hours	57,384,422	44,898,290	55,815,304
Lost Time Injury Frequency Rate	LTIFR	4.182	4.054	2.992
Total Recordable Frequency rate	TRFR	4.97	5.43	4.03

Total injury rates (GRI 403-9)	Unit	2021	2022	2023
Hours worked	hours	147,228,997	141,101,310	177,643,399
Lost Time Injury Frequency Rate	LTIFR	3.294	2.792	2.004
Total Recordable Frequency rate	TRFR	6.02	5.82	3.45

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.



The ratio improved again in 2023 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 met its objective of a 40% reduction by 2022 compared to the 2017 LTIFR (which predated the introduction of the ValYou programme).

Webuild 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.

In April 2022, INAIL (the National Institute for Insurance against Accidents at Work) and Gruppo FS per Sicurezza nelle Grandi Opere signed a memorandum of understanding for their structured collaboration in adopting health and safety initiatives to foster a culture of prevention of work-related injuries and ill health.

This agreement is applicable to the work sites set up under projects covered by the National Recovery and Resilience Plan due to the scope of the works and the short timeline for their completion.

It covers inter alia:

- joint initiatives to disseminate and promote a health and safety culture;
- the development of training courses for all positions and personnel;
- research and trialling of innovative technological solutions;
- the study and analysis of information about work-related injuries and ill health.

In 2023, Italferr requested personnel from the Orsara Bovino work site to collaborate in the following four work groups:

- Line 1 Reports and exchanges of information: reporting on incidents and near misses;
- Line 2 Organisational management: raising awareness on the reporting and analysis of near misses, implementation of incentive schemes linked to on-site proactivity indicators (safety observations, tool box talks, etc.);
- Line 3 Technology and workers: Trialling technologies developed by INAIL to monitor specific risks (worker and "man down" sensors and detectors embedded in the workers' clothes, work climate investigations for heat stress, elevating work platform simulator, etc.);
- Line 4 Technology and equipment management: on-site testing of equipment management technologies (smart labels, photoelectric barriers, etc.).

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 checks of the work sites to check the 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;
- campaigns to promote healthier life styles with better nutrition and increased exercise;
- psychological support for stress management and problem resolving 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.

The Italian group companies offer remote work for their office staff, ensuring full performance of their duties.

Webuild is committed to ensuring, on a daily basis, a healthy and balanced diet for all its staff in more than 100 work sites and all its offices in Italy and in the rest of the world, which is also respectful of the expectations and customs of the different nationalities.

It has set up a centralised internal health management unit to achieve this. Assisted by expert nutritionists, the unit coordinates initiatives related to healthy eating and the health of Webuild’s people.

Encouraging people involved in complex and demanding jobs, who are often exposed to heat stress and/or who work in harsh climates, to look after their health and to eat healthily includes motivating them to do so for themselves. Webuild celebrates World Health Day promoted by the World Health Organisation every year as an event dedicated to “health” as a universal right and collective duty, so that everyone can live in a peaceful, fulfilling and sustainable manner.

To celebrate the 2023 World Health Day, Webuild launched a healthy eating campaign as well as an initiative to promote it in the workplace. Work sites were invited to participate by devising and preparing a “healthy dish” that creatively employs seasonal food, with a focus on local produce and ethnic cuisine as an example of a healthy and balanced meal.

Human rights

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

80% of direct workers

included in the human rights risk assessment

Agreement with the international trade union BWI

in place since 2014

Range of whistleblowing channels

to meet the needs of our various locations

>80% of suppliers[19]

based in countries with "very low" and "medium low" human rights risks

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 Code of Ethics, the Suppliers Code of Conduct, the (recently updated) Sustainability Policy and the Human Rights Policy testify to Webuild's commitment. They set out principles for protection of workers and stakeholders and rules of conduct that everyone who works with Webuild around the world is required to comply with.

These principles cover health and safety, child labour, forced labour, freedom of association and collective bargaining, diversity and inclusion and working conditions in general, as well as the rights of local communities and indigenous peoples.

Mindful of its leadership role in the value chain, Webuild actively encourages respect for human rights, including by non-group operators, through dedicated initiatives and measures, such as the vetting systems which include social criteria, application of the Suppliers Code of Conduct and its whistleblowing and monitoring systems.

Specifically, the Suppliers' Code of Conduct encompasses Webuild'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 the Group expects of its suppliers.

In this respect, in 2014, Webuild 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, employee benefits and employment relationships.

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

[19] Suppliers other than subcontractors

Main risks and management methods

The construction sector has always encountered a plethora of challenges linked to human rights, some of which are closely tied to the UN's SGDs, such as for example, the need to ensure access to energy, clean water and sanitation, proper levels of health and safety, fair and decent working conditions and protection of communities and local areas.

In 2017, Webuild carried out a due diligence in line with the UN Guiding Principles for Business and Human Rights to identify the potential impact of its operations on human rights.

Accordingly, Webuild analysed:

- human rights enshrined in international law applicable to it;
- 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 impacts on human rights most relevant to it.

The content of Webuild'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.

Country- and commodity-specific risk identification and assessment process

The Group carries out regular human rights risk assessments on the activities carried out by its direct workers and/or via subcontractors at its work sites as well as for the rest of its supply chain.

This assessment firstly considers specific risk indicators for the countries[20] in which the in-scope projects are based[21]. Based on the country-specific factors summarised by these indicators, the Group proceeds with additional assessments of projects in countries with a medium or high risk. It considers the following six risk categories:

- child labour;
- forced labour;
- freedom of association and collective bargaining;
- non-discrimination;
- working conditions;
- rights of local communities.

The project's management team identifies one or more specific risks for each category, assessing them both from an initial and residual risk perspective[22], i.e., following the adoption of appropriate mitigation measures by the operating units.

The purpose of the supply chain assessment is to identify any suppliers based in countries at risk and/or the supply of goods at risk (based on the production country)[23].

[20] Specifically, as recommended by the principal regulations on human rights (e.g., Australia's Modern Slavery Act), Webuild referred to the most recent vulnerability measures and the government responses supplied by the Global Slavery Index (www.globalslaveryindex.org).

[21] Fully operational entities as defined in the "Scope of the Statement" paragraph of the "Methodology for reporting non-financial information" section of this report.

[22] As indicated in the UN's Guiding Principles for Business and Human Rights, the assessment method considers the seriousness of the identified impacts (i.e., the specific risks) and the related probability of occurrence.

[23] The assessment does not include subcontractors as the related risks are covered by the assessments of the contract activities, which consider the Global Slavery Index indicators for country risk as well as the lists of the U.S. Department of Labor's Bureau of International Labor Affairs to assess commodity risk.

The 2023 assessment of project activities covered roughly 80% of the direct workforce. With respect to the Group's direct workers, over one third of the Group's 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 workers are engaged in working on a few large projects in countries where the Group has had a strong foothold for several years. 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.

The Group's commercial strategy is revisited each year to increasingly mitigate country risk. In fact, around 82% of its current order backlog is based in quite low risk countries such as the EU states (mainly Italy), North America and Oceania. In addition, nearly all the new orders of 2023 were acquired in the same areas.

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

- over 80% of the Group's suppliers are based in countries with risks that are either "very low" or "medium to low";
- none of the assessed suppliers are based in countries classified as "high" or "very high" risk;
- no goods at risk were purchased from significant suppliers[24] during the year.

Webuild has issued internal guidelines for its operating units to be incorporated into their internal processes 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 and migrant workers

The Group operates in geographical areas where the specific characteristics of the labour markets and regulatory framework and/or practices do not comply with international conventions and best practices. This could give rise to risks of forced or compulsory labour.

Specifically, in the Persian Gulf area, where the local labour force is insufficient and/or inadequate for the Group's needs, significant resort to migrant workers (mostly from South-East Asia) is necessary to carry out the projects. This category of workers is particularly vulnerable and is exposed to forced or compulsory labour practices. 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, as well as limitations on holiday arrangements, the possibility of leaving the country, 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

[24] A significant supplier is a supplier with contracts over €100 thousand. Below this threshold, the only purchases of goods that could be considered risky were the purchases of work clothes and foodstuffs, equal to 0.01% of the contracts (excluding subcontracting contracts).

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 age and conditions

The potential risk of hiring people under the minimum working age established by the applicable local regulations is minimal and tied to the risk of false identity documents (e.g., in some Sub-Saharan countries).

The Group's policy is to only agree employment contracts with people who are at least 18 years old irrespective of the local regulations. It has special procedures in place to check the authenticity of the candidates' identity documents (including by involving the local authorities) and, when necessary, implements on-site monitoring procedures for subcontractors.

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.

Some countries' regulations (e.g., certain Persian Gulf countries) include significant restrictions on freedom of association and collective bargaining, which could lead to the risk that workers are unable to effectively and efficiently exercise their rights. The Group has introduced practices to allow its employees access to "alternative systems" for dialogue, such as workers committees, work site committees and grievance mechanisms. The Group ensures open communication with workers and management's availability to discuss any issues that may arise with individual employees.

Discrimination

The Group is potentially exposed to the risk that discrimination against an individual employee or specific categories of employees may take place in the workplace. In this respect, Webuild'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, Webuild 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 Webuild'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 2023 is available in the "Equal opportunities, diversity and inclusion" paragraph of the "Main risks and management methods" section under "Human resources".

Transparency and engagement with the communities

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).

In 2023, the Group continued to be committed to and to act transparently in relation to human rights with its stakeholders, especially its investors, clients and potential clients, ESG rating agencies and NGOs.

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. More information and data about these activities is available in the "Stakeholder engagement" paragraph of the "Social" section.

The Australian group company Clough has long supported the Aboriginal and Torres Strait Islander Peoples by providing meaningful employment, education, and business opportunities.

In 2020, its commitment to this issue led it to prepare the first Reconciliation Action Plan (RAP) approved by Reconciliation Australia, the independent non-profit body that promotes reconciliation between the Australian community and the Aboriginal and Torres Strait Islander Peoples by building relationships, respect and trust. Clough introduced a second RAP, again validated by Reconciliation Australia, in 2022, confirming its intention to continue this reconciliation journey.

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), Webuild has defined the following approach:

- qualification 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, Webuild has developed initiatives at corporate and work site level covering various topics such as diversity and inclusion, occupational health, safety and well-being and security, as well as to provide a broader understanding of the Group's commitments. In addition to the training about the Code of Ethics and the whistleblowing systems, Webuild has an e-learning programme for its entire workforce available through the E-learning Academy. This course is mandatory for new hires at the head offices.

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, Webuild has introduced alternative systems such as dedicated telephone numbers and/or personnel (grievance officers), mailboxes for the receipt of reports, etc.

Climate change

Decarbonisation and resilience driving increasingly sustainable infrastructure

-67%
GHG emissions intensity reduction target (2023 vs 2017)[25]

Science Based Target initiative[26]
reduction targets to 2030 validated

20.4 Mt CO_2
annual emissions avoidable thanks to railway, metro and hydro projects underway

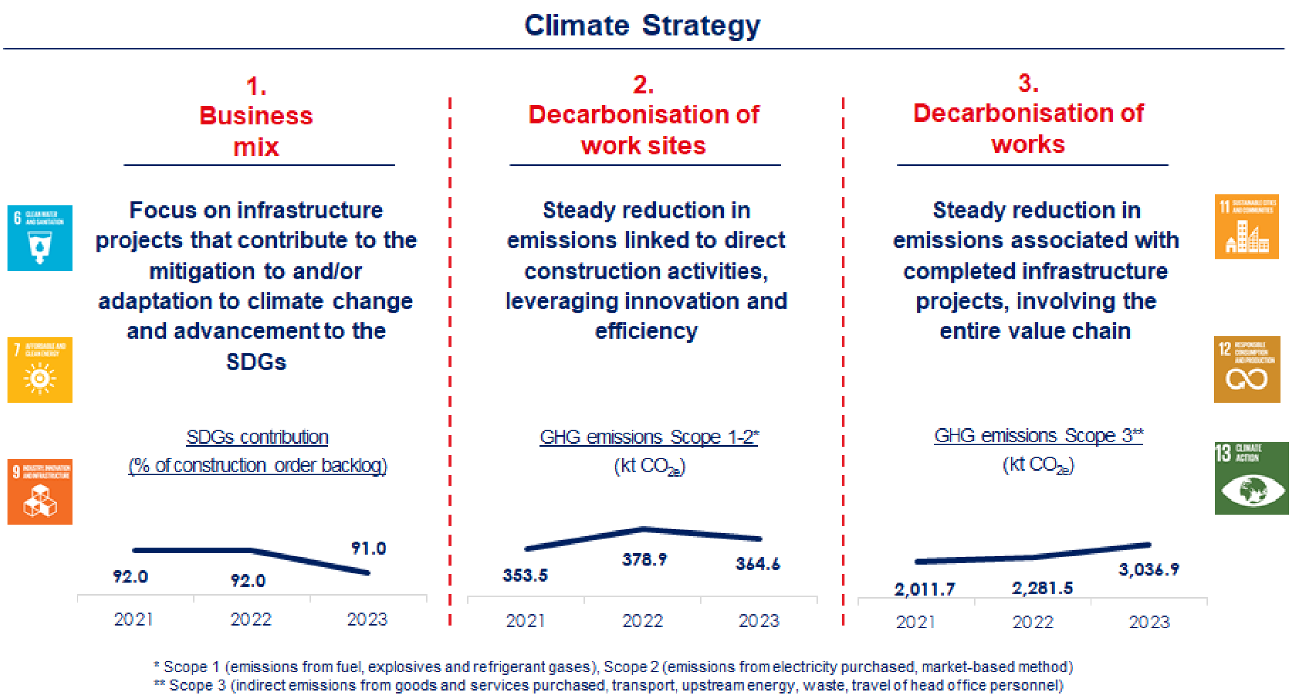
56%
renewable electric energy used by Webuild

Climate Strategy

Webuild supports the global fight against climate change and the transition to a low-carbon economy.

The Group has a transparent, coherent 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:



[25] In terms of 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)

[26] 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 approximately 63% of its 2023 revenue (72% of OpEx and 57% of CapEx) is EU-taxonomy eligible (see the dedicated box in this section). Moreover, its absolute GHG emissions (scope 1 & 2)[27] have decreased by 4% while the Group's growing and expanding business generated a 23% jump in revenue compared to 2022. The Group's results reflect the steps it has 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 2023" ranking drawn up by Statista with the Financial Times and in the "Aziende più attente al clima 2023" (The most climate-conscious companies of 2023) by the Italian newspaper Corriere della Sera, Pianeta 2030 and Statista.

Business mix

Webuild occupies a unique place in its market thanks to its focus on developing low-carbon footprint infrastructure (i.e., that contribute to climate change mitigation) and/or resilient infrastructure (i.e., that contribute 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
- ● Waste water management plants
- ● Hydraulic projects
- ● Drinking water and irrigation water reservoirs

Green buildings

- ● Civil and industrial buildings
- ● Airports
- ● Stadiums
- ● Hospitals

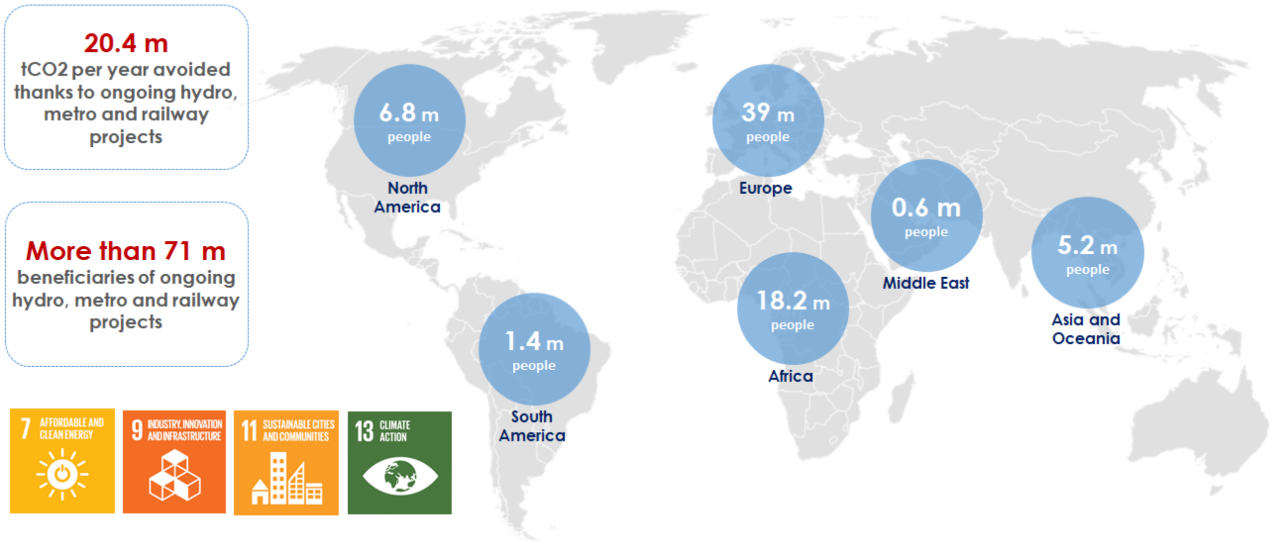
Key:

- ● Projects that mainly contribute to mitigation (reduction in GHG emissions)
- ● Projects that mainly contribute to adaptation (resilience)

[27] Scope 1 (emissions from fuel, explosives and refrigerant gases), Scope 2 (emissions from electricity purchased, market-based method).

Specifically, the Group's sustainability mobility (railways and metros), clean hydro energy and green buildings projects contribute significantly to reducing GHG in the transport, energy and real estate sectors, the largest contributors to the climate-altering emissions.

The hydro energy, railway and metro projects underway will generate very significant benefits in terms of lower emissions and greater numbers of people served, as summarised below[28].



Moreover, by improving the resilience of infrastructure, the Group's clean water and sustainable mobility (roads, bridges and tunnels[29]) projects also contribute to adaptation to climate change, which can be:

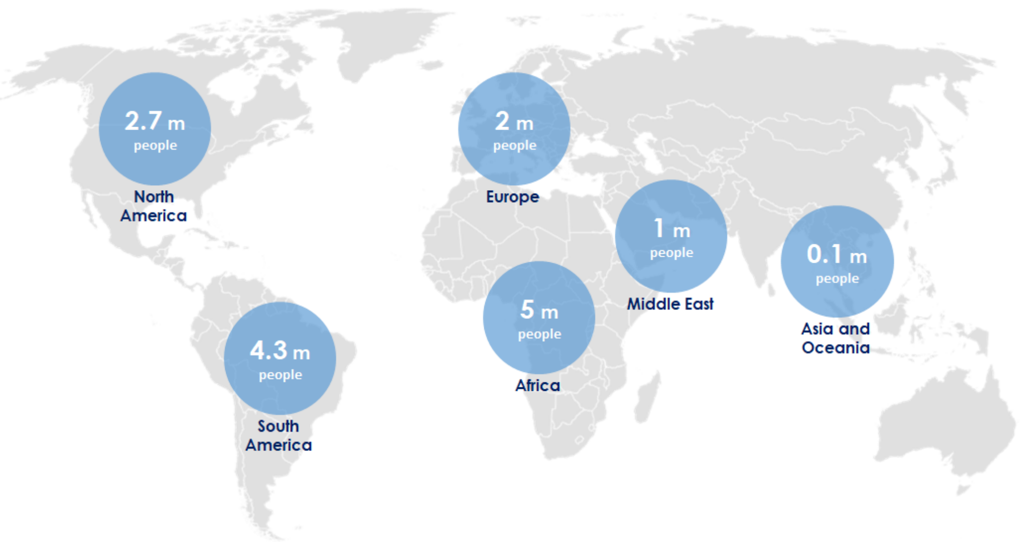
- chronic (e.g., higher temperatures, water scarcity), as in the case of drinking water and water treatment projects, aqueducts and water storage for drinking water and/or irrigation and desalination plants;
- acute (e.g., adverse weather events), such as hydraulic projects in urban areas to reduce flooding and the related water pollution or transport infrastructure projects (to improve 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), 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[30]:

[28] More information is available in the Methodology for reporting non-financial information – Calculation method section.
[29] Designed according to resilience criteria.
[30] More information is available in the Methodology for reporting non-financial information – Calculation method section.

8.6 m
m³ of water treated daily

15.1 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, especially those 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 the 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 "Taxonomy Regulation"), the first EU-wide classification system designed to objectively and transparently establish the criteria for classification of economic activities as environmentally sustainable in order to protect investors from greenwashing and encourage companies to become more 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 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 Regulation no. 2020/852, 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;

- 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 environmental 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.

In 2023, the European Commission completed its definition of the economic activities and the technical screening criteria for the other four environment objectives that it had not yet fully defined (i.e., the 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)[31]. The Regulation (EU) no. 2020/852 requires that companies shall report the KPIs for the proportion of turnover, capital expenditure ("CapEx") and operating expenditure ("OpEx") associated with taxonomy-eligible and non-eligible economic activities for all six objectives in their financial statements at 31 December 2023[32], while disclosure of the KPIs related to the aligned economic activities continues to be mandatory only for the first two environmental objectives[33]. Starting from the next reporting year, the eligibility and alignment assessment shall be performed for all six objectives.

In 2023, Webuild accordingly updated its analysis to identify the activities that are eligible to include new initiatives and the additional economic activities related to the other four environmental objectives.

Sector	Code	Economic activities	Target
Protection and restoration activities	2.1	Restoration of wetlands	CCM - CCA
Energy	4.5	Electricity generation from hydropower (construction of operation of plant)	CCM - CCA
Water supply, sewerage, waste management and remediation	5.3	Construction, extension and operation of waste water collection and treatment	CCM - CCA
Transport	6.14	Infrastructure for rail transport	CCM - CCA
Transport	6.15	Infrastructure enabling low-carbon road transport and public transport	CCA
Construction	7.1 – 3.1	Construction of new buildings	CCM – CCA (7.1) CE (3.1)
Construction	7.2 – 3.2	Renovation of existing buildings	CCM – CCA (7.2) CE (3.2)
Professional, scientific and technical activities	9.1	Engineering activities and related technical consultancy dedicated to adaptation to climate change	CCA

As shown in the previous table[34], in 2023, the Group's activities were eligible for six taxonomy categories and eight economic activities. Specifically, the energy sector plays an important role for the Group, which considered it as eligible within economic activity 4.5 (several projects involving the building of dams and the related power stations, as well as the upgrade of existing power stations to increase their capacity).

With respect to the transport sector, the Group's projects related to the construction of railway and metro lines and stations, and the design and extension or development of high-speed railway line sections (economic activity

[31] Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023
[32] 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.
[33] Commission Delegated Regulation no. 2021/2139 of 4 June 2021 ("Climate Delegated Act")
[34] CCM – Climate Change Mitigation, CCA – Climate Change Adaptation, CE – Circular Economy

6.14) are eligible while projects for the building and expansion of roads and motorways and the design and building of tunnels and bridges fall under economic activity 6.15.

Webuild is also active in the civil and industrial building sectors and has therefore identified building construction and restructuring projects as eligible. They include projects for the construction of new residential buildings such as villas and large-scale housing projects as well as non-residential buildings like underground multi-storey car parks, hospitals and laboratories, and the restructuring of a military naval base and a military air base.

Webuild is a global leader in the water infrastructure sector as it is active throughout the entire water cycle, from drinking water and irrigation supplies to the construction of water recovery and wastewater treatment plants, which are included in economic activity 5.3.

Finally, a project to restore wetlands and contain wastewater is eligible as part of economic activity 2.1, while economic activity 9.1 includes projects to build, raise or restore embankments to avoid flooding of waterways.

The main change compared to the previous year is that, in 2023, economic activity 6.15 was considered eligible for the climate change adaptation objective instead of the mitigation objective like in 2022. This change was made following the interpretation of a FAQ published in October 2023, from which it is clear that in order to identify the activities eligible for the mitigation objective, it is essential that the infrastructures be dedicated to the operation of road vehicles with zero tailpipe CO2 emissions, or be dedicated to urban public passenger transport[35]. The group deemed it more appropriate to select the climate change adaptation objective as the description of the activity better represents the Group's projects in this area.

The Group has extended its eligibility assessment to the activities included in the four new objectives which shows that economic activities 3.1 (Construction of new buildings) and 3.2 (Renovation of existing buildings) are eligible for the transition to a circular economy objective. The Group intends to report all those economic activities that have the same description for more than one environmental objective as eligible for several objectives in line with the guidance published by the European Securities and Markets Authority (ESMA)[36].

Alignment assessment

The European Taxonomy defines an economic activity as aligned when it complies with all the technical screening criteria and specifically, when it:

a) contributes substantially to at least one of the environmental objectives;

b) causes no significant harm (Do No Significant Harm- DNSH) to any of the other environmental objectives;

c) meets the minimum safeguards.

Webuild assessed its projects' alignment applying the technical screening criteria (defined in the Climate Delegated Act) on an extensive basis, i.e., not limiting the assessment to just the work site/construction activities specifically mentioned in the Delegated Acts but extending it to the design and operating characteristics of the infrastructure. It took this approach to give a better understanding of how environmentally sustainable the projects it participates in are, in addition to those activities closely related to its core business. Webuild drew up a special checklist which complied with all the regulatory requirements and completed it with the involvement of the competent departments and units. The process to assess its projects' alignment also included dedicated meetings and the acquisition of any necessary supporting documentation.

Webuild included the in-scope entities based outside the EU in the assessment to check whether they acted in compliance with EU legislation, the relevant international standard or equivalent national law applied in a third country. This allowed it to comply with the reporting requirements of the Regulation which cover all economic

[35] Reference is made to the "Commission Notice on the interpretation and implementation of certain legal provisions of the EU Taxonomy Climate Delegated Act establishing technical screening criteria for economic activities that contribute substantially to climate change mitigation or climate change adaptation and do no significant harm to other environmental objective" of 20 October 2023, FAQ no. 101.

[36] Section 2 of the European common enforcement priorities for 2023 annual financial reports of 25 October 2023, published by ESMA, setting out the priorities for taxonomy reporting, notes the importance of considering economic activities as eligible for more than one objective when they have the same description.

activities performed by entities subject to the Non-Financial Reporting Directive (NFRD) regardless of their geographical location.

Minimum safeguards

Compliance with the minimum safeguards is mandatory throughout the Group and is assessed by considering the four main topics of human rights, workers' rights, corruption, taxation and fair competition, as identified in the most recent report issued by the 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 included 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 peoples, the value chain and whistleblowing systems. More information is available in the "Human rights "section of this Statement.

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 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 abuse of a dominant position. It prohibits the collection of information about its competitors by illegal or unethical means.

In 2023, Webuild has not received definitive convictions for violations of laws relating to human rights, corruption, competition and taxation. More information on pending disputes is provided in the paragraphs on tax litigation and criminal litigation in the Directors' report. The "Anti-corruption" and "Social" sections of this Statement illustrate the actions taken by the Group to monitor and mitigate these issues.

Calculation of the KPIs

Pursuant to article 8 of the Taxonomy Regulation, supplemented by Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 (the Disclosures Delegated Act) and by Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023, the following tables show the KPIs associated with the eligible and aligned economic activities as per the 2023 taxonomy.

The KPIs are calculated as the ratio of the proportion of turnover, CapEx and OpEx associated with taxonomy-eligible or aligned activities (numerator) and the Group's total revenue, CapEx and OpEx for the period (denominator). 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.

Turnover

The proportion 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 (denominator)[37]; the Group was able to allocate the aligned turnover as it relates directly to the projects that complied with the technical screening criteria. As required by the Regulation, Webuild identified and excluded intragroup revenue.

CapEx

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[38]. The proportion of eligible/aligned CapEx includes capital expenditure related to assets or processes that are associated with Taxonomy-eligible/aligned economic activities (category (a) as per point 1.1.2.2. of Annex I to Delegated Act, article 8). The Group also performed analyses to identify capital expenditure which is part of a plan ("CapEx plan") to expand the Taxonomy-aligned economic activities or to allow Taxonomy-eligible economic activities to become Taxonomy-aligned (category (b) as per point 1.1.2.2. of Annex I to Delegated Act, article 8) and capital expenditure related to the purchase of output from Taxonomy-eligible economic activities and individual measures enabling the group activities to become low-carbon or to lead to GHG reductions (category (c) as per point 1.1.2.2. Annex I to Delegated Act, article 8). It did not identify these types of CapEx and was, once again, able to match the CapEx to the contracts without having to make estimates.

OpEx

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[39]. The Group did not resort to estimates to identify and allocate OpEx as it can be directly associated with the individual projects.

Overview of results

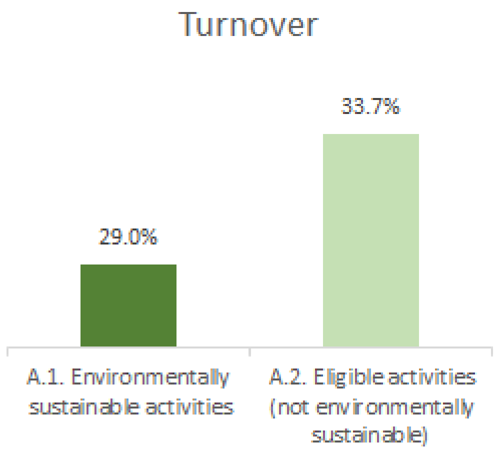
Based on the assessment, the Group calculated the proportion of turnover, CapEx and OpEx recorded in 2023[40] as follows:

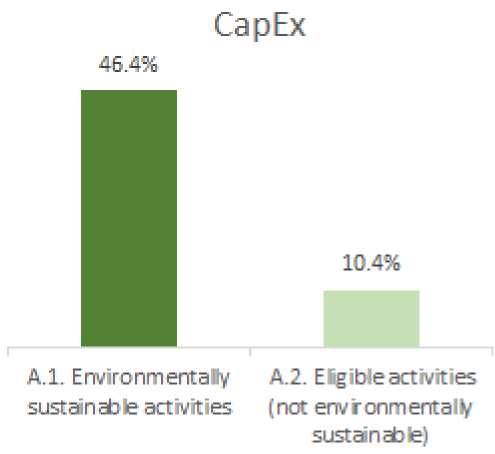
[37] Recognised in accordance with IAS 1.82.a) endorsed by the European Commission with Regulation (EC) no. 1126/2008. See note 33.1 "Revenue from contracts with customers" to the consolidated financial statements.

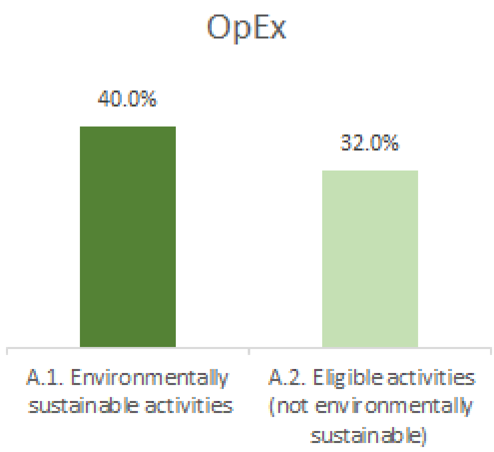
[38] CapEx includes, when applicable, costs recognised in accordance with point 73.e)i) and iii) of IAS 16- Property, plant and equipment; point 118.e)i) of IAS 38- Intangible assets; point 76.a) and b) (fair value model) of IAS 40- Investment property; point 79.d)i) and ii) (cost model) of IAS 40- Investment 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.

[39] See note 34.3 "Services" to the consolidated financial statements for information on the denominator.

[40] 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 "Methodology for reporting non-financial information" section.







The eligible economic activities account for 62.7% of turnover, 56.8% of CapEx and 72% of OpEx.

Of these, the environmentally sustainable activities (i.e., aligned) account for 29% of turnover, 46.4% of CapEx and 40% of OpEx[41] and relate to three taxonomy sectors and four economic activities:

- 2.1 Restoration of wetlands, eligible activity that makes a substantial contribution to the climate change adaptation objective

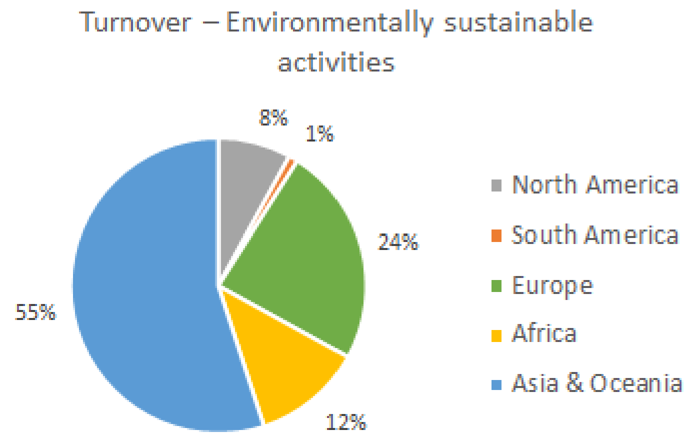
- 4.5 Electricity generation from hydropower and 6.14 Infrastructure for rail transport that make a substantial contribution to the climate change mitigation objective

- 6.15 Infrastructure enabling low-carbon road transport and public transport that makes a substantial contribution to the climate change mitigation objective which was assessed as aligned solely for CapEx and OpEx purposes[42].

A breakdown of the taxonomy-aligned turnover by geographical area is provided below: 79% of the Group's environmentally sustainable turnover is generated in Europe and Asia and Oceania (98% of CapEx and 74% of OpEx).

[41] More information is available in the table in the section on the EU taxonomy in the Methodology for reporting non-financial information section prepared in accordance with Annex V of Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 which amends Annexes I, II, III, IV, V, VII, IX and X to Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021.

[42] 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.



The non-eligible activities include activities that are not included in the taxonomy lists (such as mining projects, the building of waste-to-energy plants and corporate activities) as well as some non-core activities[43].

The KPI tables are provided in the annexes (specifically Annex 1 to this Statement) and are an integral part of this section.

Decarbonisation of work sites

The second area of intervention of the Group's Climate Strategy is to reduce GHG emissions of its construction business.

The Group has made and intends to make continuous investments in efficiency actions and measures at its 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

[43] 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 projects that are either starting-up or nearing completion, on hold or significantly delayed) or inactive entities (e.g., in liquidation).

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 included various climate change programmes and targets and will continue with the more ambitious new ESG Plan. Moreover, the Group's long-term incentive plan (the 2023-2025 LTI Plan) introduced in 2023 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[44], which scouts, tests and introduces new solutions and technologies to reduce scope 1 & 2 GHG emissions, such as those related to tunnelling activities, which are one of the most energy intensive areas of the large infrastructure sector;
- LCO (Life Cycle Optimization) team[45], focused on researching, testing and introducing new solutions and technologies to reduce scope 3 GHG emissions, for example, those related to optimising the use of cement and concrete.

As mentioned earlier, in 2022, the Group obtained SBTi validation of its 2030 absolute emission reduction objectives.

Integration of climate criteria as an integral way of doing business entails raising awareness and technical expertise about the issue. Accordingly, the Group participated in the World Environment Day celebrated in June again this year. In 2022, it introduced communication and internal training programmes dedicated to ESG issues and a technical training course for group personnel carried out with the Turin Polytechnic. The course (Environmental Sustainability in ConstrAction: eco-design, circular economy and decarbonisation) is one of the

[44] Comprising the Plant and Equipment (Global Supply chain) and Environment (Group HR, Organization and Systems) units and the Corporate Social Responsibility Department.

[45] Comprising the Procurement (Global Supply chain) and Environment (Group HR, Organisation and Systems) units and the Bidding & Engineering and Corporate Social Responsibility Departments.

finalists in the Leading and Developing section of the CIBSE Awards 2024 organised by the Chartered Institution of Building Services Engineers[46].

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:

	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[47]	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.

Main physical and transition risks

The Company has identified the following climate risk factors, the related potential impacts and mitigation methods:

[46] An English professional body, well-known in the academic world, that promotes the art, science and practice of building services engineering. It advances environmental sustainability topics. More information is available on its website https://www.cibse.org/.
[47] 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 forward-looking models.

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
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 plans 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 objectives • 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 European Union, through the REPowerEU plan launched in 2022, plans to invest US$208 billion to accelerate the energy transition, increasing investments in clean energy and energy saving. More generally, investments in civil, industrial and energy infrastructure will benefit significantly from the funds made available by the NextGenerationEU recovery package.

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 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 Science-Based Target Initiative (SBTi). 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 performed by the Group;
- Scope 2 includes indirect emissions from purchased electricity for directly-performed activities.

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).

GHG emissions (Scope 1 & 2) (GRI 305-1, 305-2, 305-4)	Unit	2021	2022	2023
Scope 1 emissions	t $CO2_e$	311,272	320,851	302,199
Scope 2 emissions (market-based method)	t $CO2_e$	42,212	58,098	62,360
Scope 2 emissions (location-based method)	t $CO2_e$	38,574	55,873	59,354
Total scope 1 & 2 emissions (market-based)	**t $CO2_e$**	**353,484**	**378,948**	**364,560**
Intensity of scope 1 & 2 emissions	**t $CO2_e$/€M**	**55**	**47**	**37**

GHG emissions (Scope 3) (GRI 305-3)	Unit	2021	2022	2023
Goods and services acquired	t $CO2_e$	1,552,131	1,941,140	2,491,828
Transportation of materials to the work sites	t $CO2_e$	289,301	176,106	388,966
Use of energy (upstream, not included in scope 1 & 2)	t $CO2_e$	107,213	117,793	103,137
Waste generated	t $CO2_e$	58,347	40,567	45,864
Business trips and home-work commute of employees	t $CO2_e$	4,705	5,863	7,139
Total scope 3 emissions*	**t $CO2_e$**	**2,011,697**	**2,281,469**	**3,036,934**

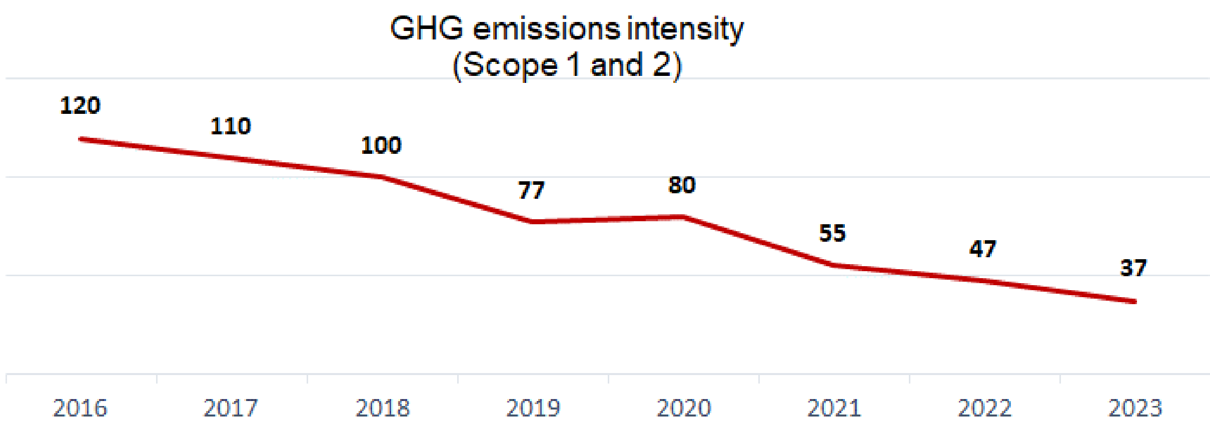
Biogenic emissions** (GRI 305-1, 305-3)	Unit	2021	2022	2023
Biodiesel- Scope 1	t CO2	-	4,209	3,623
Biodiesel- Scope 3	t CO2	-	15,514	1,410
Total biogenic emissions	**t CO2**	**-**	**19,722**	**5,033**

** The 2021 and 2022 figures have been restated and differ from those shown in the 2021 and 2022 Consolidated Non-financial Statements. This restatement became necessary after publication of the Statements due to:*
- a change in the information about the excavation waste at the Rogun Dam project in Tajikistan for 2021;
- changes to the calculation of the 2022 figures for Goods and services acquired and Transportation of materials to the work sites.

*** Reported since 2022*

The 4% reduction in scope 1 & 2 GHG emissions reflects the steady introduction of programmes and initiatives designed by the Group as part of its decarbonisation plan at many work sites (especially those recently set-up). They include the significant increase in the use of energy generated by renewable sources by some projects. Moreover, the different phases of work being performed at the work sites as well as the completion of some projects also affected the Group's emissions.

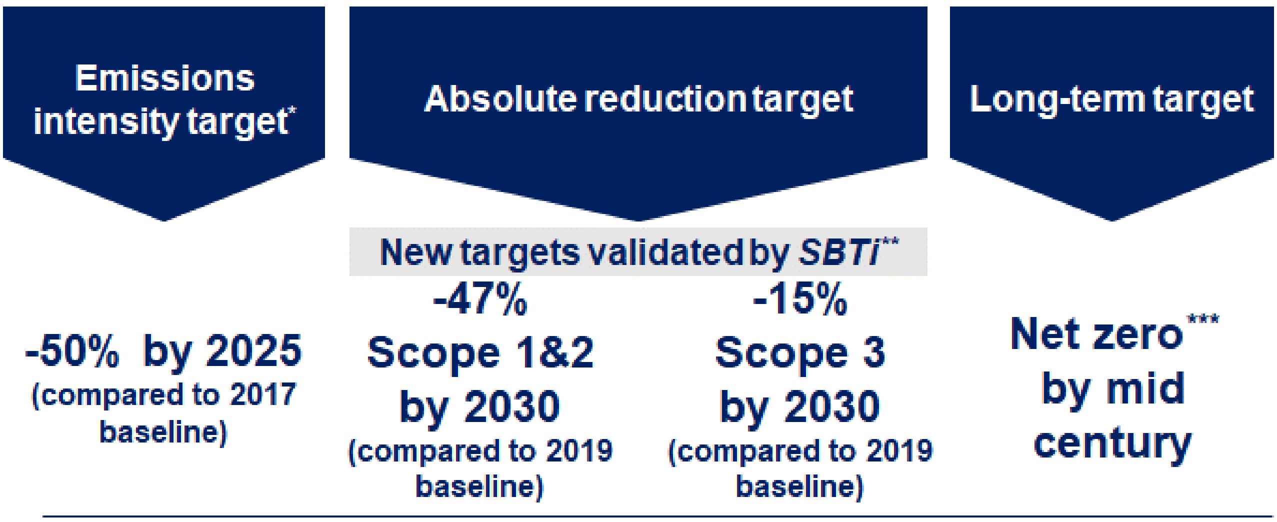
The graph below plots the intensity trend of GHG emissions (t CO_{2e} scope 1&2/€M) and shows how it has improved over the past eight years.



It is important to note that the infrastructures for which the Group generates emissions during their construction in turn generates 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.

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:



* In terms of t CO2e scope 1&2/€M. Scope 1 (emissions from fuel, explosives and refrigerant gases), scope 2 (emissions from electricity purchased, market-based method)
** Science Based Target Initiative
*** State of no impact on the climate, obtained by reducing emissions and neutralising any residual emissions difficult to eliminate

As shown in the table above, Webuild's absolute reduction targets defined in 2021 were validated by SBTi in 2022.

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:
  - 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:
  - 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 (93% in 2023), 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 has introduced extensive remote working programmes in recent 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	2021	2022	2023
Non-renewable energy sources				
Diesel	GJ	4,098,364	4,160,241	3,881,603
Petrol	GJ	205,202	267,558	252,654
Kerosene	GJ	2,807	2,942	3,373
Natural gas and LPG	GJ	25,228	73,552	74,011
Electricity	GJ	370,161	393,626	395,128
Total consumption from non-renewable energy sources	**GJ**	**4,701,762**	**4,897,919**	**4,606,769**
Renewable energy sources				
Biodiesel*	GJ	-	59,044	50,835
Electricity from renewable sources	GJ	196,359	424,683	493,057
Total consumption from renewable energy sources	**GJ**	**196,359**	**483,727**	**543,892**
Total internal energy consumption	**GJ**	**4,898,121**	**5,381,646**	**5,150,662**
Energy consumption from non-renewable energy sources	GJ	1,705,414	1,857,408	1,409,131
Energy consumption from renewable energy sources*	GJ	-	217,644	19,778
Energy consumption- subcontractors	**GJ**	**1,705,414**	**2,075,052**	**1,428,909**
Total	**GJ**	**6,603,536**	**7,456,698**	**6,579,571**
Energy intensity	**GJ/€M**	**1,029**	**922**	**661**

**Reported since 2022*

Energy consumption from non-renewable sources decreased compared to 2022 due to the Group's greater use of renewable sources, mostly as a result of the connection of the Koysha hydroelectric plant to another hydroelectric plant, Gibe III, built by Webuild in Ethiopia.

The subcontractors' energy consumption shrank considerably following the completion of some projects or less resort to subcontractors for certain projects (such as Ruta del Sol in Argentina and the Nykirke- Barkaker railway line in Norway).

In 2022, 56% of the electricity consumed by the Group came from renewable sources (52% in 2022).

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	2021	2022	2023
Active initiatives	no.	22	17	18
Reduction in GHG emissions	t $CO2_e$	73,704	17,546	86,961

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	**56%** low-carbon steel used
68% reused excavated materials	**79%** materials purchased within a 160 km radius of the work sites

Internal policies

Protection of the environment is a priority for the Group, which formalised a specific Environmental Policy (the "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.
Introduction of an ISO 14001 compliant environmental management system implies application of the Deming cycle to all processes and, hence, the continuous improvement of their efficiency and effectiveness.
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;
- the best sustainable solutions for clients in order to enhance the works and protect the environment;
- 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 improve protection of the environment and prevention of 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 adopting reasonable measures (work methodologies) during the construction phase.
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/landscape 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 project 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 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 projects with potential impacts on the environment, including the subcontractors' employees. They regularly run campaigns to raise employee 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.
When envisaged by local regulations, subcontract contracts include penalty clauses for non-compliance with HSE (Health, Safety and Environmental) issues by the subcontractor, its non-compliant employee and their supervisors.
Project management regularly reviews environmental performances and the management system's strengths and weaknesses. It sets objectives for the subsequent period to ensure ongoing 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, that the use of local raw materials is more efficient and effective and that water resources, materials and recyclable/reusable waste 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 QEHS 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 2023, the Group's work sites included in the scope of this Statement included 35,240 operational sites, of which 96 underground, for a total surface area of 163,143,495 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 / %	22,390,010	0%	0%
Europe	m^2 / %	25,294,454	11%	5%
Americas	m^2 / %	73,521,545	60%	4%
Asia and Oceania	m^2 / %	41,937,486	13%	4%
Total	**m^2 / %**	**163,143,495**	**32%**	**4%**

The American continent is the geographical area where the Group has the largest surface areas inside protected areas. This is due mainly to some of Lane's projects. In Europe, the largest surface areas inside protected areas are railway projects in Romania (Curtici - Simeria railway line, Lot 2A and Lot 2B) and Italy (Catania - Messina railway line, Giampilieri Fiumefreddo section, Lot 1, Cociv and Line M4 of the Milan Metro).

The figures for projects in protected areas in Asia and Oceania mostly refer to the Snowy 2.0 project 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

28.2 Mt of materials used

19.5 Mm³ of excavated materials

16.0 Mm³ of water withdrawals

OUTPUT

5.4 Mt of waste generated

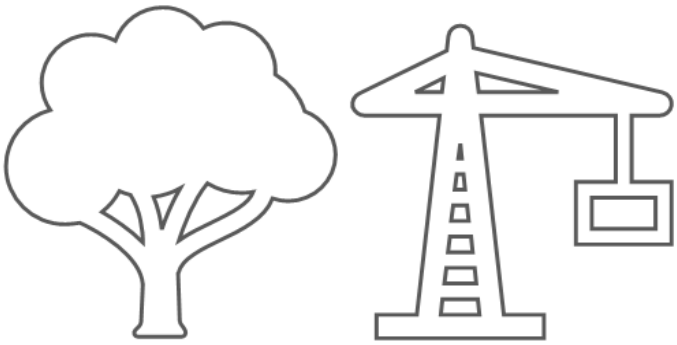
of which 72% excavation waste

of which 28% other waste

79% of materials purchased within a 160 km radius of the work sites

68% of reused excavated materials[48]

56% of low-carbon steel[49]



-33% of waste generated compared to the previous year

93.9% of non-hazardous waste

74% of waste sent for recycling

PROTECTION AND RESTORATION

6.3 Mm² of soil protected from erosion

770 thousand m² of areas where topsoil was replaced

150 thousand m² of reforested areas

The following paragraphs describe the elements presented in the above chart.

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.

[48] The materials reused during the year may include excavated materials from previous years.
[49] Steel with high recycled content (equal to or higher than 90%)

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;
- use of 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 construction 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 consolidated process water recovery systems and long-standing closed-circuit systems in place at its work sites, 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	2021	2022	2023
Principal construction materials				
Bitumen	t	27,844	59,127	68,454
Cement	t	527,145	777,066	803,879
Steel	t	173,681	271,654	332,427
Ready-mixed and pre-cast concrete	t	4,353,389	5,469,775	6,695,980
Ready-mixed asphalt	t	486,530	703,985	696,818
Total construction materials	**t**	**5,568,590**	**7,281,607**	**8,597,558**
Aggregates				
Aggregates and sand	t	12,584,211	19,959,292	19,608,455
Total aggregates	**t**	**12,584,211**	**19,959,292**	**19,608,455**

Water withdrawal (GRI 303-3)*	Unit	2021	2022	2023
Wells	m^3	3,467,299	3,397,172	4,645,461
Rivers	m^3	9,562,130	11,941,391	9,891,888
Lakes	m^3	117,865	180,088	255,748
Aqueducts	m^3	1,642,059	1,636,330	1,217,940
Total	**m^3**	**14,789,354**	**17,154,981**	**16,011,036**

*The 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 (18% on 2022) mostly relates to the ready-mixed and pre-cast concrete category due to the significant rise in its use for projects in Italy and Saudi Arabia.

The substantial stability in the use of aggregates and sand compared to 2022 is due to the fact that the increase for certain projects, such as the high-speed/capacity Verona- Padua railway line, the high-speed/capacity Naples - Bari railway line (Naples- Cancello section) and lot 5 of the Sibiu- Pitesti Motorway, was countered by large reductions in this category’s use by other projects (Ruta del Sol and GERD).

There was a 7% decrease in water resources utilisation in 2023, chiefly due to the smaller withdrawals from rivers for the hydroelectric projects in Ethiopia.

With respect to the circular and green economy, during the year, 79% 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 2023, 56% of the steel used was low-carbon, i.e., with a recycled content of 90% or more. The Group also used 60 thousand tonnes of low carbon cement materials and 2.7 million cubic metres (2.0 million cubic metres in 2022) of water recycled and reused in production processes.

Innovative materials and design for the Forrestfield Airport Link in Perth, Australia

In 2023, the Airport Central Station (Perth) received the Award for Public Architecture (Western Australia Chapter) from the Australian Institute of Architects, acknowledging its excellent design and architecture.

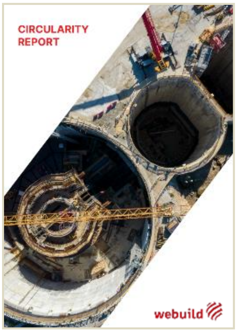
In 2019, Webuild received the Concrete Institute of Australia (WA) award, in the “Excellence in the Technology and Innovation” category, for having designed and produced concrete prefabricated segments used for the Forrestfield Airport Link tunnels.

The metro line is sustainable not only because it reduces road traffic and congestion (2,000 tons of CO2eq avoided a year, 15,000 cars off the road per day) but also thanks to the construction techniques deployed. A special cement blend was developed containing 65% supplementary cementitious materials, much of which had already been recycled, allowing the work site to avoid approximately 22,000 tons of CO2 emissions. Concrete reinforced with macro synthetic fibres (instead of steel) was used for the production of the track slabs on which the Airport Line rails are positioned. This helped avoid the use of around 7 million kg of steel, preventing more than 13,000 tons of CO2 being emitted during production.

One of the line's three stations, High Wycombe, has 626 solar panels on its roof. On summer days, the solar panel system is sufficient to meet the energy requirements of all three stations. In addition, the TBM excavating the tunnel reused the water needed to function by having a plant use a filter press and centrifuge to process and recycle the water, saving 2,740 litres of water.

Webuild Circular

The Webuild Circular project's final output is a system that facilitates the transition of projects from a production system and linear methodology to a circular system, while minimising the resource wastage and optimising their use.



Webuild is developing this system to assess and measure the circular output of a project in terms of the work being built and the work site by performing a qualitative analysis of the level of maturity and dissemination of circular economy principles along the project's entire value chain, considering its lifecycle from its design and planning to the end of its life and a new life. Webuild Circular is being developed in compliance with the main reference standards for a circular economy.

The application of Webuild Circular is central to the adoption of mitigation and reduction measures to improve project performance in both environmental and economic terms, as well as, the entire Group's performance when considering the various projects as a whole.

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).

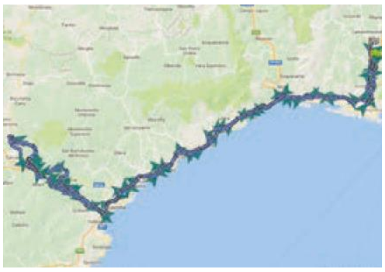
Projects are managed to avoid damaging these environmental components. Specifically, containment tanks, wastewater conveying networks and waterproofing systems for risky logistic areas (e.g., workshops, fuel and chemical depots, machine washing areas) are built during the work site start-up phase to 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 designed to comply with the applicable legal and contractual provisions, using the best technologies available, 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 quantities of earth to construct embankments, cuttings, tunnels or certain types of dams. In accordance with the policy to reduce waste generation, 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 2023, reused excavated materials[50] amounted to 13.2 million cubic metres (16.4 million cubic metres in 2022), 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 determined considering the natural elements, the environment and features of the local area. In 2023, areas where measures to protect against erosion have been implemented covered 6.3 million square metres (2022: 4.1 million square metres).

A virtuous example of renaturation of a railway trench with enhanced hydroseeding is the Isarco Underpass project, which forms the southern part of the Brenner Base Railway Tunnel that will connect Fortezza to Innsbruck.

The surface of the embankment, made up of particularly compacted material, could have represented a possible sliding surface for the topsoil layer. In the presence of exceptional rainfall events, this condition could have initially triggered a landslide down towards the railway line, with consequent risks for the operation of the line itself.

Hydroseeding with a special anti-erosive matrix was therefore carried out directly on the existing substrate as an alternative to topsoil, consisting of a special mixture of enhancing natural components, defined following specific sampling to determine the characteristics of the soil. The mixture was also optimised with the addition of seeds of species with deep root systems to facilitate rooting, organic fertilisers and soil improvers (completely environmentally friendly) to ensure an adequate nutritional reserve available to the herbaceous and pioneer shrubby species, to facilitate root development and establishment, and more vigorous growth. This process made it possible to renature the slope over an area of approximately 15,000 square metres.

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, plant operation and the workshops.

[50] These materials may include materials excavated in previous years.

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 it is 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 projects. 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[51]:

Waste by activity (GRI 306-3)	Unit	2021	2022	2023
Construction and demolition waste	t	629,824	974,770	1,266,970
Excavation waste	t	4,735,572	6,938,576	3,887,855
Waste from support activities	t	148,946	115,503	228,518
Total non-hazardous and hazardous waste	**t**	**5,514,343**	**8,028,849**	**5,383,343**

Waste by type and destination (GRI 306-4, GRI 306-5)	Unit	2021	2022	2023
Non-hazardous waste				
Recovery, reuse and recycling	t	2,448,039	6,131,276	3,947,164
Incineration	t	1,257	1,054	1,827
Landfill	t	2,923,553	1,667,234	1,104,250
Total non-hazardous waste	**t**	**5,372,849**	**7,799,565**	**5,053,241**
Hazardous waste				
Recovery, reuse and recycling	t	103,238	39,056	55,202
Incineration	t	5	-	4
Landfill	t	38,250	190,228	274,896
Total hazardous waste	**t**	**141,494**	**229,284**	**330,102**
Total non-hazardous and hazardous waste	**t**	**5,514,343**	**8,028,849**	**5,383,343**

72% of the waste produced is from excavations, which significantly 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 projects' characteristics and the material's geotechnical characteristics which the Group cannot always influence.

The reduction in waste in 2023 compared to the previous year is mostly due to the progress made on the Ariguani project (Colombia), the Rogun Dam (Tajikistan), Line 16 of the Paris Metro, Lot 2 (France) and the Hurontario light Rail Transit Project (Canada).

The percentage of waste recovered, reused and recycled is 74% 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.

An excellent example is Sant'Agata, the consortium that is building the Bicocca-Catenanuova section of the high-capacity Palermo- Catania line in Italy: since 2021, it has sent more than 99% of the waste produced every year for recovery. The consortium also engaged in several recovery initiatives using mobile crushers, carried out both

[51]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 presented in the 2021 Consolidated Non-financial statement.

directly and through subcontractors, which made it possible to recover 61.3% of the demolition and construction waste for internal use in 2023 alone (82.1% in 2021 and 97% in 2022).

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 and covering lorries transporting powdery materials, tyre washing systems at site entrance points and the replacement of ground 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 QEHS 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.

When work site activities are performed with the utmost respect for the stakeholders, especially in very built-up areas, the focus is on citizen well-being and the Group collaborates with the local authorities. The results benefit both the community and the work site itself.

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 and can also disturb the fauna. 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 restorations

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 the impact of human activity 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 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 about 1,150 wild animals. The use of pesticides and herbicides is generally banned in the Group's work sites.

The "linear" work sites (such as those for roads, railways) require the ongoing study of solutions for the resident flora and fauna, 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 a 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 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, with the selection of materials based on their chromatic environmental integration in addition to their technical characteristics.

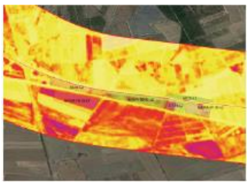
The Group involves external professionals, researchers and local authorities in its procedures to manage operations in protected areas and/or when archaeological artefacts are found.

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 them 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 interaction of wildlife 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 2023, 32% (2022: 34%) of the areas managed by the Group was located in protected areas and 4% (2022: 5%) in areas adjacent to protected areas[52].

Specifically, 80 work sites (the equivalent of 52.6 square km) were located in protected areas (mostly in the US, followed by Italy, Australia, Sweden, Romania and Poland) and 34 (the equivalent of 6.2 square km) in areas adjacent to protected areas (mostly in the US, followed by Australia, Italy and the United Arab Emirates). Of these sites, 35 are in areas protected by local regulations, ten in areas protected by national regulations, 53 in "Natura 2000" areas, one in a UNESCO world heritage site and 15 in other types of sites. There are 74 work sites located in ecosystems that contain water (e.g., lakes, rivers, wetlands, etc.), 13 in urban ecosystems, eight in agricultural ecosystems, 14 in wood ecosystems and five in mountain ecosystems. 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.

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	2021	2022	2023
Reforested area	m^2	593,973	313,675	150,053
Restored areas	m^2	3,545,662	8,945,837	769,542

The decrease in restoration activities compared to 2021 is mostly due to progress on Lane's projects. The reduction in reforestation activities relates to the completion of projects in the United Arab Emirates and the specific stages of work on the projects in the United States. In 2023, the Group planted 13,744 trees (various species in Canada, Colombia, Ethiopia, Italy and Paraguay).

[52] 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".

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 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 (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 relates to the Group's participation in tenders called by private bodies, management of partnerships, procurement or subcontracting activities. With respect to the latter activities, potential suppliers/subcontractors could attempt to corrupt a company employee to obtain a 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 2023, 100% of the legal entities making up Webuild Group were included in the anti-corruption risk assessment scope[53]. 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 Third Parties, which define assessment 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 Policy. 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[54].

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.

The Italian group companies that take part in public calls for tenders have adopted anti-corruption compliance systems similar to that of Webuild. They all obtained the ISO 37001 certification in 2023.

Whistleblowing system

Webuild also has a whistleblowing system that can be accessed through an external multilingual 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.

[53] More information is available in the "Scope of the Statement" paragraph of the "Methodology for reporting non-financial information" section.
[54] More information is available in the "Stakeholder engagement" paragraph of the "Social" section.

Starting in 2020, access to the system has been further extended to include sections dedicated to companies and joint ventures led by Webuild with 50 companies having access to the platform by the end of 2022. In January 2024, the platform was adapted to accept voice notifications or phone calls (for the Australian group companies). 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 2023, the Company received 25 notifications through its whistleblowing channels, of which seven 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 alleged 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 never 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 section on "Main risk factors and uncertainties" ("Criminal litigation" paragraph) of the Directors' report for ongoing disputes about corruption.

Supply chain

Quality partnerships and ongoing performance improvement to tackle market challenges together

≈ 19.4 thousand suppliers

working with Webuild in 80 countries

252 thousand hours

HSE training provided to subcontractors' employees

Supplier Development Hub

to activate partnerships with

suppliers and partners

Improved vendor rating index[55]

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 the Suppliers Code of Conduct as 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 the corporate information and professional know-how and asks its counterparties to do likewise.

When Webuild manages contracts directly or as the project leader, or there are specific agreements in place, the suppliers are required, to the extent of their involvement, to comply with/adopt the Company's Quality, Environment, Health and Safety Management Systems.

Main risks and management methods

In 2023, the Group worked with roughly 19.4 thousand suppliers[56] from more than 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 strong position vis-à-vis smaller suppliers could potentially expose the Group to various risks, such as compliance, reputation and commercial.

[55] Internal supplier rating system
[56] Excluding Clough

The main risks arising from external factors include potential risks of non-compliance with regulatory changes requiring the adoption of new measures with suppliers, commercial and reputation risks due to possible 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, the Anti-corruption Model and the Suppliers Code of Conduct.

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 procedure, which involves a number of preliminary checks of the potential supplier's reputation, its expertise and that it is not 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), 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 the Safety, 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 2023, the Corporate Procurement Department checked the accuracy of the information provided by the applicants, that the applicants were not included in the Reference Lists and that there were no compliance risks. The results were positive for 8,482 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 the 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 2023, these assessments involved more than 20 contracts (out of a total of 41 since the assessment procedure was started in 2017) 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 88.6/100 (substantially unchanged from the 88/100 of 2022), 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 QEHS Departments, which mainly cover subcontractors and is designed to check that their activities comply with the Company's quality standards and applicable requirements for the environment, health and safety. Specifically, the local QEHS 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 QEHS training courses (252,140 hours in 2023).

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, including through workshops and webinars about these topics.

In addition to the initiatives managed on the Hub, the Group continued to engage with employees to share know-how and experience of new technologies, products, 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

72%
direct employees hired locally

93%
local procurement

6
jobs created for each direct group employee

≈ 26,500
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 can 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 credentials 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 project 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, in 2023, 72% of the 37,995 direct employees had been hired locally.

Direct employees hired locally	Unit	2021	2022	2023
Africa	%	96%	96%	95%
Europe	%	85%	97%	90%
Americas	%	96%	99%	93%
Asia and Oceania	%	42%	70%	33%
Average	**%**	**84%**	**89%**	**72%**

The percentage for Asia and Oceania mainly reflects large projects underway in the Persian Gulf area (some of which are recent acquisitions), which require a very significant contribution of manpower that is not available locally. Therefore, much greater resort is made to foreign workers compared to the other areas in which the Group operates. Reference should be made to the section on "Human Rights" for information about the management of migrant workers.

In 2023, local managers made up 77% of the total, with peaks of 99% 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 41,504 at 31 December 2023.

Local procurement

Purchases from suppliers resident in the countries where the Group operates are the main trigger to developing ancillary industries (which are a direct contributor to GDP, public revenue and disposable income).

In 2023, the Group maintained a strong relationship with its local supply chain, working with roughly 19.4 thousand suppliers for an average 93% of its expenditure made with local suppliers.

Local procurement (GRI 204-1)	Unit	2021	2022	2023
Africa	%	28%	37%	50%
Europe	%	94%	100%	96%
Americas	%	100%	99%	100%
Asia and Oceania	%	87%	91%	89%
Average	**%**	**91%**	**94%**	**93%**

As already noted, the use of local suppliers allows the Group to minimise long-distance transport and, hence, mitigate the related environmental impacts.

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 2022[57] 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, LR, CD	475	8	26%	-108	-9	11,679	21
Americas	BR, CL, EC, DO, PA, US, AR, CA, CO, PE, VE, CR, SV, GT, HN, MX, NI, PY	2,008	410	25%	-11	-14	7,656	121
Asia and Oceania	AE, KW, QA, OM, JO, KZ, SA, TJ, MY, AU, IN, ID, PK	1,769	369	20%	-3	-2	10,278	310
Europe	AL, CH, RO, PL, GE, GB, CZ, UA, IT, TR, SK, AT, GR, FR, DK, ES, NO, NL, BG, SE	3,953	2,218	19%	-12	-41	6,389	263

€m

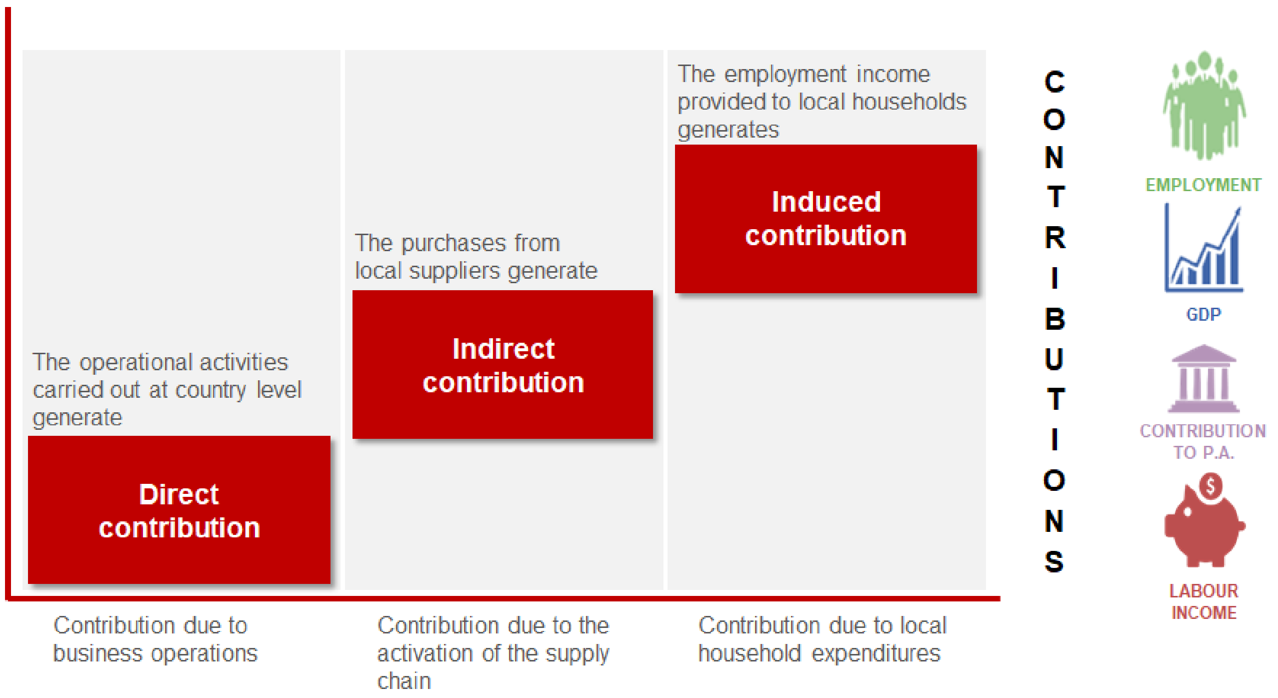
Contributions to local economies

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.

The Group has developed a proprietary calculation model, the 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 employment income distributed to households[58].

The following graph presents the SEED model.

[57] This is the most recent year for which information is available. More details are provided in the GRI Content Index (disclosure 207-4).
[58] 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.



If just the Group's main markets[59] are considered, its average contribution to their economies, expressed as a multiple, is as follows:

- six jobs created for each direct Webuild employee;
- €2.8 of employment income distributed for each Euro paid by the Group;
- €2.8 of GDP for each Euro of added value generated by Webuild;
- €10.3 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 employment income received and the opportunity to advance professionally thanks to the training provided.

Many studies[60] 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 964,229 hours of training to its direct employees and those of its subcontractors in 2023.

[59] Italy, USA, Australia, Ethiopia and Saudi Arabia.

[60] 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 68 initiatives in 2023 for €0.8 million (2022: roughly €1.1 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), Tajikistan (Rogun Dam) and Saudi Arabia (Riyadh Metro). Specifically, 18,835 medical check-ups (2022: 10,089) were given and 26,490 health interventions (2022: 16,788) were provided in 2023.

Stakeholder engagement

Webuild firmly believes that integrity and transparency in stakeholder engagement is integral to responsible corporate conduct. Given the specific nature of its business and its international footprint, the Group handles thousands of interactions with its stakeholders every day. It therefore regularly maps and analyses its main stakeholder categories, considering the level, frequency and length of engagement, the issues of greatest interest and potential areas of impact, the potential influence on decision-making processes and so on, also with a view to adopting the most appropriate communication channels and to promptly respond to requests.

The following chart lists the stakeholders relevant to the Company, the areas of interest and the key characteristics of the engagement with the Group. They are also considered in the impact assessment performed as part of the materiality assessment.

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	O	O	O		O		O	O		O	O
Shareholders & Investors	O		O	O	O	O	O	O	O		O
Clients & potential clients	O	O	O	O	O	O	O	O	O	O	O
Suppliers, contractors, subcontractors & partners	O	O	O	O	O	O	O	O	O	O	O
Governments & public administrations		O	O	O	O	O	O	O		O	
Trade unions	O	O	O		O		O	O		O	O
Local communities	O	O	O	O	O	O	O	O		O	O
NGOs & Media	O	O	O	O	O	O	O	O		O	O
Sector associations	O	O	O	O	O	O	O	O		O	O

The Group curates its dialogue and engagement approach in response to the various stakeholder characteristics and needs.

At corporate level, key stakeholders include investors, clients, current and potential employees, national and international trade unions, suppliers and 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[61].

Institutional relations take place in full compliance with the principles of legitimacy, transparency and accountability by suitable 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 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.

[61] 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.

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.

Furthermore, Webuild holds that the Environment- taken to be the entire ecosystem in which it operates, is itself also a stakeholder.

Like in previous years, the Group has engaged regularly with stakeholders. Its main initiatives are summarised below:

Channel	*Activity*
Face-to-face communication	
Meetings, presentations, focus groups, workshops, interviews, consultations, career days, public events	>17,700 people involved in about 1,500 meetings with the local communities and their representatives >9,300 people visited the Group's projects during roughly 260 open door events >89,400 people were involved in around 1,300 information campaigns about the Group's projects ~ 900,000 visitors attended two exhibitions on infrastructure
Digital communication	
Company websites, intranet, magazines, webinars, surveys, social media	2.7 million visits to the Group's website 7.4 million interactions through the Group's social media 68 million impressions on the Group's digital touchpoints 386,000 direct audience contacts on the digital channels 800,000 impressions on the corporate intranet > 3,000 employees engaged in periodic cascade/alignment meetings for information purposes and to strengthen a shared group culture

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.).

In most of the projects, the clients are responsible for engagement with the local communities while the Group provides technical and operating assistance to manage any issues that arise. Matters discussed by contract personnel and the local communities mainly 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 section "The infrastructure sector and Webuild's role", 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.

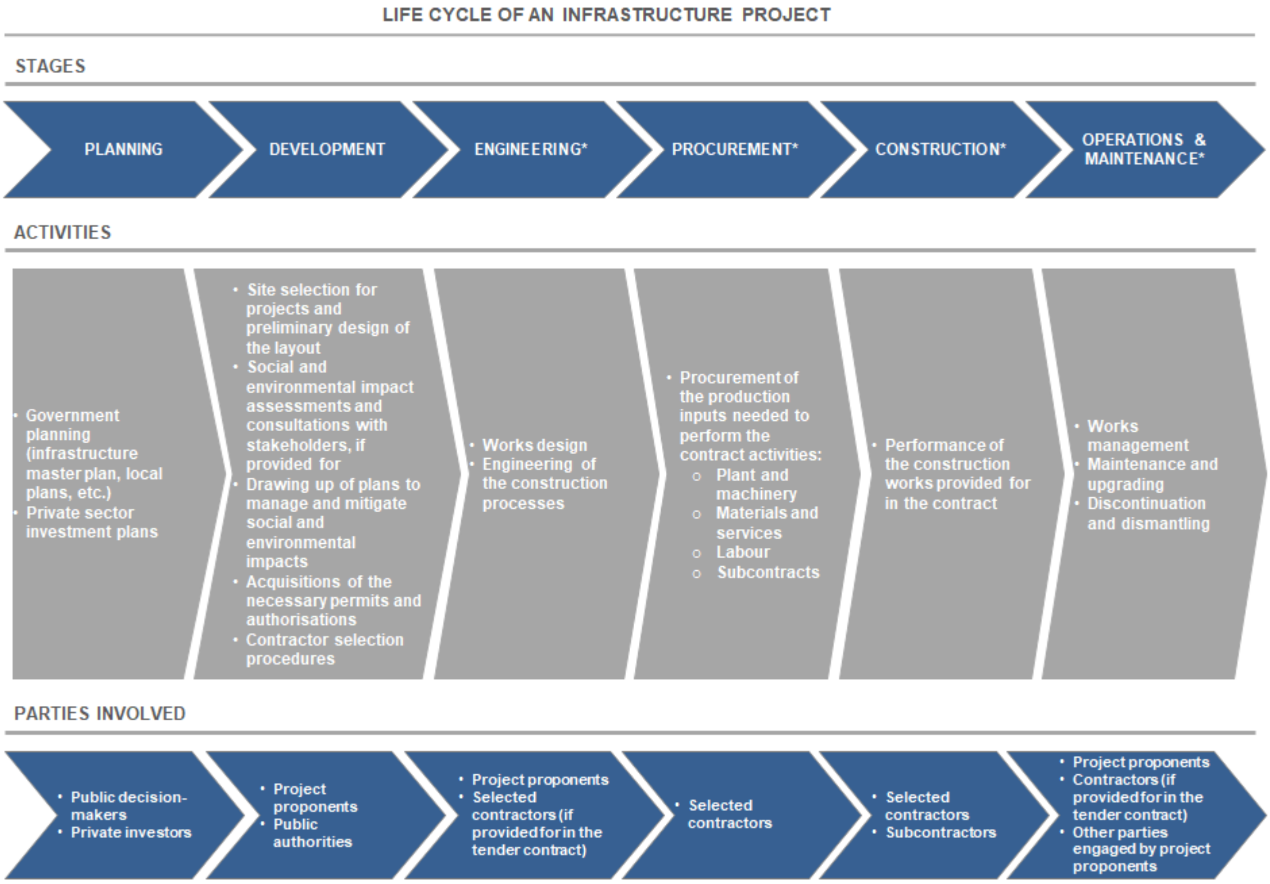
Standards applied

This 2023 Consolidated Non-financial Statement has been prepared in accordance with Legislative decree no. 254/2016 in accordance with the GRI Standards. 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) which 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 project proponent 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, occupational health and safety).

Materiality assessment

The Company performed a materiality assessment as set out in the 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.

It monitors changes in the global and sector situation (megatrends, SDGs, peers, etc.), 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) and 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 defined a universe of positive and negative, current and potential impacts it has on the economy, the environment and society (including the impact on human rights), which it subsequently associated with specific sustainability topics based on the combined review and assessment of the above aspects, the Group's business model, the objectives of its business plan and Sustainability Plan, its risk management model and categories of significant stakeholders.

Group personnel in charge of the processes and activities most closely linked to ESG aspects were involved in the assessment (through interviews). They contributed to the definition of the materiality of each impact using the severity and likelihood model provided by the GRI Standards.

Webuild subsequently asked its stakeholders[62] to assess the material topics identified as relevant from the Company's perspective in a dedicated survey, to which more than 1,150 replied, to understand their point of view.

The survey results substantially corroborated the materiality assessment of all the topics covered in the survey.

The Control, Risk and Sustainability Committee examined the materiality assessment, its findings and the list of material topics (including changes from the previous year) and subsequently forwarded them to the Board of Directors which approved them when it approved the Group's Consolidated Non-financial Statement.

The material aspects identified by the materiality assessment, grouped by impact scope, and the main impacts[63], are listed below.

[62] The stakeholder categories involved were employers, clients, suppliers, partners, investors, NGOs and ESG experts.
[63] The equal opportunities topic is material mostly for the head 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 assessment, 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.

Material topics	Impact scope	Main impacts
A. Occupational health and safety, C. Diversity and inclusion, D. Attraction, management and development of employees, K. Ethics and integrity	Employees	Healthy and safe work environments attentive to people's well-being- Lack of training to prevent injuries- Widespread presence of unconscious bias in decision-making processes- Definition of fair and meritocratic pay levels and treatment- Skills obsolescence
A. Occupational health and safety, B. Human rights, C. Diversity and inclusion, K. Ethics and integrity, O. Finance for sustainable growth	Human rights	Dissemination of a strong culture of risk prevention regarding health and safety at work – Work-related injuries with serious consequences and work-related ill health – Fostering of dialogue mechanisms between workers – Definition of fair and meritocratic pay levels and treatment – Inadequate work conditions
I. Natural resources and circular economy, J. Biodiversity, L. Excellence and innovation, O. Finance for sustainable growth	Environment	Continuous innovation and environmental sustainability of the products and processes developed by the Company – Degradation of the ecosystem, flora, fauna, biological diversity and cultural/landscape and archaeological heritage due to construction activities
H. Climate change, L. Excellence and innovation, O. Finance for sustainable growth	Climate change	Reduction of energy consumption and GHG emissions – Use of energy-intensive machinery and processes – Reduction of energy consumption and emissions – Non-development of innovative and sustainable products and processes
F. Supply chain, K. Ethics and integrity	Supply chain	Fostering good ESG practices in the supply chain – Abuse of position of strength vis-à-vis suppliers – Responsible conduce in business decisions and along the value chain
E. Contribution to local economies, N. Cyber security, G. Stakeholder engagement, K. Ethics and integrity	Social	Creation of direct and indirect contribution to local communities – Loss of confidentiality, integrity and availability of personal and/or company data – Cultivation of quality relationships with local communities – Adoption of suitable whistleblowing tools to report possible violations of the Group's standards and applicable laws – Erroneous management of tax issues in the countries where the Group operates
M. Anti-corruption, K. Ethics and integrity	Anti-corruption	Relations with representatives of the public administration or other bodies to obtain preferential treatment – Attempted corruption of employees by current or potential suppliers/subcontractors to obtain preferential treatment

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, 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 assessment on the list of entities making up the parent and fully consolidated companies considering the level of operations of each entity and the corresponding material information.

The entities may be:

- fully operational (e.g., ongoing projects), to which most of the data included herein refers;
- limited operations (e.g., projects being completed or in a start-up phase), which mostly contribute data related to the number of their employees and their QEHS management systems;
- non-operational (e.g., entity in liquidation), which only contribute information about the number of their employees.

A list of the fully-operational entities for which a non-financial reporting system has been implemented for the purposes of this Statement is provided below. They include joint operations for which the Company manages their operations, such as Civil Works Joint Ventures (Saudi Arabia), Salini Impregilo- NGE Genie Civil (France), Asocierea Astaldi S.p.A.-IHI Infrastructures Systems SO, L.t.d. (Romania), Asocierea Astaldi-FCC-Salcef-Thales, Lot 2°a (Romania), Asocierea Astaldi-FCC-Salcef-Thales, Lot 2°b (Romania), Consorzio Gdansk (Poland), BSS-KSAB JV (Saudi Arabia), Consorcio Ana Cua (Paraguay) and Spark NEL DC Joint Venture (Australia). Their data has been shown at 100% regardless of the Company's percentage of involvement in the joint operation.

Name	Project	Country
Webuild S.p.A. (Algerian branch)	Saida- Tiaret railway line	Algeria
Webuild S.p.A. (Chilean branch)	Normalizacion Hospital Basic de Linares	Chile
	El Teniente- Q3	Chile
Webuild S.p.A. (Ethiopian branch)	Gerd	Ethiopia
	Koysha	Ethiopia
Webuild S.p.A. (Romanian branch)	Sibiu- Pitesti Motorway, Lot 5	Romania
Webuild S.p.A. (Tajikistani branch)	Rogun Hydropower Project	Tajikistan
AGN HAGA AB*	Kvarneberget- Rock Tunnel	Sweden
Ana Cua Consorcio	Brazo Ana Cua hydroelectric power plant	Paraguay
Asocierea Astaldi S.p.A.-IHI Infrastructure Systems SO, Ltd. (Braila)	Braila Bridge	Romania
Asocierea Astaldi-FCC-Salcef-Thales, lot 2°a	Curtici- Simeria railway line, Lot 2A	Romania
Asocierea Astaldi-FCC-Salcef-Thales, lot 2°b	Curtici- Simeria railway line, Lot 2B	Romania
Bovino Orsara AV	High-speed/capacity Naples- Bari railway line (Orsara- Bovino section)	Italy
BSS-KSAB Joint venture	King Salman Air Base	Saudi Arabia
Capodichino AS.M. S.C. a r.l.	Capodichino Station- Naples Metro	Italy
Civil Works Joint Ventures	Riyadh Metro Line 3	Saudi Arabia
Clough	Waitsia Gas Project Stage 2	Australia
	Lombrum Naval Base	Australia
Consorzio Cociv	High-speed/capacity Milan- Genoa railway line- Giovi third railway crossing	Italy
Consorzio Hirpinia AV	High-speed/capacity Naples- Bari railway line (Apice- Hirpinia section)	Italy
Consorzio Iricav Due	High-speed/capacity Verona- Padua railway line	Italy
Constructora Ariguani SAS En Reorganizacion	Ruta del Sol	Colombia
DIRPA 2 S.C. a r.l.	Marche-Umbria road system, Maxi Lot 2	Italy
Gdansk Consorzio	Gdansk waste-to-energy plant	Poland
Infraflegrea Progetto S.C.p.A.	Monte Sant'Angelo railway connector	Italy
Messina Catania lotto Nord	Catania- Messina railway line (Giampilieri- Fiumefreddo section lot 2) (Taormina- Giampilieri)	Italy
Messina Catania lotto Sud	Catania- Messina railway line (Giampilieri- Fiumefreddo Lot 1) (Fiumefreddo-Taormina)	Italy
Metro Blu S.C.a.r.l.	Line M4, Milan Metro	Italy
Napoli Cancello Alta Velocità S.C. a r.l.	High-speed/capacity Naples- Bari railway line (Naples- Cancello section)	Italy
Nuovo Ospedale Sud Est Barese S.C. a r.l. (NOSEB S.C. a r.l.)	Nuovo Ospedale del Sud Est Barese Monopoli – Fasano	Italy
Partecipazioni Italia	Cumana railway line	Italy

Name	Project	Country
Pergenova Breakwater	New Genoa Breakwater	Italy
S. Agata FS S.C. a r.l.	Palermo- Catania, Bicocca- Catenanuova section	Italy
SA.PI. NOR Salini Impregilo- Pizzarotti Joint venture	Nykirke- Barkaker railway line	Norway
Sailini Impregilo S.p.A.- NGE Genie Civil S.a.s	Paris Metro, Line 16, Lot 2	France
Salini Saudi Arabia Company Ltd.	Diriyah Square Super Basement	Saudi Arabia
	Sang Villas	Saudi Arabia
Seli Overseas S.p.A.	CEPAV 2	Italy
Sirjo S.c.p.A.	SS-106 state road Jonica, Third maxi-lot	Italy
SLC Snowy Hydro Joint ventures	Snowy Hydro 2.0	Australia
Spark NEL DC Joint ventures	North East Link	Australia
Lane Construction	Sundry projects	United States

* The consolidation method has changed during the year; therefore, the data have been included for the period of time the entity was consolidated on a line-by-line basis. More information is available in note 20.7 Share capital and reserves attributable to non-controlling investors to the consolidated financial statements.

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 (solely for data about emissions) the following joint ventures whose operations are managed by the Group[64]:

Name	Project	Country
Dolomiti Webuild Implenia	Fortezza- Verona railway line, Fortezza- Ponte Gardena section	Italy
Fisia Italimpianti fil. Argentina-Acciona Agua fil. Argentina UTE	Riachuelo Lot 2	Argentina
Mobilinx Hurontario Contractor	Hurontario Light Rail Transit Project	Canada

More information on the in-scope entities is available in the "List of Webuild Group entities" which is attached to the notes to the consolidated financial statements.

The following are exceptions to the above scope:

- 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 labour force relate to the group entities consolidated on a line-by-line basis, that qualify as joint operations and are measured using the equity method. In the latter two cases, the data about just the direct workforce are calculated considering the Group's involvement;
- data about health and safety of workers (including data about the number of hours worked) and QEHS training include all entities (consolidated on a line-by-line basis, joint operations or measured using the

[64] Again the data are shown at 100% regardless of the Group's involvement in the joint venture.

equity method) that are either fully operational or limited operations for which the Group manages their QEHS management systems.

Any specific limitations to the scope are specified in the text or in the GRI Content Index.

Unless otherwise indicated, the 2021 and 2022 corresponding information is taken from the Group's 2022 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 actual figures and, where specified, estimates. The methods used to calculate the main data and indicators are set out below.

Benefits of projects underway

The data in the "Sustainability Strategy" and "Climate change" sections related to the benefits of projects underway, 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 projects underway
    - 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).

Training

Training data include training provided to professionals before they are hired.

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 refer 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, QEHS 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)- Scope 1 and 3;
- CO2 Emissions from Fuel (International Energy Agency)- Scope 2;
- Fourth Assessment Report AR4 (IPCC)- Scope 1;
- Inventory of Carbon and Energy (Bath Inventory of Carbon and Energy – ICE)- Scope 1 and 3;
- SimaPro modelling software- Scope 3.

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 tank trucks) and not measured using water meters are calculated considering the capacity of the withdrawal systems (pump capacity multiplied by the average number of working hours) or the production activity of the period.

Waste

The data refer to waste generated by the in-scope contracts (including waste generated 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 2023.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI sector standards	Not applicable

Disclosure	Description, page number, reference to other sections of the Report or other documents, related material topics (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 a. Name of the organisation: Webuild S.p.A. b. 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.. c. Location of headquarters: Milan, Italy. d. 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. 216. 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.216. 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. 216.		
2-3	Reporting period, frequency and contact point a. Reporting period: 2023. b. Reporting cycle: Annual. c. Date di publication: April 2024. d. Contact point for questions about the report: sustainability@webuildgroup.com.		
2-4	Restatements of information: The 2021 and 2022 data for scope 3 emissions have been restated and differ from those shown in the 2021 and 2022 Consolidated Non-financial Statements. This restatement became necessary after publication of the Statements due to: - a change in the information about the excavation waste at the Rogun Dam project in Tajikistan for 2021; - changes to the calculation of the 2022 figures for Goods and services acquired and Transportation of materials to the work sites.		
2-5	External assurance: p. 244.		
Activities and workers			
2-6	Activities, value chain and other business relationships a. Activities, brands, products, and services: p. 7. b. Markets served: p. 24. c. Scale of the organisation: p. 63, p. 141. d. Supply chain: p. 201. 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. 141. Permanent contracts account for 95% of the total in Africa, 63% in the Americas, 82% in Europe and 77% in Asia and Oceania. 99.6% of the employees have full-time contracts. Male employees number 4,057 in Italy, 9,229 in Africa, 1,983 in Europe (excluding Italy), 5,754 in the Americas, 9,946 in Asia and 2,194 in Oceania.		6
2-8	Workers who are not employees: p. 141. Data related to workers who are not employees are an average for the month.		

Governance			
2-9	Governance structure and composition a. Governance structure: p. 175. b. Composition of the highest governance body and its committees: p. 4, p.122.		
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: 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 their 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 or the board committees- the ESG strategy and plan, the short and long-term incentive plan, the Consolidated Non-financial Statement, the important projects and initiatives and their progress. With respect to ESG matters, 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 organisation 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 itself, 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 organisation 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.		
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 6 to 7 and pages 21 to 30 of the 2023 Remuneration Report.		
2-20	Process to determine remuneration: reference is made to pages 12 to 15 of the 2023 Remuneration Report.		
2-21	Annual total compensation ratio: reference is made to page 33 of the 2023 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. **Error! Bookmark not defined.**.		
2-23	Policy commitments: p. 122, 185, 212. Reference is made to the website page that includes the Code of Ethics, the Suppliers Code of Conduct and the Companies' policies.		10
2-24	Embedding policy commitments: reference is made to the Company's policies summarised in the table on p. 120.		
2-25	Processes to remediate negative impacts: p. 153, 161, 186, 198, 205, 221.		
2-26	Mechanisms for seeking advice and raising concerns: p. 153, 161, 186, 198, 205, 221.		
2-27	Compliance with laws and regulations: p. 104, p. 186.		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 ANCE, ASSOCIAZIONE ASSAFRICA & MEDITERRANEO, AGI Associazione Geotecnica Italiana, 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 Chambers of Commerce and Industry in Italy), Centro Studi Americani, 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. It paid membership fees of roughly €323 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 2023 Consolidated Non-financial Statement is not a statement as per the Communication on Progress of the UN Global Compact, which will be made directly on the ad-hoc platform created by the same organisation.		
Stakeholder engagement			
2-29	Approach to stakeholder engagement: p. 161, 185, 201, 208, 214.		

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 2023, this covered 14,047 employees, equal to 37% of the total.		3
GRI 3 Material topics 2021			
Disclosures on material topics			
3-1	Process to determine material topics: p. 214.		
3-2	List of material topics: p. 214.		
GRI 200 Economic			
GRI 201 Economic performance (2016) K. Ethics and integrity			
3-3	Management of material topics: p. **Error! Bookmark not defined.**, 7, 118, 122, 104.		
201-1	Direct economic value generated and distributed: the direct economic value generated by the Group in 2023 amounted to €10,009 million, including €9,514 million which was distributed and €495 million which was retained. Specifically, €7,156 million was distributed to suppliers (operating costs), €1,750 million to employees (remuneration and benefits), €422 million to lenders and €185 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 20 May 2024.		
GRI 202 Market Presence (2016) Material topics: E. Contribution to local economies, G. Stakeholder engagement			
3-3	Management of material topics: p. **Error! Bookmark not defined.**, 7, 118, 204.		6
202-2	Proportion of management hired from the local community: p. 205. 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: E. Contribution to local economies, G. Stakeholder engagement			
3-3	Management of material topics: p. **Error! Bookmark not defined.**, 7, 118, 204		
203-1	Infrastructure investments and services supported: p. 208. The total value of initiatives to assist local areas includes monetary donations (43.4%), sponsorships (55.1%) and contributions in kind (1.5%) (e.g., labour, materials, machinery).		
GRI 204 Procurement Practices (2016) Material topics: E. Contribution to local economies, F. Supply chain, G. Stakeholder engagement			
3-3	Management of material topics: p. **Error! Bookmark not defined.**, 7, 118, 204, 201.		
204-1	Proportion of spending on local suppliers: p. 205. 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: M. Anti-corruption			
3-3	Management of material topics: p. 198.		10
205-1	Operations assessed for risks related to corruption: p. 198. 210 companies were included in the assessment scope.		10
GRI 207 Tax (2019) Material topics: G. Stakeholder engagement, K. Ethics and integrity			
3-3	Management of material topics: p. 204.		
207-1	Approach to tax: p. 205.		
207-2	Tax governance, control and risk management: p. 205.		
207-3	Stakeholder engagement and management of concerns related to tax: p. 205.		

207-4	Country-by-country reporting: p. 205. The data refer to 2021 as this is the most recent year for which information is available. The list of group companies attached to 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: I. Natural resources and circular economy			
3-3	Management of material topics: p. **Error! Bookmark not defined.**, 7, 118, 185.		7, 8
301-1	Materials used by weight or volume: p. 189. 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: H. Climate change			
3-3	Management of material topics: p. **Error! Bookmark not defined.**, 7, 118, 165.		7, 8, 9
302-1	Energy consumption within the organisation: p. 179, p. 220.		7, 8, 9
302-2	Energy consumption outside of the organisation: p. 179, p. 220. Significant external energy consumption refers to the Group's subcontractors.		7, 8, 9
302-3	Energy intensity: p. 179, p. 220.		7, 8, 9
GRI 303 Water and effluents (2018) Material topics: I. Natural resources and circular economy			
3-3	Management of material topics: p. **Error! Bookmark not defined.**, 7, 118, 185.		7, 8
303-1	Interactions with water as a shared resource: p. 189, p. 221.		7, 8
303-2	Management of water discharge-related impacts: p. 189, p. 221.		7, 8
303-3	Water withdrawal by source: p. 189, p. 221. Water withdrawn from areas with water stress: during the year, water withdrawals of 172,849 cubic metres were made in areas with water stress for the Naples- Bari railway line (Orsara - Bovino section), the Naples - Bari railway line (Naples - Cancello section), SS-106 state road Jonica (third mega lot), the Monte Sant-Angelo railway connector, the Capodichino Station, Naples Metro, Nuovo Ospedale del Sud Est Barese Monopoli - Fasano, the Cumana railway line and the Saida- Tiaret railway line 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: J. Biodiversity			
3-3	Management of material topics: p. **Error! Bookmark not defined.**, 7, 118, 185.		8
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas: p.196.		8
GRI 305 Emissions (2016) Material topics: H. Climate change			
3-3	Management of material topics: p. **Error! Bookmark not defined.**, 7, 118, 165.		7, 8, 9
305-1	Direct (Scope 1) GHG emissions: p. 179, p. 220.		7, 8, 9

305-2	Energy indirect (Scope 2) GHG emissions: p. 179, p. 220.		7, 8, 9
305-3	Other indirect (Scope 3) GHG emissions: p. 179, p. 220.		7, 8, 9
305-4	GHG emissions intensity: p. 179, p. 220.		7, 8, 9
GRI 306 Waste (2020) Material topics: I. Natural resources and circular economy			
3-3	Management of material topics: p. **Error! Bookmark not defined.**, 7, 118, 18585.		8
306-1	Waste generation and significant waste-related impacts: p. 193, p. 221.		8
306-2	Management of significant waste-related impacts: p. 193, p. 221.		8
306-3	Waste generated: p. 193, p. 221.		8
306-4	Waste diverted from disposal: p. 193, p. 221.		8
306-5	Waste directed to disposal: p. 193, p. 221.		8
GRI 308 Supplier Environmental Assessment (2016) Material topics: F. Supply chain, G. Stakeholder engagement			
3-3	Management of material topics: p. **Error! Bookmark not defined.**, 7, 118, 201, 204.		8
308-1	New suppliers that were screened using environmental criteria: p. 201. In 2023, 80% of the suppliers with large orders (i.e., >€100 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: D. Attraction, management and development of employees			
3-3	Management of material topics: p. **Error! Bookmark not defined.**, 7, 118, 140.		6
401-1	New employee hires and employee turnover: p. 142. Specifically, 8,919 people joined the Group, of whom 8,036 men and 883 women (entry rate of 23%), including 2,948 under 30 years of age (33%), 4,624 between 30 and 50 (52%) and 1,347 over 50 (15%). The geographical distribution of employees is as follows: 1,542 in Africa (17%), 2,087 in the Americas (23%), 2,339 in Europe (26%), and 2,951 in Asia and Oceania (33%). During the year, people that left the Group, including the transfers of resources among group sites, numbered 6,682, of whom 6,068 men and 614 women (exit rate of 18%), including 1,761 under 30 (26%), 3,875 between 30 and 50 (58%) and 1,047 over 50 (16%). The geographical distribution of the leavers is as follows: 1,584 in Africa (24%), 2,163 in the Americas (32%), 843 in Europe (13%) and 2,093 in Asia and Oceania (31%). The turnover rates were calculated using the average employee numbers for the year.		6
GRI 402 Labour/Management Relations (2016) Material topics: B. Human rights, D. Attraction, management and development of employees			
3-3	Management of material topics: p. **Error! Bookmark not defined.**, 7, 118, 140, 160.		3
402-1	Minimum notice periods regarding operational changes: The minimum notice period to communicate significant operating operational changes for Webuild is set by collective employment contracts and relevant local laws. It varies from zero to 32 weeks for managers, zero to 12 weeks for office staff and zero to 11 weeks for blue collars.		3
GRI 403 Occupational Health and safety (2018) Material topics: A. Occupational health and safety, G. Stakeholder engagement			
3-3	Management of material topics: p. **Error! Bookmark not defined.**, 7, 118, 140, 204.		

403-1	Occupational health and safety management system: p. 156. The Health and Safety Management System is installed at the Italian head offices (corporate), direct projects; contracts subsidiaries' projects, and projects of joint operations where the Group manages the operating activities or has specific agreements with its partners. Where health and safety management is the responsibility of its partners in joint ventures, compliance with the requirements of ISO 45001 is nonetheless guaranteed. While Lane Construction Corporation, Clough, Webuild Innovations, Cossi, Fisia Italimpianti and Seli Overseas have independent certifications which comply with the applicable ISO standards, they also comply with the Company's procedures and guidance.		
403-2	Hazard identification, risk assessment, and incident investigation: p. 153.		
403-3	Occupational health services: p. 153.		
403-4	Worker participation, consultation, and communication on occupational health and safety: p 153.		
403-5	Worker training on occupational health and safety: p. 153.		
403-6	Promotion of worker health: p. 153.		
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships: p. 153.		
403-9	Work-related injuries: p. 153. Despite the stringent assessments of risks and operating controls, two fatal injuries took place in 2023 involving direct employees (0.02%) and three involving employees of subcontractors (0.05%). The serious injuries, calculated in accordance with Italian legislation (sick leave of more than 40 days), involved seven direct employees (0.06%) and six employees of subcontractors (0.11%). The total number of recordable injuries was 387 for the direct employees (3.18%) and 225 for employees of subcontractors (4.03%). The main types of injury were bruises, fractures, wounds and dislocations.		
GRI 404 Training and Education (2016) Material topics: D. Attraction, management and development of employees, G. Stakeholder engagement			
3-3	Management of material topics: p. **Error! Bookmark not defined.**, 7, 118, 140, 204.		6
404-1	Average hours of training per year per employee: p. 146, p. 221. In 2023, direct employees received on average 19 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 19 hours. Technical and production employees received an average of 20 hours of training per capita, while office employees received 13 hours. During the year, the per capita training hours provided to corporate employees amounted to 179 for men and 93 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: C. Diversity and inclusion			
3-3	Management of material topics: p. **Error! Bookmark not defined.**, 7, 118, 160.		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. 161 (diversity of employees).		6
GRI 406 Non-discrimination (2016) Material topics: C. Diversity and inclusion			
3-3	Management of material topics: p. **Error! Bookmark not defined.**, 7, 118, 160.		6
406-1	Incidents of discrimination and corrective actions taken: p. 161. The Group received eight notifications of alleged discrimination from employees at the Snowy Hydro project (Australia) and Kvarneberget - Rock Tunnel project (Sweden), and Lane's (USA) and Clough's (Australia) employees during the year. These notifications were handled in accordance with the relevant internal procedures. At year end, none of the cases had not been investigated.		6
GRI 407 Freedom of Association and Collective Bargaining (2016) Material topics: B. Human rights			

3-3	Management of material topics: p. **Error! Bookmark not defined.**, 7, 118, 161.		3
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk: p. 161.		3
GRI 408 Child Labour (2016) Material topics: B. Human rights			
3-3	Management of material topics: p. **Error! Bookmark not defined.**, 7, 118, 160.		5
408-1	Operations and suppliers at significant risk for incidents of child labour: p. 161.		5
GRI 409 Forced or Compulsory Labour (2016) Material topics: B. Human rights			
3-3	Management of material topics: p. **Error! Bookmark not defined.**, 7, 118, 160.		4
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour: p. 161.		4
GRI 410 Security Practices (2016) Material topics: B. Human rights			
3-3	Management of material topics: p. **Error! Bookmark not defined.**, 7, 118, 160.		1
410-1	Security personnel trained in human rights or procedures: p. 122. 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: B. Human rights			
3-3	Management of material topics: p. **Error! Bookmark not defined.**, 7, 118, 160.		1
411-1	Incidents of violations involving rights of indigenous peoples: p. 161. No instances (e.g., legal action) for the violation of indigenous rights took place in the year.		1
GRI 413 Local Communities (2016) Material topics: E. Contribution to local communities, G. Stakeholder engagement			
3-3	Management of material topics: p. **Error! Bookmark not defined.**, 7, 118, 204, 212.		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 80% of its in-scope projects. The clients consulted the local communities for 55% of the projects. A management system is in place to handle complaints from local communities for 49% of the projects (the grievance mechanisms). Development projects assisting the local communities exist for 26% of the projects while workers committees exist for 28% of the projects.		1
GRI 414 Supplier Social Assessment (2016) Material topics: F. Supply chain, G. Stakeholder engagement			
3-3	Management of material topics: p. **Error! Bookmark not defined.**, 7, 118, 201, 204.		2
414-1	New suppliers that were screened using social criteria: p. 201. In 2023, 80% of the suppliers with large orders (i.e., >€100 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 scope of entities that is larger than the scope of operating entities considered for this Statement.		2
GRI 415 Public Policy (2016) Material Topics: K. Ethics and integrity			
3-3	Management of material topics: p. 7, 104, 122, 221.		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		2023 NFS
GOVERNANCE		
Governance around climate-related risks and opportunities	a) Role of BoD	"Climate change – Governance" section
	b) Role of management	
STRATEGY		
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	

Annex 1

Tables of economic KPIs associated with 2023 EU Taxonomy-eligible and aligned economic activities

Table 1 – Turnover *(€'000)*

Financial Year N	2023			Substantial contribution criteria						DNSH ("Do No Significant Harm") criteria (h)									
Economic activities (1)	Code (a) (2)	Turnover (3)	Proportion of turnover (year N) (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Taxonomy-aligned (A.1) or eligible (A.2) proportion of turnover (year N-1) (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
			%	*Yes; No; N/AM (b) (c)*	*Yes; No; N/AM (b) (c)*	*Yes; No; N/AM (b) (c)*	*Yes; No; N/AM (b) (c)*	*Yes; No; N/AM (b) (c)*	*Yes; No; N/AM (b) (c)*	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	A	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Restoration of wetlands	2.1 CCA	€43,994.09	0.47%	No	Yes	N/AM	N/AM	N/AM	N/AM	Yes	-	Yes	Yes	Yes	Yes	Yes	0.00%	A	
Electricity generation from hydropower	4.5 CCM	€1,831,801.72	19.72%	Yes	No	N/AM	N/AM	N/AM	N/AM	-	Yes	Yes	Yes	Yes	Yes	Yes	18%		
Infrastructure for rail transport	6.14 CCM	€816,124.67	8.78%	Yes	No	N/AM	N/AM	N/AM	N/AM	-	Yes	Yes	Yes	Yes	Yes	Yes	20.10%	A	
Infrastructure enabling low-carbon road transport and public transport	6.15 CCM	-	-	N/AM	N/AM	N/AM	N/AM	N/AM	N/AM	No	No	No	No	No	No	Yes	3.10%		
Construction of new buildings	7.1 CCM	-	-	No	N/AM	N/AM	N/AM	No	N/AM	No	No	No	No	No	No	Yes	0.40%		
Turnover of environmentally-sustainable activities (Taxonomy-aligned) (A.1)		€2,691,920.47	28.98%	28.50 %	0.47 %	0.00 %	0.00 %	0.00 %	0.00 %	Yes	Yes	Yes	Yes	Yes	Yes	Yes	41.60%		
Of which enabling		€860,118.76	9.26%	8.78 %	0.47 %	0.00 %	0.00 %	0.00 %	0.00 %	Yes	Yes	Yes	Yes	Yes	Yes	Yes	20.10%	A	
Of which transitional		€0.00	0.00%	0.00 %						-	-	-	-	-	-	-	0.00%		T
A.2 Taxonomy-eligible but not environmentally-sustainable activities (not Taxonomy-aligned activities) (g)																			
				AM; N/AM (f)	*AM; N/AM (f)*	*AM; N/AM (f)*	*AM; N/AM (f)*	*AM; N/AM (f)*	*AM; N/AM (f)*										
Restoration of wetlands	2.1 CCM / CCA	€0.00	0.0%	AM	AM	N/AM	N/AM	N/AM	N/AM								1.90%		
Electricity generation from hydropower	4.5 CCM	€280,796.31	3.02%	AM	N/AM	N/AM	N/AM	N/AM	N/AM								1.80%		
Construction, extension and operation of waste water collection and treatment	5.3 CCM	€112,656.43	1.21%	AM	N/AM	N/AM	N/AM	N/AM	N/AM								3.10%		
Infrastructure for rail transport	6.14 CCM / CCA	€1,943,708.62	20.92%	AM	AM	N/AM	N/AM	N/AM	N/AM								10.60%		

Table 1 – Turnover *(€'000)*

Financial Year N	2023			Substantial contribution criteria						DNSH ("Do No Significant Harm") criteria (h)									
Economic activities (1)	Code (a) (2)	Turnover (3)	Proportion of turnover (year N) (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Taxonomy-aligned (A.1) or eligible (A.2) proportion of turnover (year N-1) (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
Construction of new buildings	7.1 CCM 3.1 CE	€571,431.98	6.15%	AM	N/AM	N/AM	N/AM	AM	N/AM								4.90%		
Renovation of existing buildings	7.2 CCM 3.2 CE	€152,195.57	1.64%	AM	N/AM	N/AM	N/AM	AM	N/AM								-		
Engineering activities and related technical consultancy dedicated to adaptation to climate change	9.1 CCA	€69,422.09	0.75%	N/AM	AM	N/AM	N/AM	N/AM	N/AM								0.40%		
Construction, extension and operation of water collection, treatment and supply systems	5.1 CCM	-	-	N/AM	N/AM	N/AM	N/AM	N/AM	N/AM								0.00%		
Infrastructure enabling low-carbon road transport and public transport	6.15 CCM	-	-	N/AM	N/AM	N/AM	N/AM	N/AM	N/AM								15.50%		
Infrastructure enabling low carbon water transport	6.16 CCM	-	-	N/AM	N/AM	N/AM	N/AM	N/AM	N/AM								0.00%		
Data processing, hosting and related activities	8.1 CCM	-	-	N/AM	N/AM	N/AM	N/AM	N/AM	N/AM								0.80%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		€3,130,211.00	33.69%	32.95 %	0.75 %	0.00 %	0.00 %	0.00 %	0.00 %								39.10%		
Total (A.1 + A.2)		€5,822,131.47	62.67%	61.45 %	1.22 %	0.00 %	0.00 %	0.00 %	0.00 %								80.70%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		€3,467,986.53	37.33%																
Total		€9,290,118.00	100.00%																

	Proportion of turnover/Total turnover	
	Taxonomy-aligned by objective	Taxonomy-eligible by objective
CCM	28.50%	61.45%
CCA	0.47%	22.14%
WTR		-
CE	0.00%	7.79%
PPC		-
BIO		-

Table 2 – CapEx *(€'000)*

Financial Year N	2023			Substantial contribution criteria						DNSH ("Do No Significant Harm") criteria (h)									
Economic activities (1)	Code (a) (2)	CapEx (3)	Proportion of CapEx, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Taxonomy-aligned (A.1) or eligible (A.2) proportion of CapEx (year N-1) (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
		€/000	%	*Yes; No; N/AM (b) (c)*	*Yes; No; N/AM (b) (c)*	*Yes; No; N/AM (b) (c)*	*Yes; No; N/AM (b) (c)*	*Yes; No; N/AM (b) (c)*	*Yes; No; N/AM (b) (c)*	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/No	%	A	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Restoration of wetlands	2.1 CCA	€184.96	0.04%	No	Yes	N/AM	N/AM	N/AM	N/AM	Yes	-	Yes	Yes	Yes	Yes	Yes	2.60%	A	
Electricity generation from hydropower	4.5 CCM	€86,792.57	17.00%	Yes	No	N/AM	N/AM	N/AM	N/AM	-	Yes	Yes	Yes	Yes	Yes	Yes	27.30%		
Infrastructure for rail transport	6.14 CCM	€115,250.82	22.58%	Yes	No	N/AM	N/AM	N/AM	N/AM	-	Yes	Yes	Yes	Yes	Yes	Yes	18.10%	A	
Infrastructure enabling low-carbon road transport and public transport	6.15 CCA	€35,249.89	6.91%	N/AM	Yes	N/AM	N/AM	N/AM	N/AM	Yes	-	Yes	Yes	Yes	Yes	Yes			
Infrastructure enabling low-carbon road transport and public transport	6.15 CCM	-	-	N/AM	N/AM	N/AM	N/AM	N/AM	N/AM	No	No	No	No	No	No	Yes	4.70%		
CapEx of environmentally-sustainable activities (Taxonomy-aligned) (A.1)		€237,478.25	46.52%	39.58 %	6.94%	0.00%	0.00%	0.00%	0.00%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	52.70%		
Of which enabling		€115,435.78	22.61%	22.58 %	0.04%	0.00%	0.00%	0.00%	0.00%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	20.70%	A	
Of which transitional		€0.00	0.00%	0.00%						-	-	-	-	-	-	-	0.00%		T

Table 2 – CapEx *(€'000)*

Financial Year N	*2023*			Substantial contribution criteria						DNSH ("Do No Significant Harm") criteria (h)									
Economic activities (1)	Code (a) (2)	CapEx (3)	Proportion of CapEx, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Taxonomy-aligned (A.1) or eligible (A.2) proportion of CapEx (year N-1) (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
A.2 Taxonomy-eligible but not environmentally-sustainable activities (not Taxonomy-aligned activities) (g)																			
				AM; N/AM (f)	*AM; N/AM (f)*	*AM; N/AM (f)*	*AM; N/AM (f)*	*AM; N/AM (f)*	*AM; N/AM (f)*										
Restoration of wetlands	2.1 CCM / CCA	€0.00	0.00%	AM	AM	N/AM	N/AM	N/AM	N/AM								0.00%		
Electricity generation from hydropower	4.5 CCM / CCA	€582.99	0.11%	AM	AM	N/AM	N/AM	N/AM	N/AM								0.50%		
Construction, extension and operation of waste water collection and treatment	5.3 CCM / CCA	€488.78	0.10%	AM	AM	N/AM	N/AM	N/AM	N/AM								1.00%		
Infrastructure for rail transport	6.14 CCM / CCA	€20,963.03	4.11%	AM	AM	N/AM	N/AM	N/AM	N/AM								2.00%		
Infrastructure enabling low-carbon road transport and public transport	CCA 6.15	€23,874.56	4.68%	N/AM	AM	N/AM	N/AM	N/AM	N/AM										
Construction of new buildings	7.1 CCM / CCA 3.1 CE	€3,855.61	0.76%	AM	AM	N/AM	N/AM	AM	N/AM								3.10%		
Renovation of existing buildings	7.2 CCM / CCA 3.2 CE	€1,118.62	0.22%	AM	AM	N/AM	N/AM	AM	N/AM										
Engineering activities and related technical consultancy dedicated to adaptation to climate change	9.1 CCA	€2,607.36	0.51%	N/AM	AM	N/AM	N/AM	N/AM	N/AM								1.30%		

Table 2 – CapEx *(€'000)*

Financial Year N	2023			Substantial contribution criteria						DNSH ("Do No Significant Harm") criteria (h)									
Economic activities (1)	Code (a) (2)	CapEx (3)	Proportion of CapEx, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Taxonomy-aligned (A.1) or eligible (A.2) proportion of CapEx (year N-1) (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
Infrastructure enabling low-carbon road transport and public transport	6.15 CCM	-	-	N/AM	N/AM	N/AM	N/AM	N/AM	N/AM								10.70%		
Construction, extension and operation of water collection, treatment and supply systems	5.1 CCM	-	-	N/AM	N/AM	N/AM	N/AM	N/AM	N/AM								0.01%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		€53,490.95	10.48%	5.29%	5.19%	0.00%	0.00%	0.00%	0.00%								18.60%		
Total (A.1 + A.2)		€290,969.19	57.00%	44.87 %	12.13 %	0.00%	0.00%	0.00%	0.00%								71.20%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		€219,520.81	43%																
Total		€510,490.00	100%																

	Proportion of CapEx/Total CapEx	
	Taxonomy-aligned by objective	Taxonomy-eligible by objective
CCM	39.58%	44.87%
CCA	6.94%	17.42%
WTR		-
CE	0.00%	0.97%
PPC		-
BIO		-

A breakdown of the amounts included in the numerator of the KPI for alignment of the economic activity is provided below[65]:

Table 2.1

€'000

Assets	Increases to property, plant and machinery	Increases to self-generated intangible assets	Increases to right-of-use assets	Total
2.1	167		18	185
4.5	83,499		3,294	86,793
6.14	97,138	117	17,996	115,251
6.15	33,700		1,550	35,250

[65]A breakdown as per the above table is not possible for some projects, making up 0.4% of total aligned CapEx and hence the breakdown was estimated.

Table 3 – OpEx *(€'000)*

Financial Year N		*2023*		Substantial contribution criteria						DNSH ("Do Not Significant Harm") criteria (h)									
Economic activities (1)	Code (a) (2)	OpEx (3)	Proportion of OpEx, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Taxonomy-aligned (A.1) or eligible (A.2) proportion of OpEx (year N-1) (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
		€/000	%	*Yes; No; N/AM (b) (c)*	*Yes; No; N/AM (b) (c)*	*Yes; No; N/AM (b) (c)*	*Yes; No; N/AM (b) (c)*	*Yes; No; N/AM (b) (c)*	*Yes; No; N/AM (b) (c)*	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	A	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Restoration of wetlands	2.1 CCA	€9,415.75	2.15%	No	Yes	N/AM	N/AM	N/AM	N/AM	Yes	-	Yes	Yes	Yes	Yes	Yes	3.70%	A	
Electricity generation from hydropower	4.5 CCM	€54,170.42	12.39%	Yes	No	N/AM	N/AM	N/AM	N/AM	-	Yes	Yes	Yes	Yes	Yes	Yes	15.10%		
Infrastructure for rail transport	6.14 CCM	€75,686.16	17.32%	Yes	No	N/AM	N/AM	N/AM	N/AM	-	Yes	Yes	Yes	Yes	Yes	Yes	11.70%	A	
Infrastructure enabling low-carbon road transport and public transport	6.15 CCA	€35,581.23	8.14%	N/AM	Yes	N/AM	N/AM	N/AM	N/AM	Yes	-	Yes	Yes	Yes	Yes	Yes			
Infrastructure enabling low-carbon road transport and public transport	6.15 CCM	-	-	N/AM	N/AM	N/AM	N/AM	N/AM	N/AM	No	No	No	No	No	No	Yes	4.40%		
Construction of new buildings	7.1 CCM	-	-	No	No	N/AM	N/AM	No	N/AM	No	No	No	No	No	No	Yes	0.50%		
OpEx of environmentally-sustainable activities (Taxonomy-aligned) (A.1)		€174,853.56	40.01%	29.71 %	10.30 %	0.00%	0.00%	0.00%	0.00 %	Yes	Yes	Yes	Yes	Yes	Yes	Yes	35.30%		
Of which enabling		€85,101.90	19.47%	17.32 %	2.15 %	0.00%	0.00%	0.00%	0.00 %	Yes	Yes	Yes	Yes	Yes	Yes	Yes	15.40%	A	
Of which transitional		€0.00	0.00%	0.00%						-	-	-	-	-	-	-	0.00%		T

Table 3 – OpEx *(€'000)*

Financial Year N	2023			Substantial contribution criteria						DNSH ("Do Not Significant Harm") criteria (h)									
Economic activities (1)	Code (a) (2)	OpEx (3)	Proportion of OpEx, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Taxonomy-aligned (A.1) or eligible (A.2) proportion of OpEx (year N-1) (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
A.2 Taxonomy-eligible but not environmentally-sustainable activities (not Taxonomy-aligned activities) (g)																			
				AM; N/AM (f)	*AM; N/AM (f)*	*AM; N/AM (f)*	*AM; N/AM (f)*	*AM; N/AM (f)*	*AM; N/AM (f)*										
Electricity generation from hydropower	4.5 CCM / CCA	€1,867.22	0.43%	AM	AM	N/AM	N/AM	N/AM	N/AM								0.50%		
Construction, extension and operation of waste water collection and treatment	5.3 CCM / CCA	€8,022.15	1.84%	AM	AM	N/AM	N/AM	N/AM	N/AM								3.20%		
Infrastructure for rail transport	6.14 CCM / CCA	€53,396.99	12.22%	AM	AM	N/AM	N/AM	N/AM	N/AM								6.90%		
Infrastructure enabling low-carbon road transport and public transport	6.15 CCA	€60,907.56	13.94%	N/AM	AM	N/AM	N/AM	N/AM	N/AM										
Construction of new buildings	7.1 CCM / CCA 3.1 CE	€10,812.78	2.47%	AM	AM	N/AM	N/AM	AM	N/AM								3.00%		
Renovation of existing buildings	7.2 CCM / CCA 3.2 CE	€738.53	0.17%	AM	AM	N/AM	N/AM	AM	N/AM								-		
Engineering activities and related technical consultancy dedicated to adaptation to climate change	9.1 CCA	€4,303.19	0.98%	N/AM	AM	N/AM	N/AM	N/AM	N/AM								0.50%		

Table 3 – OpEx *(€'000)*

Financial Year N	*2023*			Substantial contribution criteria						DNSH ("Do Not Significant Harm") criteria (h)									
Economic activities (1)	Code (a) (2)	OpEx (3)	Proportion of OpEx, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Taxonomy-aligned (A.1) or eligible (A.2) proportion of OpEx (year N-1) (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
Restoration of wetlands	2.1 CCM / CCA	€0.00	0.00%	AM	AM	N/AM	N/AM	N/AM	N/AM								0.00%		
Infrastructure enabling low-carbon road transport and public transport	6.15 CCM	-	-	N/AM	N/AM	N/AM	N/AM	N/AM	N/AM								12.20%		
Infrastructure enabling low carbon water transport	6.16 CCM	-	-	N/AM	N/AM	N/AM	N/AM	N/AM	N/AM								0.00%		
Data processing, hosting and related activities	8.1 CCM	-	-	N/AM	N/AM	N/AM	N/AM	N/AM	N/AM								0.00%		
Construction, extension and operation of water collection, treatment and supply systems	5.1 CCM / CCA	-	-	N/AM	N/AM	N/AM	N/AM	N/AM	N/AM								0.00%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		€140,048.41	32.04%	17.12 %	14.92 %	0.00%	0.00%	0.00%	0.00 %								26.30%		
Total (A.1 + A.2)		€314,901.97	72.05%	46.83 %	25.22 %	0.00%	0.00%	0.00%	0.00 %								61.60%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		€122,158.03	27.95%																
Total		€437,060.00	100%																

	Proportion of OpEx/Total OpEx	
	Taxonomy-aligned by objective	Taxonomy-eligible by objective
CCM	29.71%	46.83%
CCA	10.30%	42.34%
WTR		-
CE	0.00%	2.64%
PPC		-
BIO		-

A breakdown of the amounts included in the numerator of the KPI for alignment of the economic activity is provided below[66]:

Table 3.1

€'000

OpEx	€'000)
Research and development expenditure	-
Short-term leases	163,313
Maintenance and repairs	11,541
Other direct costs related to the daily maintenance of property, plant and equipment	-
Total	**174,854**

[66] A breakdown as per the above table is not possible for some projects, making up 6.2% of total aligned OpEx and hence the breakdown was estimated.

Table 4- Nuclear and fossil gas related activities

Line	Nuclear energy activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

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 2023 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 14 March 2024 (the "non-financial statement").

Our procedures did not cover the information set out in the EU taxonomy for sustainable economic activities section of the non-financial statement 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 non-financial statement

The directors are responsible for the preparation of a non-financial statement 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 a non-financial statement 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 non-financial statement, 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.

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 non-financial statement, 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) issued by the International Ethics Standards Board for Accountants (the IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. During the year covered by this engagement, our company applied International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintained 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 non-financial statement 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 non-financial statement 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 non-financial statement 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 non-financial statement, 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 non-financial statement, 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 non-financial statement 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 entity'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 non-financial statement 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 non-financial statement.

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 non-financial statement.

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 non-financial statement 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 held on-site and/or remote meetings through digital communication tools with the management of the "high-speed/capacity Verona-Padua railway line" and "SS-106 state road - Third maxi-lot" projects in Italy and the "Sibiu-Pitesti motorway, Lot 5" project in Romania, which we have selected on the basis of their business, contribution to the key performance indicators at consolidated level and location, to obtain documentary evidence supporting the correct application of the procedures and methods used to calculate the indicators;
- through digital 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, including by holding discussions with their management, where necessary.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2023 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 non-financial statement required by article 8 of Regulation (EU) 852 of 18 June 2020.

Milan, 28 March 2024

KPMG S.p.A.

(signed on the original)

Angelo Pascali
Director of Audit

Directors' report- Part IV

Events after the reporting period

17 January 2024

- Webuild Group awarded USD4.7 billion contract to build a state-of-the-art ski resort as part of the futuristic development project in Neom, Saudi Arabia. The project includes the construction of three dams to create the largest fresh water artificial lake in the Kingdom, a unique infrastructure project in Saudi Arabia's mountains. The works also include the futuristic Bow, an architectural structure which will house a luxury hotel overlooking the lake. In addition to boosting the development and regeneration of the Trojena region, which will host the 2029 Asian Winter Games, the project is part of the Saudi Vision 2030 for the Kingdom's economic diversification.

21 January 2024

- Webuild, leader of a 50:50 joint venture with Fomento de Construcciones y Contratas Canada Ltd, signed a contract to develop and build the Pape Tunnel and Underground Stations (PTUS) section of the new Ontario Line, a subway project that will change Toronto's transportation system. The PTUS project provides for 3km of tunnels and two underground stations, part of a subway line that will cut travel times and support the expected growth in the city's population from 6 million to 8 million by 2030. The contact is worth an estimated total value of approximately €700 million - €1.3 billion (CAD1 - CAD2 billion). It will be executed as a progressive design-build project, an innovative contract model which involves close collaboration between the customer, the contractor and designer, leading to smaller performance risks during the project's start-up and construction. The final contract value will be determined based on the executive designs.

9 February 2024

- Joint venture led by Cossi Costruzioni (Webuild Group) won a €131 million contract to design and upgrade four viaducts on the Torano - Pescara section of the A25 Motorway as part of Italy's Safe Roads Programme. The contract will be performed by Cossi Costruzioni (60%), MGA (Reway Group, 25%) and SPIC (15%).

12 February 2024

- CDP (formerly the Carbon Disclosure Project), one of the leading international organisations in the sustainability field, confirmed Webuild's A- rating, which is above the European and sector average, placing it in the "leadership" range as acknowledgement of its actions to combat climate change.

29 February 2024

- Webuild's main shareholders, Salini S.p.A. and CDP Equity S.p.A. (a subsidiary of, and managed and coordinated by Cassa Depositi e Prestiti S.p.A.) renewed their shareholder agreement in advance, replacing it with a new agreement valid through to 28 February 2027. It contains reciprocal commitments for Webuild's governance and stability of its shareholder base.

5 March 2024

- Lane (Webuild Group) wins contract to design and build expansion works for a section of the Seminole Expressway/SR 417 state road in Seminole County, Florida. The contract commissioned by Florida's Turnpike Enterprise (Department of Transportation of Florida) is worth USD299 million (approximately €276 million).

Outlook

The results for 2023, with a financial performance above expectations, together with a global market characterised by massive investment plans and the scale and quality of the backlog, allow the Group to be very confident about its future prospects and to bring forward to 2024 the revenue target that had been set for the end of the “Roadmap to 2025- The Future is Now” plan. The Group expects a book-to-bill higher than 1.0x for 2024 and another year of growth with revenus in excess of €11 billion and EBITDA of more than €900 million. Furthermore, the Group will continue to focus on cash generation, maintaining a solid net cash position of more than €400 million.

As set out in its **Roadmap to 2025**, Webuild will continue to pursue its strategic objectives through the:

- **growth of its business** by leveraging: i) its order backlog, ii) its organisation, people, know-how and local presence in its core markets, with a focus on lower-risk countries, and iii) its subsidiaries;
- **operational efficiency plan** and **cash generation**;
- investments in **worker safety**, **innovation** and **environmental sustainability**.

Report on corporate governance and the ownership structure

The corporate governance model adopted by Webuild complies with the principles enshrined in the Code of Corporate Governance in force 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 2023. These activities enabled the acquisition of new know-how and improvement of production efficiency, which will improve the parent's competitive edge. 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

During their ordinary meeting of 27 April 2023, 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 2023, the parent had 21,877,494 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

Chairperson

Donato Iacovone

(signed on the original)

Consolidated financial statements as at and for the year ended 31 December 2023

Consolidated financial statements

Statement of financial position

ASSETS (€'000)	Note	31 December 2022	of which: related parties	31 December 2023	of which: related parties
Non-current assets					
Property, plant and equipment	7.1	710,267		915,878	
Right-of-use assets	7.2	113,541		131,921	
Intangible assets	7.3	373,974		383,026	
Goodwill	8	82,884		80,267	
Equity-accounted investments	9.1	697,799		606,482	
Other equity investments	9.2	80,575		44,231	
Other non-current financial assets, including derivatives	10	518,439	289,999	360,198	215,641
Deferred tax assets	11	346,289		400,000	
Total non-current assets		**2,923,768**		**2,922,003**	
Current assets					
Inventories	12	248,809		229,144	
Contract assets	13	3,199,971		3,910,278	
Trade receivables	14	2,886,106	469,335	3,896,486	528,581
Current financial assets, including derivatives	15	441,632	72,427	616,209	106,749
Current tax assets	16	90,499		84,654	
Other current tax assets	16	234,236		324,036	
Other current assets	17	916,445	36,150	1,101,483	21,734
Cash and cash equivalents	18	1,921,177		3,060,541	
Total current assets		**9,938,875**		**13,222,831**	
Non-current assets held for sale and disposal groups	19	14,540		16,985	
Total assets		**12,877,183**		**16,161,819**	

Statement of financial position

EQUITY AND LIABILITIES	Note	31 December 2022	of which: related parties	31 December 2023	of which: related parties
(€'000)					
Equity					
Share capital		600,000		600,000	
Share premium reserve		367,763		367,763	
Other reserves		265,939		282,011	
Other comprehensive expense		(148,722)		(288,836)	
Retained earnings		483,836		427,470	
Profit for the year		9,893		124,003	
Equity attributable to the owners of the parent		**1,578,709**		**1,512,411**	
Non-controlling interests		356,365		178,419	
Total equity	20	**1,935,074**		**1,690,830**	
Non-current liabilities					
Bank and other loans and borrowings	21	276,267	6,309	139,857	6,309
Bonds	22	1,886,549		1,600,074	
Lease liabilities	23	68,829		82,037	
Post-employment benefits and other employee benefits	26	52,606		57,217	
Deferred tax liabilities	11	58,060		73,510	
Provisions for risks	27	198,879		245,637	
Total non-current liabilities		**2,541,190**		**2,198,332**	
Current liabilities					
Current portion of bank loans and borrowings and current account facilities	21	297,419	13,382	413,981	27,765
Current portion of bonds	22	18,506		306,465	
Current portion of lease liabilities	23	71,721		66,219	
Contract liabilities	13	3,311,689		5,897,320	
Trade payables	28	3,891,729	242,075	4,683,590	189,390
Current tax liabilities	29	85,334		156,439	
Other current tax liabilities	29	90,181		99,214	
Other current liabilities	30	620,648	62,852	636,132	54,932
Total current liabilities		**8,387,227**		**12,259,360**	
Liabilities directly associated with non-current assets held for sale	19	13,692		13,297	
Total equity and liabilities		**12,877,183**		**16,161,819**	

Statement of profit or loss

(€'000)	Note	2022	of which: related parties	2023	of which: related parties
Revenue					
Revenue from contracts with customers	33	7,656,006	185,851	9,290,118	194,717
Other income	33	435,147	60,594	604,492	37,599
Gain from bargain purchase	33	-		56,645	
Total revenue and other income		**8,091,153**		**9,951,255**	
Operating expenses					
Purchases	34	(1,447,185)	(2,898)	(1,665,052)	(1,265)
Subcontracts	34	(2,343,223)	(23,262)	(3,052,608)	(10,844)
Services	34	(1,947,645)	(215,227)	(2,247,077)	(198,440)
Personnel expenses	34	(1,447,605)	(50)	(1,750,377)	(1,338)
Other operating expenses	34	(322,750)	(7,475)	(372,287)	(11,680)
Net impairment losses	34	(84,045)	36	(11,952)	(4,567)
Amortisation, depreciation and provisions	34	(307,623)		(401,262)	
Total operating expenses		**(7,900,076)**		**(9,500,615)**	
Operating profit		**191,077**		**450,640**	
Financing income (costs) and gains (losses) on equity investments					
Financial income	35.1	119,084	18,120	119,370	30,012
Financial expense	35.2	(212,642)	(6,982)	(244,777)	(2,534)
Net exchange gains	35.3	20,416		33,640	
Net financing costs		(73,142)		(91,767)	
Net losses on equity investments	36	(7,143)		(95,326)	
Net financing costs and net losses on equity investments		**(80,285)**		**(187,093)**	
Profit before tax		**110,792**		**263,547**	
Income taxes	37	(76,290)		(125,090)	
Profit from continuing operations		**34,502**		**138,457**	
Loss from discontinued operations	19	(17,972)		(10,071)	
Profit for the year		**16,530**		**128,386**	
Profit for the year attributable to:					
Owners of the parent		9,893		124,003	
Non-controlling interests		6,637		4,383	

Statement of comprehensive income

(€'000)	Note	2022	2023
Profit for the year (a)		**16,530**	**128,386**
Items that may be subsequently reclassified to profit or loss, net of the tax effect:			
Net exchange gains (losses) on the translation of foreign companies' financial statements	20	4,186	(114,309)
Net gains (losses) on cash flow hedges	20	(2,971)	266
Other comprehensive income (expense) related to equity-accounted investees	20	19,789	(34,306)
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	(2,545)	1,295
Other comprehensive income (expense) (b)		**18,459**	**(147,054)**
Comprehensive income (expense) (a) + (b)		**34,989**	**(18,668)**
Comprehensive income (expense) attributable to:			
Owners of the parent		30,990	(16,111)
Non-controlling interests		3,999	(2,557)

Earnings (loss) per share (Euro per share)			
From continuing and discontinued operations	38		
Basic		0.01	0.13
Diluted		0.01	0.13
From continuing operations	38		
Basic		0.03	0.14
Diluted		0.03	0.14

Statement of cash flows

(€'000)	Note	2022	2023
Operating activities			
Profit from continuing operations		34,502	138,457
adjusted by:			
Amortisation of intangible assets	34	91,608	82,679
Depreciation of property, plant and equipment and right-of-use assets	34	248,821	266,523
Net impairment losses and provisions		51,242	64,013
Accrual for post-employment benefits and employee benefits	26	22,731	32,096
Net gains on the sale of assets		(12,050)	(6,331)
Deferred taxes	37	11,701	(59,419)
Share of losses of equity-accounted investees	9- 27	15,375	95,229
Income taxes	37	64,589	184,509
Net exchange gains	35	(20,416)	(33,640)
Net financing costs	35	93,558	125,408
Gain from bargain purchase	33	-	(56,649)
Other non-monetary items		(23,362)	(81,711)
		578,299	**751,164**
Increase in inventories and contract assets		(365,567)	(1,053,228)
Increase in trade receivables		(222,384)	(708,443)
(Decrease) increase in contract liabilities		(212,093)	2,813,048
(Decrease) increase in trade payables		503,655	566,847
Decrease (increase) in other assets/liabilities		27,813	(172,674)
Total changes in working capital		**(268,576)**	**1,455,550**
Increase in other items not included in working capital		(45,720)	(148,759)
Financial income collected		17,667	58,443
Interest expense paid		(121,748)	(141,568)
Income taxes paid		(133,421)	(71,885)
Cash flows generated by operating activities		**26,501**	**1,892,945**

(€'000)	Note	2022	2023
Investing activities			
Investments in intangible assets	7.3	(5,480)	(2,369)
Investments in property, plant and equipment	7.1- 7.2	(272,646)	(441,307)
Proceeds from the sale or reimbursement value of property, plant and equipment and intangible assets		35,899	24,954
Dividends and capital repayments from equity-accounted investees	9	16,640	13,416
Proceeds from the sale or reimbursement value of non-current financial assets		(16,967)	(5,593)
Cash and cash equivalents from change in consolidation scope		(214)	(22,973)
Acquisitions of subsidiaries and business units net of cash and cash equivalents			(18,996)
Cash flows used in investing activities		**(242,768)**	**(452,868)**
Financing activities			
Dividends distributed	20	(61,860)	(63,199)
Repurchase of treasury shares		(24,572)	(7,073)
Exercise of lender warrants			15,295
Change in investments in subsidiaries			(3,128)
Capital injection by non-controlling interests in subsidiaries		47,339	2,273
Increase in bank and other loans	21	2,117,177	2,924,271
Decrease in bank and other loans	21	(2,108,932)	(2,972,442)
Decrease in lease liabilities	23	(85,633)	(73,722)
Change in other financial assets/liabilities		(127,284)	(105,013)
Cash flows used in financing activities		**(243,765)**	**(282,738)**
Net exchange gains (losses) on cash and cash equivalents		**21,969**	**(39,637)**
Increase (decrease) in cash and cash equivalents		**(438,063)**	**1,117,702**
Cash and cash equivalents	18	2,370,032	1,921,177
Current account facilities	21	(13,244)	(2,452)
Total opening cash and cash equivalents		**2,356,788**	**1,918,725**
Cash and cash equivalents	18	1,921,177	3,060,541
Current account facilities	21	(2,452)	(24,116)
Total closing cash and cash equivalents		**1,918,725**	**3,036,425**

Statement of changes in equity

(€'000)		Share capital	Share premium reserve	Other reserves									Other comprehensive income (expense)				Retained earnings	Profit for the year	Equity attributable to the owners of the parent	Non-controlling interests	Total
				Legal reserve	Share capital increase related charges	IFRS 2 reserve	Lender warrant reserve	Reserve for shares assigned in exchange for unsecured claims	Reserve for treasury shares	Inflation reserve	Extraordinary and other reserves	Total other reserves	Translation reserve	Hedging reserve	Actuarial reserve	Total other comprehensive income (expense)					
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)	-	(54,217)
Change in consolidation scope	20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,654)	-	(6,654)	(6,118)	(12,772)
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
As at 1 January 2023	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
Allocation of profit and reserves	20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,893	(9,893)	-	-	-
Dividend distribution	20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(55,954)	-	(55,954)	-	(55,954)
Change in consolidation scope	20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(10,011)	-	(10,011)	(202,701)	(212,712)
Treasury shares	20	-	-	-	-	-	-	-	(7,073)	-	-	(7,073)	-	-	-	-	-	-	(7,073)	-	(7,073)
Long-term incentive plan	20	-	-	-	-	(11,941)	-	-	-	-	-	(11,941)	-	-	-	-	-	-	(11,941)	-	(11,941)
Capital increase	20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	32,749	32,749
Issue of new shares	20	-	-	-	-	(45,886)	59,765	1,416	-	-		15,295	-	-	-	-	-	-	15,295	-	15,295
Other changes and reclassifications	20	-	-	-	-	-	-	-	-	19,791	-	19,791	-	-	-	-	(294)	-	19,497	1,808	21,305
Dividend distribution to non-controlling interests	20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,245)	(7,245)
Profit for the year	*20*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	*124,003*	124,003	4,383	128,386
Other comprehensive expense	*20*	-	-	-	-	-	-	-	-	-	-	-	*(140,273)*	*(1,136)*	*1,295*	(140,114)	-	-	(140,114)	(6,940)	(147,054)
Comprehensive expense	*20*	-	-	-	-	-	-	-	-	-	-	-	*(140,273)*	*(1,136)*	*1,295*	*(140,114)*	-	*124,003*	(16,111)	*(2,557)*	(18,668)
As at 31 December 2023	20	600,000	367,763	120,000	(10,988)	25,629	59,765	1,416	(41,987)	128,040	136	282,011	(296,710)	1,873	6,001	(288,836)	427,470	124,003	1,512,411	178,419	1,690,830

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, 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

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 as required by Regulation (EC) no. 1606/2002 issued by the European Parliament and the Council and transposed into Italian law by Legislative decree no. 38/2005.

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 board of directors approved these consolidated financial statements at its meeting of 14 March 2024 and authorised their publication. 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 2023 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 2023 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 the consolidated 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 reflect the current macroeconomic scenario and the risks and opportunities of climate change and the energy transition (these issues are discussed in the Directors' report- Part II, to which reference is made). They may have an impact on the Group's financial position, financial performance and cash flows.

The utilisation of the up-to-date group 2024 budget that reflects the uncertainties as a basis for the judgements underpinning preparation of the consolidated financial statements 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's 2024 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.

Macroeconomic scenario

Inflation rose again in 2023, affected by the ongoing military conflicts and the recent crisis in the Red Sea, although raw materials and commodity prices gradually stabilised during the year.

As described in the Directors' report, supply chain activities pursued consolidation of the previously-adopted mitigation measures, including through careful market monitoring and the subsequent adaptation of procurement policies to contain prices.

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 price risk mitigation clauses, including risks related to changes in the cost of works due to increases in raw materials prices.

In Italy, Law no. 197 of 29 December 2022 (the 2023 budget act) confirmed the measures to tackle the rising cost of materials, fuel and energy already introduced by Decree law no. 50 of 17 May 2022 (the Aiuti decree). Furthermore, Law no. 213 of 30 December 2023 (the 2024 budget act) extended these measures to work performed or recorded in 2024.

During preparation of contract budgets, Webuild considers the expected commodity and energy price trends.

As a result of the restrictive monetary policies rolled out by central banks to counter rising inflation, interest rates surged in 2023 thus increasing the cost of credit for companies.

The Group's debt is of a long-term nature and mostly bears fixed-rate interest, which contributes to mitigating the risk of interest rate hikes. Note 32.2.2 provides information about the possible impact of additional fluctuations in interest rates on the Group's financial income and expense.

The Group considered the rise in interest rates when testing its assets (goodwill, equity investments and financial assets) for impairment, especially when calculating their WACC.

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 analysed climate change risks as part of the group risk assessment. This analysis focused on the risks potentially arising from an acceleration in environmental and climate policies, changes in technology and stakeholders' heightened interest in environmental issues.

In 2023, this assessment included deep diving the Group's exposure to risks arising from extreme climate events (acute physical risks), such as flooding, storm surges, heat waves, earthquakes, landslides, etc. These events can damage production equipment and works as well as, more generally, disrupt the value chain.

The Group has numerous mitigation actions to deal with these physical risks depending on the nature of the project and its environmental and regulatory context, such as insurance policies for the equipment and contract clauses or negotiations with the customers. Its assessment confirmed the substantial effectiveness of these actions and the inexistence of any residual economic or financial impacts.

Climate change risks have also been considered when planning the impairment tests of certain assets (goodwill, equity investments and financial assets). 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.

Russia-Ukraine crisis

The Group does not have any ongoing projects in either Russia or Ukraine. Its exposure to these countries solely refers to a trade receivable from the Ukrainian 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 in 2022.

2.7 Basis of consolidation and consolidation scope

The financial statements at 31 December 2023 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 Basis of consolidation

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.

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 the type of cost incurred. 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

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. This right exists if the contract conveys the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from use of the identified asset.

The Group as lessee

the asset is ready for use, the Group recognises a right-of-use asset and a liability for its obligation to make the lease payments over the lease term (the lease liability) in its statement of financial position.

<u>Right-of-use assets</u>: they 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. Right-of-use assets are tested for impairment (see the section on impairment of intangible assets).

<u>Lease liabilities:</u> 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, variable lease payments, amounts expected to be payable under residual value guarantees, the exercise price of a purchase option and payments of penalties for terminating the lease. After initial recognition, lease liabilities are measured at amortised cost and are remeasured to reflect changes in the lease payments which adjust the right-of-use asset.

<u>Short-term leases and leases of low-value assets</u>: the Group has entered into a lease with a term equal or less than 12 months and leases of low-value assets, for which it has applied the exemptions allowed by IFRS 16. The related lease payments are expensed on a straight-line basis over the lease term.

The Group as lessor

<u>Operating leases</u>

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.

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 asset 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 and operation 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 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. identifying 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.

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 (i.e., 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. If this is the case, it needs to be ascertained whether the rights to the consideration are provided for contractually, thus 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 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 costs of obtaining a contract as an asset if they can be considered "incremental" and 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 not 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 control of the good and/or service to the customer.

Presentation in the consolidated financial statements

The statement of financial position includes contract costs capitalised under the criteria described in this section as intangible assets. 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 2023, 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. An independent actuary calculates the Group's 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. 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 2023, 14 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.

A 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 2022	2022 average rate	Closing rate 31 December 2023	2023 average rate
AED United Arab Emirates Dirham	3.9171	3.8673	4.0581	3.9710
ARS Argentine Peso	188.5033	188.5033	892.9239	892.9239
AUD Australian Dollar	1.5693	1.5167	1.6263	1.6288
BGN Bulgarian New Lev	1.9558	1.9558	1.9558	1.9558
BRL Brazilian Real Brazil	5.6386	5.4399	5.3618	5.4010
CAD Canadian dollar	1.4440	1.3695	1.4642	4.4595
CHF Swiss Franc	0.9847	1.0047	0.9260	0.9718
CLP Chilean Peso	913.8200	917.8300	977.0700	908.2000
COP Colombian Peso	5,172.4700	4,473.2800	4,267.5200	4,675.0000
DKK Danish Krone	7.4365	7.4396	7.4529	7.4509
DOP Dominican Peso	59.9444	57.9251	64.1828	60.5374
DZD Algerian Dinar	146.5049	149.6452	148.2657	146.9354
GBP British Pound	0.8869	0.8528	0.8691	0.8698

Currency	Closing rate 31 December 2022	2022 average rate	Closing rate 31 December 2023	2023 average rate
IDR Indonesian Rupee	16,519.8200	15,625.2500	17,079.7100	16,479.6200
INR Indian Rupee	88.1710	82.6864	91.9045	89.3001
KWD Kuwaiti Dinar	0.3266	0.3225	0.3396	0.3324
LSL Lesothian Loti	18.0986	17.2082	20.3477	19.9551
LYD Libyan Dinar	5.1486	5.0549	5.2747	5.2032
MAD Moroccan Dirham	11.1580	10.6780	10.9280	10.9560
MYR Malaysian Ringgit	4.6984	4.6279	5.0775	4.9320
NAD Namibian Dollar	18.0986	17.2082	20.3477	19.9551
NGN Nigerian Naira	477.9221	445.3623	974.0907	695.0115
NIO Nicaraguan Cordoba	38.9150	37.8057	40.5607	39.5938
NOK Norwegian Krone	10.5138	10.1026	11.2405	11.4248
OMR Omani Real	0.4101	0.4049	0.4249	0.4157
PEN Peruvian New Sol	4.0459	4.0376	4.0818	4.0472
PGK Papua New Guinean Kina	3.7530	3.7086	4.1216	3.8885
PKR Pakistani Rupee	241.7943	214.8552	310.4285	302.4329
PLN Polish Zloty	4.6808	4.6861	4.3395	4.5420
QAR Qatari Riyal	3.8824	3.8331	4.0222	3.9358
RON Romanian New Leu	4.9495	4.9313	4.9756	4.9467
SAR Saudi Riyal	3.9998	3.9489	4.1438	4.0548
SEK Swedish Krona	11.1218	10.6296	11.0960	11.4788
SGD Singapore Dollar	1.4300	1.4512	1.4591	1.4523
TRY Turkish Lira (new)	19.9649	19.9649	32.6531	32.6531
USD US Dollar	1.0666	1.0530	1.1050	1.0813
VED Venezuelan Bolivar Digital	18.4064	6.9916	39.6536	30.9833
ZAR South African Rand	18.0986	17.2086	20.3477	19.9551

When an investment in a foreign operation 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.

In the past few years, the list of hyperinflationary economies has continued to evolve rapidly due to the deteriorating global macroeconomic conditions and the growth in global inflation. Based on the most recent IMF projections and locally observed inflation data, Turkey and Ethiopia were added to the list of countries considered hyperinflationary under IFRS in 2022 while Sierra Leone has recently been added.

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 purposes. 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 restated 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 (2024 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.

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

This section lists the standards, amendments and interpretations published by the IFRS, endorsed by the European Union and applicable since 1 January 2023.

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

Standard/Interpretation	IASB application date
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
Amendments to IAS 12 - Income taxes: International tax reform - Pillar Two Model Rules (issued on 23 May 2023)	1 January 2023

The Group has applied the mandatory exemption for the recognition of deferred taxes arising from the implementation of the Pillar Two model rules. More information about the related estimated effects on its financial position and performance is provided in note 37.

The adoption of the amendments applicable since 1 January 2023 has not had a significant impact on these consolidated financial statements.

The Group adopted early 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 was 1 January 2023) in preparing the disclosures on its accounting policies presented in note 3 to the consolidated financial statements at 31 December 2022.

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 1 - Presentation of financial statements: ▪ Classification of liabilities as current and 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

The standards that became applicable on 1 January 2024 are not currently 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 7 - Statement of cash flows and IFRS 7 - Financial instruments: disclosures - supplier finance arrangements (issued on 25 May 2023)	1 January 2024
Amendments to IAS 21 - The effects of changes in foreign exchange rates: Lack of exchangeability (issued on 15 August 2023)	1 January 2025

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 performed in 2023

Definitive allocation of the transaction price for the assets acquired and liabilities assumed of Clough Group

On 3 February 2023, Webuild signed the contract to acquire assets from the Administrators of Clough Ltd. (Clough). The acquisition perimeter comprised 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. 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.

During the second half of 2023, the Group completed the identification and measurement of the fair value of the assets acquired and liabilities assumed, without identifying significant differences compared to the situation shown in the condensed interim consolidated financial statements at 30 June 2023.

The following table summarises the assets and liabilities of Clough Group at the acquisition date and their fair value measured for the PPA procedure.

(€m)	Carrying amount	Adjustments	Fair value
Non-current assets	28.18	88.39	116.57
- of which intangible assets	6.92	*88.39*	*95.31*
Equity investments	2.24	-	2.24
Deferred tax assets	11.83	-	11.83
Total non-current assets	*42.26*	*88.39*	*130.64*
Contract assets	28.50	-	28.50
Trade receivables	3.41	-	3.41
Other current tax assets	0.48	-	0.48
Other assets	2.01	-	2.01
Cash and cash equivalents	0.94	-	0.94
Total current assets	*35.34*	-	*35.34*
Total assets	***77.59***	***88.39***	***165.98***
Non-current financial liabilities	19.02	-	19.02
Employee benefits	1.11	-	1.11
Deferred tax liabilities	9.25	26.52	35.76
Provisions for risks	0.01	-	0.01
Total non-current liabilities	*29.39*	*26.52*	*55.91*
Trade payables	22.82	-	22.82
Current tax liabilities	0.49	-	0.49
Other liabilities	10.48	-	10.48
Total current liabilities	*33.79*	-	*33.79*
Total liabilities	**63.18**	**26.52**	**89.70**
Net assets acquired	**14.41**	**61.87**	**76.29**

The fair value adjustments to the intangible assets relate to the measurement of Clough's order backlog considering the expected profitability of its projects and a discount rate of 11.3% (WACC).

The following table shows how the gain from the bargain purchase was calculated:

(€m)	
Consideration transferred to acquire a controlling interest	19.94
Value of the non-controlling interests	(0.30)
Net assets acquired	(76.29)
Gain from bargain purchase	**(56.65)**

Pursuant to paragraph 36 of IFRS 3 (revised), before recognising a gain from the bargain purchase, the Group carefully reviewed the measurement procedures applied to ensure the correct presentation of all the relevant elements of the business combination with the assistance of external experts. It adopted a prudent approach to the measurement of the identified assets acquired and liabilities assumed.

The gain from the bargain purchase was recognised as negative goodwill in the statement of profit or loss and is described in note 33.3.

The acquisition absorbed net cash and cash equivalents of €19 million being the difference between the consideration transferred of €19.94 million and the cash acquired of €0.94 million.

Clough's contribution to the statement of profit or loss for the year ended 31 December 2023 is as follows:

(€m)	2023
Revenue	451.2
Operating expenses	(453.9)
Net financing income (costs) and net gains (losses) on equity investments	(1.5)
Loss before tax	**(4.1)**

Given that control of Clough Group was acquired on 16 February 2023 after which date its operations were resumed (they had been substantially suspended with the start of the voluntary administration procedure), the Group's revenue and profit for the year would not have been significantly different had the acquisition date been 1 January 2023.

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.

"Corporate" costs 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 €183.5 million for 2023 compared to €198.3 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.

The consolidated financial statements figures are summarised below by operating segment with comparative figures for 2023 (statement of profit or loss) and at 31 December 2023 (statement of financial position).

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)	(5,738,053)
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	**378,575**	**260,105**	**(55,935)**	**582,745**
Gross operating profit margin	*15.7%*	*5.8%*	*-4.6%*	*7.2%*
Net impairment losses	214	(84,259)	-	(84,045)
Amortisation, depreciation and provisions	(146,030)	(123,158)	(38,435)	(307,623)
Operating profit *	**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.

Statement of profit or loss by operating segment- 2023

(€'000)	Italy	Abroad	LANE Group	Total
Revenue from contracts with customers	2,750,453	5,449,394	1,090,271	9,290,118
Other income	395,746	208,263	483	604,492
Gain from bargain purchase	-	56,645	-	56,645
Total revenue and other income	**3,146,199**	**5,714,302**	**1,090,754**	**9,951,255**
Operating expenses				
Production costs	(2,051,149)	(4,098,295)	(815,293)	(6,964,737)
Personnel expenses	(382,195)	(1,023,021)	(345,161)	(1,750,377)
Other operating expenses	(165,567)	(196,952)	(9,768)	(372,287)
Total operating expenses	**(2,598,911)**	**(5,318,268)**	**(1,170,222)**	**(9,087,401)**
Gross operating profit	**547,288**	**396,034**	**(79,468)**	**863,854**
Gross operating profit margin	*17.4%*	*6.9%*	*-7.3%*	*8.7%*
Net impairment losses	(3,041)	(6,275)	(2,636)	(11,952)
Amortisation, depreciation and provisions	(151,458)	(217,899)	(31,905)	(401,262)
Operating profit *	**392,789**	**171,860**	**(114,009)**	**450,640**
Net financing costs and net losses on equity investments				(187,093)
Profit before tax				**263,547**
Income taxes				(125,090)
Profit from continuing operations				**138,457**
Loss from discontinued operations				(10,071)
Profit for the year				**128,386**

(*) The operating profit includes the costs of the central units and other general costs of €183.5 million.

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**
Net assets held for sale	-	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 at 31 December 2023 by operating segment

(€'000)	Italy	Abroad	LANE Group	Total
Non-current assets	842,376	1,134,419	185,010	**2,161,805**
Net assets held for sale	2,753	935	-	**3,688**
Provisions for risks	(69,076)	(86,424)	(90,137)	**(245,637)**
Post-employment benefits and other employee benefits	(24,801)	(25,241)	(7,175)	**(57,217)**
Net tax assets (liabilities)	425,929	(24,028)	77,626	**479,527**
Net working capital	**(2,948,930)**	**828,705**	**38,157**	**(2,082,066)**
Net invested capital	**(1,771,749)**	**1,828,368**	**203,481**	**260,100**
Equity				**1,690,830**
Net financial position				**(1,430,730)**
Total financial resources				**260,100**

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 shown in the following table:

	31 December 2022			31 December 2023		
(€'000)	Cost	Acc. dep.	Carrying amount	Cost	Acc. dep.	Carrying amount
Land	13,591	-	13,591	13,358	-	13,358
Buildings	208,227	(93,166)	115,061	226,171	(127,855)	98,316
Plant and machinery	1,202,056	(788,241)	413,815	1,483,305	(997,808)	485,497
Industrial and commercial equipment	126,461	(102,128)	24,333	148,292	(111,428)	36,864
Other assets	84,507	(68,440)	16,067	88,172	(72,066)	16,106
Assets under const. and payments on account	127,400	-	127,400	265,737	-	265,737
Total	**1,762,242**	**(1,051,975)**	**710,267**	**2,225,035**	**(1,309,157)**	**915,878**

Assets under construction and payments on account include the cost of purchasing tunnel boring machines (TBM) and other technical equipment (not yet ready for use) for projects in Italy (Palermo- Catania- Messina railway line, Trento rail by-pass, Salerno- Reggio Calabria and Naples- Bari railway lines), France (TELT, Lot 2) and Australia (North East Link in Melbourne). The huge TBMs that will be deployed to build the high-capacity Messina - Messina railway line are among the most advanced of these machines in terms of their environmental sustainability.

Changes during the year are summarised below.

(€'000)	31 December 2022	Increases	Depreciation	Reversals of imp. losses (Imp. losses)/Reval.	Reclass-ifications	Disposals	Net exchange losses	Change in consolidation scope	31 December 2023
Land	13,591	15	-	-	-	-	(248)	-	13,358
Buildings	115,061	17,361	(29,983)	-	52	(882)	(3,003)	(290)	98,316
Plant and machinery	413,815	203,513	(159,721)	(2,566)	47,749	(12,598)	(1,733)	(2,962)	485,497
Industrial and commercial equipment	24,333	25,222	(12,938)	-	2,380	(1,320)	(736)	(77)	36,864
Other assets	16,067	7,536	(5,042)	(3)	(7)	(1,758)	(688)	1	16,106
Assets under const. and payments on account	127,400	189,178	-	-	(48,402)	(1,205)	(1,233)	(1)	265,737
Total	**710,267**	**442,825**	**(207,684)**	**(2,569)**	**1,772**	**(17,763)**	**(7,641)**	**(3,329)**	**915,878**

The most significant changes include:

- increases of €442.8 million, mainly related to investments made (i) for projects being started up in France (TELT, Lot 2) and Italy (high-speed Naples- Bari, Palermo- Catania- Messina and Salerno- Reggio Calabria railway lines and the Trento rail by-pass) as well as (ii) the Snowy Hydro 2.0 project in Australia;
- depreciation of €207.7 million, principally recognised on the Snowy Hydro 2.0 project (Australia), the Milan - Genoa railway line project and Lane Group's projects;

- reclassifications of €1.8 million, chiefly related to machinery and equipment under lease at the end of 2022;
- disposals of €17.8 million, mostly in relation to the Gothenburg Rail Link - Haga Station contract in Sweden and Lane Group's projects;
- changes in the consolidation scope of €3.3 million, mainly related to the US group companies.

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 2022			31 December 2023		
(€'000)	Cost	Acc. dep.	Carrying amount	Cost	Acc. dep.	Carrying amount
Land	5,208	(3,628)	1,580	5,167	(3,417)	1,750
Buildings	88,760	(52,358)	36,402	97,706	(47,765)	49,941
Plant and machinery	197,189	(123,946)	73,243	198,411	(126,756)	71,655
Industrial and commercial equipment	573	(551)	22	69	(58)	11
Other assets	4,935	(2,641)	2,294	11,329	(2,765)	8,564
Total	**296,665**	**(183,124)**	**113,541**	**312,682**	**(180,761)**	**131,921**

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 2022	Increases	Depreciation	Reclassifications	Remeasurement	Net exchange losses	Change in consolidation scope	31 December 2023
Land	1,580	893	(687)	398	(419)	(15)	-	1,750
Buildings	36,402	14,124	(17,223)	(447)	(535)	(1,084)	18,704	49,941
Plant and machinery	73,243	45,087	(39,694)	(1,690)	(4,259)	(896)	(135)	71,655
Industrial and commercial equipment	22	-	(11)	(2)	2	-	-	11
Other assets	2,294	7,561	(1,223)	(31)	(45)	(9)	17	8,564
Total	**113,541**	**67,665**	**(58,838)**	**(1,773)**	**(5,256)**	**(2,004)**	**18,586**	**131,921**

The most significant changes of the year are summarised below:

- increases of €67.7 million, mainly related to projects underway in Italy (high-speed Palermo - Catania - Messina railway line and the new Genoa Breakwater) and the United States (Lane Group);
- depreciation of €58.8 million, principally recognised on projects being carried out in the United States, Tajikistan and Italy;
- reclassifications, due to the transfer of machinery and equipment held under lease at 31 December 2022 to proprietary assets (€1.8 million);
- change in the consolidation scope, mostly as a result of the acquisition of the Clough assets in Australia (€18.6 million).

7.3 Intangible assets

The item may be analysed as follows:

	31 December 2022			31 December 2023		
(€'000)	Cost	Acc. amort.	Carrying amount	Cost	Acc. amort.	Carrying amount
Rights to infrastructure under concession	65,510	(8,129)	57,381	62,877	(5,587)	57,290
Contract acquisition costs	638,780	(374,701)	264,079	723,020	(451,753)	271,267
Incremental costs of obtaining a contract	16,764	(12,468)	4,296	11,913	(9,606)	2,307
Costs to fulfil a contract	85,575	(39,605)	45,970	83,547	(39,487)	44,060
Other intangible assets	9,838	(7,590)	2,248	32,161	(24,059)	8,102
Total	**816,467**	**(442,493)**	**373,974**	**913,518**	**(530,492)**	**383,026**

Rights to infrastructure under concession mostly refer (for €44.8 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 order backlog recognised as part of the PPA procedure for the Astaldi Group acquisition in 2020 (€145.3 million) and Clough Group in the first half of 2023 (€70.9 million), and (ii) "contractual rights" acquired from third parties to perform the high-speed/capacity Milan - Genoa and Verona - Padua railway line contracts (€19.6 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 (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 reporting date 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 2022	Increases/(Decreases)	Amortisation	Net exchange losses	Reclass. and change in consolidation scope	31 December 2023
Rights to infrastructure under concession	57,381	319	(343)	(67)		57,290
Contract acquisition costs	264,079	-	(77,031)	(4,168)	88,387	271,267
Incremental costs of obtaining a contract	4,296		(921)	(1,068)	-	2,307
Costs to fulfil a contract	45,970	-	(1,789)	(121)	-	44,060
Other intangible assets	2,248	2,050	(2,595)	(520)	6,919	8,102
Total	**373,974**	**2,369**	**(82,679)**	**(5,944)**	**95,306**	**383,026**

The increase in the item is mostly due to the acquisition of the Clough assets (€95.3 million) net of amortisation mainly related to the EPC order backlog of the former Astaldi Group (€56.0 million) and Clough (€13.3 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 2022	Increases	Impairment losses	Net exchange losses	31 December 2023
Lane Group	79,869	-	-	(2,617)	77,252
Seli Overseas	3,015	-	-	-	3,015
Total	**82,884**	**-**	**-**	**(2,617)**	**80,267**

Impairment test

The following table summarises the key drivers used for the impairment test:

CGU	Methodology	Growth rate (g)	WACC
Lane Group	UDCF	None	12.59%
Seli Overseas	UDCF	None	12.08%

The impairment tests showed that the carrying amount of the CGUs, including goodwill, is fully recoverable.

Lane Group

The impairment model used to test the Lane Group CGU for impairment was based on discounted cash flows over five years. The terminal growth rate was prudently estimated to be zero.

The financial projections for the 2024-2028 period 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;
- working capital trends over the plan period were estimated considering the DPO and DSO over the year and specific assumptions for each project;
- a win rate for new orders slighter higher than that of recent years was assumed, in line with the Group's strategy of focusing on its core markets.

The underlying assumptions for which a reasonably possible change would give a carrying amount in excess of the CGU's recoverable amount are:

- WACC 25.20%;
- G-rate-10.0%.

Seli Overseas

The model used to test the Seli Overseas Group CGU for impairment was based on the cash flows over the 2024-2048 plan prepared by the investee's management. The terminal growth rate was prudently estimated to be zero.

The Group performed a sensitivity analysis on 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 reference rates. This analysis confirmed that reasonably possible changes would not lead to the carrying amount being greater than the recoverable amount.

9. Equity investments

9.1 Investments in equity-accounted investees

This item includes:

(€'000)	31 December 2022	31 December 2023	Variation
Investments in associates	660,965	549,560	(111,405)
Interests in joint ventures	36,834	56,922	20,088
Total	**697,799**	**606,482**	**(91,317)**

Changes in the Group's investments/interests in associates and joint ventures during the year are summarised below:

	31 December 2022		31 December 2023	
(€'000)	Investments in associates	Interests in joint ventures	Investments in associates	Interests in joint ventures
Opening balance	**605,658**	**50,414**	**660,965**	**36,834**
Acquisitions (disinvestments), capital injections and other contributions	10,494	16,560	18,487	30,921
Share of profit (loss) of equity-accounted investees	4,157	1,467	(97,313)	7,994
Impairment (losses) gains	4,679	(13,830)	8	(3,500)
Measurement at equity through OCI	27,695	1,173	(38,830)	(1,806)
Dividends	(3,117)	(13,523)	(1,443)	(12,947)
Adjustment for hyperinflation	11,392	-	7,702	-
Reclassifications and other changes	7	(5,426)	(15)	(574)
Closing balance	**660,965**	**36,834**	**549,560**	**56,922**

The main changes of the year refer to the measurement of the equity investments at equity as well as:

- capital injections into Grupo Unidos por el Canal S.A. (€20.4 million) and Lane Group companies (€31.4 million);
- changes in other comprehensive income and, specially, the translation reserve due to exchange rate fluctuations of the US Dollar (Grupo Unidos por el Canal S.A. for €16.6 million) and the Argentine Peso (Autopistas del Sol S.A. for €19.2 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 in 2023, including the loss of €105.6 million related to the associate Grupo Unidos por el Canal S.A. as a result of the arbitration award issued by the International Chamber of Commerce (ICC).

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.

Impairment test

Grupo Unidos por el Canal S.A.

The Group tested its investment in the associate Grupo Unidos por el Canal S.A. (the "SPE") by discounting the cash flows expected from its operations using the assumed settlement of 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 (3.1% for the claims and 3.6% 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 0.5% 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 2024-2031 period at a rate of 16.66%, 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.

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*

(€'000)	31 December 2022	31 December 2023	(€'000)	31 December 2022	31 December 2023
Non-current assets			**Equity**	**122,776**	**72,056**
Property, plant and equipment and intangible assets	174,974	108,587	**Non-current liabilities**		
Non-current financial assets	208	88	Non-current financial liabilities	-	-
Other non-current assets	-	-	Other non-current liabilities	64,784	40,716
Total non-current assets	**175,182**	**108,675**	**Total non-current liabilities**	**64,784**	**40,716**
Current assets			**Current liabilities**		
Cash and cash equivalents and other financial assets	25,674	4,764	Current financial liabilities	6,895	2,318
Other current assets	24,647	9,700	Other current liabilities	31,048	8,049
Total current assets	**50,321**	**14,464**	**Total current liabilities**	**37,943**	**10,367**
Total assets	**225,503**	**123,139**	**Total liabilities**	**225,503**	**123,139**

(€'000)- Group share	31 December 2022	31 December 2023	(€'000)	2022	2023
			Revenue	54,408	40,552
Opening equity	**21,768**	**24,332**	Operating expenses	(43,831)	(32,730)
Group's share of comprehensive expense	(7,639)	(17,443)	**Operating profit**	**10,577**	**7,822**
Dividends distributed	(803)	-	Net financing income (costs)	(7,767)	3,825
Capital increases and other variations	11,006	7,391	**Profit before tax**	**2,810**	**11,647**
Closing equity	**24,332**	**14,280**	Income taxes	(718)	(2,806)
Loss allowance	(4,999)	(4,999)	**Profit from continuing operations**	**2,092**	**8,841**
			Other comprehensive expense	(40,638)	(96,857)
Carrying amount	**19,333**	**9,281**	**Comprehensive expense**	**(38,546)**	**(88,016)**

* The associate's most recent financial statements at 30 September 2023 approved by its competent bodies and restated where necessary to reflect significant transactions that took place after that date were used for consolidation purposes.

Brennero Tunnel Construction S.C. a r.l. (47.23%)- Construction of the Brenner Base Tunnel (Lot Mules 2-3)

(€'000)	31 December 2022	31 December 2023	(€'000)	31 December 2022	31 December 2023
Non-current assets			**Equity**	**100**	**100**
Property, plant and equipment and intangible assets	34,811	20,670	**Non-current liabilities**		
Non-current financial assets	-	-	Non-current financial liabilities	672	233
Other non-current assets	-	-	Other non-current liabilities	2,069	1,697
Total non-current assets	**34,811**	**20,670**	**Total non-current liabilities**	**2,741**	**1,930**
Current assets			**Current liabilities**		
Cash and cash equivalents and other financial assets	22,674	4,544	Current financial liabilities	522	374
Other current assets	19,770	35,687	Other current liabilities	73,892	58,497
Total current assets	**42,444**	**40,231**	**Total current liabilities**	**74,414**	**58,871**
Total assets	**77,255**	**60,901**	**Total liabilities**	**77,255**	**60,901**

(€'000)- Group share	31 December 2022	31 December 2023	(€'000)	2022	2023
			Revenue	153,097	108,985
Opening equity	**47**	**47**	Operating expenses	(152,747)	(108,563)
Group's share of comprehensive income (expense)	-	-	**Operating profit**	**350**	**422**
Dividends distributed	-	-	Net financing costs	(336)	(394)
Capital increases and other variations	-	-	**Profit before tax**	**14**	**28**
Closing equity	**47**	**47**	Income taxes	(14)	(28)
Carrying amount	**47**	**47**	**Comprehensive income (expense)**	**-**	**-**

Eurolink S.C.p.A. (45.00%)- Strait of Messina Bridge

(€'000)	31 December 2022	31 December 2023	(€'000)	31 December 2022	31 December 2023
Non-current assets			**Equity**	37,500	37,500
Current assets			**Current liabilities**		
Cash and cash equivalents and other financial assets	644	3,682	Current financial liabilities	-	-
Other current assets	59,746	59,058	Other current liabilities	22,890	25,240
Total current assets	60,390	62,740	**Total current liabilities**	22,890	25,240
Total assets	60,390	62,740	**Total liabilities**	60,390	62,740

(€'000)- Group share	31 December 2022	31 December 2023	(€'000)	2022	2023
			Revenue	228	2,811
Opening equity	16,875	16,875	Operating expenses	(228)	(2,804)
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[67]

(€'000)	31 December 2022	31 December 2023	(€'000)	31 December 2022	31 December 2023
Non-current assets			**Equity**	6,553	2,816
Other non-current assets	55	57	Other non-current liabilities		
Non-current assets	55	57	Non-current financial liabilities	1,520,845	1,259,225
Current assets			**Current liabilities**		
Cash and cash equivalents and other financial assets	490	264	Current financial liabilities	713	815
Other current assets	1,647,475	1,381,317	Other current liabilities	119,909	118,782
Total current assets	1,647,965	1,381,581	**Total current liabilities**	120,621	119,597
Total assets	1,648,020	1,381,638	**Total liabilities**	1,648,020	1,381,638

(€'000)- Group share	31 December 2022	31 December 2023	(€'000)	2022	2023
			Revenue	(3,679)	(222,781)
Opening equity	2,003	2,516	Operating expenses	(18,624)	(38,002)
Group's share of comprehensive expense	(11,155)	(106,698)	**Operating loss**	**(22,303)**	**(260,783)**
Dividends distributed	-	-	Net financing costs	(5,158)	(20,247)
Capital increases and other variations	11,669	105,263	**Loss before tax**	**(27,461)**	**(281,030)**
Closing equity	2,516	1,081	Income taxes	-	-
Additional long-term investments (IAS 28.14.a)	525,955	423,291	**Loss from continuing operations**	**(27,461)**	**(281,030)**
Loss allowance	(2,302)	-	Other comprehensive income (expense)	(1,589)	3,170
Carrying amount	526,169	424,372	**Comprehensive expense**	**(29,050)**	**(277,860)**

* Internal agreements are in place for the reallocation of the percentages for the consortium members' results, giving Webuild an investment percentage of 38.4%.

[67] The statement of financial position items at 31 December 2022 have been restated for comparison purposes.

Metro C S.C.p.A. (34.50%)- Rome Metro- Line C

€'000)	31 December 2022	31 December 2023	(€'000)	31 December 2022	31 December 2023
Non-current assets			**Equity**	**57,018**	**57,018**
Property, plant and equipment and intangible	1,295	5,969	**Non-current liabilities**		
Non-current financial assets	-	-	Non-current financial liabilities	77	106
Other non-current assets	-	-	Other non-current liabilities	2,686	2,938
Total non-current assets	**1,295**	**5,969**	**Total non-current liabilities**	**2,763**	**3,044**
Current assets			**Current liabilities**		
Cash and cash equivalents and other financial assets	12	30,133	Current financial liabilities	58,064	45,063
Other current assets	323,315	338,453	Other current liabilities	206,777	269,430
Total current assets	**323,327**	**368,586**	**Total current liabilities**	**264,841**	**314,493**
Total assets	**324,622**	**374,555**	**Total liabilities**	**324,622**	**374,555**

(€'000)- Group share	31 December 2022	31 December 2023	(€'000)	2022	2023
			Revenue	79,721	95,930
Opening equity	**19,671**	**19,671**	Operating expenses	(77,422)	(92,858)
Group's share of comprehensive expense	-	-	**Operating profit**	**2,299**	**3,072**
Dividends distributed	-	-	Net financing costs	(2,026)	(2,718)
Capital increases and other variations	-	-	**Profit before tax**	**273**	**354**
Closing equity	**19,671**	**19,671**	Income taxes	(273)	(354)
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 2022	31 December 2023	(€'000)	31 December 2022	31 December 2023
Non-current assets			**Equity**	**204,513**	**212,763**
Property, plant and equipment and intangible assets	792	950	**Non-current liabilities**		
Other non-current assets	-	-	Other non-current liabilities	4,838	4,670
Total non-current assets	**792**	**950**	**Total non-current liabilities**	**4,838**	**4,670**
Current assets			**Current liabilities**		
Cash and cash equivalents and other financial assets	8,837	22,266	Current financial liabilities	56,046	58,941
Other current assets	447,193	436,814	Other current liabilities	191,425	183,656
Total current assets	**456,030**	**459,080**	**Total current liabilities**	**247,471**	**242,597**
Total assets	**456,822**	**460,030**	**Total liabilities**	**456,822**	**460,030**

(€'000)- Group share	31 December 2022	31 December 2023	(€'000)	2022	2023
			Revenue	190,575	301,032
Opening equity	**31,544**	**37,324**	Operating expenses	(192,902)	(300,863)
Group's share of comprehensive income	5,780	1,506	**Operating profit (loss)**	**(2,327)**	**169**
Dividends distributed	-	-	Net financing income	28,793	25,260
Capital increases and other variations	-	-	**Profit before tax**	**26,466**	**25,429**
Closing equity	**37,324**	**38,829**	Income taxes	(5,220)	(9,735)
			Profit from continuing operations	**21,246**	**15,694**
			Other comprehensive income (expense)	10,424	(7,444)
Carrying amount	**37,324**	**38,829**	**Comprehensive income**	**31,670**	**8,250**

Mobilink Hurontario G.P. (35.00%)- Light Rail Transit in Ontario, Canada

(€'000)	31 December 2022	31 December 2023	(€'000)	31 December 2022	31 December 2023
Non-current assets			**Equity**	**34,146**	**36,754**
Property, plant and equipment and intangible assets	529,941	576,996	**Non-current liabilities**		
Non-current financial assets	-	-	Non-current financial liabilities	411,613	441,999
Total non-current assets	**529,941**	**576,996**	**Total non-current liabilities**	**411,613**	**441,999**
Current assets			**Current liabilities**		
Cash and cash equivalents and other financial assets	5,139	5,665	Current financial liabilities		
Other current assets	18,763	14,313	Other current liabilities	108,084	118,221
Total current assets	**23,902**	**19,978**	**Total current liabilities**	**108,084**	**118,221**
Total assets	**553,843**	**596,974**	**Total liabilities**	**553,843**	**596,974**

(€'000)- Group share	31 December 2022	31 December 2023	(€'000)	2022	2023
			Revenue	269,957	254,301
Opening equity	**4,126**	**11,951**	Operating expenses	(248,972)	(231,791)
Group's share of comprehensive income	7,825	913	**Operating profit**	**20,985**	**22,510**
Dividends distributed			Net financing costs	(11,620)	(14,249)
Capital increases and other variations			**Profit before tax**	**9,365**	**8,261**
Closing equity	**11,951**	**12,864**	Income taxes	-	-
			Profit from continuing operations	**9,365**	**8,261**
			Other comprehensive income (expense)	12,991	(5,652)
Carrying amount	**11,951**	**12,864**	**Comprehensive income**	**22,356**	**2,609**

Yuma Concessionaria S.A. (48.33%)- Sector 3 of Ruta del Sol Motorway in Colombia

(€'000)	31 December 2022	31 December 2023	(€'000)	31 December 2022	31 December 2023
Non-current assets			**Equity**	**12,435**	**13,883**
Property, plant and equipment and intangible assets	479,932	551,209	**Non-current liabilities**		
Non-current financial assets	-	-	Non-current financial liabilities	285,129	310,022
Other non-current assets	197	279	Other non-current liabilities	154	218
Total non-current assets	**480,129**	**551,488**	**Total non-current liabilities**	**285,283**	**310,240**
Current assets			**Current liabilities**		
Cash and cash equivalents and other financial assets	6,241	17,077	Current financial liabilities	5,138	4,658
Other current assets	33,910	74,051	Other current liabilities	217,424	313,835
Total current assets	**40,151**	**91,128**	**Total current liabilities**	**222,562**	**318,493**
Total assets	**520,280**	**642,616**	**Total liabilities**	**520,280**	**642,616**

(€'000)- Group share	31 December 2022	31 December 2023	(€'000)	2022	2023
			Revenue	203,398	93,903
Opening equity	**1,277**	**6,010**	Operating expenses	(193,511)	(102,206)
Group's share of comprehensive income	4,733	700	**Operating profit (loss)**	**9,887**	**(8,303)**
Dividends distributed	-	-	Net financing income	2,286	8,120
Capital increases and other variations	-	-	**Profit (loss) before tax**	**12,173**	**(183)**
Closing equity	**6,010**	**6,710**	Income taxes	(513)	(902)
			Profit (loss) from continuing operations	**11,660**	**(1,085)**
			Other comprehensive income (expense)	(1,870)	2,533
Carrying amount	**6,010**	**6,710**	**Comprehensive income**	**9,790**	**1,448**

The Group's share of the profit or loss of the individually insignificant associates was a loss of €0.4 million for the year compared to a profit of €5.5 million for 2022. It includes a loss from continuing operations of €1.3 million (profit of €4.8 million) and other comprehensive income of €0.9 million (€0.7 million).

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 Report, there were no significant contingent liabilities related to the Group's interests 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 2022	31 December 2023	(€'000)	31 December 2022	31 December 2023
Non-current assets			**Equity**	**4,378**	**55,518**
Property, plant and equipment and intangible assets	2,358	2,293	**Non-current liabilities**		
Non-current financial assets	-	-	Non-current financial liabilities	912	929
Total non-current assets	**2,358**	**2,293**	**Total non-current liabilities**	**912**	**929**
Current assets			**Current liabilities**		
Cash and cash equivalents and other financial assets	1,047	6,363	Current financial liabilities	1,306	1,278
Other current assets	29,173	116,391	Other current liabilities	25,982	67,322
Total current assets	**30,220**	**122,754**	**Total current liabilities**	**27,288**	**68,600**
Total assets	**32,578**	**125,047**	**Total liabilities**	**32,578**	**125,047**

(€'000)- Group share	31 December 2022	31 December 2023	(€'000)	2022	2023
			Revenue	128,666	205,923
Opening equity (deficit)	**(5,426)**	**1,751**	Operating expenses	(114,388)	(199,748)
Group's share of comprehensive income	5,278	1,959	**Operating profit**	**14,278**	**6,175**
Dividends distributed	(12,156)	(12,947)	Net financing income (costs)	-	-
Capital increases and other variations	14,055	31,444	**Profit before tax**	**14,278**	**6,175**
Closing equity	**1,751**	**22,207**	Income taxes	-	-
			Profit from continuing operations	**14,278**	**6,175**
			Other comprehensive expense	(1,082)	(1,277)
Provision for risks on equity investments	**1,751**	**22,207**	**Comprehensive income**	**13,196**	**4,898**

Skanska-Granite-Lane J.V. (30%)- Widening of Interstate 4- Florida (USA)

(€'000)	31 December 2022	31 December 2023	(€'000)	31 December 2022	31 December 2023
Non-current assets			**Deficit**	**(256,456)**	**(258,099)**
Current assets			**Current liabilities**		
Cash and cash equivalents and other financial assets	23,252	11,228	Current financial liabilities	-	-
Other current assets	3,799	9	Other current liabilities	283,507	269,336
Total current assets	**27,051**	**11,237**	**Total current liabilities**	**283,507**	**269,336**
Total assets	**27,051**	**11,237**	**Total liabilities**	**27,051**	**11,237**

(€'000)- Group share	31 December 2022	31 December 2023	(€'000)	2022	2023
			Revenue	35,249	7,210
Opening deficit	**(59,875)**	**(76,937)**	Operating expenses	(80,564)	(18,654)
Group's share of comprehensive expense	(17,062)	(493)	**Operating loss**	**(45,315)**	**(11,444)**
Dividends distributed	-	-	Net financing income	215	658
Capital increases and other variations	-	-	**Loss before tax**	**(45,100)**	**(10,786)**
Closing deficit	**(76,937)**	**(77,430)**	Income taxes	-	-
			Loss from continuing operations	**(45,100)**	**(10,786)**
			Other comprehensive income (expense)	(11,775)	9,143
Carrying amount	**(76,937)**	**(77,430)**	**Comprehensive expense**	**(56,875)**	**(1,643)**

Unionport Constructors J.V. (45%)- Replacement of the Unionport Bridge- New York (USA)

(€'000)	31 December 2022	31 December 2023	(€'000)	31 December 2022	31 December 2023
Non-current assets			**Equity**	**26,634**	**25,709**
Property, plant and equipment and intangible assets	-	42	**Non-current liabilities**		
Total non-current assets	**-**	**42**	**Total non-current liabilities**	**-**	**-**
Current assets			**Current liabilities**		
Cash and cash equivalents and other financial assets	8,243	4,506	Current financial liabilities	-	-
Other current assets	38,372	26,616	Other current liabilities	19,981	5,455
Total current assets	**46,615**	**31,122**	**Total current liabilities**	**19,981**	**5,455**
Total assets	**46,615**	**31,164**	**Total liabilities**	**46,615**	**31,164**

(€'000)- Group share	31 December 2022	31 December 2023	(€'000)	2022	2023
			Revenue	18,759	19,227
Opening equity	**13,559**	**11,986**	Operating expenses	(28,800)	(19,227)
Group's share of comprehensive expense	(3,646)	(417)	**Operating loss**	**(10,041)**	**-**
Dividends distributed	-	-	Net financing income	2	-
Capital increases and other variations	2,073	-	**Loss before tax**	**(10,039)**	**-**
Closing equity	**11,986**	**11,569**	Income taxes	-	-
			Loss from continuing operations	**(10,039)**	**-**
			Other comprehensive income (expense)	1,935	(926)
Carrying amount	**11,986**	**11,569**	**Comprehensive expense**	**(8,104)**	**(926)**

The Group's share of the profit or loss of the individually insignificant joint ventures was a loss of €4.6 million for the year compared to a loss of €12.8 million for 2022. It includes a loss from continuing operations of €5.5 million (loss of €13.8 million) and other comprehensive income of €0.9 million (€1.0 million).

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 2022	31 December 2023	Variation
Non-controlling interests	51,036	14,276	(36,760)
Participating financial instruments	29,539	29,955	416
Total	**80,575**	**44,231**	**(36,344)**

The decrease in non-controlling interests mainly refers to the agreement to sell the Group's investment in the SPE Linea M4 S.p.A. for €47.4 million[68].

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
Connect 6iX Contractor Joint Venture	Canada	Ontario Line Rail Transit (Toronto Metro)	65.00%
Civil Works Joint Venture	Saudi Arabia	Riyadh Metro (civil works)	66.00%
Consorzio Constructor M2 Lima	Peru	Lima Metro, Line 2	25.50%
Mobilinx Hurontario Contractor	Canada	Hurontario Light Rail Transit	70.00%
Saipem Clough Joint ventures (SCJV)	Australia	Perdaman urea plant	50.00%
Sotra Link A.S. Joint Venture	Norway	Rv.555 – The Sotra Connection road system	35.00%
Spark NEL DC Joint Venture	Australia	North East Link (Melbourne)	29.00%
TELT Lot 2	France	Turin- Lyon base tunnel	50.00%

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

This item may be analysed as follows:

[68] Note 19 provides information about the second step of the sale agreement.

(€'000)	31 December 2022	31 December 2023	Variation
Loans and receivables- third parties	209,443	130,558	(78,883)
Loans and receivables- unconsolidated group companies and other related parties	289,999	215,641	(74,358)
Other financial assets	18,997	13,999	(4,998)
Total	**518,439**	**360,198**	**(158,241)**

Loans and receivables- third parties mainly include:

- sales advances of €68.6 million disbursed to Astaris' separate unit (PADE) in accordance with the approved composition with creditors plan;
- €60.7 million related to the undue enforcement of the performance guarantees 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 dispute with the customer.

Loans and receivables- unconsolidated group companies and other related parties mainly relate to the loans given to Yuma Concesionaria S.A. (€194.3 million).

The decrease in non-current financial assets chiefly refers to the Italian projects and, specifically, the sale of financial assets (shareholder loans) of €92.3 million as part of the sale of the Group's investment in the SPE Linea M4 S.p.A..

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.

Impairment test

At the reporting date, the Group reperformed the impairment test to check the recoverability of the loans given to Yuma Concesionaria (nominal amount of €194.3 million). The test was performed in line with the conceptual framework of IFRS 9 simulating various collection scenarios. It showed that the loans are fully recoverable. Accordingly, the Group reversed the impairment losses recognised in previous years by recognising an impairment gain of €13.5 million in financial income (see note 35.1).

11. Deferred tax assets and liabilities

This item may be broken down as follows:

(€'000)	31 December 2022	31 December 2023	Variation
Deferred tax assets	346,289	400,000	53,711
Deferred tax liabilities	(58,060)	(73,510)	(15,450)

Changes in the year are shown in the following table:

(€'000)	31 December 2022	Increases	Decreases	Net exchange losses	Change in consolidation scope	Change in tax rate	Reclassifications	Other changes	31 December 2023
Deferred tax assets									
Amortisation and depreciation exceeding tax rates	3,143	12,817	(107)	283	63	-	-	-	16,199
Provisions for risks and impairment losses	213,857	2,540	(49)	(14)	-	-	-	-	216,334
Tax effect of capital increase	444	-	(444)	-	-	-	-	-	-
Astaldi PPA	18,910	-	(574)	-	-	-	-	-	18,336
Excess maintenance	752	642	(752)	-	-	-	-	-	642
Unrealised exchange losses	38,628	23,819	(2,482)	672	-	-	-	4,269	64,906
Other	169,026	58,095	(30,040)	(6,583)	11,769	-	458	(2,699)	200,026
Deferred tax assets before offsetting	**444,760**	**97,913**	**(34,448)**	**(5,642)**	**11,832**		**458**	**1,570**	**516,443**
Offsetting	(98,471)	-	-	365	-	-	(18,337)	-	(116,443)
Net deferred tax assets	**346,289**	**97,913**	**(34,448)**	**(5,277)**	**11,832**		**(17,879)**	**1,570**	**400,000**

(€'000)	31 December 2022	Increases	Decreases	Net exchange losses	Change in consolidation scope	Change in tax rate	Reclassifications	Other changes	31 December 2023
Deferred tax liabilities									
Fiscally-driven amortisation and depreciation	(11,678)	1,465	54	3,832	(7,860)	-	(398)	-	(14,585)
Deferred gains	(3,982)	(871)	-	60	-	-	-	409	(4,384)
Uncollected default interest	(11,746)	(2,114)	-	-	-	-	-	-	(13,860)
Astaldi PPA	(49,359)	-	12,042	-	-	-	-	-	(37,317)
Clough PPA	-	-	4,002	6	(25,272)	-	-	-	(21,264)
Seli Overseas PPA	(940)	-	523	-	-	-	-	-	(417)
Contract revenue or revenue items	(2,596)	(11,113)	10,537	(2,365)	(1,352)	-	-	222	(6,667)
Contract revenue taxable in future years	(7,637)	(367)	2,866	162	3,018	-	(47)	-	(2,005)
Unrealised exchange gains	(60,414)	(20,516)	57	(12)	-	-	-	-	(80,885)
Other	(8,179)	(3,135)	2,524	256	(37)	-	(13)	15	(8,569)
Deferred tax liabilities before offsetting	**(156,531)**	**(36,651)**	**32,605**	**1,939**	**(31,503)**		**(458)**	**646**	**(189,953)**
Offsetting	98,471			(365)			18,337		116,443
Net deferred tax liabilities	**(58,060)**	**(36,651)**	**32,605**	**1,574**	**(31,503)**		**17,879**	**646**	**(73,510)**

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

"Other" of €200.0 million in the table on deferred tax assets mainly relates to the subsidiaries Lane, Clough and Partecipazioni Italia S.p.A..

12. Inventories

Inventories may be analysed as follows:

(€'000)	31 December 2022 Gross amount	Allowance	Carrying amount	31 December 2023 Gross amount	Allowance	Carrying amount	Variation
Real estate projects	3,119	-	3,119	3,044	-	3,044	(75)
Finished products and goods	10,544	-	10,544	10,149	-	10,149	(395)
Semi-finished products	547	-	547	47	-	47	(500)
Raw materials, consumables and supplies	257,753	(23,154)	234,599	238,822	(22,918)	215,904	(18,695)
Total	**271,963**	**(23,154)**	**248,809**	**252,062**	**(22,918)**	**229,144**	**(19,665)**

The reduction in this item mostly refers to foreign contracts and in particular the completion of some parts of the Snowy Hydro 2.0 project in Australia and the Koysha and Gerd hydroelectric projects in Ethiopia with the use of items in stock at 31 December 2022.

Real estate projects mostly consist of agricultural land in Gallarate in Lombardy and car parks in Arezzo.

Changes in the allowance in 2023 are shown below:

(€'000)	31 December 2022	Accruals	Utilisations	Reversals	Change in cons. scope	Other changes and exchange gains (losses)	31 December 2023
Allowance- raw materials	23,154	665	(94)	(59)	-	(748)	22,918
Total	**23,154**	**665**	**(94)**	**(59)**	**-**	**(748)**	**22,918**

13. Contract assets and liabilities

Contract assets and liabilities can be analysed as follows:

(€'000)	31 December 2022	31 December 2023	Variation
Contract assets	3,199,971	3,910,278	710,307
Contract liabilities	3,311,689	5,897,320	2,585,631

Information about the contract assets and liabilities is set out below while the “Main ongoing projects” section in the Directors’ report provides information about the contracts and their performance.

Contract assets

Contract assets include:

(€'000)	31 December 2022	31 December 2023	Variation
Contract work in progress	55,992,398	59,088,910	3,096,512
Progress payments (on approved work)	(51,807,919)	(53,418,010)	(1,610,091)
Advances	(984,508)	(1,760,622)	(776,114)
Total	**3,199,971**	**3,910,278**	**710,307**

With respect to the item's breakdown by geographical segment, Italian contracts that contributed to the year-end balance are the high-speed/capacity Milan- Genoa railway line, the third maxi-lot of the SS-106 state road Jonica and the maxi lot 2 of the Marche- Umbria road system.

Europe's total was pushed up mainly by the contracts underway in Romania (principally the Frontieră- Curtici- Simeria railway line, Lot 5 of the Sibiu- Pitesti Motorway, Braila Bridge and other road works) and Poland (chiefly the Warsaw Southern Bypass and motorway projects).

In Asia and the Middle East, the projects underway in Tajikistan (Rogun Hydropower Project) 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 (the Saida- Tiaret - Moulay railway line).

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

(€'000)	31 December 2022	31 December 2023	Variation
Italy	480,229	1,224,229	744,000
EU (excluding Italy)	883,092	853,218	(29,874)
Other European countries (non-EU)	67,300	69,022	1,722
Asia/Middle East	708,742	580,871	(127,871)
Africa	422,439	638,546	216,107
Americas (including Lane)	466,716	526,334	59,618
Oceania	171,453	18,058	(153,395)
Total	**3,199,971**	**3,910,278**	**710,307**

The increase in contract assets is chiefly due to the strong production push in Italy (high-speed/capacity Milan-Genoa railway line and the third maxi-lot of the SS-106 state road Jonica).

The Abroad sector benefitted from the monetisation of some significant slow-moving items in Australia (North West Rail Link project) and the Middle East, countered by the greater production volumes achieved on the projects underway in Tajikistan (Rogun Hydropower Project) and Ethiopia (Koysha Hydroelectric Project).

Contract liabilities

Contract liabilities include:

(€'000)	31 December 2022	31 December 2023	Variation
Contract work in progress	(14,563,160)	(12,747,979)	1,815,181
Progress payments (on approved work)	14,089,967	12,799,752	(1,290,215)
Advances	3,784,882	5,845,547	2,060,665
Total	**3,311,689**	**5,897,320**	**2,585,631**

A breakdown of this item shows that the Italian balance relates to work on the newly acquired railway contracts[69] and the new Genoa Breakwater.

The main contributor in Asia and the Middle East was the NEOM Connector South Civil Works in Saudi Arabia.

Contract liabilities in the Americas mostly relate to projects in the United States (Lane Group) and Canada (Ontario Line Rail Transit Project).

[69] Palermo- Catania- Messina, Naples- Bari, Fortezza- Verona, Verona- Padua, Trento rail by-pass and Salerno- Reggio Calabria

The Snowy 2.0, North East Link, SSTOM and Perdaman projects in Australia contributed to the item in the Oceania area.

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

(€'000)	31 December 2022	31 December 2023	Variation
Italy	2,300,252	4,439,656	2,139,404
EU (excluding Italy)	69,759	93,839	24,080
Other European countries (non-EU)	20,865	28,621	7,756
Asia/Middle East	86,233	384,869	298,636
Africa	63,038	65,099	2,061
Americas (including Lane)	224,897	219,961	(4,936)
Oceania	546,645	665,275	118,630
Total	**3,311,689**	**5,897,320**	**2,585,631**

The increase in this item is mostly due to the advances collected for the recently-acquired railway projects in Italy (three new lots of the Palermo- Catania- Messina railway line[70], the Trento rail by-pass and the Salerno-Reggio Calabria railway line) and Saudi Arabia (NEOM Connector South Civil Works), confirming the Group's competitive edge. Renegotiation of the contract for the Snowy Hydro 2.0 Project[71] in Australia and Clough Group's contribution (Perdaman Project) in Oceania also contributed to the increase.

Additional consideration

Contract assets and liabilities, comprising progress payments, progress billings and advances, include claims for additional consideration of €2,435.9 million and €122.5 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 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 2022	31 December 2023	Variation
Third parties	2,929,792	3,860,432	930,640
Loss allowance	(513,021)	(492,527)	20,494
Unconsolidated group companies and other related parties	469,335	528,581	59,246
Total	**2,886,106**	**3,896,486**	**1,010,380**

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

[70] Lercara- Caltanissetta Xirbi, Fiumetorto- Lercara, Caltanissetta Xirbi- Nuova Enna
[71] More information is available in the "Main projects underway" section in the Directors' report.

(€'000)	31 December 2022	31 December 2023	Variation
Italy	1,584,214	2,476,672	892,458
EU (excluding Italy)	247,346	318,736	71,390
Other European countries (non-EU)	56,859	86,270	29,411
Asia/Middle East	341,096	372,266	31,170
Africa	271,363	242,575	(28,788)
Americas (including Lane)	289,796	239,910	(49,886)
Oceania	95,432	160,057	64,625
Total	**2,886,106**	**3,896,486**	**1,010,380**

The increase seen in Italy is principally due to the amounts due from the Group's consortium partners for the recently-acquired railway contracts in Italy (the new lots of the Palermo- Catania- Messina railway line, the Trento rail by-pass and the Salerno- Reggio Calabria railway line) (€759.8 million).

The subsidiary Fibe S.p.A. has an outstanding trade receivable of €103.9 million due from the Campania public administrations (unchanged from the previous year end). More information about management's assessments of the recoverability of the outstanding amount is available in the "Main risk factors and uncertainties" section in the Directors' report.

The increase in the Europe is mostly due to the activities being performed in Romania (Braila Bridge and the Frontieră – Curtici- Simeria railway line) and France (Lot 2 of Line 16 of the Paris Metro).

The rise in trade receivables for the projects underway in Saudi Arabia (Line 3 of the Riyadh Metro and NEOM Connector South Civil Works) was partly offset by the monetisation of some slow-moving items in Asia and the Middle East.

Oceania saw a €61 million increase due to the Group's acquisition of Clough Group (mostly related to the Perdaman Project- €54.9 million).

The increase of €59.2 million in trade receivables from unconsolidated group companies and other related parties principally relates to Fincantieri Infrastructure Opere Marittime S.p.A. (new Genoa Breakwater) and Consorzio MM4 (Line 4 of the Milan Metro). This item is mostly compromised of amounts due from unconsolidated SPEs for work carried out by them on behalf of public administration bodies.

Lastly, the item includes €2.4 million (€3.2 million at 31 December 2022) 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 with unconsolidated SPEs" as part of net financial position.

14.1 Impairment

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

(€'000)	31 December 2022	Impairment losses	Utilisations	Impairment gains	Change in cons. scope	Reclassifications and other changes	Net exchange gains	31 December 2023
Trade receivables	452,442	9,047	(2,468)	(7,371)	-	(19,398)	(117)	432,135
Default interest	60,579	-	(162)	-	-	-	(25)	60,392
Total	**513,021**	**9,047**	**(2,630)**	**(7,371)**	**-**	**(19,398)**	**(142)**	**492,527**

The loss allowance for trade receivables amounts to €432.1 million and mostly relates to amounts due from customers in Venezuela (€311.1 million) and Ukraine (€65.3 million).

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 €70.4 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 €1.5 million.

15. Current financial assets, including derivatives

This item comprises:

(€'000)	31 December 2022	31 December 2023	Variation
Loans and receivables- third parties	351,242	505,664	154,422
Loans and receivables- unconsolidated group companies and other related parties	72,427	106,758	34,331
Government bonds and insurance shares	15,687	2,584	(13,103)
Derivatives	2,276	1,203	(1,073)
Total	**441,632**	**616,209**	**174,577**

I "Loans and receivables- third parties" mostly consist of:

- loans of €347.4 million granted to non-controlling investors by group companies, mostly for projects in Australia, Italy, Kuwait and Qatar;
- temporary advances of €72.7 million made by Lane Group for projects carried out with partners in the United States;
- deposits of €8.8 million lodged with Astaldi Canada Inc.'s trustee in conjunction with collection of the final award for the Muskrat Falls project;
- €12.8 million for the dispute with the customer about the performance guarantees 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 collected amounts. 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 risk factors and uncertainties" section in the Directors' report;
- net investment in leases of €12.9 million for the COCIV Consortium.

The €154.4 million increase in this item is mostly due to the loan granted by Spark NEL DC to one of its partners.

Loans and receivables- unconsolidated group companies and other related parties" increased by €34.3 million on the previous year end. More information about this item is available in note 39 "Related party transactions" and the annex attached to these notes on intragroup transactions.

16. Current tax assets and other current tax assets

16.1 Current tax assets

This item comprises:

(€'000)	31 December 2022	31 December 2023	Variation
Direct taxes	17,601	13,467	(4,134)
IRAP	4,141	3,116	(1,025)
Foreign direct taxes	68,757	68,071	(686)
Total	**90,499**	**84,654**	**(5,845)**

The 31 December 2023 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.

16.2 Other current tax assets

This item comprises:

(€'000)	31 December 2022	31 December 2023	Variation
VAT	214,389	313,146	98,757
Other indirect taxes	19,847	10,890	(8,957)
Total	**234,236**	**324,036**	**89,800**

VAT mostly relates to Italian contracts with public administrations that the split payment regime[72] can be applied to.

The group companies regularly carry out the procedures provided for by the applicable legislation to optimise the VAT reimbursement timing.

17. Other current assets

Other current assets may be analysed as follows:

(€'000)	31 December 2022	31 December 2023	Variation
Other	232,443	290,051	57,608
Advances to suppliers	385,166	504,653	119,487
Unconsolidated group companies and other related parties	36,149	21,735	(14,414)
Prepayments and accrued income	262,687	285,044	22,357
Total	**916,445**	**1,101,483**	**185,038**

"Other" includes (i) consideration of €47.6 million due to Fibe S.p.A. for the USW Campania projects, (ii) €31.7 million due to the parent as a result of the enforceable award in its favour for the Aguas del Buenos Aires project in Argentina, (iii) compensation of €46.8 million[73] for damages incurred by the Group in Argentina, and (iv) amounts due from Webuild's partners chiefly for projects being carried out abroad for most of the remainder.

[72] Article 17-ter of Presidential decree no. 633/1972
[73] Present value based on collection estimates.

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 €119.5 million, mainly due to the greater production output achieved in Italy and Australia.

The item “Unconsolidated group companies and other related parties” decreased by €14.4 million.

The increase of €22.4 million in prepayments and accrued income to €285.0 million is principally due to insurance premiums and commissions on sureties for recently awarded projects in Italy.

Impairment test

Given that Argentina’s economic crisis has not abated, Webuild tested its financial assets (€31.7 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 2022	31 December 2023	Variation
Cash and cash equivalents	1,921,177	3,060,541	1,139,364

A breakdown by geographical segment is as follows:

(€’000)	31 December 2022	31 December 2023	Variation
Italy	626,831	1,210,929	584,098
EU (excluding Italy)	221,691	152,380	(69,311)
Other European countries (non-EU)	88,014	51,155	(36,859)
Asia/Middle East	259,837	519,626	259,789
Africa	22,084	29,599	7,515
Americas (including Lane)	415,664	526,480	110,816
Oceania	287,056	570,372	283,316
Total	**1,921,177**	**3,060,541**	**1,139,364**

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 used for the Ethiopian contracts.

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 €402.4 million and mainly refer to the Italian subsidiaries (mostly Consorzio Xenia and Consorzio Triscelio 3) (€216.7 million) and foreign subsidiaries (principally WSS Joint Venture and Lane Group) (€185.7 million).

18.1 Restricted cash and cash equivalents

This item comprises restricted amounts of approximately €17.3 million, including €5.3 million[74] for the Webuild French branch (Lines 16 and 14 of the Paris Metro), €5.0 million for the Astaldi-Turkerler Joint Venture in Turkey and €4.1 million for Lane Group.

The "Main risk factors and uncertainties" section in the Directors' report provides information on the preventive attachment obtained by VINCI Construction Grands Projets of Webuild's French bank accounts for the former Astaldi's alleged liabilities for the Santiago de Chile Airport.

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

Net non-current assets held for sale

Net non-current assets held for sale are as follows:

(€'000)	31 December 2022	31 December 2023	Variation
Non-current assets	418	3,016	2,598
Current assets	14,123	13,969	(154)
Non-current assets held for sale	**14,541**	**16,985**	**2,444**
Non-current liabilities	(5,622)	(5,602)	20
Current liabilities	(8,071)	(7,695)	376
Liabilities directly associated with non-current assets held for sale	**(13,692)**	**(13,297)**	**395**
Net non-current assets held for sale	**848**	**3,688**	**2,840**
- Of which net financial position	*2,097*	*2,681*	*584*

The item of €3.7 million refers to the Group's investment in the SPE Linea M4 S.p.A. (€2.8 million) and the divisions to be sold in the Honduras area (€0.9 million).

SPE Linea M4 S.p.A. (€2.8 million)

In December 2023, the group companies Webuild Italia S.p.A. and Partecipazioni Italia S.p.A. signed an agreement with ATM S.p.A. for the sale of the Group's entire investment (share capital and shareholder loan) in the SPE Linea M4 S.p.A., the operator for the design, construction and operation of Line 4 of the Milan Metro.

This agreement provides for the transfer of the shares in two steps:

- on 15 December 2023, the first step was regularly executed with the transfer of 18.14% of the shares and the shareholder loan for a consideration of €138.4 million;
- the second step will take place when the project has been successfully trialled and the Group will transfer the remaining investment of 1.12%.

At the reporting date, the remaining investment in the SPE was classified as held for sale as its carrying amount will only be recovered through the sale transaction. Management believes that the terms for transfer of this remaining investment[75] do not in any way prejudice completion of the transaction as provided for in the related agreement.

[74] Webuild's share of the contracts for Lines 16 and 14 of the Paris Metro.
[75] Compliant with the regulatory and contractual provisions governing the SPE's operations.

The equity investment was measured at the lower of its carrying amount and fair value less costs to sell at the reporting date. Fair value less costs to sell was calculated on the basis of the transaction terms. The calculation showed that the investment's carrying amount is fully recoverable and, therefore, it has not been impaired.

Divisions held for disposal in the Honduras area (€0.9 million)

The administrator appointed by the competent authorities in 2019 is completing the procedures to liquidate the local assets of the Astaldi Honduras divisions 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 Group's commercial and industrial strategies.

Industrial operations in the countries where the divisions were located have been discontinued for some time and the administrative procedures for the definitive closure of the relevant reporting entities are currently nearing completion. The procedures for the closure of the reporting entities in Costa Rica and Guatemala were completed in 2023.

The loss from discontinued operations amounts to €10.1 million and mostly refers to the divisions in Central and South America. In 2022, it amounted to €18 million and mostly related to the ICC award for the work to upgrade the E60 Zemo Osiauri- Chumateleti Motorway performed by the Astaldi Giorgia division.

It may be broken down as follows:

(€'000)	2022	2023	Variation
Revenue			
Operating costs	(12,379)	(3,137)	9,242
Other income	3,772	9,065	5,293
Total operating costs and other income	**(8,607)**	**5,928**	**14,535**
Operating expenses			
Purchases	(56)	(4)	52
Subcontracts	(5,426)	-	5,426
Services	(1,950)	(1,262)	688
Other operating expenses	(3,277)	(7,827)	(4,550)
Personnel expenses	(1,000)	(712)	288
Amortisation, depreciation, provisions and impairment losses	(3,144)	(596)	2,548
Total operating expenses	**(14,853)**	**(10,400)**	**4,453**
Operating loss	**(23,460)**	**(4,472)**	**18,988**
Financing income (costs) and gains (losses) on equity investments			
Financial income	4	2	(2)
Financial expense	(870)	(1,087)	(217)
Net exchange gains (losses)	6,812	(2,836)	(9,648)
Net financing income (costs)	5,946	(3,921)	(9,867)
Net financing income (costs) and gains (losses) on equity investments	**5,946**	**(3,921)**	**(9,867)**
Loss before tax	**(17,514)**	**(8,393)**	**9,121**
Income taxes	(458)	(1,678)	(1,220)
Loss from discontinued operations	**(17,972)**	**(10,071)**	**7,901**

20. Equity

This item may be analysed as follows:

(€'000)	31 December 2022	31 December 2023	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	(28,075)	(36,287)	(8,212)
- Reserve for treasury shares held by group companies	(6,839)	(5,700)	1,139
- LTI reserve	12,103	162	(11,941)
- Inflation reserve	108,249	128,040	19,791
- IFRS 2 reserve	71,353	25,467	(45,886)
- Lender warrant reserve	-	59,765	59,765
- Reserve for shares assigned in exchange for unsecured claims	-	1,416	1,416
- Extraordinary and other reserves	136	136	-
Total other reserves	265,939	282,011	16,072
Other comprehensive expense			
- Translation reserve	(156,437)	(296,710)	(140,273)
- Hedging reserve	3,009	1,873	(1,136)
- Actuarial reserve	4,706	6,001	1,295
Total other comprehensive expense	(148,722)	(288,836)	(140,114)
Retained earnings	483,836	427,470	(56,366)
Profit for the year	9,893	124,003	114,110
Equity attributable to the owners of the parent	**1,578,709**	**1,512,411**	**(66,298)**
Share capital and reserves attributable to non-controlling interests	349,728	174,036	(175,692)
Profit for the year attributable to non-controlling interests	6,637	4,383	(2,254)
Share capital and reserves attributable to non-controlling interests	**356,365**	**178,419**	**(177,946)**
Total	**1,935,074**	**1,690,830**	**(244,244)**

20.1 Share capital

At 31 December 2023, the parent's share capital continues to amount to €600,000,000 and consists of 1,016,379,381 shares, comprising 1,014,763,890 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 issue of 13,953,986 ordinary shares to the (i) holders of anti-dilutive warrants (11,809 ordinary shares), (ii) holders of the lender warrants (13,493,061 ordinary shares) and (iii) unsecured creditors not provided for under the demerger (449,116 ordinary shares), as detailed in the next paragraph.

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:

(i) (a) 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.

Considering their purpose, the anti-dilutive warrants can only be exercised after Webuild’s issue of new ordinary shares to Astaris’ unsecured creditors not provided for, as defined in the demerger proposal (the “creditors not provided for”).

Further to the new shares issued to the creditors not provided for in 2022 and 2023, as specified in point (iii) below, on 31 December 2023, 5.8907042% of the anti-dilutive warrants became exercisable (for a maximum of 4,756,063 warrants) entitling their holders to a maximum of 4,756,063 ordinary Webuild shares. As a result:

- 740,056 anti-dilutive warrants were exercised and settled by assigning the same number of ordinary Webuild shares in 2022;
- 11,809 anti-dilutive warrants were exercised (at the end of the exercise period, 10 September 2023) and settled by assigning the same number of ordinary Webuild shares in 2023;

(ii) (a) to issue 15,223,311 Webuild S.p.A. 2021-2023 warrants (ISIN IT0005454415) (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. Before the exercise deadlines (5 July 2023), BNP Paribas SA Succursale Italia, Banca Monte dei Paschi di Siena, Intesa Sanpaolo S.p.A. and Unicredit S.p.A. exercised 2,725,627, 2,061,507, 3,766,029 and 4,939,898 lender warrants, respectively, for a total of 13,493,061 lender warrants. Accordingly, the same number of ordinary Webuild shares were assigned to the above banks for a total consideration of €15,287,638.11;

(iii) 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 for the creditors not provided for, to settle their claims with Astaris in the ratio of 2.536 new ordinary Webuild shares for each €100.00 of unsecured claims. In 2022 and 2023, the parent issued and assigned 574,518 ordinary Webuild shares to the creditors not provided for, specifically 125,402 in 2022, as per press releases of 31 March and 1 June 2022, and 449,116 in 2023, as per the press release of 22 December 2023.

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 of €367.8 million 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 of €120 million 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

This reserve includes the costs for the parent's capital increases carried out on 12 November 2019 (€7.0 million) and in 2014 (€4.0 million).

Treasury shares

Reserve for treasury shares

During their ordinary meeting of 27 April 2023, 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 21,877,494 treasury shares for €36,286,527.04.

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 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 included in the consolidation scope held 2,915,242 Webuild shares at the reporting date, equal to approximately €5.7 million. The €1.1 million decrease in the item at 31 December 2023 is mostly due to the sale of shares by Italian group companies.

LTI reserve

At the end of 2022, the LTI (long term incentive plan) reserve amounting to €0.2 million at the reporting date, included the fair value (€12.1 million) of the 2020-2022 long-term 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 plan provided for the assignment of a 50:50 cash and equity component (Webuild shares) at the end of the vesting period[76] if the beneficiaries reached their objectives.

On 27 April 2023, the parent's shareholders acknowledged that the objectives had been met and approved a change to the plan whereby the beneficiaries can opt to receive their vested incentives immediately and entirely in cash, including the part that was to consist of Webuild shares.

Therefore, based on the choices made so far by the beneficiaries, most of the incentives have been settled in cash as the option to receive Webuild shares has only been exercised for 59,719 shares.

Inflation reserve

This reserve of €128 million 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 the fair value (€25.5 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).

It decreased by €45.9 million, mainly as a result of the reclassification of the fair value of (i) the 13,493,061 warrants exercised by the banks (€44.5 million) and (ii) the 449,116 shares assigned to the creditors not provided for (€1.4 million), as specified below.

[76] 27 April 2023, the date of approval of the financial statements at 31 December 2022 by the parent's shareholders.

Lender warrants reserve

At the reporting date, this reserve of €59.8 million relates to the exercise of 13,493,061 "Warrant Webuild S.p.A. 2021-2023" (ISIN IT0005454415" lender warrants by the banks[77] with the consequent assignment of the same number of ordinary Webuild shares.

Therefore, the reserve comprises:

- the fair value of €44.5 million of the lender warrants reclassified from the IFRS 2 reserve;
- the proceeds of €15.3 million from the issue of new shares to the banks (€1.133 per share).

Reserve for shares assigned in exchange for unsecured claims

The parent set up this reserve of €1.4 million after having assigned 449,116 new shares to the creditors not provided for, by reclassifying their fair value from the IFRS 2 reserve.

20.4 Other comprehensive expense

Other comprehensive expense rose from €148.7 million at the end of 2022 to €288.8 million at the reporting date due to the fluctuations of the US dollar (Grupo Unidos por El Canal S.A.), the Nigerian Naira (Salini Nigeria Ltd) and the Argentine Peso (Autopistas Del Sol S.A.) that affected the translation reserve.

20.5 Retained earnings

This item of €427.5 million shows a decrease of €56.4 million over the previous year end, mostly due to the parent's decision to distribute dividends (€56 million).

20.6 Resolution of the parent's shareholders on the allocation of the loss for 2022

In their meeting held on 27 April 2023, the parent's shareholders resolved to:

- cover the loss of €69,556,544.54 shown in the 2022 separate financial statements by using the parent's distributable reserves;
- distribute a dividend of €0.057, 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 €55,953,959.43 at the payment date) using the distributable reserves.

20.7 Share capital and reserves attributable to non-controlling interests

Share capital and reserves of €178.4 million (€356.4 million at 31 December 2022) attributable to non-controlling interests decreased sharply mostly as a result of the change in consolidation scope (€202.7 million), partly offset by the capital injections made by its owners to Lane Security Paving Joint Venture (€31.9 million). The change in consolidation scope related specifically to (i) the Group's acquisition of the non-controlling interests in SLC Snowy Hydro Joint Venture (€40.4 million); (ii) the winding up of subsidiaries in the Middle East as they had completed their projects (€143.9 million), and (iii) the exclusion of AGN HAGA AB in Sweden from the consolidation scope due to the change in its governance rules (€17.3 million).

[77] BNP Paribas SA Succursale Italia, Banca Monte dei Paschi di Siena S.p.A., Intesa Sanpaolo S.p.A. and Unicredit S.p.A.

20.8 Consolidated group companies with significant non-controlling interests

The significance 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 significant non-controlling interests

(€'000)	Pergenova Breakwater	SA.PI. NOR Salini Impregilo-Pizzarotti J.V.	Salini Saudi Arabia Ltd Co	Western Station J.V.	WSS Joint Venture
Project	New Genoa Breakwater	Nykirke- Barkaker railway line	Metros and civil buildings	Line 3 of the Riyadh Metro	Railway line-NEOM Connector South
Country	Italy	Norway	Saudi Arabia	Saudi Arabia	Saudi Arabia
Non-controlling interest percentage	60.0%	49.0%	49.0%	49.0%	44.7%
Profit (loss) attributable to non-controlling interests	-	7,011	5,075	(676)	8,674
Non-controlling interests	6	20,341	19,938	19,325	8,487
Financial highlights					
Statement of financial position					
Current assets	544,958	63,255	392,149	132,450	406,243
Non-current assets	9,359	494	14,163	18	2,342
Current liabilities	549,729	22,236	359,451	93,028	389,042
Non-current liabilities	4,578	-	6,171	-	556
Equity	10	41,513	40,690	39,439	18,987
Statement of profit or loss					
Revenue	70,554	88,262	527,577	1,294	73,737
Profit (loss) for the year	-	14,309	10,358	(1,379)	19,404
Comprehensive expense	-	(1,630)	(867)	(1,439)	(417)
Cash flows					
Opening cash and cash equivalents	73,803	31,621	126,352	246	-
Cash flows for the year	(59,410)	(29,903)	4,132	1	326,553
Closing cash and cash equivalents	14,393	1,718	130,484	247	326,553

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 profit of the parent with the corresponding consolidated items:

€'000	Equity	Profit (loss) for the year
Equity and profit for the year of Webuild S.p.A.	**1,496,324**	**28,893**
Elimination of consolidated investments	(2,328,127)	197,163
Elimination of the provision for risks on equity investments	44,020	1,593
Elimination of dividends paid to the parent	-	(464,857)
Equity and profit or loss of consolidated companies	1,952,805	323,239
Treasury shares	(5,618)	-
Other consolidation entries		
Elimination of loss allowance of subsidiaries	180,921	45,879
Purchase price allocation	146,443	22,418
Unrealised net exchange losses (net of related tax)	-	(13,519)
Elimination of national tax consolidation system effects	25,643	(16,805)
Equity and profit for the year attributable to the owners of the parent	**1,512,411**	**124,003**
Equity and profit for the year attributable to non-controlling interests	178,419	4,383
Consolidated equity and profit for the year	**1,690,830**	**128,386**

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

The Group's financial indebtedness is presented below:

	31 December 2022			31 December 2023		
(€'000)	Non-current	Current	Total	Non-current	Current	Total
Bank corporate loans	230,321	74,062	304,383	105,498	127,663	233,161
Bank construction loans	7,585	71,935	79,520	10,757	82,480	93,237
Bank concession financing	10,407	1,293	11,700	9,505	1,744	11,249
Other financing	21,645	115,737	137,382	7,788	141,460	149,248
Total bank and other loans and borrowings	**269,958**	**263,027**	**532,985**	**133,548**	**353,347**	**486,895**
Current account facilities	-	2,452	2,452	-	24,116	24,116
Factoring liabilities	-	18,558	18,558	-	8,753	8,753
Loans and borrowings- unconsolidated group companies	6,309	13,382	19,691	6,309	27,765	34,074
Total	**276,267**	**297,419**	**573,686**	**139,857**	**413,981**	**553,838**

Bank corporate loans

This item includes term loans taken out by the parent.

It may be analysed as follows:

	31 December 2022			31 December 2023		
(€'000)	Total bank corporate loans	Current	Non-current	Total bank corporate loans	Current	Non-current
€102.5 million syndicated loan	52,503	20,570	31,933	31,218	31,218	
BPER	102,829	31,500	71,329	72,168	72,168	
Banca Popolare di Milano	47,293	20,234	27,059	26,380	20,882	5,498
Yuma syndicated loan	101,563	1,563	100,000	102,963	2,963	100,000
Banca Popolare di Milano (formerly Banca Popolare di Lodi)	195	195	-	432	432	-
Total	**304,383**	**74,062**	**230,321**	**233,161**	**127,663**	**105,498**

The conditions of the main bank corporate loans in place at 31 December 2023 are as follows:

	Interest rate	Expiry date
€102.5 million syndicated loan	Euribor	2024
BPER	Euribor	2024
Banca Popolare di Milano (2016- 2024)	Euribor	2024
Banca Popolare di Milano (2017- 2025)	Euribor	2025
Yuma syndicated loan	Euribor	2025

The loans are backed by covenants that establish the requirement for the borrower to maintain certain financial and equity ratios, which are fully respected at the reporting date.

The reduction in this item is mostly attributable to the repayment of the principal amounts falling due during the year.

The fair value of bank corporate loans is €226.8 million.

Bank construction loans

This item of €93.2 million mainly consists of a floating rate loan and a fixed rate loan taken out respectively by the subsidiaries Salini Saudi Arabia Company Ltd. and CSC Costruzioni S.A. (€56.1 million and €22.5 million, respectively).

The fair value of bank construction loans is €93.2 million.

Bank concession financing

This item includes:

				31 December 2022			31 December 2023		
(€'000)	Borrower	Currency	Country	Total bank concession financing	Current	Non-current	Total bank concession financing	Current	Non-current
Monte dei Paschi di Siena	Corso del Popolo S.p.A.	Euro	Italy	5,676	594	5,082	5,521	1,062	4,459
Credito Sportivo	Piscine dello Stadio S.r.l.	Euro	Italy	6,024	699	5,325	5,727	682	5,045
Total				**11,700**	**1,293**	**10,407**	**11,248**	**1,744**	**9,504**

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 million.

Other financing

This item of €149.2 million mainly comprises:

- loans of €68.9 million received from non-controlling partners to finance projects carried out by the Group in Europe, the Americas, Asia and Oceania;
- approximately €19.5 million given to the Sureties Panel (Liberty, AIG and Zurich) for projects carried out by the former Astaldi in North America.

At the reporting date, 13% of the outstanding other financing bears interest at a fixed rate.

The fair value of other financing is €149.2 million.

Current account facilities

Current account facilities of €24.1 million mainly relate to the Ethiopian branch and the subsidiaries Wres Senqu Bridge Joint Venture, Salini Nigeria Ltd and Clough Niugini.

Factoring liabilities

Factoring liabilities amount to €8.8 million at the reporting date and relate to transactions mostly carried out in Italy and Ethiopia.

Loans and borrowings- unconsolidated group companies

More information about this item of €34 million is available in note 39 “Related party transactions” and the annex on intragroup transactions attached to these notes.

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	105,498	105,498		-
Bank construction loans	10,758	6,233	4,525	-
Concession financing	9,505	949	5,156	3,400
Other financing	7,789	3,789	4,000	-
Total	**133,550**	**116,469**	**13,681**	**3,400**

22. Bonds

The following table analyses the item:

(€'000)	Expiry date	31 December 2022 Nominal amount	*Non-current portion	*Current portion	31 December 2023 Nominal amount	*Non-current portion	*Current portion
Webuild 1.75% Call 26ot24	26.10.2024	500,000	498,594	1,582	281,448		281,979
Webuild 5.875% Call 15dc25	15.12.2025	750,000	746,313	1,932	518,552	516,802	1,335
Webuild Slb 3.875% Call 28Lg26	28.07.2026	400,000	395,902	6,625	400,000	396,973	6,607
Webuild 3.625% Call 28ge27	28.01.2027	250,000	245,740	8,367	250,000	246,712	8,367
Webuild 7% Sep28 Call Eur	27.09.2028				450,000	439,587	8,177
Total		**1,900,000**	**1,886,549**	**18,506**	**1,900,000**	**1,600,074**	**306,465**

(*) net of related charges. The current portion includes accrued interest.

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 €1,897.2 million at the reporting date.

On 27 September 2023, Webuild successfully placed new bonds with an aggregate nominal amount of €450 million reserved for institutional investors. Their maturity date is 27 September 2028 and they have an annual coupon of 7%. The parent used all the proceeds from the new bond issue to redeem the bonds maturing in 2024 (€218.6 million) and 2025 (€231.4 million) in advance.

In this way, it was able to repay its corporate debt well before its next maturity date of October 2024, which contributed to enhance its debt profile by extending the average maturity of its debt.

23. Lease liabilities

Lease liabilities may be broken down as follows at 31 December 2023:

(€'000)	31 December 2022	31 December 2023	Variation
Non-current portion	68,829	82,037	13,208
Current portion	71,721	66,219	(5,502)
Total	**140,550**	**148,256**	**7,706**

The present value of the minimum future lease payments is as follows:

(€'000)	31 December 2022	31 December 2023
Minimum lease payments:		
Due within one year	75,612	71,009
Due between one and five years	71,300	82,312
Due after five years	3,684	11,706
Total	**150,596**	**165,027**
Future interest expense	(10,046)	(16,771)
Net present value	**140,550**	**148,256**

(€'000)	31 December 2022	31 December 2023
The net present value is as follows:		
Due within one year	71,721	66,219
Due between one and five years	65,519	72,481
Due after five years	3,310	9,556
Total	**140,550**	**148,256**

24. Analysis of net financial position

24.1 Net financial position

(€'000)	Note (*)	31 December 2022	31 December 2023	Variation
Non-current financial assets	10	518,439	360,198	(158,241)
Current financial assets	15	439,355	615,006	175,651
Cash and cash equivalents	18	1,921,177	3,060,541	1,139,364
Total cash and cash equivalents and other financial assets		**2,878,971**	**4,035,745**	**1,156,774**
Bank and other loans and borrowings	21	(276,267)	(139,857)	136,410
Bonds	22	(1,886,549)	(1,600,074)	286,475
Lease liabilities	23	(68,829)	(82,037)	(13,208)
Total non-current indebtedness		**(2,231,645)**	**(1,821,968)**	**409,677**
Current portion of bank loans and borrowings and current account facilities	21	(297,419)	(413,981)	(116,562)
Current portion of bonds	22	(18,506)	(306,465)	(287,959)
Current portion of lease liabilities	23	(71,721)	(66,219)	5,502
Total current indebtedness		**(387,646)**	**(786,665)**	**(399,019)**
Derivative assets	10-15	2,276	1,203	(1,073)
Net financial position with unconsolidated SPEs (**)		3,229	2,415	(814)
Net other financial assets		**5,505**	**3,618**	**(1,887)**
Net financial position- continuing operations		**265,185**	**1,430,730**	**1,165,545**
Net financial position- discontinued operations	19	2,097	2,681	584
Net financial position including discontinued operations		**267,282**	**1,433,411**	**1,166,129**

(*) 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.

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 2022	of which: related parties	31 December 2023	of which: related parties
A	Cash	18	1,921,177		3,060,541	
B	Cash equivalents		-		-	
C	Other current financial assets	10	15,687		2,584	
D	**Cash and cash equivalents (A+B+C)**		**1,936,864**		**3,063,125**	
E	Current loans and borrowings (including debt instruments but excluding the current portion of non-current loans and borrowings)	21	29,585	13,382	55,621	27,765
F	Current portion of non-current loans and	21	358,061		731,044	
G	**Current financial indebtedness (E+F)**		**387,646**		**786,665**	
H	**Net current financial position (G-D)**		**(1,549,218)**		**(2,276,460)**	
I	Non-current loans and borrowings (excluding their current portion and debt instruments)	21	2,231,645	6,309	1,821,968	6,309
J	Debt instruments		-		-	
K	Non-current trade payables and other liabilities		8,500		17,009	
L	**Non-current financial indebtedness (I+J+K)**		**2,240,145**		**1,838,977**	
M	**Net financial (position) indebtedness (H+L)**		**690,927**		**(437,483)**	

(*) 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 2022	31 December 2023
Difference	**958,209**	**995,142**
Due to:		
Non-current financial assets	518,439	360,198
Current financial assets with a maturity of more than 90 days (*)	423,668	612,422
Derivatives	2,276	1,203
Net financial position with unconsolidated SPEs	3,229	2,415
Net financial position- discontinued operations	2,097	2,681
Non-current trade payables and other liabilities	8,500	17,009
Total difference	**958,209**	**995,928**

(*) 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	Financial assets, including derivatives	Equity	Total
A) Opening balance	**573,686**	**1,905,055**	**140,550**	**(960,071)**	**1,935,074**	**3,594,294**
Changes from financing cash flows						
Change in investments in subsidiaries				45,865	(48,993)	(3,128)
Dividends distributed	-	-	-	-	(63,199)	(63,199)
Capital injections by non-controlling interests in subsidiaries	-	-	-	-	2,273	2,273
Repurchase of treasury shares	-	-	-	-	(7,073)	(7,073)
Exercise of lender warrants					15,295	15,295
Increase in bank and other loans	2,480,704	443,567	-	-	-	2,924,271
Decrease in bank and other loans	(2,522,442)	(450,000)	-	-	-	(2,972,442)
Decrease in lease liabilities	-	-	(73,722)	-	-	(73,722)
Change in other financial assets/liabilities	12,490			(117,503)	-	(105,013)
B) Cash flows generated by (used in) financing activities	**(29,248)**	**(6,433)**	**(73,722)**	**(71,638)**	**(101,697)**	**(282,738)**
Non-monetary changes in financial assets and liabilities						
Change in consolidation scope	(6,283)		(441)	6,566	(160,134)	(160,292)
Change in exchange rates	(996)		(3,303)	(2,201)	-	(6,500)
Other changes	(4,986)	7,917	85,172	50,937	29,528	168,568
C) Total non-monetary changes	**(12,265)**	**7,917**	**81,428**	**55,302**	**(130,606)**	**1,776**
Other changes						
Other changes in equity	-	-	-	-	(11,941)	(11,941)
Changes in current account facilities	21,665	-	-	-	-	21,665
D) Total other changes	**21,665**	**-**	**-**	**-**	**(11,941)**	**9,724**
E) Closing balance (A+B+C+D)	**553,838**	**1,906,539**	**148,256**	**(976,407)**	**1,690,830**	**3,323,056**

26. Post-employment benefits and other employee benefits

Employee benefits mostly consist of the Italian post-employment benefits regulated by article 2120 of the Italian Civil Code ("TFR") and Lane Group's defined benefit plans.

The following table provides a breakdown of this item and changes of the period:

(€'000)	31 December 2022	Accruals	Payments	Contributions paid to INPS treasury and other funds	Net actuarial gains	Other changes	31 December 2023
Post-employment benefits and other employee benefits	52,606	32,096	(21,283)	(2,521)	(1,295)	(2,385)	57,217

Management availed of the services of leading independent experts to perform the actuarial calculation of the employee benefits.

Post-employment benefits governed by article 2120 of the Italian Civil Code

The liability for post-employment benefits (TFR) 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%.

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 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 2023	**145,900**	**(135,875)**	**10,025**
Service cost	4	-	4
Interest	7,202	(6,817)	386
Gains on the change in the expected return on the plan assets	-	(5,765)	(5,765)
Net gains from experience	(1,625)	-	(1,625)
Payments	(3,536)	(53)	(3,589)
Participants' contributions	53	-	53
Effect of changes in demographic assumptions	3,835	-	3,835
Payments of benefits from plan assets	(7,953)	7,953	-
Administrative fees charged to plan assets	-	917	917
Net exchange gains (losses)	(5,027)	4,803	(224)
31 December 2023	**138,853**	**(134,837)**	**4,016**

The following tables show the assumptions used to calculate the liability for employee benefits.

	Pension benefits		Other benefits	
	31 December 2022	31 December 2023	31 December 2022	31 December 2023
Discount rate	5.22%	4.99%	5.01%	4.72%
Expected rate of return on plan assets	2.71%	5.22%	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 2022	31 December 2023
Annual growth rate	5.32%	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%	(14,287)	17,287

The following table presents the plan asset categories as a percentage of total invested assets:

(€'000)	31 December 2022	%	31 December 2023	%
Common/collective trusts	(134,938)	99.31%	(133,932)	99.33%
Interest-bearing deposits	(937)	0.69%	(905)	0.67%
Total	**(135,875)**	**100.00%**	**(134,837)**	**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 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)**

(€'000)	Listed prices	Other observable significant inputs	Other non-observable significant inputs	31 December 2023
	Level 1	Level 2	Level 3	Total
Common/collective trusts	(133,932)	-	-	(133,932)
Interest-bearing deposits	(905)	-	-	(905)
Total	**(134,837)**	**-**	**-**	**(134,837)**

The following table shows the estimated undiscounted future payments for employee benefits:

(€'000)	Period	Pension benefits	Other benefits
	2024	8,114	182
	2025	8,080	193
	2026	8,375	173
	2027	8,405	192
	2028	8,624	145
	2029-2033	45,704	328

27. Provisions for risks

These provisions are summarised in the following table:

(€'000)	31 December 2022	31 December 2023	Variation
Provisions for risks on equity investments	95,383	94,065	(1,318)
Other provisions	103,496	151,572	48,076
Total	**198,879**	**245,637**	**46,758**

The provisions for risks on equity investments relate to the group companies' legal obligations to cover their losses exceeding their equities. A breakdown of this item is available in the annex on changes in equity investments attached to these notes.

Other provisions comprise:

(€'000)	31 December 2022	31 December 2023	Variation
Provisions set up by entities in liquidation	8,553	7,490	(1,063)
USW Campania projects	25,031	24,457	(574)
Provision for ongoing litigation	15,292	5,566	(9,726)
Provisions for risks relating to ongoing contracts	22,529	29,224	6,695
Other	32,091	84,835	52,744
Total	**103,496**	**151,572**	**48,076**

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 relates to litigation in Europe and South America. The decrease on the previous year end is chiefly due to the settlement of some disputes in Canada;
- 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, the United States and Poland. The increase of €6.7 million in the year is mostly related to Italy and Lane Group;
- "Other" mainly relates to additional probable obligations recognised in connection with third party claims and group companies' commitments, chiefly in Italy, the United States and the Middle East. The increase in this item over the previous year end is mainly related to litigation connected with certain projects carried out in the Middle East.

Changes in the item in the year are summarised below:

(€'000)	31 December 2022	Accruals	(Utilisations / Releases)	Change in consolidation scope	Exchange gains (losses) and other changes	31 December 2023
Total	103,496	76,755	(24,695)	24	(4,009)	151,572

Net accruals of €52.1 million mostly refer to the item "Other" of other provisions for ongoing litigation in the Middle East, 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 2022	31 December 2023	Variation
Third parties	3,649,654	4,494,200	844,546
Unconsolidated group companies and other related parties	242,075	189,390	(52,685)
Total	**3,891,729**	**4,683,590**	**791,861**

The €844.5 million increase in trade payables to third parties is principally due to those contracts that contributed the most to production in the year in Italy (chiefly the high-speed/capacity Genoa- Milan railway line, €114.0 million), Australia (mainly SSTOM Sydney Metro, €34.2 million), Tajikistan (Rogun Hydropower Project, €30.8 million), France (mainly Lot 2 of the TELT and Line 16 of the Paris Metro, total €31.7 million) and the subsidiary Salini Saudi Arabia Company Ltd in Saudi Arabia (€46.0 million).

Moreover, in Italy, trade payables to consortium partners increased as a result of the newly acquired railway contracts (new lots of the Palermo- Catania- Messina line, the Trento rail by-pass and the Salerno- Reggio Calabria line)[78] by €355.8 million and (ii) foreign trade payables rose by €72 million following the acquisition of Clough Group in Australia.

Trade payables to unconsolidated group companies and other related parties mainly consist of payables to unconsolidated SPEs for work performed by them on behalf of public administrations. Reference should be made

[78] See note 14 "Trade receivables" for information about these contracts.

to note 39 "Related party transactions" and the disclosures on intragroup transactions in these notes for additional details of this item.

At 31 December 2023 and 2022, 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 2022	31 December 2023	Variation
IRES	4,430	75,539	71,109
IRAP	13,832	10,655	(3,177)
Foreign taxes	67,072	70,245	3,173
Total	**85,334**	**156,439**	**71,105**

The increase in IRES liabilities is strictly related to the strong growth in domestic industrial operations.

29.2 Other current tax liabilities

Other current tax liabilities are broken down in the following table:

(€'000)	31 December 2022	31 December 2023	Variation
VAT	65,333	76,187	10,854
Other indirect taxes	24,848	23,027	(1,821)
Total	**90,181**	**99,214**	**9,033**

30. Other current liabilities

Other current liabilities are made up as follows:

(€'000)	31 December 2022	31 December 2023	Variation
State bodies	33,288	33,288	-
Other liabilities	232,656	236,875	4,219
Employees	120,116	155,808	35,692
Social security institutions	38,845	37,364	(1,481)
Unconsolidated group companies and other related parties	62,853	54,933	(7,920)
Compensation and compulsory purchases	85,145	71,408	(13,737)
Accrued expenses and deferred income	47,745	46,456	(1,289)
Total	**620,648**	**636,132**	**15,484**

"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 €236.9 million (€232.7 million at 31 December 2022) include (i) amounts collected as part of the definitive settlement of certain pending disputes relating to the USW Campania projects (€47.1 million), (ii) liabilities to the customers of some projects in Poland (about €30 million), and (iii) additional liabilities, mainly for commissions on contractual sureties, insurance premiums and other residual amounts related to the recently-awarded contracts in Italy.

Amounts due to employees increased by €35.7 million, mostly as a result of the acquisition of Clough Group in the first quarter of the year.

Reference should be made to note 39 “Related party transactions” and the annex on intragroup transactions attached to these notes for additional details of liabilities to unconsolidated group companies and other related parties.

“Compensation and compulsory purchases” include €67.4 million (€81.4 million at 31 December 2022) 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 2022	31 December 2023
Contractual sureties	20,265,418	21,112,889
Sureties for bank loans	106,332	101,814
Sureties for export credit	5,829	4,340
Other	2,206,773	2,564,081
Total	**22,584,352**	**23,783,125**

Contractual guarantees are given to customers as performance bonds, to guarantee advances and retentions for all ongoing projects or involvement in tenders. Of the balance, €6,523.8 million (€8,117.1 million at 31 December 2021) refers to sureties given directly by Lane Group.

Sureties granted in favour of associates and joint ventures total €1,261.7 million (€1,459.7 million at 31 December 2022).

31.2 Collateral

Collateral relates to a lien on the shares of an SPE (€1.5 million).

31.3 Tax disputes

<u>Webuild S.p.A.</u>

With respect to the principal disputes with the tax authorities:

- 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. In 2023, the tax authorities served another assessment notice concerning 2016, which is based on the same allegations made for 2015. The portion of assessed tax attributable to the Group amounts to about €10.6 million. Since the consortium again deems that its accounting treatment is correct, it is availing of the legal instruments available under Peruvian law.

Furthermore, considering the demerger and the principal disputes of 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) undeclared revenue of USD23.5 million for the proceeds arising from the out-of-court agreement settling the dispute related to the El Chaparral hydroelectric power plant project, (ii) interest income of USD0.8 million allegedly accrued on intragroup loans, (iii) revenue and income reported as tax-exempt or non-taxable amounting to USD13.4 million, and (iv) costs of USD15.4 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, plus fines and interest of USD4.5 million. On 30 January 2024, the Court of Appeals of the Internal Taxes and Customs notified an act, whereby it recalculated the income tax due by the branch for 2012 and assessed higher taxes of approximately USD8.7 million and adjusted the related fine to roughly USD4.4 million, plus interest of about USD10.9 million, therefore claiming a total amount of approximately USD24 million. With the assistance of its local 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, on 18 November 2022, the tax authorities presented a counter-appeal, with respect to which they entered an appearance within the legal term. With respect to the second appeal, the second level ruling was unfavourable to Astaldi (now Astaris), which duly resorted 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.

<u>Fibe S.p.A.</u>

Fibe has a pending dispute about 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 has duly resumed the proceeding.

With respect to the above pending disputes, after consulting its legal advisors, the subsidiary believes that it has acted correctly and deems that the risk of an adverse ruling is not probable.

<u>CO.MERI S.p.A</u>.

In 2015, the tax authorities notified CO.MERI 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 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. The group company voluntarily agreed 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 act), whereby the dispute is settled by solely paying the assessed tax, which in this case the group company recharged to its customer.

Obrainsa – Astaldi consortium

In August 2021, as the result of an audit commenced by the local tax authorities in 2019, the 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 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 2022 (€'000)	Note	Financial assets at amortised cost	Derivatives at FVTPL	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	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**

31 December 2023 (€'000)	Note	Financial assets at amortised cost	Derivatives at FVTPL	Total	Fair value
Financial assets					
Other non-current financial assets, including derivatives	10	360,198	-	360,198	360,198
Trade receivables	14	3,896,486	-	3,896,486	3,896,486
Current financial assets, including derivatives	15	615,006	1,203	616,209	616,209
Cash and cash equivalents	18	3,060,541	-	3,060,541	3,060,541
Total		**7,932,231**	**1,203**	**7,933,434**	**7,933,434**

31 December 2023 (€'000)	Note	Financial liabilities at amortised cost	Financial liabilities at FVTPL	Total	Fair value
Financial liabilities					
Bank and other loans and borrowings	21	553,838	-	553,838	546,211
Bonds	22	1,906,539	-	1,906,539	1,897,201
Lease liabilities	23	148,256	-	148,256	148,256
Trade payables	28	4,683,590	-	4,683,590	4,683,590
Total		**7,292,223**	**-**	**7,292,223**	**7,275,258**

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 2023 mainly related to the following currencies:

	2023	
(€m)	-5%	+5%
US Dollar	29.42	(26.61)
Australian Dollar	20.46	(18.51)
Saudi Riyal	8.56	(7.75)
Colombian Peso	6.39	(5.78)
Polish Zloty	(3.66)	3.31

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 2023 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, had interest rates increased or decreased by an average 75 bps in 2023, the profit before tax would have been respectively smaller or greater by a maximum of €3.0 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 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 2022	31 December 2023
Italy	(1,845,492)	(2,948,930)
EU (excluding Italy)	703,768	740,180
Other European countries (non-EU)	(86,950)	52,888
Asia/Middle East	487,710	43,078
Africa	540,011	701,766
Americas (including Lane)	30,592	61,609
Oceania	(405,603)	(732,657)
Total	**(575,964)**	**(2,082,066)**

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 2022					
Italy	1,584,214	480,229	(2,300,252)	(235,809)	92,511
EU (excluding Italy)	247,346	883,092	(69,759)	1,060,679	7,603
Other European countries (non-EU)	56,859	67,300	(20,865)	103,294	65,645
Asia/Middle East	341,096	708,742	(86,233)	963,604	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**	**513,021**
31 December 2023					
Italy	2,476,672	1,224,229	(4,439,656)	(738,755)	90,975
EU (excluding Italy)	318,736	853,218	(93,839)	1,078,115	7,788
Other European countries (non-EU)	86,270	69,022	(28,621)	126,671	66,217
Asia/Middle East	372,266	580,871	(384,869)	568,268	3,897
Africa	242,575	638,546	(65,099)	816,022	4,101
Americas (including Lane)	239,910	526,334	(219,961)	546,283	319,549
Oceania	160,057	18,058	(665,275)	(487,160)	-
Total	**3,896,486**	**3,910,278**	**(5,897,320)**	**1,909,442**	**492,527**

The "Main risk factors and uncertainties" section in 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 2024	31 December 2025	31 December 2026	After 2026	Total
Current account facilities	24,116	-	-	-	24,116
Bonds	371,701	599,840	449,438	763,949	2,184,928
Bank loans and borrowings	345,128	118,440	7,986	13,682	485,236
Lease liabilities	71,009	38,523	24,314	31,181	165,027
Gross financial liabilities	**811,954**	**756,803**	**481,738**	**808,812**	**2,859,307**
Trade payables	4,669,677	1,341	-	12,572	4,683,590
Total	**5,481,631**	**758,144**	**481,738**	**821,384**	**7,537,547**

Future interest has been estimated based on the market interest rates at the date of preparation of these consolidated financial statements.

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 2024 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 2024 (*)	Cash and cash equivalents (**)	Difference
Webuild (head office and branches)	365,200	635,696	270,496
Subsidiaries	796,927	677,770	(119,157)
SPEs	1,203,444	1,343,199	139,755
Joint operations	480,341	386,546	(93,795)
Total	**2,845,912**	**3,043,211**	**197,299**

(*) 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	-	1,203	-
Total		**-**	**1,203**	**-**

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)	2022	2023	Variation
Revenue from contracts with customers	7,656,006	9,290,118	1,634,112
Other income	435,147	604,492	169,345
Gain from bargain purchase	-	56,645	56,645
Total	**8,091,153**	**9,951,255**	**1,860,102**

Revenue increased by a net €1,860.1 million mostly earned on projects underway in Oceania (Australia), Italy and the Middle East (Saudi Arabia).

33.1 Revenue from contracts with customers

A breakdown of revenue from contracts with customers is given in the following table:

(€'000)	2022	2023	Variation
Works invoiced to customers	7,529,732	9,085,297	1,555,565
Services	109,002	191,157	82,155
Sales	17,291	13,705	(3,586)
Real estate projects	(19)	(41)	(22)
Total	**7,656,006**	**9,290,118**	**1,634,112**

A breakdown of revenue from contracts with customers by geographical segment is as follows:

(€'000)	2022	Percentage of total	2023	Percentage of total
Italy	**2,185,870**	**29%**	**2,750,453**	**30%**
Oceania	1,069,183	14%	2,026,771	22%
Middle East	399,186	5%	854,083	9%
EU (excluding Italy)	836,943	11%	837,577	9%
Africa	472,439	6%	722,387	8%
Americas (excluding Lane)	742,906	10%	431,902	5%
Other European countries (non-EU)	568,074	7%	320,812	3%
Asia	177,051	2%	255,862	3%
Abroad	**4,265,782**	**56%**	**5,449,394**	**58%**
Lane	**1,204,354**	**16%**	**1,090,271**	**12%**
Total	**7,656,006**	**100%**	**9,290,118**	**100%**

Revenue from contracts with customers increased by €1,634.1 million (approximately 21.3%) 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, Verona - Padua, Naples - Bari and Palermo - Catania - Messina railway lines and maxi-lot 3 of the SS-106 state road Jonica;
- progress on the ongoing large foreign projects including, in particular, in (i) Australia (Snowy 2.0 and North East Link Project, SSTOM Sydney Metro as well as the effects of the acquisition of Clough Group during the year) and (ii) Saudi Arabia (SANG Villas, Diriyah Square Super Basement, Line 3 of the Riyadh Metro and NEOM Connector South Civil Works).

Variable consideration made up 7.2% of revenue from contracts with customers during the year.

The transaction price of ongoing contracts allocated to the unsatisfied performance obligations amounts to €47,452.0 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 2024 to 2026	of which: after 2026
Total		34,560.8	12,891.2

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)	2022	2023	Variation
Other income from joint ventures and consortia	140,983	236,405	95,422
Recharged costs	170,199	219,120	48,921
Insurance compensation	5,433	17,437	12,004
Gains on the disposal of non-current assets	13,237	10,230	(3,007)
Other	105,295	121,300	16,005
Total	**435,147**	**604,492**	**169,345**

The increase in this item is mostly due to the income from the recharging of costs to consortium partners, mostly related to the new Genoa Breakwater and the Verona - Padua and the Palermo - Catania - Messina railway contracts.

The rise in recharged costs was mainly seen in Italy (high-speed/capacity Milan - Genoa railway contract) as a result of the greater volume of services provided to suppliers and subcontractors during the projects' terms.

33.3 Gain from bargain purchase

This item includes the gain from the bargain purchase recognised as part of the PPA procedure for the acquisition of Clough Group (more information is available in note 5).

(€'000)	2022	2023	Variation
Gain from bargain purchase	-	56,645	56,645
Total	**-**	**56,645**	**56,645**

34. Operating expenses

The item may be broken down as follows:

(€'000)	2022	2023	Variation
Purchases	1,447,185	1,665,052	217,867
Subcontracts	2,343,223	3,052,608	709,385
Services	1,947,645	2,247,077	299,432
Personnel expenses	1,447,605	1,750,377	302,772
Other operating expenses	322,750	372,287	49,537
Amortisation, depreciation, provisions and impairment losses	391,668	413,214	21,546
Total	**7,900,076**	**9,500,615**	**1,600,539**

Changes in this item mainly reflect the production trends of the year with greater volumes achieved (like for the revenue from contracts with customers, see note 33) for projects in Italy, Oceania (Australia), the Middle East (Saudi Arabia) and, more generally, the countries in which the Group has a larger footprint.

During 2023, the prices of raw materials and commodities gradually stabilised after the inflation seen in 2022. However, management of the supply chain continues to focus on strengthening the existing mitigation measures introduced to contain price increases. The Group's contracts with customers usually include price adjustment clauses. More information is available in the "Risk management system" section in the Directors' report.

The composition of this item may vary from one reporting period to another, including in relation to the same project and with identical production volumes, due to changes made by management to the industrial operating model. Moreover, as these are large-scale infrastructural works that take several years to complete, resort to normal production factors for any one contract depends on the stage of completion of each one in any given year. These changes may generate significant variations in the percentage of the related cost categories depending on the contract and the year, while not affecting the total percentage of costs of total revenue.

34.1 Purchases

Purchases are made up as follows:

(€'000)	2022	2023	Variation
Purchases of raw materials and consumables	1,489,011	1,654,486	165,475
Change in raw materials and consumables	(41,826)	10,566	52,392
Total	**1,447,185**	**1,665,052**	**217,867**

The increase is mostly due to full-scale operation of some contracts in Italy (high-speed/capacity Milan - Genoa, Verona - Padua and Naples - Bari railway lines, the new Genoa Breakwater and third maxi-lot of the SS-106 state road Jonica) and abroad in Saudi Arabia (, Diriyah Square Super Basement), Australia (Snowy 2.0 and the effect of the acquisition of Clough Group), Romania (Braila Bridge and the Sibiu - Pitesti Motorway) and Ethiopia (Koysha Hydroelectric Project and GERD Project).

34.2 Subcontracts

Subcontracts are made up as follows:

(€'000)	2022	2023	Variation
Subcontracts	2,343,223	3,052,608	709,385
Total	**2,343,223**	**3,052,608**	**709,385**

The increase in subcontracts was mainly seen in Australia (Snowy 2.0 and the contracts acquired by Clough), Saudi Arabia (Diriyah Square Super Basement), Ethiopia (Koysha and GERD hydroelectric projects) and Italy (high-speed/capacity Milan- Genoa and Verona- Padua railway lines).

34.3 Services

Services are broken down below:

(€'000)	2022	2023	Variation
Consultancy and technical services	940,639	1,116,095	175,456
Recharging of costs by consortia	211,662	124,564	(87,098)
Leases	311,781	356,795	45,014
Transport and customs	153,738	195,195	41,457
Insurance	88,033	132,671	44,638
Maintenance	72,973	80,266	7,293
Fees to directors, statutory auditors and independent auditors	19,705	16,653	(3,052)
Other	149,114	224,838	75,724
Total	**1,947,645**	**2,247,077**	**299,432**

The increase in this item mostly relates to the progress made on contracts in Australia (Snowy 2.0 and SSTOM Project), Saudi Arabia (SANG Villas, Diriyah Square Super Basement and Line 3 of the Riyadh Metro), North America (Lane Group and Hurontario Light Rail Project), Europe (TELT, Lot 2 and the Paris Metro in France, Lots 3 and 5 of the Sibiu- Pitesti Motorway and Braila Bridge in Romania) and Italy (high-speed/capacity Milan- Genoa railway line and the third maxi-lot of the SS-106 state road Jonica).

A breakdown of "Consultancy and technical services" is as follows:

(€'000)	2022	2023	Variation
Design and engineering services	628,331	836,574	208,243
Construction	129,795	142,614	12,819
Legal, administrative and other services	179,768	130,711	(49,057)
Other	2,745	6,196	3,451
Total	**940,639**	**1,116,095**	**175,456**

The increase in this item is mostly due to design activities for the Snowy 2.0 and SSTOM Projects in Australia, the Hurontario Light Rail Project in Canada and the motorway projects in Romania.

The recharging of costs by consortia relates to works carried out with other sector operators and mostly refers 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 mainly due to the continuation of work for the Diriyah Square Super Basement project in Saudi Arabia, the Paris Metro lines in France and the North East Link Project in Australia.

34.4 Personnel expenses

This item is made up as follows:

(€'000)	2022	2023	Variation
Wages and salaries	1,078,159	1,334,026	255,867
Social security and pension contributions	242,816	249,670	6,854
Post-employment benefits and other employee benefits	22,731	32,096	9,365
Other	103,899	134,585	30,686
Total	**1,447,605**	**1,750,377**	**302,772**

The €302.8 million in personnel expenses is mostly due to the progress made on certain large foreign projects including, in particular, in (i) Australia (Snowy 2.0 and North East Link project, as well as the effects of the acquisition of Clough Group during the year) and (ii) Saudi Arabia (SANG Villas, Diriyah Square Super Basement, Line 3 of the Riyadh Metro and NEOM Connector South Civil Works).

The following table shows the breakdown of the Group's workforce by category at year end and the related average number:

	31 December 2022	31 December 2023	2022 average	2023 average
Managers	463	487	468	500
White collars	9,830	11,572	9,593	11,275
Blue collars	25,701	25,936	24,941	26,244
Total	**35,994**	**37,995**	**35,002**	**38,019**

34.5 Other operating expenses

Other operating expenses are made up as follows:

(€'000)	2022	2023	Variation
Other operating costs	112,679	171,403	58,724
Commissions on sureties	142,169	168,270	26,101
Losses on disposals	9,300	3,041	(6,259)
Bank charges	13,305	9,391	(3,914)
Other non-recurring costs	45,297	20,182	(25,115)
Total	**322,750**	**372,287**	**49,537**

The other operating costs mainly include indirect taxes and duties, customs duties, compulsory purchase compensation and other administrative costs.

The increase in other operating expenses is mostly due to progress made on projects in Australia, North America and Africa.

Commissions on sureties increased, mainly in Italy (chiefly for the high-speed/capacity Milan- Genoa and Verona - Padua railway lines) and Romania (motorway lots).

34.6 Impairment losses, amortisation, depreciation and provisions

34.6.1 Net impairment losses

Net impairment losses amount to €12.0 million (€84.0 million for the previous year) and mostly refer to assets in Saudi Arabia, the United States, Europe and Nigeria.

The 2022 balance reflected the effects of the impairment losses of €69.2 million recognised on the Group's overall exposure (trade receivables and other assets) in Ukraine.

34.6.2 Amortisation and depreciation

Amortisation and depreciation are broken down below:

(€'000)	2022	2023	Variation
Depreciation of property, plant and equipment	173,901	207,684	33,783
Depreciation of right-of-use assets	74,920	58,838	(16,082)
Amortisation of contract costs	90,346	79,741	(10,605)
Amortisation of rights to infrastructure under concession	325	343	18
Amortisation of intangible assets	936	2,595	1,659
Total	**340,428**	**349,201**	**8,773**

Depreciation of property, plant and equipment increased by €33.8 million in the year, mostly related to the Snowy 2.0 project in Australia and the Milan- Genoa railway line in Italy.

Amortisation of contract costs relate to the EPC order backlog recognised as part of the PPA procedure for the former Astaldi (€56.0 million, €69.5 million in 2022) and the PPA procedure for Clough (€13.3 million).

34.6.3 Provisions

This item of €52.1 million (utilisations of €32.8 million in 2022) is mainly related to litigation connected with certain projects carried out in the Middle East.

In 2022, it benefited from the positive effects of the revised estimate of the cost to fulfil onerous contracts in the United States, Poland and Turkey, which led to utilisation of the previously set-up provisions.

35. Net financing costs

(€'000)	2022	2023	Variation
Financial income	119,084	119,370	286
Financial expense	(212,642)	(244,777)	(32,135)
Net exchange gains	20,416	33,640	13,224
Net financing costs	**(73,142)**	**(91,767)**	**(18,625)**

35.1 Financial income

Financial income is broken down in the following table:

(€'000)	2022	2023	Variation
Interest and other financial income	**94,146**	**84,983**	**(9,163)**
- Other	56,318	34,497	(21,821)
- Interest on receivables	26,120	24,552	(1,568)
- Bank interest	11,708	25,934	14,226
Interest and other income from unconsolidated group companies and other related parties	**18,100**	**30,012**	**11,912**
Income from inflation adjustment	**3,579**	**3,018**	**(561)**
Gains on securities	**3,259**	**1,357**	**(1,902)**
Total	**119,084**	**119,370**	**286**

The decrease in "Other" is mostly due to the recognition of prior year income from the discharging of debts of €18.0 million in 2022 after authorisation of the composition with creditors procedure for Afragola FS S.C.a.r.l..

Bank interest increased given the higher average amounts deposited in the Group's current accounts.

Interest and other income from unconsolidated group companies and other related parties include the impairment gain of €13.5 million on the loan granted to Yuma Concesionaria S.A.[79]. More information is available in note 39 and the annex on intragroup transactions attached to these notes.

35.2 Financial expense

Financial expense is broken down in the following table:

(€'000)	2022	2023	Variation
Intragroup interest and other expense	**(6,714)**	**(2,534)**	**4,180**
Interest and other financial expense	**(205,928)**	**(242,243)**	**(36,315)**
- Interest on bonds	(79,765)	(86,383)	(6,618)
- Other	(34,057)	(63,469)	(29,412)
- Interest on bank accounts and financing	(33,681)	(47,309)	(13,628)
- Bank fees	(24,335)	(27,853)	(3,518)
- Interest on tax liabilities	(15,952)	(2,017)	13,935
- Expense for inflation adjustments	(11,630)	(7,973)	3,657
- Leases	(6,508)	(7,239)	(731)
Total	**(212,642)**	**(244,777)**	**(32,135)**

The increase in "Other" is mostly due to the reversal of interest income on delayed payments of €20.7 million from the Ethiopian customer following the contractualisation of its claims.

Interest on bank accounts and financing increased by €13.6 million, mostly due to the higher reference interest rates which affect the Group's floating-rate debt.

In 2022, the Group recognised interest on tax liabilities of €14.2 million following the parent's settlement of some tax disputes.

[79] See also note 10 "Non-current financial assets, including derivatives".

35.3 Net exchange gains

Net exchange gains of €33.6 million mostly relate to the Euro's performance against the Nigerian Naira and the Colombian Peso, partly offset by its depreciation against the Argentine Peso and the United Arab Emirates Dirham.

36. Net losses on equity investments

Net losses on equity investments are made up as follows:

(€'000)	2022	2023	Variation
Share of loss of equity-accounted investees	(15,545)	(95,243)	(79,698)
Dividends	159	352	193
Gains (losses) on the disposal of equity investments	8,112	(857)	(8,969)
Other income	131	422	291
Total	**(7,143)**	**(95,326)**	**(88,183)**

The "Share of loss of equity-accounted investees" mostly relates to the loss for the year of the equity-accounted associates and joint ventures. The balance of €95.3 million mainly reflects the loss recognised by the associate Grupo Unidos por el Canal S.A. as a result of the award issued by the International Chamber of Commerce (ICC).

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

Net gains on the disposal of equity investments of €8.1 million in 2022 related to the sale of Gaziantep Hastane Saglik Hizmetleri Isletme Ve Yatrim S.A..

The following table provides a breakdown of "Share of loss of equity-accounted investees":

(€'000)	2022	2023	Variation
Ankara Etlik Hastane Isletme Ve Bakim Anonim Sirketi	(16,607)	(3,500)	13,107
Arge BBT- Baulos H41- Sillschlucht- Pfons	1,453	4,690	3,237
Autopistas del Sol S.A.	415	1,752	1,337
Grupo Unidos por el Canal S.A.	610	(105,613)	(106,223)
Lane Group joint ventures	(10,571)	617	11,188
Metro de Lima 2 S.A.	3,877	2,864	(1,013)
Mobilink Hurontario General Partnership	3,278	2,891	(387)
S.E.I.S. S.p.A.	(6,633)	26	6,659
Yuma Concesionaria S.A.	5,636	(524)	(6,160)
Other	2,997	1,553	(1,444)
Total	**(15,545)**	**(95,243)**	**(79,698)**

37. Income taxes

Income taxes are broken down in the following table:

(€'000)	2022	2023	Variation
Current taxes (income taxes)	34,876	159,386	124,510
Deferred taxes	11,701	(59,419)	(71,120)
Prior year taxes	10,469	(2,605)	(13,074)
Total	**57,046**	**97,362**	**40,316**
IRAP	19,244	27,728	8,484
Total	**76,290**	**125,090**	**48,800**

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

	2022		2023	
	€m	%	€m	%
Profit before tax	**110.7**		**263.5**	
Theoretical tax expense	26.6	24%	63.2	24%
Effect of permanent differences	53.0	47%	14.8	6%
Net effect of foreign taxes	(18.2)	(16%)	7.5	3%
Prior year and other taxes	(4.4)	(4%)	11.9	4%
Total	**57.0**	**51.0%**	**97.4**	**37%**

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 IRAP tax rate and the effective tax rate are set out below:

IRAP

	2022		2023	
	€m	%	€m	%
Operating profit	191.1		450.6	
Personnel expenses	1,447.6		1,750.4	
Provisions and impairment losses	51.2		64.0	
Revenue	**1,689.9**		**2,265.0**	
Theoretical tax expense	65.9	4%	88.3	4%
Tax effect of foreign companies' production	(38.0)	(2%)	(48.8)	(2%)
Tax effect of foreign production by resident companies	(10.5)	(1%)	(16.5)	(1%)
Tax effect of permanent differences	1.8	0%	4.7	0%
Total	**19.2**	**1%**	**27.7**	**1%**

The deferred taxes' contribution to the Group's profit is as follows:

(€'000)	2022	2023	Variation
Deferred tax expense for the year	(33,860)	(36,651)	(2,791)
Use of deferred tax liabilities recognised in previous years	26,990	32,605	5,615
Deferred tax income for the year	43,993	97,913	53,920
Use of deferred tax assets recognised in previous years	(48,824)	(34,448)	14,376
Total	**(11,701)**	**59,419**	**71,120**

Deferred taxes arise on temporary differences between statutory and tax legislation.

International Tax Reform- Pillar Two Model Rules

Legislative decree no. 209/2023 of 27 December 2023 implemented the tax reform on international taxation by transposing Council Directive (EU) 2022/2523 into domestic law. The EU Directive, in turn, converted into EU law the Global Anti-Base Erosion Model Rules (GloBE Rules) that the Inclusive Framework on BEPS of the OECD had approved in December 2021.

As a result of the above, as of 1 January 2024, large domestic groups with annual revenue of €750 million or more are required to apply the new tax regime that establishes a minimum effective tax rate of at least 15% in each jurisdiction in which they operate.

Although said decree substantially replicates the content of the EU directive, which is, in turn, structured on the basis of the Model Rule, the complex system of rules for the application of the new regime has not been completed yet, lacking the necessary implementing measures that transpose into Italian law the relevant rules which are only available in the documentation published by the OECD[80].

The supranational regulations have not yet been transposed into domestic law and the Group may resort to transitional safe harbours, which allow the exclusion of those jurisdictions in which the Group operates that pass certain qualifying tests from the calculation of the global minimum tax. Therefore, based on currently available and reasonably estimable data, the related prospective effect on the Group's effective tax rate is not expected to be particularly significant.

38. Earnings per share

The calculation of basic earnings per share is shown in the following table:

[80] See the documentation available at the following link: https://www.oecd.org/tax/beps/tax-challenges-arising-from-the-digitalisation-of-the-economy-global-anti-basic-erosion-model-rules-pillar-two.htm

(€'000)	2022	2023
Profit from continuing operations	34,502	138,457
Non-controlling interests	(6,637)	(4,383)
Profit from continuing operations attributable to the owners of the parent	**27,865**	**134,074**
Profit from continuing and discontinued operations	16,530	128,386
Non-controlling interests	(6,637)	(4,383)
Profit from continuing and discontinued operations attributable to the owners of the parent	**9,893**	**124,003**
Profit earmarked for 1,615 thousand savings shares	**588**	**588**
no. of shares /000		
Average outstanding ordinary shares	**980,686**	**977,042**
Diluting effect	15,223	11,309
Average number of diluted shares	**995,909**	**988,351**
(Euro per share)		
Basic earnings per share (from continuing operations)	0.0278	0.1366
Basic earnings per share (from continuing and discontinued operations)	0.0095	0.1275
Diluted earnings per share (from continuing operations)	0.0274	0.1351
Diluted earnings per share (from continuing and discontinued operations)	0.0093	0.1261

Note 20 "Equity" provides information on the weighted average number of shares used to calculate the earnings per share and the financial instruments that give the right to new shares.

Diluted earnings per share of €0.1261 (€0.1351 considering solely the profit from continuing operations) are calculated by adjusting the weighted average number of outstanding shares to consider the potential shares that could be issued if the financial instruments issued by the parent are exercised.

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 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 in note 39;

- 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)	Trade receivables	Financial assets	Other assets	Trade payables	Finance and lease liabilities	Guarantees	Total revenue	Total operating expenses	Net financing income (costs)
Salini Costruttori:									
Casada S.r.l.	176	-	-	-	-	-	14	-	-
CEDIV S.p.A.	2,715	3,241	-	-	-	-	34	-	225
Consorzio Tiburtino	167	-	-	-	-	-	14	-	-
Dirlan S.r.l.	173	-	-	-	-	-	18	-	-
G.A.B.I.RE S.r.l.	5,236	18,001	-	-	-	-	20	-	1,249
Galla Placida S.C.a.r.l.	179	-	-	-	-	-	11	-	-
Immobiliare Agricola San Vittorino S.r.l.	232	-	-	-	-	-	17	-	-
Infernetto S.r.l.	63	-	-	-	-	-	7	-	-
Madonna dei Monti S.r.l.	122	-	-	-	-	-	14	-	-
Nores S.r.l.	113	-	-	-	-	-	9	-	-
Plus S.r.l.	240	-	-	-	-	-	27	-	-
Salini S.p.A.	70	-	-	-	-	-	30	-	-
Salini Costruttori S.p.A.	-	4,268	11,955	-	-	1,168,982	138	(3,662)	292
Zeis S.r.l.	-	3,361	-	(4)	-	-	249	-	145
C.D.P. :									
CDP S.p.A.	-	-	738	(461)	-	1,131,491	-	(10,127)	-
CDP Equity S.p.A.	-	-	-	(466)	-	-	-	-	-
Eni S.p.A.	-	-	-	(340)	-	-	-	(573)	-
Fincantieri Infrastructure S.p.A.	-	-	-	(6,657)	-	-	-	(10,073)	-
Fincantieri Infrastructure Opere Marittime S.p.A.	94,604	30,304	-	(70,241)	-	-	17,624	(10,909)	438
Fintecna S.p.A.	31	-	-	(199)	-	-	38	-	-
Poste Italiane S.p.A.	-	-	-	(1)	-	-	-	(8)	-
Simest S.p.A.	-	-	-	-	(6,512)	-	-	-	(408)
SNAM Rete Gas S.p.A.	-	-	-	(1,781)	-	-	-	(3,039)	-
Terna S.p.A.	-	-	-	(4,407)	-	-	-	(1,342)	-
Terna Rete Italia S.p.A.	-	-	-	-	-	-	-	(32)	-
Other:									
Salini Simonpietro e C. S.a.p.A.	128	-	-	-	-	-	14	-	-
Total	**104,249**	**59,175**	**12,693**	**(84,557)**	**(6,512)**	**2,300,473**	**18,278**	**(39,765)**	**1,941**

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 2023 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 guarantees issued by CDP for advance payment bonds, performance bonds and other guarantees to customers.

The most significant transactions include subcontracting contracts agreed with Fincantieri Infrastructure S.p.A. for foreign and Italian contracts for a total cost of €10 million for the year and transactions with Fincantieri Infrastructure Opere Marittime S.p.A. for the management of the PerGenova Breakwater consortium’s operations in accordance with its by-laws.

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.

Ordinary transactions agreed at conditions identical to those that would be stipulated on the market or that are standard carried out in 2023 included endorsement credit facilities obtained from Cassa Depositi e Prestiti S.p.A., classified as major transactions pursuant to the Related Party Transactions Regulation adopted by Consob with resolution no. 17221 of 12 March 2010 (as subsequently amended). Specifically, these transactions related to the following contracts:

- the Messina- Catania- Palermo railway line, lots 1 and 2, Kassar consortium (€227.4 million);
- Trento rail by-pass, Tridentum consortium (€124.9 million, of which Webuild is directly at risk for €62.5 million);
- high-speed Salerno- Reggio Calabria railway line, lot 1, Xenia consortium (€227.8 million, of which Webuild is directly at risk for €63 million);
- Messina- Catania- Palermo railway line, lot 3, Triscelio 3 consortium (€120.7 million).

The above transactions classify as “major” as the ratio between the amount involved (the maximum amount available under the contract) and equity as per Webuild’s statement of financial position as at 31 December 2022 is above 5%.

The disclosure required by the Related Party Transactions Procedure has been provided to both the Committee for Related-Party Transactions and Consob, as required by article 13.3.c.i of the Related Party Transactions Regulation.

The next table shows the impact of transactions with the related parties on the statements of financial position and profit or loss (including as a percentage):

(€'000)	Total 31 December 2023	Group entity	Other related parties	Total	%
Non-current financial assets	360,198	214,481	1,160	215,641	59.9%
Trade receivables	3,896,486	424,332	104,249	528,581	13.6%
Current financial assets	616,209	48,734	58,015	106,749	17.3%
Other current assets	1,101,483	9,041	12,693	21,734	2.0%
Non-current assets held for sale and disposal groups	16,985	-	-	-	0.0%
Non-current portion of lease liabilities	82,037	-	-	-	0.0%
Bank loans and borrowings	139,857	-	6,309	6,309	4.5%
Current portion of loans	413,981	27,562	203	27,765	6.7%
Current portion of lease liabilities	66,219	-	-	-	0.0%
Trade payables	4,683,590	104,833	84,558	189,390	4.0%
Other current liabilities	636,132	54,932	-	54,932	8.6%
Liabilities directly associated with non-current assets held for sale	13,297	-	-	-	0.0%

(€'000)	Total for 2023	Group entity	Other related parties	Total	%
Revenue from contracts with customers	9,290,118	194,260	457	194,717	2.1%
Other income	604,492	19,777	17,822	37,599	6.2%
Purchases	(1,665,052)	(214)	(1,051)	(1,265)	0.1%
Subcontracts	(3,052,608)	(9)	(10,834)	(10,844)	0.4%
Services	(2,247,077)	(182,139)	(16,301)	(198,440)	8.8%
Personnel expenses	(1,750,377)	(1,338)	-	(1,338)	0.1%
Other operating expenses	(372,287)	(102)	(11,579)	(11,680)	3.1%
Impairment losses	(11,952)	(4,567)	-	(4,567)	38.2%
Amortisation, depreciation and provisions	(401,262)	-	-	-	0.0%
Financial income	119,370	27,663	2,350	30,012	25.1%
Financial expense	(244,777)	(2,126)	(408)	(2,534)	1.0%

Transactions with directors, statutory auditors and key management personnel

Transactions with directors, statutory auditors and key management personnel are shown below:

	2022			2023		
(€'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	8,604	-	8,604	7,221	-	7,221
Key management personnel	13,970	-	13,970	12,127	-	12,127
Total	**22,574**	**-**	**22,574**	**19,349**	**-**	**19,349**

40. Article 1.125 and 127 of Law no. 124 of 40 August 2017- Disclosure of government grants

In 2023, the Group did not receive any government grants under the provisions of Law no. 124 of 4 August 2017 and related interpretations.

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 2023 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	KPMG S.p.A.	Webuild S.p.A.	2,370
Audit	KPMG S.p.A.	Subsidiaries	1,305
Audit	KPMG network	Webuild S.p.A.	126
Audit	KPMG network	Subsidiaries	1,391
Total audit			**5,192**
Attestation services	KPMG S.p.A.	Webuild S.p.A.	305
Attestation services	KPMG S.p.A.	Subsidiaries	30
Attestation services	KPMG network	Subsidiaries	2
Total attestation services			**337**
Other services	KPMG S.p.A.	Webuild S.p.A.	30
Other services	KPMG S.p.A.	Subsidiaries	14
Other services	KPMG network	Webuild S.p.A.	3
Other services	KPMG network	Subsidiaries	9
Total other services			**56**
Total Webuild Group			**5,585**

42. Events after the reporting date

Other than that disclosed in the Directors' report, no events have taken place after 31 December 2023.

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[81].

[81] Atypical and/or unusual transactions are those that, due to their significance and relevance, the counterparty, the object of the transaction, transfer 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[82].

On behalf of the board of directors

Chairperson

Donato Iacovone

(signed on the original)

[82] 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 2023

	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	721,642	-	-	-	721,642	-	-	-	-	-	721,642
Aegek-Impregilo-Aslom Transport Joint Venture	-	-	-	-	-	-	-	-	1,207	1,207	(1,207)
Aguas del Gran Buenos Aires S.A. (in liq.)	2,419	-	-	-	2,419	-	-	7,359	-	7,359	(4,940)
AM S.C. a r.l. (in liq.)	87,347	-	-	-	87,347	266,881	-	-	-	266,881	(179,534)
Ankara Etlik Hastane Isletme Ve Bakim Anonim Sirketi	3,213,000	-	-	-	3,213,000	-	-	-	-	-	3,213,000
Arge BBT- Baulos H41- Sillschlucht- Pfons	2,024,119	-	12,000,000	-	14,024,119	-	-	-	-	-	14,024,119
Arge Haupttunnel Eyholz	3,430,872	-	-	-	3,430,872	-	-	-	-	-	3,430,872
Arge Secondo Tubo	3,070,806	-	-	-	3,070,806	-	-	-	-	-	3,070,806
Asocierea Webuild-Euroconstruct Trading 98	(6)	-	-	-	(6)	-	-	-	-	-	(6)
Asse Sangro Consorzio (in liq.)	-	-	-	-	-	-	-	-	22,134	22,134	(22,134)
Astaldi-Federici-Todini Kramis	5,225,818	2,584,250	543,617	4,207,973	12,561,658	1,861,130	-	-	-	1,861,130	10,700,528
Astaldi-Somatra Get Groupement (G.A.S.)	-	-	-	1,971	1,971	-	-	-	-	-	1,971
Autopistas del Sol S.A.	-	-	-	-	-	4	-	-	-	4	(4)
Avola S.C. a r.l. (in liq.)	78,291	-	84,192	-	162,483	162,482	-	-	-	162,482	1
Avrasya Metro Grubu S.r.l . (in Liq.)	-	-	-	106,821	106,821	1	-	-	-	1	106,820
Brennero Tunnel Construction S.C. a r.l.	2,531,745	-	-	-	2,531,745	8,775,585	-	-	157	8,775,742	(6,243,997)
BSS Joint Venture- Air Academy project	1,400,974	-	-	-	1,400,974	-	-	-	-	-	1,400,974
C.F.M. S.C. a r.l. (in liq.)	91,107	-	-	-	91,107	54,645	-	-	-	54,645	36,462
C.I.T.I.E. Consorzio Inst. Tec. Idr. Elettr. Soc. Cooperativa (in liq.)	63,790	-	-	-	63,790	-	-	-	-	-	63,790
C.P.R.2	-	-	53,203	-	53,203	333,792	-	-	-	333,792	(280,589)
C.P.R.3	-	-	-	-	-	1,730	-	-	-	1,730	(1,730)
Centoquattro S.C. a r.l.	876,819	-	-	-	876,819	2,986,112	-	-	-	2,986,112	(2,109,293)
Centotre S.C. a r.l.	4,842	-	-	-	4,842	563,882	-	-	-	563,882	(559,040)
Centro Uno Consorzio (in liq.)	52,108	-	-	-	52,108	-	-	-	-	-	52,108
Churchill Construction Consortium	4,154	-	-	-	4,154	-	-	-	-	-	4,154
Clough Wood Pty Ltd.	144,883	-	-	12,032	156,915	-	-	-	-	-	156,915
CMS Consorzio	257,885	-	-	-	257,885	-	-	-	-	-	257,885
CO.SAT S.C. a r.l. (in liq.)	68,489	-	-	-	68,489	403,142	-	-	-	403,142	(334,653)
Col De Roches	28,022	-	-	-	28,022	-	-	-	-	-	28,022
Colli Albani S.C. a r.l. (in liq.)	333,345	-	10,000	-	343,345	343,345	-	-	-	343,345	-
Connect 6iX DB Joint Venture	-	-	3,953	-	3,953	-	-	-	-	-	3,953
Connect 6iX General Partnership	9,086,160	-	-	-	9,086,160	-	-	-	-	-	9,086,160
Consorcio Contuy Medio	-	-	451,007	122	451,129	48,059	-	-	45,285	93,344	357,785
Consorcio Federici-Impresit-Ice (Cochabamba)	-	-	-	-	-	-	-	100,864	-	100,864	(100,864)
Consorcio Grupo Contuy-Proyectos y Obras de Ferrocarriles	240,620	-	-	50,317	290,937	-	-	146,975	-	146,975	143,962
Consorcio OIV-TOCOMA	-	-	908,656	-	908,656	-	-	-	7,893,518	7,893,518	(6,984,862)
Consorcio V.I.T.- Tocoma	-	-	3,532,972	-	3,532,972	-	-	-	-	-	3,532,972
Consorcio V.I.T. Caroni- Tocoma	-	-	-	-	-	-	-	1,324,186	-	1,324,186	(1,324,186)

Assets and liabilities at 31 December 2023

	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
Consortium CSC S.A.-Zuttion Construction S.A.	8,434	-	-	-	8,434	-	-	-	-	-	8,434
Consortium Front Sud TETO3	76,205	-	-	-	76,205	-	-	-	-	-	76,205
Consortium Ouest TETO4	1,153,006	-	-	-	1,153,006	-	-	-	-	-	1,153,006
Consorzio 201 Quintai	1,825,675	-	-	-	1,825,675	-	-	-	-	-	1,825,675
Consorzio ACE Chiasso	1,085,318	-	-	-	1,085,318	-	-	-	-	-	1,085,318
Consorzio Astaldi-Federici-Todini (in liq.)	155,559	-	300,000	-	455,559	37,052	-	-	-	37,052	418,507
Consorzio Consarno	57,296	-	52,566	-	109,862	14,722	-	-	-	14,722	95,140
Consorzio Costruttori TEEM	8	-	-	-	8	234	-	-	-	234	(226)
Consorzio del Sinni	-	-	-	-	-	29,999	-	-	-	29,999	(29,999)
Consorzio EPC	734,279	-	-	-	734,279	1,535,430	-	-	-	1,535,430	(801,151)
Consorzio Ferrofir (in liq.)	190,963	-	-	-	190,963	57,531	-	-	-	57,531	133,432
Consorzio GI.IT. (in liq.)	124,683	-	-	-	124,683	89,365	-	-	-	89,365	35,318
Consorzio Kallidromo	38,232	-	-	-	38,232	-	-	38,232	-	38,232	-
Consorzio Masnan	741,383	-	-	-	741,383	-	-	-	-	-	741,383
Consorzio MEGE	-	-	-	-	-	107,871	-	-	-	107,871	(107,871)
Consorzio MM4	57,141,990	-	-	-	57,141,990	4,586,820	-	-	-	4,586,820	52,555,170
Consorzio NSIF 1301	843,393	-	-	-	843,393	-	-	-	-	-	843,393
Consorzio Ordinario per la Depurazione delle Acque di Vicenza-CODAV	159,034	-	-	-	159,034	80,956	-	-	-	80,956	78,078
Consorzio Portale Vezia (CPV Lotto 854)	18,754	-	-	-	18,754	-	-	-	-	-	18,754
Consorzio Probin	-	-	-	-	-	2,249,044	-	-	-	2,249,044	(2,249,044)
Consorzio S.Anna	260,758	-	-	-	260,758	-	-	-	-	-	260,758
Consorzio Sarda Costruzioni Generali - SACOGEN	-	-	7,549	-	7,549	42,524	-	-	-	42,524	(34,975)
Consorzio Sotpass Bess	1,678,214	-	-	-	1,678,214	-	-	-	-	-	1,678,214
Consorzio Torretta	1,395,771	-	-	-	1,395,771	-	-	-	-	-	1,395,771
Consorzio Tratta Determinante Città Vitale - TRA.DE.CIV	1,160,636	-	-	-	1,160,636	257,808	-	-	-	257,808	902,828
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	491,820	-	-	-	491,820	(490,674)
Consorzio Zeb	480,139	-	-	-	480,139	-	-	-	-	-	480,139
Constructora Astaldi Cachapoal Limitada	867,768	-	-	2,843,447	3,711,215	1,667,852	-	-	3,401,873	5,069,725	(1,358,510)
CS Consorzio	1,978,523	-	-	-	1,978,523	-	-	-	-	-	1,978,523
CSC Costruzioni	5,399	-	-	-	5,399	-	-	-	-	-	5,399
Di Penta Ugo Vitolo Consorzio (in liq.)	-	-	-	-	-	699	-	-	-	699	(699)
Diga di Blufi S.C. a r.l. (in liq.)	6,828,989	-	-	-	6,828,989	5,485,584	-	-	-	5,485,584	1,343,405
Dolomiti Webuild Implenia	32,410,450	-	6,313	-	32,416,763	6,958,425	-	447,945	-	7,406,370	25,010,393
E.R. Impregilo-Dumez y Asociados para Yacireta - ERIDAY UTE	19,132,485	-	1,906,903	-	21,039,388	24,969	-	-	14,160,460	14,185,429	6,853,959
Ecosarno S.C. a r.l. (in Liq.)	44,471	-	-	-	44,471	44,219	-	-	-	44,219	252
Emittenti Titoli S.p.A. (in liq.)	-	-	-	-	-	-	-	247,575	-	247,575	(247,575)

Assets and liabilities at 31 December 2023

	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
Enecor S.A.	985	-	-	1,680	2,665	-	-	-	-	-	2,665
Etlik Hastane P.A. S.r.l.	40,536	-	-	-	40,536	1,425,858	-	-	-	1,425,858	(1,385,322)
Eurolink S.C.p.A.	11,911,789	-	-	-	11,911,789	13,721,851	-	-	-	13,721,851	(1,810,062)
Fisia Abeima LLC	-	-	6,807,429	-	6,807,429	-	-	-	-	-	6,807,429
Fisia GS Inima (Al Ghubra) LLC	1,819,399	-	107,772	-	1,927,171	-	-	-	-	-	1,927,171
Fonomen Consorzio	185,076	-	-	-	185,076	-	-	-	-	-	185,076
Generalny Wikonawca Salini Polska	3,740	-	-	-	3,740	-	-	-	-	-	3,740
Grupo Empresas Italianas- GEI	-	-	168,940	584,514	753,454	-	-	-	16,565	16,565	736,889
Grupo Unidos Por El Canal S.A.	40,845,421	-	-	-	40,845,421	-	-	-	-	-	40,845,421
Impregilo Alfred Mcalpine Churchill Hospital Joint Venture	47,224	-	-	-	47,224	-	-	-	2,750,129	2,750,129	(2,702,905)
Impregilo Arabia Ltd.	-	-	-	-	-	552,861	-	-	-	552,861	(552,861)
Infraflegrea S.C. a r.l. (in liq.)	608,129	-	-	-	608,129	563,347	-	-	-	563,347	44,782
Iricav Uno Consorzio (in liq.)	49,378	-	-	-	49,378	811,245	-	-	-	811,245	(761,867)
IRINA S.r.l. (in liq.)	-	-	-	-	-	-	-	4,161	-	4,161	(4,161)
Ital.Co.Cer. Consorzio (in Liq.)	37,612	-	-	-	37,612	72,464	-	-	-	72,464	(34,852)
Joint Venture Aktor S.A.- Impregilo S.p.A.	-	-	332	-	332	-	-	-	-	-	332
Joint Venture Aktor-Webuild-Hitachi Rail STS	127,100	-	-	-	127,100	843	-	-	-	843	126,257
Joint Venture Impregilo S.p.A.- Empedos S.A.- Aktor A.T.E. (in liq.)	-	-	123,403	870,199	993,602	-	-	-	-	-	993,602
Kallidromo Joint Venture	445,109	-	86,360	-	531,469	-	-	-	-	-	531,469
La Maddalena	8,948,853	-	67,837	-	9,016,690	1,988,343	-	-	-	1,988,343	7,028,347
Lambro S.C. a r.l. (in liq.)	6,611	-	134	-	6,745	719	-	-	-	719	6,026
Line 3 Metro Stations CW Joint Venture	90,986	-	363,160	-	454,146	-	-	-	283,952	283,952	170,194
M.N. Metropolitana di Napoli S.p.A.	8,549,499	-	-	-	8,549,499	650,514	-	-	-	650,514	7,898,985
M.O.MES. S.C. a r.l.	-	-	-	-	-	145,707	-	-	-	145,707	(145,707)
Metro 5 S.p.A.	112,791	-	-	-	112,791	3,316	-	-	-	3,316	109,475
Metro C S.C.p.A.	69,448,088	-	-	-	69,448,088	13,277,401	-	-	-	13,277,401	56,170,687
MN 6 S.C. a r.l.	575,888	-	-	-	575,888	246,682	-	-	-	246,682	329,206
Mobilink Hurontario General Partnership	55,580,594	-	-	86,715	55,667,309	43,899	-	-	-	43,899	55,623,410
Nova Via Festinat Industrias (in liq.)	-	-	-	-	-	4	-	-	-	4	(4)
Novocen Consorzio (in liq.)	166,743	-	22,419	-	189,162	189,162	-	-	-	189,162	-
Nuovo Polo Fieristico S.C. a r.l. (in liq.)	229,828	-	22,500	-	252,328	63,936	-	-	-	63,936	188,392
Ochre Solutions (Holdings) Ltd.	-	17,580,886	-	(94,000)	17,486,886	-	-	-	-	-	17,486,886
Olbia 90 S.C. a r.l. (in liq.)	83,331	-	-	-	83,331	-	-	-	-	-	83,331
Passante di Mestre S.C.p.A. (in liq.)	-	-	-	-	-	16,813	-	-	-	16,813	(16,813)
PAV 101 Gaggio Consorzio	266,432	-	-	-	266,432	-	-	-	-	-	266,432
Pedelombarda S.C.p.A. (in liq.)	939,705	-	2,485	-	942,190	947,743	-	-	578,687	1,526,430	(584,240)
Pegaso S.C. a r.l. (in Liq.)	170,690	-	-	-	170,690	333,349	-	-	-	333,349	(162,659)
Piana di Licata S.C. a r.l. (in liq.)	-	-	138,797	-	138,797	139,073	-	-	-	139,073	(276)

Assets and liabilities at 31 December 2023

	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
Puentes del Litoral S.A. (in liq.)	(1,012,334)	-	-	-	(1,012,334)	-	-	-	-	-	(1,012,334)
Renovation Palais Des Nations S.A.	652,607	-	1,009,719	-	1,662,326	-	-	-	-	-	1,662,326
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.)	-	-	-	-	-	15,352,513	-	-	-	15,352,513	(15,352,513)
S.A.T. S.p.A.	28,116,954	-	-	-	28,116,954	2,952,919	-	-	-	2,952,919	25,164,035
Salini Strabag Joint Venture	-	-	210,934	-	210,934	498,095	-	-	-	498,095	(287,161)
SEDI S.C. a r.l. (in liq.)	81,036	57,608	-	-	138,644	130,202	-	-	-	130,202	8,442
Segrate S.C. a r.l.	-	-	43,416	-	43,416	32,545	-	-	-	32,545	10,871
Sellero S.C. a r.l. (in liq.)	-	-	-	-	-	28,028	-	-	-	28,028	(28,028)
SFI Leasing Company	-	-	4,343,891	-	4,343,891	-	-	-	4,059,251	4,059,251	284,640
Shimmick CO. INC.- FCC CO S.A.- Impregilo S.p.A-Joint Venture	21,678,526	-	-	-	21,678,526	-	-	-	21,683,140	21,683,140	(4,614)
Sistranyac S.A.	257	-	-	-	257	-	-	-	-	-	257
Società Consortile Valdostana Condotte- Cossi a r.l.	-	-	16,422	-	16,422	2,899	-	-	-	2,899	13,523
Spark Nel DC Workforce Pty Ltd.	294,758	-	-	-	294,758	-	-	-	-	-	294,758
SPV Linea M4 S.p.A.	526,692	-	-	-	526,692	79,615	-	-	-	79,615	447,077
Tangenziale Seconda S.C. a r.l. (in liq.)	92,232	-	9,000	-	101,232	26,873	-	-	-	26,873	74,359
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 (EZEIZA)	-	-	-	347,948	347,948	-	-	311,912	35,918	347,830	118
Trieste Due S.C. a r.l. (in liq.)	-	-	145,002	-	145,002	2,162	-	-	-	2,162	142,840
Veneta Sanitaria Finanza di Progetto S.p.A.- V.S.F.P. S.p.A.	872,210	-	-	-	872,210	5,265	-	-	-	5,265	866,945
Webuild-APCO Joint Venture	349	-	-	-	349	-	-	-	-	-	349
Webuild-Partecipazione Italia-Salcef Timisoara- Arad lot 3 Joint Venture	23,750	-	14,109,642	-	14,133,392	-	-	-	-	-	14,133,392
Webuild-Partecipazione Italia-Salcef Timisoara- Arad lot 4 Joint Venture	49,888	-	338,223	-	388,111	-	-	-	-	-	388,111
Webuild-Pizzarotti-Salcef Joint Venture	-	-	699,823	-	699,823	-	-	-	-	-	699,823
Webuild-SOMET-TIAB-UTI GRUP	-	-	-	21,590	21,590	-	-	-	-	-	21,590
Yacylec S.A.	1,839	-	-	-	1,839	-	-	-	-	-	1,839
Yuma Concessionaria S.A.	7,725,023	194,257,937	-	-	201,982,960	10,911,020	-	24,932,577	-	35,843,597	166,139,363
Total group companies	424,331,997	214,480,681	48,733,571	9,041,329	696,587,578	104,832,736	-	27,561,786	54,932,302	187,326,824	509,260,754
Consorzio Tiburtino S.r.l.	166,950	-	-	-	166,950	-	-	-	-	-	166,950
Casada S.r.l.	176,401	-	-	-	176,401	-	-	-	-	-	176,401
CDP Equity S.p.A.	-	-	-	-	-	466,211	-	-	-	466,211	(466,211)
CDP S.p.A.	-	-	-	737,674	737,674	461,486	-	-	-	461,486	276,188
CEDIV S.p.A.	2,715,140	-	3,241,000	-	5,956,140	-	-	-	-	-	5,956,140
Dirlan S.r.l.	172,402	-	-	-	172,402	-	-	-	-	-	172,402
Eni S.p.A.	-	-	-	-	-	340,171	-	-	-	340,171	(340,171)
Fincantieri Infrastructure Opere Marittime S.p.A.	94,603,733	-	30,304,216	-	124,907,949	70,240,425	-	-	-	70,240,425	54,667,524

Assets and liabilities at 31 December 2023

	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
Fincantieri Infrastructure S.p.A.	-	-	-	-	-	6,657,300	-	-	-	6,657,300	(6,657,300)
Fintecna S.p.A.	31,090	-	-	-	31,090	198,697	-	-	-	198,697	(167,607)
G.A.B.I.RE. S.r.l.	5,236,024	-	18,001,297	-	23,237,321	-	-	-	-	-	23,237,321
Galla Placidia S.c.a.r.l.	179,238	-	-	-	179,238	-	-	-	-	-	179,238
Immobiliare Agricola San Vittorino S.r.l.	231,517	-	-	-	231,517	-	-	-	-	-	231,517
Infernetto S.r.l.	62,492	-	-	-	62,492	-	-	-	-	-	62,492
Madonna dei Monti S.r.l.	122,538	-	-	-	122,538	-	-	-	-	-	122,538
Nores S.r.l.	113,074	-	-	-	113,074	-	-	-	-	-	113,074
Plus S.r.l.	240,623	-	-	-	240,623	-	-	-	-	-	240,623
Poste Italiane S.p.A.	-	-	-	-	-	698	-	-	-	698	(698)
Salini Costruttori S.p.A.	-	1,160,211	3,107,582	11,955,426	16,223,219	-	-	-	-	-	16,223,219
Salini S.p.A.	69,735	-	-	-	69,735	-	-	-	-	-	69,735
Salini Simonpietro e C. S.a.p.A.	128,319	-	-	-	128,319	-	-	-	-	-	128,319
Simest S.p.A.	-	-	-	-	-	-	6,308,883	203,353	-	6,512,236	(6,512,236)
SNAM Rete gas S.p.A.	-	-	-	-	-	1,780,950	-	-	-	1,780,950	(1,780,950)
Terna S.p.A.	-	-	-	-	-	4,407,442	-	-	-	4,407,442	(4,407,442)
Zeis S.r.l.	-	-	3,360,863	-	3,360,863	4,155	-	-	-	4,155	3,356,708
Total other related parties	104,249,276	1,160,211	58,014,958	12,693,100	176,117,545	84,557,535	6,308,883	203,353	-	91,069,771	85,047,774
Total	528,581,273	215,640,892	106,748,529	21,734,429	872,705,123	189,390,271	6,308,883	27,765,139	54,932,302	278,396,595	594,308,528

Revenue and costs for 2023

	Revenue	Other revenue and income	Purchases	Subcontracts	Services	Personnel expenses	Other operating expenses	Amortisation, depreciation, impairment losses, provisions	Financial income	Financial expense
101 Gaggio Consorzio	5,035,066	653	-	-	3,265,023	-	-	-	-	-
Acqua Campania S.p.A.	-	-	-	-	-	-	57	-	-	-
AGN HAGA AB	-	-	-	-	-	-	-	4,578,171	-	-
Aguas del Gran Buenos Aires S.A. (in liq.)	23,866	-	-	-	532	-	-	-	-	39,154
AM S.C. a r.l. (in liq.)	17,058	-	-	-	44,790	-	-	-	-	-
Ankara Etlik Hastane Isletme Ve Bakim Anonim Sirketi	-	584,182	-	-	-	-	-	-	-	-
Arge BBT- Baulos H41- Sillschlucht- Pfons	1,809,899	174,810	-	-	-	-	-	-	-	-
Arge Haupttunnel Eyholz	1,467,194	-	-	-	-	-	-	-	-	-
Arge Secondo Tubo	16,827,993	-	-	-	14,673,368	-	-	-	-	-
Astaldi-Federici-Todini Kramis	-	-	-	-	145,581	-	-	(11,896)	-	-
Autopistas del Sol S.A.	-	-	-	-	28	-	62,815	-	-	-
Brennero Tunnel Construction S.C. a r.l.	180,640	680,951	95,909	-	46,508,713	122,609	-	-	-	-
BSS Joint Venture- Air Academy project	-	1,358,807	-	-	-	6,081	-	-	-	-
C.F.M. S.C. a r.l. (in liq.)	-	17,834	-	-	-	-	-	-	-	-
Centoquattro S.C. a r.l.	-	-	-	-	704,958	-	-	-	-	-
Centotre S.C. a r.l.	-	-	-	-	704,724	-	-	-	-	-
Churchill Construction Consortium	3,449	-	-	-	-	-	-	-	-	-
Clough Wood Pty Ltd.	-	1,394,223	-	-	-	-	-	-	-	-
CMS Consorzio	4,200,499	4,643	-	-	4,080,229	-	-	-	-	-
Col De Roches	1,421,563	-	-	-	1,666,580	-	-	-	-	-
Connect 6iX DB Joint Venture	-	-	3,372	9,422	35,737	-	3,567	-	-	-
Connect 6iX General Partnership	452,094	77,045	-	-	-	-	-	-	-	-
Consorcio Contuy Medio	-	-	-	-	34,221	-	-	-	-	-
Consorcio Grupo Contuy-Proyectos y Obras de Ferrocarriles	-	-	-	-	99,709	-	-	-	-	-
Consorcio OIV-TOCOMA	140,573	-	-	-	845,835	-	-	-	-	-
Consorcio V.I.T. Caroni- Tocoma	-	-	-	-	659,851	-	-	-	-	-
Consorzio ACE Chiasso	4,583,932	2,062	-	-	3,037,679	-	-	-	-	-
Consorzio Costruttori TEEM	6	-	-	-	64	-	-	-	-	-
Consorzio EPC	83,489,938	14,006	-	-	2,259,763	-	-	-	-	-
Consorzio Ferrofir (in liq.)	-	-	-	-	23,509	-	-	-	-	-
Consorzio Masnan	2,168,484	3,745	-	-	1,349,883	-	-	-	-	-
Consorzio MEGE	890,840	5,605	-	-	666,987	-	-	-	-	-
Consorzio MM4	1,727,218	2,434,775	-	-	3,576,152	-	8	-	-	-
Consorzio NSIF 1301	5,587,572	1,009	-	-	3,407,196	-	-	-	-	-
Consorzio Ordinario per la Depurazione delle Acque di Vicenza-CODAV	-	134,700	-	-	80,956	-	-	-	-	-
Consorzio Sotpass Bess	7,945,006	2,254	-	-	4,097,814	-	-	-	-	-
Consorzio Torretta	9,299,966	22,921	-	-	7,816,423	-	-	-	-	-
Consorzio Tratta Determinante Città Vitale- TRA.DE.CIV	-	-	-	-	72,432	-	-	-	-	-
Consorzio Vertiaz	73,045	13,214	48,364	-	-	-	-	-	-	-
CS Consorzio	11,433,722	23,746	-	-	7,351,167	-	-	-	-	-

Revenue and costs for 2023

	Revenue	Other revenue and income	Purchases	Subcontracts	Services	Personnel expenses	Other operating expenses	Amortisation, depreciation, impairment losses, provisions	Financial income	Financial expense
CSC Costruzioni S.A.	-	5,399	-	-	-	77,635	-	-	-	-
Diga di Blufi S.C. a r.l. (in liq.)	-	-	-	-	4,246	-	-	-	-	-
Dolomiti Webuild Implenia	1,441,640	778,327	32,896	-	14,950,483	42,666	-	-	-	-
E.R. Impregilo-Dumez y Asociados para Yacireta- ERIDAY UTE	38,615	-	-	-	10,878,291	-	-	-	742,645	13,305
Ecosarno S.C. a r.l. (in Liq.)	-	-	-	-	2,631	-	-	-	-	-
Enecor S.A.	9,713	-	-	-	-	-	-	-	-	-
Eurolink S.C.p.A.	916,864	83,058	-	-	1,265,061	-	-	-	-	-
Fisia GS Inima (Al Ghubra) LLC	1,885,659	-	-	-	-	-	-	-	-	-
Fosso Canna S.C. a r.l. (in liq.)	-	-	-	-	-	-	-	-	-	86,755
Grupo Empresas Italianas- GEI	-	-	-	-	208,879	-	-	-	-	-
Grupo Unidos Por El Canal S.A.	851,624	14,211	-	-	-	-	-	-	-	-
Impregilo Alfred Mcalpine Churchill Hospital Joint Venture	1,380	-	-	-	33,292	-	-	-	-	-
Impregilo Arabia Ltd.	611	382	-	-	-	-	-	994	-	294,588
Impresit Bakolori Plc	-	-	-	-	-	-	-	-	1,860,687	1,860,687
Infraflegrea S.C. a r.l. (in liq.)	-	-	-	-	470	-	-	-	-	-
Iricav Uno Consorzio (in liq.)	-	41,132	-	-	212,216	-	-	-	-	-
Joint Venture Aktor-Webuild-Hitachi Rail STS	-	102,500	-	-	-	-	-	-	-	-
La Maddalena	10,299,902	87,470	14,314	-	9,307,328	-	-	-	-	-
Line 3 Metro Stations CW Joint Venture	-	-	-	-	4,282	-	-	-	-	-
M.N. Metropolitana di Napoli S.p.A.	-	-	-	-	284,762	-	29,985	-	-	-
M.O.MES. S.C. a r.l.	-	-	-	-	1,725,043	-	-	-	-	-
Metro 5 S.p.A.	43,959	-	-	-	-	-	-	-	-	-
Metro C S.C.p.A.	60,300	278,128	18,742	-	32,727,806	-	-	-	-	-
MN 6 S.C. a r.l.	-	-	-	-	206,251	-	2	-	-	-
Mobilink Hurontario General Partnership	617,999	1,135,335	-	-	115,708	-	-	-	-	-
Nuovo Polo Fieristico S.C. a r.l. (in liq.)	-	-	-	-	62,876	-	-	-	-	-
Ochre Solutions (Holdings) Ltd.	-	-	-	-	-	-	-	-	919,650	-
Parklife Metro Pty L.t.d.	-	579,248	-	-	-	-	-	-	-	-
Passante di Mestre S.C.p.A. (in liq.)	-	-	-	-	60,921	-	-	-	-	-
PAV 101 Gaggio Consorzio	1,158,416	-	-	-	910,681	-	-	-	-	-
Pedelombarda S.C.p.A. (in liq.)	17,910	288,515	-	-	(565,008)	-	-	-	-	-
Pegaso S.C. a r.l. (in Liq.)	-	-	-	-	31,055	-	-	-	-	-
PerGenova S.C.p.A. (in liq.)	-	-	-	-	97,054	-	-	-	-	-
Puentes del Litoral S.A. (in liq.)	13,132	-	-	-	723	-	-	-	-	(554,826)
S. Ruffillo S.C. a r.l. (in liq.)	-	-	-	-	8,674	-	-	-	-	-
SEDI S.C. a r.l. (in liq.)	-	1,046	-	-	5,143	-	-	-	-	-
Segrate S.C. a r.l.	-	-	-	-	8,760	-	-	-	2,231	82
Sellero S.C. a r.l. (in liq.)	-	-	-	-	28,028	-	-	-	-	-
SFI Leasing Company	35,837	-	-	-	483,291	-	-	-	-	-
Shimmick CO. INC.- FCC CO S.A.- Impregilo S.p.A-Joint Venture	7,120,401	-	-	-	943,482	-	-	-	-	-
Sistranyac S.A.	5,099	-	-	-	-	-	320	-	-	-

Revenue and costs for 2023

	Revenue	Other revenue and income	Purchases	Subcontracts	Services	Personnel expenses	Other operating expenses	Amortisation, depreciation, impairment losses, provisions	Financial income	Financial expense
Sotra Link A.S.	-	211,520	-	-	-	-	-	-	-	-
Spark Nel DC Workforce Pty Ltd.	-	-	-	-	7,237	1,089,172	-	-	-	-
SPV Linea M4 S.p.A.	-	435,046	-	-	48,642	-	-	-	1,133,004	-
Tangenziale Seconda S.C. a r.l. (in liq.)	-	-	-	-	1,310	-	-	-	-	-
Techint S.A.C.I.- Hochtief A.G.- Impregilo S.p.A.-Iglys S.A. UTE (EZEIZA)	-	-	-	-	499,551	-	-	-	-	-
Trieste Due S.C. a r.l. (in liq.)	-	-	-	-	2,162	-	-	-	-	-
Veneta Sanitaria Finanza di Progetto S.p.A.- V.S.F.P. S.p.A.	-	-	-	-	13,835	-	-	-	-	-
Webuild- Kolin Ordinary Partnership	10,670,476	-	-	-	524	-	1,531	-	-	-
Webuild-APCO Joint Venture	-	325,648	-	-	-	-	-	-	-	-
Webuild-Pizzarotti-Salcef Joint Venture	-	-	-	-	-	-	25	-	-	-
Yacylec S.A.	19,953	-	-	-	-	-	3,130	-	-	-
Yuma Concessionaria S.A.	271,323	8,459,019	-	-	353,358	-	164	-	23,004,545	386,066
Total group companies	194,260,436	19,777,169	213,597	9,422	182,138,952	1,338,163	101,604	4,567,269	27,662,762	2,125,811
Casada S.r.l.	10,154	3,165	-	-	-	-	-	-	-	-
CDP S.p.A.	-	-	-	-	2,210,219	-	7,916,598	-	-	-
CEDIV SPA	31,227	3,165	-	-	-	-	-	-	224,838	-
Consorzio Tiburtino S.r.l.	10,448	3,165	-	-	-	-	-	-	-	-
Dirlan S.r.l.	15,043	3,165	-	-	-	-	-	-	-	-
Eni S.p.A.	-	-	470,488	-	102,843	-	2	-	-	-
Fincantieri Infrastructure Opere Marittime S.p.A.	-	17,623,698	-	-	10,908,537	-	-	-	438,172	-
Fincantieri Infrastructure S.p.A.	-	-	581,000	9,492,000	-	-	-	-	-	-
Fintecna S.p.A.	-	38,246	-	-	-	-	-	-	-	-
G.A.B.I.RE. S.r.l.	16,696	3,165	-	-	-	-	-	-	1,248,807	-
Galla Placidia S.c.a.r.l.	8,146	2,637	-	-	-	-	-	-	-	-
Immobiliare Agricola San Vittorino S.r.l.	14,327	3,165	-	-	-	-	-	-	-	-
Infernetto S.r.l.	4,104	3,165	-	-	-	-	-	-	-	-
Madonna dei Monti S.r.l.	11,154	2,637	-	-	-	-	-	-	-	-
Nores S.r.l.	5,721	3,165	-	-	-	-	-	-	-	-
Plus S.r.l.	23,976	3,165	-	-	-	-	-	-	-	-
Poste Italiane S.p.A.	-	-	-	-	7,918	-	-	-	-	-
Salini S.p.A.	26,786	3,165	-	-	-	-	-	-	-	-
Salini Costruttori S.p.A.	132,863	5,579	-	-	-	-	3,662,244	-	292,454	-
Salini Simonpietro e C. S.a.p.A.	14,394	-	-	-	-	-	-	-	-	-
Simest S.p.A.	-	-	-	-	-	-	-	-	-	407,830
SNAM Rete gas S.p.A.	-	-	-	-	3,039,439	-	-	-	-	-
Terna S.p.A.	-	-	-	1,342,100	-	-	-	-	-	-
Terna Rete Italia S.p.A.	-	-	-	-	32,000	-	-	-	-	-
Zeis S.r.l.	131,642	117,280	-	-	-	-	-	-	145,361	-
Total other related parties	456,681	17,821,727	1,051,488	10,834,100	16,300,956	-	11,578,844	-	2,349,632	407,830

Revenue and costs for 2023

	Revenue	Other revenue and income	Purchases	Subcontracts	Services	Personnel expenses	Other operating expenses	Amortisation, depreciation, impairment losses, provisions	Financial income	Financial expense
Total	194,717,117	37,598,896	1,265,085	10,843,522	198,439,908	1,338,163	11,680,448	4,567,269	30,012,394	2,533,641

Consolidated financial statements of Webuild Group- Equity investments

Changes in equity investments of Webuild Group in 2023

Investments in associates

(€'000)

		Changes of the year							
	Carrying amount at 31 December 2022	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 2023
Autopistas del Sol S.A.	19,333	-	1,752	-	(19,195)	-	7,391	-	9,281
Brennero Tunnel Construction S.C. a r.l.	47	-	-	-	-	-	-	-	47
C.P.R.3	1	-	-	-	-	-	-	-	1
CO.SAT S.C. a r.l. (in liq.)	5	-	-	-	-	-	-	-	5
Consorzio Astaldi-Federici-Todini (in liq.)	31	-	-	-	-	-	-	-	31
Consorzio del Sinni	12	-	-	-	-	-	-	-	12
Iricav Uno Consorzio (in liq.)	124	-	-	-	-	-	-	-	124
Ital.Co.Cer. Consorzio (in Liq.)	15	-	-	-	-	-	-	(15)	-
Consorzio MM4	129	-	-	-	-	-	-	-	129
Consorzio Sarda Costruzioni Generali- SACOGEN	3	-	-	-	-	-	-	-	3
Consorzio Trevi- S.G.F. Inc. per Napoli	5	-	-	-	-	-	-	-	5
Diga di Blufi S.C. a r.l. (in liq.)	15	-	-	-	-	-	-	-	15
Ecosarno S.C. a r.l. (in Liq.)	17	-	-	-	-	-	-	-	17
Enecor S.A.	86	-	30	-	(68)	-	39	-	87
Eurolink S.C.p.A.	16,875	-	-	-	-	-	-	-	16,875
Grupo Unidos Por El Canal S.A.	526,169	20,387	(105,613)	-	(16,571)	-	-	-	424,372
IRINA S.r.l. (in liq.)	308	-	-	-	-	-	-	-	308
M.N. Metropolitana di Napoli S.p.A.	5,536	-	86	-	-	-	-	-	5,621
M.O.MES. S.C. a r.l.	6	-	-	-	-	-	-	-	6
Metro C S.C.p.A.	19,671	-	-	-	-	-	-	-	19,671
Metro de Lima Linea 2 S.A.	37,324	-	2,864	-	(1,358)	-	-	-	38,829
Metrogenova S.C. a r.l. (in liq.)	13	-	-	(13)	-	-	-	-	-
Mobilink Hurontario General Partnership	11,951	-	2,891	-	(1,978)	-	-	-	12,864
Mobilinx Hurontario Services Ltd.	366	-	270	-	(6)	-	-	-	630
Mose Bocca di Chioggia S.C. a r.l. (in liq.)	2	-	-	(1)	-	-	-	-	-
Mose-Treporti S.C. a r.l. (in liq.)	4	-	-	(3)	-	-	-	-	-
Nuovo Polo Fieristico S.C. a r.l. (in liq.)	20	-	-	-	-	-	-	-	20
Olbia 90 S.C. a r.l. (in liq.)	3	-	-	-	-	-	-	-	3
Otoyol Deniz Tasimaciligi A.S.	51	-	-	-	(20)	-	-	-	31
Otoyol Isletme Ve Bakim A.S.	6,543	-	957	-	(430)	-	-	-	7,070
Passante di Mestre S.C.p.A. (in liq.)	1,485	-	-	-	-	-	-	-	1,485
Pedelombarda S.C.p.A. (in liq.)	3,550	-	-	-	-	-	-	-	3,550
Pegaso S.C. a r.l. (in Liq.)	114	-	-	-	-	-	-	-	114
Renovation Palais Des Nations S.A.	1,393	-	854	-	60	(1,398)	-	-	909
S. Ruffillo S.C. a r.l. (in liq.)	21	-	-	-	-	-	-	-	21
S.E.I.S. S.p.A.	1,874	(1,900)	-	26	-	-	-	-	-
Sellero S.C. a r.l. (in liq.)	4	-	-	-	-	-	-	-	4
Sistranyac S.A.	150	-	-	-	-	-	-	-	150
Sotra Link Holdco A.S.	5	-	-	-	-	-	-	-	5
Tangenziale Seconda S.C. a r.l. (in liq.)	19	-	-	-	-	-	-	-	19
Tartano S.r.l. Società Agricola	990	-	(715)	-	-	-	-	-	275
Trieste Due S.C. a r.l. (in liq.)	5	-	-	-	-	-	-	-	5

Changes in equity investments of Webuild Group in 2023

Investments in associates

(€'000)

	Carrying amount at 31 December 2022	Changes of the year: 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 2023
Società Consortile Valdostana Condotte- Cossi a r.l.	20	-	-	-	-	-	-	-	20
VE.CO. S.C. a r.l.	3	-	-	-	-	-	-	-	3
Yacylec S.A.	658	-	(164)	-	(487)	(45)	272	-	233
Yuma Concessionaria S.A.	6,010	-	(524)	-	1,224	-	-	-	6,710
Total investments in associates	660,965	18,487	(97,313)	8	(38,830)	(1,443)	7,702	(15)	549,560

Joint ventures

(€'000)

	Carrying amount at 31 December 2022	Changes of the year: 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 2023
AGL Joint Venture	-	-	573	-	7	-	-	(556)	24
Ankara Etlik Hastane Isletme Ve Bakim Anonim Sirketi	3,500	-	-	(3,500)	-	-	-	-	-
Arge BBT- Baulos H41- Sillschlucht- Pfons	1,503	-	4,690	-	-	-	-	-	6,193
C.F.M. S.C. a r.l. (in liq.)	21	-	-	-	-	-	-	-	21
Clough Wood Pty Ltd.	-	2,239	490	-	(104)	-	-	-	2,624
Consorcio Federici-Impresit-Ice (Cochabamba)	16	-	-	-	-	-	-	-	16
Consorzio GI.IT. (in liq.)	1	-	-	-	-	-	-	-	1
Consorzio Hyperbuilders	-	10	-	-	-	-	-	-	10
D&C Joint Venture	-	-	54	-	-	-	-	-	54
Depurazione Palermo S.C. a r.l. (in liq.)	4	-	-	-	-	-	-	-	4
Dolomiti Webuild Implenia	5	-	-	-	-	-	-	-	5
Etlik Hastane P.A. S.r.l.	3,213	-	(515)	-	-	-	-	-	2,698
Flatiron West Inc.- The Lane Constr. Corp. Joint Venture	1,751	31,444	2,470	-	(511)	(12,947)	-	-	22,207
Fluor-Lane 95 LLC	18	-	-	-	-	-	-	(18)	-
I4 Leasing LLC	10,954	-	348	-	(388)	-	-	-	10,914
ICA LT Limited Liability Company	1	-	-	-	-	-	-	-	1
Infraflegrea S.C. a r.l. (in liq.)	15	-	-	-	-	-	-	-	15
La Maddalena	6	-	-	-	-	-	-	-	6
OHL- Posillico- Seli Overseas Joint Venture	2,625	(2,271)	(160)	-	-	-	-	-	194
PerGenova S.C.p.A. (in liq.)	500	(500)	-	-	-	-	-	-	-
Purple Line Transit Constructors LLC	326	-	(129)	-	(9)	-	-	-	188
Segrate S.C. a r.l.	4	-	-	-	-	-	-	-	4
Superior-Lane Joint Venture	-	-	174	-	(4)	-	-	-	170
Techint S.A.C.I.- Hochtief A.G.- Impregilo S.p.A.-Iglys S.A. UTE	386	-	-	-	(381)	-	-	-	5
Unionport Constructors Joint Venture	11,986	-	-	-	(417)	-	-	-	11,569
Total interests in joint ventures	36,834	30,921	7,994	(3,500)	(1,806)	(12,947)	-	(574)	56,922
Subtotal- investments in equity-accounted investees	697,799	49,408	(89,319)	(3,492)	(40,636)	(14,390)	7,702	(589)	606,482

Changes in equity investments of Webuild Group in 2023

Other equity investments

(€'000)

		Changes of the year							
	Carrying amount at 31 December 2022	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 2023
Acqua Campania S.p.A.	10	-	-	-	-	-	-	-	10
Amplia Infrastructures S.p.A. (ex Pavimental S.p.A.)	62	-	-	-	-	-	-	-	62
Asse Sangro Consorzio (in liq.)	22	-	-	-	-	-	-	-	22
Centoquattro S.C. a r.l.	1	-	-	-	-	-	-	-	1
Centotre S.C. a r.l.	1	-	-	-	-	-	-	-	1
Centro Uno Consorzio (in liq.)	3	-	-	-	-	-	-	-	3
Consorzio Casale Nei	1	-	-	-	-	-	-	-	1
Consorzio Ferrofir (in liq.)	535	-	-	-	-	-	-	-	535
Consorzio Tratta Determinante Città Vitale- TRA.DE.CIV	28	-	-	-	-	-	-	-	28
Consorzio Venezia Nuova	48	-	-	(48)	-	-	-	-	-
Emittenti Titoli S.p.A. (in liq.)	11	-	-	-	-	-	-	-	11
Grassetto S.p.A. (in liq.)	8	-	-	-	-	-	-	-	8
I 405 Partners Joint Venture	-	-	-	-	-	-	-	10,716	10,716
Immobiliare Golf Club Castel D'Aviano S.p.A.	20	-	-	-	-	-	-	-	20
ISVEUR S.p.A. (in liq.)	64	-	-	-	-	-	-	-	64
Ital.Co.Cer. Consorzio (in Liq.)	-	-	-	-	-	-	-	15	15
Messina Catania tratto Nord	7	(7)	-	-	-	-	-	-	-
Metro 5 S.p.A.	1,645	-	-	-	-	-	-	-	1,645
MN 6 S.C. a r.l.	1	-	-	-	-	-	-	-	1
Mose Operae S.C. a r.l. (in liq.)	2	-	-	(2)	-	-	-	-	-
Nomisma- Società di Studi Economici S.p.A.	27	-	-	-	-	-	-	-	27
PROG.ESTE S.p.A.	92	-	-	-	-	-	-	-	92
S. Benedetto S.C. a 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	(44,667)	-	-	-	-	-	(2,753)	-
U Joint Venture Astaldi S.p.A. (fil. Cile), VCGP (Ag en Chile) Astaldi Ingenieria y Const.Ltd.	12	-	-	(12)	-	-	-	-	-
Utenti Servizi Salaria Vallericca Consorzio	17	-	-	-	-	-	-	-	17
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.	29,539	-	-	-	-	-	-	416	29,955
Total other equity investments	80,575	(44,674)	-	(62)	-	-	-	8,393	44,231

Total equity investments	778,374	4,734	(89,319)	(3,554)	(40,636)	(14,390)	7,702	7,804	650,713

Changes in equity investments of Webuild Group in 2023

Provisions for risks on equity investments

(€'000)

	Carrying amount at 31 December 2022	Changes of the year					Carrying amount at 31 December 2023
		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	
AGL Joint Venture	(556)	-	-	-	-	556	-
Aguas del Gran Buenos Aires S.A. (in liq.)	(18)	-	-	-	18	-	-
Avrasya Metro Grubu S.r.l . (in Liq.)	(146)	-	-	-	-	-	(146)
Consorzio Astaldi-Federici-Todini Kramis	(4,658)	-	-	-	173	-	(4,485)
Consorzio Groupement Lesi-Dipenta	(1)	-	-	-	-	-	(1)
Fisia Abeima LLC	(8,956)	-	306	-	281	-	(8,369)
Fisia GS Inima (Al Ghubra) LLC	(29)	-	11	-	(7)	-	(25)
Fluor-Lane South Carolina LLC	(1,821)	-	54	-	418	-	(1,349)
Impregilo Arabia Ltd.	(1,771)	-	-	-	-	-	(1,771)
Skanska-Granite-Lane Joint Venture	(76,937)	-	2,743	-	(3,236)	-	(77,430)
VCGP- Astaldi Ingenieria y Construccion Limitada	(323)	-	-	-	-	-	(323)
Webuild- Kolin	(166)	-	-	-	-	-	(166)
Total provisions for risks on equity investments	(95,383)	-	3,114	-	(2,353)	556	(94,065)

List of Webuild Group companies

List of Webuild Group companies at 31 December 2023

	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
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. (in liq.)	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-Max Bogl-CCCF Joint Venture	Romania	RON	40,000	66	66			line-by-line
Astalrom S.A.	Romania	RON	3,809,897	99.707	99.707			line-by-line
Astur Construction and Trade A.S.	Turkey	TRY	35,500,000	100	100			line-by-line
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

List of Webuild Group companies at 31 December 2023

	Country	Currency	Share/quota capital subscribed	Investment %	% direct	% indirect	Indirect parent	Consolidation or measurement method
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
Clough Curtain Joint Venture	Papua NG			65		65	Clough Niugini Ltd.	line-by-line
Clough Engineering & Integrated Solutions (CEIS) Pty Ltd.	Australia	AUD	2,000	100		100	Holding Construction Australia Pty Ltd.	line-by-line
Clough Niugini Ltd.	Papua NG	PGK	2	100		100	Holding Construction Australia Pty Ltd.	line-by-line
Clough Projects Australia Pty Ltd.	Australia	AUD	10,000,000	100		100	Holding Construction Australia Pty Ltd.	line-by-line
Clough Projects Pty Ltd.	Australia	AUD	20,000,000	100		100	Holding Construction Australia Pty Ltd.	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
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
Consorcio Impregilo- OHL	Colombia			70		70	Grupo ICT II SAS	line-by-line (a)
Consortium Front Sud TETO3	Switzerland			70		70	CSC Costruzioni S.A.	line-by-line
Consortium Ouest TETO4	Switzerland			70		70	CSC Costruzioni S.A.	line-by-line
Consorzio Agamium	Italy	Euro	10,000	100		51	Cossi Costruzioni S.p.A.	line-by-line
						49	Webuild Italia S.p.A.	
Consorzio Alta Velocità Torino/Milano- C.A.V.TO.MI.	Italy	Euro	5,000,000	96.14	96.14			line-by-line
Consorzio C.A.V.E.T.- Consorzio Alta Velocità Emilia/Toscana	Italy	Euro	5,422,797	75.983	75.983			line-by-line
Consorzio Cociv	Italy	Euro	516,457	99.999		92.753	Webuild Italia S.p.A.	Line-by-line
						7.246	C.I.V. S.p.A.	
Consorzio Cossi LGV Ceneri	Switzerland			100		80	Cossi Costruzioni S.p.A.	line-by-line
						20	CSC Costruzioni S.A.	
Consorzio Hirpinia AV	Italy	Euro	10,000	100		60	Webuild Italia S.p.A.	line-by-line
						40	Partecipazioni Italia S.p.A.	
Consorzio Iricav Due	Italy	Euro	510,000	82.93		45.44	Webuild Italia S.p.A.	line-by-line
						37.49	Partecipazioni Italia S.p.A.	

List of Webuild Group companies at 31 December 2023

	Country Currency	Share/quota capital subscribed	Investment %	% direct	% indirect	Indirect parent	Consolidation or measurement method
Consorzio Italvenezia (in liq.)	Italy Euro	77,450	100		100	Partecipazioni Italia S.p.A.	line-by-line
Consorzio Kassar	Italy Euro	10,000	75		70	Webuild Italia S.p.A.	line-by-line
					5	Seli Overseas S.p.A.	
Consorzio Libyan Expressway Contractor	Italy Euro	10,000	78.91	78.91			line-by-line
Consorzio Ordinario per la Depurazione delle Acque di Vicenza-CODAV	Italy Euro	10,000	69.8		69.8	Fisia Italimpianti S.p.A.	line-by-line (a)
Consorzio Palermo Catania ED	Italy Euro	10,000	70		70	Webuild Italia S.p.A.	line-by-line
Consorzio Poseidon	Italy Euro	10,000	60		60	Cossi Costruzioni 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.	
Consorzio Tridentum	Italy Euro	10,000	55		51	Webuild Italia S.p.A.	line-by-line
					4	Seli Overseas S.p.A.	
Consorzio Triscelio	Italy Euro	10,000	75		70	Webuild Italia S.p.A.	line-by-line
					5	Seli Overseas S.p.A.	
Consorzio Triscelio 3	Italy Euro	10,000	60		55	Webuild Italia S.p.A.	line-by-line
					5	Seli Overseas S.p.A.	
Consorzio Xenia	Italy Euro	10,000	60		60	Webuild Italia S.p.A.	line-by-line
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			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

List of Webuild Group companies at 31 December 2023

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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
DT1 S.C. a r.l.	Italy	Euro	10,000	71.5		71.5	Cossi Costruzioni S.p.A.	line-by-line
DT2 S.C. a r.l.	Italy	Euro	10,000	76.3		76.3	Cossi Costruzioni S.p.A.	line-by-line
DT4-5 S.C. a r.l.	Italy	Euro	10,000	83.2		83.2	Cossi Costruzioni S.p.A.	line-by-line
E20 Pty Ltd.	Australia	AUD	36,000	100		100	Holding Construction Australia Pty Ltd.	line-by-line
Fibe S.p.A.	Italy	Euro	3,500,000	99.998	99.989	0.003	Impregilo Intern. Infr. N.V.	line-by-line
						0.006	Fisia Ambiente S.p.A.	
Fisia- Alkatas Joint Venture	Turkey			51		51	Fisia Italimpianti S.p.A.	line-by-line
Fisia Ambiente S.p.A.	Italy	Euro	3,000,000	100	100			line-by-line
Fisia Italimpianti S.p.A.	Italy	Euro	3,400,000	100	100			line-by-line
Fisia LLC	Oman	OMR	250,000	70		70	Fisia Italimpianti S.p.A.	line-by-line
Fisia Muhendislik VE Insaat Anonim Sirketi	Turkey			100		100	Fisia Italimpianti S.p.A.	line-by-line
Fisia-Alkatas-Alke Joint Venture	Turkey			48		48	Fisia Italimpianti S.p.A.	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.	
Holding Construction Australia Pty Ltd.	Australia	AUD	1,000	100		100	Salini Australia Pty Ltd.	line-by-line
IGLYS S.A. Unipersonal	Argentina	ARS	10,000,000	100		100	Impregilo Intern. Infr. N.V.	line-by-line
I.L.IM.- Iniziative Lombarde Immobiliari S.r.l. (in liq.)	Italy	Euro	10,000	100	100			line-by-line (a)
Impregilo International Infrastructures N.V.	Netherlands	Euro	45,000	100		100	Webuild Concessions S.p.A.	line-by-line

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Impregilo Lidco Libya General Contracting 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
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
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
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 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
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.	

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Mondial Milas-Bodrum Havalimani Uluslararasi Terminal İşletmeciliği Ve Yatirim A.S.	Turkey	TRY	37,518,000	100		100	Astaldi Concessions 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
						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. (NOSEB 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
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
Piscine dello Stadio S.r.l.	Italy	Euro	3,588,838	99.716		99.716	HCE Costruzioni 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 Joint Venture	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 Sp. z.o.o.	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	AUD	2,000	100		50	Salini Australia PTY Ltd.	line-by-line
						50	Clough Projects Australia Pty Ltd.	
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.P.a.r.l. (in liq.)	Congo			100	100			line-by-line (a)
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
Sharp Resources Pty Ltd.	Australia	AUD	100	100		100	E20 Pty Ltd.	line-by-line

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Sirjo S.C.p.A.	Italy Euro	30,000,000	100		60	Partecipazioni Italia S.p.A.	line-by-line
					40	Webuild Italia S.p.A.	
SLC Snowy Hydro Joint Venture	Australia		100	64.99	35	Clough Projects Australia Pty Ltd.	line-by-line
					0.01	Lane Constr. Corporation	
So Tunneling India Private Limited	India INR	100,000	100		100	Seli Overseas S.p.A.	line-by-line
Società Autostrada Broni- Mortara S.p.A.	Italy Euro	28,902,600	60		60	Webuild Italia S.p.A.	line-by-line
Spark North East Link Holding Trust	Australia		100		100	MEL PP Pty Ltd.	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
SYD TS Pty Ltd.	Australia		100		100	WBCA Pty Ltd.	line-by-line
T.E.Q Construction Enterprise Inc.	Canada CAD	10,000	100		100	Astaldi Canada Enterp. Inc.	line-by-line
TB Metro S.r.l. (in liq.)	Italy Euro	100,000	51	51			line-by-line
Texas High Speed Rail LLC	USA		100	50	50	Lane Constr. Corporation	line-by-line
The Clough Foundation Newco Pty Ltd.	Australia AUD	10	100		100	Salini Australia Pty Ltd.	line-by-line (a)
The Lane Blythe Construction Joint Venture	USA		50		50	Lane Constr. Corporation	line-by-line
The Lane Securety Paving Joint Venture	USA		60		60	Lane Constr. Corporation	line-by-line
Thessaloniki Metro CW Joint Venture (AIS Joint Venture)	Greece		50	50			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
Webuild- Connect 6iX GP Inc.	Canada		100		100	Webuild Canada Holding Inc.	line-by-line
Webuild- Fisia Joint Venture	Turkey		100	99.933	0.067	Fisia Muhendislik VE Insaat Anonim Sirketi	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 Inc.	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 Innovations S.r.l.	Italy Euro	10,000	100	100			line-by-line

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Webuild Italia S.p.A.	Italy	Euro	1,000,000	100	100			line-by-line
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
WSS Joint Venture	Saudi Arabia			55.3	40	15.3	Salini Saudi Arabia Company Ltd.	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.
Ana Cua WRT	Paraguay			55	55			joint oper.
Arriyad New Mobility Consortium	Saudi Arabia			33.48	33.48			joint oper.
Asocierea Astaldi S.p.A-IHI Infrastructure Systems SO, Ltd. (Braila)	Romania			60	60			joint oper.
Asocierea Lot 3 FCC-Webuild- Convensa	Romania			49.5	49.5			joint oper.
Asocierea Webuild Spa- Max Boegl Romania Srl- Astalrom Sa- Consitrans S.R.L.	Romania			49.971	40	9.971	Astalrom S.A.	joint oper.
Asocierea Webuild-Euroconstruct Trading 98	Romania			70	70			joint oper.
Asocierea Webuild-Euroconstruct Trading 98 S.r.l.- RCV Global Group S.r.l. (Piata Sudului)	Romania			50	50			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.
Astadim Spolka Cywilina	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-Somatra Get Groupement (G.A.S.)	Tunisia			60	60			joint oper. (a)
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)
ASTEH Groupement	Algeria			51	51			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.

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Avrasya Metro Grubu Joint Venture (AMG)	Turkey TRY	1,000	42	42			joint oper.
BSS-KSAB Joint Venture	Saudi Arabia		37.5	37.5			joint oper.
CAC Joint Venture	Australia		33.5		33.5	Clough Engineering & Integrated Solutions (CEIS) Pty Ltd.	joint oper.
Civil Works Joint Venture	Saudi Arabia		59.14	52	7.14	Salini Saudi Arabia Company Ltd.	joint oper.
Clough- BMD Joint Venture (CBJV)	Australia		50		50	Clough Projects Australia Pty 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 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.
Consorzio Constructor M2 Lima	Peru		25.5	25.5			joint oper.
Consorzio Constructora El Arenal	Honduras		49	49			joint oper.
Consorzio Lublino (Astaldi- PBDIM)	Poland		94.98	94.98			joint oper.
Constructor Tumarin Consorcio	Nicaragua		50	50			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)
Gdansk Consorzio	Poland		51	51			joint oper.
Ghazi-Barotha Contractors Joint Venture	Pakistan -	-	57.8	57.8			joint oper.
GR-RDM Groupement	Algeria		51	51			joint oper. (a)
GS Inima-Fisia Italimp. S.p.A. UTE Ghubrah III Swro	Oman Euro	6,000	50		50	Fisia Italimpianti S.p.A.	joint oper.
Ilka Metro Yapim Joint Venture	Turkey TRY	10,000	15		15	Astur Construction and Trade A.S.	joint oper.
Integrate Joint Venture	Australia		60		60	Clough Projects Australia Pty Ltd.	joint oper.
Lodz Consorzio	Poland		40	40			joint oper.
Max Boegl Romania S.r.l.- Astaldi S.p.A.	Romania		50	50			joint oper.
Mobile Bayway Constructors Joint Venture	USA		40		40	Lane Construction Corporation	joint oper. (a)
Mobilinx Hurontario Contractor	Canada		70		42	Webuild Civil Works	joint oper.
					28	Astaldi Canada Design & Construction Inc.	

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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.
NBI-A4 Tunnel Joint Venture	Turkey	TRY	1,500	99.99		99.99	NBI Elektrik Elekt. Tesisat Insaat	joint oper.
NGE Genie Civil S.a.s.- Salini Impregilo S.p.A.	France			50	50			joint oper.
Obrainsa- Astaldi Consorzio	Peru			51	51			joint oper.
Pape North Connect J.V.- Webuild Civil Works- Fomento	Canada			50		50	Webuild Civil Works Inc.	joint oper. (a)
Regionerate DC Joint Venture	Australia			50	50			joint oper.
Rio Mantaro Consorcio	Peru			50	50			joint oper.
Rio Urubamba Consorcio	Peru			40	40			joint oper.
Sailini Impregilo S.p.A.- NGE Genie Civil S.a.s	France			65	65			joint oper.
Saipem Clough Joint Venture (SCJV)	Australia			50		50	Clough Projects Australia Pty Ltd.	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 Ordinary Partnership	Turkey			50.01	50.01			joint oper. (a)
Webuild- SC Euroconstruct Tranding 98-SC Astalrom Asocierea (Orastie- Sibiu)	Romania			99.975	94.99	4.985	Astalrom S.A.	joint oper.
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)
Webuild-FCC-UTI-ACTIV (Metro 5) Associera	Romania			38.99	38.99			joint oper.

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Webuildi-FCC Joint Venture (Basarab Overpass)	Romania			50	50			joint oper.
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 (Medgidia-Costanza)	Romania			60	60			joint oper.
Webuild-Max Bogl-Euroconstruct-Tecnologica-Priect Bucuresti J.V. (A1 Ciuriel)	Romania			27.66	27.66			joint oper.
Webuild-Pizzarotti Joint Venture	Romania			62.5	62.5			joint oper.
101 Gaggio Consorzio	Switzerland			35		35	CSC Costruzioni S.A.	equity
Aegek-Impregilo-Aslom Transport Joint Venture	Greece			45.8	45.8			equity
AGL Joint Venture	USA			20		20	Lane Constr. Corporation	equity
AGN HAGA AB	Sweden	SEK	1,000	40	40			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
Associera Webuild S.p.A.-Tancrad S.r.l. Sibiu-Pitesti S3	Romania			90	90			equity
Astaldi-Federici-Todini Kramis	Italy	Euro	100,000	99.99	49.995	49.995	HCE Costruzioni S.p.A.	equity
Atayde North Holding	Mexico			40	40			equity
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
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

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Clough Wood Pty Ltd.	Australia	AUD	100,000	50		50	Clough Engineering & Integrated Solutions (CEIS) Pty Ltd.	equity
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 J.V.	equity
Consorcio Contuy Medio	Venezuela	-	-	57.34	57.34			equity
Consorcio Federici-Impresit-Ice (Cochabamba)	Bolivia	USD	100,000	25		25	HCE Costruzioni S.p.A.	equity
Consorcio Grupo Contuy-Proyectos y Obras de Ferrocarriles	Venezuela	-	-	66.658	66.658			equity
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 Astaldi-Federici-Todini (in liq.)	Italy	Euro	46,000	66.67	33.33	33.34	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 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 GI.IT. (in liq.)	Italy	Euro	2,582	50	50			equity
Consorzio GL 202	Switzerland			35		35.000	CSC Costruzioni S.A.	equity
Consorzio Hyperbuilders	Italy	Euro	10,000	96.22	96.22			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

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Consorzio MM4	Italy Euro	200,000	64.27		32.135	Webuild Italia S.p.A.	equity
					32.135	Partecipazioni Italia S.p.A.	
Consorzio NSIF 1301	Switzerland		35		35	CSC Costruzioni S.A.	equity
Consorzio Pizzarotti Todini-Kef-Eddir. (in liq.)	Italy Euro	100,000	50		50	HCE Costruzioni S.p.A.	equity
Consorzio Portale Vezia (CPV Lotto 854)	Switzerland		60		60	CSC Costruzioni S.A.	equity
Consorzio Probin	Switzerland		50		50	CSC Costruzioni S.A.	equity
Consorzio S.Anna	Switzerland		60		60	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 Vertiaz	Switzerland		100	0.01	99.99	CSC Costruzioni S.A.	equity
Consorzio Zeb	Switzerland		25		25	CSC Costruzioni S.A.	equity
CS Consorzio	Switzerland		85		85	CSC Costruzioni S.A.	equity
D&C Joint Venture	Australia		78	78			equity
Depurazione Palermo S.C. a r.l. (in liq.)	Italy Euro	20,000	50		50	HCE Costruzioni S.p.A.	equity
Di Penta Ugo Vitolo Consorzio (in liq.)	Italy Euro	2,582	50	50			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 Yacireta - ERIDAY UTE	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
Enecor S.A.	Argentina ARS	8,000,000	30		30	Impregilo Intern. Infr. N.V.	equity
Etlik Hastane P.A. S.r.l.	Italy Euro	110,000	51	51			equity
Eurolink S.C.p.A.	Italy Euro	150,000,000	45		45	Webuild Italia S.p.A.	equity
Fisia Abeima LLC	Saudi Arabia SAR	500,000	50		50	Fisia Italimpianti S.p.A.	equity
Fisia GS Inima (Al Ghubra) LLC	Oman OMR	250,000	50		50	Fisia Italimpianti S.p.A.	equity
Flatiron West Inc.- The Lane Constr. Corp. 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

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Fluor-Lane South Carolina LLC	USA			45		45	Lane Constr. Corporation	equity
Fonomen Consorzio	Switzerland			33.33		33.33	CSC Costruzioni S.A.	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
Groupement Webuild- Consider TP	Algeria			60	60			equity
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
Impregilo Alfred Mcalpine Churchill Hospital Joint Venture	UK			50		50	Impregilo New Cross Ltd.	equity
Impregilo Arabia Ltd.	Saudi Arabia	SAR	40,000,000	50	50			equity
Impresit Bakolori Plc	Nigeria	NGN	100,800,000	50.707	50.707			equity
Infraflegrea S.C. a r.l. (in liq.)	Italy	Euro	46,600	50	50			equity
Iricav Uno Consorzio (in liq.)	Italy	Euro	338,676	42.853		42.853	Partecipazioni Italia S.p.A.	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 Aktor-Webuild-Hitachi Rail STS	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 Salini- Secol	Romania			80	80			equity
Joint Venture Terna S.p.A.- Impregilo S.p.A.	Greece	-	-	45	45			equity
Kallidromo Joint Venture	Greece	Euro	29,347	23		20.7	HCE Costruzioni S.p.A.	equity
						2.3	Consorzio Kallidromo	
La Maddalena	Switzerland	Euro	10,000	66.67	5	61.67	CSC Costruzioni S.A.	equity
Line 3 Metro Stations CW Joint Venture	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
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

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Mobilink Hurontario General Partnership	Canada			35		21	Webuild Mobilink Hur. GP Inc.	equity
						14	Astaldi Mobilinx Hur. GP Inc.	
Mobilinx Hurontario Services Ltd.	Canada			20	12	8	Astaldi Canada Enterprises Inc.	equity
NLF Nowa Lodz Fabryczna Sp. z.o.o.	Poland			50	50			equity
Novocen Consorzio (in liq.)	Italy	Euro	51,640	57.92	57.92			equity
Nuovo Polo Fieristico S.C. a r.l. (in liq.)	Italy	Euro	40,000	50	50			equity
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
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
Rinfra Astaldi Joint Venture	India			26	26			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
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
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

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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
Società Consortile Valdostana Condotte- Cossi a r.l.	Italy	Euro	100,000	20.0		20.0	Cossi Costruzioni S.p.A.	equity
Sotra Link A.S.	Norway	NOK	30,000	10		10	Sotra Link Holdco AS	equity
Sotra Link Holdco A.S.	Norway	NOK	30,000	10		10	Astaldi Concessions S.p.A.	equity
Spark Nel DC Workforce Pty Ltd.	Australia			34.118		34.118	Salini Australia PTY Ltd.	equity
Superior-Lane Joint Venture	USA			50		50	Lane Constr. Corporation	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 (EZEIZA)	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
VE.CO. S.C. a r.l.	Italy	Euro	10,200	25	25			equity
Webuild-APCO Joint Venture	India			30	30			equity
Webuild-Partecipazione Italia-Salcef Timisoara- Arad lot 3 Joint Venture	Romania			80	75	5	Partecipazioni Italia S.p.A.	equity
Webuild-Partecipazione Italia-Salcef Timisoara- Arad lot 4 Joint Venture	Romania			80	75	5	Partecipazioni Italia S.p.A.	equity
Webuild-Pizzarotti-Salcef Joint Venture	Romania			50	50			equity
Webuild-SOMET-TIAB-UTI GRUP	Romania			40	40			equity
Yacylec S.A.	Argentina	ARS	20,000,000	18.67		18.67	Impregilo Intern. Infr. N.V.	equity
Yuma Concessionaria S.A.	Colombia	COP	26,000,100,000	48.326	40	8.326	Impregilo Intern. Infr. N.V.	equity
Acqua Campania S.p.A.	Italy	Euro	4,950,000	0.1		0.1	Impregilo Intern. Infr. N.V.	IFRS 9
Amplia Infrastructures S.p.A.	Italy	Euro	10,116,452	0.202	0.202			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

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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.)	
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
Centro Uno Consorzio (in liq.)	Italy	Euro	154,937	2	2			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 Costruttori TEEM	Italy	Euro	10,000	0.01		0.01	HCE Costruzioni S.p.A.	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 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 Venezia Nuova	Italy	Euro	274,000	17.55		17.55	Consorzio Italvenezia	IFRS 9
Constructora Astaldi Cachapoal Limitada	Chile	CLP	10,000,000	99	99			IFRS 9
DIRPA S.C. a r.l.	Italy	Euro	50,000,000	98.98		98.98	Consorzio Stabile Operae	IFRS 9
EDIL.CRO S.C. a r.l. (in liq.)	Italy	Euro	10,200	16.65		16.65	HCE Costruzioni S.p.A.	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
Groupement Lesi-Dipenta Consorzio	Italy	Euro	258,228	0.01	0.01			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
I 405 Partners Joint Venture	USA			26.325		26.325	Astaldi Construction Corporation	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

List of Webuild Group companies at 31 December 2023

	Country Currency	Share/quota capital subscribed	Investment %	% direct	% indirect	Indirect parent	Consolidation or measurement method
Ital.Co.Cer. Consorzio (in Liq.)	Italy Euro	51,600	30	30			IFRS 9
Joint Venture Aktor S.A.- Impregilo S.p.A.	Greece -	-	0.1	0.1			IFRS 9
Joint Venture Salini Impregilo- Doprastav	Czech Rep.		0.01	0.01			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
Malagrotta Consorzio	Italy Euro	2,840	0.035	0.035			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.	
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
Parklife Metro Holdings Pty L.t.d.	Australia AUD	36,537,899	10		10	SYD TS Pty Ltd.	IFRS 9
Parklife Metro Holdings Unit Trust	Australia AUD	36,537,899	10		10	SYD TS Pty Ltd.	IFRS 9
Parklife Metro Pty L.t.d.	Australia AUD	10,000	10		10	Parklife Metro Holdings Pty L.t.d.	IFRS 9
Parklife Metro Unit Trust	Australia AUD	10,000	10		10	Parklife Metro Holdings Pty L.t.d.	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
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	1.118		0.559	Webuild Italia S.p.A.	IFRS5
					0.559	Partecipazioni Italia S.p.A.	
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

List of Webuild Group companies at 31 December 2023

	Country	Currency	Share/quota capital subscribed	Investment %	% direct	% indirect	Indirect parent	Consolidation or measurement method
Transmetro- Construcao de Metropolitano A.C.E.	Portugal			5		5	HCE Costruzioni S.p.A.	IFRS 9
U Joint Venture Astaldi S.p.A. (fil. Cile), VCGP (Ag en Chile) Astaldi Ingenieria y Const.Ltd.	Chile			0.5		0.5	VCGP- Astaldi Ingenieria y Construccion Limitada	IFRS 9
Utenti Servizi Salaria Vallericca Consorzio	Italy	Euro	10,500	0.01	0.01			IFRS 9
Valtellina Golf Club S.p.A.	Italy	Euro	2,813,300	0.636		0.636	Cossi Costruzioni S.p.A.	IFRS 9
VCGP- Astaldi Ingenieria y Construccion Limitada	Chile	CLP	66,000,000	50	50			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.	
Wurno Construction Materials- WUCOMAT Ltd.	Nigeria	NGN	3,300,000	5.071		5.071	Impresit Bakolori Plc	IFRS 9

(a) Inactive

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 2023 and the financial performance and cash flows for the year then ended of the Issuer and the 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, 14 March 2024

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 2023

Separate financial statements

Statement of financial position

ASSETS (Euro)	Note	31 December 2022	of which: related parties	31 December 2023	of which: related parties
Non-current assets					
Property, plant and equipment	7	136,640,638		199,349,231	
Right-of-use assets	7	38,648,305		37,438,216	
Intangible assets	7	59,148,676		31,445,077	
Equity investments	8	2,202,347,274		2,330,197,260	
Non-current financial assets, including derivatives	9	294,516,486	187,555,436	306,092,957	204,081,770
Deferred tax assets	10	256,086,605		257,234,628	
Total non-current assets		**2,987,387,984**		**3,161,757,369**	
Current assets					
Inventories	11	112,102,327		115,517,558	
Contract assets	12	1,494,904,924		1,765,932,439	
Trade receivables	13	1,743,853,826	1,135,351,853	1,693,004,229	903,651,930
Current financial assets, including derivatives	14	1,253,286,053	1,168,896,804	1,489,523,247	1,231,419,238
Current tax assets	15	48,279,483		42,455,480	
Other current tax assets	15	86,227,363		79,969,734	
Other current assets	16	447,377,439	174,191,888	415,970,331	58,547,998
Cash and cash equivalents	17	961,906,263		913,212,330	
Total current assets		**6,147,937,678**		**6,515,585,348**	
Non-current assets held for sale and disposal groups	18	14,731,619		14,423,557	
Total assets		**9,150,057,281**		**9,691,766,274**	

Statement of financial position

EQUITY AND LIABILITIES	Note	31 December 2022	of which: related parties	31 December 2023	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		645,272,674		518,952,598	
Other comprehensive expense		(6,359,917)		(19,284,492)	
Retained earnings		4,048,499		-	
Profit (loss) for the year		(69,556,545)		28,892,981	
Total equity	19	**1,541,167,952**		**1,496,324,328**	
Non-current liabilities					
Bank and other loans and borrowings	20	241,203,443	6,881,975	123,958,403	7,108,382
Bonds	21	1,886,548,878		1,600,073,998	
Lease liabilities	22	28,480,027		24,023,272	
Post-employment benefits and other employee benefits	25	13,155,500		15,395,033	
Deferred tax liabilities	10	43,170,077		30,595,857	
Provisions for risks	26	83,296,990		119,548,693	
Total non-current liabilities		**2,295,854,915**		**1,913,595,256**	
Current liabilities					
Current portion of bank loans and borrowings and current account facilities	20	2,330,154,238	2,181,607,988	3,004,806,158	2,778,261,350
Current portion of bonds	21	18,505,651		306,464,784	
Current portion of lease liabilities	22	32,854,658		24,761,815	
Contract liabilities	12	769,676,896		799,364,128	
Trade payables	27	1,809,225,374	981,773,284	1,733,226,551	766,535,932
Current tax liabilities	28	55,804,559		126,842,158	
Other current tax liabilities	28	50,355,823		58,875,585	
Other current liabilities	29	232,559,177	88,116,099	214,003,020	67,762,861
Total current liabilities		**5,299,136,376**		**6,268,344,199**	
Liabilities directly associated with non-current assets held for sale and disposal groups	18	13,898,038		13,502,491	
Total equity and liabilities		**9,150,057,281**		**9,691,766,274**	

Statement of profit or loss

(Euro)	Note	2022	of which: related parties	2023	of which: related parties
Revenue					
Revenue from contracts with customers	32	1,863,092,799	113,028,802	2,512,955,026	134,235,856
Other income	32	199,236,647	80,416,659	252,366,248	60,246,719
Total revenue and other income		**2,062,329,446**		**2,765,321,274**	
Operating expenses					
Purchases	33.1	(369,718,539)	(2,137,693)	(430,775,278)	(220,262)
Subcontracts	33.2	(545,890,788)	(8,885,657)	(717,558,241)	(7,320,833)
Services	33.3	(595,766,882)	(49,679,475)	(898,159,772)	(62,510,668)
Personnel expenses	33.4	(399,291,186)	(4,354,930)	(475,477,141)	(27,185,253)
Other operating expenses	33.5	(96,785,894)	(1,203,075)	(122,459,187)	(4,671,600)
Net impairment losses	33.6	(893,507)	(562,741)	(1,942,518)	(3,662,748)
Amortisation, depreciation and provisions	33.6	(78,725,373)		(118,612,822)	
Total operating expenses		**(2,087,072,169)**		**(2,764,984,959)**	
Operating profit (loss)		**(24,742,723)**		**336,315**	
Financing income (costs) and gains (losses) on equity investments					
Financial income	34.1	80,562,296	49,002,376	113,732,913	66,241,381
Financial expense	34.2	(222,790,880)	(56,454,757)	(296,865,540)	(104,679,458)
Net exchange gains (losses)	34.3	64,555,244		(38,620,218)	
Net financing costs		(77,673,340)		(221,752,845)	
Net gains on equity investments	35	69,893,418		266,088,922	
Net financing costs and net gains on equity investments		**(7,779,922)**		**44,336,077**	
Profit (loss) before tax		**(32,522,645)**		**44,672,392**	
Income taxes	36	(13,956,130)		(6,623,189)	
Profit (loss) from continuing operations		**(46,478,775)**		**38,049,203**	
Loss from discontinued operations	18	(23,077,770)		(9,156,222)	
Profit (loss) for the year		**(69,556,545)**		**28,892,981**	

Statement of comprehensive income

(€'000)		2022	2023
Profit (loss) for the year (a)		(69,557)	28,893
- items that may be subsequently reclassified to profit or loss, net of the tax effect:			
Net exchange gains (losses) on the translation of foreign companies' financial statements	19	2,075	(13,045)
- items that may not be subsequently reclassified to profit or loss, net of the tax effect:			
Net actuarial gains on defined benefit plans	19	455	120
Other comprehensive income (expense) (b)		2,530	(12,925)
Comprehensive income (expense (a) + (b)		(67,027)	15,968

Statement of cash flows

(€'000)	Note	2022	2023
Operating activities			
Profit (loss) from continuing operations		(46,479)	38,049
adjusted by:			
Amortisation of intangible assets	33	31,705	27,816
Depreciation of property, plant and equipment and right-of-use assets	33	49,934	45,703
Net impairment losses and provisions (reversals)	33	(2,020)	47,037
Accrual for post-employment benefits and other employee benefits	25	9,704	11,902
Net (gains) losses on the sale of assets	32- 33	3,456	(2,376)
Deferred taxes	36	58,006	(78)
Net (gains) losses on equity investments	35	(68,607)	198,768
Income taxes	36	(44,050)	6,701
Net exchange (gains) losses	34	(64,556)	38,620
Net financial expense	34	137,021	183,133
Other non-monetary items		(19,734)	(497,588)
		44,380	**97,687**
Increase in inventories and contract assets	11- 12	(79,571)	(179,868)
Increase in trade receivables	13	(212,430)	(141,699)
Increase in contract liabilities	12	309,730	29,687
Increase in trade payables	27	85,240	115,586
Decrease (increase) in other assets/liabilities		54,838	(111,842)
Total changes in working capital		**157,807**	**(288,136)**
Decrease in other items not included in working capital		48,404	94,137
Income taxes paid		(104,114)	(34,277)
Interest expense paid		(110,968)	(120,968)
Financial income collected		3,018	27,984
Cash flows generated by (used in) operating activities		**38,527**	**(223,573)**
Investing activities			
Investments in intangible assets	7	(13)	(64)
Investments in property, plant and equipment	7	(49,497)	(95,979)
Proceeds from the sale or reimbursement value of property, plant and		6,103	6,042
Investments in non-current financial assets		(121,936)	(352,796)
Dividends distributed by subsidiaries		1,286	5,294
Proceeds from the sale or reimbursement value of non-current financial	8	10,909	
Acquisitions/sales of business units and other changes in investing activities		(7)	(36)
Cash flows used in investing activities		**(153,155)**	**(437,539)**

(€'000)	Note	2022	2023
Financing activities			
Dividends distributed	19	(54,217)	(55,954)
Repurchase of treasury shares		(24,643)	(8,294)
Exercise of lender warrants			15,295
Increase in bank and other loans	20	1,912,177	2,601,772
Decrease in bank and other loans	20	(1,905,003)	(2,661,672)
Decrease in lease liabilities		(29,574)	(28,725)
Change in other financial assets/liabilities		495,920	745,717
Cash flows generated by financing activities		**394,660**	**608,139**
Net exchange losses on cash and cash equivalents		**(843)**	**(10,159)**
Increase (decrease) in cash and cash equivalents		**279,189**	**(63,132)**
Cash and cash equivalents	17	692,568	961,906
Current account facilities	20	(10,531)	(681)
Total opening cash and cash equivalents		**682,037**	**961,225**
Cash and cash equivalents	17	961,906	913,212
Current account facilities	20	(681)	(15,119)
Total closing cash and cash equivalents		**961,225**	**898,093**

Statement of changes in equity

(€'000)		Share capital	Share premium reserve	Other reserves: Legal reserve	Negative goodwill (demerger)	Reserve for treasury shares	Share capital increase related charges	IFRS 2 reserve	Lender warrants reserve	Reserve for shares assigned in exchange for unsecured claims	Total other reserves	Other comprehensive expense: Translation reserve	Actuarial reserve	Total other comprehensive expense	Retained earnings	Profit (loss) for the year	Total equity
As at 1 January 2022		**600,000**	**367,763**	**120,000**	**780,908**	**(3,515)**	**(10,988)**	**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	1
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	-	719
Loss for the year	19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(69,557)	(69,557)
Other comprehensive income	19	-	-	-	-	-	-	-	-	-	-	*2,075*	*456*	*2,530*	-	-	2,530
Comprehensive expense	19	-	-	-	-	-	-	-	-	-	-	*2,075*	*456*	*2,530*	-	*(69,557)*	(67,027)
As at 31 December 2022	**19**	**600,000**	**367,763**	**120,000**	**480,963**	**(28,158)**	**(10,988)**	**83,456**	**-**	**-**	**645,273**	**(6,476)**	**116**	**(6,360)**	**4,048**	**(69,557)**	**1,541,168**
As at 1 January 2023	**19**	**600,000**	**367,763**	**120,000**	**480,963**	**(28,158)**	**(10,988)**	**83,456**	**-**	**-**	**645,273**	**(6,476)**	**116**	**(6,360)**	**4,048**	**(69,557)**	**1,541,168**
Allocation of loss and reserves	19	-	-	-	(65,508)	-	-	-	-	-	(65,508)	-	-	-	(4,048)	69,557	-
Dividend distribution	19	-	-	-	(55,954)	-	-	-	-	-	(55,954)	-	-	-	-	-	(55,954)
Treasury shares	19	-	-	-	-	(8,212)	-	-	-	-	(8,212)	-	-	-	-	-	(8,212)
Long-term incentive plan	19	-	-	-	-	-	-	(11,941)	-	-	(11,941)	-	-	-	-	-	(11,941)
Share issue	19	-	-	-	-	-	-	(45,886)	59,765	1,416	15,295	-	-	-	-	-	15,295
Profit for the year	19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	28,893	28,893
Other comprehensive expense	19	-	-	-	-	-	-	-	-	-	-	*(13,044)*	*120*	*(12,925)*	-	-	(12,925)
Comprehensive income	19	-	-	-	-	-	-	-	-	-	-	*(13,044)*	*120*	*(12,925)*	-	*28,893*	15,967
As at 31 December 2023	**19**	**600,000**	**367,763**	**120,000**	**359,501**	**(36,370)**	**(10,988)**	**25,629**	**59,765**	**1,416**	**518,953**	**(19,521)**	**234**	**(19,285)**	**-**	**28,893**	**1,496,324**

Notes to the separate financial statements

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

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 as required by Regulation (EC) no. 1606/2002 issued by the European Parliament and the Council and transposed into Italian law by Legislative decree no. 38/2005.

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 board of directors authorised the publication of these separate financial statements at its meeting of 14 March 2024.

2.4 Going concern

Webuild has prepared its separate financial statements at 31 December 2023 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 2023 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 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 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 the separate 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 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 and 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 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 reflect the current macroeconomic scenario and the risks and opportunities of climate change and the energy transition (these issues are discussed in the Directors' report - Part II, to which reference is made). They may have an impact on the company's and the Group's financial position, financial performance and cash flows. The utilisation of the up-to-date group 2024 budget that reflects the uncertainties as a basis for the judgements underpinning preparation of the separate financial statements 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's 2024 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.

Macroeconomic scenario

Inflation rose again in 2023, affected by the ongoing military conflicts and the recent crisis in the Red Sea, although raw materials and commodity prices gradually stabilised during the year.

As described in the Directors' report, supply chain activities pursued consolidation of the previously-adopted mitigation measures, including through careful market monitoring and the subsequent adaptation of procurement policies to contain prices.

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 price risk mitigation clauses, including risks related to changes in the cost of works due to increases in raw materials prices.

In Italy, Law no. 197 of 29 December 2022 (the 2023 budget act) confirmed the measures to tackle the rising cost of materials, fuel and energy already introduced by Decree law no. 50 of 17 May 2022 (the Aiuti decree). Furthermore, Law no. 213 of 30 December 2023 (the 2024 budget act) extended these measures to work performed or recorded in 2024.

During preparation of contract budgets, Webuild considers the expected commodity and energy price trends.

As a result of the restrictive monetary policies rolled out by central banks to counter rising inflation, interest rates surged in 2023 thus increasing the cost of credit for companies.

The company's debt is of a long-term nature and mostly bears fixed-rate interest, which contributes to mitigating the risk of interest rate hikes. Note 31.2.2 provides information about the possible impact of additional fluctuations in interest rates on the company's financial income and expense.

Webuild considered the rise in interest rates when testing its assets (equity investments and financial assets) for impairment, especially when calculating their WACC.

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 analysed climate change risks as part of the group risk assessment. This analysis focused on the risks potentially arising from an acceleration in environmental and climate policies, changes in technology and stakeholders' heightened interest in environmental issues.

In 2023, this assessment included deep diving the company's exposure to risks arising from extreme climate events (acute physical risks), such as flooding, storm surges, heat waves, earthquakes, landslides, etc. These events can damage production equipment and works as well as, more generally, disrupt the value chain.

The company has numerous mitigation actions to deal with these physical risks depending on the nature of the project and its environmental and regulatory context, such as insurance policies for the equipment and contract clauses or negotiations with the customers. Its assessment confirmed the substantial effectiveness of these actions and the inexistence of any residual economic or financial impacts.

Climate change risks have also been considered when planning the impairment tests of certain assets (equity investments and financial assets). 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.

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 the type of cost incurred. 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

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. This right exists if the contract conveys the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from use of the identified asset.

Webuild as lessee

When the asset is ready for use, the company recognises a right-of-use asset and a liability for its obligation to make the lease payments over the lease term (the lease liability) in its statement of financial position.

Right-of-use assets: they 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. Right-of-use assets are 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, variable lease payments, amounts expected to be payable under residual value guarantees, the exercise price of a purchase option and payments of penalties for terminating the lease. After initial recognition, lease liabilities are measured at amortised cost and are remeasured to reflect changes in the lease payments which adjust the right-of-use asset.

Short-term leases and leases of low-value assets: the company has entered into a lease with a term equal or less than 12 months and leases of low-value assets, for which it has applied the exemptions allowed by IFRS 16. The related lease payments are expensed 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.

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 asset 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 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 transaction price should be 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 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 company did not adopt the output method (i.e., 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. If this is the case, it needs to be ascertained whether the rights to the consideration are provided for contractually, thus 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 of the 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 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 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 costs of obtaining a contract as an asset if they can be considered "incremental" and 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 shall recognise 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 not 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 control of the good and/or service to the customer.

Presentation in the separate financial statements

The statement of financial position includes contract costs capitalised under the criteria described in this section as intangible assets. 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 2023, 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. An independent actuary calculates the company's 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. 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 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.

3.14 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 restated 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 (2024 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.

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

This section lists the standards, amendments and interpretations published by the IFRS, endorsed by the European Union and applicable since 1 January 2023.

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

Standard/Interpretation	IASB application date
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
Amendments to IAS 12- Income taxes: International tax reform- Pillar Two Model Rules (issued on 23 May 2023)	1 January 2023

The adoption of the amendments applicable since 1 January 2023 has not had a significant impact on these separate financial statements.

The company adopted early 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 to the consolidated financial statements at 31 December 2022.

With respect to IFRS 17 and the performance guarantees issued on behalf of subsidiaries, given that the company can recoup the amounts in full from its subsidiaries, it has adopted an accounting policy whereby these guarantees will be classified as loan commitments should the subsidiaries not comply with the contract terms of the performance guarantees, which fall within the scope of IFRS 9. It has adopted this approach given that the main scope and nature of its performance guarantees are to provide the subsidiaries with financing.

The company has applied the mandatory exemption for the recognition of deferred taxes arising from the implementation of the Pillar Two model rules. More information about the related estimated effects on its financial position and performance is provided in note 36.

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 1- Presentation of financial statements: ▪ Classification of liabilities as current and 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

The standards that became applicable on 1 January 2024 are not currently expected to have a significant effect on the separate 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 7 - Statement of cash flows and IFRS 7 - Financial instruments: disclosures - supplier finance arrangements (issued on 25 May 2023)	1 January 2024
Amendments to IAS 21 - The effects of changes in foreign exchange rates: Lack of exchangeability (issued on 15 August 2023)	1 January 2025

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%
Consorzio Constructor M2 Lima	Peru	Lima Metro, Line 2	25.50%
Sotra Link A.S. Joint venture	Norway	Rv.555 – The Sotra Connection road system	35.00%
Spark NEL DC Joint venture	Australia	North East Link in Melbourne	29.00%
TELT lot 2	France	Turin- Lyon base tunnel	50.00%

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 separate financial statements figures are summarised below by operating segment with comparative figures for 2023 (statement of profit or loss) and at 31 December 2023 (statement of financial position).

Statement of profit or loss 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 profit or loss by operating segment- 2023

(€'000)	Italy	Abroad	Total
Revenue from contracts with customers	57,466	2,455,489	2,512,955
Other income	83,989	168,377	252,366
Total revenue and other income	**141,455**	**2,623,866**	**2,765,321**

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**
Net assets held for sale	-	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 by operating segment- 31 December 2023

(€'000)	Italy	Abroad	Total
Non-current assets	988,010	1,610,420	**2,598,430**
Net assets held for sale	-	922	**922**
Provisions for risks	(12,694)	(106,855)	**(119,549)**
Post-employment benefits and other employee benefits	(4,645)	(10,750)	**(15,395)**
Net tax assets (liabilities)	195,165	(31,819)	**163,346**
Net working capital	**188,256**	**1,055,362**	**1,243,618**
Net invested capital	**1,354,092**	**2,517,280**	**3,871,372**
Equity			**1,496,324**
Net financial indebtedness			**2,375,048**
Total financial resources			**3,871,372**

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 2022			31 December 2023		
(€'000)	Cost	Acc. dep.	Carrying amount	Cost	Acc. dep.	Carrying amount
Land	624	-	624	624	-	624
Buildings	67,016	(44,118)	22,898	68,635	(47,097)	21,538
Plant and machinery	566,379	(500,908)	65,471	581,428	(512,557)	68,871
Industrial and commercial equipment	88,671	(79,453)	9,218	105,713	(83,554)	22,159
Other assets	39,844	(31,639)	8,205	39,881	(32,017)	7,864
Assets under const. and payments on account	30,224	-	30,224	78,293	-	78,293
Total	**792,758**	**(656,118)**	**136,641**	**874,574**	**(675,225)**	**199,349**

Changes during the year are summarised below:

(€'000)	31 December 2022	Increases	Depreciation	Reversals of imp. losses (Imp. losses)/Reval.	Reclass-ifications	Disposals	Changes in scope	Exchange gains (losses) and other changes	31 December 2023
Land	624	-	-	-	-	-	-	-	624
Buildings	22,898	2,871	(3,709)	-	(1)	(40)	(278)	(203)	21,538
Plant and machinery	65,471	23,835	(18,358)	-	1,398	(2,676)	-	(799)	68,871
Industrial and commercial equipment	9,218	16,035	(4,806)	-	2,368	(639)	-	(17)	22,159
Other assets	8,205	1,977	(2,088)	-	(36)	(132)	-	(62)	7,864
Assets under const. and payments on account	30,224	50,829	-	-	(2,271)	(179)	-	(310)	78,293
Total	**136,641**	**95,547**	**(28,961)**	**-**	**1,458**	**(3,666)**	**(278)**	**(1,391)**	**199,349**

The most significant changes include:

- increases of €95.5 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 €29 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;
- reclassifications of €1.5 million, mostly of machinery and equipment under lease at the end of 2022;
- disposals of €3.7 million, mostly related to the sale of work equipment no longer necessary for work at the Chilean and Lesotho branches.

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 2022			31 December 2023		
(€'000)	Cost	Acc. dep.	Carrying amount	Cost	Acc. dep.	Carrying amount
Land	670	(623)	47	1,093	(705)	388
Buildings	44,948	(26,369)	18,579	40,712	(21,616)	19,096
Plant and machinery	51,827	(33,797)	18,031	58,567	(42,082)	16,485
Industrial and commercial equipment	572	(550)	22	66	(56)	10
Other assets	4,032	(2,063)	1,969	3,287	(1,828)	1,459
Total	**102,050**	**(63,402)**	**38,648**	**103,725**	**(66,287)**	**37,438**

Changes during the year are summarised below:

(€'000)	31 December 2022	Increases	Depreciation	Reversals of imp. losses (Imp. losses)/Reval.	Reclassifications	Remeasurement	Changes in scope	Exchange gains (losses) and other changes	31 December 2023
Land	47	31	(85)	-	398	(3)	-	-	388
Buildings	18,579	7,524	(7,099)	-	(416)	577	-	(69)	19,096
Plant and machinery	18,031	8,846	(8,970)	-	(1,441)	(14)	-	33	16,485
Industrial and commercial equipment	22	-	(11)	-	-	-	-	(1)	10
Other assets	1,969	124	(577)	-	-	(57)	-	-	1,459
Total	**38,648**	**16,525**	**(16,742)**	**-**	**(1,459)**	**503**	**-**	**(37)**	**37,438**

The most significant changes of the year include:

- increases of €16.5 million, mainly related to the Rogun Hydropower Project in Tajikistan and the Romanian branch;
- depreciation of €16.7 million, principally recognised on the Milan and Rome head office buildings and plant and machinery of the Rogun Hydropower Project in Tajikistan and Line 16 of the Paris Metro in France;
- reclassifications to proprietary assets of machinery and equipment under lease at the end of the previous year (€1.5 million).

7.3 Intangible assets

The historical cost and carrying amounts of the intangible assets are given in the following table:

	31 December 2022			31 December 2023		
(€'000)	Cost	Acc. amort.	Carrying amount	Cost	Acc. amort.	Carrying amount
Industrial patents	1,058	(1,046)	12	788	(781)	7
Software	2,155	(1,995)	160	2,590	(2,453)	137
Assets under devel. and payments on account	37	-	37	101	-	101
Contract acquisition costs	180,804	(121,885)	58,919	180,804	(149,606)	31,198
Costs to fulfil a contract	671	(650)	21	647	(645)	2
Total	**184,725**	**(125,576)**	**59,149**	**184,930**	**(153,485)**	**31,445**

Changes during the year are set out below:

(€'000)	31 December 2022	Increases	Amortisation	Reclass-ifications	Disposals	Net exchange gains	Changes in scope	31 December 2023
Industrial patents	12	-	(12)	-	-	7	-	7
Software	160	-	(63)	-	-	40	-	137
Other	37	64	-	-	-	-	-	101
Contract acquisition costs	58,919	-	(27,721)	-	-	-	-	31,198
Costs to fulfil a contract	21	-	(19)	-	-	-	-	2
Total	**59,149**	**64**	**(27,815)**	**-**	**-**	**47**	**-**	**31,445**

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 (€27.7 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 2022	31 December 2023	Variation
Investments in subsidiaries	1,636,969	1,861,542	224,573
Investments in associates	563,827	466,585	(97,242)
Participating financial instruments	1,003	1,523	520
Other equity investments	548	547	(1)
Total	**2,202,347**	**2,330,197**	**127,850**

Changes in equity investments during the current and previous years are summarised below:

(€'000)	31 December 2022	31 December 2023
Acquisitions (disinvestments), capital injections and other contributions	167,566	344,462
Net impairment losses	(112,959)	(199,638)
Net exchange gains (losses)	31,298	(17,793)
Reclassifications and other changes	(7,229)	819
Total	**78,676**	**127,850**

The most significant changes include:

- capital injections into the subsidiaries Webuild US Holdings Inc. (€283.3 million), HCE Costruzioni S.p.A. (€20 million) and Fisia Italimpianti S.p.A. (€15.9 million);
- impairment losses recognised during the year as detailed below;
- exchange losses of €17.9 million recognised on the investment in Grupo Unidos por el Canal S.A. due to the performance of the US dollar.

For the purpose 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[83].

	Carrying amount[84]	Methodology	WACC/TIE	G-rate	IT (loss)
Webuild US Holdings Inc.	944,711	UDCF	12.6%	None	(52,431)
Partecipazioni Italia S.p.A.	550,032	UDCF	10.0%	Not applicable	-
Grupo Unidos por el Canal S.A.	528,768		3.1%-3.6%	Not applicable	(97,449)
HCE Costruzioni S.p.A.	20,000	UDCF	21.0%	Not applicable	-
Fisia Italimpianti S.p.A.	73,241	UDCF	13.8%	None	-
Salini Nigeria Ltd.	19,815	UDCF	19.6%	None	(19,815)
Cossi Costruzioni S.p.A.	18,602	UDCF	12.0%	None	-
Seli Overseas S.p.A.	16,167	UDCF	12.1%	None	-
NBI S.p.A.	10,240	UDCF	12.8%	None	-
Yuma Concesionaria S.A.	5,758	DDM	16.7%	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 of the company and its investees over a five-year period. The terminal growth rate was prudently estimated to be zero.

The 2024-2028 financial projections were based on the following main assumptions:

- the operating profit margin 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;
- working capital trends over the 2024-2028 plan horizon were estimated considering the DPO and DSO over the period and specific assumptions for each project;
- a slightly increased win rate for new orders was projected compared to that achieved in recent years, in line with the business strategy of focusing on core markets.

The impairment test showed that an impairment loss of €52.4 million was required.

According to the sensitivity analysis carried out, a reasonable change in the discount rate of -0.25%/+0.25% would entail an approximate €-11.8/€+11.3 million change in the impairment loss.

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 the backlog's completion period.

The 2024-2028 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 change in the parameters. This analysis confirmed that reasonably possible changes would not lead to the carrying amount being greater than the recoverable amount.

[83] Mostly in the case where the carrying amount exceeds the company's share of the investee's equity
[84] Before the impairment test

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-including considering the arbitration award issued by the International Chamber of Commerce ("ICC") in 2023-[85]by discounting the cash flows expected from its operations using the assumed settlement of 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 (3.1% for the claims and 3.6% 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 showed that an impairment loss of €97.5 million was required.

According to the sensitivity analysis carried out, a reasonable change in the discount rate of-0.5%/+0.5% would entail an approximate €-7.3/€+7.3 million change in the impairment loss.

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[86], as shown in their accounting records and draft financial statements at 31 December 2023 provided by their management.

Impairment losses recognised on these equity investments during the year totalled €27.5 million. More information is available in the annex on changes in equity investment attached to these notes.

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 in the Directors' report.

9. Non-current financial assets, including derivatives

This item may be analysed as follows:

[85] The investment's carrying amount includes a loan representing an additional long-term investment therein.

[86] As these SPEs are set up solely for specific projects, their accounting records already reflect any expected contract losses.

(€'000)	31 December 2022	31 December 2023	Variation
Loans and receivables- group companies	187,555	204,082	16.527
Loans and receivables- third parties	98,842	92,170	(6.672)
Other financial assets	8,119	9,841	1.722
Total	**294,516**	**306,093**	11.577

Loans and receivables- group companies mainly comprise the loans given to Yuma Concesionaria (€194.3 million).

Loans and receivables- third parties of €92.2 million mostly refer to: (i) sales advances of €68.6 million disbursed to Astaris' separate unit (PADE) in accordance with the approved composition with creditors plan, and (ii) €24 million related to the proceedings against the customer about the performance guarantees 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 decrease in this item is mostly due to the partial repayment (€5.5 million) of the sales advances disbursed to PADE.

The other financial assets amount to €9.8 million at the reporting date and are made up of unlisted guaranteed-return securities of the "Fondo de Capital Privado Ruta del Sol" held as part of Yuma's concession project in Colombia.

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 in 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 S.A. (nominal amount of €194.3 million). The test was performed in line with the conceptual framework of IFRS 9 simulating various collection scenarios. It showed that the loans are fully recoverable. Accordingly, the company reversed the impairment losses recognised in previous years by recognising an impairment gain of €13.5 million in financial income (see note 34.1).

10. Deferred tax assets and liabilities

This item may be broken down as follows:

(€'000)	31 December 2022	31 December 2023	Variation
Deferred tax assets	256,087	257,235	1,148
Deferred tax liabilities	(43,170)	(30,596)	12,574

Changes in the year are shown in the following table:

(€'000)	31 December 2022	Increases	Decreases	Net exchange losses	Change in tax rate	Reclass-ifications	Other changes	31 December 2023
Deferred tax assets								
Amortisation and depreciation exceeding tax rates	1,653	12,142	-	-	-	-	-	13,795
Provisions for risks and impairment losses	210,623	96	(49)	-	-	-	-	210,670
Tax effect of capital increase	444	-	(444)	-	-	-	-	-
Excess maintenance	752	-	(752)	-	-	-	-	-
Unrealised exchange losses	34,352	32,746	-	-	-	-	-	67,098
Other	94,873	2,362	(16,981)	(3,116)	-	(4,686)	(7)	72,445
Deferred tax assets before offsetting	**342,697**	**47,346**	**(18,226)**	**(3,116)**	**-**	**(4,686)**	**(7)**	**364,008**
Offsetting	(86,610)	-	-	-	-	(20,163)	-	(106,773)
Net deferred tax assets	**256,087**	**47,346**	**(18,226)**	**(3,116)**	**-**	**(24,849)**	**(7)**	**257,235**

(€'000)	31 December 2022	Increases	Decreases	Net exchange losses	Change in tax rate	Reclass-ifications	Other changes	31 December 2023
Deferred tax liabilities								
Uncollected default interest	(4,827)	(2,114)	-	-	-	-	-	(6,941)
Contract revenue or revenue items	(226)	(4,658)	-	-	-	-	226	(4,658)
Contract revenue taxable in future years	(506)	-	466	40	-	-	-	-
Unrealised exchange gains	(68,212)	(20,263)	-	-	-	-	-	(88,475)
Provision for the national tax consolidation system	(42,438)	-	-	-	-	-	16,501	(25,937)
Other	(13,571)	(1,921)	(552)	-	-	4,686		(11,358)
Deferred tax liabilities before offsetting	**(129,780)**	**(28,956)**	**(86)**	**40**	**-**	**4,686**	**16,727**	**(137,369)**
Offsetting	86,610	-	-	-	-	20,163	-	106,773
Net deferred tax liabilities	**(43,170)**	**(28,956)**	**(86)**	**40**	**-**	**24,849**	**16,727**	**(30,596)**

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 carry-forward 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[87] and the regulations signed by the subsidiaries when they joined the scheme.

[87] National IRES tax consolidation system pursuant to article 117 and subsequent articles of the Consolidated Income Tax Act

11. Inventories

Inventories may be analysed as follows:

(€'000)	31 December 2022 Gross amount	Allowance	Carrying amount	31 December 2023 Gross amount	Allowance	Carrying amount	Variation
Finished products and goods	3,044	-	3,044	2,569	-	2,569	(475)
Raw materials, consumables and supplies	131,288	(22,230)	109,058	134,897	(21,949)	112,948	3,890
Total	**134,332**	**(22,230)**	**112,102**	**137,466**	**(21,949)**	**115,517**	**3,415**

The balance of raw materials, consumables and supplies mostly relates to goods to be used for foreign contracts and, specifically, those in Ethiopia (€64.9 million).

This item is substantially in line with the previous year end, with an increase in Romania (new motorway lots) and an almost proportionate decrease in the Kyosha and Gerd hydroelectric projects in Ethiopia.

Changes in the allowance in 2023 are shown below:

(€'000)	31 December 2022	Accruals	Utilisations	Reversals	Other changes	Net exchange losses	31 December 2023
Allowance- raw materials	22,230	-	(74)	(59)	-	(148)	21,949
Total	**22,230**	**-**	**(74)**	**(59)**	**-**	**(148)**	**21,949**

12. Contract assets and liabilities

Contract assets and liabilities can be analysed as follows:

(€'000)	31 December 2022	31 December 2023	Variation
Contract assets	1,494,905	1,765,932	271,027
Contract liabilities	769,677	799,364	29,687

Information about the contract assets and liabilities is set out below while the "Main ongoing projects" section in the Directors' report provides information about the contracts and their performance.

Contract assets

Contract assets include:

(€'000)	31 December 2022	31 December 2023	Variation
Contract work in progress	31,464,115	30,477,057	(987,058)
Progress payments (on approved work)	(29,523,193)	(28,281,327)	1,241,866
Advances	(446,017)	(429,798)	16,219
Total	**1,494,905**	**1,765,932**	**271,027**

With respect to the item's breakdown by geographical segment, the biggest European contributors are the ongoing projects in Romania (mainly the Frontieră – Curtici- Simeria railway line, Lot 5 of the Sibiu- Pitesti Motorway, the Braila Bridge and other road works) and Poland (principally the Warsaw Southern Bypass and the motorway projects).

The projects underway in Tajikistan (Rogun Hydropower Project) and in Saudi Arabia (the Riyadh Metro Line 3) contributed the most to the total balance for Asia and the Middle East.

Contributors in Africa were the projects in Ethiopia (Koysha Hydroelectric Project) and Algeria (the Saida - Tiaret - Moulay railway line).

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

(€'000)	31 December 2022	31 December 2023	Variation
Italy	65,581	63,759	(1,822)
EU (excluding Italy)	680,495	683,293	2,798
Other European countries (non-EU)	10,141	1,520	(8,621)
Asia/Middle East	367,142	446,329	79,187
Africa	285,217	527,129	241,912
Americas	86,329	43,902	(42,427)
Total	**1,494,905**	**1,765,932**	**271,027**

The increase in contract assets is chiefly due to the larger volumes of the contracts underway in Tajikistan (Rogun Hydropower Project) and Ethiopia (Koysha Hydroelectric Project).

Contract liabilities

Contract liabilities include:

(€'000)	31 December 2022	31 December 2023	Variation
Contract work in progress	(3,099,784)	(4,218,628)	(1,118,844)
Progress payments (on approved work)	3,556,270	4,821,461	1,265,191
Advances	313,191	196,531	(116,660)
Total	**769,677**	**799,364**	**29,687**

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 Melbourne North East Link and SSTOM (Sydney metro line) projects in Australia contributed to the item in the Oceania segment. The following table shows a breakdown of the item by geographical segment:

(€'000)	31 December 2022	31 December 2023	Variation
Italy	294,986	265,803	(29,183)
EU (excluding Italy)	70,994	92,728	21,734
Other European countries (non-EU)	16,115	7,520	(8,595)
Africa	11,198	23,496	12,298
Americas	21,369	2,192	(19,177)
Oceania	355,015	407,625	52,610
Total	**769,677**	**799,364**	**29,687**

The slight increase in this item is mostly due to the advances received for the recently-awarded contracts in Australia (Melbourne North East Link and SSTOM). This increase was partly countered by the contractual consideration accrued during the year in connection with the construction of the Genoa Breakwater in Italy and the Line 2 of the Lima Metro in Peru.

Additional consideration

Contract assets and liabilities, comprising progress payments, progress billings and advances, include claims for additional consideration of €719.2 million and €27.8 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 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 in 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 2022	31 December 2023	Variation
Third parties	955,177	1,117,863	162,686
Loss allowance	(346,675)	(328,511)	18,164
Group companies and other related parties	1,135,352	903,652	(231,700)
Total	**1,743,854**	**1,693,004**	**(50,850)**

Trade receivables- third parties, net of the loss allowance, amount to €789.4 million at the reporting date and related to invoices issued and work performed and approved by customers that still has to be invoiced, mostly carried out in Europe (especially Romania, France and Slovakia), Ethiopia, Tajikistan and Saudi Arabia.

A breakdown of trade receivables from group companies is available in note 37 and the annex on intragroup transactions attached to these notes.

Lastly, the item includes €0.2 million (€0.5 million at 31 December 2022) 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.

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

(€'000)	31 December 2022	31 December 2023	Variation
Italy	1,042,772	827,404	(215,368)
EU (excluding Italy)	269,933	367,568	97,635
Other European countries (non-EU)	19,299	12,535	(6,764)
Asia/Middle East	152,260	207,846	55,586
Africa	177,110	171,960	(5,150)
Americas	45,200	33,991	(11,209)
Oceania	37,280	71,700	34,420
Total	**1,743,854**	**1,693,004**	**(50,850)**

The decrease seen in Italy is principally due to the accounting offsetting of amounts due to and from Webuild Italia S.p.A. (€222.7 million).

Trade receivables in Europe increased mostly as a result of progress made on contracts in Romania (Braila Bridge and the Frontieră – Curtici- Simeria railway line) and France (Lot 2 of the Paris Metro Line 16).

The increase in the Middle East is largely attributable to the Riyadh Metro Line 3 in Arabia, partially countered by the collection of the receivables related to the Meydan One Mall project in Dubai.

13.1 Impairment

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

(€'000)	31 December 2022	Impairment losses	Utilisations	Impairment gains	Change in scope	Reclass./Other changes	Net exchange gains	31 December 2023
Trade receivables	340,564	2,912	(2,501)	(5,411)	-	(13,094)	(46)	322,424
Default interest	6,111	-	-	-	-	-	(24)	6,087
Total	**346,675**	**2,912**	**(2,501)**	**(5,411)**	**-**	**(13,094)**	**(70)**	**328,511**

The loss allowance for trade receivables amounts to €322.4 million and mostly relates to the impairment of the receivables from the Venezuelan government.

14. Current financial assets, including derivatives

This item comprises:

(€'000)	31 December 2022	31 December 2023	Variation
Loans and receivables- group companies and other related parties	1,168,907	1,231,419	62,512
Loans and receivables- third parties	81,761	256,839	175,078
Government bonds and insurance shares	341	62	(279)
Derivatives	2,276	1,203	(1,073)
Total	**1,253,285**	**1,489,523**	**236,238**

Loans and receivables- group companies and other related parties principally include joint current accounts and other financing governed by specific agreements and carried out on an arm's length basis.

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 Australia (€120 million), Middle East (€71.2 million) and Slovakia (€17.8 million);
- €12.8 million for the dispute with the customer about the performance guarantees 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. Based on the assessments made with the company'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.

The increase in this item is mostly related to the loan granted by Spark NEL DC (Australia) to one of the project's partners (€120 million).

Derivatives of €1.2 million 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.

15. Current tax assets and other current tax assets

15.1 Current tax assets

This item comprises:

(€'000)	31 December 2022	31 December 2023	Variation
Direct taxes	11,508	8,863	(2,645)
IRAP (local tax on production activities)	-	776	776
Foreign direct taxes	36,771	32,817	(3,954)
Total	**48,279**	**42,456**	**(5,823)**

The 31 December 2023 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.

15.2 Other current tax assets

This item comprises:

(€'000)	31 December 2022	31 December 2023	Variation
VAT	77,612	78,000	388
Other indirect taxes	8,615	1,970	(6,645)
Total	**86,227**	**79,970**	**(6,257)**

VAT mostly relates to Italian contracts with public administrations that the split payment regime can be applied to.

The company regularly carries out the procedures provided for by the applicable legislation to optimise the VAT reimbursement timing.

16. Other current assets

The composition of this item and changes during the year are shown below:

(€'000)	31 December 2022	31 December 2023	Variation
Other	102,322	144,853	42,531
Advances to suppliers	79,811	100,719	20,908
Group companies and other related parties	174,192	75,570	(98,622)
Prepayments and accrued income	91,052	94,828	3,776
Total	**447,377**	**415,970**	**(31,407)**

“Other” includes €31.7 million due to the company as a result of the enforceable award in its favour for the Aguas del Buenos Aires project in Argentina, the €46.8 million compensation for damage in Argentina as well as amounts due from Webuild’s partners chiefly for projects being carried out abroad for most of the remainder[88].

Advances to suppliers increased by a net €20.9 million, mainly due to continuation of work on the projects in Saudi Arabia, Ethiopia, Australia and Romania.

A breakdown of trade receivables from group companies is available in the annex on intragroup transactions attached to these notes.

Impairment test

Given that Argentina’s economic crisis has not abated, Webuild tested its financial assets (€31.7 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 2022	31 December 2023	Variation
Cash and cash equivalents	961,906	913,212	(48,694)

A breakdown by geographical segment is as follows:

(€’000)	31 December 2022	31 December 2023	Variation
Italy	344,014	483,430	139,416
EU (excluding Italy)	186,602	135,681	(50,921)
Other European countries (non-EU)	34,819	34,763	(56)
Asia/Middle East	110,524	55,968	(54,556)
Africa	17,630	18,206	576
Americas	27,201	28,490	1,289
Oceania	241,116	156,674	(84,442)
Total	**961,906**	**913,212**	**(48,694)**

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 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 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 €10.3 million, including €5.3 million[89] for the company’s French branch and Lines 16 and 14 of the Paris Metro and €5.0 million for the Astaldi-Turkerler joint venture in Turkey.

[88] Present value based on collection forecasts
[89] Company’s share of the Lines 16 and 14 of the Paris Metro contract

With reference to the preventive attachment of Webuild's French accounts obtained by VINCI Construction Grands Projets due to Astaldi's alleged payables for the Santiago del Chile airport, reference should be made to the "Main risk factors and uncertainties" section in the Directors' report.

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

Net non-current assets held for sale are as follows:

(€'000)	31 December 2022	31 December 2023	Variation
Non-current assets	418	263	(155)
Current assets	14,314	14,161	(153)
Non-current assets held for sale	**14,732**	**14,424**	**(308)**
Non-current liabilities	(5,621)	(5,602)	19
Current liabilities	(8,277)	(7,901)	376
Liabilities directly associated with non-current assets held for sale	**(13,898)**	**(13,503)**	**395**
Net non-current assets held for sale	**834**	**921**	**87**
- Of which net financial position	*2,087*	*2,671*	*584*

The item of €0.9 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 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. In 2023, the process for the closure of the companies in Costa Rica and Guatemala was completed.

The loss from discontinued operations of €9.2 million for 2023 mostly relates to the divisions in Central and South America. In the prior year, the loss of €23 million was principally related to the Astaldi Georgia division, due to the outcome of the ICC award about the works to upgrade the E60 Zemo Osiauri- Chumateleti Motorway.

The item may be broken down as follows:

(€'000)	2022	2023	Variation
Revenue			
Operating costs	(17,995)	(3,137)	14,858
Other income	3,719	9,064	5,345
Total revenue (operating costs) and other income	**(14,276)**	**5,927**	**20,203**
Operating expenses			
Purchases	(56)	(4)	52
Subcontracts	(5,426)	-	5,426
Services	(1,913)	(1,191)	722
Other operating expenses	(3,169)	(7,233)	(4,064)
Personnel expenses	(1,000)	(709)	291
Amortisation, depreciation, provisions and impairment losses	(3,112)	(572)	2,540
Total operating expenses	**(14,676)**	**(9,709)**	**4,967**
Operating loss	**(28,952)**	**(3,782)**	**25,170**
Financing income (costs) and gains (losses) on equity investments			
Net financing income (costs)	6,199	(3,697)	(9,896)
Net financing income (costs) and gains (losses) on equity investments	**6,199**	**(3,697)**	**(9,896)**
Loss before tax	**(22,753)**	**(7,479)**	**15,274**
Income taxes	(326)	(1,677)	(1,351)
Loss from discontinued operations	**(23,079)**	**(9,156)**	**13,923**

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 2022	31 December 2023	Variation
Share capital	600,000	600,000	-
Share premium reserve	367,763	367,763	-
- Legal reserve	120,000	120,000	-
- Negative goodwill (demerger)	480,963	359,501	(121,462)
- Reserve for treasury shares	(28,075)	(36,287)	(8,212)
- Reserve for treasury shares held by joint operations	(83)	(83)	-
- Reserve for share capital increase related charges	(10,988)	(10,988)	-
- LTI reserve	12,103	162	(11,941)
- IFRS 2 reserve	71,353	25,467	(45,886)
- Lender warrants reserve	-	59,765	59,765
- Reserve for shares assigned in exchange for unsecured claims	-	1,416	1,416
Total other reserves	645,273	518,953	(126,320)
- Actuarial reserve	116	236	120
- Translation reserve	(6,476)	(19,521)	(13,045)
Total other comprehensive expense	(6,360)	(19,285)	(12,925)
Retained earnings	4,048	-	(4,048)
Profit (loss) for the year	(69,557)	28,893	98,450
Total	**1,541,168**	**1,496,324**	**(44,843)**

19.1 Share capital

At 31 December 2023, the company's share capital continues to amount to €600,000,000 and consists of 1,016,379,381 shares, comprising 1,014,763,890 ordinary shares (including 4,999,867 ordinary shares to be assigned to potential unsecured creditors under the Astaldi demerger) and 1,615,491 savings shares, all without a nominal amount.

During the year, the number of shares increased due to the issue of 13,953,986 ordinary shares to the (i) holders of anti-dilutive warrants (11,809 ordinary shares), (ii) holders of the lender warrants (13,493,061 ordinary shares) and (iii) unsecured creditors not provided for under the demerger (449,116 ordinary shares), as detailed in the next paragraph.

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, up to 5% of €5.2 per savings share (i.e., €0.26 per share). If a dividend lower than 5% of €5.2 per savings 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:

(i) (a) 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 effective 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 the above date;
Considering their purpose, the anti-dilutive warrants can only be exercised after Webuild's issue of new ordinary shares to Astaris' unsecured creditors not provided for, as defined in the demerger proposal (the "creditors not provided for").
Further to the new shares issued to the creditors not provided for in 2022 and 2023, as specified in point (iii) below, on 31 December 2023, 5.8907042% of the anti-dilutive warrants became exercisable (for a

maximum of 4,756,063 warrants), entitling their holders to a maximum of 4,756,063 ordinary Webuild shares. As a result:

- 740,056 anti-dilutive warrants were exercised and settled by assigning the same number of ordinary Webuild shares in 2022;
- 11,809 anti-dilutive warrants were exercised (at the end of the exercise period, 10 September 2023) and settled by assigning the same number of ordinary Webuild shares in 2023;

(ii) (a) to issue 15,223,311 Webuild S.p.A. 2021-2023 warrants (ISIN IT0005454415) (the "lender warrants") to Unicredit S.p.A., Intesa Sanpaolo 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. Before the exercise deadline (5 July 2023), BNP Paribas SA Succursale Italia, Monte dei Paschi di Siena, Intesa Sanpaolo S.p.A. and Unicredit S.p.A. exercised 2,725,627, 2,061,507, 3,766,029 and 4,939,898 lender warrants, respectively, for a total of 13,493,061 lender warrants. Accordingly, the same number of ordinary Webuild shares were assigned to the above banks for a total consideration of €15,287,638.11;

(iii) 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 for the creditors not provided for, to settle their claims with Astaris in the ratio of 2.536 new ordinary Webuild shares for each €100.00 of unsecured claims. In 2022 and 2023, the company issued and assigned 574,518 ordinary Webuild shares to the creditors not provided for, specifically, 125,402 in 2022, as per press releases of 31 March and 1 June 2022, and 449,116 in 2023, as per the press release of 22 December 2023.

19.2 Share premium reserve

This item of €367.8 million mainly reflects the capital increase of 12 November 2019, net of utilisations in 2021 as per the resolution passed by the shareholders in their meeting of 30 April 2021.

19.3 Other reserves

<u>Legal reserve</u>

At the reporting date, the legal reserve of €120 million equals one fifth of the company's share capital as required by article 2430 of the Italian Civil Code.

<u>Negative goodwill (demerger)</u>

This item of €359.5 million at the reporting date 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. Details of changes in this item are available in note 19.6 "Resolution of the shareholders on the allocation of the loss for 2022".

<u>Treasury shares</u>

Reserve for treasury shares

During their ordinary meeting of 27 April 2023, 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 (reference is made to the "Shareholders' meetings" part of the "Governance" section on the company's website www.webuildgroup.com). At the reporting date, the company had 21,877,494 treasury shares for €36,286,527.04.

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.

Share capital increase related charges

At 31 December 2023, 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

At the end of 2022, the LTI (long term incentive plan) reserve, amounting to €0.162 million at the reporting date, included the fair value (€12.1 million) of the 2020-2022 long-term 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 plan provided for the assignment of a 50:50 cash and equity component (Webuild shares) at the end of the vesting period[90] if the beneficiaries reached their objectives.

On 27 April 2023, the company's shareholders acknowledged that the objectives had been met and approved a change to the plan whereby the beneficiaries can opt to receive their vested incentives immediately and entirely in cash, including the part that was to consist of Webuild shares.

Therefore, based on the choices made so far by the beneficiaries, most of the incentives have been settled in cash as the option to receive Webuild shares has only been exercised for 59,719 shares.

IFRS 2 reserve

At 31 December 2023, this reserve comprises the fair value (€25.5 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).

It decreased by €45.9 million, mainly as a result of the reclassification of (i) the 13,493,061 warrants exercised by the banks (€44.5 million) and (ii) the 449,116 shares assigned to the creditors not provided for (€1.4 million), as specified below.

Lender warrants reserve

At the reporting date, this reserve of €59.8 million relates to the exercise of 13,493,061 "Warrant Webuild S.p.A. 2021-2023" (ISIN IT0005454415)" lender warrants by the banks[91] with the consequent assignment of the same number of ordinary Webuild shares.

Therefore, the reserve comprises:

- the fair value of €44.5 million of the lender warrants reclassified from the IFRS 2 reserve;
- the proceeds of €15.3 million from the issue of new shares to the banks (€1.133 per share).

[90] 27 April 2023, the date of approval of the separate financial statements at 31 December 2022 by the parent's shareholders.
[91] BNP Paribas SA Succursale Italia, Banca Monte dei Paschi di Siena S.p.A., Intesa Sanpaolo S.p.A. and Unicredit S.p.A.

Reserve for shares assigned in exchange for unsecured claims

The company set up this reserve of €1.4 million after having assigned 449,116 new shares to the creditors not provided for, by reclassifying their fair value from the IFRS 2 reserve.

19.4 Other comprehensive expense

Other comprehensive expense rose from €6.4 million at the end of 2022 to €19.3 million at the reporting date due to the fluctuations of the US Dollar and Polish Zloty exchange rates that affected the translation reserve.

19.5 Retained earnings

This item was nil at 31 December 2023, as a result of the shareholders' decision of 27 April 2023 to use the balance of €4 million of the previous year end to partly cover the loss for 2022.

19.6 Resolution of the shareholders on the allocation of the loss for 2022

In their meeting held on 27 April 2023, the shareholders resolved to:

- cover the loss for 2022 of €69,556,544.54 using all the retained earnings (€4,048,498.81) and part of the other reserves- negative goodwill (demerger) (€65,508,045.73);
- distribute a dividend of €0.057, 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 €55,953,959.43 at the payment date), taking the amount from the other reserves- negative goodwill (demerger).

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)	359,501	A, B, C (*)	359,501	311,236	110,171
• Reserve for treasury shares	(36,369)				
• Share capital increase related charges	(10,988)				
• Unavailable LTI reserve	162				
• Unavailable IFRS 2 reserve	25,467				
• Lender warrants reserve	59,765	A, B, C	59,765		
• Reserve for shares assigned in exchange for unsecured claims	1,416	A, B, C	1,416		
• Translation reserve	(19,521)				
• Unavailable actuarial reserve	236				
• Negative goodwill (merger)	-			89,601	
Total other reserves	499,668		540,682	400,837	110,171
Retained earnings	-	A, B, C	-	27,881	
Total	1,467,431		908,445	666,356	159,256
Non-distributable portion (**)			202,938		
Residual distributable portion			705,507		

(*) including €82.7 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 €82.7 million that cannot be distributed as per article 6 of Legislative decree no. 38 of 28 February 2005 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 2022 Non-current	31 December 2022 Current	Total	31 December 2023 Non-current	31 December 2023 Current	Total
Bank corporate loans	230,321	74,062	304,383	105,498	127,663	233,161
Bank construction loans	-	10,400	10,400	5,007	398	5,405
Other financing	4,000	58,370	62,370	6,345	79,428	85,773
Current account facilities	-	681	681		15,119	15,119
Factoring liabilities	-	5,033	5,033		3,937	3,937
Loans and borrowings- group companies and related parties	6,882	2,181,608	2,188,490	7,108	2,778,261	2,784,925
Total	**241,203**	**2,330,154**	**2,571,357**	**123,958**	**3,004,806**	**3,128,764**

Bank corporate loans

This item includes term loans taken out by the company.

It may be analysed as follows:

	31 December 2022			31 December 2023		
(€'000)	Total bank corporate loans	Current	Non-current	Total bank corporate loans	Current	Non-current
€102.5 million syndicated loan	52,503	20,570	31,933	31,218	31,218	
BPER	102,830	31,501	71,329	72,168	72,168	
Banca Popolare di Milano	47,293	20,234	27,059	26,380	20,882	5,498
Yuma syndicated loan	101,563	1,563	100,000	102,963	2,963	100,000
Banca Popolare di Milano (formerly Banca Popolare di Lodi)	194	194	-	432	432	-
Total	**304,383**	**74,062**	**230,321**	**233,161**	**127,663**	**105,498**

The reduction in bank corporate loans in 2023 is mostly due to the principal repayments falling due during the year.

The fair value of bank corporate loans is €226.8 million.

The conditions of the main bank corporate loans in place at 31 December 2023 are as follows:

	Interest rate	Expiry date
€102.5 million syndicated loan	Euribor	2024
BPER	Euribor	2024
Banca Popolare di Milano (2016- 2024)	Euribor	2024
Banca Popolare di Milano (2017- 2025)	Euribor	2025
Yuma syndicated loan	Euribor	2025

The loans are backed by covenants that establish the requirement for the borrower to maintain certain financial and equity ratios, which are fully respected at the reporting date.

The non-current portion of the above bank corporate loans 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
Bank corporate loans	105,498	105,498

Other financing

Other financing at 31 December 2023 totals €85.8 million and mainly relates to loans of €62.4 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 €85.8 million.

Bank construction loans

This item mainly consists of fixed-rate loans taken out by the Chilean branch (€5.4 million).

Current account facilities

Current account facilities increased by €14.4 million to €15.1 million and almost entirely relate to the Ethiopian branch's treasury management activities at the reporting date.

Factoring liabilities

Factoring liabilities amount to €3.9 million at the reporting date and relate to transactions mostly carried out in Ethiopia and Central America.

Loans and borrowings- group companies and related parties

This item amounts to €2,784.9 million at the reporting date. The €596.4 million increase is mostly due to the transactions on the cash pooling account with Webuild Italia S.p.A. and 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 2022			31 December 2023		
	Expiry date	Nominal amount	Non-current portion	Current portion	Nominal amount	Non-current portion	Current portion
Webuild 1.75% Call 26ot24	26.10.2024	500,000	498,594	1,582	281,448		281,979
Webuild 5.875% Call 15dc25	15.12.2025	750,000	746,313	1,932	518,552	516,802	1,335
Webuild Slb 3.875% Lg26 Call Eur	28.07.2026	400,000	395,902	6,625	400,000	396,973	6,607
Webuild 3.625% Call 28ge27	28.01.2027	250,000	245,740	8,367	250,000	246,712	8,367
Webuild 7% Sep28 Call Eur	27.09.2028				450,000	439,587	8,177
Total		**1,900,000**	**1,886,549**	**18,506**	**1,900,000**	**1,600,074**	**306,465**

(*) net of related charges. The current portion includes accrued interest.

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 €1,897.2 million at the reporting date.

On 27 September 2023, Webuild successfully placed new bonds with an aggregate nominal amount of €450 million reserved for institutional investors. Their maturity date is 27 September 2028 and they have an annual coupon of 7%. The company used all the proceeds from the new bond issue to redeem the bonds maturing in 2024 (€218.6 million) and 2025 (€231.4 million) in advance.

In this way, it was able to repay its corporate debt well before its next maturity date of October 2024, which contributed to enhance its debt profile by extending the average maturity of its debt.

22. Lease liabilities

Lease liabilities may be broken down as follows at 31 December 2023:

(€'000)	31 December 2022	31 December 2023	Variation
Non-current portion	28,480	24,023	(4,457)
Current portion	32,855	24,762	(8,093)
Total	**61,335**	**48,785**	**(12,550)**

The present value of the minimum future lease payments is as follows:

(€'000)	31 December 2022	31 December 2023
Minimum lease payments:		
Due within one year	34,376	25,798
Due between one and five years	29,105	25,858
Due after five years	2,982	2,347
Total	**66,463**	**54,003**
Future interest expense	(5,128)	(5,218)
Net present value	**61,335**	**48,785**
The net present value is as follows:		
Due within one year	32,855	24,762
Due between one and five years	25,794	22,533
Due after five years	2,686	1,490
Total	**61,335**	**48,785**

23. Analysis of net financial indebtedness

23.1 Net financial indebtedness

(€'000)	Note (*)	31 December 2022	31 December 2023	Variation
Non-current financial assets	9	294,516	306,093	11,577
Current financial assets	14	1,251,010	1,488,320	237,310
Cash and cash equivalents	17	961,906	913,212	(48,694)
Total cash and cash equivalents and other financial assets		**2,507,432**	**2,707,625**	**200,193**
Bank and other loans and borrowings	20	(241,203)	(123,958)	117,245
Bonds	21	(1,886,549)	(1,600,074)	286,475
Lease liabilities	22	(28,480)	(24,023)	4,457
Total non-current indebtedness		**(2,156,232)**	**(1,748,055)**	**408,177**
Current portion of bank loans and borrowings and current account facilities	20	(2,330,154)	(3,004,806)	(674,652)
Current portion of bonds	21	(18,506)	(306,465)	(287,959)
Current portion of lease liabilities	22	(32,855)	(24,762)	8,093
Total current indebtedness		**(2,381,515)**	**(3,336,033)**	**(954,518)**
Derivative assets	13	2,276	1,203	(1,073)
Net financial position with unconsolidated SPEs (**)		480	212	(268)
Net other financial assets		**2,756**	**1,415**	**(1,341)**
Net financial indebtedness- continuing operations		**(2,027,559)**	**(2,375,048)**	**(347,489)**
Net financial position- discontinued operations	18	2,087	2,671	584
Net financial indebtedness including discontinued operations		**(2,025,472)**	**(2,372,377)**	**(346,905)**

(*) 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.

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 in the Directors' report.

23.2 Financial indebtedness as per ESMA Guidelines of 4 March 2021

	(€'000)	Note (*)	31 December 2022	of which: related parties	31 December 2023	of which: related parties
A	Cash	17	961,906		913,212	
B	Cash equivalents		-		-	
C	Other current financial assets	14	341		62	
D	**Cash and cash equivalents (A+B+C)**		**962,247**		**913,274**	
E	Current loans and borrowings (including debt instruments but excluding the current portion of non-current loans and borrowings)	20	2,189,332	2,181,608	2,796,873	2,778,261
F	Current portion of non-current loans and	20	192,183		539,160	
G	**Current financial indebtedness (E+F)**		**2,381,515**		**3,336,033**	
H	**Net current financial indebtedness (G-D)**		**1,419,268**		**2,422,759**	
I	Non-current loans and borrowings (excluding their current portion and debt instruments)	20	2,156,232	6,882	1,748,055	7,108
J	Debt instruments		-		-	
K	Non-current trade payables and other liabilities		6,586		16,703	
L	**Non-current financial indebtedness (I+J+K)**		**2,162,818**		**1,764,758**	
M	**Net financial indebtedness (H+L)**		**3,582,086**		**4,187,517**	

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 2022	31 December 2023
Difference	**1,556,614**	**1,815,140**
Due to:		
Non-current financial assets	294,516	306,093
Current financial assets with a maturity of more than 90 days (*)	1,250,669	1,488,258
Derivatives	2,276	1,203
Net financial position with unconsolidated SPEs	480	212
Net financial position- discontinued operations	2,087	2,671
Non-current trade payables	70	13,913
Other non-current financial liabilities	6,516	2,790
Total difference	**1,556,614**	**1,815,140**

(*) 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	Financial assets, including derivatives	Equity	Total
A) Opening balance	**2,571,358**	**1,905,055**	**61,335**	**(1,547,803)**	**1,541,168**	**4,531,113**
Changes from financing cash flows						
Dividends distributed	-	-	-	-	(55,954)	(55,954)
Exercise of lender warrants					15,295	15,295
Repurchase of treasury shares	-	-	-	-	(8,294)	(8,294)
Increase in bank and other loans	2,158,204	443,568	-	-	-	2,601,772
Decrease in bank and other loans	(2,211,672)	(450,000)	-	-	-	(2,661,672)
Decrease in lease liabilities	-	-	(28,725)	-	-	(28,725)
Change in other financial assets/liabilities	752,882	-	-	(7,165)	-	745,717
B) Cash flows generated by (used in) financing activities	**699,414**	**(6,432)**	**(28,725)**	**(7,165)**	**(48,953)**	**608,139**
Non-monetary changes						
Other non-monetary items	(159,222)	7,917	17,171	(238,926)	4,033	(369,027)
Change in exchange rates	2,777		(996)	(1,722)		59
Other changes					76	76
C) Total non-monetary changes	**(156,445)**	**7,917**	**16,175**	**(240,648)**	**4,109**	**(368,892)**
Other changes						
Changes in current account facilities	14,438	-	-	-	-	14,438
D) Total changes in current account facilities and other changes	**14,438**	**-**	**-**	**-**	**-**	**14,438**
E) Closing balance (A+B+C+D)	**3,128,765**	**1,906,540**	**48,785**	**(1,795,616)**	**1,496,324**	**4,784,798**

25. Post-employment benefits and other employee benefits

Employee benefits of €15.4 million at the reporting date mostly consist of the post-employment benefits governed by article 2120 of the Italian Civil Code.

Changes in this item are as follows:

(€'000)	31 December 2022	Accruals	Payments	Contributions paid to INPS treasury and other funds	Net actuarial gains	Other changes	31 December 2023
Post-employment benefits and other employee benefits	13,156	11,902	(8,764)	(220)	(120)	(559)	15,395

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 and regulations 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 before 1 January 2007 (if not paid at the reporting date), while those accrued after that date are classified as part of a defined contribution plan.

Accordingly, the liability for post-employment benefits recognised in the 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.

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%.

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.

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	(35)	35

26. Provisions for risks

These provisions are summarised in the following table:

(€'000)	31 December 2022	31 December 2023	Variation
Provisions for risks on equity investments	57,708	48,797	(8,911)
Other provisions	25,589	70,752	45,163
Total	**83,297**	**119,549**	**36,252**

The provisions for risks on equity investments relate to the company's legal obligations to cover its investees' losses exceeding their equities. A breakdown of this item is available in the annex on changes in equity investments attached to these notes.

Other provisions comprise:

(€'000)	31 December 2022	31 December 2023	Variation
Provisions for risks relating to ongoing contracts	7,397	7,338	(59)
Provision for ongoing litigation	3,254	1,850	(1,404)
Other	14,938	61,564	46,626
Total	**25,589**	**70,752**	**45,163**

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 Poland, Algeria and Romania;
- the provision for ongoing litigation mostly relates to litigation in Europe;
- “Other” relates to additional probable obligations in connection with third party claims and commitments taken on chiefly in Italy and Romania and the Middle East. The increase in this item over the previous year end is mainly related to litigation connected with certain projects carried out in the Middle East.

Changes for the year are summarised below:

(€’000)	31 December 2022	Accruals	Utilisations / Releases	Change in scope	Exchange gains (losses) and other changes	31 December 2023
Total	**25,589**	**49,614**	**(4,519)**	**-**	**68**	**70,752**

Net accruals of €45.1 million mostly refer to the item “Other” of other provisions for ongoing litigation in the Middle East, as mentioned earlier.

More information about litigation is available in the section on the “Main risk factors and uncertainties” in the Directors’ report.

27. Trade payables

This item is made up as follows:

(€’000)	31 December 2022	31 December 2023	Variation
Third parties	827,452	966,690	139,238
Group companies and other related parties	981,773	766,537	(215,236)
Total	**1,809,225**	**1,733,227**	**(75,998)**

The €139.2 million decrease in trade payables to third parties is principally due to those contracts that contributed the most to production in the year in Australia (SSTOM, €34.2 million), Tajikistan (Rogun Hydropower Project, €30.8 million) and France (mainly Lot 2 of the TELT and Line 16 of the Paris Metro, total of €31.7 million).

The reduction in trade payables to group companies and other related parties is mostly a result of the accounting offsetting of amounts due to and from Webuild Italia S.p.A. (€222.7 million).

More information about trade receivables from group companies is available in note 37 and the annex on intragroup transactions attached to these notes.

At 31 December 2023 and 2022, 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 separate financial statements.

28. Current tax liabilities and other current tax liabilities

28.1 Current tax liabilities

Current tax liabilities are made up as follows:

(€'000)	31 December 2022	31 December 2023	Variation
IRES (corporate income tax)	246	67,521	67,275
IRAP	164	-	(164)
Foreign taxes	55,395	59,321	3,926
Total	**55,805**	**126,842**	**71,037**

The increase in IRES liabilities is strictly related to the strong growth in domestic industrial operations carried out by the subsidiaries that joined the national tax consolidation system.

28.2 Other current tax liabilities

Other current tax liabilities are broken down in the following table:

(€'000)	31 December 2022	31 December 2023	Variation
Withholdings	41	80	39
VAT	39,516	50,666	11,150
Other indirect taxes	10,799	8,130	(2,669)
Total	**50,356**	**58,876**	**8,520**

29. Other current liabilities

The composition of this item and changes during the year are shown below:

(€'000)	31 December 2022	31 December 2023	Variation
Employees	47,948	46,634	(1,314)
Social security institutions	11,127	11,822	695
Group companies and other related parties	88,116	67,763	(20,353)
Other liabilities	74,150	74,063	(87)
Accrued expenses and deferred income	11,218	13,721	2,503
Total	**232,559**	**214,003**	**(18,556)**

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 €74.1 million (€74.2 million at 31 December 2022) mostly refer to amounts due to customers for projects in Poland (roughly €31 million) and additional liabilities mostly in Italy and South America.

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 2022	31 December 2023
Contractual sureties	12,131,343	14,885,944
Sureties for bank loans	436,571	695,417
Sureties for export credit	2,879	1,390
Sureties for customs and tax obligations	239,121	349,952
Other	7,470,619	8,518,128
Total	**20,280,534**	**24,450,831**

Contractual sureties are given to customers as performance guarantees, 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:

- 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. In 2023, the tax authorities served another assessment notice concerning 2016, which is based on the same allegations made for 2015. The portion of assessed tax attributable to the company amounts to about €10.6 million. Since the consortium again deems that its accounting treatment is correct, it is availing of the legal instruments available under Peruvian law.

Furthermore, considering the demerger and the principal disputes of the demerged company 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) undeclared revenue of USD23.5 million for the proceeds arising from the out-of-court agreement settling the dispute related to the El Chaparral hydroelectric power plant project, (ii) interest income of USD0.8 million allegedly accrued on intragroup loans, (iii) revenue and income reported as tax-exempt or non-taxable amounting to USD13.4 million, and (iv) costs of USD15.4 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, plus fines and interest (USD4.5 million). On 30 January 2024, the Court of Appeals of the Internal Taxes and Customs notified an act, whereby it recalculated the income tax due by the branch for 2012 and assessed higher taxes of approximately USD8.7 million and adjusted the related fine to roughly USD4.4 million, plus interest of about USD10.9 million, therefore claiming a total amount of approximately USD24 million. With the assistance of its local 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, on 18 November 2022, the tax authorities presented a counter-appeal, with respect to which they entered an appearance within the legal term. With respect to the second appeal, the second level ruling was unfavourable to Astaldi (now Astaris), which duly resorted 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.

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 2022 (€'000)	Note	Financial assets at amortised cost	Derivatives at FVTPL	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	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
Non-current portion	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 December 2023 (€'000)	Note	Financial assets at amortised cost	Derivatives at FVTPL	Total	Fair value
Financial assets					
Other non-current financial assets, including derivatives	9	306,093	-	306,093	306,093
Trade receivables	13	1,693,004	-	1,693,004	1,693,004
Current financial assets, including derivatives	14	1,488,320	1,203	1,489,523	1,489,523
Cash and cash equivalents	17	913,212	-	913,212	913,212
Total		**4,400,629**	**1,203**	**4,401,832**	**4,401,832**

31 December 2023 (€'000)	Note	Financial liabilities at amortised cost	Financial liabilities at FVTPL	Total	Fair value
Financial liabilities					
Bank and other loans and borrowings	20	3,128,765	-	3,128,765	3,121,539
Bonds	21	1,906,539	-	1,906,539	1,897,201
Lease liabilities	22	48,785	-	48,785	48,785
Trade payables	27	1,733,227	-	1,733,227	1,733,227
Total		**6,817,315**	**-**	**6,817,315**	**6,800,752**

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 foreign currencies. The company has adopted a currency risk management strategy to mitigate this risk based on the guidelines described in the "Risk management system" section in 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 2023 to reflect the potential effects on comprehensive income.

	2023	
(€m)	-5%	+5%
Australian Dollar	30.64	(27.72)
Colombian Peso	8.55	(7.74)
US Dollar	7.27	(6.58)
Canadian Dollar	5.09	(4.60)
Saudi Riyal	(3.84)	3.47
Polish Zloty	(7.23)	6.54

31.2.2 Interest rate risk

Considering the company's predominantly fixed rate debt structure, had interest rates increased or decreased by an average 75 bps in 2023, the profit before tax would have been respectively smaller or greater by a maximum of €2.1 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 2022	31 December 2023
Italy	119,678	188,257
EU (excluding Italy)	375,876	416,366
Other European countries (non-EU)	(11,828)	(16,320)
Asia/Middle East	386,867	395,527
Africa	451,295	663,805
Americas	13,341	(20,108)
Oceania	(348,932)	(383,909)
Total	**983,297**	**1,243,618**

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 2022					
Italy	1,042,772	65,581	(294,986)	813,367	11,807
EU (excluding Italy)	269,933	680,495	(70,994)	879,434	-
Other European countries (non-EU)	19,299	10,141	(16,115)	13,325	-
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	329,558
Oceania	37,280	-	(355,015)	(317,735)	-
Total	**1,743,854**	**1,494,905**	**(769,677)**	**2,469,082**	**346,675**
31 December 2023					
Italy	827,404	63,759	(265,803)	625,360	10,734
EU (excluding Italy)	367,568	683,293	(92,728)	958,133	-
Other European countries (non-EU)	12,535	1,520	(7,520)	6,535	-
Asia/Middle East	207,846	446,329	-	654,175	-
Africa	171,960	527,129	(23,496)	675,593	1,314
Americas	33,991	43,902	(2,192)	75,701	316,463
Oceania	71,700	-	(407,625)	(335,925)	-
Total	**1,693,004**	**1,765,932**	**(799,364)**	**2,659,572**	**328,511**

The "Main risk factors and uncertainties" section in 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 2024	31 December 2025	31 December 2026	After 2026	Total
Current account facilities	15,119	-	-	-	15,119
Bonds	371,701	599,840	449,438	763,949	2,184,928
Bank and other loans and borrowings	196,460	112,910	4,000	4,634	318,004
Lease liabilities	25,798	11,494	6,687	10,024	54,003
Gross financial liabilities	**609,078**	**724,244**	**460,125**	**778,607**	**2,572,054**
Trade payables	1,719,314	1,341	-	12,572	1,733,227
Total	**2,328,392**	**725,585**	**460,125**	**791,179**	**4,305,281**

Future interest has been estimated based on the market interest rates at the date of preparation of these separate financial statements.

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 2024 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 2024 (*)	704,266
Cash and cash equivalents (**)	902,918
Difference	**198,652**

(*) 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 2
Derivative assets	14	1,203
Total		**1,203**

There were no movements from Level 1 to Level 2 during the year or vice versa.

Statement of profit or loss

32. Revenue

Revenue and other income are made up as follows:

(€'000)	2022	2023	Variation
Revenue from contracts with customers	1,863,093	2,512,955	649,862
Other income	199,237	252,366	53,129
Total	**2,062,330**	**2,765,321**	**702,991**

32.1 Revenue from contracts with customers

A breakdown of revenue from contracts with customers is given in the following table:

(€'000)	2022	2023	Variation
Works invoiced to customers	1,777,134	2,425,232	648,098
Services	84,657	81,796	(2,861)
Sales	1,302	5,927	4,625
Total	**1,863,093**	**2,512,955**	**649,862**

A breakdown of revenue from contracts with customers by geographical segment is as follows:

(€'000)	2022	Percentage of total	2023	Percentage of total
Italy	**32,987**	**2%**	**57,467**	**2%**
EU (excluding Italy)	641,278	34%	667,256	27%
Africa	436,843	23%	664,647	26%
Asia/Middle East	309,268	17%	492,322	20%
Oceania	120,634	6%	430,917	17%
Americas	186,497	10%	133,832	5%
Other European countries (non-EU)	135,586	7%	66,514	3%
Abroad	**1,830,106**	**98%**	**2,455,488**	**98%**
Total	**1,863,093**	**100%**	**2,512,955**	**100%**

This item increased by a net €649.9 million, principally due to progress made on contracts in (i) Australia (North East Link Project and SSTOM), (ii) Ethiopia (Koysha Hydroelectric Project and GERD), (iii) Saudi Arabia (Line 3 of the Riyadh Metro) and (iv) Tajikistan (Rogun Hydropower project).

Variable consideration made up 6.2% 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)	2022	2023	Variation
Recharged costs	137,112	156,515	19,403
Insurance compensation	1,681	10,761	9,080
Gains on the disposal of non-current assets and equity	3,382	3,267	(115)
Other income from joint ventures and consortia	12,259	178	(12,081)
Other	44,803	81,645	36,842
Total	**199,237**	**252,366**	**53,129**

The increase of €53.1 million in this item is mainly due to the larger volumes in Italy.

33. Operating expenses

The item may be broken down as follows:

(€'000)	2022	2023	Variation
Purchases	369,719	430,775	61,056
Subcontracts	545,891	717,558	171,667
Services	595,767	898,160	302,393
Personnel expenses	399,291	475,477	76,186
Other operating expenses	96,786	122,459	25,673
Amortisation, depreciation, provisions and impairment losses	79,619	120,555	40,936
Total	**2,087,073**	**2,764,984**	**677,911**

Changes in this item reflect the production trends of the year with greater volumes achieved (see note 32) for projects in Australia, Ethiopia, Saudi Arabia and Tajikistan.

During 2023, the prices of raw materials and commodities gradually stabilised after the inflation seen in 2022. However, management of the supply chain continues to focus on strengthening the existing mitigation measures introduced to contain price increases. The company's contracts with customers usually include price adjustment clauses. More information is available in the "Risk management system" section in the Directors' report.

The variations in the individual items compared to 2022 are due to the different cost structures that vary from contract to contract and may, in some cases, entail changes in the industrial operating model from one 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)	2022	2023	Variation
Purchases of raw materials and consumables	364,090	426,477	62,387
Change in raw materials and consumables	5,629	4,298	(1,331)
Total	**369,719**	**430,775**	**61,056**

The increase is mostly due to the full-scale operation of contracts in Romania (Lots 3 and 5 of the Sibiu- Pitesti Motorway), Australia (North East Link Project) and Ethiopia (Koysha Hydroelectric Project). The increase is partly offset by the smaller volumes in Turkey as a result of the completion of the Etilik Integrated Health Campus project in Ankara.

33.2 Subcontracts

A breakdown of this item is as follows:

(€'000)	2022	2023	Variation
Subcontracts	545,891	717,558	171,667
Total	**545,891**	**717,558**	**171,667**

The increase in subcontracts is mainly due to the progress on contracts in Tajikistan (Rogun Hydropower Project), Ethiopia (GERD and Koysha Hydroelectric Project), Australia (North East Link Project) and Peru (Line 2 of the Lima Metro).

33.3 Services

Services are broken down below:

(€'000)	2022	2023	Variation
Consultancy and technical services	336,188	522,522	186,334
Recharging of costs by consortia	17,494	27,248	9,754
Leases	84,885	121,317	36,432
Transport and customs	55,137	68,167	13,030
Insurance	30,363	44,820	14,457
Fees to directors, statutory auditors and independent auditors	15,509	11,516	(3,993)
Maintenance	7,207	10,898	3,691
Other	48,983	91,672	42,689
Total	**595,766**	**898,160**	**302,394**

The increase in this item mostly relates to the progress made on contracts in Australia (SSTOM Project), Saudi Arabia (Line 3 of the Riyadh Metro) and Europe (TELT Lot 2 and Paris metro lines in France, in addition to Lots 3 and 5 of the Sibiu- Pitesti Motorway and Braila Bridge in Romania).

A breakdown of “Consultancy and technical services” is as follows:

(€’000)	2022	2023	Variation
Design and engineering services	269,326	408,003	138,677
Construction	16,380	46,920	30,540
Legal, administrative and other services	50,257	66,709	16,452
Testing	225	890	665
Total	**336,188**	**522,522**	**186,334**

The €186.3 million increase in this item is mostly due to the design activities for the SSTOM project in Australia and for motorway projects in Romania.

The increase in leases is mainly due to the continuation of work in France (Line 16 of the Paris Metro and TELT Lot 2) and Australia (North East Link Project).

33.4 Personnel expenses

This item is made up as follows:

(€’000)	2022	2023	Variation
Wages and salaries	296,417	366,657	70,240
Social security and pension contributions	35,538	39,443	3,905
Post-employment benefits	9,704	11,902	2,198
Pension and similar obligations	248	250	2
Other	57,385	57,225	(160)
Total	**399,292**	**475,477**	**76,185**

The increase in this item is mostly due to the projects underway in Australia (North East Link Project) and Saudi Arabia (Line 3 of the Riyadh Metro).

The following table shows the workforce at year end and the related average number:

	31 December 2022	31 December 2023	2022 average	2023 average
Managers	276	263	272	263
White collars	4,216	4,367	4,146	4,284
Blue collars	14,117	14,615	13,294	14,751
Total	**18,609**	**19,245**	**17,712**	**19,298**

33.5 Other operating expenses

Other operating expenses are made up as follows:

(€’000)	2022	2023	Variation
Other operating costs	28,328	57,372	29,044
Commissions on sureties	39,993	53,001	13,008
Losses on disposals	6,838	891	(5,947)
Bank charges	1,649	1,630	(19)
Non-recurring costs	19,978	9,565	(10,413)
Total	**96,786**	**122,459**	**25,673**

The other operating costs mainly include indirect taxes and duties, customs duties, compulsory purchase compensation and other administrative costs.

The increase in other operating expenses is mostly due to progress made on contracts in Australia and Africa.

33.6 Impairment losses, amortisation, depreciation and provisions

33.6.1 Net impairment losses

Net impairment losses of €1.9 million (€0.9 million for the previous year) mostly relate to assets in Europe.

33.6.2 Amortisation and depreciation

Amortisation and depreciation are broken down below:

(€'000)	2022	2023	Variation
Depreciation of property, plant and equipment	23,388	28,961	5,573
Depreciation of right-of-use assets	26,546	16,742	(9,804)
Amortisation of contract costs	31,635	27,741	(3,894)
Amortisation of intangible assets	70	76	6
Total	**81,639**	**73,520**	**(8,119)**

Depreciation of property, plant and equipment mostly refers to the Rogun Hydropower Project in Tajikistan, the Koysha Hydroelectric Project in Ethiopia and the Line 2 of the Lima Metro in Peru.

Depreciation of right-of-use assets principally relates to Line 16 of the Paris Metro in France, the Rogun Dam in Tajikistan and the Milan and Rome head office buildings.

Amortisation of contract costs relate to the order backlog acquired as part of the demerger of Astaldi's core assets scope to Webuild (€25.7 million).

33.6.3 Provisions

This item of €45.1 million (€2.9 million in 2022) is mainly related to litigation connected with certain projects carried out in the Middle East.

34. Net financing costs

34.1 Financial income

Financial income is broken down in the following table:

(€'000)	2022	2023	Variation
Gains on securities	**26**	**2**	**(24)**
Intragroup interest and other income	**49,002**	**73,211**	**24,209**
Interest and other financial income	**31,534**	**40,520**	**8,986**
- Default interest	16,574	10,618	(5,956)
- Other	6,038	14,232	8,194
- Bank interest	5,081	11,930	6,849
- Income from inflation adjustment	3,576	3,015	(561)
- Financial discounts and allowances	265	179	(86)
- Interest on financing	-	546	546
Total	**80,562**	**113,733**	**33,171**

The increase in financial income is mostly due to the rise in interest income on loans granted to group companies and bank current accounts accrued during the year.

Intragroup interest and other income include the impairment gain of €13.5 million on the loans granted to Yuma Concesionaria[92].

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)	2022	2023	Variation
Intragroup interest and other expense	**(56,455)**	**(104,679)**	**(48,224)**
Interest and other financial expense	**(166,336)**	**(192,187)**	**(25,851)**
- Interest on bonds	(79,778)	(86,383)	(6,605)
- Interest on bank accounts and financing	(28,971)	(37,324)	(8,353)
- Bank fees	(22,929)	(26,316)	(3,387)
- Other	(16,472)	(38,132)	(21,660)
- Leases	(2,771)	(2,342)	429
- Interest on tax liabilities	(15,415)	(1,690)	13,725
Total	**(222,791)**	**(296,866)**	**(74,075)**

The € 74.1 million increase in financial expense is mostly due to:

- the interest of €42.5 million (€17.3 million in 2022) accrued on the cash pooling account with Webuild Italia S.p.A.;
- the reversal of interest income on delayed payments of €20.7 million from the Ethiopian customer following the contractualisation of its claims;
- greater interest of €8.4 million mainly due to the rise in the interest rate affecting the company's portion of floating-rate financial indebtedness.

The increase is partially offset by lower interest expense of €13.7 million on tax liabilities compared to the previous year, when the company paid interest 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 (losses)

Net exchange losses of €38.6 million (net exchange gains of €64.6 million in 2022) mostly relate to the Euro's performance against the Ethiopian Birr and the US Dollar, partly offset by its depreciation against the Colombian Peso

[92] See also note 9 "Non-current financial assets, including derivatives".

35. Net gains on equity investments

Net gains on equity investments are made up as follows:

(€'000)	2022	2023	Variation
Impairment gains	6,547	24,425	17,878
Impairment losses/provisions for equity investments	(143,274)	(223,194)	(79,920)
Net gains on equity investments	**206,620**	**464,857**	**258,237**
- Dividends	206,620	464,857	258,237
Total	**69,893**	**266,088**	**196,195**

The item mostly comprises the dividends distributed by Webuild Italia S.p.A., Partecipazioni Italia S.p.A and the foreign subsidiaries, partly offset by the impairment losses on the investments in Grupo Unidos por el Canal S.A. (€97.5 million), Webuild- US Holdings Inc (€52.4 million) and Salini Nigeria Ltd (€19.8 million).

More information about the measurement of equity investments is available in the annex "Equity investments".

36. Income taxes

The company's income tax expense for the year is as follows:

(€'000)	2022	2023	Variation
Current taxes (income taxes)	(22,259)	10,272	32,531
Deferred taxes	58,006	(78)	(58,084)
Utilisation of the provision for the national tax consolidation system	(38,973)	(20,248)	18,725
Prior year taxes	16,752	16,344	(408)
Total	**13,526**	**6,290**	**(7,236)**
IRAP	429	335	(94)
Total	**13,955**	**6,625**	**(7,330)**

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

	2022		2023	
	€m	%	€m	%
Profit (loss) before tax	**(32.5)**		**44.7**	
Theoretical tax expense	(7.8)	n.a.	10.7	24%
Effect of permanent differences	30.1	n.a.	(27.1)	(61%)
Net effect of foreign taxes	(18.2)	n.a.	7.5	17%
Prior year and other taxes	9.4	n.a.	15.2	34%
Total	**13.5**	**n.a.**	**6.3**	**14%**

The 2023 income tax expense is affected by the permanent differences (mostly dividends distributed by the investees).

An analysis and reconciliation of the theoretical IRAP tax rate and the effective tax rate are set out below:

IRAP

	2022		2023	
	€m	%	€m	%
Operating profit (loss)	(24.7)		0.3	
Personnel expenses	399.3		475.5	
Provisions and impairment losses	(2.0)		47.0	
Revenue	**372.6**		**522.8**	
Theoretical tax expense	14.5	4%	20.4	4%
Tax effect of foreign production	(10.5)	(3%)	(16.5)	(3%)
Tax effect of permanent differences	(3.6)	(1%)	(3.5)	(1%)
Total	**0.4**	**0%**	**0.3**	**0%**

The deferred taxes' contribution to the company's loss is as follows:

(€'000)	2022	2023	Variation
Deferred tax expense for the year	(41,770)	(28,956)	12,814
Use of deferred tax liabilities recognised in previous years	(165)	(86)	79
Deferred tax income for the year	20,112	47,346	27,234
Use of deferred tax assets recognised in previous years	(36,183)	(18,226)	17,957
Total	**(58,006)**	**78**	**58,084**

The net deferred taxes are mainly due to temporary differences, the most significant of which are the unrealised exchange losses.

International Tax Reform- Pillar Two Model Rules

Legislative decree no. 209/2023 of 27 December 2023 implemented the tax reform on international taxation by transposing Council Directive (EU) 2022/2523 into domestic law. The EU Directive, in turn, converted into EU law the Global Anti-Base Erosion Model Rules (GloBE Rules) that the Inclusive Framework on BEPS of the OECD had approved in December 2021.

As a result of the above, as of 1 January 2024, large domestic groups with annual revenue of €750 million or more are required to apply the new tax regime that establishes a minimum effective tax rate of at least 15% in each jurisdiction in which they operate.

Although said decree substantially replicates the content of the EU directive, which is, in turn, structured on the basis of the Model Rule, the complex system of rules for the application of the new regime has not been completed yet, lacking the necessary implementing measures that transpose into Italian law the relevant rules which are only available in the documentation published by the OECD[93].

The supranational regulations have not yet been transposed into domestic law and the company may resort to transitional safe harbours, which allow the exclusion of those jurisdictions in which the Group operates that pass certain qualifying tests from the calculation of the global minimum tax. Therefore, based on currently available and reasonably estimable data, the related prospective effect on the Group's effective tax rate is not expected to be particularly significant.

[93] See the documentation available at the following link: https://www.oecd.org/tax/beps/tax-challenges-arising-from-the-digitalisation-of-the-economy-global-anti-base-erosion-model-rules-pillar-two.htm

37. Related party transactions

Transactions performed in 2023 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)	Trade receivables	Financial assets	Other assets	Trade payables	Financial and lease liabilities	Guarantees	Total revenue	Total operating expenses	Net financing income (costs)
Salini Costruttori:									
Casada S.r.l.	176	-	-	-	-	-	13	-	-
CEDIV S.p.A.	870	-	-	-	-	-	34	-	-
Consorzio Tiburtino	167	-	-	-	-	-	14	-	-
Dirlan S.r.l.	172	-	-	-	-	-	18	-	-
G.A.B.I.RE S.r.l.	242	-	-	-	-	-	20	-	-
Galla Placida S.C.a.r.l.	179	-	-	-	-	-	11	-	-
Immobiliare Agricola San Vittorino S.r.l.	232	-	-	-	-	-	17	-	-
Infernetto S.r.l.	62	-	-	-	-	-	7	-	-
Madonna dei Monti S.r.l.	123	-	-	-	-	-	14	-	-
Nores S.r.l.	113	-	-	-	-	-	9	-	-
Plus S.r.l.	241	-	-	-	-	-	27	-	-
Salini S.p.A.	70	-	-	-	-	-	30	-	-
Salini Costruttori S.p.A.	-	1,160	-	-	-	995,619	139	(3,662)	51
Zeis S.r.l.	-	3,361	-	(4)	-	-	249	-	145
C.D.P.:									
CDP Equity S.p.A.	-	-	-	(466)	-	-	-	-	-
Eni S.p.A.	-	-	-	(195)	-	-	-	(160)	-
Fincantieri Infrastructure S.p.A.	-	-	-	(1,151)	-	-	-	(289)	-
Simest S.p.A.	-	-	-	-	(6,512)	-	-	-	(408)
Other:									
Salini Simonpietro e C. S.a.p.A.	128	-	-	-	-	-	14	-	-
Total	**2,775**	**4,521**	**-**	**(1,816)**	**(6,512)**	**995,619**	**616**	**(4,111)**	**(212)**

The above transactions qualify as ordinary transactions based on the company's related party transactions procedure. Therefore, they are exempt from such procedure.

Most of the company'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 related parties on the statements of financial position and profit or loss (including as a percentage):

(€'000)	Total 31 December 2023	Group entities	Other related parties	Total	%
Non-current financial assets	306,093	202,922	1,160	204,082	66.7%
Trade receivables	1,693,004	900,877	2,775	903,652	53.4%
Current financial assets	1,489,523	1,228,058	3,361	1,231,419	82.7%
Other current assets	415,970	58,548	-	58,548	14.1%
Non-current assets held for sale and disposal groups	14,424	-	-	-	
Non-current portion of lease liabilities	24,023	-	-	-	0.0%
Bank loans and borrowings	123,958	799	6,309	7,108	5.7%
Current portion of loans	3,004,806	2,778,058	203	2,778,261	92.5%
Current portion of lease liabilities	24,762	-	-	-	0.0%
Trade payables	1,733,227	764,719	1,817	766,536	44.2%
Other current liabilities	214,003	67,763	-	67,763	31.7%
Liabilities directly associated with non-current assets held for sale and disposal groups	13,502	-	-	-	

(€'000)	Total for 2023	Group entities	Other related parties	Total	%
Revenue from contracts with customers	2,512,955	133,779	457	134,236	5.3%
Other income	252,366	60,087	160	60,247	23.9%
Purchases	(430,775)	(60)	(160)	(220)	0.1%
Subcontracts	(717,558)	(7,032)	(289)	(7,321)	1.0%
Services	(898,160)	(62,511)	-	(62,511)	7.0%
Personnel expenses	(475,477)	(27,185)	-	(27,185)	5.7%
Other operating expenses	(122,459)	(1,009)	(3,662)	(4,672)	3.8%
Impairment losses	(1,943)	(3,663)	-	(3,663)	188.6%
Amortisation, depreciation and provisions	(118,613)	-	-	-	0.0%
Financial income	113,733	66,045	196	66,241	58.2%
Financial expense	(296,866)	(104,272)	(408)	(104,679)	35.3%

Transactions with directors, statutory auditors and key management personnel

Transactions with directors, statutory auditors and key management personnel are shown below:

	2022			2023		
(€'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	8,604	-	8,604	7,221	-	7,221
Key management personnel	13,970	-	13,970	12,127	-	12,127
Total	**22,574**	**-**	**22,574**	**19,349**	**-**	**19,349**

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 2022, the most recently approved financial statements, are presented below. These financial statements have been prepared in accordance with the IFRS.

2022 key figures	
(€'000)	
Statement of profit or loss	
Revenue	9,696
Operating loss	(13,759)
Loss before tax	(9,277)
Loss for the year	(9,697)
Statement of financial position	
Non-current assets	235,604
Current assets	82,893
Total assets	**318,497**
Equity	279,845
Non-current liabilities	1,732
Current liabilities	36,920
Total liabilities	**318,497**

Salini Costruttori S.p.A. did not have any employees at 31 December 2022.

38. Article 1.125/127 of Law no. 124 of 4 August 2017- Disclosure of government grants

In 2023, the company did not receive any government grants under the provisions of Law no. 124 of 4 August 2017 and related interpretations.

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 2023 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	KPMG S.p.A.	Webuild S.p.A.	2,370
Audit	KPMG network	Webuild S.p.A.	126
Total audit			**2,496**
Attestation services	KPMG S.p.A.	Webuild S.p.A.	305
Total attestation services			**305**
Other services	KPMG S.p.A.	Webuild S.p.A.	30
Other services	KPMG network	Webuild S.p.A.	3
Total other services			**33**
Total Webuild S.p.A.			**2,834**

40. Events after the reporting date

Other than those discussed in the Directors' report, no events have taken place 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 Consob communication no. DEM/6064293[94].

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[95].

[94] Atypical and/or unusual transactions are those that, due to their significance and relevance, the counterparty, the object of the transaction, transfer 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.

[95] 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 2023 which show a profit of €28,892,981.02 for the year.

We also propose:

(i) that nothing be allocated to the legal reserve as it is now equal to one fifth of the company's share capital as required by article 2430 of the Italian Civil Code;

(ii) a preferred dividend of €0.78, gross of the withholding tax required by law, be distributed to each saving share for a total of €1,260,082.98 gross, in accordance with article 34.b) of the company's by-laws. Again as required by the by-laws, this dividend will comprise €0.26 as the preferred dividend for 2023 and €0.26 as preferred dividends for 2021 and 2022 when it was not paid,

(iii) with respect to the remainder of the profit for the year of €27,632,898.04 (after the distribution of the preferred dividends as per point (ii) above), a dividend of €0.027, gross of the withholding tax required by law, be distributed to each ordinary share with dividend rights at the ex-dividend date. As the dividend proposed for the ordinary shares is below €0.156 (i.e., the difference between the proposed preferred dividend of €0.26 for the savings shares for 2023 and the higher dividend of €0.104 as per article 34.c) of the by-laws), the savings shares do not have the right to the higher dividend as per article 34.c) of the by-laws;

(iv) the remainder of the profit for the year after the distributions as per points (ii) and (iii) above be allocated to retained earnings;

(v) in addition, a dividend of €0.044, gross of the legal withholding, be paid to each savings and ordinary share with dividend rights at the ex-dividend rate using the "Other reserves- negative goodwill (demerger)". As this is a distribution of reserves, the savings shares have the same rights as the ordinary shares (article 8 of the by-laws).

As a result of that proposed in points (ii), (iii) and (v), each ordinary share will receive €0.071 and each savings share €0.824.

Finally, we propose that the ex-dividend date for both share categories be Monday, 20 May 2024 with a payment date of Wednesday, 22 May 2024 (record date: Tuesday, 21 May 2024).

On behalf of the board of directors

Chairperson

Donato Iacovone

(signed on the original)

Separate financial statements of Webuild S.p.A. – Intragroup transactions

Assets and liabilities at 31 December 2023

	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	32,332,338	-	203,550	-	32,535,888	78,209,164	-	-	-	78,209,164	(45,673,276)
Aegek-Impregilo-Aslom Transport Joint Venture	-	-	-	-	-	-	-	-	1,207	1,207	(1,207)
Afragola FS S.C. a r.l. (in liq.)	40,980	-	-	-	40,980	-	-	-	-	-	40,980
Aguas de Punilla Sociedad Concesionaria S.A.	6,706	-	-	-	6,706	-	-	-	-	-	6,706
Aguas del Gran Buenos Aires S.A. (in liq.)	2,419	-	-	-	2,419	-	-	7,359	-	7,359	(4,940)
Al Maktoum International Airport Joint Venture	19,123	-	-	-	19,123	-	-	-	-	-	19,123
AR.GI. S.C.p.A. (in liq.)	221,100	-	-	-	221,100	-	-	-	-	-	221,100
Arge BBT- Baulos H41- Sillschlucht- Pfons	747,894	-	6,000,000	-	6,747,894	-	-	-	-	-	6,747,894
AS.M. S.C. a r.l.	134,200	-	-	-	134,200	-	-	-	-	-	134,200
Asse Sangro Consorzio (in liq.)	-	-	-	-	-	-	-	-	22,134	22,134	(22,134)
Astaldi Algerie-E.u.r.l.	20,152	-	106,255	386,834	513,241	400,004	-	-	-	400,004	113,237
Astaldi Arabia Ltd.	3,339,458	-	538,510	24,206	3,902,174	3,508,205	121,181	-	3,840	3,633,226	268,948
Astaldi Bulgaria Ltd. (in liq.)	-	45,113	-	-	45,113	-	-	10	-	10	45,103
Astaldi Canada Design and Construcion Inc.	239,605	-	-	-	239,605	-	-	-	-	-	239,605
Astaldi Canada Enterprises Inc.	1,445,456	-	3,725,095	-	5,170,551	-	-	-	68	68	5,170,483
Astaldi Canada Inc.	1,950,650	-	21,803,663	473	23,754,786	-	-	1	473	474	23,754,312
Astaldi Concessions S.p.A.	551,237	-	6,446,329	-	6,997,566	-	-	-	-	-	6,997,566
Astaldi Construction Corporation	5,675,165	-	8,943,841	36,728	14,655,734	6,303,923	-	-	-	6,303,923	8,351,811
Astaldi de Venezuela C.A.	-	-	455,247	8,776	464,023	8,776	678,318	-	-	687,094	(223,071)
Astaldi India Services LLP	2,358,614	-	510,559	-	2,869,173	-	-	-	143,122	143,122	2,726,051
Astaldi-Federici-Todini Kramis	1,591,789	-	543,617	4,207,973	6,343,379	281,807	-	-	-	281,807	6,061,572
Astaldi-Max Bogl-CCCF Joint Venture	2,614,863	-	1,006	-	2,615,869	1,922,488	-	391,819	-	2,314,307	301,562
Astaldi-Somatra Get Groupement (G.A.S.)	-	-	-	1,971	1,971	-	-	-	-	-	1,971
ASTALROM S.A.	4,620,598	-	367,307	1,679,231	6,667,136	5,509,786	-	4,370,363	-	9,880,149	(3,213,013)
Astur Construction and Trade A.S.	9,086	-	266,159	25,597	300,842	7	-	33,167	-	33,174	267,668
Avola S.C. a r.l. (in liq.)	78,291	-	84,192	-	162,483	162,482	-	-	-	162,482	1
Avrasya Metro Grubu S.r.l . (in Liq.)	-	-	-	106,821	106,821	1	-	-	-	1	106,820
Bovino Orsara AV	39,542	-	-	-	39,542	-	-	51,503,954	-	51,503,954	(51,464,412)
Brennero Galleriaacque S.C. a r.l. (in liq.)	250	-	-	-	250	-	-	-	-	-	250
Brennero Tunnel Construction S.C. a r.l.	611,860	-	-	-	611,860	-	-	-	-	-	611,860
BSS Joint Venture- Air Academy project	1,400,974	-	-	-	1,400,974	-	-	-	-	-	1,400,974
C.F.M. S.C. a r.l. (in liq.)	91,107	-	-	-	91,107	54,645	-	-	-	54,645	36,462
C.O.MES. S.C. a r.l. (in liq.)	49,977	-	-	-	49,977	-	-	-	-	-	49,977
C43 Water Management Builders	-	-	-	22,299,243	22,299,243	-	-	-	-	-	22,299,243
Capodichino AS.M. S.C. a r.l.	711,294	-	-	-	711,294	-	-	-	-	-	711,294
CDE S.C. a r.l.	914,920	-	11,898,034	-	12,812,954	6,384	-	-	-	6,384	12,806,570
Centro Uno Consorzio (in liq.)	52,108	-	-	-	52,108	-	-	-	-	-	52,108
Clough Projects Australia Pty Ltd.	1,937,886	-	-	-	1,937,886	-	-	-	-	-	1,937,886

webuild

Assets and liabilities at 31 December 2023

	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
Clough Projects Pty Ltd.	2,447,842	-	-	-	2,447,842	23,435	-	-	-	23,435	2,424,407
CO.MERI S.p.A.	103,341	-	-	-	103,341	-	-	-	-	-	103,341
Collegamenti Integrati Veloci C.I.V. S.p.A.	71,881	-	12,244,714	-	12,316,595	-	-	-	-	-	12,316,595
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.	-	-	3,977,157	-	3,977,157	5,464,131	-	-	-	5,464,131	(1,486,974)
Consorcio Constructor Webuild- Cigla (florianopolis)	586,239	-	-	-	586,239	-	-	-	-	-	586,239
Consorcio Contuy Medio	-	-	451,007	122	451,129	48,059	-	-	45,285	93,344	357,785
Consorcio Grupo Contuy-Proyectos y Obras de Ferrocarriles	240,620	-	-	50,317	290,937	-	-	146,975	-	146,975	143,962
Consorcio Impregilo Yarull	115,103	-	3,024,196	-	3,139,299	-	-	-	635,685	635,685	2,503,614
Consorcio OIV-TOCOMA	-	-	908,656	-	908,656		-	-	7,893,518	7,893,518	(6,984,862)
Consorcio V.I.T.- Tocoma	-	-	3,532,972	-	3,532,972	-	-	-	-	-	3,532,972
Consorcio V.I.T. Caroni- Tocoma	-	-	-	-	-	-	-	1,324,186	-	1,324,186	(1,324,186)
Consorzio 201 Quintai	1,900	-	-	-	1,900	-	-	-	-	-	1,900
Consorzio Alta Velocità Torino/Milano- C.A.V.TO.MI.	61,242,778	-	-	-	61,242,778	11,447,357	-	5,811,028	-	17,258,385	43,984,393
Consorzio Astaldi-Federici-Todini (in liq.)	155,559	-	300,000	-	455,559	37,052	-	-	-	37,052	418,507
Consorzio C.A.V.E.T.- Consorzio Alta Velocità Emilia/Toscana	1,076,625	-	-	-	1,076,625	2,770,936	-	2,825,726	-	5,596,662	(4,520,037)
Consorzio Cociv	200,382,181	-	-	-	200,382,181	41,031,984	-	63,285	-	41,095,269	159,286,912
Consorzio Consarno	57,296	-	52,566	-	109,862	14,722	-	-	-	14,722	95,140
Consorzio EPC	734,279	-	-	-	734,279	1,535,430	-	-	-	1,535,430	(801,151)
Consorzio Ferrofir (in liq.)	79,925	-	-	-	79,925	38,137	-	-	-	38,137	41,788
Consorzio GI.IT. (in liq.)	124,683	-	-	-	124,683	89,365	-	-	-	89,365	35,318
Consorzio Hirpinia AV	548,988	-	-	-	548,988	-	-	-	-	-	548,988
Consorzio Iricav Due	2,831,106	-	-	-	2,831,106	-	-	-	-	-	2,831,106
Consorzio Kassar	492,627	-	-	-	492,627	-	-	-	-	-	492,627
Consorzio Libyan Expressway Contractor	1,527,254	-	49,556	-	1,576,810	1,264,964	-	-	-	1,264,964	311,846
Consorzio MM4	316,214	-	-	-	316,214	373,924	-	-	-	373,924	(57,710)
Consorzio Palermo Catania ED	197,126	-	-	-	197,126	-	-	-	-	-	197,126
Consorzio Trevi- S.G.F. Inc. per Napoli	298,461	-	-	-	298,461	5,880	-	-	-	5,880	292,581
Consorzio Tridentum	304,861	-	-	-	304,861	-	-	-	-	-	304,861
Consorzio Triscelio	158,884	-	-	-	158,884	-	-	-	-	-	158,884
Consorzio Triscelio 3	224,626	-	-	-	224,626	-	-	-	-	-	224,626
Consorzio Venezia Nuova	-	-	-	-	-	356	-	-	-	356	(356)
Consorzio Vertiaz	1,146	-	-	-	1,146	-	-	-	-	-	1,146
Consorzio Xenia	1,530,174	-	-	-	1,530,174	26,423	-	-	-	26,423	1,503,751
Constructora Ariguani SAS En Reorganizacion	10,414,359	-	42,069,077	-	52,483,436	8,216	-	-	-	8,216	52,475,220
Constructora Astaldi Cachapoal Limitada	867,768	-	-	2,843,447	3,711,215	1,667,852	-	-	3,401,873	5,069,725	(1,358,510)
Construtora Impregilo y Associados S.A.-CIGLA S.A.	-	-	-	-	-	5,668	-	-	305	5,973	(5,973)
Copenaghen Metro Team I/S	473,932	-	136,103,750	-	136,577,682	-	-	-	-	-	136,577,682
Corso del Popolo Engineering S.C. a r.l. (in liq.)	696,389	-	1,796,049	-	2,492,438	-	-	-	-	-	2,492,438

Assets and liabilities at 31 December 2023

	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
Corso del Popolo S.p.A.	114,325	-	248,147	-	362,472	-	-	-	-	-	362,472
Cossi Costruzioni S.p.A.	516,076	-	-	-	516,076	-	-	67,605,768	-	67,605,768	(67,089,692)
DCSC Data Center Swiss Contractor	-	-	-	-	-	-	-	325	-	325	(325)
CSC Costruzioni S.A.	318,497	-	28,380,640	-	28,699,137	15,845	-	-	-	15,845	28,683,292
Di Penta Ugo Vitolo Consorzio (in liq.)	-	-	-	-	-	699	-	-	-	699	(699)
Diga di Blufi S.C. a r.l. (in liq.)	6,828,989	-	-	-	6,828,989	5,485,584	-	-	-	5,485,584	1,343,405
DIRPA 2 S.C. a r.l.	40,656	-	-	-	40,656	-	-	16,910,841	-	16,910,841	(16,870,185)
DMS Design Consortium S.C. a r.l.	-	-	-	-	-	382,868	-	-	-	382,868	(382,868)
Dolomiti Webuild Implenia	1,467,913	-	-	-	1,467,913	-	-	447,945	-	447,945	1,019,968
E.R. Impregilo-Dumez y Asociados para Yacireta- ERIDAY UTE	19,132,485	-	1,906,903	-	21,039,388	24,969	-	-	14,160,460	14,185,429	6,853,959
Ecosarno S.C. a r.l. (in Liq.)	44,471	-	-	-	44,471	44,219	-	-	-	44,219	252
Emittenti Titoli S.p.A. (in liq.)	-	-	-	-	-	-	-	247,575	-	247,575	(247,575)
Enecor S.A.	985	-	-	-	985	-	-	-	-	-	985
Etlik Hastane P.A. S.r.l.	17,748	-	-	-	17,748	1,425,858	-	-	-	1,425,858	(1,408,110)
Eurolink S.C.p.A.	1,229,160	-	-	-	1,229,160	-	-	-	-	-	1,229,160
Fibe S.p.A.	592,894	-	-	-	592,894	-	-	50,963,365	-	50,963,365	(50,370,471)
Fisia- Alkatas Joint Venture	24,700	-	-	-	24,700	-	-	-	-	-	24,700
Fisia Ambiente S.p.A.	6,427	-	-	-	6,427	-	-	34,346,586	-	34,346,586	(34,340,159)
Fisia Italimpianti S.p.A.	184,052	-	-	-	184,052	317,720	-	8,190,731	-	8,508,451	(8,324,399)
FISIA LLC	26,850	-	-	-	26,850	-	-	-	-	-	26,850
Fisia Muhendislik VE Insaat Anonim Sirketi	28,741	-	-	-	28,741	-	-	-	-	-	28,741
Generalny Wykonawca Salini Polska- Impregilo- Kobylarnia S.A.	-	-	1,895,401	-	1,895,401	-	-	-	-	-	1,895,401
Groupement Lesi-Dipenta Consorzio	-	-	-	-	-	-	-	-	15	15	(15)
Grupo Empresas Italianas- GEI	-	-	168,940	584,514	753,454	-	-	-	16,565	16,565	736,889
Grupo ICT II SAS	3,761,888	-	63,748,097	-	67,509,985	294,400	-	-	-	294,400	67,215,585
Grupo Unidos Por El Canal S.A.	40,845,421	-	-	-	40,845,421	-	-	-	-	-	40,845,421
HCE Costruzioni S.p.A.	351,136	-	104,624,082	-	104,975,218	-	-	-	-	-	104,975,218
Hirpinia Orsara AV	2,220,921	-	-	-	2,220,921	-	-	154,101,429	-	154,101,429	(151,880,508)
Holding Construction Australia Pty Ltd.	7,646,132	-	26,190,115	-	33,836,247	-	-	-	-	-	33,836,247
IGLYS S.A. Unipersonal	-	-	483	-	483	25,373	-	228,391	-	253,764	(253,281)
Impregilo Arabia Ltd.	-	-	-	-	-	551,654	-	-	-	551,654	(551,654)
Impregilo International Infrastructures N.V.	36,100	-	-	-	36,100	-	-	1,099	-	1,099	35,001
Impregilo Lidco Libya General Contracting Co	533,501	-	-	-	533,501	-	-	1,126,885	-	1,126,885	(593,384)
Impregilo New Cross Ltd.	21,475	-	12,558	-	34,033	-	-	-	-	-	34,033
INC- Il Nuovo Castoro Algerie S.a.r.l.	332,371	-	5,201,329	-	5,533,700	96,215	-	-	-	96,215	5,437,485
Infraflegrea Progetto S.C.p.A.	376,171	-	-	-	376,171	-	-	3,267,739	-	3,267,739	(2,891,568)
Infraflegrea S.C. a r.l. (in liq.)	532,336	-	-	-	532,336	563,347	-	-	-	563,347	(31,011)
Iricav Uno Consorzio (in liq.)	9,239	-	-	-	9,239	-	-	-	-	-	9,239
Isarco S.C. a r.l.	931,893	-	-	-	931,893	-	-	-	-	-	931,893

Assets and liabilities at 31 December 2023

	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
Ital.Co.Cer. Consorzio (in Liq.)	37,612	-	-	-	37,612	72,464	-	-	-	72,464	(34,852)
Italstrade CCCF Joint Venture Romis S.r.l.	255,375	-	62,217	-	317,592	150,690	-	-	-	150,690	166,902
Italstrade S.p.A.	251,644	-	1,874,191	-	2,125,835	-	-	-	-	-	2,125,835
Joint Venture Aktor S.A.- Impregilo S.p.A.	-	-	332	-	332	-	-	-	-	-	332
Joint Venture Aktor-Webuild-Hitachi Rail STS	127,100	-	-	-	127,100	843	-	-	-	843	126,257
Joint Venture Impregilo S.p.A.- Empedos S.A.- Aktor A.T.E. (in liq.)	-	-	123,403	223,931	347,334	-	-	-	-	-	347,334
Joint Venture Impregilo S.p.A.- S.G.F. INC S.p.A.	1,576,063	-	8,533,480	34,006	10,143,549	4,840	-	-	1,251,869	1,256,709	8,886,840
La Maddalena	5,444,532	-	-	-	5,444,532	1,973,669	-	-	-	1,973,669	3,470,863
Lane Construction Corporation	5,504,932	-	8,278,304	-	13,783,236	12,473,242	-	-	-	12,473,242	1,309,994
Lane Mideast Qatar LLC	494,643	-	-	-	494,643	-	-	-	-	-	494,643
Lane Industries Incorporated	1,040	-	-	-	1,040	-	-	-	-	-	1,040
Line 3 Metro Stations CW Joint Venture	90,986	-	363,160	-	454,146	-	-	-	283,952	283,952	170,194
M.N. Metropolitana di Napoli S.p.A.	164,998	-	-	-	164,998	20,050	-	-	-	20,050	144,948
Mercovia S.A.	994	-	-	-	994	-	-	-	-	-	994
Messina Catania Lotto Nord	324,110	-	-	-	324,110	-	-	143,289,173	-	143,289,173	(142,965,063)
Messina Catania lotto Sud	158,713	-	-	-	158,713	-	-	91,727,041	-	91,727,041	(91,568,328)
Messina Stadio S.C. a r.l. (in liq.)	1,233,652	-	2,469,784	-	3,703,436	3,697,052	-	-	-	3,697,052	6,384
Metro 5 S.p.A.	2,266	-	-	-	2,266	385	-	-	-	385	1,881
Metro B1 S.C. a r.l.	205,121	-	263,741	-	468,862	3,280,410	-	250,033	-	3,530,443	(3,061,581)
Metro Blu S.C. a r.l.	3,269,254	-	-	-	3,269,254	-	-	26,435,962	-	26,435,962	(23,166,708)
Metro C S.C.p.A.	1,418,258	-	-	-	1,418,258	285,604	-	-	-	285,604	1,132,654
Mondial Milas-Bodrum Havalimani Uluslararasi Terminal İşletmeciliği Ve Yatirim A.S.	6,635	-	55,108	34,630	96,373	4,472	-	-	-	4,472	91,901
Napoli Cancello Alta Velocità S.C. a r.l.	607,883	-	-	-	607,883	-	-	18,243,418	-	18,243,418	(17,635,535)
NBI Elektrik Elektromekanik Tesisat Insaat Ve Ticaret I.S.	50,040	495,000	277	382,366	927,683	6,340	-	-	-	6,340	921,343
NBI S.p.A.	716,590	-	8,755	1,593,853	2,319,198	2,265,602	-	-	-	2,265,602	53,596
Novocen Consorzio (in liq.)	166,743	-	22,419	-	189,162	189,162	-	-	-	189,162	-
Nuovo Ospedale Sud Est Baresen S.C. a r.l. (NOSEB S.C. a r.l.)	110,638	-	-	-	110,638	-	-	1,391,039	-	1,391,039	(1,280,401)
Nuovo Polo Fieristico S.C. a r.l. (in liq.)	229,828	-	22,500	-	252,328	63,875	-	-	-	63,875	188,453
Partecipazioni Italia S.p.A.	16,726,179	-	-	-	16,726,179	620,875	-	116,564,516	-	117,185,391	(100,459,212)
Partenopea Finanza di Progetto S.C.p.A. (in liq.)	217,689	-	-	-	217,689	-	-	-	-	-	217,689
Passante Dorico S.p.A.	12,687	-	-	-	12,687	-	-	-	-	-	12,687
Pedelombarda Nuova S.c.p.a.	81,802	-	-	-	81,802	-	-	-	-	-	81,802
Pedelombarda S.C.p.A. (in liq.)	440,949	-	2,485	-	443,434	249,152	-	-	578,687	827,839	(384,405)
Pegaso S.C. a r.l. (in Liq.)	3,424	-	-	-	3,424	-	-	-	-	-	3,424
Pergenova Breakwater	106,621,589	-	-	-	106,621,589	28,343,441	-	118,327,656	-	146,671,097	(40,049,508)
PGH Ltd.	4,065	-	-	-	4,065	4,065	-	-	-	4,065	-
Piana di Licata S.C. a r.l. (in liq.)	-	-	138,797	-	138,797	139,073	-	-	-	139,073	(276)
Piscine dello Stadio S.r.l.	165,029	-	285,290	-	450,319	-	-	-	-	-	450,319

Assets and liabilities at 31 December 2023

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Puentes del Litoral S.A. (in liq.)	666	-	-	-	666	-	-	-	-	-	666
Reggio Calabria- Scilla S.C.p.A. (in liq.)	27,721,293	-	215,249	-	27,936,542	42,975,480	-	-	-	42,975,480	(15,038,938)
RI.MA.TI. S.C. a r.l. (in liq.)	189,563	-	-	-	189,563	-	-	616,000	-	616,000	(426,437)
Rivigo Joint Venture (Nigeria) Ltd.	190,105	-	-	-	190,105	-	-	-	-	-	190,105
Romairport S.r.l.	1,422,374	-	-	192	1,422,566	158,716	-	4,812,374	-	4,971,090	(3,548,524)
S. Agata FS S.C. a r.l.	760,595	-	-	-	760,595	-	-	12,335,609	-	12,335,609	(11,575,014)
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.)	-	-	-	-	-	15,352,513	-	-	-	15,352,513	(15,352,513)
S.A.T. S.p.A.	101,581	-	-	-	101,581	-	-	-	-	-	101,581
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	3,052,960	-	-	-	3,052,960	-	-	-	-	-	3,052,960
Salerno-Reggio Calabria S.C.p.A. (in liq.)	77,502,814	-	-	-	77,502,814	95,384,501	-	236,215	-	95,620,716	(18,117,902)
Salini Australia Pty Ltd.	-	-	56,722,318	-	56,722,318	479,373	-	-	-	479,373	56,242,945
Salini Impregilo- Healy Joint Venture (Tunnel 3RPORT Indiana)	-	-	-	262,837	262,837	-	-	-	-	-	262,837
Salini Impregilo- Healy Joint Venture NEBT	13,216	-	-	1,437,105	1,450,321	-	-	-	-	-	1,450,321
Salini Impregilo- NRW Joint Venture	131,005	-	59,143,300	-	59,274,305	-	-	-	-	-	59,274,305
Salini Impregilo- Tristar Joint Venture	1,264,667	-	-	-	1,264,667	802,235	-	-	-	802,235	462,432
Salini Malaysia SDN BHD	-	-	-	-	-	-	-	27,130	-	27,130	(27,130)
Salini Namibia Proprietary Ltd.	7,808	-	-	-	7,808	94,761	-	1,579,976	349	1,675,086	(1,667,278)
Salini Nigeria Ltd.	1,979,871	-	90,910,143	-	92,890,014	253,203	-	-	-	253,203	92,636,811
Salini Polska- Todini- Salini Impregilo- S7 Joint Venture	23,088,657	-	-	-	23,088,657	77,106,408	-	-	-	77,106,408	(54,017,751)
Salini Polska- Todini- Salini Impregilo- Pribex- S3 Joint Venture	22,013,104	-	369,773	-	22,382,877	58,501,889	-	-	-	58,501,889	(36,119,012)
Salini Polska- Todini- Salini Impregilo- Pribex- S8 Joint Venture	1,904,471	-	-	-	1,904,471	32,321,900	-	-	-	32,321,900	(30,417,429)
Salini Polska Sp. z.o.o.	752,478	-	220,394,302	-	221,146,780	2,956,621	-	-	-	2,956,621	218,190,159
Salini Saudi Arabia Company Ltd.	3,404,953	-	116,304	-	3,521,257	1,968,559	-	9,709,105	-	11,677,664	(8,156,407)
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	533	8,123,509	1,200,000	-	9,324,042	-	-	83,035	-	83,035	9,241,007
SCLC Polihali Diversion Tunnel Joint Venture	-	-	-	-	-	175,889	-	1,185	-	177,074	(177,074)
Scuola Carabinieri S.C. a r.l. (in liq.)	499,898	-	-	-	499,898	-	-	-	-	-	499,898
SEDI S.C. a r.l. (in liq.)	1,005	-	-	-	1,005	-	-	-	-	-	1,005
Seli Overseas S.p.A.	3,243,767	-	-	-	3,243,767	647,510	-	31,579,509	-	32,227,019	(28,983,252)
Seli Middle East Construction Co. W.L.L.	878	-	-	-	878	-	-	-	-	-	878
SFI Leasing Company	-	-	4,343,891	-	4,343,891	-	-	-	4,059,251	4,059,251	284,640
Shimmick CO. INC.- FCC CO S.A.- Impregilo S.p.A-Joint Venture	21,678,526	-	-	-	21,678,526	-	-	-	21,683,140	21,683,140	(4,614)
Sirjo S.c.p.A.	4,265,387	-	-	-	4,265,387	-	-	38,613,631	-	38,613,631	(34,348,244)
Sistranyac S.A.	257	-	-	-	257	-	-	-	-	-	257
SLC Snowy Hydro Joint Venture	4,417,460	-	178,522,125	-	182,939,585	-	-	-	13,490,251	13,490,251	169,449,334
Società Autostrada Broni- Mortara S.p.A.	41,640	-	-	-	41,640	-	-	381,382	-	381,382	(339,742)

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Spark Nel DC Workforce Pty Ltd.	294,758	-	-	-	294,758	-	-	-	-	-	294,758
SPV Linea M4 S.p.A.	81,590	-	-	-	81,590	-	-	-	-	-	81,590
Suramericana de Obras Publicas C.A.- Suropca C.A.	-	-	50,888	-	50,888	-	-	958,700	-	958,700	(907,812)
Susa Dora Quattro S.C. a r.l. (in liq.)	21,670	-	-	-	21,670	-	-	-	-	-	21,670
SYD TS Pty Ltd.	193,384	-	-	-	193,384	-	-	-	-	-	193,384
T.E.Q Construction Enterprise Inc.	1,330,140	-	-	-	1,330,140	-	-	-	-	-	1,330,140
Tangenziale Seconda S.C. a r.l. (in liq.)	92,232	-	9,000	-	101,232	26,873	-	-	-	26,873	74,359
TB Metro S.r.l. (in liq.)	-	-	23,319	-	23,319	-	-	-	-	-	23,319
Techint S.A.C.I.- Hochtief A.G.- Impregilo S.p.A.-Iglys S.A. UTE (EZEIZA)	-	-	-	347,948	347,948	-	-	311,912	35,918	347,830	118
Texas High Speed Rail LLC	8,652,167	-	8,679,677	-	17,331,844	-	-	-	-	-	17,331,844
Thessaloniki Metro CW Joint Venture (AIS Joint Venture)	214,450	-	-	-	214,450	-	-	-	-	-	214,450
Toledo S.C. a r.l. (in liq.)	167,853	-	-	-	167,853	-	-	-	-	-	167,853
Valle Aconcagua S.A.	-	-	-	29,382	29,382	-	-	-	52,642	52,642	(23,260)
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
WBCA Pty Ltd.	63,973	-	-	-	63,973	-	-	-	-	-	63,973
Webuild- Connect 6iX GP Inc.	265,688	-	-	-	265,688	-	-	-	-	-	265,688
Webuild- Fisia Joint Venture	-	-	3,094,472	-	3,094,472	-	-	1,854,929	-	1,854,929	1,239,543
Webuild Canada Holding Inc.	1,060,993	-	17,830,264	-	18,891,257	-	-	-	-	-	18,891,257
Webuild Civil Works Inc.	4,483,180	-	1,494,841	-	5,978,021	-	-	-	-	-	5,978,021
Webuild Concessions S.p.A.	209,227	-	31,024,474	-	31,233,701	-	-	-	-	-	31,233,701
Webuild Innovations S.r.l.	-	-	1,355	-	1,355	-	-	-	-	-	1,355
Webuild Italia S.p.A.	73,794,950	-	-	-	73,794,950	197,483,954	-	1,738,667,733	-	1,936,151,687	(1,862,356,737)
Webuild Mobilink Hurontario GP Inc.	934,068	-	-	-	934,068	-	-	-	-	-	934,068
Webuild S.p.A.- The Lane Construction Co.- Jose J Chediack S.A. UTE	626,294	-	-	1,690,846	2,317,140	12,506	-	121,946	2,252	136,704	2,180,436
Webuild-APCO Joint Venture	349	-	-	-	349	-	-	-	-	-	349
Webuild-Partecipazione Italia-Salcef Timisoara- Arad lot 3 Joint Venture	-	-	14,109,642	-	14,109,642	-	-	-	-	-	14,109,642
Webuild-Partecipazione Italia-Salcef Timisoara- Arad lot 4 Joint Venture	-	-	338,223	-	338,223	-	-	-	-	-	338,223
Webuild-Pizzarotti Joint Venture	-	-	699,823	-	699,823	-	-	-	-	-	699,823
Webuild- SC Euroconstruct Tranding 98-SC Astalrom Asocierea (Orastie- Sibiu)	-	-	-	-	-	-	-	444,472	-	444,472	(444,472)
Webuild-SOMET-TIAB-UTI GRUP	-	-	-	21,590	21,590	-	-	-	-	-	21,590
Webuild-Terna SNFCC Joint Venture	-	-	-	119,248	119,248	-	-	-	-	-	119,248
Western Station Joint Venture	16,886,912	-	16,522,801	20,113,811	53,523,524	11,788,611	-	4,507,008	-	16,295,619	37,227,905
Wres Senqu Bridge Joint Venture	1,342,562	-	703,470	-	2,046,032	-	-	-	-	-	2,046,032
WSS Joint Venture	2,180,352	-	33,785	-	2,214,137	-	-	11,070,756	-	11,070,756	(8,856,619)
Yuma Concessionaria S.A.	-	194,257,937	-	-	194,257,937	167	-	-	-	167	194,257,770

Assets and liabilities at 31 December 2023

	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 group companies	900,876,763	202,921,559	1,228,058,375	58,547,998	2,390,404,695	764,719,241	799,499	2,778,057,997	67,762,861	3,611,339,598	(1,220,934,903)
Casada S.r.l.	176,401	-	-	-	176,401	-	-	-	-	-	176,401
CDP Equity S.p.A.	-	-	-	-	-	466,211	-	-	-	466,211	(466,211)
CEDIV SPA	870,402	-	-	-	870,402	-	-	-	-	-	870,402
Consorzio Tiburtino S.r.l.	166,950	-	-	-	166,950	-	-	-	-	-	166,950
Dirlan S.r.l.	172,402	-	-	-	172,402	-	-	-	-	-	172,402
Eni S.p.A.	-	-	-	-	-	195,200	-	-	-	195,200	(195,200)
Fincantieri Infrastructure S.p.A.	-	-	-	-	-	1,150,935	-	-	-	1,150,935	(1,150,935)
G.A.B.I.RE. Srl	241,482	-	-	-	241,482	-	-	-	-	-	241,482
Galla Placidia S.c.a.r.l.	179,238	-	-	-	179,238	-	-	-	-	-	179,238
Immobiliare Agricola San Vittorino S.r.l.	231,517	-	-	-	231,517	-	-	-	-	-	231,517
Infernetto S.r.l.	62,492	-	-	-	62,492	-	-	-	-	-	62,492
Madonna dei Monti S.r.l.	122,538	-	-	-	122,538	-	-	-	-	-	122,538
Nores S.r.l.	113,074	-	-	-	113,074	-	-	-	-	-	113,074
Plus S.r.l.	240,623	-	-	-	240,623	-	-	-	-	-	240,623
Poste Italiane S.p.A.	-	-	-	-	-	190	-	-	-	190	(190)
Salini S.p.A.	69,735	-	-	-	69,735	-	-	-	-	-	69,735
Salini Costruttori S.p.A.	-	1,160,211	-	-	1,160,211	-	-	-	-	-	1,160,211
Salini Simonpietro e C. S.a.p.A.	128,319	-	-	-	128,319	-	-	-	-	-	128,319
Simest S.p.A.	-	-	-	-	-	-	6,308,883	203,353	-	6,512,236	(6,512,236)
Zeis S.r.l.	-	-	3,360,863	-	3,360,863	4,155	-	-	-	4,155	3,356,708
Total other related parties	2,775,173	1,160,211	3,360,863	-	7,296,247	1,816,691	6,308,883	203,353	-	8,328,927	(1,032,680)
Total	903,651,936	204,081,770	1,231,419,238	58,547,998	2,397,700,942	766,535,932	7,108,382	2,778,261,350	67,762,861	3,619,668,525	(1,221,967,583)

	Revenue	Other revenue and income	Purchases	Subcontracts	Services	Personnel expenses	Other operating expenses	Amortisation, depreciation, impairment losses, provisions	Financial income	Financial expense
A1 Motorway Tuszyn-Pyrzowice lot F Joint Venture	1,355,433	5,700	-	-	-	-	-	-	-	-
AGN HAGA AB	-	2,322,530	-	-	-	-	-	4,578,171	-	-
Aguas del Gran Buenos Aires S.A. (in liq.)	23,866	-	-	-	-	-	-	-	-	39,154
Arge BBT- Baulos H41- Sillschlucht- Pfons	532,926	149,701	-	-	-	-	-	-	-	-
AS.M. S.C. a r.l.	20,000	-	-	-	-	-	-	-	-	-
Astaldi Arabia Ltd.	-	-	-	-	-	-	-	-	39,287	168,627
Astaldi Bulgaria Ltd. (in liq.)	-	-	-	-	-	-	-	162	-	-
Astaldi Canada Enterprises Inc.	-	11,494	-	-	-	-	-	-	1,947,126	8,029,599
Astaldi Canada Inc.	-	-	-	-	-	-	-	-	1,208,285	(906,229)
Astaldi Concessions S.p.A.	21,943	13,984	-	-	-	-	-	-	571,458	-
Astaldi Construction Corporation	60,227	134	-	-	-	-	105,904	-	573,521	-
Astaldi de Venezuela C.A.	-	-	-	-	-	-	-	16,334	-	-
Astaldi India Services LLP	-	568	-	-	-	-	-	-	-	-
Astaldi-Federici-Todini Kramis	-	-	-	-	438	-	-	(11,896)	-	-
Astaldi-Max Bogl-CCCF Joint Venture	-	-	-	-	-	-	-	6,758	-	-
ASTALROM S.A.	-	18,915	-	-	1,454,412	-	-	-	-	-
Astur Construction and Trade A.S.	-	853	-	-	-	-	-	-	3,179	-
Bovino Orsara AV	22,279	85,757	-	-	-	-	-	-	-	1,161,300
Brennero Tunnel Construction S.C. a r.l.	94,037	88,141	-	-	-	-	-	-	-	-
BSS Joint Venture- Air Academy project	-	1,358,807	-	-	-	6,081	-	-	-	-
C.F.M. S.C. a r.l. (in liq.)	-	17,834	-	-	-	-	-	-	-	-
Capodichino AS.M. S.C. a r.l.	40,000	1,897	-	-	-	-	-	-	-	-
CDE S.C. a r.l.	39,768	130,913	-	-	-	-	150,282	-	427,397	-
Clough Projects Australia Pty Ltd.	-	278,458	-	-	-	-	-	-	-	-
Clough Projects Pty Ltd.	-	2,347,501	-	-	60,561	-	-	-	-	-
CO.MERI S.p.A.	8,135	255	-	-	-	-	-	-	-	-
Collegamenti Integrati Veloci C.I.V. S.p.A.	9,077	4,000	-	-	-	-	-	-	-	-
Compagnia Gestione Macchinari CO.GE.MA. S.p.A.	151,778	51,243	-	-	2,650,000	-	-	-	175,293	-
Consorcio Constructor Webuild- Cigla (florianopolis)	-	-	-	-	-	-	-	-	959,148	17,069,324
Consorcio Contuy Medio	-	-	-	-	34,221	-	-	-	-	-
Consorcio Grupo Contuy-Proyectos y Obras de Ferrocarriles	-	-	-	-	99,709	-	-	-	-	-
Consorcio Impregilo Yarull	-	5,600	-	-	-	-	-	-	31,360	-
Consorcio OIV-TOCOMA	140,573	-	-	-	845,835	-	-	-	-	-
Consorcio V.I.T. Caroni- Tocoma	-	-	-	-	659,851	-	-	-	-	-
Consorzio Alta Velocità Torino/Milano- C.A.V.TO.MI.	(14,246)	177	-	-	1,489,339	-	22	-	290,549	286,191
Consorzio C.A.V.E.T.- Consorzio Alta Velocità Emilia/Toscana	50,116	53	-	-	383,008	-	-	-	68,303	89,035
Consorzio Cociv	509,967	893,624	-	-	-	-	-	-	-	-
Consorzio EPC	83,489,938	14,006	-	-	2,259,763	-	-	-	-	-
Consorzio Ferrofir (in liq.)	-	-	-	-	11,673	-	-	-	-	-
Consorzio Hirpinia AV	52,567	150,508	-	-	-	-	-	-	-	-

Revenue and costs for 2023

	Revenue	Other revenue and income	Purchases	Subcontracts	Services	Personnel expenses	Other operating expenses	Amortisation, depreciation, impairment losses, provisions	Financial income	Financial expense
Consorzio Iricav Due	85,477	617,268	-	-	-	-	-	-	-	-
Consorzio Kassar	3,120	41,140	-	-	-	-	-	-	-	-
Consorzio Libyan Expressway Contractor	63,753	3,058	-	-	87,702	-	-	-	-	-
Consorzio MM4	83,239	16,831	-	-	-	-	-	-	-	-
Consorzio Palermo Catania ED	11,070	118,634	-	-	-	-	-	-	-	-
Consorzio Tridentum	11,010	186,416	-	-	-	-	-	-	-	-
Consorzio Triscelio	5,340	153,544	-	-	-	-	-	-	-	-
Consorzio Triscelio 3	5,100	139,002	-	-	-	-	-	-	-	-
Consorzio Xenia	115,323	(243,641)	-	-	26,187	-	-	-	-	-
Constructora Ariguani SAS En Reorganizacion	58,123	309,472	-	-	8,396	-	-	-	1,400,851	-
Construtora Impregilo y Associados S.A.-CIGLA S.A.	-	-	-	-	1,913	-	-	159,540	254,784	4,024,720
Copenaghen Metro Team I/S	412,961	781,612	-	-	-	-	-	-	6,282,603	5,497,023
Corso del Popolo Engineering S.C. a r.l. (in liq.)	11,803	3,058	-	-	-	-	-	-	83,611	78
Corso del Popolo S.p.A.	18,415	3,058	-	-	-	-	-	-	11,169	-
Cossi Costruzioni S.p.A.	118,384	287,346	-	-	-	-	-	-	129,472	2,348,530
CSC Costruzioni S.A.	107,415	131,425	-	-	-	-	-	-	861,934	-
DCSC Data Center Swiss Contractor	-	-	-	-	-	-	-	-	-	33,597
Diga di Blufi S.C. a r.l. (in liq.)	-	-	-	-	4,246	-	-	-	-	-
DIRPA 2 S.C. a r.l.	-	40,656	-	-	-	-	-	-	-	147,381
DMS Design Consortium S.C. a r.l.	-	-	-	-	58,541	-	-	-	-	-
Dolomiti Webuild Implenia	18,577	68,560	-	-	-	-	-	-	-	-
E.R. Impregilo-Dumez y Asociados para Yacireta- ERIDAY UTE	38,615	-	-	-	10,878,290	-	-	-	736,155	7,793
Ecosarno S.C. a r.l. (in Liq.)	-	-	-	-	2,631	-	-	-	-	-
Enecor S.A.	9,713	-	-	-	-	-	-	-	-	-
Eurolink S.C.p.A.	916,864	83,058	-	-	-	-	-	-	-	-
Fibe S.p.A.	175,413	3,077	-	-	-	-	-	-	-	1,766,964
Fisia- Alkatas Joint Venture	-	3,800	-	-	-	-	-	-	-	-
Fisia Ambiente S.p.A.	20,830	-	-	-	-	-	-	-	70	994,802
Fisia Italimpianti S.p.A.	59,464	594,717	-	-	317,720	-	-	-	516,933	81,688
FISIA LLC	-	3,800	-	-	-	-	-	-	-	-
Fisia Muhendislik VE Insaat Anonim Sirketi	9,766	3,800	-	-	-	-	-	-	-	-
Fosso Canna S.C. a r.l. (in liq.)	-	-	-	-	-	-	-	-	-	86,755
Grupo Empresas Italianas- GEI	-	-	-	-	208,879	-	-	-	-	-
Grupo ICT II SAS	(80,364)	-	-	-	-	-	-	-	3,060,921	-
Grupo Unidos Por El Canal S.A.	851,624	14,211	-	-	-	-	-	-	-	-
Hirpinia Orsara AV	27,176	78,355	-	-	-	-	-	-	-	3,483,900
Holding Construction Australia Pty Ltd.	-	6,826,393	-	-	-	-	111,716	-	1,102,236	-
IGLYS S.A. Unipersonal	-	-	-	-	-	-	-	-	-	295,995
Impregilo Arabia Ltd.	611	382	-	-	-	-	-	994	-	294,588
Impregilo International Infrastructures N.V.	-	3,800	-	-	-	-	-	-	-	-

Revenue and costs for 2023

	Revenue	Other revenue and income	Purchases	Subcontracts	Services	Personnel expenses	Other operating expenses	Amortisation, depreciation, impairment losses, provisions	Financial income	Financial expense
Impregilo Lidco Libya General Contracting Co	235,697	16,955	-	-	-	-	-	-	17,290	-
Impregilo New Cross Ltd.	11,493	3,259	-	-	-	-	-	-	46,864	-
Impresit Bakolori Plc	-	-	-	-	-	-	-	-	1,860,687	1,860,687
Infraflegrea Progetto S.C.p.A.	85,005	7,074	-	-	-	-	-	-	-	28,851
Infraflegrea S.C. a r.l. (in liq.)	-	-	-	-	470	-	-	-	-	-
Isarco S.C. a r.l.	102,083	75,435	-	-	-	-	-	-	-	-
Italstrade S.p.A.	16,000	-	-	-	-	-	-	-	58,482	-
Joint Venture Aktor-Webuild-Hitachi Rail STS	-	102,500	-	-	-	-	-	-	-	-
Joint Venture Impregilo S.p.A.- S.G.F. INC S.p.A.	7,050	75,000	-	-	5,912	-	-	-	-	-
La Maddalena	765	86,459	-	-	710,844	-	-	-	-	-
Lane Construction Corporation	2,848,277	242,858	-	-	51,187	-	-	-	527,713	-
Lane Industries Incorporated	-	283	-	-	-	-	-	-	-	-
Lane Mideast Contracting LLC	-	41,852	-	-	-	-	-	-	-	-
Line 3 Metro Stations CW Joint Venture	-	-	-	-	4,282	-	-	-	-	-
Mercovia S.A.	19,606	-	-	-	-	-	-	-	-	-
Messina Catania Lotto Nord	70,830	145,089	-	-	-	-	-	-	-	3,235,050
Messina Catania lotto Sud	18,443	31,830	-	-	-	-	-	-	-	2,073,750
Messina Stadio S.C. a r.l. (in liq.)	-	-	-	-	3,833	-	-	-	-	-
Metro 5 S.p.A.	43,959	-	-	-	-	-	-	-	-	-
Metro B1 S.C. a r.l.	32,370	39	-	-	5,734	-	-	-	68,909	3,327
Metro Blu S.C. a r.l.	175,482	490,205	-	-	-	-	-	-	167,299	7,219
Metro C S.C.p.A.	60,000	131,263	-	-	-	-	-	-	-	-
Mondial Milas-Bodrum Havalimani Uluslararasi Terminal İşletmeciliği Ve Yatirim A.S.	-	853	-	-	-	-	-	-	-	-
Napoli Cancello Alta Velocità S.C. a r.l.	60,401	168,759	-	-	-	-	-	-	18,864	446,561
NBI Elektrik Elektromekanik Tesisat Insaat Ve Ticaret I.S.	-	853	-	-	-	-	-	-	51,238	-
NBI S.p.A.	37,220	740,587	-	7,032,327	1,131,921	-	-	-	-	-
Nuovo Ospedale Sud Est Baresen S.C. a r.l. (NOSEB S.C. a r.l.)	-	15,550	-	-	-	-	-	-	-	-
Nuovo Polo Fieristico S.C. a r.l. (in liq.)	-	-	-	-	62,876	-	-	-	-	-
Partecipazioni Italia S.p.A.	2,473,713	2,375,817	-	-	313,930	-	260	-	235,078	740,289
Partenopea Finanza di Progetto S.C.p.A. (in liq.)	37,200	-	-	-	-	-	-	-	-	-
Passante Dorico S.p.A.	2,481	3,058	-	-	-	-	-	-	-	-
Pedelombarda Nuova S.c.p.a.	2,820	156,476	-	-	-	-	-	-	-	-
Pedelombarda S.C.p.A. (in liq.)	17,910	-	-	-	(565,008)	-	-	-	-	-
Pergenova Breakwater	12,504	965,450	-	-	28,197,917	-	-	-	-	3,675,625
PerGenova S.C.p.A. (in liq.)	-	-	-	-	97,054	-	-	-	-	-
PGH Ltd.	-	-	-	-	-	-	-	72,356	154,223	4,664,418
Piscine dello Stadio S.r.l.	17,967	3,058	-	-	-	-	-	-	16,550	-
Puentes del Litoral S.A. (in liq.)	13,132	-	-	-	-	-	-	-	-	(554,826)
Reggio Calabria- Scilla S.C.p.A. (in liq.)	15,600	3,091	-	-	333,205	-	-	-	-	13,088

Revenue and costs for 2023

	Revenue	Other revenue and income	Purchases	Subcontracts	Services	Personnel expenses	Other operating expenses	Amortisation, depreciation, impairment losses, provisions	Financial income	Financial expense
RI.MA.TI. S.C. a r.l. (in liq.)	-	-	-	-	(54,379)	-	-	-	-	-
S. Agata FS S.C. a r.l.	68,193	104,119	-	-	-	-	-	-	249	288,943
S. Filippo S.C. a r.l. (in liq.)	-	-	-	-	-	-	-	-	-	9,000
S. Ruffillo S.C. a r.l. (in liq.)	-	-	-	-	8,674	-	-	-	-	-
SA.PI. NOR Salini Impregilo- Pizzarotti Joint Venture	98,777	2,052,485	3,954	-	-	-	-	-	-	-
Salerno-Reggio Calabria S.C.p.A. (in liq.)	12,248	3,383	-	-	342,022	-	-	-	3,148	3,426
Salini Australia Pty Ltd.	-	3,327	-	-	623,077	25,985,687	596,552	-	129,488	-
Salini Impregilo- NRW Joint Venture	28,500	364,776	-	-	-	-	-	-	1,256,619	-
Salini Impregilo- Tristar Joint Venture	-	-	-	-	755,801	-	-	-	-	-
Salini Insaat Taahhut Sanayi Ve Ticaret Anonim Sirketi (in liq.)	-	-	-	-	-	-	18,414	-	-	-
Salini Malaysia SDN BHD	-	5,700	-	-	-	-	-	-	-	-
Salini Namibia Proprietary Ltd.	80	5,045	-	-	9,128	-	-	-	90,385	5,408
Salini Nigeria Ltd.	480,835	22,149	-	-	-	-	-	-	4,026,712	-
Salini Polska- Todini- Salini Impregilo- S7 Joint Venture	-	-	-	-	2,719,028	-	-	-	-	-
Salini Polska- Todini- Salini Impregilo- Pribex- S3 Joint Venture	-	-	-	-	2,053,022	-	-	-	-	-
Salini Polska- Todini- Salini Impregilo- Pribex- S8 Joint Venture	-	-	-	-	1,110,044	-	-	-	-	-
Salini Polska Sp. z.o.o.	-	460,600	-	-	4,630	-	-	-	10,701,575	17,468
Salini Saudi Arabia Company Ltd.	46,349	3,323,966	-	-	901,150	46,418	23,649	-	-	-
SCLC Polihali Diversion Tunnel Joint Venture	41,941	-	37,230	-	28,812	369	837	-	-	-
Seli Overseas	451,918	313,781	-	-	26,527	-	-	-	1,530,413	-
SFI Leasing Company	35,837	-	-	-	483,291	-	-	-	-	-
Shimmick CO. INC.- FCC CO S.A.- Impregilo S.p.A-Joint Venture	7,120,401	-	-	-	943,482	-	-	-	-	-
Sirjo S.c.p.A.	146,011	685,032	-	-	-	-	-	-	-	-
Sistranyac S.A.	5,099	-	-	-	-	-	-	-	-	-
SLC Snowy Hydro Joint Venture	5,746,627	13,768,198	-	-	-	-	-	-	-	189,485
Società Autostrada Broni- Mortara S.p.A.	12,248	3,058	-	-	-	-	-	-	-	-
Spark Nel DC Workforce Pty Ltd.	-	-	-	-	7,237	1,089,172	-	-	-	-
SPV Linea M4 S.p.A.	-	81,590	-	-	-	-	-	-	-	-
Suramericana de Obras Publicas C.A.- Suropca C.A.	-	-	-	-	-	-	-	-	-	53,025
Susa Dora Quattro S.C. a r.l. (in liq.)	-	-	-	-	(30,510)	-	-	-	-	-
T.E.Q Construction Enterprise Inc.	307,162	-	-	-	-	-	-	-	-	-
Tangenziale Seconda S.C. a r.l. (in liq.)	-	-	-	-	1,310	-	-	-	-	-
TB Metro S.r.l. (in liq.)	3,088	2,637	-	-	-	-	-	5,978	50,692	27,684
Techint S.A.C.I.- Hochtief A.G.- Impregilo S.p.A.-Iglys S.A. UTE (EZEIZA)	-	-	-	-	499,551	-	-	-	-	-
Texas High Speed Rail LLC	-	-	-	-	-	-	-	-	239,104	-
Thessaloniki Metro CW Joint Venture (AIS Joint Venture)	1,543,743	-	-	-	-	-	-	-	-	-
Toledo S.C. a r.l. (in liq.)	12,000	-	-	-	-	-	-	-	-	-
Valle Aconcagua S.A.	-	-	-	-	-	-	-	(1,165,649)	-	-
WBCA Pty Ltd.	-	58,157	-	-	-	-	-	-	-	-

Revenue and costs for 2023

	Revenue	Other revenue and income	Purchases	Subcontracts	Services	Personnel expenses	Other operating expenses	Amortisation, depreciation, impairment losses, provisions	Financial income	Financial expense
Webuild- Kolin Ordinary Partnership	10,670,476	-	-	-	524	-	1,531	-	-	-
Webuild Canada Holding Inc.	-	95,236	-	-	-	57,477	-	-	121,590	154
Webuild Civil Works Inc.	3,104	157,255	-	-	-	-	-	-	71,966	-
Webuild Concessions S.p.A.	97,992	87,105	-	-	-	-	-	-	802,297	-
Webuild Innovations S.r.l.	-	-	-	-	-	-	-	-	2,937	-
Webuild Italia S.p.A.	5,850,361	6,321,241	-	-	-	-	-	-	51,471	42,482,181
Webuild Mobilink Hurontario GP Inc.	13,122	-	-	-	-	-	-	-	-	-
Webuild S.p.A.- The Lane Construction Co.- Jose J Chediack S.A. UTE	122,604	20,155	19,078	-	146,711	-	-	-	-	-
Webuild-Pizzarotti-Salcef Joint Venture	-	-	-	-	-	-	25	-	-	-
Western Station Joint Venture	-	1,681,344	-	-	34,064	49	-	-	-	-
Wres Senqu Bridge Joint Venture	2,511,436	927,877	-	-	-	-	-	-	3,329	-
WSS Joint Venture	1,892,486	5,013,549	-	-	-	-	-	-	-	-
Yuma Concessionaria S.A.	271,323	416,033	-	-	-	-	164	-	23,004,545	-
Total group companies	133,779,175	60,086,936	60,262	7,032,327	62,510,668	27,185,253	1,009,356	3,662,748	66,045,362	104,271,628
Casada S.r.l.	10,154	3,165	-	-	-	-	-	-	-	-
CEDIV S.p.A.	31,227	3,165	-	-	-	-	-	-	-	-
Consorzio Tiburtino S.r.l.	10,448	3,165	-	-	-	-	-	-	-	-
Dirlan S.r.l.	15,043	3,165	-	-	-	-	-	-	-	-
Eni S.p.A.	-	-	160,000	-	-	-	-	-	-	-
Fincantieri Infrastructure S.p.A.	-	-	-	288,506	-	-	-	-	-	-
G.A.B.I.RE. Srl	16,696	3,165	-	-	-	-	-	-	-	-
Galla Placidia S.c.a.r.l.	8,146	2,637	-	-	-	-	-	-	-	-
Immobiliare Agricola San Vittorino S.r.l.	14,327	3,165	-	-	-	-	-	-	-	-
Infernetto S.r.l.	4,104	3,165	-	-	-	-	-	-	-	-
Madonna dei Monti Srl	11,154	2,637	-	-	-	-	-	-	-	-
Nores S.r.l.	5,721	3,165	-	-	-	-	-	-	-	-
Plus S.r.l.	23,976	3,165	-	-	-	-	-	-	-	-
Salini S.p.A.	26,786	3,165	-	-	-	-	-	-	-	-
Salini Costruttori S.p.A.	132,863	5,579	-	-	-	-	3,662,244	-	50,658	-
Salini Simonpietro e C. S.a.p.A.	14,394	-	-	-	-	-	-	-	-	-
Simest S.p.A.	-	-	-	-	-	-	-	-	-	407,830
Zeis S.r.l.	131,642	117,280	-	-	-	-	-	-	145,361	-
Total other related parties	456,681	159,783	160,000	288,506	-	-	3,662,244	-	196,019	407,830
Total	134,235,856	60,246,719	220,262	7,320,833	62,510,668	27,185,253	4,671,600	3,662,748	66,241,381	104,679,458

Separate financial statements of Webuild S.p.A.- Equity investments

Webuild S.p.A. Changes in equity investments in 2023

	Investment %	Registered office	Carrying amount at 31 December 2022	Changes of the year					Carrying amount at 31 December 2023	Equity (deficit) (Webuild's 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		
SUBSIDIARIES										
AGN HAGA AB	40.00	Sweden	9,639,514	-	(9,639,514)	-	-	-	-	-
Astaldi Algerie-E.u.r.l.	100.00	Algeria	871,672	-	(129,994)	-	-	-	741,678	741,678
Astaldi Canada Enterprises Inc.	100.00	Canada	4,721,060	-	(4,720,992)	-	-	-	68	(25,827,887)
Astaldi Concessions S.p.A.	100.00	Italy	10,239,712	-	(5,626,718)	-	-	-	4,612,994	4,612,994
Astaldi de Venezuela C.A.	99.80	Venezuela	1,174,775	-	(556,861)	-	-	-	617,914	601,598
Astaldi India Services LLP	99.99	India	16,407,920	(1,104,362)	(1,545,134)	-	-	-	13,758,424	13,615,301
Astaldi International Inc. (in liq.)	100.00	Liberia	86,480	-	-	-	-	-	86,480	87,040
Astaldi International Ltd. (in liq.)	100.00	UK	350,494	-	9,433	-	-	-	359,927	359,927
Astalnica S.A.	98.00	Nicaragua	32,778	-	(32,778)	-	-	-	-	-
Astalrom S.A.	99.71	Romania	6,046,178	-	-	-	-	-	6,046,178	6,826,357
Astur Construction and Trade A.S.	100.00	Turkey	1,789,334	-	-	-	-	-	1,789,334	7,028,946
Webuild Concessions S.p.A.	100.00	Italy	257,500	2,358,412	-	-	-	-	2,615,912	1,021,872
CO.ME.NA. S.C. a r.l. (in liq.)	70.43	Italy	14,550	(14,550)	-	-	-	-	-	-
Compagnia Gestione Macchinari CO.GE.MA. S.p.A.	100.00	Italy	2,059,427	-	-	-	-	-	2,059,427	4,391,313
Consorzio Alta Velocità Torino/Milano- C.A.V.TO.MI.	96.14	Italy	3,734,493	-	-	-	-	-	3,734,493	3,734,558
Consorzio C.A.V.E.T.- Consorzio Alta Velocità Emilia/Toscana	75.98	Italy	4,120,404	-	-	-	-	-	4,120,404	4,120,404
Consorzio Libyan Expressway Contractor	78.91	Italy	7,891	-	-	-	-	-	7,891	7,891
Constructora Ariguani SAS En Reorganizacion	100.00	Colombia	-	-	-	-	-	34,851	34,851	4,889,217
Copenaghen Metro Team I/S	99.99	Denmark	5,625,933	-	(5,625,933)	-	-	-	-	(5,497,023)
Cossi Costruzioni S.p.A.	100.00	Italy	18,602,117	-	-	-	-	-	18,602,117	26,587,947
CSC Costruzioni S.A.	100.00	Switzerland	9,521,592	-	-	-	-	-	9,521,592	22,967
DMS Design Consortium S.C. a r.l.	60.00	Italy	6,000	-	-	-	-	-	6,000	6,000
Fibe S.p.A.	99.99	Italy	25,273,374	-	(1,040,012)	-	-	-	24,233,362	24,233,362
Fisia Ambiente S.p.A.	100.00	Italy	21,580,565	-	-	-	-	-	21,580,565	44,117,690
Fisia Italimpianti S.p.A.	100.00	Italy	57,341,118	15,900,000	-	-	-	-	73,241,118	4,902,373
HCE Costruzioni S.p.A.	100.00	Italy	-	20,000,000	-	-	-	-	20,000,000	28,556,485
Impregilo Lidco Libya General Contracting Co	60.00	Libya	766,464	-	-	-	-	-	766,464	1,316,339
Italstrade S.p.A.	100.00	Italy	211,821	472,557	(132,721)	-	-	-	551,657	551,625
Messina Stadio S.C. a r.l. (in liq.)	100.00	Italy	46,481	-	-	-	-	-	46,481	46,481
Metro B1 S.C. a r.l.	80.70	Italy	1,952,940	-	-	-	-	-	1,952,940	1,952,940
NBI S.p.A.	100.00	Italy	8,539,855	1,700,000	-	-	-	-	10,239,855	1,514,938
Partecipazioni Italia S.p.A. *	100.00	Italy	550,031,838	-	-	-	-	-	550,031,838	501,303,834
Pergenova Breakwater	40.00	Italy	4,000	-	-	-	-	-	4,000	4,000
Redo-Association Momentanée	75.00	Congo	236,131	-	(140,172)	-	-	-	95,960	95,959
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. a r.l. (in liq.)	83.42	Italy	699,418	-	-	-	-	-	699,418	83,420
Romairport S.r.l.	99.26	Italy	6,639,242	-	(797,805)	-	-	-	5,841,437	5,884,808

Webuild S.p.A. Changes in equity investments in 2023

	Investment %	Registered office	Carrying amount at 31 December 2022	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 2023	Equity (deficit) (Webuild's share)
SUBSIDIARIES										
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	(37,006,120)
Webuild Canada Holding Inc.	100.00	Canada	1	-	-	-	-	-	1	1,076,772
Webuild S.p.A.- The Lane Construction Co.- Jose J Chediack S.A. UTE	73.00	Argentina	669,470	-	-	-	-	-	669,470	1,650,010
Salini Insaat Taahhut Sanayi Ve Ticaret Anonim Sirketi (in liq.)	100.00	Turkey	13,691	-	(5,343)	-	-	-	8,348	8,348
Salini Malaysia SDN BHD	90.00	Malaysia	304,547	-	(122,262)	-	-	-	182,285	182,285
Salini Namibia Proprietary Ltd.	100.00	Namibia	358	-	-	-	-	-	358	499,256
Salini Nigeria Ltd.	99.00	Nigeria	19,814,623	-	(19,814,623)	-	-	-	-	(29,277,778)
Salini Polska Sp. z.o.o.	100.00	Poland	-	-	-	-	-	257,473	257,473	10,022,033
Salini Saudi Arabia Company Ltd.	51.00	Saudi Arabia	3,795,080	-	-	-	-	-	3,795,080	22,769,333
Seli Overseas S.p.A.	100.00	Italy	12,767,316	3,400,000	-	-	-	-	16,167,316	6,831,354
Suramericana de Obras Publicas C.A.- Suropca C.A.	99.00	Venezuela	788,614	-	163,746	-	-	-	952,360	952,361
Susa Dora Quattro S.C. a 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	(908,384)
Thessaloniki Metro CW Joint Venture (AIS Joint Venture)	50.00	Greece	1,002,420	-	-	-	-	-	1,002,420	-
Todini Akkord Salini	25.00	Ukraine	462,454	-	-	-	-	-	462,454	462,377
Webuild- US Holdings Inc.	100.00	USA	661,405,264	283,305,717	(52,431,437)	-	-	-	892,279,544	733,641,041
Webuild Innovations S.r.l.	100.00	Italy	10,000	452,060	-	-	-	-	462,060	314,495
Webuild Italia S.p.A.	100.00	Italy	122,890,040	-	-	-	-	-	122,890,040	289,383,003
Webuild-Terna SNFCC Joint Venture	51.00	Greece	51,000	-	-	-	-	-	51,000	169,209
Total investments in subsidiaries			**1,636,969,160**	**326,469,834**	**(102,189,120)**	**-**	**-**	**292,324**	**1,861,542,199**	

* The company's equity does not include the effects of the PPA procedure for the acquisition of the former Astaldi Group.

Webuild S.p.A. Changes in equity investments in 2023

	Investment %	Registered office	Carrying amount at 31 December 2022	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 2023	Equity (deficit) (Webuild's share)
ASSOCIATES										
Consorzio Astaldi-Federici-Todini (in liq.)	33.33	Italy	15,494	-	-	-	-	-	15,494	15,494
Consorzio Consarno	25.00	Italy	5,165	-	-	-	-	-	5,165	(7,364)
Ital.Co.Cer. Consorzio (in Liq.)	30.00	Italy	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. a r.l. (in liq.)	50.00	Italy	15,106	-	-	-	-	-	15,106	15,106
Ecosarno S.C. a r.l. (in Liq.)	33.33	Italy	17,043	-	-	-	-	-	17,043	17,043
Grupo Unidos Por El Canal S.A. *	38.40	Panama	526,169,098	20,387,234	(97,449,181)	(17,788,359)	-	-	431,318,793	1,081,208
Metro de Lima Linea 2 S.A.	18.25	Peru	18,481,628	-	-	-	-	-	18,481,628	38,829,293
Metrogenova S.C. a r.l. (in liq.)	57.44	Italy	13,313	-	(13,313)	-	-	-	-	-
Mobilinx Hurontario Services Ltd.	12.00	Canada	8	-	-	-	-	-	8	378,073
Nuovo Polo Fieristico S.C. a r.l. (in liq.)	50.00	Italy	20,000	-	-	-	-	-	20,000	20,000
Otoyol Deniz Tasimaciligi A.S.	17.50	Turkey	50,952	-	-	-	-	-	50,952	31,153
Otoyol Isletme Ve Bakim A.S.	18.14	Turkey	6,543,381	-	-	-	-	-	6,543,381	1,633,985
Pedelombarda S.C.p.A. (in liq.)	47.00	Italy	2,350,000	-	-	-	-	-	2,350,000	2,350,000
S. Ruffillo S.C. a r.l. (in liq.)	35.00	Italy	21,000	-	-	-	-	-	21,000	21,000
S.E.I.S. S.p.A.	48.33	Italy	1,874,125	(1,900,000)	25,875	-	-	-	-	-
Tangenziale Seconda S.C. a r.l. (in liq.)	42.73	Italy	19,398	-	-	-	-	-	19,398	19,398
VE.CO. S.C. a r.l.	25.00	Italy	2,582	-	-	-	-	-	2,582	2,582
Yuma Concessionaria S.A.	40.00	Colombia	5,757,551	-	-	-	-	-	5,757,551	5,553,385
Total investments in associates			561,375,838	18,487,234	(97,436,619)	(17,788,359)	-	(15,494)	464,622,601	

* The investment's carrying amount includes additional long-term investments of €423.3 million.

Webuild S.p.A. Changes in equity investments in 2023

				Changes of the year						
	Investment %	Registered office	Carrying amount at 31 December 2022	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 2023	Equity (deficit) (Webuild's share)
JOINT VENTURES										
Arge BBT- Baulos H41- Sillschlucht- Pfons	25.00	Austria	25,000	-	-	-	-	-	25,000	3,096,705
C.F.M. S.C. a 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
Consorzio Hyperbuilders	96.22	Italy	-	9,622	-	-	-	-	9,622	9,622
Etlik Hastane P.A. S.r.l.	51.00	Italy	1,879,361	-	-	-	-	-	1,879,361	2,697,928
ICA LT Limited Liability Company	50.00	Russia	521	-	-	-	-	-	521	-
Infraflegrea S.C. a r.l. (in liq.)	50.00	Italy	15,145	-	-	-	-	-	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)	-	-	-	-	-	-
Techint S.A.C.I.- Hochtief A.G.- Impregilo S.p.A.-Iglys S.A. UTE (EZEIZA)	26.25	Argentina	3,944	-	-	1,367	-	-	5,311	5,311
Total interests in joint ventures			2,451,420	(490,378)	-	1,367	-	-	1,962,409	
OTHER EQUITY INVESTMENTS										
Asse Sangro Consorzio (in liq.)	4.76	Italy	22,134	-	-	-	-	-	22,134	-
C.F.C. S.C. a r.l. (in liq.)	0.01	Italy	5	-	-	-	-	-	5	-
CO.SA.VI.D. S.C. a r.l.	0.01	Italy	3	-	-	-	-	-	3	-
Centro Uno Consorzio (in liq.)	2.00	Italy	3,099	-	-	-	-	-	3,099	-
Consorzio Ferrofir (in liq.)	66.67	Italy	356,498	-	-	-	-	-	356,498	-
Malagrotta Consorzio	0.04	Italy	300	-	-	-	-	-	300	-
Consorzio Nazionale Imballaggi- CO.NA.I.	1.00	Italy	5	-	-	-	-	-	5	-
Utenti Servizi Salaria Vallericca Consorzio	0.01	Italy	16,500	-	-	-	-	-	16,500	-
Emittenti Titoli S.p.A. (in liq.)	0.24	Italy	10,832	-	-	-	-	-	10,832	-
Fusaro S.C. a r.l. (in liq.)	0.01	Italy	1	-	-	-	-	-	1	-
Guida Editori S.c.r.l. (in liq.)	1.05	Italy	5	-	(5)	-	-	-	-	-
Ital.Co.Cer. Consorzio (in Liq.)	30.00	Italy	-	-	-	-	-	15,494	15,494	-
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	-
Amplia Infrastructures S.p.A. (ex 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	-
U Joint Venture Astaldi S.p.A. (fil. Cile), VCGP (Ag en Chile) Astaldi Ingenieria y Const.Ltd.	n.a.	Chile	12,106	-	(12,106)	-	-	-	-	-
Strumenti finanziari partecipativi- PA.DE.- Astaris S.p.A.	n.a	n.a	1,002,892	-	-	(6,226)	-	526,541	1,523,207	-
Total other equity investments			1,550,853	(4,500)	(12,111)	(6,226)	-	542,035	2,070,051	
Total equity investments			2,202,347,274	344,462,190	(199,637,851)	(17,793,218)	-	818,865	2,330,197,260	

Webuild S.p.A. Changes in equity investments in 2023

	Investment %	Registered office	Carrying amount at 31 December 2022	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 2023	Equity (deficit) (Webuild's share)
PROVISIONS FOR RISKS ON EQUITY INVESTMENTS										
Aguas del Gran Buenos Aires S.A. (in liq.)	16.50	Argentina	(18,315)	-	-	-	18,315	-	-	(7,503)
Astaldi Arabia Ltd.	60.00	Saudi Arabia	(1,218,681)	-	-	-	-	-	(1,218,681)	(1,096,046)
Astaldi Bulgaria Ltd. (in liq.)	100.00	Bulgaria	(45,919)	-	-	-	-	-	(45,919)	(45,919)
Astaldi Polska Sp. z.o.o. (in liq.)	100.00	Poland	(218,087)	223,933	-	-	(5,846)	-	-	-
Astaldi-Max Bogl-CCCF Joint Venture	66.00	Romania	(824,731)	-	-	-	(124,396)	-	(949,127)	(2,846,861)
Avrasya Metro Grubu S.r.l . (in Liq.)	42.00	Italy	(146,341)	-	-	-	-	-	(146,341)	(172,326)
Bussentina S.C. a r.l. (in liq.)	78.90	Italy	(154,220)	(207,873)	-	-	362,093	-	-	-
Astaldi-Federici-Todini Kramis	50.00	Italy	(2,370,000)	-	-	-	-	-	(2,370,000)	(2,114,967)
Groupement Lesi-Dipenta Consorzio	0.01	Italy	(570)	-	-	-	-	-	(570)	(570)
Constructora Ariguani SAS En Reorganizacion	100.00	Colombia	(1,607,970)	-	-	-	1,642,821	(34,851)	-	4,889,217
Construtora Impregilo y Associados S.A.-CIGLA S.A.	100.00	Brazil	(3,642,163)	-	-	-	(67,612)	-	(3,709,774)	(4,247,318)
Grupo ICT II SAS	100.00	Colombia	(14,642,697)	-	-	-	132,196	-	(14,510,501)	(14,510,501)
HCE Costruzioni Ukraine LLC	1.00	Ukraine	(63,878)	-	-	-	-	-	(63,878)	(20,685)
Impregilo Arabia Ltd.	50.00	Saudi Arabia	(1,770,919)	-	-	-	-	-	(1,770,919)	(4,265,995)
INC- Il Nuovo Castoro Algerie S.a.r.l.	99.98	Algeria	(6,374,310)	-	-	-	10,529	-	(6,363,781)	(6,364,800)
Italstrade CCCF Joint Venture Romis S.r.l.	51.00	Romania	(43,134)	-	-	-	(28,625)	-	(71,759)	(71,758)
Joint Venture Impregilo S.p.A.- S.G.F. INC S.p.A.	100.00	Greece	(17,972)	-	-	-	-	-	(17,972)	(1,631,120)
PGH Ltd.	100.00	Nigeria	(5,770,641)	-	-	-	(271,953)	-	(6,042,594)	(4,674,301)
Salini Polska Sp. z.o.o.	100.00	Poland	(7,859,930)	-	-	-	-	7,859,930	-	10,022,033
S. Filippo S.C. a r.l. (in liq.)	80.00	Italy	-	-	-	-	(24,432)	-	(24,432)	(41,695)
SCI ADI Ortakligi	50.00	Turkey	(9,783,356)	-	-	-	438,783	-	(9,344,573)	(9,344,573)
Seac S.C.r.l. (in liq.)	100.00	Congo	(645,098)	200,039	-	-	445,059	-	-	-
VCGP- Astaldi Ingenieria y Construccion Limitada	50.00	Chile	(322,955)	-	-	-	-	-	(322,955)	-
Webuild- Fisia Joint Venture	33.00	Turkey	-	-	-	-	(1,657,255)	-	(1,657,255)	(533,992)
Webuild- Kolin Ordinary Partnership	50.01	Turkey	(165,907)	-	-	-	-	-	(165,907)	-
Total provisions for risks on equity investments			(57,707,794)	216,099	-	-	869,677	7,825,079	(48,796,938)	

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 Issuer's financial position at 31 December 2023 and financial performance and cash flows for the year then ended.

3.2 The Directors' report includes a reliable analysis of the Issuer's financial position and financial performance, together with information about the main risks and uncertainties to which it is exposed.

Milan, 14 March 2024

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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(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 2023, the statements of profit or loss, comprehensive income, cash flows and changes in equity for the year then ended and notes thereto, which include material information on the 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 2023 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 the 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 audit 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.

Measurement of contract assets and liabilities

Notes to the consolidated financial statements: notes 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 2023 include contract assets of €3,910 million, contract liabilities of €5,897 million and revenue for works invoiced to customers of €9,085 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 €2,558 million in the consolidated financial statements at 31 December 2023; • 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; • analysing the events after the reporting date that provide information useful for the measurement of contract assets and liabilities; • 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 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", 34.6 "Impairment losses, amortisation, depreciation and provisions" and 35 "Net losses on equity investments"

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 intangible assets, equity investments, financial assets, trade receivables, contract assets and other 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 intangible assets, equity investments, financial assets, trade receivables, contract assets and other assets affected by pending litigation and disputes; • sending written requests for information to the legal advisors assisting the group and analysing the assessments made by the relevant internal departments 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: 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 2023 include equity-accounted investments of €606 million. They comprise €424 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 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. 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; • analysing the events after the reporting date that provide information useful for the measurement of equity investments; • 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 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 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 this 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 2023 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 2023 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 2023 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 2023 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 2023 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 non-financial statement pursuant to Legislative decree no. 254/16. We have checked that the directors had approved such 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, 28 March 2024

KPMG S.p.A.

(signed on the original)

Angelo Pascali
Director of Audit

KPMG

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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 separate 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 2023, the statements of profit or loss, comprehensive income, cash flows and changes in equity for the year then ended and notes thereto, which include material information on the 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 2023 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 the 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 audit 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.

Measurement of contract assets and liabilities

Notes to the separate financial statements: notes 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"

<table>
<tr><th>Key audit matter</th><th>Audit procedures addressing the key audit matter</th></tr>
<tr><td>The separate financial statements at 31 December 2023 include contract assets of €1,766 million, contract liabilities of €799 million and revenue for works invoiced to customers of €2,425 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 €747 million in the separate financial statements at 31 December 2023;
• 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.</td><td>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;
• analysing the events after the reporting date that provide information useful for the measurement of contract assets and liabilities;
• assessing the appropriateness of the disclosures provided in the annual report about revenue for works invoiced to customers and contract assets and liabilities.</td></tr>
</table>

Significant litigation and disputes

Notes to the separate financial statements: notes 3.14 "Provisions for risks and charges", 8 "Equity investments", 9 "Non-current financial assets, including derivatives", 12 "Contract assets and liabilities", 13" Trade receivables", 14 "Current financial assets, including derivatives", 26 "Provisions for risks", 30 "Guarantees, commitments, risks and contingent liabilities", 31 "Financial instruments and risk management", 33.6 "Impairment losses, amortisation, depreciation and provisions" and 35 "Net gains on equity investments"

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 equity investments, 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 equity investments, financial assets, trade receivables and contract assets affected by pending litigation and disputes; • sending written requests for information to the legal advisors assisting the company and analysing the assessments made by the relevant internal departments 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 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 2023 include investments in subsidiaries and associates of €2,328 million, which mainly comprises the carrying amount of the investments in Webuild - US Holding Inc. (€892 million), Partecipazioni Italia S.p.A.	Our audit procedures included: • understanding the processes adopted for impairment testing and assessing the design and implementation of related controls;

Key audit matter	Audit procedures addressing the key audit matter
(€550 million) and the joint venture GUPC (€431 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. The directors identified indicators of impairment of the following equity investments and tested them for impairment: - Webuild US Holding Inc.; - Partecipazioni Italia S.p.A.; - Gruppo Unidos Por El Canal S.A.; - HCE Costruzioni S.p.A.; - Fisia Italimpianti S.p.A.; - Salini Nigeria Ltd.; - Cossi Costruzioni S.p.A.; - Seli Overseas S.p.A.; - NBI S.p.A.; - Yuma Concessionaria S.A.. 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.	• 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; • analysing the events after the reporting date that provide information useful for the measurement of equity investments; • 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 this 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 2023 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 2023 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 2023 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 2023 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 2023 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, 28 March 2024

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 AT THEIR MEETING OF 24 APRIL 2024

Dear shareholders,

We describe below our activities performed with respect to Webuild S.p.A. (the "company") and the related findings.

At the date of this report, the board of statutory auditors comprises Giovanni Maria Garegnani (chairperson), Antonio Santi (standing statutory auditor) and Lucrezia Iuliano (standing statutory auditor). It was elected by the shareholders in their meeting of 27 April 2023 and its term of office ends with the shareholders' meeting called to approve the financial statements as at and for the year ending 31 December 2025.

We have prepared this report for the shareholders' meeting called for 24 April 2024 to approve the separate financial statements as at and for the year ended 31 December 2023 (and the other matters set out in the notice calling the shareholders' meeting to which reference is made) in accordance with the law. We also considered the guidelines set out in the Consob (the Italian Commission for Listed Companies and the Stock Exchange) communication no. DEM/1025564 of 6 April 2001, as subsequently amended, and the Rules of Conduct of the Board of Statutory Auditors of Listed Companies (the "Rules of Conduct") established by the Italian Accounting Profession (Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili).

Compliance with the law and by-laws

We performed the supervisory activities and checks established by the regulations in force, the guidance provided for in the regulator's communications, the 2020 Code of Corporate Governance for Listed Companies (the "Code of Corporate Governance") and the Code of Conduct. As the company has a traditional governance model, the board of statutory auditors also acts as the internal control and audit committee, which has additional supervisory duties covering the company's financial reporting and legally-required audit.

In 2023, we participated in 12 meetings of the board of directors and we held 24 meetings, some of which jointly with the control, risk and sustainability committee. We also took part in 12 meetings of this latter committee, six meetings of the compensating and nomination committee and three meetings of the committee for related-party transactions. In addition, we attended the ordinary shareholders' meeting on 27 April 2023 and the special meeting of the savings shareholders of 25 July 2023.

During these meetings and, generally, as part of our duties, we monitored compliance with the law and the by-laws.

Compliance with correct administration principles

In order to ascertain compliance with the principles of correct administration, we obtained pertinent information about the company's operations and the key financial transactions approved and performed by the company and its subsidiaries. This included our participation in meetings held by the board of directors and its committees.

This information, and details about the characteristics of such transactions and their effects, is included in the directors' report, to which reference is made.

We did not identify any atypical and/or unusual transactions performed with third parties, related parties or within the group, nor were we informed of any such transactions by the board of directors, the independent auditors or management.

Based on the information made available to us, we can reasonably state that the transactions performed by the directors comply with the law, the by-laws and principles of correct administration; no transactions took place that were imprudent or risky, could give rise to potential conflicts of interest or that were contrary to the resolutions taken by the shareholders or such that would compromise the company's assets.

Adequacy of the organisational structure

We obtained information about, and monitored to the extent of our duties, the adequacy of the company's organisational structure, obtaining information from the board of directors, the chief executive officer, the department heads and during meetings with the subsidiaries' boards of statutory auditors.

As part of our duties, we supervised and obtained information about the organisational activities and procedures put in place to comply with Legislative decree no. 231/2001 for the prevention of the crimes covered therein. These activities and procedures are described in the report on corporate governance and the ownership structure, to which reference is made.

Based on such information, we believe that the company's organisational structure, the procedures in place, and its duties and responsibilities structure are adequate given the company's scale and type of activities performed.

Internal controls and risk management system

We monitored the adequacy of the internal controls and risk management. Specifically, we:

i) participated regularly in the meetings of the board of directors and the control, risk and sustainability committee;

ii) reviewed the reports of the control, risk and sustainability committee periodically;

iii) regularly obtained information from, in particular, 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;

iv) obtained information as required by article 15 of the Market Rules from the manager in charge of financial reporting confirming the adequacy of the organisational structure, the administrative-accounting system and internal controls of the subsidiaries set up and regulated by laws of non-EU member shares, so that the company's shares can continue to be listed on Italian regulated markets;

v) reviewed the internal audit reports on the internal units of both the branches and head office and the working of the 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;

vi) discussed the methods adopted to manage risk within the company and, in particular, how the related containment and efficiency objectives have been defined and pursued;

vii) 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;

viii) met the integrity board and examined its reports which state that no censurable events or violations of the organisational model as per Legislative decree no. 231/2001 or the Code of Ethics took place in 2023;

ix) acknowledge the board of directors' positive assessment of the adequacy and effective working of the internal controls and risk management system;

x) examined and found in favour of the audit plan prepared by the internal audit supervisor;

xi) exchanged relevant information (as described below) with the independent auditors about their checks of the internal controls over financial reporting.

We also checked the adequacy of the internal controls and risk management system of the key subsidiary Lane Industries.

The report on corporate governance and the ownership structure provides an in-depth analysis of the internal controls and risk management system.

We obtained information about the adequacy of the company's organisational, administrative and accounting structure, given its characteristics and scale, also to comply with the Business Crisis and Insolvency Code and, specifically, the tools adopted to map and manage risks.

Based on our activities as described above, and the positive opinion of the board of directors, we did not identify any reason to consider the company's internal controls and risk management system unsuitable.

Adequacy of the administrative-accounting system and statutory audit procedures

We checked the adequacy of the administrative-accounting system and its ability to correctly present the company's operations, as well as the procedures performed under the supervision of the manager in charge of financial reporting to ensure compliance with Law no. 262/05 (provisions on the protection of savings and financial market regulations), as subsequently amended. This involved:

i) checking the half-yearly and annual reports prepared by the manager in charge of financial reporting, which noted the adequacy - given the company's characteristics - and effective application of the administrative and accounting procedures (including with respect to the key subsidiary Lane Industries) for the preparation of the annual and interim financial reports. These reports state that 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 Issuer's financial position at 31 December 2022 and the financial performance and cash flows for the year then. They also state that the directors' report includes a reliable analysis of the company's financial position and financial performance, together with information about the main risks and uncertainties to which it is exposed;

ii) obtaining information about the company's financial reporting procedures and instructions;

iii) reviewing the internal audit reports on the effective application of the administrative and accounting procedures as per Law no. 262/05 and the related findings of the procedures performed in accordance with the mandate assigned by the manager in charge of financial reporting;

iv) obtaining information from the chief financial officer about the organisation of his department, the allocation of duties and the procedures introduced to identify the main internal processes;

v) checking the assessments of the control, risk and sustainability committee, after consulting the manager in charge of financial reporting and the independent auditors, on the correct use of the accounting policies and their consistent application for the purposes of preparing the consolidated financial statements.

We were informed about the results of the impairment tests performed by the company to check the carrying amount of goodwill and financial assets recognised in the separate financial statements. The directors have provided the relevant information in the annual report in accordance with the IFRS and the regulator's guidance. Moreover, the board of directors approved the impairment tests (including those applied by the group companies) before approval of the related financial statements.

We met regularly to exchange the legally-required information with the independent auditors, KPMG S.p.A., and were updated on their audit procedures and findings. No critical or irregular issues in the regular keeping of the accounting records or the correct presentation of the company's operations in such records were communicated.
In addition, we:

- examined the audit methodology and approach to the key financial statements areas and the audit plan, as well as the adequacy of KPMG S.p.A.'s response to the company's and group's structural and risk profiles;
- checked KPMG S.p.A.'s work during the preparation of the financial reports (interim and annual), especially as regards the company's judgements, applied in accordance with the relevant IFRS, which KPMG S.p.A. also checked, of specific business combinations (when material);
- were kept informed about the audit findings and the key audit matters identified during the audit; we also acknowledged that KPMG S.p.A. did not identify any significant weaknesses in the internal controls over financial reporting.

Based on the above information and exchanges with the competent departments and KPMG S.p.A., we can confirm that no significant issues or aspects were identified that require mention herein.

On 28 March 2024, KPMG S.p.A. issued its reports pursuant to article 14 of Legislative decree no. 39/2010 and article 10 of Regulation (EU) no. 537/2014 on the separate and consolidated financial statements at 31 December 2023 prepared in accordance with the IFRS endorsed by the European Union. These reports state that:

- the separate and consolidated financial statements provide a true and fair view of the financial position of the company and the group at 31 December 2023 and their financial performance and cash flows for the year then ended;
- the directors' report and the specific information presented in the report on corporate governance and the

ownership structure required by article 123-bis.4 of Legislative decree no. 58 of 24 February 1998 are consistent with the separate and consolidated financial statements of the company and the group as at and for the year ended 31 December 2021 and have been prepared in compliance with the applicable law;

- based on its knowledge and understanding of the company and its environment obtained through its audit, KPMG S.p.A. has not identified any significant misstatements of the directors' report to report;
- the separate financial statements at 31 December 2023 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.

KPMG S.p.A.'s reports detail the key audit matters with respect to which reference should be made thereto.

KPMG S.p.A. also attested that it had not identified any reason to believe that the Consolidated Non-financial Statement prepared by the company had not been prepared in accordance with the applicable law and reference standards, noting however, that its conclusion did not extend to the information set out in the "EU taxonomy for sustainable economic activities" section of the Consolidated Non-financial Statement.

KPMG S.p.A. issued its additional report which describes, inter alia, the levels of materiality, significant risks and key audit aspects. It noted that it had not identified any significant deficiencies in internal control. We will send this additional report to the board of directors with our comments, where necessary, on a timely basis as required by law.

The notes to the separate financial statements include a table showing the fees paid to KPMG S.p.A. and its network entities, including for other services provided to the company and its subsidiaries. In 2023, we provided the board of directors with our opinion on the supplement to the fees requested by KPMG S.p.A.. The independent auditors were not assigned any engagement that does not comply with the regulations applicable to the company. We approved the non-audit services in advance, as provided for by law.

Given the independence statements provided by KPMG S.p.A. and its transparency report published on its website, as well as its engagements assigned by the company and group companies, we do not believe its independence has been compromised.

Consolidated Non-financial Statement

As parent, the company has prepared a Consolidated Non-financial Statement pursuant to the law and in accordance with the standards described in the Methodology for reporting non-financial information section.

As part of our work, we checked the adequacy of the internal structure and processes used to collect and process data and to prepare the statement through meetings with the internal reporting department. We also discussed with KPMG S.p.A. the procedures it carried out.

Based on our work, we have no critical issues to bring to your attention.

Effective implementation of corporate governance rules

We monitored the effective implementation of the Code of Corporate Governance of Listed Companies in force since 1 January 2021, which the company adhered to as per the board of directors' resolution of 26 February 2021. The 2023 report on corporate governance and the ownership structure (approved by the board of directors on 14 March 2024 and prepared in accordance with the law and the template drawn up by Borsa Italiana, also considering the Recommendations of the Chairperson of the Corporate Governance Committee of 14 December 2023, analysed by the board of directors) provides detailed information about the company's corporate governance system.

Specifically, we ascertained the correct application of the procedures and criteria adopted by the board of directors to check the independence of its members. Our findings are presented in paragraph 4.7 of the report on corporate governance and the ownership structure.

Transactions with subsidiaries

We checked the adequacy of the instructions given to the subsidiaries and, specifically, those related to the provisions of article 114.2 of Legislative decree no. 58/98 about their compliance with mandatory disclosure obligations and the procedures used to communicate major transactions to the company.

We exchanged information in meetings with representatives of the boards of statutory auditors of some of the key subsidiaries about, inter alia, the subsidiaries' business activities, internal controls, organisations, relationships with their independent auditors, the adequacy of their organisational and administrative-accounting systems and the latter's reliability in correctly presenting the subsidiaries' operations, including as required by article 2086 of the Italian Civil Code.

Related party transactions

We checked the effective implementation and proper working of the company's related party transactions procedure, including the information to be regularly provided to the board of directors. This procedure was issued on 30 November 2010 and most recently updated on 16 June 2022 to comply with the provisions of the Consob regulation adopted with resolution no. 17221 of 12 March 2010 as subsequently amended. The directors described the ordinary transactions carried out during the year with group companies and related parties in the notes to the separate financial statements (to which reference is made), the characteristics of such transactions and their financial effects. They noted that the transactions were performed in the company's interests.

Remuneration

We participated in meetings of the compensation and nominating committee, monitoring specifically compliance with the Code of Corporate Governance. Pursuant to article 2389 of the Italian Civil Code, we checked that the remuneration paid to directors with special duties complied with the remuneration policy. We also issued our opinion on certain proposed amendments (again referring to directors with special duties) to such policy.

Shareholder reports and complaints pursuant to article 2408 of the Italian Civil Code

Since the date of our previous report and subsequent to that reported at the ordinary shareholders' meeting of 27 April 2023 (about a compliant made pursuant to article 2408 of the Italian Civil Code by the shareholder D&C Governance Technologies S.r.l. on the first matter on the agenda), we have not received any other complaints pursuant to article 2408 of the Italian Civil Code as of the date of this report. Following a communication made by the representative of the savings shareholders (about compliance with requirements related to their meeting called by this representative for 25 July 2023), we performed all the appropriate checks and acquired information from the company. As a result, we did not deem any future action was necessary.

The company has a whistleblowing procedure and information channel suitable to ensure the receipt, analysis and processing of reports. It has updated this procedure to comply with Legislative decree no. 24/2023 and Directive (EU) 2019/1937.

Self-assessment

Upon our election and again on 31 January 2024, we assessed whether each member continued to meet the independence, ethical, professional and number of engagement requirements and found that we did. The legally-required gender equality requirement is met given the mix of the current board.

We also assessed the composition and working of our board. We found that it works correctly, considering the requirements of professionalism, expertise, experience, diversity of know-how, availability, suitability and quality of information exchanges with the board of directors, the control, risk and sustainability committee, the independent auditors and other control bodies as well as the boards of statutory auditors of the subsidiaries.

We informed the board of directors of the results of our self-assessment for their inclusion in the report on corporate governance and the ownership structure.

Conclusions

During our work, described above, we did not identify any censurable events, omissions or irregularities that should be reported to the competent bodies.

Based on our activities, considering that set out above and to the extent of our duties, we have not identified any reason why you should not approve the separate financial statements as at and for the year ended 31 December 2023 together with the directors' report and their proposed resolutions.

We approved this report unanimously and it has been signed by the chairperson on our behalf.

Rozzano, 29 March 2024

On behalf of the board of statutory auditors

Chairperson

(signed on the original)