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

2021 Annual Report

This document is available at:

www.webuildgroup.com

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

Webuild S.p.A.

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

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

CONTENTS

Company officers

Board of directors (i)

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

Strategic committee

Chairperson	Tommaso Sabato
	Nicola Greco
	Barbara Marinali
	Marina Natale
	Pietro Salini

Control, risk and sustainability committee

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

Compensation and nominating committee

Chairperson	Ferdinando Parente
	Barbara Marinali
	Laura Zanetti

Committee for related-party transactions

Chairperson	Barbara Marinali
	Davide Croff
	Ferdinando Parente

Board of statutory auditors (ii)

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

Independent auditors (iii)

KPMG S.p.A.

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

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

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

CEO'S letter to the stakeholders

To the Shareholders and Stakeholders of Webuild Group

2021 has been another unusual year, characterised by the **extraordinary** nature of previously unimaginable events as well as the continuation of the pandemic. We have responded to this situation with unswerving commitment and a spirit of service, reaching our **targets** and objectives, true to our **industrial vision** shaped so many years ago.

Today, we are a **growing, strong cohesive group**, thanks in part to the integration of companies with unique skill sets such as **Astaldi** and **Seli Overseas**, which bring their valuable experience to our group.

We have consolidated our footprint in **Italy** and will continue to do so, availing of the new investments under the long-awaited **Italian National Recovery and Resilience Plan**, without obviously curtailing our commitments in similarly strategic and low-risk areas such as the **United States, Australia and Northern Europe**. I refer to the large projects we are carrying out at home, such as the Brenner Base Tunnel, the Giovi Third Railway Crossing and the Genoa Railway Junction and also to our front line involvement in the bringing of high speed railway connections to Southern Italy, with the lines that connect Naples to Bari and Palermo to Catania. I also refer to our foreign projects which include some of the largest and most iconic works in the world as well as new awards like the North East Link in Melbourne and the Sotra Connection in Norway.

Despite the international complexities, we ended the year with a **record-breaking number of quality new orders** worth €11.3 billion, bringing our order portfolio to €45.4 billion at year end. I would also like to note that 92% of our projects are linked to advancement towards the Sustainable Development Goals (SDGs).

Our aim is to acquire new quality projects in line with our **de-risking strategy**: 75% of the Group's total order backlog is based in low-risk countries like Italy, Central and Northern Italy, the US and Australia.

We continue to invest in **innovation**, in the knowledge that being innovative gives us a competitive edge on the global stage. This included our launch of "Connected Webuild", a multi-year digital transformation programme that incorporates the main new technologies (robotics, Artificial Intelligence, digital twins, etc.) into our processes.

Thanks to our resilience and the expertise of our people, we have improved our operating results in 2021 and returned to a **net financial position** of €467 million, the best result since 2014 despite the global situation. This proves that we are on track with our vision that we first introduced more than ten years ago, consolidating our long-term position.

I am proud to be able to say that the entire Group, and by that I mean every single department, is increasingly invested in advancement towards the **sustainable development objectives** set in our 2021-2023 ESG plan. We know that sustainability is increasingly viewed by the market as a key competitive factor and we have consciously focused on three strategic areas - **Green, Safety & Inclusion** and **Innovation**. Our aim is to contribute to accelerating the climate transition to zero emissions, to improve the safety of our people and to better our inclusion mechanisms.

We have dedicated considerable resources to the pursuit of our **ESG objectives**, making significant progress in reducing the intensity of GHG emissions (-50% compared to the 2017 baseline) and the percentage of women included in succession planning for key positions (20% at the end of 2021). We are on target for our other objectives which include a reduction in the LITFR injury rate, where we increasingly move towards zero tolerance and expect to see a 40% reduction in 2022, compared to the decrease of 31% in 2021 against the 2017 baseline.

We have focused on **business segments** linked to sustainable mobility such as the high speed/capacity railway sector and the water sector, estimating that **89 million** people around the world will benefit from the water, energy, mobility and public utility infrastructures built with our involvement. As part of our drive to increasingly integrate sustainability into our business and financial strategies, Webuild's board of directors approved a Sustainability-Linked Financing Framework in November, while in January 2022 we completed our first issue of sustainability-linked notes, receiving orders more than twice the amount offered. This confirmed the international and domestic financial communities' significant appreciation of the strategy we have pursued for some years.

Once again this year, we have invested in strengthening our **safety** culture and tools to protect the people who work directly and indirectly for the group in our work sites. We dealt firmly with the ongoing public health emergency at both group and employee level by always fully complying with the safety measures designed to project our people's health. Safety is essential to us and we will continue to invest in it, by acquiring technologies to make work safer and tightening controls at one work site after another and at every subsidiary and supplier that works with us. We will also especially continue to focus on spreading a shared internal culture from senior management downwards so that everyone is aware of the importance of safety in their jobs.

We stepped up our commitment to the **inclusion** of a greater number of **women** in key roles and to **young people** this year, well aware that diversity - of gender, age, cultural background and nationality - adds value to both the individual and the business. We increased our initiatives designed to foster an inclusive culture both through training and communications and networking.

We introduced the **Webuild Next-Gen** programme for young people, a number of initiatives to provide them with training and possible employment within our Group. We also strengthened our partnerships with Italian and foreign universities through training and recruiting programmes and study grants. We launched the first edition of the Alberto Giovannini Award and set up the trade school, Scuola di Mestieri, to train and employ the next generation of workers specialised in the infrastructure sector. We also introduced initiatives to engage with young people and obtain their contribution to innovation such as the Hackathon with UniWeLab and the University of Genoa and Challenge4Sud with Southern Italian universities.

Our main stakeholders - shareholders, employees, customers, communities and regulators - expect us to play our part in the creation of a **new capitalism model**, where communities of purpose and collaborations with customers and contractors are the only way forward towards inclusive and sustainable growth for the local areas. We do not intend to disappoint you.

We will continue to focus on Italy in **2022** without neglecting the other countries where we have a base and hoping that the conflict that has broken out in Ukraine will be resolved shortly. In Italy, our renewed confidence in the country and its economy will shape our work in 2022.

Our Group is an **accelerator of wealth and work in the areas where we have a footprint**: 80,000 people are currently at work in our Webuild work sites, with 84% of them hired locally, while 15,000 suppliers work with us for 91% of our purchases made locally.

We are well aware that the pandemic has revolutionised the way in which we work, live and interact with the world around us. For this reason, the contribution required of our sector is strategic. We are vested with the responsibility of providing a tangible response to the incredible speed with which infrastructures can **remodel the lives and relationships of people and communities**.

We will maintain our commitment in 2022 and future years thanks to our unique and fundamental asset of which we are very proud: our **people**. I would like to thank each and every one of them for their dedication in this challenging year.

With them, we have developed our **vision**, which guides our daily work and mission: to imagine, design and **build a new world**, bringing the present closer to the future, to improve the life of people today and tomorrow. Together with the numerous small and medium enterprises we work with, we will take on future challenges with resolution and determination, with the goal of always guaranteeing a positive return for all our stakeholders.

Pietro Salini

Highlights

Our results

€6.7 billion
Revenue[1]

€45.4 billion
Total order backlog

Our commitment

Group KPI		Generated shared value
	Planet We protect our planet	
99% EU taxonomy eligible turnover[2]		**24 Mt CO_2** Annual emissions avoidable thanks to ongoing metro and hydro projects
	People We care for our people	
>30,000 Direct workers		**7** jobs created for each direct group employee[3]
	Partnership We embrace partnerships	
≈100 Main ongoing projects		**15,000** Direct suppliers
	Progress We foster progress	
92% Construction order backlog[4] from projects that contribute to progress towards the UN's SDGs		**89 million** People who benefit from the projects in place
	Prosperity We advocate prosperity	
€451.3 million EBITDA[1]		**€6,424 million** Economic value distributed to stakeholders

Supported SDGs

[1] Adjusted figure, consisted of the reported amount including the joint ventures not controlled by Lane Industries.

[2] Reference should be made to the “Climate change” section of the 2021 Consolidated Non-financial Statement for more information.

[3] Amount related to the Group’s main markets, calculated using output-input parameters. More information is available in the “Social” section of the 2021 Consolidated Non-financial Statement.

[4] Includes Fisia Italimpianti.

Webuild Group: Our vision and performance

Who we are

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

The Group is the promoter of Progetto Italia, the operation to consolidate Italy's construction sector. The aim is to create a large construction group to support the sector's relaunch and assist Italian companies become more competitive in international market[5].

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

At 31 December 2021, the Group has an order backlog of €45.4 billion (including approximately €36.4 billion for construction contracts) and revenue of €6,690.6 million[6]. 92% of the construction order backlog is tied to achievement of the SDGs. 99% of the Group's revenue, 94% of its CapEx and 99% of its OpEx is eligible under the EU taxonomy, the classification system of environmentally sustainable economic activities introduced by the European Union, confirming Webuild's role as a key mover in the global climate transition[7].

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

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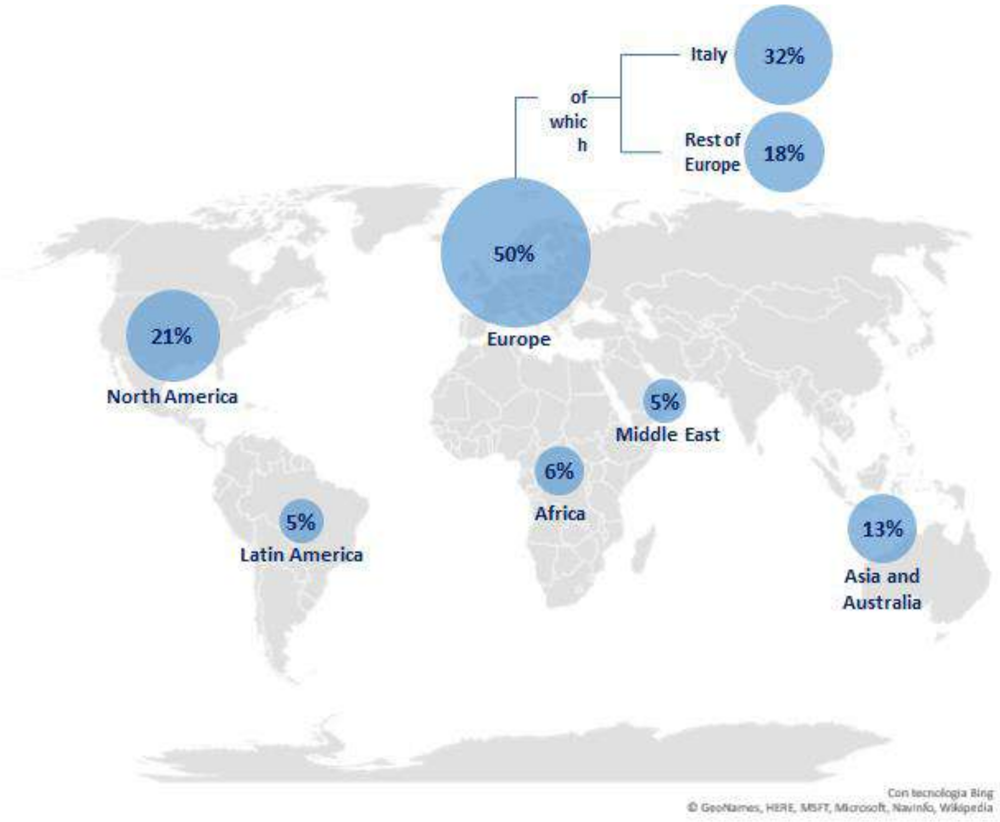
[5] More information is available on the website https://progettoitalia.webuildgroup.com/it

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

[7] More information is available in the "Climate change" section of the 2021 Consolidated Non-financial Statement.

2021 revenue by geographical area



In 2021, Webuild was awarded a record-breaking number of new contracts, reaping the benefits of the large investment plans for sustainable infrastructure launched by the governments of the countries where it operates. Total new orders acquired and under finalisation amount to approximately €11.3 billion, of which more than 90% in key geographical areas, such as Italy, the US, Australia, France, Austria and northern European countries.

The Group also reduced its gross indebtedness ending the year with a net financial position of €466.7 million, the best result since 2014.

Webuild was included in the MIB® ESG Index, the new ESG (Environmental, Social and Governance) index for Italian blue chips, launched by Borsa Italiana (Euronext Group) in 2021. This index includes the top 40 Italian listed issuers based on their firm commitment to environmental, social and governance issues.

Formal approval of Astaldi S.p.A.'s ("Astaldi") demerger to Webuild arrived during the year, allowing the full integration of the two groups and achievement of one of the most important milestones of Progetto Italia. Webuild also formalised its acquisition of 100% of Seli Overseas S.p.A. ("Seli Overseas"), highly specialised in mechanised underground tunnelling gained with 70 years of experience excavating more than 800 km of tunnels in Italy and around the world.

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

The Group was awarded the Gold Award 2021 by RoSPA (Royal Society for the Prevention of Accidents) for the San Giorgio Bridge in Genoa in 2021. This project stands out as a real model for the sector with more than one million hours worked without serious injuries notwithstanding the ongoing shifts seven days a week, 24 hours a day. It is a landmark project for the dissemination of a work site management culture based on innovation, sustainability and occupational safety.

Webuild received the prestigious ITA Tunnelling Award 2021 for its innovative construction methodology, Riser Concept, developed for the environmental restoration project of the Matanza-Riachuelo catchment basin in Argentina. Recognised as the “Technical Innovation of the Year”, this method allowed the project team to bore and install pipes inside an undersea tunnel, thus reducing the construction times, risks and environmental impact.

In 2021, Webuild launched its “Next-Gen” programme for young talents in Italy and abroad. This initiative is designed to help train the up-and-coming generations and to create jobs and opportunities for professional training in the infrastructure sector. It includes partnerships with 18 Italian and international universities, research and innovation projects such as the UniWeLab laboratory with the University of Genoa, scholarships for young researchers and women studying STEM subjects (with the Alberto Giovannini Award and the Ingenio al Femminile Award). Webuild also set up a trade school, “Scuola di Mestieri”, to train and employ a new generation of specialised workers for the works envisaged in the Italian National Recovery and Resilience Plan starting from 2022.

Towards the end of 2021, the parent’s board of directors approved a Sustainability-Linked Financing Framework, to formalise the inclusion of environmental sustainability criteria in the Group’s funding strategy. It also affirms the Group’s stated purpose of contributing to achievement of the UN’s SGDs and acceleration of the global climate transition.

The Framework sets out guidelines to be adhered to when the parent issues new financial instruments linked to sustainability objectives. It defines specific intermediate and long-term sustainability performance targets for the reduction of GHG emissions that contribute to the advancement of SDG 9 Industry, Innovation and Infrastructure and SDG 13 Climate Action.

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

Business model

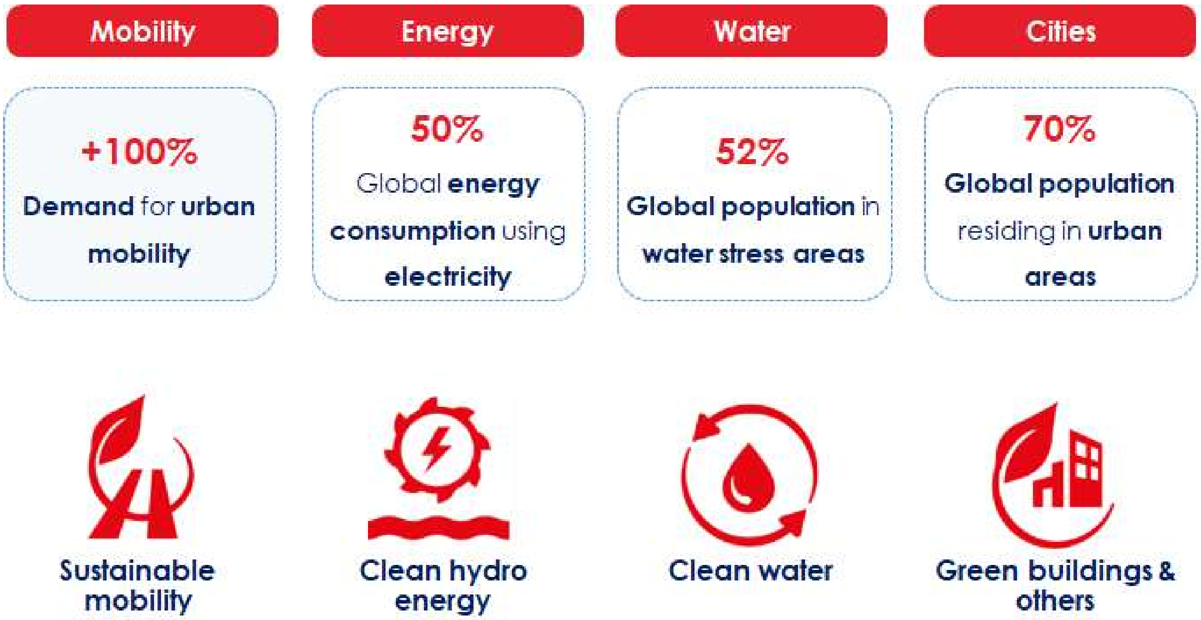
A signatory of the United Nations Global Compact, Webuild has developed a robust business model capable of creating economic value for its shareholders, investors and customers while generating social and environmental value for its employees and the stakeholders of the areas in which it operates, adopting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

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

Global challenges

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

Main megatrends that affect the infrastructure market [8]



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

Infrastructure directly and indirectly contributes to achievement of 92% of all the targets linked to the SGDs[9]. It is a fundamental part of the fight against climate change as it contributes more than 60% of the global GHG emissions[10].

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

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

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

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

[9] Source: Thacker S, Adshead D, Morgan G, Crosskey S, Bajpai A, Ceppi P, Hall JW & O'Regan NO. (2018). Infrastructure: Underpinning Sustainable Development, UNOPS

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

The European Union alone intends to earmark at least 30% of the investments included in the long-term EU budget 2021-2027 and the post-Covid-19 recovery plan (the NextGenerationEU)[11] to projects that combat climate change.

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

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

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

Sustainable mobility

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

Clean hydro energy

- Hydropower plants
- Pumped storage

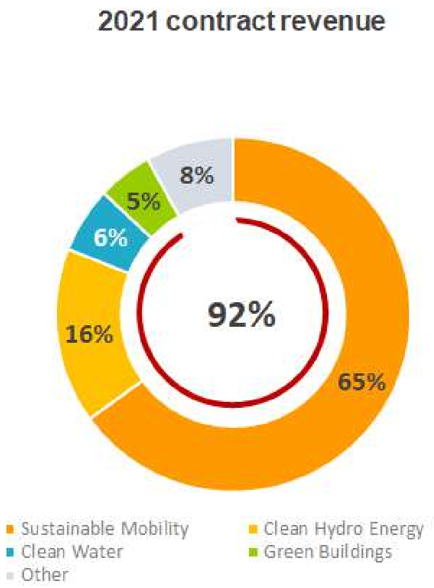
Clean water

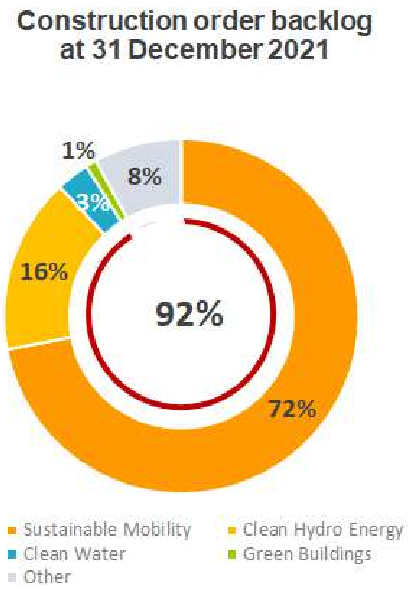
- Drinking water and desalination plants
- Wastewater management plants
- Hydraulic projects
- Drinking water and irrigation water reservoirs

Green buildings

- Civil and industrial buildings
- Airports
- Stadiums
- Hospitals

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





Ongoing or completed projects of 2021 in the sustainable mobility sector accounted for **65%** of contract revenue and **72%** ofthe construction order backlog.

Ongoing clean hydro energy projects contributed **16%** to contract revenue and the construction order backlog.

Completed or ongoing clean water projects made up **6%** of contract revenue and **3%** of the construction order backlog in 2021, while green building projects accounted for **5%** of contract revenue and **1%** of the construction order backlog.

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

Sustainable Mobility

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

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

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

In 2021, the Group again focused on the sustainable mobility sector, which accounts for 72% of its order backlog (63% in 2020) and is one of the most promising business areas for the next few years. It is expected that passenger traffic alone will grow by 50% within 2030, to then double by 2050, while only 16% of global urban travel takes place using public means of transport[12].

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

Rail transport is pivotal to government plans to counter climate change. The Sustainable and Smart Mobility Strategy announced by the European Commission at the end of 2020 includes doubling the high speed rail traffic by 2030 while high speed railway lines could double by 2035, to span 100,000 km worldwide[14].

The role played by the metro systems in urban centres is equally important in terms of a reliable, accessible service to all population brackets, safety and reduced pollution. Metro systems exist in around 180 cities, transporting more than 50 billion people a year and keeping the equivalent of 133 million vehicles off the roads each day[15].

The metro projects under construction alone will allow the fast, efficient and sustainable transportation of roughly 4.2 million people a day on state-of-the-art infrastructure, avoiding emissions of around 2 million tonnes of CO_2 a year. The high speed railway projects will shorten travel times by an average of 50%, providing around 35 million people with safe, rapid and low-carbon services. In fact, rail transportation services generate emissions up to one eighth of those of the most environmentally-friendly cars and up to one ninth of the most efficient aircraft. The ongoing railway projects will lead to an annual reduction in emissions of about 8.8 million tonnes of CO_2.

Road infrastructure works will continue to be fundamental to move goods and people both in the developed economies (where the focus is mainly on modernisation and traffic decongestion) and low-income countries (where around one billion people still lack access to an all-weather road)[16].

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

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

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

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

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

Clean Hydro-Energy

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

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

Hydropower is the largest source of renewable energy in the world, providing around 70% of all renewable electricity worldwide[17]. The energy sector accounts for about 60% of the world's GHG emissions[18], with 759 million people still without access to electricity[19].

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

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

The active hydropower plants make it possible to avoid emitting four billion tonnes of GHG and 150 million tonnes of atmospheric pollutants (e.g., PM) a year[20]. IRENA (the International Renewable Energy Agency) estimates that the installed hydropower capacity needs to be increased by 25% by 2030 and by 60% by 2050 to keep the increase in the global temperature to below 2°C. This could create up to 600 thousand new jobs over the next decade[21].

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

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

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

[19] Source: United Nations - Department of Economic and Social Affairs, SDG7 Overview, Progress and info (2019), https://sdgs.un.org/goals/goal7

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

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

Clean Water

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

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

The efficient management of water is one of the principal global challenges, especially given that the effects of climate change are happening faster than expected. Around 2.3 billion people live in areas subject to water stress, 2 billion people do not have access to drinking water, 3.6 billion to modern sanitation services[22] and 80% of water discharges are released into the environment without proper treatment[23].

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

Green Buildings

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

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

[22] Source: United Nations - Department of Economic and Social Affairs, SDG6 Overview, Progress and info (2020), https://sdgs.un.org/goals/goal6

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

The sustainability of buildings is key to the future of urban areas, where 70% of the world's population will live by 2050[24] and which are already highly polluted and subject to environmental stress with the related fall-out on the health of residents and public finances. Estimates indicate that 90% of the global urban population breathes air of a quality below the standards set by the World Health Organisation[25].

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

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

Strategic pillars

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

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

Expertise and innovation

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

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

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

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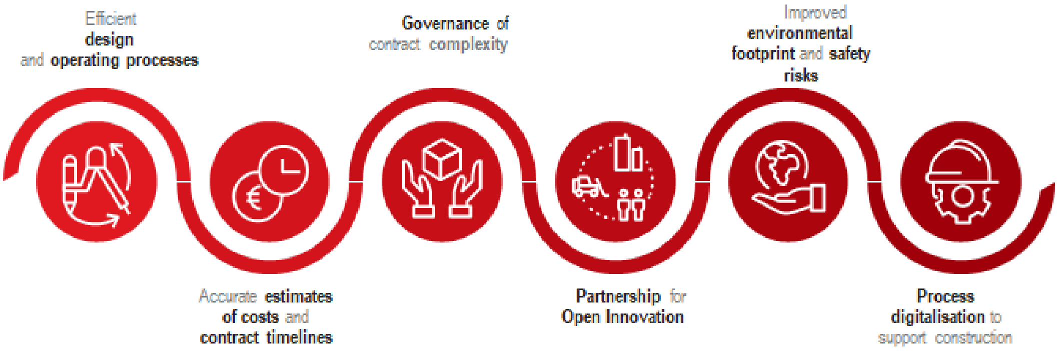
[24]Source: United Nations – Sustainable development, Cities, Facts and figures, https://www.un.org/sustainabledevelopment/cities/

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

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

Development process and innovative areas



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

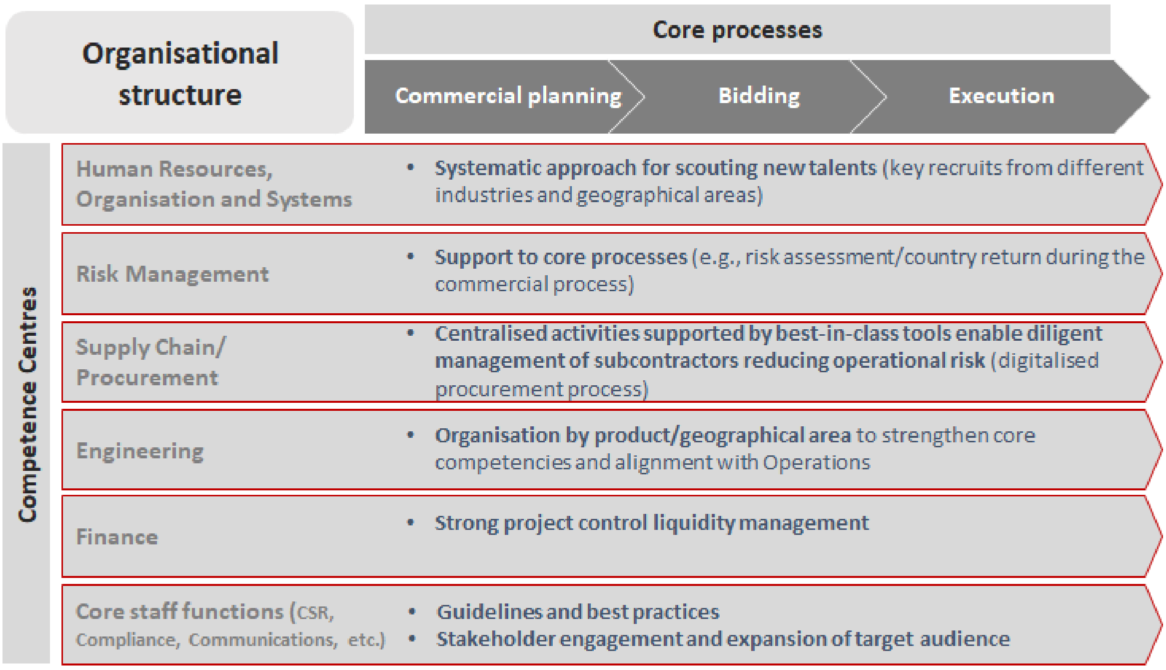
During the 2017-2021 five-year period, Webuild has invested on average around €22 million per year in innovation, research and development activities for a total of more than €111 million and an average annual involvement of circa 290 specialised employees. More information on these activities performed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

Centralised governance

Over the last few years, Webuild has strengthened the Group's organisational structure and this has had a profound impact on its internal culture and the active involvement of all levels of decision makers and operational resources. The objective was to ensure optimal management of all core processes, from commercial planning to the bidding and execution processes.

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

Organisational model



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

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

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

Sustainability

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

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

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

The efficient implementation of the ESG best practices is confirmed by the Group’s regular assessments by its investors, non-financial rating agencies, customers and other stakeholders. Its main ESG ratings and awards in 2020 and 2021 are shown below.

Rating provider	*Rating*
MSCI	MSCI confirmed Webuild's **A** rating, with the result that it ranks alongside its peers at the top of the sector thanks to its improvement over the previous years (BB in 2018 and BBB in 2019)
vigeo eiris	Webuild has achieved an **Advanced** rating, the highest on the four-point scale (weak, limited, robust, advanced), confirming its leadership role in the international heavy construction sector
CDP DISCLOSURE INSIGHT ACTION	Webuild has obtained a **B** rating in the Climate Change questionnaire, well above the construction sector average of D
ISS-oekom	The company has obtained a **C+** rating and qualifies as "**Prime**" as a sector leader (alongside Acciona and JM)
GOLD 2020 ecovadis Sustainability Rating	Webuild held on to its "**Gold**" status in the sustainability rating for the fourth consecutive year, well above the sector average
MIB ESG INDEX	Webuild has been included in the **MIB® ESG Index**, the new ESG (Environmental, Social and Governance) index for Italian blue chips, launched by Borsa Italiana (Euronext Group), which includes the top 40 Italian listed issuers based on their firm commitment to environmental, social and governance issues
LEADER DELLA SOSTENIBILITÀ 2021	Webuild has been included in the **Italian Sustainable Leaders 2021** classification drawn up by Sole24Ore and Statistica including the top 150 Italian companies with the best sustainability performances
FT CLIMATE LEADERS 2021	Webuild has been included in the European **Climate Leaders 2021** ranking prepared by Statista and Financial Times. This ranking comprises the 300 European companies with revenue in excess of €40 million that have achieved the largest reductions in their GHG emissions compared to their revenue in the 2014-2019 period.

More information about the Group's sustainability strategy and its ethical, social and environmental policies, practices and performance is available in the Consolidated Non-financial Statement, which is an integral part of this report.

Shared development

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

Webuild has formalised its commitment to sustainability in its 5P Sustainability Manifesto, a comprehensive representation of its ability to generate shared value. The manifesto sets out the five priorities that the Group pursues to ensure excellence, innovation and respect for its stakeholders. The five priorities are: Planet, People, Partnership, Progress and Prosperity[26].

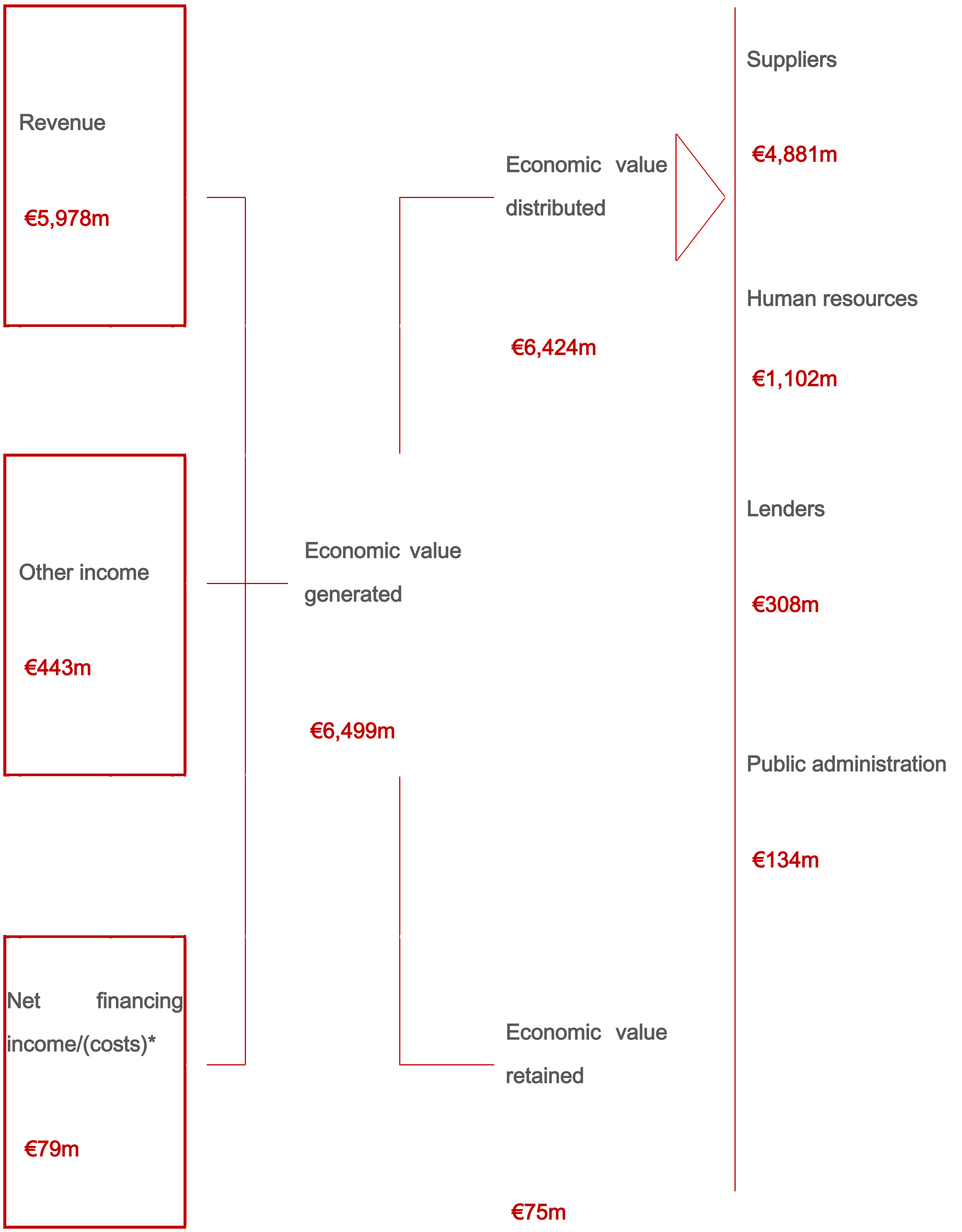
5P Sustainability Manifesto

The economic value generated and distributed is an indicator of the Group's contribution to its stakeholders. It is also known as the social cash flow as it considers an organisation's cash inflows and outflows that affect its main stakeholders.

In 2021, the Group generated economic value of €6,499 million, including €6,424 million[27] distributed to its stakeholders and €75 million withheld for reinvestment.

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

[27] Excluding dividends to be distributed to the shareholders after the expected ex-dividend date of 23 May 2022.



* The caption is the sum of the following financial statements captions: Financial expense + Exchange differences + Gains (losses) on equity investments

Key events of the year

Successful placement of unsecured notes reserved to institutional investors

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

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

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

Webuild used the proceeds from the issuance to refinance the Group's existing indebtedness.

GUPC arbitration final award (Panama)

In February 2021, the associate Grupo Unidos por el Canal S.A. paid approximately USD272 million to settle its liabilities with the customer, assisted financially by its European partners (Webuild's share: roughly USD110 million) after the arbitration tribunal issued its final award (more information is available in the "Main risk factors and uncertainties" section).

2021-2023 ESG plan

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

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

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

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

- 14 directors were elected from the first list presented by shareholders Salini Costruttori S.p.A. and CDP Equity S.p.A. (holding investments of 63.67%) which received votes from approximately 90.767% of the shares represented at the meeting. These directors are Donato Iacovone (as chairperson), Davide Croff, Pierpaolo Di Stefano, Nicola Greco, Barbara Marinali, Flavia Mazzarella, Teresa Naddeo, Marina Natale, Tommaso Sabato, Alessandro Salini, Pietro Salini, Serena Torielli, Michele Valensise and Laura Zanetti;

- one director (Ferdinando Parente) was elected from the second list presented by a group of institutional investors which received the votes of roughly 5.311% of the shares represented at the meeting.

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

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

Progetto Italia

Acquisition of Seli Overseas

Webuild's acquisition of 100% of Seli Overseas, specialised in tunnelling, as part of the Grandi Lavori Fincosit composition with creditors procedure became effective on 27 July 2021. This final step consolidates Webuild's expertise in the mechanised tunnelling sector.

Partial proportionate demerger of Astaldi to Webuild

The integration of Astaldi into Webuild through the partial proportionate demerger of the former to the latter became effective for statutory, accounting and tax purposes on 1 August 2021 after the demerger deed was signed on 29 July 2021 and filed with the Company Registrar. The related proposal had been approved by the shareholders of the two companies in their extraordinary meetings held on 29 and 30 April 2021.

As a result of the demerger, Astaldi's operations in the building, infrastructure construction, plant engineering, design, maintenance, facility management and complex system management sectors, to be continued as provided for in the composition with creditors procedure, were transferred to Webuild. Astaldi only kept the assets and legal relationships transferred to the separate unit ("Patrimonio Destinato") set up by it on 24 May 2020.

The demerger enabled the complete integration of the two groups, creating a large Italian player in the infrastructure sector, the objective of Progetto Italia, the industrial project to strengthen the entire domestic construction sector. The demerger also allows Webuild to contribute to the development of Italian infrastructure as part of the National Recovery and Resilience Plan.

Once the demerger became effective, Webuild issued:

a) 107,771,755 new ordinary shares to be assigned to Astald's shareholders other than Webuild using an exchange ratio of 203 ordinary Webuild shares for every 1,000 ordinary Astaldi shares;

b) 80,738,448 warrants to its shareholders[28] to replace Astaldi's anti-dilutive warrants using a ratio of 0.090496435 warrants for every ordinary Webuild share held;

c) 15,223,311 warrants to Astaldi's banks to replace their warrants using the ratio set out in the related regulation.

In its ruling published on 5 November 2021, the Supreme Court found the four extraordinary appeals made by Astaldi bondholders in 2020 against the authorisation measure of the composition with creditors procedure to be inadmissible.

Transfer of the "Ramo Italia" business unit

As part of the larger strategy commenced by the parent with Progetto Italia and to avail of the opportunities offered by the National Recovery and Resilience Plan and the National Plan for Complementary Investments approved by the Italian government, Webuild transferred its domestic production activities to two independent legal entities set up on 26 July 2021:

- Webuild Italia S.p.A.: it received the business unit comprising the operating structures and equipment, personnel and resources for the projects performed, ongoing or being acquired in Italy by Webuild with accounting effect from 1 August 2021 as consideration in kind for a capital increase;
- Partecipazioni Italia S.p.A: it received the business unit including the operating structures and equipment, personnel and resources for the projects performed, ongoing or being acquired in Italy by Astaldi S.p.A. with accounting effect from 1 August 2021 as consideration in kind for a capital increase.

Both new legal entities will work with the Group's other resources to immediately, and with utmost flexibility, respond to the domestic market's requirements in terms of operating capacity and technical and performance expertise.

[28] The warrants were awarded free of charge to each party that holds ordinary Webuild shares on the first market day before the demerger's effective date in proportion to the number of shares held.

Change in share capital

Webuild's share capital continues to amount to €600,000,000, split into 1,001,559,937 shares without a nominal amount, including 999,944,446 ordinary shares and 1,615,491 savings shares, after the partial proportionate demerger of Astaldi to Webuild and the consequent issue of 107,771,755 new ordinary shares (including 5,916,843 to be assigned to the potential creditors), which did not change the amount of its nominal share capital.

Transfer of the registered office

On 18 October 2021, the parent's registered office was temporarily transferred to Via Adige 19, Milan to be subsequently transferred to the new offices in Rozzano, Milan (Centro Direzionale Milanofiori Strada 6 - Palazzo L) on 10 December 2021. Article 3 of the parent's by-laws was amended accordingly.

This relocation of the registered office is part of the Group's strategy to optimise costs and acquire an innovative, functional premises that reflects its production needs and digital journey.

New orders and milestones achieved in 2021

The new projects and main milestones achieved in 2021 are described below while more information is available in the section on the Group's performance by geographical area.

New orders and main milestones of 2021

March

- Awarded contract to develop the northbound tunnel of the Gotthard Tunnel (€80 million)
- Awarded contract for the executive design and doubling of the Giampilieri - Fiumefreddo section tracks of the high capacity Messina - Catania railway line (€1 billion)
- First of the three 2,500 tonne viaducts installed for the Naples - Cancello section of the high speed/capacity Naples - Bari railway line

May

- Awarded Kansas City's Levees Flood Risk Management Project (USD258 million)
- Completion of the excavations for the NEBT environmental sustainability project in Washington, D.C.
- Contract signed in advance for Lot 2 and the last construction lot of the Verona - Vicenza junction first functional lot (€1.6 billion)

June

- Award of the contract for the railway line between Fortezza and Ponte Gardena continuing on from the Brenner Base Tunnel (€1.07 billion)
- Awarded contract for the Orsara - Bovino section of the high speed Naples - Bari railway line (€367 million)
- Definitive contract signed with Texas Central for the new high speed railway line between Dallas and Houston in Texas, USA (USD16 billion)
- Awarded contract for the Orsara - Hirpinia section of the high speed Naples - Bari railway line (€1.08 billion)
- Awarded contract to extend Safe Host's data centre in Switzerland (€120 million)
- Awarded contract for the Fiumefreddo - Taormina/Letojanni section of the high capacity Palermo - Catania - Messina railway line (€640 million)

July

- Awarded contract for the base tunnel of the high speed/capacity Turin - Lyon railway line (€1.4 billion)

August

- Awarded three motorway maintenance contracts to ensure the safety of the motorway network in Italy (€210 million)

September

- Awarded contract for the executive design and construction of sections B2 and C of the Pedemontana Lombarda Motorway (€1.26 billion)
- Awarded contract for the Sotra Connection road and bridge system in Norway (€1 billion)
- Awarded contract for the North Carolina Highwway Expansion project in the US (USD236 million)

October

- Awarded contract for I-495 in Virginia, USA to reduce the travelling time of commuters in the Washington, D.C. area (USD441 million)
- Awarded contract for the North East Link project in Melbourne, Australia (AUD3.3 billion for the construction work)

November

- Awarded contract for Lot H41 Gola del Sill-Pfons of the Brenner Base Tunnel project (€651 million)
- Completed and opened to traffic of Fabriano - Matelica section of the Marche Umbria road system
- Opening ceremony of the Al Bayt Stadium in Doha, Qatar which will host the FIFA 2022 World Cup

Sustainable Mobility

Clean Hydro Energy

Clean Water

Green Buildings & Others

Directors' report -

Part I

Covid-19

Introduction

The macroeconomic situation of most countries began to improve in 2021, thanks in part to the easing of the restrictions and continuation of their vaccination campaigns. Growth forecasts were revised downwards however when the public health situation worsened in December 2021.

The Group continued its prudent measures to manage and contain the pandemic with the utmost care for the health of its employees and partners. These measures allowed it to carry on with its ongoing projects albeit with some slow-downs.

The Group's priorities have always been and will continue to be protecting the health of its employees and partners, ensuring business continuity and mitigating the financial impact of the pandemic.

Employee management and prevention measures to deal with the pandemic

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

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

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

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

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

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

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

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

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

Measures introduced to prevent the spread of the disease included:

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

2) meetings with the Employer and the Prevention and Protection Unit to monitor the situation regularly and coordinate responses;

3) dissemination of communications and organisational measures to assist personnel in a period of ongoing regulatory change;

4) continuation of healthcare measures focusing on people who are vulnerable because they have an underlying health condition or because of their age, and workers who became ill with Covid-19 and required hospitalisation;

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

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

7) management of common areas to decrease gatherings;

8) special measures to provide healthcare assistance (set up of multilingual help centres open 24/7 around the world to provide prompt assistance with the medical evacuation of Covid-19 patients) when the local healthcare units were unable to treat them;

9) employee awareness raising campaigns about the protocols. Educational programmes were held at the work sites based on the guidelines of the international organisations and local legislation. Some campaigns included pamphlets and videos to ensure the workforce's maximum cooperation. The first aid teams received special training on Covid-19 related aspects in the workplace;

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

11) issue of guidelines to check the Covid certificates (green passes) of group and third party personnel.

Operations and effects on the Group's business

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

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

The areas where production was the most affected were Australia and the Middle East while Italy and the rest of the world encountered fewer difficulties.

The current situation may depending on how the Covid-19 pandemic evolves.

During the year, the Group continued negotiations with customers on specific contractual issues, mainly the delays due to the shuttering of work sites and the consequent inefficiencies incurred since the pandemic's outbreak, and included discussions about the additional costs incurred due to the crisis situation.

At the date of preparation of this report, the Group is not exposed to potential financial stress scenarios. It has cash and cash equivalents and revolving credit facilities sufficient to meet its short-term requirements. In 2021 and early 2022, the Group issued notes for €600 million to cover its main short-term repayments, in line with Webuild's strategy to optimise the timelines of its financial commitments by lengthening their average term.

Supply chain

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

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

These mitigation measures adopted during the first six months of 2020 meant that the supply chain was not too affected by the pandemic in the second half of that year or in 2021 either.

Raw material prices started to rise at the end of 2020 and this trend continued throughout 2021 due to the smaller availability driven by greater demand in an attempt to relaunch the global economy.

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

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

The Italian government dealt with the issue of price hikes with the "Sostegni-bis decree" (the support decree) of 25 May 2021, converted with amendments by Law no. 106 of 23 July 2021 and supplemented by the 2022 budget act (Law no. 234 of 30 December 2021). This decree introduced compensation for changes in the price of certain materials for public contracts in 2021.

The Ministry of Infrastructure and Sustainable Mobility calculated and published the most significant percentage changes in construction materials prices in the first six months of 2021 with its decree of 11 November 2021. A new decree should be published in the second half of 2022 with the changes seen in that six-month period.

In January 2022, the government published a decree whereby it will be mandatory to include a price revision mechanism in the new calls for tenders made in the period from January 2022 to December 2023. ISTAT (the national statistics institute) will define the new method to be used to calculate the changes in construction materials prices within 90 days. In addition, before 31 March and 30 September of each year, the Ministry of Infrastructure and Sustainable Mobility will calculate the percentage changes in the individual prices of the principal construction materials for each six months in a specific decree based on the work performed by ISTAT.

Market trends and commercial activities

The Group ended 2021 with a significant number of new contracts worth approximately €10.8 billion, the result of both the recouping of delays in awarding projects incurred in 2020 due to the Covid-19 pandemic and the Group's strategy of focusing on low risk markets whose governments intend to make large long-term investments in infrastructure. These markets include Italy and its National Recovery and Resilience Plan, which is expected to make a significant contribution to relaunching the post-pandemic economy.

Ukraine crisis

Webuild Group does not currently have ongoing contracts in Ukraine and Russia although it has a net receivable of €66.1 million due from the Ukrainian customer Ukravtodor for works carried out in the period from 2013 to 2016.[29]

The ongoing Russia - Ukraine crisis has created new uncertainties and risks for the global markets and economies, the effects of which are hard to foresee as they also depend on the outcome of the crisis.

Possible repercussions on the global economy and the Group's business

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

One of the indirect effects of the crisis has been the exceptional volatility in the prices of raw materials which does not help the current rising inflationary trend. This factor could have a significant impact on the Group's operations.

While it is difficult to anticipate the impact of these trends at the moment, in many cases, the existing contracts with customers or the applicable local legislation will allow the mitigation of the impact of any increases in the prices of raw materials on the profit margins of projects in progress.

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

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

Cyber risk

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

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

ESG risk management

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

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

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

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

Order backlog

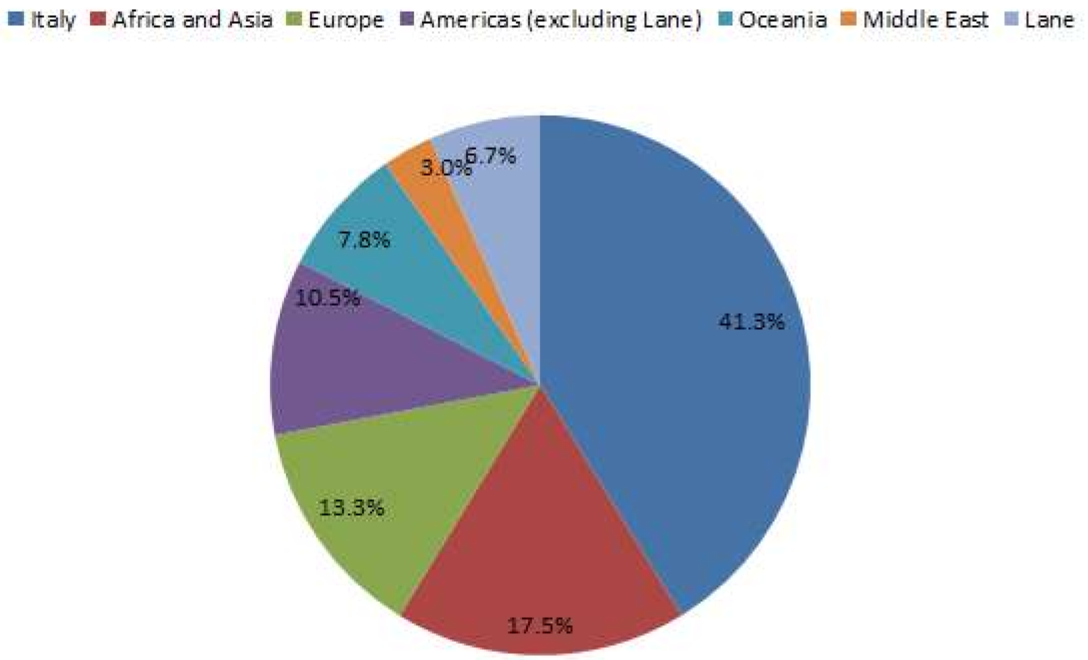
The order backlog by geographical area for the construction and concession segments is as follows:

(Share in millions of Euros)

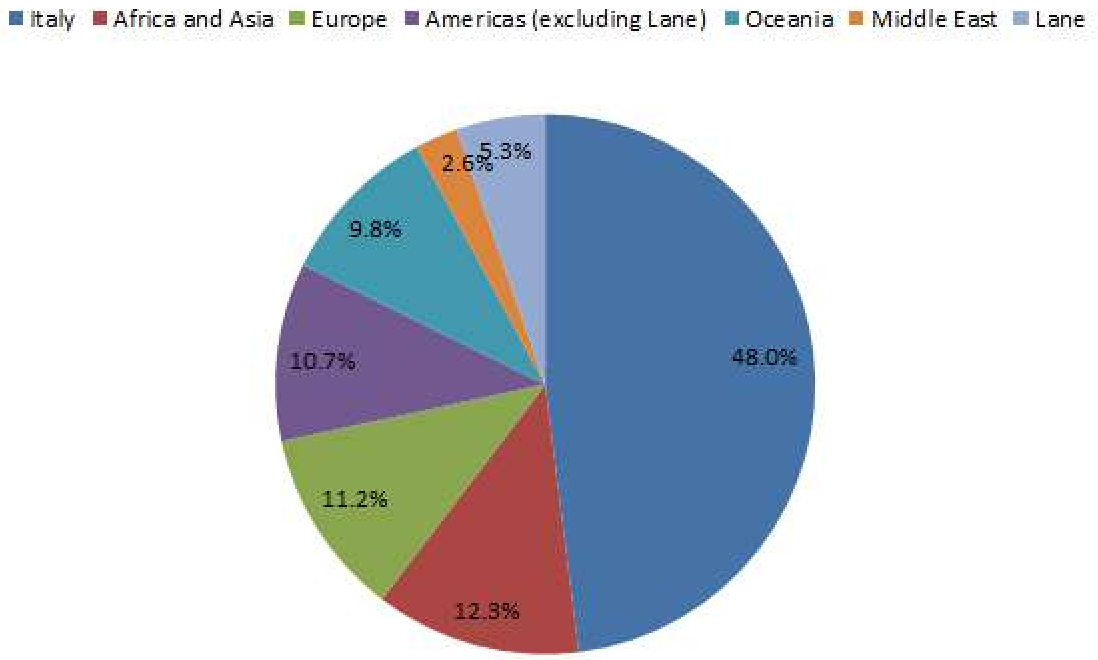
Area	Residual order backlog at 31 December 2020	Percentage of total	Residual order backlog at 31 December 2021	Percentage of total
Italy	**17,199.0**	**41.3%**	**21.803.0**	**48.0%**
Africa and Asia	7,276.5	17.5%	5,601.7	12.3%
Europe	5,552.5	13.3%	5,107.1	11.2%
Oceania	3,231.5	7.8%	4,857.9	10.7%
Americas (excluding Lane)	4,380.0	10.5%	4,455.7	9.8%
Middle East	1,261.4	3.0%	1,168.3	2.6%
Abroad	**21,701.8**	**52.1%**	**21,190.7**	**46.7%**
Lane	2,787.2	6.7%	2,412.9	5.3%
Total	**41,688.0**	**100.0%**	**45,406.5**	**100.0%**

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

Breakdown of the order backlog 31 December 2020

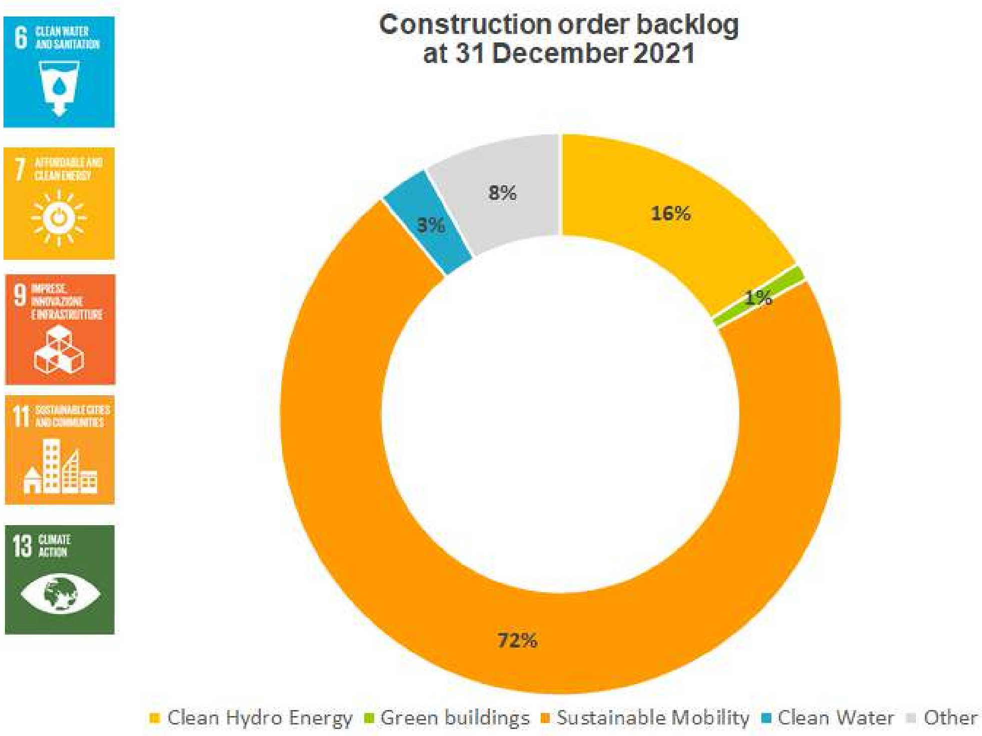


Breakdown of the order backlog 31 December 2021



A breakdown of the construction order backlog by business area is summarised below:

Breakdown of the construction order backlog at 31 December 2021 by business area



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

Order backlog

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

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

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

The value of the order backlog decreases:

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

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

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

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

The above measurement method differs from the method used to prepare the disclosure on performance obligations yet to be satisfied in accordance with IFRS 15 as set out in note 31 to the consolidated financial statements. Specifically, the main contract revenue included in the order backlog and not considered in the notes includes:

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

Performance by geographical area

Italy

The Group focused on its home market in 2021, partly to follow Progetto Italia and to complete Astaldi's integration[30].

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

Reference context and macroeconomic scenario

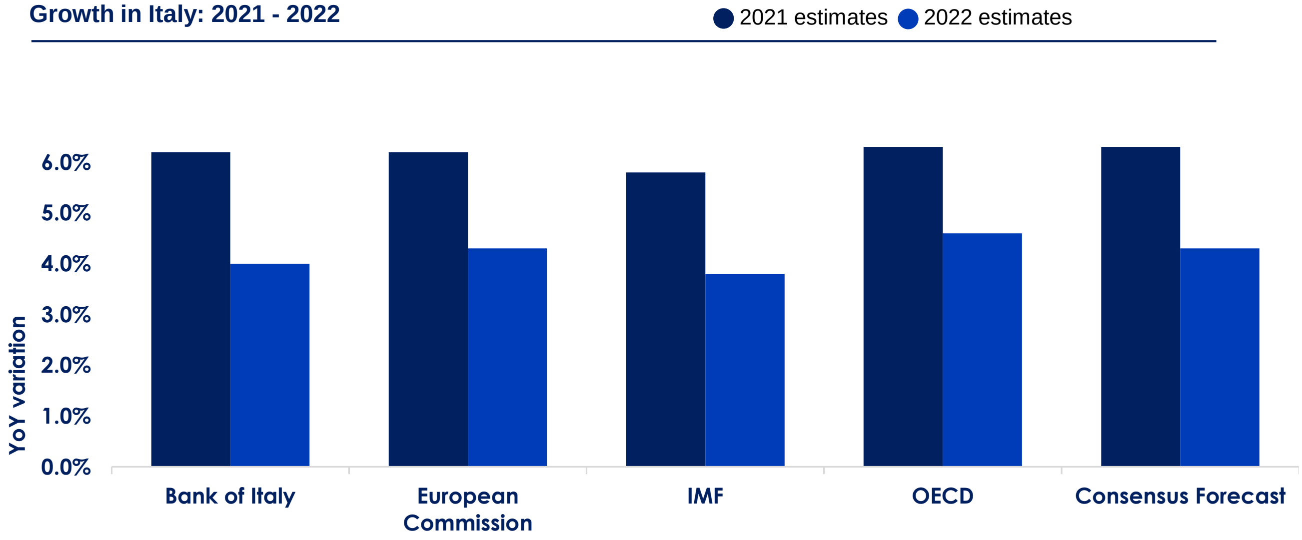
Italy is ranked 26th in the SDG Global Rank, the index that measures progress towards achievement of the SDGs in 165 countries around the world, better than in 2020 when it placed 30th. Italy shows progress in the majority of the goals that are most pertinent to the Group's business areas although there is still room for improvement with respect to, in particular, mobility and the fight against climate change.

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

The International Monetary Fund's (IMF) projections of January 2022 include growth of 6.2% in 2021 and 3.8% in 2022 after degrowth of 8.9% in 2020.

[30] Reference should be made to the "Key events of the year - Progetto Italia" for more information.

Growth in Italy: 2021 - 2022



Source:
Bank of Italy, January 2022
IMF, January 2022

Italy is the largest beneficiary of the NGEU's two main tools, the Recovery and Resilience Facility (RRF) and the Recovery Assistance for Cohesion and the Territories of Europe (REACT-EU). The RRF alone has an envelope of €191.5 billion to be allocated in the 2021-2026 period, including €68.9 billion as grants.

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

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

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

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

Investments of approximately €24 billion have been earmarked for large works in Italy by the national plan to relaunch infrastructure, including more than €20 billion for highspeed railway projects, a segment in which Webuild is the domestic market leader. The envelope includes €14 billion for projects covered by the National Recovery and Resilience Plan for which calls for tenders should be made in the next two years. The other €10 billion have been set aside by the Ministry of Infrastructure and Sustainable Mobility to complete the railway line sections already included in the National Recovery and Resilience Plan. At the date of preparation of this report, the Group is involved in roughly 70% of the railway projects being carried out as part of the Plan (this includes new orders acquired in 2021 in Italy on high speed/capacity sections).

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

Main ongoing projects

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

(Share in millions of Euros)

Project	Residual order backlog at 31 December 2020	Percentage of completion	Residual order backlog at 31 December 2021	Percentage of completion
Iricav Due	4,178.2	0.7%	3,936.5	7.3%
Cociv	2,687.0	47.6%	2,194.4	59.6%
Naples - Bari railway line (Hirpinia - Orsara section)	-	0.0%	1,068.0	0.6%
Other	5,437.0		8,971.5	
Total	**12,302.2**		**16,170.4**	

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

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

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

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

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

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

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

During the year, the executive design and geognostic investigations continued, the expropriation work started as did the work at the Verona work site while the nearby base camp was set up.

The first three EU calls for tenders were published to award 60% of the works, two of which have been awarded and the related contracts are being finalised.

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

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

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

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

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

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

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

On 10 May 2021, after the variation order no. 17 was signed, the Strada del Bosco overpass at km 50+760 was eliminated from the contract for the Giovi third railway crossing.

After the technical change order agreement related to the local strategic plan for Rivalta Scrivia and the outfitting of the Rivalta-Tortona section was signed (still to be formalised), the Pozzolo-Rivalta section was reactivated on 26 and 27 August 2021.

As the deadline for the presentation of bids expired on 13 September 2021 and none had been presented for contract 01 Permanent way, discussions are in place with RFI to make the public call for tenders again.

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

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

Other projects in Italy

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

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

On 26 November 2019, 7 May 2020 and 20 November 2020, three riders were signed with RFI for the supply of crushed stone by it and the removal of the above-ground materials in areas located in the Casoria Municipality, for archaeological investigations and excavations, and for the removal of the above-ground materials and additional archaeological investigations and excavations. This increased the contract consideration to approximately €434.5 million.

During 2021, work continued including the laying of the foundations and elevation and abutments of the viaducts and construction of the tunnel diaphragm walls and slabs, the activities to resolve interferences with underground cabling and to build all the steel arched bridges.

The existing Naples - Cassino line has been temporarily deviated and construction of the diaphragm walls under the current railway line is in progress.

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

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

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

In 2021, the ongoing works included the construction of the viaducts, the ten spans of the VI01 viaduct, railway overpasses and underpasses, the construction of water courses and related manholes, the formation of trenches and the embankment floors, the construction of box sections for external roads, the construction and renovation of railway buildings as well as activities relating to electric traction, light and driving force.

In the second half of the year, after fine-tuning at the test fields, work commenced on the lime stabilisation variation order, while Deviation 5 and phase 2b of Bicocca were built and put into service on schedule for a total of around 4.5 km of new railway platform and 0.5 km of reinforced concrete tunnel pipeline.

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

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

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

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

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

On 14 January 2021, construction work commenced and work site activities were carried out during the year (construction of the site tracks, yards and base camp), foundation works (plastic piling, foundation piling and diaphragms), reinforced cement works, the bored tunnel entrances and the new roads to allow the two TBMs to reach the entrances.

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

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

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

On 8 June 2021, the final award became effective.

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

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

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

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

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

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

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

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

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

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

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

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

On 22 June 2021, the two partners set up Consorzio Hirpinia - Orsara and the urgent services reports subject to legal reservations was signed on 15 June 2021, meaning the consortium could receive the contract advance.

During the second half of 2021, the consortium carried out activities for the executive design and related geognostic investigations.

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

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

On 24 June 2021, RFI announced it had awarded the consortium to be set up by Webuild (70%) and Pizzarotti (30%) the design and build contract to double functional lot 1 Fiumefreddo - Taormina subsection of the Giampilieri - Fiumefreddo section of the Messina - Catania railway line. The project is worth €640.2 million and includes a new double-track section of around 13.9 km, including two bored tunnels, one artificial tunnel and two viaducts. One bored tunnel will be one tube for a length of 3.3 km (the Calatabiano Tunnel) while the other will be twin tube and 6.1 km long (the Taormina Tunnel).

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

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

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

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

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

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

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

The work on the first functional lot (Linate - Forlanini F.S.) has almost been completed with completion of the integrated systems and pre-operating tests, which has included personnel training and familiarisation activities. The Ministry of Infrastructure and Transport has issued the technical clearance and the operating clearance.

At the date of preparation of this report, the works to complete and open the second functional section (Forlanini F.S. - Dateo) are underway.

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

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

The works were formally delivered on 19 May 2020.

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

In 2021, factory production on the pre-cast sections of the artificial tunnels and the viaducts' metal decking was completed and they began to be transported to the work site in April. With respect to the linear construction work, new sites were set up for the construction of the foundation pilings and substructures of the viaducts and overpasses. During the year, preparation of the tunnel entrances, stabilisation of the Roseto landslide and earth movement activities (consolidation works, excavations and embankments) for the road works of the first part of the route (the south section) were also carried out. Finally, Webuild continued the archaeological investigations and environmental monitoring activities.

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

The Group does not limit itself to infrastructure. It is also engaged in acquiring orders in the commercial building sector, thus availing of development opportunities mostly created by the growth of Italy's large metropolitan areas. In partnership with a leading group of investors and acting as contractor, Webuild signed a contract on 28 July 2017 for the building of ENI's new headquarters in San Donato Milanese. This construction contract is worth roughly €151 million (Webuild's share: 60%).

Work began at the end of 2017 and continued in 2021 with an upturn in the current activities such as the installation of the systems and facades.

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

…

Unforeseen costs have been incurred on the high speed/capacity Milan - Genoa railway line section, the Naples - Cancello section of the Naples - Bari railway line, the Bicocca - Catenanuova section of the Palermo - Catania railway line, Line 4 of the Milan Metro and Eni's headquarters and the contractors have accordingly presented their requests for additional consideration. The costs are included in the measurement of contract assets and contract liabilities for the part deemed highly probable to be recovered, based also on the opinions of the Group's advisors.

Italian concessions

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

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

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

MOTORWAYS

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

METROS

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

CAR PARKS

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

OTHER

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

Lane

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

Reference context and macroeconomic scenario

The US is ranked 32nd, slipping one place compared to 2020, in the SDG Global Rank, the index that measures progress towards achievement of the SDGs in 165 countries around the world. The US shows progress in the majority of the goals that are most pertinent to the Group's business areas although there is still room for improvement with respect to, in particular, renewable energy and the fight against climate change.

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

The IMF's most recent forecasts of January 2022 estimate that GDP shrank by 3.4% in 2020 and should grow by 5.6% and 4.0% in 2021 and 2022, respectively. The US Department of Labour reports that the unemployment rate continues to decrease after peaking at 14.7% in April 2020 and was 4.0% in January 2022.

According to the IMF, the ongoing supply crush, the overstretched ports and high demand for goods have all contributed to strongly squeezing prices, especially in the US.

IHS Markit's October 2021 estimates indicate that infrastructure construction expenditure should increase in 2022 by 4.8% after degrowth of 5.9% in 2020 and expected degrowth of 5.6% in 2021.

The Bipartisan Infrastructure Deal has a budget of approximately USD1.2 trillion, including USD110 billion for roads, USD66 billion for railways, USD25 billion for airports, USD17 billion for ports, USD47 billion for climate-related emergencies, including flooding and drought, and USD55 billion for clean drinking water, to be invested in the next eight years.

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

Main ongoing projects

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

(Share in millions of Euro)

Project	Residual order backlog at 31 December 2020	Percentage of completion	Residual order backlog at 31 December 2021	Percentage of completion
C43 Water Management Builders – Florida	366.6	15.2%	310.7	34.8%
I-10 Corridor – California	412.4	26.3%	248.2	57.0%
Southern Wake Freeway – North Carolina	252.6	26.0%	227.2	40.4%
I-440 Beltline Widening – North Carolina	210.7	27.4%	206.1	38.0%
I-40 – Orange County – North Carolina	-	0.0%	204.3	2.1%
Kansas City's Levees Flood Protection Project – Missouri	-	0.0%	189.0	2.5%
I-405 Renton/Bellevue (Flatiron-Lane JV) - Washington	198.3	14.7%	187.2	24.8%
I-4 Ultimate - Orlando – Florida	78.9	88.1%	15.4	97.5%
Other	1,267.6		824.8	
Total	**2,787.2**		**2,412.9**	

C43 Water Management Builders - Florida

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

I-10 Corridor - California

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

I-440 Beltline Widening - North Carolina

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

Southern Wake Freeway - North Carolina

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

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

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

Kansas City's Levees Flood Protection Project - Missouri

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

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

I-40 - Orange County - North Carolina

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

I-4 Ultimate - Orlando - Florida

In September 2014, I-4 Mobility Partners entered into a concession agreement with the Florida Department of Transportation (FDOT) to design, build, finance and operate the USD2.3 billion I-4 Ultimate Project (the contract value was increased to approximately USD2.5 billion to include contract variations). The operator subsequently

assigned the works to a joint venture composed of Skanska (40%, leader), Granite (30%) and Lane Construction (30%).
The project includes the reconstruction of 21 miles of I-4 from west of Kirkman Road in Orange County to east of SR 434 in Seminole County, including the addition of four lanes and sections in Orlando.

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Unforeseen costs have been incurred on the C43 Water Management Builders, I-440 Beltline Widening, Southern Wake Freeway and I-4 Ultimate - Orlando - Florida contracts referred to above and the joint ventures have accordingly presented its request for additional consideration. The costs are included in the measurement of contract assets and liabilities for the part deemed highly probable to be recovered, based also on the opinions of the Group's advisors.

Abroad

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

Macroeconomic scenario

According to the IMF's most recent estimates of January 2022, the global economy regained vigour in 2021 thanks partly to the effective vaccination campaigns that have mitigated the negative effects of the pandemic and the recovery plans enacted by several countries. The strong uptick in economic activities was accompanied by a large hike in the prices of energy and raw materials as well as continued stoppages in the supply chain. Global GDP is expected to grow 5.9% in 2021 after contracting by 3.1% in 2020.

Based on a scenario where some emerging countries will reach the more advanced economies in terms of the percentage of their vaccinated populations in 2021, the central banks will change their accommodating stances earlier than expected and the supply chain will continue to be affected by stoppages, the IMF expects continued global growth, albeit at a slower pace, of 4.4% in 2022.

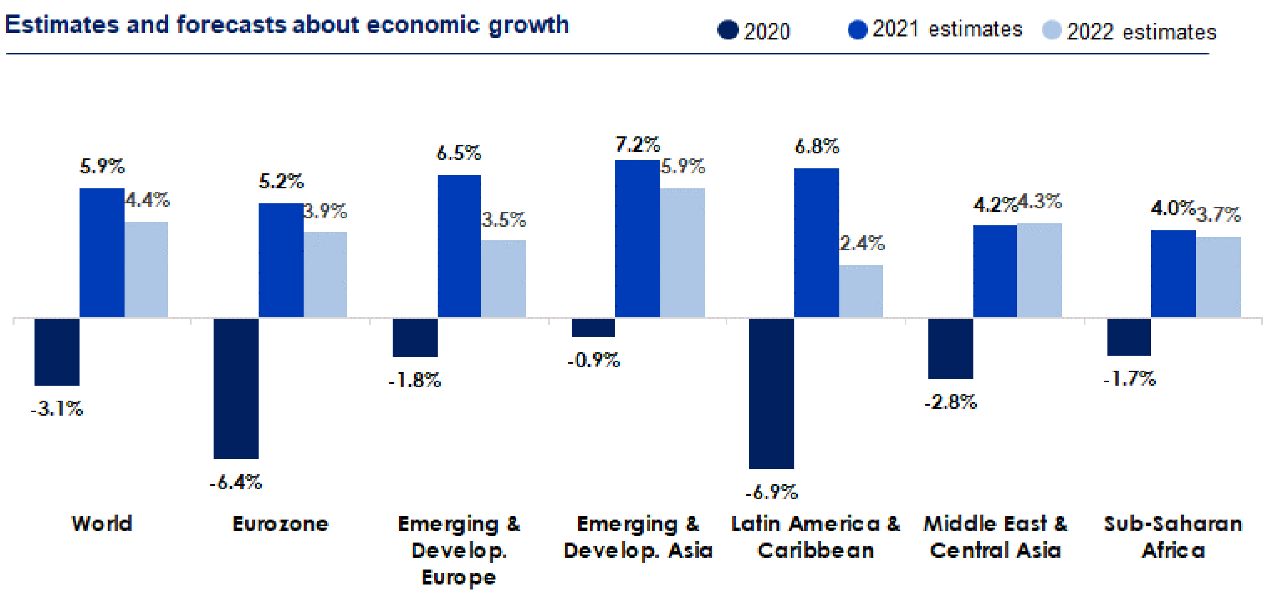
Specifically, the Eurozone is expected to see a jump in growth of 5.2% in 2021 and of 3.9% in 2022 after the 6.4% deceleration in 2020.

The GDP of Emerging & Developing Asia is forecast to grow by 7.2% and 5.9% in 2021 and 2022, respectively, recouping the 0.9% drop of 2020. The outlook for India is much more positive than for most of the other countries in this area and its economy is expected to grow around 9.0% in 2021 and 2022.

Projections for the Middle East and Central Asia include annual growth of more than 4.1% in 2021 and 2022 after a contraction of 2.8% in 2020. These projections reflect a better recovery for the countries that export natural resources.

After the collapse of 1.7% in GDP in 2020 seen in Sub-Saharan Africa, this area's economy should bounce back with growth of 4.0% in 2021 and 3.7% in 2022. The countries that export the most raw materials and metals, including South Africa, whose economy is expected to grow 4.6% and 1.9% in 2021 and 2022, respectively, will perform better.

Growth expectations for Latin America are 6.8% and 2.4% in 2021 and 2022, respectively. According to the International Labour Organisation, this area was one of the worst hit by rising unemployment in 2020.



Source: IMF, January 2022;
Emerging & Developing Europe includes Russia
Emerging & Developing Asia includes China, India, Indonesia, Malaysia, Philippines, Thailand and Vietnam
Latin America & Caribbean includes Brazil and Mexico
Middle East & Central Asia includes Saudi Arabia
Sub-Saharan Africa includes Nigeria and South Africa

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

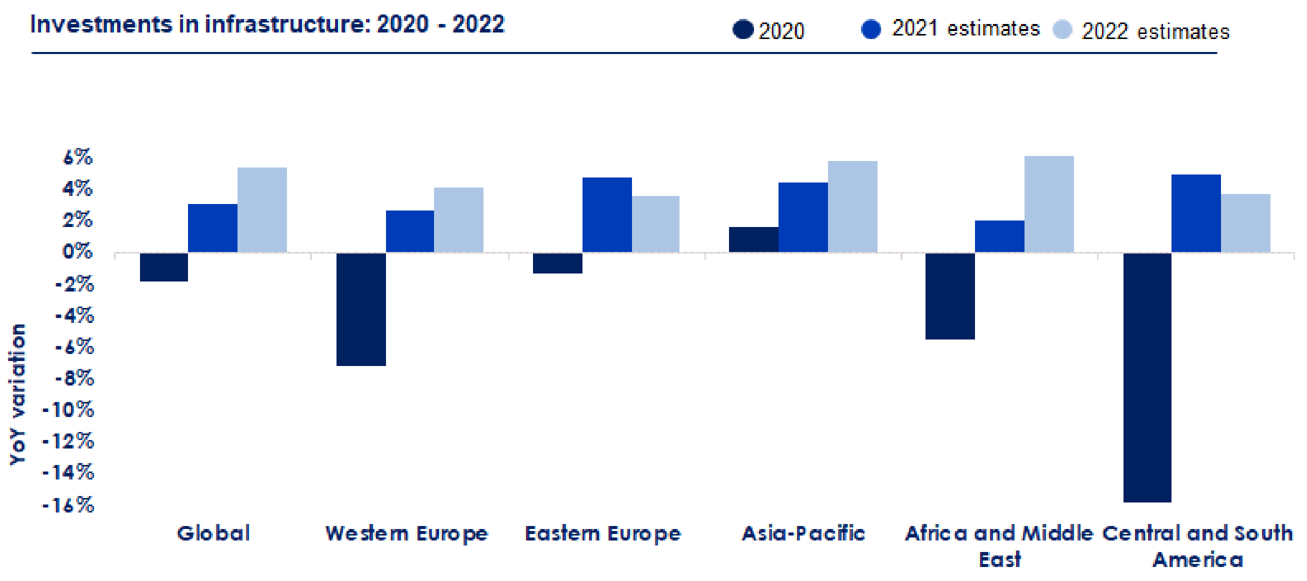
According to an IHS Markit report of October 2021, global investments in infrastructure will increase by 3.1% in 2021 and 5.4% in 2022, with a return to growth after the 1.9% slide seen in 2020.

Infrastructure investments in Eastern and Western Europe are forecast to grow by over 2.5% and 3.5% in 2021 and 2022, respectively, compared to the reduction of more than 7.0% and 1.3% in Western and Eastern Europe, respectively, in 2020. Governments foresee that the economic relaunch necessary to counter the pandemic's effects will mostly be achieved by extraordinary investment plans, funded thanks to the EU's NextGenerationEU package and non-European financing. The infrastructure sector will be one of the main recipients.

Investments in infrastructure in Africa and the Middle East are forecast to grow by 2.0% in 2021 and 6.4% in 2022. Egypt is one of the economies expected to drive this upswing thanks to the fact that, after numerous delays and cancellations of works not considered essential in 2020, many projects are expected to be tendered.

IHS Markit expects that investments in infrastructure in Latin America will increase by 4.9% in 2021 and 3.7% in 2022 after the 15.9% degrowth seen in 2020.

Finally, the Asia-Pacific area should see an upturn in investments in infrastructure of almost 4.4% in 2021 and 5.8% in 2022. According to IHS Markit, this growth will be mostly driven by India and the Philippines, which are expected to grow 19.2% and 8.8% in 2021, respectively, and 11.6% and 9.0% in 2022, respectively.



Source: IHS Markit, October 2021

Oceania

Australia

Reference context and market scenario

Australia is ranked 35th in the SDG Global Rank, climbing two places compared to 2020. 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, energy and the fight against climate change.

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

Main ongoing projects

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

(Share in millions of Euros)

Project	Residual order backlog at 31 December 2020	Percentage of completion	Residual order backlog at 31 December 2021	Percentage of completion
Snowy Hydro 2.0	3,099.6	8.8%	2,634.3	24.3%
North East Link project	-	0.0%	2,083.3	0.3%
Other	131.9		71.8	
Total	**3,231.5**		**4,789.4**	

Snowy Hydro 2.0

On 4 April 2019, as leader of the joint venture (65% stake) with the Australian partner Clough (35%), the Group won the contract for the civil works and electromechanical component of the Snowy 2.0 project.

It involves the construction of a 36 km tunnel to connect the two existing reservoirs Tantagara and Talbingo and an underground power station with pumping capacity. The project will increase the renewable generating capacity of the existing system by 2,000 MW and serve up to 500 thousand additional houses at times of peak demand, with autonomy of 175 hours of continuous large-scale storage.

The project is worth AUD5.3 billion.

On 28 August 2020, the project received the notice to proceed from the customer, certifying the start of the main works.

In 2021, excavation activities continued using the TBM Eileen from the main access tunnel to the underground power station.

The other tunnels connecting the two existing reservoirs Tantagara and Talbingo are also being bored.

In December, the commissioning of Kirsten, the most technologically advanced of the three TBMs[31] deployed for the development of the Snowy 2.0 project, was celebrated in the presence of the Australian Prime Minister and the customer Snowy Hydro Ltd. The third TBM, Florence, is being assembled at the Tatangara portal.

North East Link

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

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

The contract is worth AUD11.2 billion.

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

Europe

France

Reference context and market scenario

France is one of the countries where the Group operates with the highest sustainability levels. It is ranked 8th in the SDG Global Rank (4th in 2020). France shows progress in the majority of the goals that are most pertinent to the Group's business areas although there is room for improvement with respect to, in particular, public transport and the fight against climate change.

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

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

Main ongoing projects

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

(Share in millions of Euros)

Project	Residual order backlog at 31 December 2020	Percentage of completion	Residual order backlog at 31 December 2021	Percentage of completion
TELT – Turin - Lyon Tunnel - Lot 2	-	0.0%	715.3	0.1%
Metro Line 16 Lot 2	321.8	33.3%	208.2	58.6%
TELT puits d'Avrieux	149.9	1.5%	137.4	15.3%
Other	3.2		1.1	
Total	**475.0**		**1,062.1**	

TELT lot 2

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

Work started in 2021 with the set-up of the work sites.

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

Line 16 Lot 2

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

Work started on the contract in 2019 and a second TBM began tunnelling in 2021. The joint venture also commenced all the civil building works for the stations and ventilation shafts.

The contract's total value is approximately €730 million and the Group's share is 65%.

TELT puits d'Avrieux

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

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

Work began in 2020 and 2021 saw the completion of the adaption of the access shaft to the future ventilation shafts, the installation of the construction site structures, the start of the traditional excavation for the future underground tunnels and the consolidation of the shafts.

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

Norway

Reference context and market scenario

Norway is ranked 7th in the SDG Global Rank (6th in 2020). It shows progress in the majority of the goals that are most pertinent to the Group's business segments although there is room for improvement with respect to, in particular, the fight against climate change.

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

Main ongoing projects

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

(Share in millions of Euros)

Project	Residual order backlog at 31 December 2020	Percentage of completion	Residual order backlog at 31 December 2021	Percentage of completion
Nykirke - Barkaker railway line	301.9	18.3%	216.8	48.8%
Total	**301.9**		**216.8**	

Nykirke - Barkaker railway line

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

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

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

As a result of the Covid-19 pandemic, Bane Nor and the joint venture (SAPI NOR) signed a variation order for NOK110 million (roughly €10 million). The customer also presented and subsequently defined 56 variation orders in 2021.

Romania

Reference context and market scenario

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

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

Main ongoing projects

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

(Share in millions of Euros)

Project	Residual order backlog at 31 December 2020	Percentage of completion	Residual order backlog at 31 December 2021	Percentage of completion
Sibiu - Pitesti Motorway, Lot 5	393.1	1.4%	430.5	7.6%
Braila Bridge	183.3	37.2%	134.0	57.8%
Frontieră - Curtici - Simeria railway line - lot 3	150.6	44.9%	112.0	61.8%
Frontieră - Curtici - Simeria railway line - lot 2B	82.8	56.9%	61.2	69.4%
Frontieră - Curtici - Simeria railway line - lot 2A	65.5	60.0%	47.7	70.6%
Other	36.6		47.8	
Total	**911.8**		**833.3**	

Sibiu - Pitesti Motorway, Lot 5

The contract (Webuild: 100%), signed in May 2020, covers the construction of over 30 km of the Sibiu-Pitesti Motorway, the most important section under construction in Romania. It is an EPC contract and provides for the design and construction of Lot 5 of the motorway from Km 92+600 to Km 122+950. The contract is financed partly with European funds (85%) and partly with the state budget (15%) and provides for the adjustment of contract prices starting from the date of the submission of the bid. The customer is CNAIR, the state company owned by the Romanian Ministry of Transport and Infrastructure. The works commencement order for the construction stage was received on 1 September 2021 and works started regularly.

Braila Bridge

The contract covers the design and construction of a 1,975-metre suspension bridge over the Danube River, the second longest suspension bridge in continental Europe, as well as roughly 23 km of access roads. The customer is CNAIR, the state company owned by the Romanian Ministry of Transport and Infrastructure. The works are included in the country's transport master plan and are financed using EU funds as part of the LIOP (Large Infrastructure Operational Programme). Design and construction will be performed as a joint venture between Webuild (main contractor, 60%) and the Japanese company IHI Infrastructure Systems Co Ltd. (40%).

During the year, the joint venture substantially completed the assembly of the bridge's two supporting cables, consisting of intertwining more than 18,000 steel wires (over 9,000 per cable), weighing 6,775 tonnes for a total length of around 38,000 km (nearly the Earth's circumference). Achievement of this new milestone means that the project is around 58% complete. Construction activities have continued regularly but there was a delay due to the unavailability of part of the work area for the access roads, which is the customer's direct responsibility.

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

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

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

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

- Lot 2A: in August 2021, a section of about 14 km along the Radna - Milova route was made available, carried out mainly by rehabilitating the existing railway line;

- Lot 2B: a section of around 10 km along the Ilteu - Savarsin route was opened in June 2021 and another 6 km on the Varadia - Savarsin section in November 2021. This new section was mostly built separately to the existing line and has a maximum gradient of 4 metres. It will allow trains to reach a speed of 160 km/h.

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

In December 2021, a rider for the price updating was formalised for both lots. Another rider will be signed for an additional update of the prices in accordance with that set out by the Romanian government in its communication no. 15 of 30 August 2021 to cover the unusual increase in the cost of raw materials in 2021.

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

In November 2021, the Ilia - Gurasada section of around 10 km was opened to railway traffic. As a result, 32% of the total approximate 40 km is now in use. The joint venture also started work on the metal decking of the three viaducts over the Mures River.

In adjustment 2021, the rider for the price updating was formalised. The joint venture also plans to formalise a rider for an additional adjustment/review of prices in accordance with that set out by the Romanian government in its communication no. 15 of 30 August 2021 to cover the unusual increase in the cost of raw materials in 2021.

Sweden

Reference context and market scenario

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

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

Main ongoing projects

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

(Share in millions of Euros)

Project	Residual order backlog at 31 December 2020	Percentage of completion	Residual order backlog at 31 December 2021	Percentage of completion
Gothenburg Rail Link - Haga Station	194.7	37.4%	407.5	32.1%
Gothenburg – Kvarnberget Rail Link	94.7	31.0%	75.8	55.4%
Total	**289.4**		**483.3**	

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

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

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

The contract was originally worth roughly SEK2,333 million which has increased to SEK2,598 million, mostly due to the updating of contractual indexes (such as the price of iron during the contract award phase) and the variations agreed with the customer.

In 2021, most of the executive designs (about 61%) have been completed and approved by the customer. The tunnel excavation work has continued regularly but there has been delays in the clay excavation area due to the lack of approval of the design.

Kvarnberget Rail Link (West Link - Lot E03 Kvarnberget)

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

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

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

In 2021, the work to reinforce Götatunnel was completed. The boring of the tunnels through the rockface continued although with a slight delay (due to design modifications requested by the customer, which also required that the vibrations caused by the boring be decreased) while construction of the diaphragms in the clay area has been completed.

Middle East

Saudi Arabi

Reference context and market scenario

Saudi Arabia is ranked 98th in the SDG Global Rank (97th in 2020). It shows progress in the majority of the goals that are most pertinent to the Group's business segments, although there is ample room for improvement with respect to, in particular, water management, renewable energy and the fight against climate change.

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

Main ongoing projects

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

(Share in millions of Euros)

Project	Residual order backlog at 31 December 2020	Percentage of completion	Residual order backlog at 31 December 2021	Percentage of completion
Riyadh National Guard Military (SANG Villas)	733.4	30.9%	750.6	36.8%
Riyadh Metro Line 3	219.3	92.6%	126.9	95.9%
Other	89.1		85.1	
Total	**1,041.8**		**962.6**	

Riyadh Metro Line 3

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

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

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

Riyadh National Guard Military (SANG Villas)

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

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

Africa and Asia

Ethiopia

Reference context and market scenario

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

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

Main ongoing projects

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

(Share in millions of Euros)

Project	Residual order backlog at 31 December 2020	Percentage of completion	Residual order backlog at 31 December 2021	Percentage of completion
Koysha	1,629.9	35.6%	1,451.7	44.4%
Gerd	751.2	82.4%	583.0	86.0%
Total	**2,381.1**		**2,034.7**	

Koysha Hydroelectric Project

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

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

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

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

Gerd

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

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

On 19 March 2020, EEP requested that the reservoir wall be raised to 560 metres ASL and the reservoir's first stage be started by implementing the necessary acceleration measures. On 2 July 2020, the raising of the wall to 560 metres ASL was completed with the spillway at the same level on 19 July 2020. The acceleration measures were completed on 23 July 2020.

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

In the meantime, discussions were continued for the amicable settlement of Webuild's claims presented to EEP and they were successfully settled in the second week of May 2021. On 18 May 2021, EEP and Webuild signed addendum no. 11 (amicable settlement of claims) for €450 million, including approximately €224 million already certified and collected in 2020, settling all the disputes made up to 13 March 2021. This entailed the immediate dissolution of the DAB and suspension of the arbitration commenced before the ICC, which will be withdrawn and discontinued by Webuild only after receipt of the last instalment scheduled to be made before 7 June 2022.

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

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

Tajikistan

Reference context and market scenario

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

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

Main ongoing projects

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

(Share in millions of Euros)

Project	Residual order backlog at 31 December 2020	Percentage of completion	Residual order backlog at 31 December 2021	Percentage of completion
Rogun Hydropower Project	1,346.3	40.7%	1,283.1	45.7%
Total	**1,346.3**		**1,283.1**	

Rogun Hydropower Project

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

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

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

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

Americas

Canada

Reference context and market scenario

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

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

Main ongoing projects

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

(Share in millions of Euros)

Project	Residual order backlog at 31 December 2020	Percentage of completion	Residual order backlog at 31 December 2021	Percentage of completion
Hurontario Light Rail Project	543.2	6.6%	465.6	28.6%
Other	43.0		26.9	
Total	**586.2**		**492.4**	

Hurontario Light Rail Project

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

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

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

Peru

Reference context and market scenario

Peru is ranked 63rd in the SDG Global Rank (61st in 2020). 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	AREAS FOR IMPROVEMENT RELATED TO THE GROUP'S BUSINESS AREAS	KPI	TREND	GROUP CONTRIBUTION
6	Wastewater treated	46.4%	N.A.	
7	CO2 emissions to generate energy (Mton/TWh)	0.9	In line with objectives	
9	Quality of transportation infrastructure (1= very unsatisfactory, 5=excellent)	2.3	Deteriorating	The ongoing projects are mostly for the Sustainable Mobility (metros) area, with a positive contribution to achievement of the SDGs in terms of improved transport and lower GHG emissions.
11	Satisfaction with public transport	55%	Stable	
13	CO_2 emissions per capita linked to energy and cement production (ton)	1.7	In line with objectives	

Main ongoing projects

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

(Share in millions of Euros)

Project	Residual order backlog at 31 December 2020	Percentage of completion	Residual order backlog at 31 December 2021	Percentage of completion
Lima Metro Line 2	456.0	30.1%	486.1	34.7%
Total	**456.0**		**486.1**	

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

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

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

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

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

On 6 July 2021, the International Arbitration Tribunal issued its decision about the jurisdiction and responsibility (*Decisión sobre competencia y responsabilidad*) by overwhelming majority in favour of the operator, concurrently cancelling the grantor's petition.
This decision, res judicata and binding for the parties, is the tribunal's final ruling on the legal and contractual interpretation of the case. The related award should be issued in the first half of 2022.
On 20 August 2021, a new application for international arbitration was presented for the events and impacts that have taken place after addendum no. 2 of December 2018 was signed attributable to the grantor.

Although the country continues to be afflicted by the ongoing Covid-19 pandemic, the civil works and tunnel excavation works for the metro line continued in 2021. Mechanised excavation of part of the tunnels started in July with the deployment of the first TBM ever to be used underneath Lima.

The contract consideration is approximately USD3 billion.

…

Unforeseen costs have been incurred on Line 16, Lot 2 (France), the Braila Bridge, the Frontieră – Curtici – Simeria railway line, lots 2A and 2B and lot 3 (Romania), Koysha Hydroelectric Project (Ethiopia), Rogun Hydropower Project (Tajikistan) and Line 2 of the Lima Metro (Peru) contracts referred to above and the contractors have accordingly presented their requests for additional consideration. The costs are included in the measurement of contract assets and liabilities for the part deemed highly probable to be recovered, based also on the opinions of the Group's advisors.

Foreign concessions

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

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

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

MOTORWAYS

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

METROS

Country	Operator	% of investment	Total km	Stage	Start date	End date
Canada	Mobilink Hurontario General Partnership	35.0	20	Under construction	2024	2054
Peru	Metro de Lima Linea 2 S.A.	18.3	35	Not yet active	2014	2049

ENERGY FROM RENEWABLE SOURCES

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

INTEGRATED WATER CYCLE

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

HOSPITALS

Country	Operator	% of investment	No. of beds	Stage	Start date	End date
GB	Ochre Solutions Ltd (Oxford Hospital)	40.0	220	Active	2005	2038
Turkey	Gaziantep Hastane Sağlık Hizmetleri İşletme Yatırım A.Ş. (Gaziantep Hospital)	24.5	1,875	Not yet active	2016	2044

Operation & Maintenance

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

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

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

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

HOSPITALS

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

CAR PARKS

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

MOTORWAYS

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

Financial highlights

The “Adjusted reclassified statement of profit or loss” table presents the Group’s adjusted key figures for 2021 compared to those for 2020.

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

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

Non-subsidiary joint ventures

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

Gain from the bargain purchase and amortisation of intangible assets as part of Astaldi’s PPA

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

Therefore, the adjusted statement of profit or loss for 2020 has been adjusted for the gain from the bargain purchase (€539.3 million). As a result, the amortisation of intangible assets identified during the PPA of €14.0 million and €93.7 million has been eliminated from the 2020 and 2021 statements of profit or loss, respectively, as well as the related tax effects.

Impairment - Venezuela

In recent years, the Group has calculated the recoverable amount of its total exposure to Venezuelan government agencies to reflect the negative developments caused by the significant deterioration in the country’s credit standing.

At 31 December 2020, due to the developments of that year, the Group fully impaired the outstanding exposure and increased the loss allowance by €122.5 million.

Condotte out-of-court agreement

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

Impairment - Grupo Unidos Por El Canal S.A. (GUPC)

In 2020, the Group tested its investment in this SPV for impairment following the identification of indicators of impairment linked partly to the arbitration award issued by the International Chamber of Commerce (ICC) in September[32].

The impairment test was performed by discounting the expected future cash flows of the claims that should be settled and other assets belonging to the SPE, resulting in the recognition of an impairment loss of €97.9 million at 31 December 2020.

Income taxes - Ethiopia

The Ethiopian branch's tax burden includes the effects (approximately €77 million) of local taxes arising on the settlement of GERD contract claims during the year. The local tax system is temporarily unaligned from the Italian system. It may be possible to recover the excess foreign taxes within the legally-established timeline if certain events (which cannot currently be determined) occur.

High speed/capacity Turin - Milan, Novara - Milan subsection award (C.A.V.TO.MI.)

In 2021, the Group recognised a cost of €131.9 million for the dispute, commenced with an arbitration proceeding in 2008, between the general subcontractor C.A.V.TO.MI. and the customer for the high speed/capacity Turin - Milan contract (Novara - Milan sub-section).[33]

[32] More information is available in the "Main risk factors and uncertainties" section of this report"

[33] More information is available in the "Main risk factors and uncertainties" section of this report.

Adjusted reclassified statement of profit or loss

	2020 adjusted							2021 adjusted					
(€m)	Webuild Group (*) (**)	Joint ventures not controlled by Lane (***)	Gain from the bargain purchase and amortisation of intangible assets as part of Astaldi's PPA	Impairment - Venezuela	Condotte out-of-court agreement	Impairment - GUPC	Adjusted	Webuild Group (§)	Joint ventures not controlled by Lane (***)	Gain from the bargain purchase and amortisation of intangible assets as part of Astaldi's PPA	Income taxes - Ethiopia	C.A.V.TO.MI. award	Adjusted
Revenue	5,012.9	292.7	(539.3)	-	-	-	4,766.3	6,552.2	138.4	-	-	-	6,690.6
Gross operating profit (EBITDA)	**751.1**	**4.1**	**(539.3)**	**-**	**15.0**	**-**	**230.9**	**445.6**	**5,7**	**-**	**-**	**-**	**451.3**
Gross operating profit margin (EBITDA) %	15.0%	1.4%					4.8%	6.8%	4.1%				6.7%
Operating profit (loss) (EBIT)	**392.9**	**4.1**	**(525.3)**	**122.5**	**35.3**	**-**	**29.5**	**(33.7)**	**5,7**	**93.7**	**-**	**131.9**	**197.6**
R.o.S. %	7.8%	1.4%					0.6%	-0.5%	4.1%				3.0%
Net financing costs	(118.5)	-	-	-	-	-	(118.5)	(92.5)	-	-	-	-	(92.5)
Net losses on equity investments	(108.8)	(4.1)	-	-	-	97.9	(15.0)	(19.2)	(5.7)	-	-	-	(24.9)
(Profit) loss before tax (EBT)	**165.6**	**-**	**(525.3)**	**122.5**	**35.3**	**97.9**	**(104.0)**	**(145.4)**	**-**	**93.7**	**-**	**131.9**	**80.2**
Income taxes	(27.2)	-	(3.4)	(29.4)	-	-	(60.0)	(133.6)	-	(22.5)	77.0	(31.6)	(110.7)
Profit (loss) from continuing operations	138.4	-	(528.7)	93.1	35.3	97.9	(164.0)	(279.0)	-	71.2	77.0	100.3	(30.5)
Profit (loss) from discontinued operations	(5.1)	-	-	-	-	-	(5.1)	0.2	-	-	-	-	0.2
Non-controlling interests	5.1	-	-	-	-	-	5.1	(26.2)	-	-	-	-	(26.2)
Profit (loss) for the year attributable to the owners of the parent	**138.4**	**-**	**(528.7)**	**93.1**	**35.3**	**97.9**	**(164.0)**	**(304.9)**	**-**	**71.2**	**77.0**	**100.3**	**(56.4)**

(*) The Group's IFRS statement of profit or loss figures for 2020 have been restated after completion of Astaldi's PPA.

(**) On 5 November 2020, Webuild acquired 67.23% of Astaldi (66.28% held directly and 0.95% indirectly). Astaldi Group has been consolidated from the date of acquisition of control, therefore, the corresponding figures at 31 December 2020 included in the consolidated financial statements at 31 December 2021 for comparative purposes include Astaldi Group from the acquisition date.

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

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

Adjusted revenue for the year is €6,690.6 million compared to €4,766.3 million for 2020, showing year-on-year growth of €1,924.3 million (40.4%). The rise in revenue is due to (i) development of the business in Italy and abroad with the steady resumption of work sites activities although they have not yet returned to pre-Covid-19 production and efficiency levels; and (ii) the effect of acquisition of control of Astaldi Group on 5 November 2020.

The main contributors to the adjusted revenue are:

(i) the projects in Italy that benefited, inter alia, from the positive effects of the National Resilience and Recovery Plan (the high speed/capacity Milan - Genoa railway line, the high speed/capacity Verona - Padua railway line and SS-106 state road Jonica mega lot 3);

(ii) some large foreign projects and specially the ongoing contracts in the US (Lane Group and I-405 in California), Canada (Hurontario Light Rail Project), Australia (Perth Metro and Snowy 2.0), Ethiopia (Koysha Hydroelectric Project and GERD), Saudi Arabia (Line 3 of the Riyadh Metro), France (Line 16 of the Paris Metro), Norway (the Nykirke - Barkaker railway line), Sweden (Haga and Kvarnberget Rock Tunnel), Romania (the Curtici - Simeria railway line, lots 2A, 2B and 3 as well as the Braila Bridge), Turkey (Etilik Integrated Health Campus in Ankara) and Tajikistan (Rogun Dam).

The adjusted gross operating profit amounts to €451.3 million (€230.9 million) while the adjusted operating profit comes to €197.6 million (€29.5 million). The €168.1 million increase in the adjusted operating profit confirms the expected profitability of the order backlog, especially those contracts that most contributed to production in the year in Italy (mainly the high speed/capacity Milan - Genoa and Verona - Padua railway projects) and Australia (Snowy 2.0).

Net financing costs approximate €92.5 million compared to €118.5 million for 2020. They include:

- financial expense of €190.3 million (€155.6 million);
- partly offset by financial income of €87.5 million (€ 81.0 million);
- net exchange gains of €10.3 million (net losses of €43.9 million).

The adjusted net losses on equity investments come to €24.9 million compared to net losses of €15.0 million for 2018, due to the losses recognised by the equity-accounted investees.

The adjusted profit before tax amounts to €80.2 million while it was a loss of €104.0 million for the previous year.

Adjusted income taxes for the year amount to €110.7 million (€60.0 million). They are mainly affected by the profitability of the group companies and the different tax regimes of the countries where the Group operates.

The profit from discontinued operations of €0.2 million is entirely due to the divisions being sold mainly in Central and South America.

The profit attributable to non-controlling interests is €26.2 million compared to a loss of €5.1 million for the previous year and mostly relates to the subsidiary SLC Snowy Hydro Joint Venture (set up for the Snowy 2.0 project in Australia) and Lane Group.

Performance

This section presents the Group's reclassified statement of profit or loss and statement of financial position and a breakdown of its financial position at 31 December 2021. It also provides an overview of the main changes in the Group's financial position and results of operations compared to the previous year.

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

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

Group performance

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

Table 1 - Reclassified statement of profit or loss

(€'000)	Note (*)	2020 (**)	2021 (§)	Variation
Revenue from contracts with customers		4,247,167	6,109,730	1,862,563
Other income		226,478	442,513	216,035
Gain from bargain purchase		539,292	-	(539,292)
Total revenue and other income	31	**5,012,937**	**6,552,243**	**1,539,306**
Operating expenses	32	(4,261,822)	(6,106,623)	(1,844,801)
Gross operating profit (EBITDA)		**751,115**	**445,620**	**(305,495)**
Gross operating profit margin (EBITDA) %		*15.0%*	*6.8%*	
Impairment losses	32.6	(173,583)	(27,498)	146,085
Amortisation, depreciation and provisions	32.6	(184,588)	(451,837)	(267,249)
Operating profit (loss) (EBIT)		**392,944**	**(33,715)**	**(426,659)**
R.o.S. %		*7.8%*	*-0.5%*	
Financing income (costs) and gains (losses) on equity investments				
Net financing costs	33	(118,523)	(92,497)	26,026
Net losses on equity investments	34	(108,816)	(19,157)	89,659
Net financing costs and net losses on equity investments		**(227,339)**	**(111,654)**	**115,685**
Profit (loss) before tax (EBT)		**165,605**	**(145,369)**	**(310,974)**
Income taxes	35	(27,182)	(133,629)	(106,447)
Profit (loss) from continuing operations		**138,423**	**(278,998)**	**(417,421)**
Profit (loss) from discontinued operations	19	(5,088)	232	5,320
Profit (loss) before non-controlling interests		**133,335**	**(278,766)**	**(412,101)**
Non-controlling interests		5,060	(26,183)	(31,243)
Profit (loss) for the year attributable to the owners of the parent		**138,395**	**(304,949)**	**(443,344)**

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

(**) The Group's IFRS statement of profit or loss figures for 2020 have been restated after completion of Astaldi's PPA.

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

Revenue

Revenue for the year amounts to €6,552.2 million (€5,012.9 million), including €3,467.3 million earned abroad (€2,506.4 million), of which €2,136.5 million in Italy (€1,519.6 million) and €948.4 million in the US (€987.0 million).

Production performed in Italy mostly relates to the (i) high speed/capacity Milan - Genoa railway line; (ii) high speed/capacity Verona - Padua railway line; and (iii)SS-106 state road Jonica mega lot 3.

Foreign production was bolstered by progress on the large ongoing projects in (i) Australia (Perth Metro and Snowy 2.0); (ii) Ethiopia (Koysha Hydroelectric Project and GERD); (iii) Saudi Arabia (Line 3 of the Riyadh Metro); (iv) France (Line 16 of the Paris Metro); (v) Norway (Nykirke - Barkaker railway line); (vi) Sweden (Haga and Kvarnberget Rock Tunnel); (vii) Romania (Curtici - Simeria railway line, lots 2A, 2B and 3 and the Braila Bridge); (viii) Turkey (Etilik Integrated Health Campus in Ankara), and Tajikistan (Rogun Dam).

Other income increased by €216.0 million in 2021, mostly due to (i) continuation of the ongoing works in Australia, principally revenue earned on services provided as part of commercial initiatives carried out as a partnership with other sector operators; and (ii) the increase in income from the recharging of costs to consortium partners, mostly related to the high speed/capacity Verona - Padua contract, the new ENI offices and operation & maintenance activities for the four Tuscan hospitals.

The gain from bargain purchase of €539.3 million recognised in 2020 is the result of the PPA procedure performed after the acquisition of control of Astaldi Group as provided for by IFRS 3.

Operating expenses

The operating expenses reflect the production trends: (i) production costs refer to the progress made on large contracts in Italy and abroad in the countries where the Group has a large footprint (Australia, Ethiopia, Saudi Arabia, France, Norway, Sweden, Romania, Turkey and Tajikistan); while (ii) personnel expenses include the effects of the greater activities carried out directly in Romania and Chile as well as the above factors. Raw materials prices increased throughout the year due to limited supplies, partly caused by the upturn in demand driven by the measures to reboot the global economy. As a result, the Group introduced tools to manage and monitor raw materials and mitigation measures to contain price increases. Its contracts with customers include mitigation clauses for the risk of changes in the cost of the works should the price of raw materials increase.

Operating loss

The operating loss amounts to €33.7 million compared to a profit of €392.9 million for the previous year.

2020 had benefited from the recognition of the gain from bargain purchase (€539.3 million) recognised as part of the PPA procedure for the acquisition of Astaldi Group.

Impairment losses amount to €27.5 million (€173.6 million). In 2020, the Group recognised the effects of the impairment losses on the Venezuelan financial assets and the definition of the out-of-court agreement with Società Italiana per Condotte d'Acqua S.p.A. under extraordinary administration ("Condotte") of €122.5 million and €20.3 million, respectively.

Amortisation, depreciation and provisions of €451.8 million (€184.6 million) comprise:

- depreciation of property, plant and equipment of €85.3 million (€75.4 million);
- depreciation of right-of-use assets of €81.7 million (€52.3 million);

- amortisation of contract costs and intangible assets of €133.3 million (€32.9 million), a large increase on the previous year due to the amortisation of €93.7 million (€14.0 million for the period from the acquisition date of 5 November 2020 to 31 December 2020) of the contract costs recognised as a result of the PPA procedure for Astaldi;
- provisions of €151.6 million (€24.0 million), mostly related to:
  - the ongoing dispute between the general subcontractor C.A.V.TO.MI. and the customer for the high speed/capacity Turin - Milan contract (Novara - Milan sub-section (€131.9 million);[34]
  - losses to complete some contracts after their budgets were revisited and in accordance with paragraphs 66 to 69 of IAS 37 - Provisions, contingent liabilities and contingent assets.

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

The Group recorded net financing costs of €92.5 million (€118.5 million).

The item comprises:

- financial expense of €190.3 million (€155.6 million);
- financial income of €87.5 million (€81.0 million);
- net exchange gains of €10.3 million (net losses of €43.9 million).

The €34.7 million increase in financial expense is mostly due to the issue of new bonds in December 2020 and January 2021 (€550 million and €200 million, respectively).

Net exchange gains of €10.3 million mostly relate to the Euro's performance against the US dollar, the Turkish Lira, the Ethiopian birr and the Qatari riyal.

Net losses on equity investments amount to €19.2 million (€108.8 million). They comprise the Group's share of the losses of Grupo Unidos por el Canal (GUPC) in Panama partly offset by the net profits of the equity-accounted investees (mostly belonging to Lane Group).

Income taxes

Income taxes for the year amount to €133.6 million (€27.2 million). They are mainly affected by the temporary non-recovery of taxes paid abroad under the legislation of the countries where the parent's branches operate. The IRES tax base for 2021 is not currently sufficient to allow the full recovery of these foreign taxes although this situation may change in the future depending on the enacted legislation.

Profit from discontinued operations

The profit from discontinued operations of €0.2 million is entirely due to the divisions being sold mainly in Central and South America.

[34] More information is available in the "Main risk factors and uncertainties" section of this report.

Non-controlling interests

The profit attributable to non-controlling interests is €26.2 million compared to a loss of €5.1 million for the previous year and mostly relates to the subsidiary SLC Snowy Hydro Joint Venture (set up for the Snowy 2.0 project in Australia) and Lane Group.

The Group's financial position

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

Table 2 - Reclassified statement of financial position

(€'000)	Note (*)	31 December 2020 (**)	31 December 2021	Variation
Non-current assets	7.1-7.2-7.3-9	1,878,052	1,992,499	114,447
Goodwill	8	70,020	78,496	8,476
Net non-current liabilities held for sale	19	(5,062)	24,848	29,910
Provisions for risks	25	(189,798)	(222,591)	(32,793)
Post-employment benefits and employee benefits	24	(63,349)	(50,687)	12,662
Net tax assets	11-16-27	381,967	374,999	(6,968)
- Inventories	12	198,325	217,607	19,282
- Contract assets	13	2,796,074	2,787,252	(8,822)
- Contract liabilities	13	(2,212,476)	(3,422,846)	(1,210,370)
- Receivables (***)	14	1,882,768	2,482,480	599,712
- Liabilities (***)	26	(2,702,034)	(3,208,770)	(506,736)
- Other current assets	17	1,008,839	905,056	(103,783)
- Other current liabilities	28	(530,544)	(565,421)	(34,877)
Working capital		440,952	(804,642)	(1,245,594)
Net invested capital		**2,512,782**	**1,392,922**	**(1,119,860)**
Equity attributable to the owners of the parent		**1,420,394**	**1,587,308**	**166,914**
Non-controlling interests		650,494	272,291	(378,203)
Equity	20	**2,070,888**	**1,859,599**	**(211,289)**
Net financial position (indebtedness)		**441,894**	**(466,677)**	**(908,571)**
Total financial resources		**2,512,782**	**1,392,922**	**(1,119,860)**

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

(**) The Group's IFRS statement of financial position figures at 31 December 2020 have been restated after completion of Astaldi's PPA.

(***) This item shows loans and receivables of €15.8 million classified in net financial position (indebtedness) and related to the Group's net amounts due from/to consortia and consortium companies (SPEs) operating under a cost recharging system and not included in the consolidation scope. The balance reflects the Group's share of cash and cash equivalents or debt of the SPEs.

The Group's exposure to the SPEs was shown under "Liabilities" for €3.3 million and "Receivables" for €1.8 million at 31 December 2020.

Net invested capital

This item decreased by €1,119.9 million on the previous year end to €1,392.9 million at 31 December 2021. The main changes are due to the factors listed below.

Non-current assets

Non-current assets increased by €114.4 million. They may be analysed as follows:

(€'000)	31 December 2020	31 December 2021	Variation
Property, plant and equipment	477,498	620,277	142,779
Right-of-use assets	164,632	169,639	5,007
Investment property	120	-	(120)
Intangible assets	595,668	466,350	(129,318)
Equity investments	640,134	736,233	96,099
Total non-current assets	**1,878,052**	**1,992,499**	**114,447**

Property, plant and equipment increased by €142.8 million, chiefly due to the investments made for civil engineering and electromechanical works for the Snowy 2.0 project in Australia.

The right-of-use assets amount to €169.6 million, substantially unchanged from the previous year end and mostly comprise plant, machinery and buildings.

Intangible assets show a net decrease of €129.3 million, mainly as a result of the amortisation of €133.3 million, of which €93.7 million related to contract costs recognised as part of the PPA procedure for Astaldi.

The net increase of €96.1 million in equity investments is due to the capital increases of €107.5 million and the effects of measuring equity investments in accordance with the IFRS (both of these factors mostly refer to Grupo Unidos por el Canal).

Net tax assets

The following table analyses the item:

(€'000)	31 December 2020	31 December 2021	Variation
Deferred tax assets	368,364	348,480	(19,884)
Deferred tax liabilities	(126,869)	(56,504)	70,365
Net deferred tax assets	**241,495**	**291,976**	**50,481**
Current tax assets	114,297	104,708	(9,589)
Current tax liabilities	(127,295)	(170,358)	(43,063)
Net current tax liabilities	**(12,998)**	**(65,650)**	**(52,652)**
Other current tax assets	229,448	249,459	20,011
Other current tax liabilities	(75,978)	(100,786)	(24,808)
Net other current tax assets	**153,470**	**148,673**	**(4,797)**
Net tax assets	**381,967**	**374,999**	**(6,968)**

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

Current tax liabilities increased, mostly related to the Ethiopian branch for the taxes on income generated in this country in 2021 and the additional effects of the accrual (equal to the equivalent of approximately €54.0 million) for the higher corporate income taxes challenged by the local tax authorities (ERCA) for 2017, 2018 and 2019.[35]

Working capital

Working capital decreased by €1,245.6 million from €441.0 million at 31 December 2020 to a negative €804.6 million at the reporting date.

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

- loans and receivables increased by €599.7 million, principally due to the domestic contracts that contributed the most to production during the year (the high speed/capacity Verona - Padua railway line and SS-106 state road Jonica mega lot 3 - €112.7 million) as well as to the rise in amounts due chiefly from consortium partners for recently acquired railway projects (the Messina - Catania railway line[36] and the Naples - Bari railway line[37] - €284.5 million). The latter increase is substantially balanced by a similar rise in liabilities to consortium partners for the same projects. With respect to the Group's foreign projects, this item increased due to the contracts underway in Ethiopia (€55.9 million), Australia for the Forrestfield - Airport Link in Perth (€39.1 million) and Canada (approximately €89.0 million);
- liabilities increased by €506.7 million, mostly due to (i) the consortium partners for the newly acquired railway projects in Italy (the Messina - Catania railway line for €158.9 million and the Naples - Bari railway line for €138.7 million), as commented on above, and (ii) the effects of consolidating Seli Overseas S.p.A. from July 2021 (€68.8 million);
- contract assets and liabilities amount to €2,787.3 million (€2,796.1 million) and €3,422.8 million (€2,212.5 million), respectively. The difference at 31 December 2021 is mostly due to the higher advances received

[35] More information is available in the "Tax disputes" section of the notes to the consolidated financial statements.

[36] Taormina - Giampilieri and Taormina - Fiumefreddo sections

[37] Hirpinia - Orsara and Orsara - Bovino sections

principally in Italy as a result of the new projects acquired in the year and the extraordinary measures introduced by Decree law no. 34/2020 (the Relaunch decree) to counter the pandemic and facilitate greater and more immediate liquidity for infrastructure sector companies.

Contract advances increased compared to the previous year end, mostly for the high speed/capacity Verona - Padua (€478.4 million) and Milan - Genoa (€104.5 million) railway lines as well as the more recently acquired contracts for the Messina - Catania (€493.2 million) and the Naples - Bari (€432.6 million) railway lines.

This effect is partly offset by the advances received from customers for consideration accrued on work performed during the year (chiefly in Ethiopia, Australia for the Snowy 2.0 project, and Italy for the SS-106 state road Jonica, mega lot 3).

Net work in progress[38] shows an increase due mostly to work performed on the high speed/capacity Milan - Genoa railway line project and Koysha Hydroelectric Project in Ethiopia. Conversely, work in progress decreased for: (i) GERD in Ethiopia after the signing of the amicable settlement of claims in May 2021 which settled all the disputes up to 13 March 2021, with the definitive agreement of the related amounts; and (ii) the effects of the outcome related to the Novara - Milan sub-section of the high speed/capacity Turin - Milan railway line contract;[39]

- other current assets and liabilities amount to €905.1 million (€1,008.8 million) and €565.4 million (€530.5 million), respectively. The decrease in other current liabilities is mostly a result of the compensation to be paid for the expropriation of areas for the high speed/capacity Verona - Padua railway line contract (€103.2 million). In addition, the other current assets and liabilities were affected by the accounting offsetting of amounts due from and to (€70.6 million) the Cossi LGV consortium to a former consortium member for the Monte Ceneri Tunnel in Switzerland.

[38] Work in progress less payments on account from customers

[39] More information is available in the “Main risk factors and uncertainties” section of this report.

Net financial position

Table 3 - Net financial position of Webuild Group

The following table shows the Group's net financial position (indebtedness) at 31 December 2021 and 2020:

(€'000)	Note (*)	31 December 2020	31 December 2021	Variation
Non-current financial assets	10	321,952	418,511	96,559
Current financial assets	15	339,002	313,241	(25,761)
Cash and cash equivalents	18	2,455,125	2,370,032	(85,093)
Total cash and cash equivalents and other financial assets		**3,116,079**	**3,101,784**	**(14,295)**
Bank and other loans and borrowings	21	(767,494)	(317,265)	450,229
Bonds	22	(1,288,620)	(1,487,852)	(199,232)
Lease liabilities	23	(98,881)	(101,673)	(2,792)
Total non-current indebtedness		**(2,154,995)**	**(1,906,790)**	**248,205**
Current portion of bank loans and borrowings and current account facilities	21	(1,077,309)	(667,066)	410,243
Current portion of bonds	22	(246,910)	(11,881)	235,029
Current portion of lease liabilities	23	(79,557)	(68,808)	10,749
Total current indebtedness		**(1,403,776)**	**(747,755)**	**656,021**
Derivative assets	10-15	2,259	3,684	1,425
Net financial position (debt) with unconsolidated SPEs (**)		(1,461)	15,754	17,215
Total other financial assets		**798**	**19,438**	**18,640**
Net financial position (indebtedness) - continuing operations		**(441,894)**	**466,677**	**908,571**
Net financial position - discontinued operations		116	23,687	23,571
Net financial position (indebtedness) including discontinued operations		**(441,778)**	**490,364**	**932,142**

(*) 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 at 31 December 2021 amounts to €490.4 million, an improvement of €932.1 million on the previous year end. This is the best result since 2014 and is mostly due to the restoration of production activities and the reduction in net working capital compared to 31 December 2020. The latter reduction was achieved thanks to the disposal of some slow-moving items and the Group's commercial results of the year as it levered its competitive edge and the upsurge in the Italian and global infrastructure sector.

Gross indebtedness of €2,654.5 million shows a decrease of €905.7 million on the 31 December 2020 balance of €3,560.2 million. The Group's cash and cash equivalents amount to €2,370.0 million.

The debt/equity ratio (based on the net financial position from continuing operations) is -0.25 at group level at the reporting date (0.21).

Webuild has given guarantees of €175.7 million in favour of unconsolidated group companies securing bank loans.

Reference should be made to note 21 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 (*)	2020	2021 (§)	Variation
Revenue from contracts with customers		1,863,671	1,807,987	(55,684)
Other income		131,901	208,114	76,213
Total revenue and other income	29	**1,995,572**	**2,016,101**	**20,529**
Operating expenses	30	(1,897,563)	(1,821,726)	75,837
Gross operating profit (EBITDA)		**98,009**	**194,375**	**96,366**
Gross operating profit margin (EBITDA) %		4.9%	9.6%	
Impairment losses	30.6	(124,156)	(17,138)	107,018
Amortisation, depreciation and provisions	30.6	(61,124)	(227,431)	(166,307)
Operating loss (EBIT)		**(87,271)**	**(50,194)**	**37,077**
Return on Sales %		-4.4%	-2.5%	
Financing income (costs) and gains (losses) on equity investments				
Net financing costs	31	(109,799)	(503)	109,296
Net losses on equity investments	32	(136,259)	(103,021)	33,238
Net financing costs and net losses on equity investments		**(246,058)**	**(103,524)**	**142,534**
Loss before tax (EBT)		**(333,329)**	**(153,718)**	**179,611**
Income taxes	33	(17,742)	(96,709)	(78,967)
Loss from continuing operations		**(351,071)**	**(250,427)**	**100,644**
Profit from discontinued operations		-	4,700	4,700
Loss for the year		**(351,071)**	**(245,727)**	**100,644**

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

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

Revenue

Total revenue for the year amounts to €2,016.1 million (€1,995.6 million), including €684.0 million (€695.3 million) earned in Italy and €1,332.1 million (€1,300.3 million) abroad.

Operating loss (EBIT)

The operating loss amounts to €50.2 million which is an improvement on the previous year's loss of €87.3 million.

In 2020, the parent recognised the effects of the impairment losses on the Venezuelan financial assets and the definition of the out-of-court agreement with Società Italiana per Condotte d'Acqua S.p.A. under extraordinary administration ("Condotte") of €122.5 million and €35.3 million, respectively.

In 2021, its operating loss reflects the adverse outcome of the dispute with the customer for the high speed/capacity Turin - Milan contract (Novara - Milan sub-section[40] (€131.9 million) and the non-recurring

[40] More information is available in the "Main risk factors and uncertainties" section of this report.

contribution of the “Ramo Italia” business unit to the subsidiary Webuild Italia S.p.A. which transferred management of industrial activities for contracts underway in Italy to this newco with effect from 1 August 2021.

Net of these components, the expected profitability of the ongoing projects would have been confirmed, especially as regards those that contributed the most to production in the period up until July 2021 (principally the high speed/capacity Milan - Genoa and Verona - Padua railway lines).

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

The parent recognised net financing costs of €0.5 million (costs of €109.8 million). The item comprises:

- financial expense of €124.2 million (€104.2 million); partly offset by;
- net exchange gains of €62.0 million (net losses of €74.2 million);
- financial income of €61.8 million (€68.6 million).

The €20.1 million increase in financial expense is mostly due to the issue of new bonds in December 2020 and January 2021 (€550 million and €200 million, respectively).

Net exchange gains of €62.0 million (net losses of €74.2 million) mainly reflect the Euro’s performance against the US dollar, the Ethiopian birr and the Argentine peso.

The decrease of approximately €6.8 million in financial income is principally a result of the smaller interest on loans granted to group companies that were partly repaid starting from the second half of 2020.

Net losses on equity investments amount to €103.0 million compared to net losses of €136.3 million for 2020. The item includes the impairment losses recognised to align the equity investments’ carrying amounts with the parent’s share of the investees’ equity. More information about Grupo Unidos por el Canal - GUPC (Panama) is provided in the “Main risk factors and uncertainties” section and in note 7 to the separate financial statements.

Income taxes

This item reflects the permanent differences (mostly impairment losses on equity investments) and the temporary non-recovery in Italy of taxes paid abroad under the legislation of the countries where the parent’s branches operate. The IRES tax base for 2021 is not currently sufficient to allow the full recovery of these foreign taxes although this situation may change in the future depending on the enacted legislation.

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

Table 5 - Reclassified statement of financial position

(€'000)	Note (*)	31 December 2020	31 December 2021	Variation
Non-current assets	4-5-6-7	1,690,289	2,392,222	701,933
Net non-current liabilities held for sale		-	(1,420)	(1,420)
Provisions for risks	23	(57,317)	(74,235)	(16,918)
Post-employment benefits and employee benefits	22	(10,498)	(13,031)	(2,533)
Net tax assets	9-14-25	239,877	222,117	(17,760)
- Inventories	10	109,441	114,940	5,499
- Contract assets	11	1,061,366	1,509,807	448,441
- Contract liabilities	11	(795,463)	(554,666)	240,797
- Receivables (**)	12	2,239,989	1,695,471	(544,518)
- Liabilities (**)	24	(2,198,561)	(1,945,142)	253,419
- Other current assets	15	310,517	522,813	212,296
- Other current liabilities	26	(112,567)	(240,743)	(128,176)
Working capital		614,722	1,102,480	487,758
Net invested capital		**2,477,073**	**3,628,133**	**1,152,480**
Equity	18	**1,110,438**	**1,676,074**	**565,636**
Net financial indebtedness		**1,366,635**	**1,952,059**	**585,424**
Total financial resources		**2,477,073**	**3,628,133**	**1,151,060**

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

(**) This item shows loans and receivables of €3.5 million classified in net financial indebtedness and related to the parent's net amounts due from/to consortia and consortium companies (SPEs) operating under a cost recharging system. The balance reflects the parent's share of cash and cash equivalents or debt of the SPEs.

The parent's exposure to the SPEs was shown under "Liabilities" for €3.3 million and "Receivables" for €98.8 million at 31 December 2020.

Net invested capital

This item increased by €1,152.5 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 €701.9 million. They may be analysed as follows.

(€'000)	31 December 2020	31 December 2021	Variation
Property, plant and equipment	113,980	120,416	6,436
Right-of-use assets	54,106	57,317	3,211
Intangible assets	103,655	90,818	(12,837)
Equity investments	1,418,548	2,123,671	705,123
Total non-current assets	**1,690,289**	**2,392,222**	**701,933**

Intangible assets decreased slightly by around €12.8 million, mostly due to amortisation for the year partly offset by the accounting effects of the non-recurring transactions of the second half of the year and namely (i) the partial proportionate demerger of Astaldi to Webuild; and (ii) the contribution of the "Ramo Italia" business unit to Webuild Italia S.p.A..

Equity investments increased by €705.1 million, principally as a result of the demerger of Astaldi to Webuild and the contribution of the "Ramo Italia" business unit to Webuild Italia S.p.A..

Provisions for risks

This item of €74.2 million shows a €16.9 million increase on the previous year end, mostly due to the effects of the above-mentioned demerger.

Net tax assets

At 31 December 2021, net tax assets amount to €222.1 million (€239.9 million) and may be analysed as follows:

(€'000)	31 December 2020	31 December 2021	Variation
Deferred tax assets	251,134	302,072	50,938
Deferred tax liabilities	(23,096)	(30,928)	(7,832)
Net deferred tax assets	**228,038**	**271,144**	**43,106**
Current tax assets	67,071	73,393	6,322
Current tax liabilities	(74,529)	(149,348)	(74,819)
Net current tax liabilities	**(7,458)**	**(75,955)**	**(68,497)**
Other current tax assets	44,001	85,656	41,655
Other current tax liabilities	(24,704)	(58,728)	(34,024)
Net other current tax assets	**19,297**	**26,928**	**7,631**
Net tax assets	**239,877**	**222,117**	**(17,760)**

Working capital

Working capital increased by €487.8 million to €1,102.5 million at the reporting date. The main changes in the individual items arose as a result of developments in the parent's operations and production on foreign projects during the year. More information is available in the notes to the separate financial statements that present the main working capital items.

Net financial indebtedness

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

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

(€'000)	Note (*)	31 December 2020	31 December 2021	Variation
Non-current financial assets	8	113,977	177,893	63,916
Current financial assets	13	992,558	1,169,245	176,687
Cash and cash equivalents	16	1,065,865	692,568	(373,297)
Total cash and cash equivalents and other financial assets		**2,172,400**	**2,039,706**	**(132,694)**
Bank and other loans and borrowings	19	(557,347)	(269,639)	287,708
Bonds	20	(1,288,620)	(1,487,852)	(199,232)
Lease liabilities	21	(40,707)	(55,105)	(14,398)
Total non-current indebtedness		**(1,886,674)**	**(1,812,596)**	**74,078**
Current portion of bank loans and borrowings and current account facilities	19	(1,479,978)	(2,152,765)	(672,787)
Current portion of bonds	20	(246,910)	(11,881)	235,029
Current portion of lease liabilities	21	(21,274)	(18,002)	3,272
Total current indebtedness		**(1,748,162)**	**(2,182,648)**	**(434,486)**
Derivative assets	13	340	-	(340)
Net financial position with unconsolidated SPEs (**)		95,461	3,479	(91,982)
Total other financial assets		**95,801**	**3,479**	**(92,322)**
Net financial indebtedness - continuing operations		**(1,366,635)**	**(1,952,059)**	**(585,424)**
Net financial position - discontinued operations		**-**	**85**	**85**
Net financial indebtedness including discontinued operations		**(1,366,635)**	**(1,951,974)**	**(585,339)**

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

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

At 31 December 2021, the parent has net financial indebtedness of €1,952.0 million compared to €1,366.6 million at the end of the previous year.

The €585.3 million increase is mostly due to (i) investments of €308 million made during the year in investees, including Webuild US Holding (€123.7 million), Grupo Unidos por el Canal in Panama (€100.7 million) and Fisia Italimpianti (€21.7 million); (ii) payment of dividends (€49.1 million); (iii) the demerger of Astaldi's core assets to Webuild S.p.A. (approximately €100 million); and (iv) the decrease in the net financial position with unconsolidated SPEs (€92 million). The statement of cash flows provides more information about the parent's cash flows.

Gross indebtedness of €3,995.2 million shows an increase of roughly €360.4 million on the 31 December 2020 balance of €3,634.8 million.

Reference should be made to note 19 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.

Directors' report -

Part II

2021 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 will generate **benefits for 89 million people** around the world (87 million in 2020), providing better access to water, energy, mobility and public utility infrastructure, and avoid GHG emissions of approximately **24 million tonnes of CO_2** (21 million in 2020) a year.

Confirming its role as a key mover in the global climate transition, **99%** of the Group's 2021 **revenue** is eligible under the **EU green 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 €6,499 million in 2021 (**€4,950 million** in 2020), of which 99% distributed to suppliers, employees, investors and lenders, public administration and local communities.

Webuild's contribution to the economies of the local areas where it works was significant again in 2021: **84%** of its **workforce was hired locally** (82% in 2020) and **91%** of its **suppliers** were **local** (91% in 2020). If the indirect and induced effects in the Group's main markets are also considered, Webuild contributed to the creation of **seven jobs** for each direct employee, generating a GDP multiplier of 3.6 (i.e., **€3.6 of GDP for every euro** of value added generated by the Group).

At the end of 2021, Webuild formally presented its new 2030 GHG emission reduction targets to **Science Based Target initiative** (SBTi). In the meantime, it has continued to reduce its overall emissions, **down by 7%** compared to 2020.

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

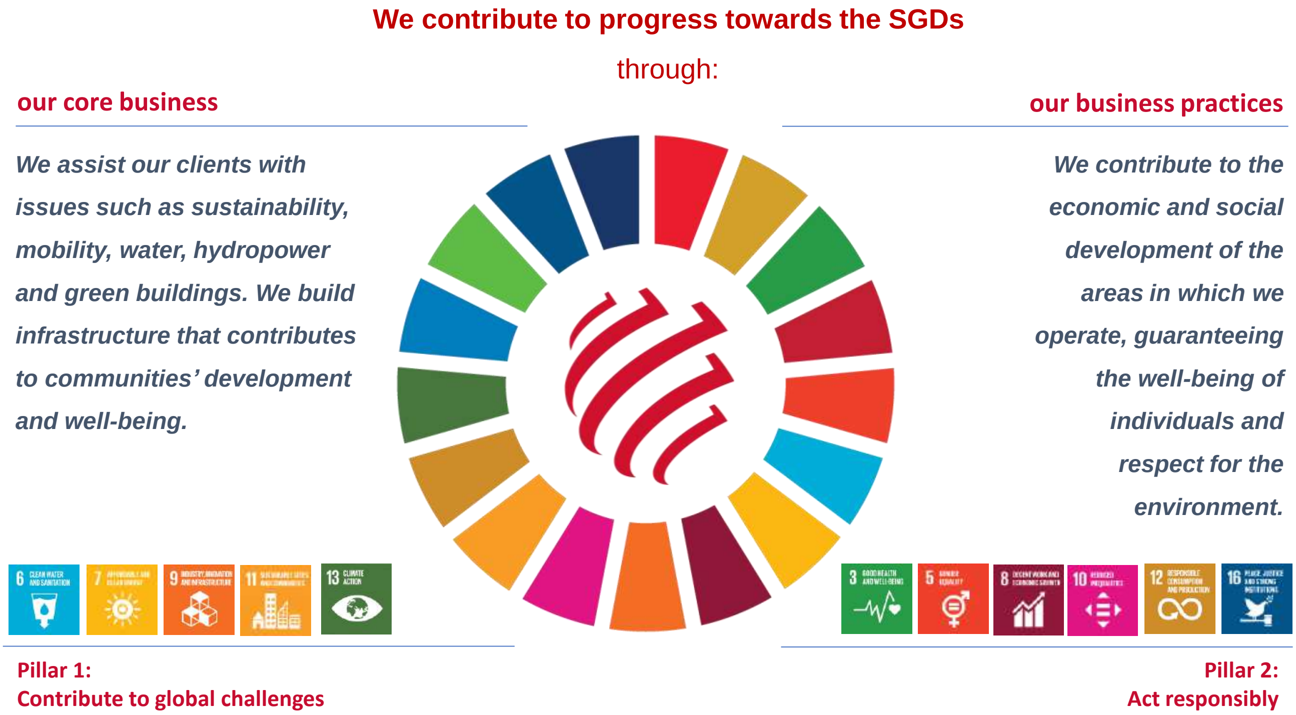
- the **emissions intensity** rate has halved compared to the 2017 baseline; the 2021 level reflects the completion of some large projects and the start-up of other newly-acquired projects, whose ramp-up will be seen in the emissions of the coming years;
- the **Lost Time Injury Frequency Rate** (LTIFR) has improved by 31% compared to the 2017 baseline (the target is -40% for 2022);
- the **percentage of women** included in succession planning for key positions is 20%, reaching in advance the target, which has been adjusted to 25% by 2023;
- additional investments in **innovative projects** approximated €8 million (for a target of €30 million by 2023), reaching a record of over €111 million invested in innovation in the past five years.

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


Our contribution to global challenges
Through our core business
We improve people's lives
All over the world
99%
EU taxonomy-eligible turnover
94%
EU taxonomy-eligible CapEx
99%
EU taxonomy-eligible OpEx
≈89
million people benefiting from the Group's ongoing projects
10 m people
North America
10 m people
South America
38 m people
Europe
24 m people
Africa
1 m people
Middle East
6 m people
Asia and Oceania
Sustainable mobility
43 m
people served
Clean hydro energy
23.4 m
eq. people served
Clean water
16.3 m
people served
Green buildings & others
€6.8m
people served
Advancing Sustainable Development Goals (SDGs)
7,000+
additional hospital beds
857 m
m³ of water treated daily
14,000 MW
new renewable installed capacity
50%
reduction in average high speed travelling times
3.2 m
avoidable car journeys per day thanks to metro projects
24 m
tCO₂ avoidable per year
Our ESG performance
We look after and develop our people
Injury rates
Among the best in the sector
43%
Personnel under 35
36%
Women at corporate level
>560,000
Hours of training provided to direct and indirect personnel
We protect the environment
-7%
GHG emissions
98%
Reused excavation materials
68%
Low-carbon steel used
71%
Materials purchased within a 160 km radius of the work sites
We sustain local economies
84%
Local personnel hired
91%
Local purchases
7x
Total jobs created for each direct employee*
€3.6x
GDP generated for each euro of added value*
We guarantee the highest governance standards
40%
Women in BoD
ESG targets
Included in LTI remuneration plan
Robust
Ethics and compliance system
€111m
Investments in innovation 2017-2021
Main ESG ratings
MSCI ESG
A rating
BB 2018 — A 2021
CDP Climate
B rating
B 2018 — B 2021
ISS ESG
Prime rating
C+ 2018 — C+ 2020
VigeoEiris
Advanced rating
53 2018 — 60 2020
Ecovadis
Gold rating
62 2018 — 68 2021
Indicators and rewards
Europe Climate Leaders 2021
Italian Sustainability Leaders 2021
RoSPA Gold Award
FT FINANCIAL TIMES statista
Il Sole 24 ORE statista
RoSPA 2021
New San Giorgio Bridge
The MIB® ESG Index
BORSA ITALIANA

Sustainability Strategy

Webuild's Sustainability Strategy is embedded in the Group's business model[41] 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, hinged 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 towards the SGDs and the challenge posed by climate change.

Thanks to the new orders acquired during the year, Webuild is now even better placed to contribute to sustainable development. In fact, its order backlog at 31 December 2021 will generate benefits for over 89 million people around the world (87 million in 2020) and avoid GHG emissions of roughly 24 million tonnes[42] per year (21 million tonnes in 2020). In geographical terms, the largest benefits were seen in Europe in 2021 (38 million people compared to 24 million in 2020) while the Sustainable Mobility business area saw the most growth (43.1

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

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

million beneficiaries compared to 32.2 million in 2020). These figures confirm the Group's pivotal role as a major contributor to the sustainable mobility sector's growth in Italy and Europe.

Act responsibly

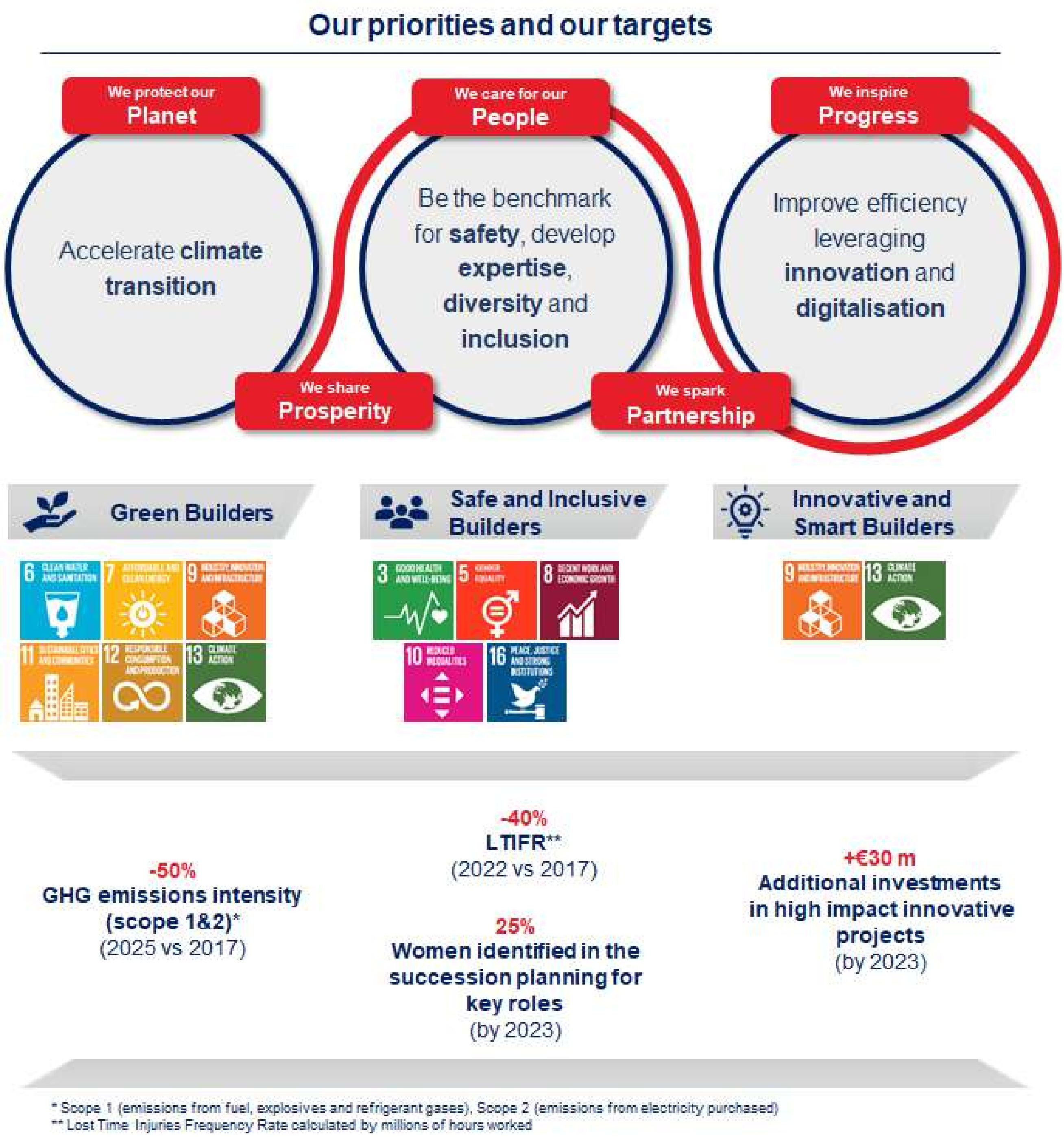
The second pillar embodies the ethical, social and environmental responsibility policies and practices applied by the Group to protect and enhance people and the environment and to contribute to the social and economic development of the countries where it operates.

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

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

ESG plan

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



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

- the emissions intensity reduction target, which it alligned with the Sustainability-Linked Financing Framework published in November 2021[43];
- The diversity target with the inclusion of women in succession planning, previously set at 20%.

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

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

GHG emissions intensity (scope 1&2)	Lost Time Injuries Frequency Rate	Women identified in the succession planning for key roles	Investments in innovative, high potential projects
-50% (2021 vs 2017)	-31% (2021 vs 2017)	20% (end of 2021)	≈€8m (end of 2021)

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

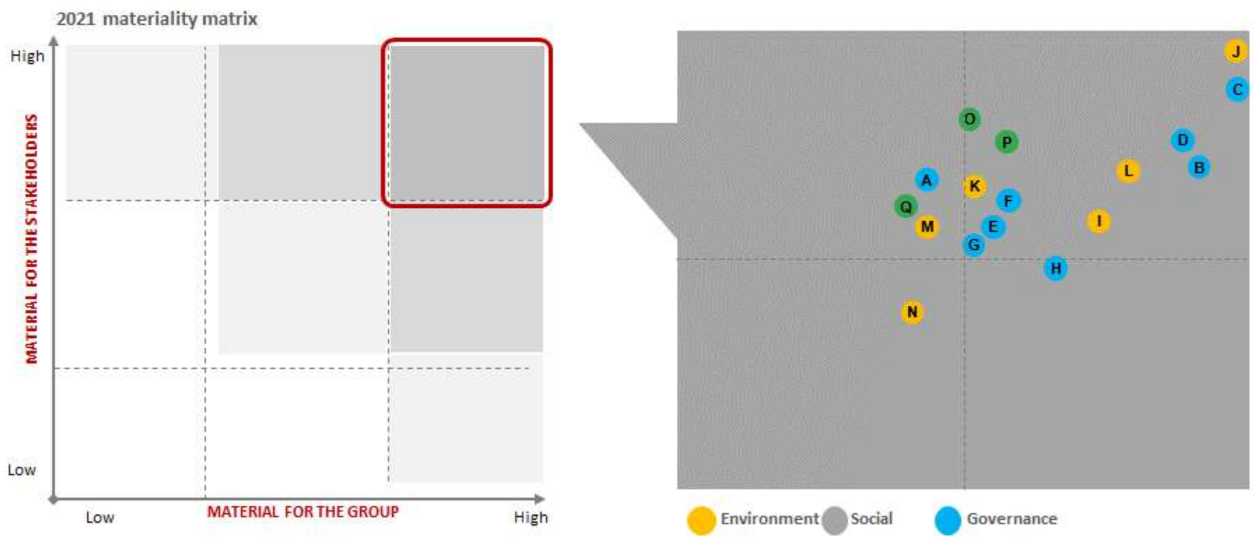
The GHG emissions intensity (scope 1&2) achieved in 2021 reflects the completion of some large projects and the start-up of newly acquired projects, whose ramp-up will be reflected in the emissions of coming years.

Material non-financial topics

Given the reference context, the specific nature of the infrastructure sector, the Group's sustainability strategies and the inputs from its stakeholders, Webuild has drawn up and regularly revises a list of material topics on which it provides non-financial disclosures pursuant to Legislative decree no. 254/2016.

The Company adopts the GRI Sustainability Reporting Standards in the preparation of this Statement.

The materiality matrix for 2021 and a list of the material topics grouped by nature are provided below.



Governance

A. Sustainability strategy

B. Excellence and innovation

C. Ethics and integrity

D. Anti-corruption

E. Tax transparency

F. Supply chain

G. Stakeholder engagement

H. Cyber security

Social

I. Attraction and development of employees

J. Health, safety and welfare

K. Diversity and inclusion

L. Human rights

M. Contribution to local economies

N. Privacy

Environment

O. Climate change

P. Natural resources and circular economy

Q. Biodiversity

The analysis is based on a process involving the Group's management and stakeholders, described in more detail in the "Methodology for reporting non-financial information" section.

The 2021 analysis identified an increase in the importance assigned to nearly all the topics compared to the previous year's analyses, confirming the significant convergence of the interests of the stakeholders with those of management.

Both groups attributed maximum importance to topics such as "Health, safety and welfare", "Ethics and integrity", "Anti-corruption", and "Human rights". The stakeholders also emphasised "Climate change" and "Natural resources and the circular economy" as being important while management gave priority to the importance of "Excellence and innovation" and "Attraction and development of employees". The topics related to "Climate change" and the "Supply chain" saw the greatest increases in importance assigned by both groups.

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
Environment	Compliance with legislation, management of environmental aspects (water, waste, materials, biodiversity, etc.)	"Company organisation" and "Environment" sections	"Environment" section
Climate change	Physical risks and risks linked to the energy/climate transition	"Climate change - Strategy, Governance" section	"Climate change - Main climate-related risks and opportunities" section
Employees	Employee health and safety, attraction and retention, skills obsolescence, diversity and inclusion	"Company organisation" and "Human resources" sections	"Human resources" section
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" sections	"Human rights" section
Supply chain	Ethical, social and environmental aspects related to procurement	"Company organisation" and "Supply chain" sections	"Supply chain" section
Combatting corruption	Active and passive corruption	"Company organisation" and "Anti-corruption" sections	"Anti-corruption" section
Social aspects	Engagement with local communities and stakeholders, tax transparency	"Company organisation" and "Social" sections	"Social" section

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 2021, 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 four committees: the Strategic Committee, the Control, Risk and Sustainability Committee, the Compensation and Nominating Committee and the Committee for Related-Party Transactions. The Control, Risk and Sustainability Committee, comprised of six independent directors, examines this Consolidated Non-financial Statement in connection with the Company's activities and engagement with its stakeholders.

Identity pillars

Following its rebranding in 2020, Webuild refreshed the Group's identity in 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" – to encapsulate the essence of the Webuild brand: a group at the service of the community contributing to global sustainability.

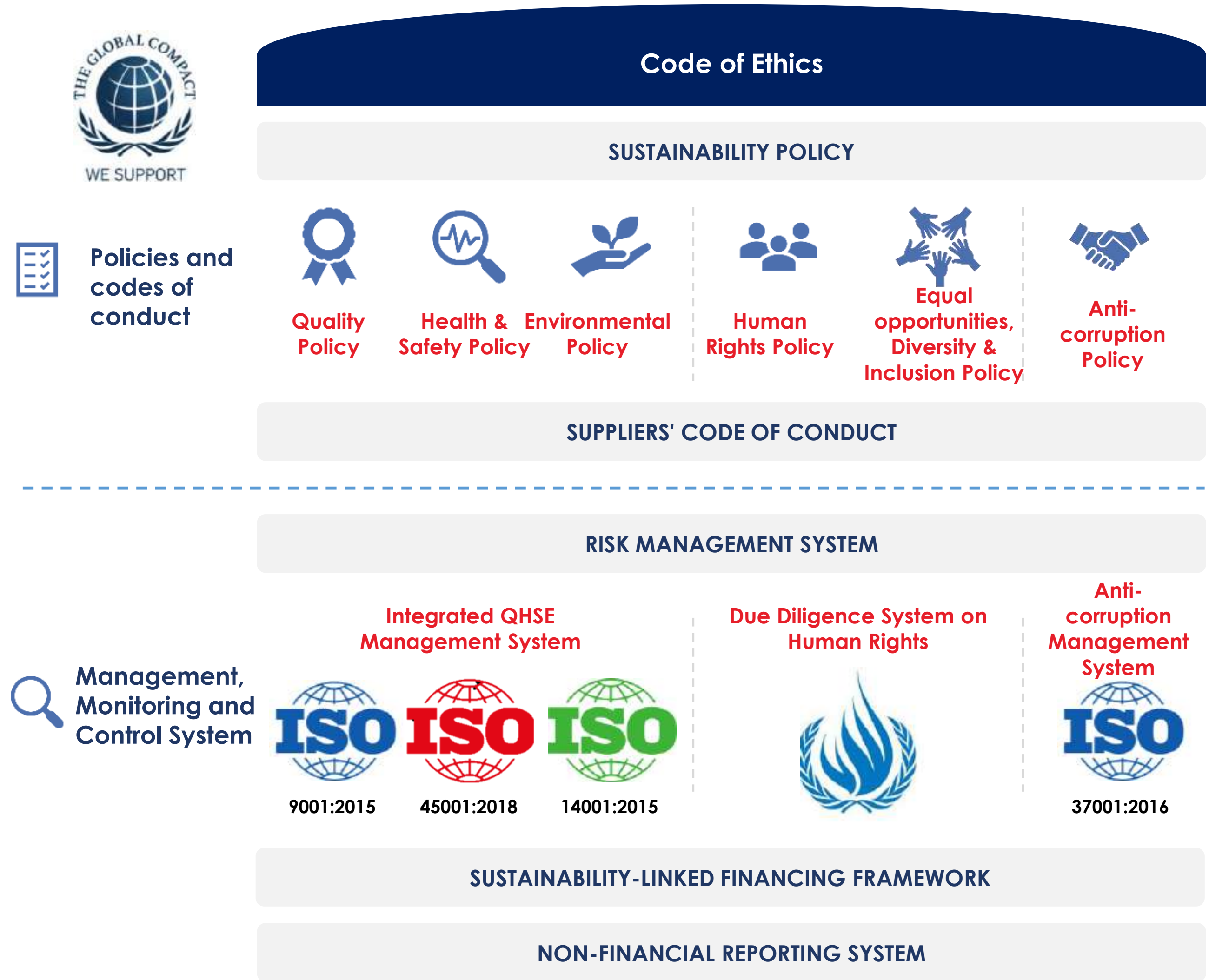
In line with the Group's traditions, the pillars reiterate and reinforce its commitment to sustainable development, its intention to return part of the value generated to society to make a positive contribution to the communities and local areas where it operates.

The identity pillars represent Webuild's commitment to build works well and to build 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, procedures and controls) designed to supervise significant ESG topics in line with the regulations applicable in the countries where it operates, standard principles and international guidelines.

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



Code of Ethics

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

The Code applies to the directors, statutory auditors, managers and employees of Webuild as well as all those parties that directly or indirectly, temporarily or on an ongoing basis work with the Company, 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 conduct to be adopted at work and an ethical leadership model.

Company policies

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

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

Environment: 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.

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

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

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

Anti-corruption: 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, through which the Company extends its responsible operating practices to its supply chain. This Code is binding for all Webuild's suppliers and, together with the Code of Ethics, is an integral part of their contractual relationship with the Company.

Management and control system

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

This system is based on standards which require that:

- business activities be based on applicable internal and external rules, can be mapped and documented;
- the allocation and exercise of powers as part of a decision-making process be commensurate with the positions of responsibility and the size and/or significance of the underlying transaction;
- 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 be different parties;
- confidentiality and compliance with the personal data protection legislation be ensured.

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

The quality, environment, health and safety management system certifications cover:

- the definitive and executive designs, works management and performance to build large works, 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.

The quality management system also applies to the coordination of the general contractor activities carried out in accordance with Title III of Legislative decree no. 50/2016 and Legislative decree no. 56/2017 as subsequently amended and integrated.

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

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

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

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

The Group’s large Italian companies also have a social accountability management system certified in accordance with SA8000[44].

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

Organisation, Management and Control Model

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

- prevent the commission of the predicate crimes as per Legislative decree no. 231/2001;
- define and implement an internal culture based on respect and transparency;
- increase 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 bribery crimes, the Model’s controls are aligned to the Anti-corruption Compliance System.

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

This complies with Law no. 179/2017 and Confindustria’s guidelines for the design of organisational, development and control models (2021).

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 achievement of the UN’s SGDs and acceleration of the global climate transition.

The Framework sets out guidelines to be adhered to when the Company issues new financial instruments linked to sustainability objectives. It defines carbon intensity as the KPI and identifies specific intermediate and long-

[44] At the end of 2021, Cossi S.p.A. and NBI S.p.A. were SA8000 certified while Webuild Italia S.p.A. should obtain the certification by the end of March 2022.

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 international standards regulating sustainability-linked financing.

In January 2022, the Company 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.

Security system

Webuild's security system is coordinated by a corporate department 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 the principles of legality, it adopts the following safeguards:

Preventative Analysis

Webuild's commitment to building large infrastructure projects exposes it to risks of potential criminal infiltration. The Company has put 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 corporate 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 (supply cycle and transport of aggregates, concrete and bitumen, dry and wet leases, road transport for third parties, work site security, environmental services for the treatment and elimination of waste);
- carry out analyses and in-depth investigations of sub-contractors and sub-suppliers;
- cooperate with the police forces and competent institutions, as agreed with corporate offices.

Physical and employee security

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 provided by third parties, 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 of private companies: training by their managers based on training programmes that comply with the terms of the contracts agreed with Webuild and that include information on respect for the individual, human rights and the Code of Ethics;
- personnel supplied by the army or public safety forces: training that complies with local regulations and standards and is provided by their internal units.

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

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

Cyber security

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

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

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

- the definition of cyber security requirements for the group companies;
- the progressive standardisation of processes and tools;
- the introduction of the security by default & by design approach for each new project undertaken by the Company and for each contract;

- the set up of a Global Security Operation Centre for the Company and the work sites to monitor and guide timely remediation actions in the case of events that could potentially compromise the confidentiality, integrity and availability of data processing and technologies deployed while concurrently handing any 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.) for headquarters and on site.

As part of its information & cyber security activities and in order to pro-actively prevent and respond to incidents, the Company has formal agreements in place with institutions and its peers in Italy to enable the improvement of response times 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), who also covers the role of Compliance Officer. The DPO is assisted by a privacy team, comprising members from the main departments that can provide assistance thanks to their specific expertise (e.g., HR Department, Legal Department, IT Department and the Information & Cyber Security Unit). The team's objective is to advise on the application of the data protection regulations in accordance with Regulation (EU) no. 2016/679 (the General Data Protection Regulation, GDPR).

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

The main event of 2021 was Astaldi's integration into Webuild. The Group undertook a comprehensive overview of its organisation, which involved several sectors. The resulting integration has given rise to operating, economic and financial synergies thanks to the optimisation of work sites previously managed by both groups, centralised functions, human resources and assets. The Group also introduced an integrated commercial strategy.

Webuild appointed an Integration Management Officer to oversee and coordinate the entire process. This officer defined a master plan for the integration, coordinated the various departments involved and monitored the project's progress.

The integration of the two groups was supported by a comprehensive revisiting of Webuild Group's organisational structure, involving both the headquarters and outlying offices, based on its existing model.

The Group set up a newco specifically to grow and accelerate business at home. It also drew up a set of standard procedures for all the Italian work sites to speed up the adoption of the Webuild modus operandi in the newco's contracts.

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

- the General Corporate and Finance Department, which structured risk management, control and escalation activities in more detail, mostly by (i) assigning new risk management duties to the Operations and Risk Controlling Unit which reports to the Chief Financial Officer, (ii) strengthening the Security Unit, also through partnerships with very prestigious experts, (iii) the more efficient management and prioritisation of the Corporate Identity and Communication Department's activities, (iv) projects to make best practices more efficient, centralised and standardised, such as for example, back office automation and the design of shared accounting service models;
- the department headed by the Global Operations General Manager, where a unit was set up to ensure more consistent geographical coverage;
- the Group Commercial Department, which now includes new positions to manage and develop relationships with the Group's clients (together with the relevant operating units for the various markets), implements the commercial plan and identifies new market opportunities;
- the Group HR Organisation and Systems Department has a new Innovation Program Management Unit with responsibility for implementing the Group's innovation program by coordinating the main stakeholders (internal and external) and supporting the development of the Connected Webuild projects[45].

Finally, to support the organisational change process, during 2021, the Group launched a digitalisation and simplification project for its regulatory system by: (i) mapping the entire value chain, (ii) redesigning the procedures using a workflow approach, (iii) creating digital tools to access the procedures, and their roll-out from the parent down to its subsidiaries and operating units throughout the Group.

Continuous communication and transparency with all the stakeholders

The Group has always engaged with all its stakeholders in a transparent and ongoing manner, using cutting edge tools for both external and internal communications.

[45] Connected Webuild is the Group's digital strategy to bolster its medium term competitive edge. It involves the introduction of an integrated, single IT infrastructure to connect processes, people, skills, data and assets, and to facilitate new business capabilities and transform existing ones.

In 2021, it focused on transparent presentation of the work sites through vertical communication plans to illustrate the activities and sustainability benefits of the construction phases of some work sites in Italy, such as that for the Giovi Third Railway Crossing - Genoa Junction project. It placed 15 webcams in Webuild work sites in Italy so that stakeholders could follow the projects. The Group also opened work sites to the public, with open days at the Milan Metro Line 4 site and the Paris Metro (Grand Paris Express) site.

During the year, Webuild developed its integrated multi-channel communication plan, Webuild Next-Gen, for young people. This included communication campaigns for the transparent presentation of the Group’s plan to include young people in its activities. The Challenge 4 Sud campaign is being prepared with universities based in southern Italy, while the campaigns for UniWeLab’s first hackathon with the University of Genoa took place, as well as the call for ideas for innovative proposals for Genoa’s future, the Alberto Giovannini Award, the Scuola di Mestieri and the Ingenio al femminile award.

Webuild engages continuously with its stakeholders on digital channels with an ecosystem of 13 websites and five social media platforms. In 2021, the Group’s digital touchpoints collected over 68,000,000 impressions, of which more than 90% through the social media, thanks to an extensive communications plan that can create 2,800 posts a year, with an average of around eight posts a day. The Group’s website has 3,500 pages, which are refreshed daily. During the year, the Group also launched five new vertical mini sites: M4, Terzo Valico, Digital Experience, Supplier Hub and Building Sights. Its social media channels have over 239,000 followers, 15% more than in 2020.

In 2021, Webuild kept its stakeholders up to date with a direct email marketing (DEM) programme, sent to more than 8,000 contacts every week via 40 media campaigns on the Group’s social media platforms. It also live streamed four events.

The Group rolled out a raft of initiatives to bolster stakeholders’ positive perception of the importance of infrastructure to their local areas with projects like “Ponte Farnese”, the virtual bridge built in Rome in Villa Farnesina in conjunction with the French Embassy, which included arts workshops open to the public. Another initiative as part of the Group’s Cultural Agenda was the “We Love Art. Vision and Creativity Made in Italy” project, promoted by the Ministry of Foreign Affairs and International Cooperation in partnership with by Fondazione Cassa Depositi e Prestiti to showcase large Italian companies through contemporary art. This included a work of art dedicated to the Giovi Third Railway Crossing.

The Group was strongly committed to its strategic internal communication plan throughout the year, focused on strengthening the information and granular engagement processes of Webuild’s people, both at the Company’s offices and the work sites, with the aim of encouraging their conscious and active participation in working towards business objectives. In 2021, the main drivers of the Group’s internal communication strategy were to improve accessibility to information (thanks to the deployment of innovative instruments and networking, such as the launch of the employee app) and messages targeted at senior management; the active promotion of the Group’s identity to strengthen a shared culture to be promoted by employees as its ambassadors (the Brand Builders project); and support to change management processes.

Webuild also stepped up its sustainability-related communications during the year using an AI system to activate a publishing plan in line with the ESG plan. This included the production of ten articles, each of which was distributed online through about 60 newspapers and agencies.

Access to digital tools was ramped up and a weekly newsletter launched to reach an increasing number of employees. The Group also carried out targeted communication campaigns to raise awareness about issues close to its heart such as sustainability and the ESG plan objectives, diversity, innovation, safety and Covid-19 prevention measures. It also designed a special campaign for the onboarding of Astaldi employees as well as dedicated initiatives for other new employees.

Innovation, research and development

Strategic for the Group's sustainable growth and competitive edge

€111m
Investments in innovation 2017-2021

≈290
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 clients' needs;
- 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 company level.

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

At company level, the technical departments work unceasingly to develop state-of-the-art methods for projects and support processes. The Company's technicians work alongside the best experts and professionals in the market, universities and research centres to develop tailored solutions able to meet clients' requirements while protecting the local environment and communities right from the initial tender stage.

During the 2017-2021 five-year period, the Company invested on average around €22 million in innovation, research and development projects for a grand total of over €111 million. These projects have involved on average around 290 group specialised resources[46] each year.

Innovation projects mainly related to design, planning and development, construction techniques, materials, digitalisation of sites, safety, quality and the environment.

[46] Personnel involved in long-term projects are included for each year of the project. The figures for 2021 include Lane's figures based on prudent estimates considering the available information that could be verified at the date of preparation of this Statement.

Design, planning and development

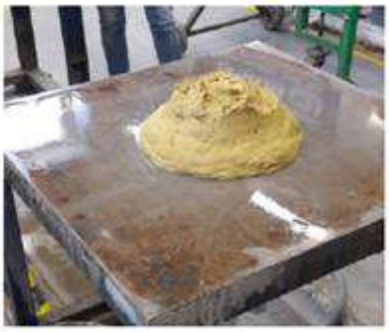
Webuild places its services at the client's disposal for the project to be developed. Its aim is to deliver a high quality service and play its part in the sector's technological evolution.

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

Through the deployment of 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 has also carried out two interesting innovation initiatives in the tunnelling area. One was a study into the reuse of materials excavated by TBMs to fill embankments, which reduces the project's environmental footprint and costs as part of the circular economy initiative.



The second initiative involved the development of geophysical surveys to identify underground cavities and geological anomalies to reduce risks, and pre-empt delays and the risk of rising costs over the construction period.

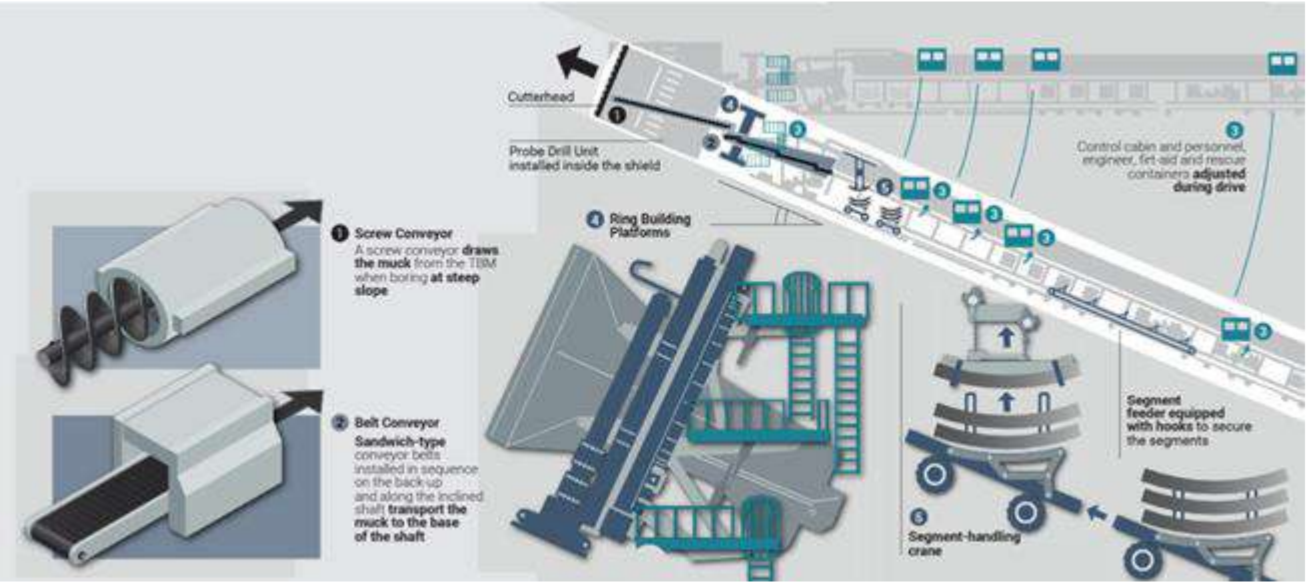
The Group is working on various initiatives to grow its business and expand strategically. They include the launch of a new highly innovative road maintenance model, designed to ensure the adequate performance and safety level of roads over the concession term. Third party certification bodies define the maintenance work required using a system of quantitative data and indicators obtained on site.

Specifically, the model will be based on a monitoring system (Internet of Things - IoT - technologies) and an appropriate application ecosystem to significantly reduce the need for extraordinary maintenance and maximise the safety of the infrastructure by using performance KPIs and scheduling timely maintenance activities. Webuild will also trial and subsequently roll out innovative technologies for the upgrading and maintenance of roads, based on the work performed by its innovation centre and through partnerships.

Construction techniques

Webuild's innovative potential is at its best in this area.

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



The project involves the excavation of an inclined pressure shaft at a 25° slope (46.73%), 1,600 m long, with a diameter of 9.9 m and subject to significant dynamic loads (+/- 25bar). This high pressure shaft's maximum incline is unique in the world and, given the size of the works and operating conditions, represents a world first technological innovation in the sector of TBM tunnel boring.

Customised technological solutions were designed for this project. They included the single lining using interconnected segments, high performance sealing mortars, self-adaptive driving systems and reconfigurable platforms to transition from horizontal tunnelling to inclined excavation. The TBM can operate both in an open mode and closed/slurry mode as well as if there is naturally occurring asbestos material.

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.

Webuild received the prestigious ITA Tunnelling Award 2021 for its innovative construction methodology, Riser Concept, developed for the environmental restoration project of the Matanza-Riachuelo catchment basin in

Argentina. This allowed the project team to bore and install pipes inside an undersea tunnel, thus reducing the construction times, risks and environmental impact.

Materials

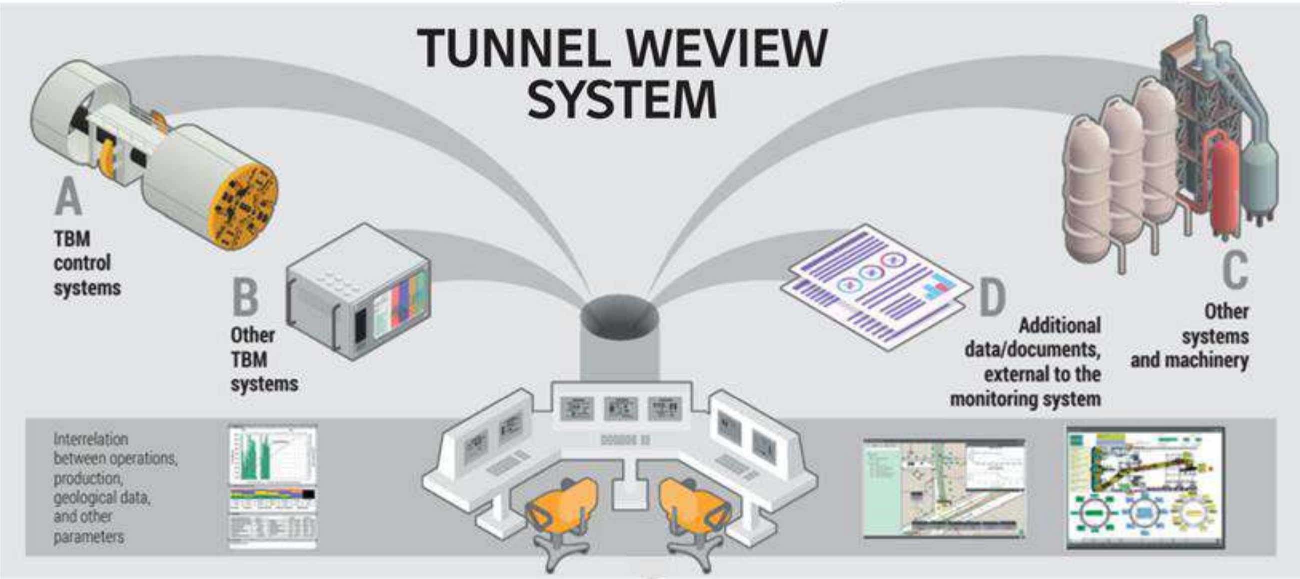
Webuild carried out very interesting research into the feasibility of innovative solutions for the reuse of earth and rocks excavated by the TBMs, some of which have already been sporadically successfully trialled (i.e., aggregates for concrete or road paving), others tested in the laboratory (i.e., fillers for mortars from back-filling) and some which were completely new (i.e., the reuse of cement or geopolymers in the production cycle, landslide prevention and stabilisation of slopes, production of bricks). The aim is to bring together these initiatives in a system to manage the entire process which would be a useful tool to identify the most virtuous and effective reuse solutions for individual projects based on technical, environmental, financial and logistics considerations. From a circular economy viewpoint, the objective is to supplement the more traditional reuse methods with innovative methods whereby the excavated earth and rocks are put to greater use in protecting the local area and mitigating hydrogeological risk or simply acquire an economic value through their reuse in new production cycles while reducing transport (and related emissions) and disposal costs.

The Company also carried out technical and financial analyses with major international operators in the cement and concrete sectors into the development and customisation of reduced embodied carbon solutions to both support the Group’s Climate Strategy (see the “Climate change” section for more information) and to develop technical solutions for specific business projects and initiatives.

Digitalisation of sites

The initiatives in this area cover many fields. They entail the development of innovative tools that use machine learning, artificial intelligence (AI), IoT, big data & predictive analysis and BIM to facilitate the processing of big data with summarised and detailed outputs available in real time. Digital innovation is essential to Webuild’s competitive edge in a world undergoing continual technological transformation. The main initiatives undertaken to support its business include:

- a digital technology study to support management processes during the execution stage, from the work site's start-up to the project closing; its objective is to improve management efficiency, capitalise on the know-how generated and facilitate checks by the head office to create a real "digital work site";
- intelligent devices with AI, positioned on the Group's main machines to collect data about various issues such as safety (e.g., the machine's speed), operation (e.g., production data), fleet management (e.g., fuel consumption, engine ignition hours); these data provide statistics, dashboards, KPI and alerts after being collated and analysed by software;
- a Tunnel WeView system to collect, process and view in real time all the data collected by the TBM and the plants and equipment used at work sites, including the monitoring systems. This system transforms disaggregated data into integrated information available in a single control room;

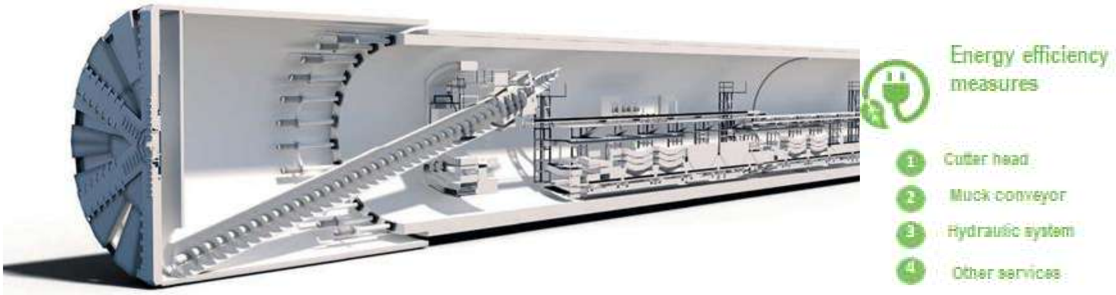


- a knowledge management ecosystem, designed to encourage a new approach to processes and activities, strongly focused on digital technologies with the end objective of increasing productivity, operating efficiency, sustainability, flexibility and traceability. In 2021, the Company launched a pilot platform at one of the Group's construction sites and two communities dedicated to specific issues (see the "Employees" section for more information);
- an innovative procurement platform, designed to streamline and optimise the entire supply chain management process, from the supplier screening and selection processes to negotiation and performance assessment, as well as contract planning management. The system will allow the Group to overcome certain important limitations inherent in solutions already available on the market, such as the insufficient integration of all the data and issues to be processed, the impossibility to map the entire supply cycle and the inability to completely meet the needs of the construction market, and specifically those of Webuild. The Group's aim is to build an integrated flexible platform that is also standardised, centralised and global in order to select the best suppliers, develop a more concise bidding process (assessing the potential profit margins of projects the Group intends to tender for), support procurement strategies and assign contracts to the most efficient suppliers at the best terms.

Safety, quality, environment

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

- an environmentally-sustainable 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;



- an innovative system to monitor and manage work sites' water resources using remote digital systems to maximise water recovery during construction activities. This system has been used at the Giovi third railway crossing work site (Milan - Genoa high speed/capacity railway line) in Italy;

- an automated system to design, manufacture and position tunnel segments using highly efficient robotic technology integrating 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);

- full electric or hybrid propulsion multi-service vehicles to transport materials and personnel in underground sites and to support the TBMs during the mechanised excavation in order to fully or partly eliminate emissions of GHG and pollutants with a consequent improvement of the air quality in the tunnel;

- environmentally-friendly electrical transformer cabins built using a combination of low environmental impact technologies and materials. Once finalised, the cabins will be audited for EDP certification.

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

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

The Company intends to invest additional resources of more than €30 million in the 2021-2023 three-year period, as set out in its ESG plan. Its aim is to roll out high impact innovative projects to drive technological and digital penetration of its business processes in order to ultimately improve efficiency and sustainability. Despite continuation of the state of emergency throughout 2021 due to the pandemic, the Company made investments of around €8 million in the first year of the plan, just under a third of the planned total for the three-year period.

Human resources

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

Injury rate
one of the best in the sector

43%
employees under 35

36% women
at the head office

>560 thousand hours
training provided to direct and indirect personnel

Internal policies

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

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

Objectives:

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

- introduce digitalisation as an essential tool to bolster the efficiency and standardisation of processes and maximise knowledge and the sharing of information between people across the Group.

Main risks and management methods

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

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

Workforce

At 31 December 2021, the Group's workforce was as follows:

Direct workforce by category (GRI 102-8)	Unit	2019	2020	2021	% 2021
Managers	n.	359	544	477	1.5%
White collars	n.	6,192	8,318	8,518	27.7%
Blue collars	n.	17,975	20,300	21,803	70.8%
Total	**n.**	**24,526**	**29,162**	**30,798**	**100%**

Direct workforce by geographical segment (GRI 102-8)	Unit	2019	2020	2021	% 2021
Italy	n.	1,699	3,174	3,554	12%
Africa	n.	8,724	10,055	11,340	37%
Europe (excluding Italy)	n.	755	2,419	2,322	8%
Americas	n.	4,248	6,789	8,084	26%
Asia and Oceania	n.	9,100	6,725	5,498	18%
Abroad	n.	22,827	25,988	27,244	88%
Total	**n.**	**24,526**	**29,162**	**30,798**	**100%**

At year end, technical and production employees made up 81% of the workforce with office employees accounting for the other 19%. The split between open-ended and fixed-term employment contracts is 82% and 18%, 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 2021 numbered 74,105.

Direct and indirect workforce by geographical segment (GRI 102-8)	Unit	2019	2020	2021	% 2021
Italy	n.	6,392	7,911	15,779	21%
Africa	n.	9,992	11,463	12,440	17%
Europe (excluding Italy)	n.	2,389	6,399	9,427	13%
Americas	n.	8,733	13,256	25,356	34%
Asia and Oceania	n.	21,869	15,854	11,103	15%
Abroad	n.	42,983	46,972	58,326	79%
Total	**n.**	**49,375**	**54,883**	**74,105**	**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[47]. Considering the workforce engaged in the Group's projects, the total at 31 December 2021 is 80 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 2021, the Group hired 9,556 resources, including 4,201 under 30 years of age. Outgoing employees numbered 5,234 and this figure includes the transfers of resources among group sites. The greatest number of incoming and departing resources was seen in the American continent as a result of the stage of completion on the main ongoing projects.

Attraction, selection and development

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

Employer Branding

Webuild consolidated its new approach to Employer Branding in 2021, dictated by the need to overcome the limitations imposed by the Covid-19 emergency. Reiterating and extending its commitment to young people as one of its fundamental values, Webuild deployed all possible means to overcome the lack of physical interaction. This saw it hold around 30 events online for university students and graduates, ranging from career days and assessment simulations to round tables and seminars held directly by Webuild managers, representing a

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

valuable opportunity to engage with the younger generations. The 2021 events calendar included “Women in STEM” initiatives aimed at talented female engineering graduates and engineers and facilitate their entry into the world of work.

2021 saw Webuild continue to cultivate strategic relationships with Italian and foreign universities, including Genoa University (with which it set up a joint research lab, UniWeLab), three Australian universities (with programmes dedicated to diversity) and ten US universities. The US-based group company Lane strategically focused on the latter due both to their long-standing relationship with the US group company’s reference markets and expertise in training new generations of engineers with greater diversity, readiness to transfer and a solid rounded education to meet the current and future requirements of engineering companies.

Main initiatives of 2021

Italy	United States	Australia	France
In 2021, Webuild and Genoa University jointly set up UniWeLab, a research lab, powered by a team of young undergraduates and graduates to develop innovative ideas to promote sustainable mobility in the Genoa area. In November 2021, the Group introduced the Alberto Giovannini Award in memory of its former chairperson, following his untimely passing in 2019. Aimed at making a concrete contribution to the professional growth of young people, the award is open to all Italian universities engaged in promoting innovation in the construction sector. The Group will award eight international internships every year to students who have obtained the best marks for their master's dissertations on innovation and digitalisation of infrastructure as well as sponsoring a PhD bursary as an active contribution to research and innovation in the sector. Also in 2021, Webuild partnered with Italian National Council of Engineers (Consiglio Nazionale degli Ingegneri) to promote women in technical fields, acting as one of the sponsors of "Ingenio al femminile", an award for female graduates with the best engineering dissertations on "Sustainability in engineering sectors in pursuit of the 2030 Agenda objectives" in the 2019-2020 academic year.	In the 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 in the Society for Women Engineers (SWE) conference and will also take part in the National Society of Black Engineers NSBE conference in March 2022. This new, more targeted approach allows the group company to strengthen brand awareness with selected partners, focussing on fewer organisations but with greater involvement before, during and after events. Its commitment runs throughout the entire academic year through posts on social media, seminars and general support provided to students in interview simulations and resume workshops. Standardisation of the Group's approach to employer branding, both online and in-person, led to the development of a scalable solution, perfect for dealing with the ongoing transition from events that had moved completely online to a hybrid combination of online and in-person.	In 2021, the Group continued to partner with the University of Technology (UTS) in Sydney. The recipients of the Australia Tomorrow's Builders Scholarships were identified while the "Women in Engineering and IT" programme was renewed to promote women engineers' academic and professional training. The University of Melbourne in the state of Victoria also selected the recipients of two scholarships funded by Webuild, a male student who received the "Webuild Master of Civil Engineering Scholarship" and a female engineering student who was awarded the "Webuild Women into Engineering Pathway Scholarship" in the state of Victoria. Finally, the Group entered into a new partnership with the University of Queensland in 2021, reflecting how important it is to the Group to develop the young talents in the areas where it operates. Starting from 2022, Webuild will fund two scholarships for indigenous engineering students. This partnership speaks to the importance to the Group of inclusion and diversity as guiding tenets, helping to affirm Webuild as a Diversity Employer.	During the year, Webuild returned to the forum organised by École Spéciale des Travaux Publics (ESTP) in-person in Paris at the start of December. The forty-second edition of this event was a unique opportunity for companies and future engineers in France to convene and the Group ably promoted its job offerings and brand awareness in the fast growing French market. France is of strategic interest to the Group and coupled with its desire to create a multi-cultural work environment, led to Webuild's participation in the 2021 Job Networking Session, a two-day recruiting event dedicated to engineering graduates and soon-to-be graduates with a double diploma from Ecoles Centrale and one of their Italian university partners of the T.I.M.E. (Top International Managers in Engineering) network.

During the year, the Universum classification of the "Most Attractive Employers Italy 2021" confirmed Webuild's position among the top 30 for STEM professionals in Italy, climbing 12 places on 2020 in the "STEM students" ranking. Webuild is also the most attractive business in the construction sector for both categories of the survey. These prestigious accolades bolster the Group's reputation on the labour market and its appeal as an employer of choice, bolstered 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.

Selection and acquisition

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

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

Alongside the recruiting activities to fill vacant positions, in 2021, the Company continued to use its advanced search tool to create an international pool of talents for future staffing needs and to complete its succession plan as an additional lever to guarantee and ensure business continuity. It will continue this project into 2022 by extending the analyses performed to date.

During the year, the Company launched its inclusion-oriented selection programme, one of several designed 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 skill described in the leadership model;
- the presentation of blind CVs to managers involved in selection to avoid possible involuntary discrimination during the selection phase.

In 2021, the programme was implemented at headquarters and it will be extended to the branches in 2022 and to all projects where Webuild has majority involvement starting from 2023. The Company has shared its new selection guidelines with all suppliers that also apply them and assisted the Group with personnel scouting and selection for headquarters.

To indirectly support its international staffing activities, the Group continued to vet international recruitment agencies during the year with a view to creating new partnerships covered by master agreements at advantageous terms for all group entities.

Management training and development

The Company defined and introduced specific tools, programmes and initiatives to support and promote career paths, organisational growth and the continuity of its succession plans in 2021.

The leadership model, introduced in 2020 which identifies the soft skills and conduct necessary to achieve the Group's strategic objectives, is the reference framework for management training and development.

Specifically, the Group defined and launched a new performance management model in 2021 focussing not only on setting and assigning performance objectives but also on the managerial skills necessary to achieve such objectives. The model promotes management by objective and a culture of feedback, involving managers in the personnel development choices, the identification of growth paths on the basis of the gaps identified as well as the strengthening of tools for managing talents and key resources, including as part of succession planning. The model has been introduced for all white collar employees at headquarters and will gradually be extended to the Group's other operating entities in 2022.

One of Webuild's key managerial and skills development tools is its Global Managerial Academy, set up in 2020. This school provides training paths for figures who are already working in key roles or who are growing inside the Company, with training tailored to their seniority and designed to foster the development of both their managerial and technical skills that are fundamental to the Group's business.

Given the continuation of the Covid-19 emergency in 2021, which meant that most work was still carried out remotely, all training courses were virtual. Thanks to the upgrading of the online interaction tools, this situation did not affect the participants' involvement, which continued to be effective and uninterrupted.

Continuation of remote working together with the Group's ongoing transition and significant metamorphosis meant that new training programmes had to be designed to support the different work methods. These included the leading virtual teams programme targeted at managers, programmes to familiarise employees with the IT and digital collaboration tools deployed by the Group and a psychophysical well-being programme to provide its participants with strategies to manage their mental and physical health and to develop a proactive approach to work and life during the pandemic.

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

- 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 headquarters and operations levels, also to guarantee business continuity.

The Company also continued its Inspire mentoring programme during the year. Its objective is to act as an additional tool to foster individual growth and reinforce the creation of a shared and cross-departmental corporate culture. The first project of this programme was the onboarding of new hires. In addition to continuation of the mentorships commenced in 2020, Webuild also started to design a new onboarding project for new hires in 2021 as well as an innovative project for female leadership.

Webuild also focused on training to facilitate the integration of Astaldi resources with special courses to align skills and develop familiarity with internal processes. In addition to setting up the Welcome Onboard Community (see the "Knowledge Management and Technical Training" section), the Company provided onboarding courses as part of its E-Learning Academy, designed to introduce the key concepts of the Group's compliance, sustainability and organisational model practices, as well as dedicated training about how to manage internal processes and use the supporting IT systems.

E-learning courses provided both by the E-Learning Academy and through tailored webinars were complemented by courses on compliance (including with the launch of the Legislative decree no. 231 course for the subsidiaries) and technical subjects.

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 with the sector's future challenges.

Knowledge Management

During 2021, the Company continued its Knowledge Management Programme as part of its drive to optimise the knowledge-sharing tools and methods and access to specialist expertise, significantly improving the Company's competitiveness in the production and related sectors, and bolstering the retention and expertise of Webuild employees.

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

The Knowledge Management Programme has two main areas: the design of an integrated platform to host "explicit" information and collaboration communities that can capitalise on specific knowledge and make it easy to deploy as needed by transforming "tacit" skills into "explicit" skills in a digital format. It was necessary to identify 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 released the programme for the first company area in 2021. It also launched the first communities: Welcome on Board, to facilitate the onboarding of the Astaldi employees and the TBM Knowledge Community on technical issues related to using these machines. The communities facilitate operating efficiency, for instance, by sharing and re-deploying the best practices developed by one work site and transferring them to another. Thanks to a network of experts skilled in identifying effective, fast and appropriate solutions, recurring problems can be resolved easily and quickly.

Technical training

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

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

To meet this need, Webuild has set up a trade school, "Scuola di Mestieri", designed to train and employ a new generation of specialised workers in the infrastructure sector to work on the Group's projects starting from 2022.

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

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

The school's key objectives are to:

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

The Scuola di Mestieri has a dedicated 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.

During the year, Webuild continued to focus on professional development and technical skills both by developing specific courses at headquarters and providing courses locally in the various geographical areas where it is present. The 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.

Training hours (classroom and on-site) provided in 2021 covered many aspects (health and safety, the environment, quality, technical/specialist, compliance, management, etc.) for a total of 400,407 hours (273,665 hours in 2020). These courses were supplemented by health and safety courses provided directly at the work sites, which are very important as raising awareness and prevention tools. During 2021, the Group carried out roughly 147 thousand Tool Box Talks (short meetings on health and safety-related aspects and the environment held at the start of work shifts) (188 thousand in 2020) at its work sites. Overall, Tool Box Talks on health and safety-related aspects numbered approximately 125 thousand (180 thousand in 2020) which, including those on the environment, brought the average to more than 400 a day (510 in 2020).

In addition to training given to group personnel, the staff of the Group's subcontractors attended courses on QEHS subjects totalling 161,037 hours in 2021.

A total of 561,445 hours of training were provided in 2021 to direct and indirect personnel (390,171 in 2020).

Training (GRI 404-1)	Unit	2019	2020	2021
Direct personnel	hours	252,357	273,665	400,407
Indirect personnel	hours	230,002	116,506	161,037
Total	**hours**	**482,358**	**390,171**	**561,445**

Total reward

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

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

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

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

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

During the year, the Company continued its long-term incentive plan, the LTI 2020-2022 plan, to align the performance of the Group's key personnel with shareholders' interests as well as to retain and engage with management to ensure the stability required to meet the business plan objectives and remunerate them in line with market practices. The three-year plan has an equity and cash component and as well as being tied to economic and financial indicators 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 (scope 1 and 2).

At the end of the three-year period, part of the benefits earned will be deferred to extend the plan by another two years and reinforce the Company's ongoing relationship with its key personnel over the long term as well as the sustainability of the results achieved.

Webuild is aware of the importance that employee satisfaction plays in terms of the quality and productivity of their output and that work/life balance also contributes to this satisfaction. As the pandemic continued into 2021, the Company rolled out a project to streamline its offices in Italy, which also takes into account how the use of office space is impacted by how employees arrange their working week between the office and remote work. When employees return to the new premises in 2022, Webuild will activate a number of services to draw attention to the importance of a good work/life balance.

Another important aspect of this issue relates to the journey from home to work by private means of transportation, which can be very stressful especially in large cities. Webuild is convinced that mobility is one of the main issues that a company dedicated to the well-being of its employees and protection of the environment should manage as best it can. The pandemic made working from home mandatory for all the office staff of the Italian companies, limiting travel from home to the office and accelerated the digitalisation of WFH. Together with its plan for the Rome and Milan offices, the Company introduced a new home-work travel plan in 2021 setting out initiatives and solutions to improve and make the journey from people's homes to the office more sustainable. It considered the location of the new offices, the possibility to work from home and the needs of its employees as per the dedicated survey.

Equal opportunities, diversity and inclusion

The Group continues to be strongly committed to creating 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 its Policy on Equal Opportunities, Diversity and Inclusion, the Company's proactive encouragement of an inclusive culture which supports diversity continued in 2021. The existing awareness and communication campaigns about these issues were ramped up and specific initiatives deployed for employer branding, recruitment, training and development.

Specifically, the Group's focus on encouraging all forms of diversity and inclusion is reflected in its partnerships with universities and its employer branding. In 2021, these initiatives were aimed at promoting young people's growth through scholarships in Italy and abroad and the enhancement of their contribution to innovation (such as the UniWeLab project and the Alberto Giovannini Award described in the "Employer Branding" section), as well as promoting the role of women in research and development in the STEM subjects by sponsoring the Ingenio al femminile project.

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

In 2021, Webuild also became a member of the Italian association Valore D, which promotes gender balance and an inclusive culture both through training, as well as communication and networking.

As part of the development initiatives, continuation of the mentoring project for onboarding strengthened the promotion of dialogue and exchange for mutual growth between the more senior generations (the mentors) and young new hires.
The diversity and inclusion initiatives will continue in 2022 with specific projects that are already being prepared. They include training on intercultural dialogue, mentoring, specific training courses on inclusion and unconscious prejudice, female leadership and projects to increase awareness about gender diversity at leadership level for both men and women.

The Group has employees of more than 100 nationalities, 84% of the workforce is local, increasing to roughly 98% in Italy and 96% in Africa and the Americas. Local managers make up 73% of the total (more information is available in the "Social" section of this Statement).

The Group's leadership status is characterised by international managers from non-construction sectors who contribute their different views and outlooks. International resources cover 23% of the Group's key positions.

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

Employees by age bracket (GRI 405-1)	Unit	2019	2020	2021
< 30 years	%	26%	26%	24%
30-50 years	%	59%	58%	57%
> 50 years	%	15%	16%	18%

Considering employees under 35 years old, the percentage of this age bracket increases to 43%.

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	2019	2020	2021
Men	%	90%	88%	88%
Women	%	10%	12%	12%

At group level, women make up 8% of the management team, 22% of white collars and 9% of the blue collars, while at functional level, they represent 7% of the technical and production staff and 36% of the office employees.

The presence of female employees is higher at the central Milan and Rome offices, where they make up 36% of the total workforce.

In 2021, the Group continued to develop its gender pay gap analysis method for the corporate staff at the two Italian central offices. 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.

Some remuneration differences were identified in a few categories, partly due to the inclusion of Astaldi and Seli Overseas in the consolidation scope, which slightly worsened the overall situation in terms of remuneration differences and the number of female employees in management positions.

The Group intends to include targeted actions (e.g., budget quotas) in its 2022 remuneration policies to close the remuneration gap, identified after the integration processes, for certain categories.

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 has already set a target of 20% of women to be included in the succession pipeline for key roles, in advance compared to its target for 2023. It has also defined a growth path for the identified female employees to ready them for such positions. The 2023 target has been increased to 25%.

Health and safety in the workplace

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

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

Organisational units

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

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

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

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

- identification and assessment of the exposure to the risk;
- identification of the persons at risk;
- assessment of each job's risk;
- identification of control measures to reduce the risk;
- definition and introduction of training courses;
- monitoring work areas to check that control measures are in place and effective;
- making employees aware of these risks, including via unconventional and innovative information, training and communication campaigns.

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

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

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

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

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

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

Workers, health and safety officers and supervisors and managers attend regular refresher courses. The courses for health and safety specialists 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 about HSE issues to encourage risk mitigation measures. They are also consulted about the implementation of key mitigation measures, including as a minimum:

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

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

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

The Corporate Safety, Environment and Systems 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. During 2021, these audits and assessments could not be performed in situ because of the Covid-19 restrictions. However, the Unit continued to carry them out remotely. As described in the section on "Total reward", the Company has a system to assess the performance of its managers in terms of health and safety which rewards dedication and the results obtained by the relevant units and units over which they have influence.

Valyou – Our Health and Safety Way

The emergency situation caused by Covid-19 meant that the Company could not continue with the full implementation of the scheduled activities for its Safety Builders Program in 2021. This program's objective is to encourage a strong corporate safety culture, based on strengthening leadership abilities at all management levels. It is part of Webuild's more wide-reaching communication strategy, Valyou - Our Health and Safety Way project.

Thanks in part to the careful planning of missions in less dangerous periods and distance training, in 2021, 34 workshops and 32 safety intervention (s.a.f.e.r.) training courses were held with the participation of 934 managers and supervisors for a total of roughly 4,178 hours of training.

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

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

The Company's main workplaces celebrated the World Day for Safety and Health at Work ("WSD") in April 2021. In line with the theme promoted by the International Labour Organisation (ILO) "Anticipate, prepare and respond to crises - Invest Now in Resilient Occupational S&H Systems", the Group focused on promoting awareness and the need to have in place tools (at system level) and protocols (at personal level) to augment our ability to respond to emergencies and change. Although the Covid-19 emergency made it more complicated or impossible to celebrate with the usual events and involvement of the workers, participation in the event was very satisfactory with more than 22 Italian and foreign work sites talking about the enormous efforts made to continue working with the highest safety standards in the midst of the pandemic.

The Group awarded the Safety Trophy to the work site that stood out both during the WSD celebrations and throughout the year. The award ceremony took place in January 2021 with the "virtual" awarding of the trophy by the CEO Pietro Salini to the Umm Lafina work site in Abu Dhabi (United Arab Emirates).

The objective of the activities carried out in the work sites in 2021 as part of the ValYou project, the Safety Builders Program, the Your Life Saving Rules, dedicated training courses in addition to the mandatory courses, the celebration of the World Day for Safety and Health at Work is to heighten all Webuild personnel's awareness of the importance of health and safety in the workplace as well as emphasising management's significant involvement in promoting culture change programmes.

Safety

There has been a generalised improvement in the safety achievements of the geographical areas of interest to the Group with a reduction in operations performed in areas with historically very low injury rates and a concurrent increase in the number of hours worked in some countries with more structured national welfare systems and higher average sector injury rates. The rates are also affected by the different ways in which events are treated in the various countries and their classification, while the Group always guarantees the best care of any injured persons.

In addition, the Group's indicators include those of Astaldi, which entailed a change in the scope for the calculation of this year's performance.

Due to the stricter measures adopted to counter the spread of Covid-19 and in compliance with the regulations imposed by the relevant authorities, the Group's normal training, meetings and information about safety, which are fundamental to prevent injuries, were limited. The mobility of resources, quarantine periods and changes to shifts also affected prevention activities. Some of the incidents recorded in 2021 are due to the above factors.

The injury rates are set out below, expressed as the number of events for every million hours worked[48].

Injury rates - Direct workforce (GRI 403-9)	Unit	2019	2020	2021
Hours worked	hours	77,409,119	79,594,548	89,785,693
Lost Time Injury Frequency Rate	LTIFR	2.183	1.947	2.729
Total Recordable Frequency Rate	TRFR	6.45	5.63	6.70

Injury rates - Subcontractors' workforce (GRI 403-9)	Unit	2019	2020	2021
Hours worked	hours	78,405,464	59,693,023	57,341,702
Lost Time Injury Frequency Rate	LTIFR	2.053	3.066	4.185
Total Recordable Frequency Rate	TRFR	5.00	3.52	4.97

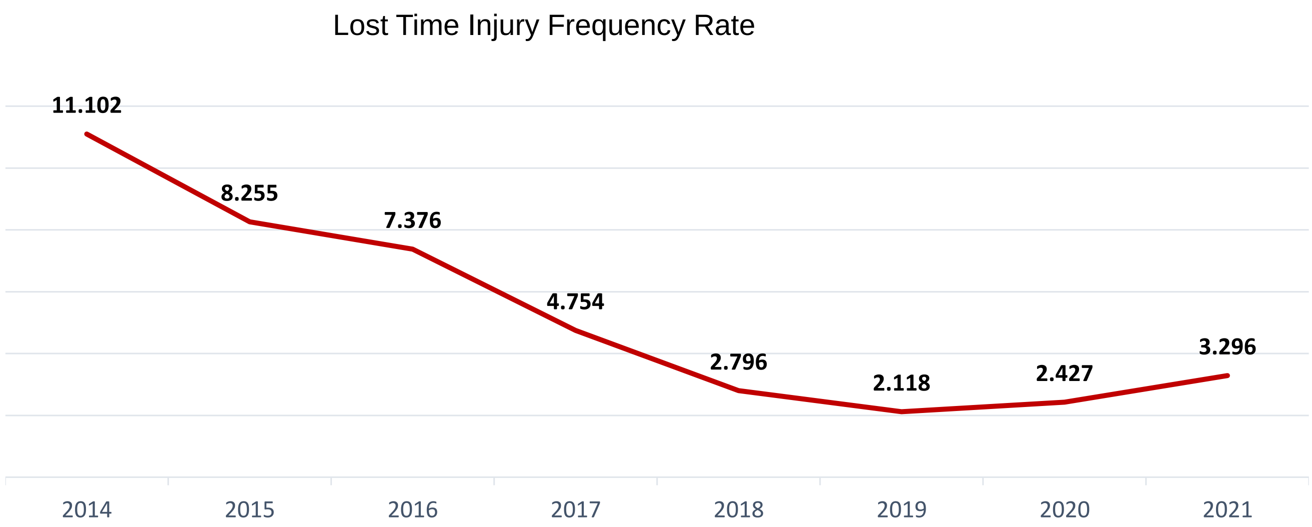
Total injury rates (GRI 403-9)	Unit	2019	2020	2021
Hours worked	hours	155,814,583	139,287,570	147,127,395
Lost Time Injury Frequency Rate	LTIFR	2.118	2.427	3.296
Total Recordable Frequency Rate	TRFR	5.72	4.72	6.03

Reference should be made to the Methodology for reporting non-financial information for details

[48] More information about injuries recorded in the year is available in the GRI Content Index, indicator GRI 403-9

A local investigation and/or investigation with the support of 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 injuries pursuant to the provisions of the Organisational Model (Legislative decree no. 231/2001 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 the last years.



As expected, there was a slight increase in the injury rate starting from 2020 due to the impact of Astaldi's entry into the Group, the different management methods established by the local regulations and the smaller prevention activities possible due to the pandemic-imposed restrictions. Webuild has introduced the actions necessary to improve the Group's safety performance in the coming years. Its objective is to achieve a 40% reduction by 2022 for the new Group (i.e., including Astaldi) compared to the LTIFR at the end of 2017 before the ValYou programme was rolled out.

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

Health protection

Webuild guarantees protection of its workers' health in the workplace with a special Internal Healthcare Unit, which schedules prevention procedures, health checks and healthcare monitoring programmes. It also performs regular checks of the work sites and makes sure they are provided with the relevant information to check the work sites' safety conditions and their compliance with the applicable legislative requirements.

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 their families also have private health insurance which covers healthcare services for non-work related issues. These insurance policies were extended to cover the potential impact of Covid-19 related infections. The Group runs numerous initiatives at its offices and work sites promoting the importance of good health, flu vaccine programmes (guaranteed through to the end of 2021), campaigns about the prevention of sexually transmitted diseases (e.g. HIV) and campaigns to promote healthy life styles, including the organisation of sporting events for workers. Many of the above initiatives were affected by the outbreak of Covid-19 in February 2020 which led all the Group's health units (as well as others) to focus on containing its effects in all the Group's workplaces.

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.

Webuild has defined a series of measures to safeguard the health and safety of its employees due to the Coronavirus (Covid-19) emergency. These measures are designed to ensure, as far as possible, business continuity in the offices and at the work sites and are coordinated by a special multi-departmental task force based at the parent's headquarters. They are revised as necessary to comply with any new instructions issued by the competent authorities.

The Italian group companies have introduced remote work for their office staff and have reviewed their travel policies to limit travel. In line with the specific risks at the Italian and foreign work sites, preventative measures have been introduced to reduce the risk of spreading the virus in the work place, the residences and canteens. This has involved the reorganisation of work spaces and shifts to ensure the safety distance can be maintained, the supply of additional personal protection equipment, intensified sanitation and disinfection activities, special information and training courses, more healthcare services at the work sites and the preparation of special areas for the isolation of workers with flu-like symptoms who have returned from areas at risk or who have been in contact with people who may have the virus. The Group has also prepared dedicated methods to liaise with the local authorities to treat any suspected cases.

The anti-contagion safety protocols adopted for the Group's contracts since the pandemic broke out include the following measures:

a. Set up of work teams and emergency management units/committees comprising the Employer, the Safety Manager (or the Protection and Prevention Officer), HR and company doctors as well as, where provided for, social partners
b. Adoption of an anti-contagion safety protocol, often aimed at personnel of other companies present in the work sites

c. Mandatory controls for access to work sites and offices
d. Systematic body temperature checks before access is granted to the work sites and offices
e. Communication of recommendations to all personnel on the proper approach
f. Distribution of FFP2 and surgical masks
g. Greater availability of accommodation for camp staff, toilets and changing rooms
h. More intensive daily cleaning of all environments used by workers
i. Extraordinary sanitation cycles of the common areas at work sites and base camps
j. Installation of hand sanitizer dispensers in various areas of work sites and offices
k. Introduction of WFH for office staff
l. Suspension or limitation of all activities that involve gatherings of people (courses, meetings). Some safety training activities recommenced in the second half of the year both in the classroom and online after the related Decrees had been amended
m. Suspension and severe limitation of visitor access
n. Greater availability of personnel transportation in order to reduce the number of people present inside the same vehicle and with the obligation to wear face masks
o. Obligation to wear face masks during all activities
p. Introduction of a special procedure to treat personnel with flu-like symptoms by a work site nurse (when present)
q. Allocation of emergency accommodation at base camps for the isolation of suspect cases until the health authorities' intervention
r. Information campaigns with ad hoc meetings and posters in the workplace
s. Differentiated management of waste from offices (both work sites and offices), quarantined staff accommodation and Covid-positive staff accommodation
t. Review of the methods to clean accommodation (e.g., use of disposable tableware for quarantined or positive personnel) and wash flat linen

During the year, the work sites carried out extensive screening activities to identify potential cases of Covid-19 and take the necessary action in line with the processes defined by the competent authorities. Some work sites set up vaccination centres as a joint initiative with the local heathcare authorities.

Human rights

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

Due Diligence on Human Rights
compliant with UN Guidelines

Agreement with the international trade union BWI
in place since 2014

100% of the operating entities
included in the risk assessment of human rights

Monitoring principles
extended to the supply chain

Internal policies

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

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

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

The Company's main undertakings are described below and more information is available in the policy on the website.

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

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

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

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

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

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

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

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

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

Main risks and management methods

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

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

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

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

Risk identification and assessment process

In 2021, all the operating entities included in the scope of this Statement underwent the routine human rights risk assessment to analyse the risks specific to each entity generated by its direct and subcontracted activities. The risk assessment method has been adapted to accommodate the Company's existing project risk assessment tools.

This assessment firstly considers specific indicators to define each entity's country risk[49], as its geographical context (the many country-specific conditions, such as regulations, practices, etc.) is a key factor when considering human rights and the correct identification of priority areas. Therefore, where country risk is other than "low", the Company analyses the significant specific risks and the mitigation measures adopted by the entity.

In 2021, Webuild carried out its routine assessment of the human rights risks of its supply chain to check the existence of suppliers based in countries and/or that supply goods considered at risk (based on the source country)[50].

Considering all the operating entities assessed, roughly 32% of their total workforce (direct and indirect) is deployed in countries with a "very low" to "medium low" risk (e.g., Italy, Norway, the US and Australia), while the other approximate 68% work in "medium" or "medium high" risk countries (e.g., Ethiopia, Tajikistan, Saudi Arabia and Colombia). With respect to the latter, most of the workforce is engaged in working on six large projects that have been underway for several years. 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 designed to mitigate country risk. In fact, more than 70% of its current order backlog is based in low risk countries such as the EU member states (mainly Italy), North America and Oceania. In addition, nearly all the new orders of 2021 were acquired in the same areas.

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

- 82% (73% in 2020) of the Group's suppliers are based in countries with risks that are either "very low" or "low";
- none of the assessed suppliers are based in countries classified as "very high" risk and only 0.03% are based in "high" risk countries;
- no commodities at risk were purchased from significant suppliers[51] during the year.

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

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

[49] Specifically, as recommended by the principal regulations on human rights (e.g., Australia Modern Slavery Act), the Company referred to the most recent Vulnerability measures and the Government Responses supplied by Global Slavery Index (www.globalslaveryindex.org).

[50] Once again, the Company referred to the Global Slavery Index to measure country risk and the lists of the U.S. Department of Labor's Bureau of International Labor Affairs to measure commodity risk.

[51] A significant supplier is a supplier with contracts over €250 thousand. Below this threshold, the only purchases of commodities that could be considered risky were the purchases of work clothes, foodstuffs and raw materials (such as crushed stone and sand), equal to 0.04% of total purchases.

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

Recruitment agencies

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

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

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

Working practices

While the potential risk of hiring people under the minimum working age established by the applicable local regulations is minimal, the Group's policy is only to agree employment contracts with people who are at least 18 years old irrespective of the local regulations. In countries, where the presence of false identity documents is a risk (e.g., some African countries), the Group has special procedures in place to check the authenticity of the documents, either identification documents or driving licences, assisted by the local authorities.

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

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

To reaffirm and strengthen its commitment to these issues, the Company has set out key requirements in a dedicated Policy on Equal Opportunities, Diversity and Inclusion issued in late 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 dedicated whistleblowing tools available.

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

More information on the relevant projects undertaken in 2021 is available in the “Equal opportunities, diversity and inclusion” paragraph of the “Main risks and management methods” section under “Human resources.

With respect to the freedom of association and collective bargaining, the Group ensures its employees have access to “alternative systems” for dialogue in the states of the Persian Gulf where the right to the freedom of association is restricted by law. These systems include worker committees, committees set up in the camps and complaint management procedures (grievance mechanisms). The Company ensures open communications with the workers and management’s availability to discuss any issues that may arise with individual employees.

Transparency and engagement with the communities

In 2021, the Group continued to be committed to and act transparently about human rights with its stakeholders, especially its investors, ESG rating agencies and NGOs such as Business and Human Rights Resource Centre (BHRRC).

With respect to its local communities, the Group’s activities may generate risks related to its core construction business, such as noise pollution, dust, vibrations, work site vehicles and damage to private property. Risks related to the acquisition of land are immaterial as the client usually acquires the land directly. However, Webuild scrupulously adheres to the legal and contractual requirements and those set out in the project impact assessments to ensure it complies with them during its work and the activities contracted to third parties (subcontractors).

Depending on the nature of the project, local management defines the best way of involving the local stakeholders, mostly through formal meetings, informal meetings and discussions, training and official events.

Supply chain

As a result of the routine assessment of risks related to its supply chain (briefly described in the “Risk identification” paragraph of this section), the Company has defined the following approach:

- vetting process for potential suppliers based on a dedicated human rights multi-factor assessment;
- contract clauses that require formal acceptance of the Code of Ethics and the Suppliers Code of Conduct, and extension of this commitment to the supplier’s subcontractors, which is mandatory for the contracts to be valid;
- monitoring, checks and audits to ensure compliance with its standards;
- regular assessments of the suppliers’ performances, which include ethical and social aspects (see the “Supply chain” section).

Training and whistleblowing

As part of its push to inform and raise employee awareness of human rights issues, the Company has developed an e-learning programme for its entire workforce available through the E-learning Academy. The course is mandatory for new hires and has been available on the internal E-learning platform since April 2020. At 31 December 2021, roughly 70% of Webuild corporate employees have completed it as well as other personnel working at the Group’s work sites.

With respect to access to the whistleblowing channels, all relevant persons (direct employees, supplier employees, local communities, etc.) may use the whistleblowing system described in the section on “Anti-corruption” for human right notifications. In addition, when IT channels are difficult to access, the Company has introduced alternative systems such as dedicated telephone numbers and/or personnel (grievance officers), post boxes for the receipt of reports, etc.

Climate change

Decarbonisation and resilience driving increasingly sustainable infrastructure

-50%
GHG emissions intensity reduction target (2025 vs 2017)[52]

Science Based Target initiative[53]
formal commitment undertaken by the Group

-24 Mt CO_2
annual emissions avoidable thanks to ongoing railway, metro and hydro projects

-7%
total GHG emissions[54] (2021 vs 2020)

Climate Strategy

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

The Group has a transparent, structured Climate Strategy. It intends to draw on this 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:

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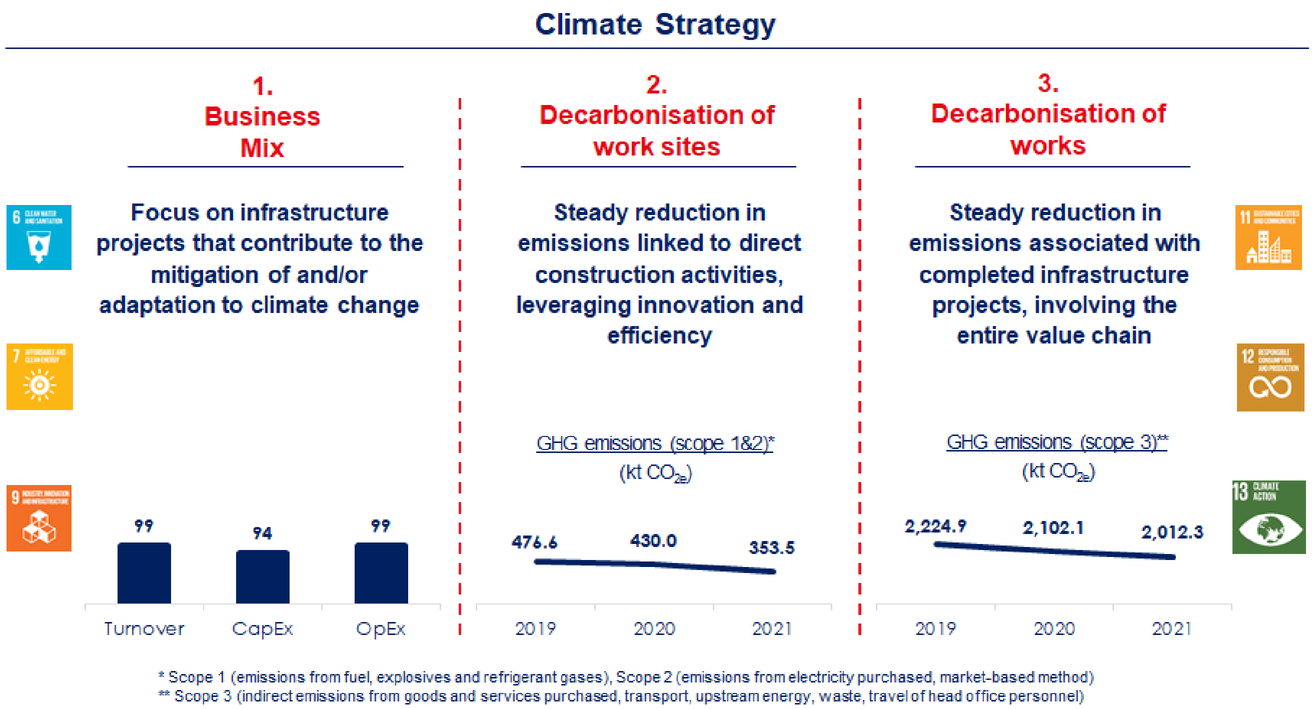
[52] In terms of t CO2e Scope 1&2/€m. Scope 1&2 indicate the emissions generated directly by the work sites and offices (scope 1) and by the electrical energy purchased (scope 2).

[53] International organisation that establishes guidelines to calculate targets related to companies' contribution to decarbonisation in line with the Paris Agreement using a scientific approach

[54] In terms of di t CO2e Scope 1, 2 e 3



In recent years, the Group has made good inroads in all three of its priority areas:

- nearly all its activities are EU taxonomy-eligible as they contribute to the mitigation and adaptation to climate change (see the dedicated box in this section);
- absolute GHG emissions (scope 1&2[55]) have decreased by 18% compared to 2020;
- absolute GHG emissions (scope 3[56]) have decreased by 4% compared to 2020;

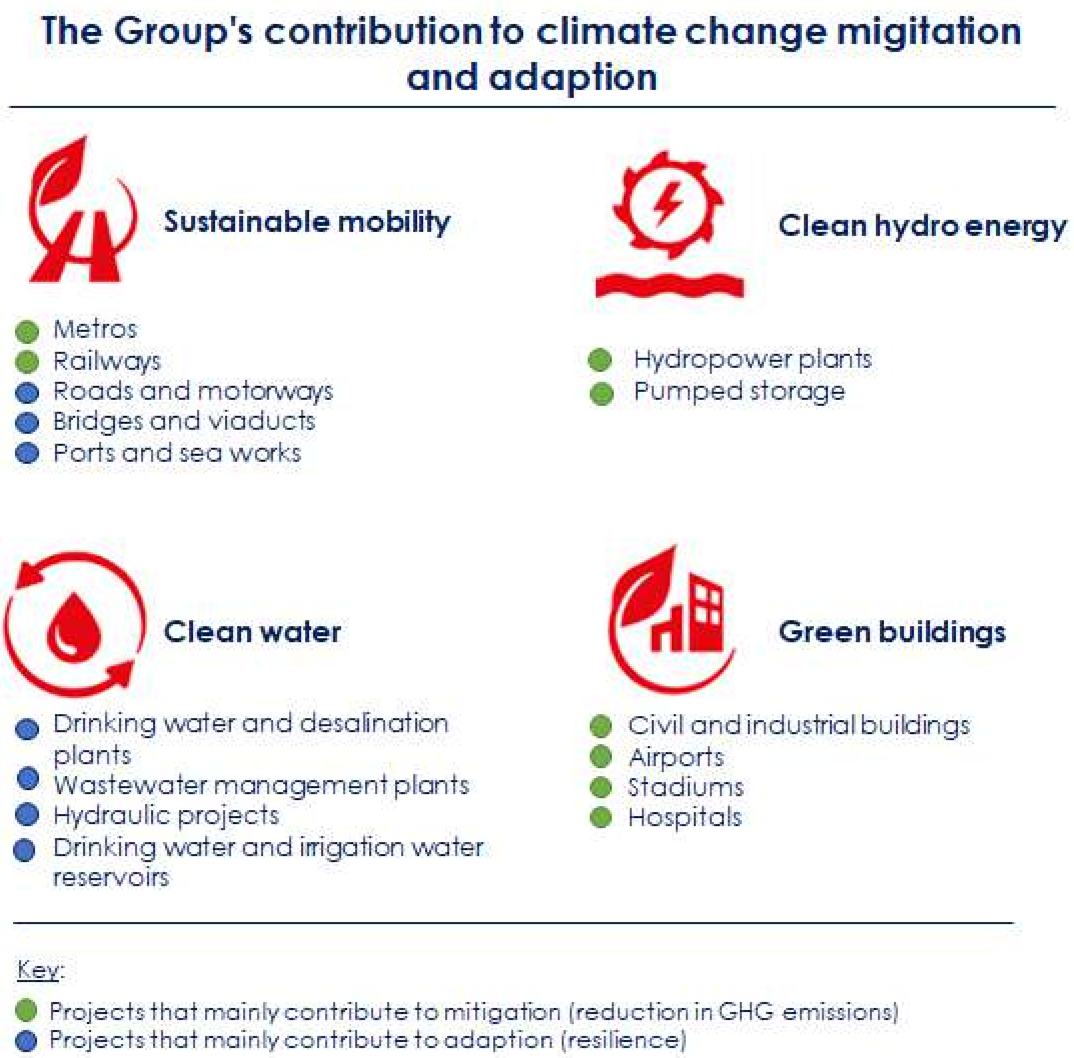
The Group's achievements are confirmed by the independent accolades received, such as its inclusion in the "Europe Climate Leaders 2021" ranking drawn up by Statista in collaboration with the Financial Times and in the "Azienda più attente al clima 2022" (The most climate-conscious companies of 2022) by Corriere della Sera/Pianeta 2030.

Business mix

Webuild occupies a unique place in its market thanks to its focus on developing low-carbon footprint infrastructure (i.e., that contribute to climate change mitigation) and/or resilient infrastructure (i.e., that contribute to climate change adaptation).

[55] Scope 1 (emissions from fuel, explosives and refrigerant gases), scope 2 (emissions from electrical energy purchased, market-based method).

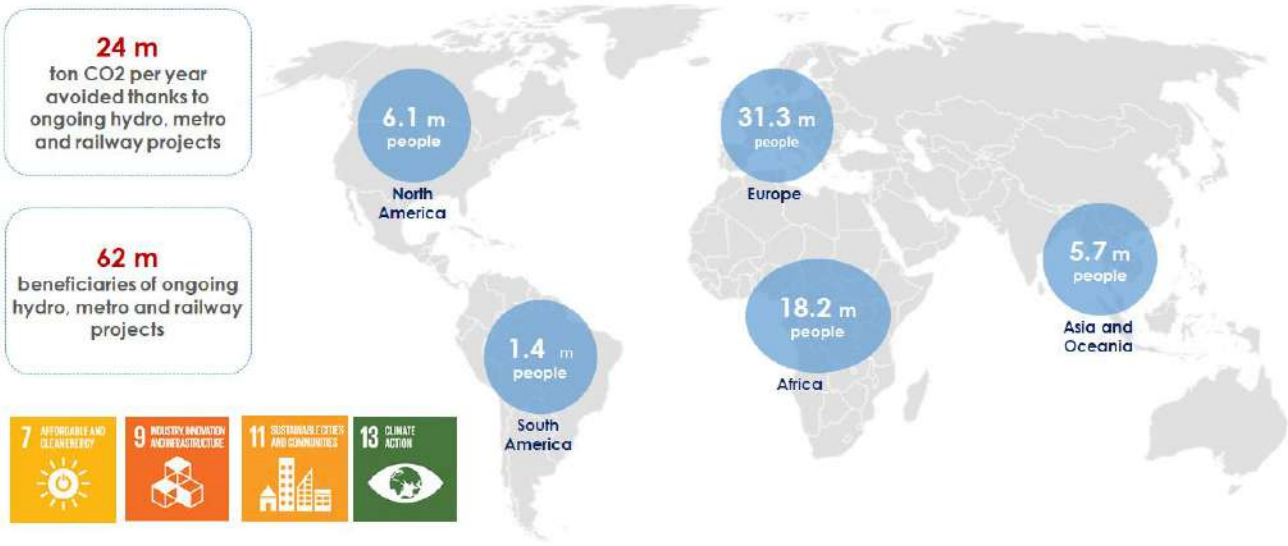
[56] Scope 3 (indirect emissions from goods and services purchased, transport, upstream energy, waste, travel of head office personnel).



Specifically, the Group's sustainable 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 ongoing hydro energy, railway and metro projects will generate very significant benefits in terms of less emissions and greater numbers of people served, as summarised below[57].

[57] More information is available in the "Methodology for reporting non-financial information – Calculation method" section.



Moreover, by improving the resilience of infrastructure, the Group's clean water and sustainable mobility (roads, bridges and tunnels[58]) projects also contribute to the 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 irrigation and desalination plants; or
- acute (e.g., extreme weather events), such as hydraulic projects in urban areas to reduce flooding and the related water pollution or transport infrastructure projects (to improve its resilience).

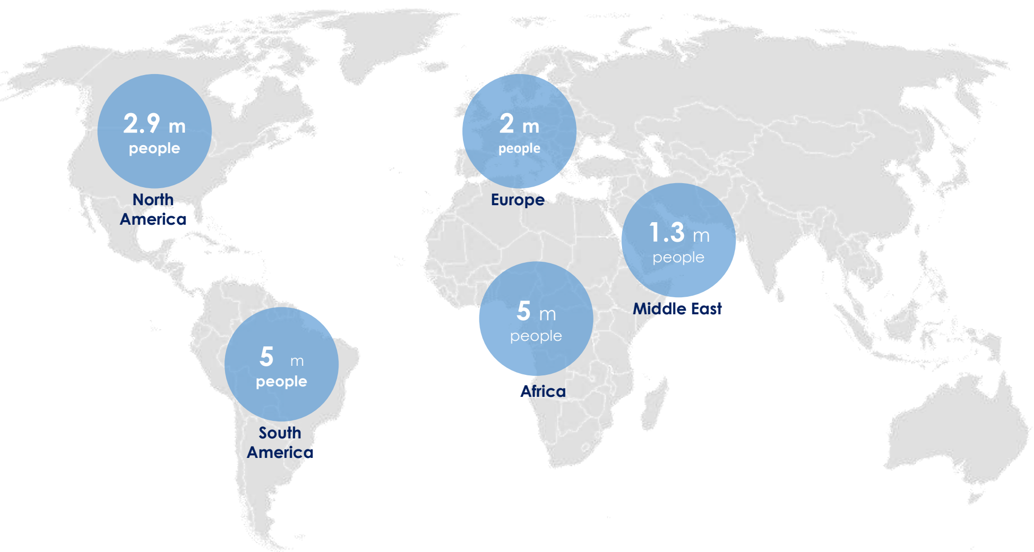
The ongoing clean water projects respond to the specific requirements of areas affected by increasing water scarcity (such as the desalination plants built in the Middle East and irrigation water storage in Africa), the more frequent extreme weather events (the hydraulic projects carried out in the main urban centres in the US) and the pollution of rivers and water basins leading to the 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[59]:

[58] Designed according to resilience criteria.

[59] More information is available in the "Methodology for reporting non-financial information – Calculation method" section.

857 m
m³ of water treated daily

16 m
beneficiaries of ongoing Clean Water projects



With respect to transport infrastructure, there is a growing focus on new infrastructure's resilience to climate change. This issue is of great importance for works that are heavily exposed to the effects of atmospheric agents, such as roads, bridges and viaducts, as their resilience over time is essential to their users' safety.

The Company is well-positioned in this market as it has accumulated significant experience in the use of design techniques and studies of materials that reflect future climate projections. Examples of this are the award-winning Skytrain Bridge, built as part of the Sydney Metro Northwest project and designed to withstand the rain, flooding and winds forecast after 2100 or the New Genoa San Giorgio Bridge, designed to cope with the expected increase in rainfall over the next 80 years. It is assumed that use of these design techniques will become widespread over the coming years, also given the new regulations that will be brought in from time to time.

EU taxonomy for sustainable economic activities

The European Union is leading the global transition to a sustainable, resilient and low-carbon economy in line with the Paris Agreement and UN's 2030 Agenda.

By adopting the EU Green Deal, the EU institutions have defined an integrated, ambitious strategy to make Europe carbon neutral by 2050. This strategy includes plans, investments and reforms, such as, in particular, the initiatives to direct private investments (in addition to public investments) towards sustainability objectives.

The most important initiative in this respect is the EU taxonomy, a classification system of environmentally sustainable economic activities.

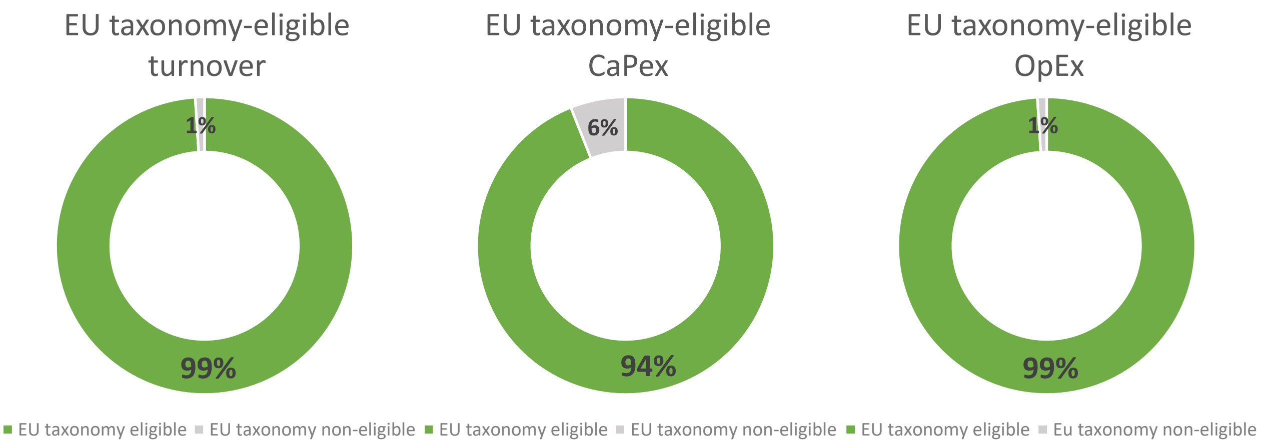
Regulation (EU) no. 2020/852 introduced the following categories of activities for the purposes of the taxonomy:

- Eligible economic activities, i.e., those economic activities listed in the delegated acts, regardless of whether they satisfy one or all of the technical screening criteria established by the European Commission;

• Aligned economic activities, i.e., those economic activities that, in addition to being eligible, make a substantial contribution to the mitigation and/or adaptation to climate change[60], do not do significant harm to any other sustainable objective (sustainable use of water, circular economy, prevention and reduction of pollution, protection of biodiversity), pass minimum safeguards[61] and comply with the technical screening criteria established by the European Commission.

The delegated acts established that companies are only required to report KPIs for turnover, CapEx and OpEx associated with eligible and non-eligible economic activities in their 2021 financial statements[62].

Webuild has analysed all the activities performed by the legal entities included in its consolidated financial statements, in order to identify those that are eligible and non-eligible. It then calculated the portion of turnover, CapEx and OpEx recorded in 2021, as set out below:



Webuild considered the following activities to be eligible in order to calculate the KPIs:

[60] It is currently only possible to assess those objectives (mitigation, adaptation) for which the technical screening criteria have been defined, while the criteria for the other four environmental objectives should be published in 2022.

[61] In accordance with OECD guidelines for multinational enterprises and UN Guiding principles for business and human rights

[62] The F.A.Q. published by the European Commission on 2 February 2020 specify, inter alia, that it is not necessary to consider the term "low-carbon" when this is not clearly defined to identify the eligible economic activities.

Sector	Activities
Protection and restoration activities	2.1. Restoration of wetlands
Energy	4.5. Production of electricity starting with hydroelectric energy 4.9. Transmission and distribution of electricity
Supply of water, sewerage, waste management and remediation	5.1. Construction, extension and operation of water collection, treatment and supply systems 5.3. Construction, extension and operation of waste water collection and treatment 5.6. Anaerobic digestion of sewage sludge 5.7. Anaerobic digestion of bio-waste
Transport	6.14. Infrastructure for rail transport 6.15. Infrastructure enabling road transport and public transport 6.16. Infrastructure enabling water transport 6.17. Airport infrastructure
Building and real estate activities	7.1. Construction of new buildings 7.2. Renovation of existing buildings
Information and communication	8.1. Data processing, hosting and related activities
Human health and social work activities	12.1. Residential care activities

Non-eligible activities include residual operations such as mining projects, the construction of waste-to-energy plans and other small civil engineering projects that are not included in the taxonomy lists.

In order to avoid the risk of double counting, when an activity contributed to both objectives (mitigation and adaptation), it was only counted once.

Webuild calculated the portion of turnover, CapEx and OpEx associated with the taxonomy-agreed activities (numerator), divided by the total turnover, CapEx and OpEx recorded in the period (denominator) in order to calculate the three KPIs. Specifically:

- the portion of turnover was calculated as the portion of net revenue from products or services (including immaterial) associated with the taxonomy-agreed activities (numerator), divided by net revenue[63] (denominator);
- CapEx includes increases in property, plant and equipment and intangible assets during the reporting period before amortisation, depreciation, impairment losses and any revaluations, including those arising from remeasurements and impairment losses, and excluding changes in fair value; the denominator also includes increases in property, plant and equipment arising from business combinations[64];

[63] Recognised in accordance with IAS 1.82.a) endorsed by the European Commission with Regulation (EC) no. 1126/2008. See note 31 “Revenue from contracts with customers” in the notes to the consolidated financial statements.

[64] CapEx includes costs recognised in accordance with point 73.e)ii and ii) 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 in the notes to the consolidated financial statements.

• 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[65].

Decarbonisation of work sites

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

Since 2014, when Salini and Impregilo merged, the Group has steadily decreased its energy consumption and GHG emissions while progressively growing its operations.

These achievements are the result of ongoing investments in efficiency actions and measures introduced at the Group's work sites around the world, as well as innovation programmes designed to develop technical solutions. These initiatives have enabled Webuild to move beyond the business-as-usual operating methods to define new more ambitious GHG emission objectives.

In 2021, Webuild formalised its commitment to defining objectives in line with the SBTi standard and presented its 2030 reduction targets for validation.

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 the permanent materials used to build the infrastructure and the emissions generated by its use.

It is essential that the entire value chain from the investors to the clients, designers, regulators and supply chain, and not just Webuild, be fully engaged and committed to achieving this objective.

Webuild has honed its expertise in the field in the construction of infrastructure in line with eco-design and construction frameworks, certified in accordance with LEED, GSAS, IS, Envision and other standards. Such approach means the Company's projects are evaluated over their entire life cycle to identify and develop integrated energy efficiency and decarbonisation solutions, right from the design stage.

The Group's objective is to make this approach standard, progressively incorporating it into new business initiatives irrespective of the adoption of eco-design & 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).

[65] See note 32.3 "Leases and maintenance" in the notes to the consolidated financial statements for information on the denominator.

It has defined a roadmap and specific initiatives for these scope 3 emissions (see the “Performance and targets” section).

Governance

The board of directors and its committees oversee the Company’s climate change policies and performance.

The board committees most involved in this process are the Control, Risk and Sustainability Committee and the Compensation and Nominating Committee.

Specifically, the former committee, comprising six independent directors, regularly reviews the Company’s ESG performance, including in relation to climate change as well as the related plans and actions. It also supervises the internal control and risk management system.

In 2021, Webuild rolled out the 2021-2023 ESG Plan which includes various climate change programmes and targets, tied to the long-term incentive plan (the 2020-2022 LTI plan) introduced in 2020, which also includes a specific GHG emissions intensity reduction objective (scope 1&2).

At the end of the year, the board of directors approved the Sustainability-Linked Financing Framework which formalises the inclusion of climate criteria in the Group’s funding strategy. It defines the guidelines the Company is committed to when issuing new financial instruments linked to specific carbon intensity objectives.

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[66], which researches, tests and introduces new solutions and technologies to reduce scope 1 and 2 GHG emissions;
- LCO (Life Cycle Optimisation) team[67], focused on researching, testing and introducing new solutions and technologies to reduce scope 3 GHG emissions.

Between 2018 and 2021, the CLEF team has mostly engaged in developing and testing solutions to make the excavation activities more efficient as they are one of the most energy intensive areas of the large infrastructure sector. The LCO team worked mainly on optimising the use of cement and concrete and developing new low-carbon solutions, including together with the supply chain.

[66] Comprising the Plant and Equipment (Global Supply Chain) and Environment (HR, Organisation and Systems) units and the Corporate Social Responsibility Department.

[67] Comprising the Procurement (Global Supply Chain) and Environment units and the Bidding & Engineering and Corporate Social Responsibility Departments.

As planned, senior management set new absolute emission reduction objectives in 2021 to align with the SBTi standard and presented its 2030 reduction targets for validation.

Integration of climate criteria as an integral way of doing business entails raising awareness and technical expertise about the issue. Accordingly, during the year, the Company launched an internal communication campaign dedicated to ESG issues, including the World Environment Day celebrated in June. It also introduced a technical training course for all personnel developed in collaboration with the Turin Polytechnic.

Main climate-related risks and opportunities

The Group analysed the risks and opportunities of climate change, based on three physical scenarios developed by the Intergovernmental Panel on Climate Change (IPCC), the key features of which are:

	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[68]**	**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.

[68] 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.

The main risks and opportunities are described in the following sections.

Advanced scenario analysis
The US group company Lane (USA) is involved in the Future World Vision: Infrastructure Reimagined project promoted by ASCE (American Society of Civil Engineers) to develop a software system using AI to simulate future trends of the construction sector over different timelines (10, 25 and 50 years). The project considers scenario analyses and six key mega trends for the sector: alternative energy, autonomous vehicles, climate change, smart cities, high tech construction/advanced materials, and policies and funding. The project is currently being trialled by major US universities and technical colleges and will allow civil engineers and sector professionals to be better prepared to deal with future change. Once completed, Lane will be able to use the project to support its strategic processes (business plan and commercial development) and technical operations (training of engineers and project teams).

Main physical and transition risks

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

<table>
<tr><th>Risk area</th><th>Type and description</th><th>Potential impact</th><th>Assessment and mitigation measures</th></tr>
<tr><td rowspan="2">Physical risks</td><td>Acute risks
Increase in frequency and severity of extreme weather events (landslides, flooding, storm surges, heat waves, etc.)</td><td>• Damage to work site buildings and plants
• Delays to work schedules

Expected risk timeframe: medium to long-term</td><td>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)</td></tr>
<tr><td>Chronic risks
Increase in temperature and humidity levels, changes in precipitation, rise in sea levels</td><td>• Less availability of water in areas subject to water stress
• Lower productivity due to environmental conditions

Expected risk timeframe: medium to long-term</td><td>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</td></tr>
<tr><td>Transition risks</td><td>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</td><td>• 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 to medium-term</td><td>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 systemic, affecting the entire sector and not just the Company.</td></tr>
</table>

	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 to 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)

Key opportunities

As well as being a source of potential risks, climate change can create opportunities for the Group, such as those listed below.

Business growth

The steady introduction of policies and regulations to accompany and accelerate the climate transition is an important lever to generate new business opportunities.

The Group already plays a leading role in the development of infrastructure that contributes to both climate objectives defined by the international community:

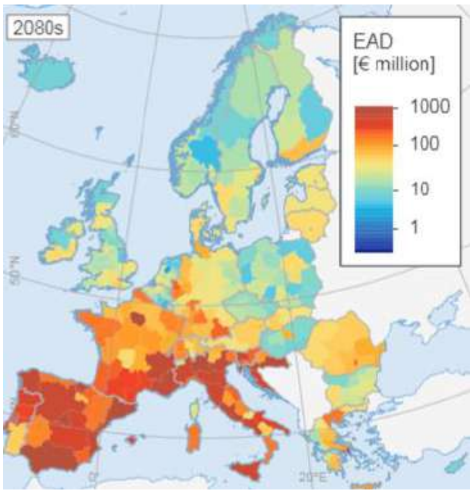
Mitigation (reduction in GHG emissions)	Railways, metros, light rail, hydroelectric plants, high-performance buildings and civil structures
Adaptation (resilience to the effects of climate change)	Hydraulic projects, drinking water, desalination and water treatment plants, roads (including bridges and tunnels) and sea works

These business areas will continue to offer strong growth potential in the coming years, bolstered by the state investment plans rolled out in the main markets of strategic interest to the Group, given their capacity to contribute to the achievement of the Paris Climate Agreement objectives and the SDGs.

The importance of improving the resilience of Europe's critical infrastructure

The extreme climate events of the coming decades could have a particularly strong impact on European infrastructure.

According to a study carried out by the European Commission[69], damage to infrastructure under the influence of climate change may multiple six-fold by mid-century and could amount to more than 10 times by the end of the century. The southern European countries will be most affected and, as a result, will probably require higher costs of adaptation.



Road and railway infrastructures are likely to be the most affected by heat and cold waves, flooding and wildfires; the ports by coastal flooding and storms, the hydraulic infrastructures by drought and heatwaves and social infrastructures (schools and hospitals) by flooding, wildfires and drought.

The overall damage could be in the region of €20 billion per year by 2050 and over €37 billion by the end of the century, roughly half of which would be incurred by Italy and Spain.

The funds earmarked by the EU as part of the EU Green Deal and NextGenerationEU become increasingly vital as they can be used to finance change in a sector that has been penalised by insufficient investments in maintenance and modernisation over the past decades.

Efficiency of operating processes

The growing demand for low GHG emission construction solutions and methods by the market has driven innovation and the development of partnerships with the supply chain. The introduction of new processes and 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);

[69] Source: Escalating impacts of climate extremes on critical infrastructures in Europe, 2017, https://www.sciencedirect.com/science/article/pii/S0959378017304077

- 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

In 2021, Webuild updated its GHG emissions inventory to ensure full compliance with international standards, extending its reporting system to all the scope 3 emission categories while also applying the new reporting methods to previous years (2019 and 2020)[70].

GHG emissions (Scope 1 & 2) (GRI 305-1, 305-2, 305-3, 305-4)	Unit	2019	2020	2021
Scope 1 emissions	$tCO2_e$	385,691	358,733	311,272
Scope 2 emissions (market-based method)	$tCO2_e$	90,930	71,255	42,212
Scope 2 emissions (location-based method)	$tCO2_e$	85,173	68,252	38,574
Total scope 1 & 2 emissions (market-based)	**$t CO2_e$**	**476,621**	**429,988**	**353,484**
Intensity of scope 1 & 2 emissions	**$t CO2_e$/€M**	**77**	**80**	**55**

Scope 3 GHG emissions (GRI 305-3)	Unit	2019	2020	2021
Goods and services acquired	$tCO2_e$	1,827,973	1,697,170	1,552,130
Transportation of materials to the work sites	$tCO2_e$	251,731	278,131	289,301
Use of energy (upstream, not included in scope 1 & 2)	$tCO2_e$	99,333	90,745	107,213
Waste products	$tCO2_e$	36,823	31,134	58,904
Business trips and home-work commute of employees	$tCO2_e$	9,033	4,953	4,705
Total scope 3 emissions	**$t CO2_e$**	**2,224,893**	**2,102,134**	**2,012,252**

The above figures have been defined and calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard and comply with the requirements of the Science Based Target initiative (SBTi). Specifically:

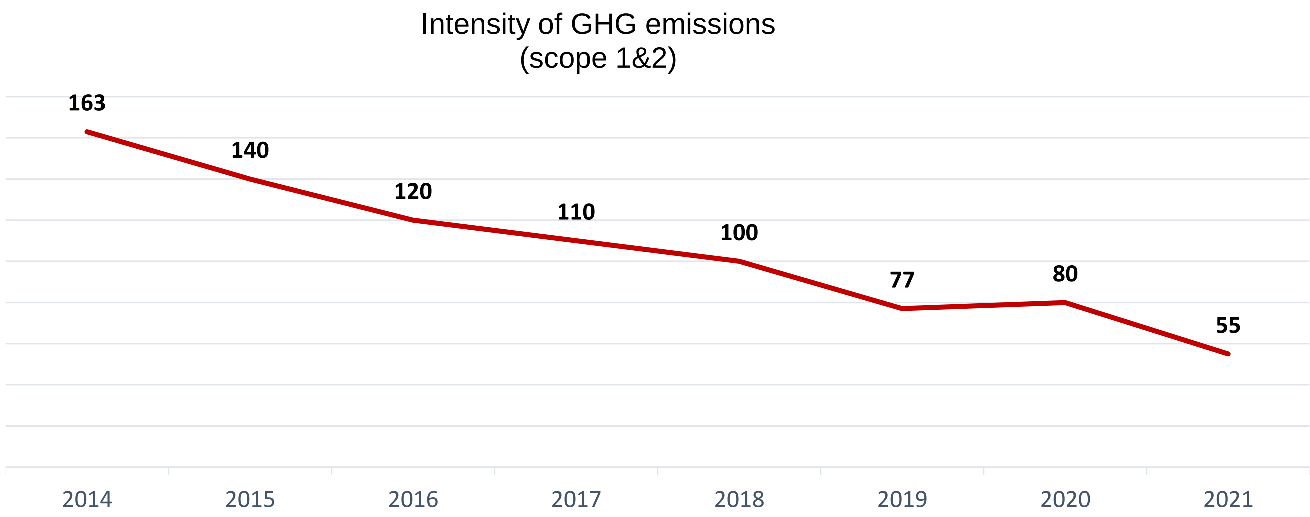
- Scope 1 includes emissions from sources controlled directly by the Group, i.e., from the use of fuel for vehicles, machinery and power generators, fugitive emissions deriving from the topping up of air

[70] Therefore, these figures have been restated and are not consistent with those shown in the 2020 Consolidated Non-financial Statement. The "Recalculation of environmental figures" paragraph of the "Methodology for reporting non-financial information" section includes comparative tables showing the recalculated figures and those of the approved 2020 Consolidated Non-financial Statement.

conditioning systems, emissions deriving from the use of explosives for demolition and excavation activities;

- Scope 2 includes indirect emissions from purchased electricity;
- Scope 3 includes other indirect emissions generated by sources not owned or controlled by the Group. The emissions from goods and services purchased are the most significant and are largely influenced by the use of the principal construction materials (cement, steel, concrete). They are followed by emissions from transport, upstream energy, waste and the travel of head office personnel (in Italy and the US).

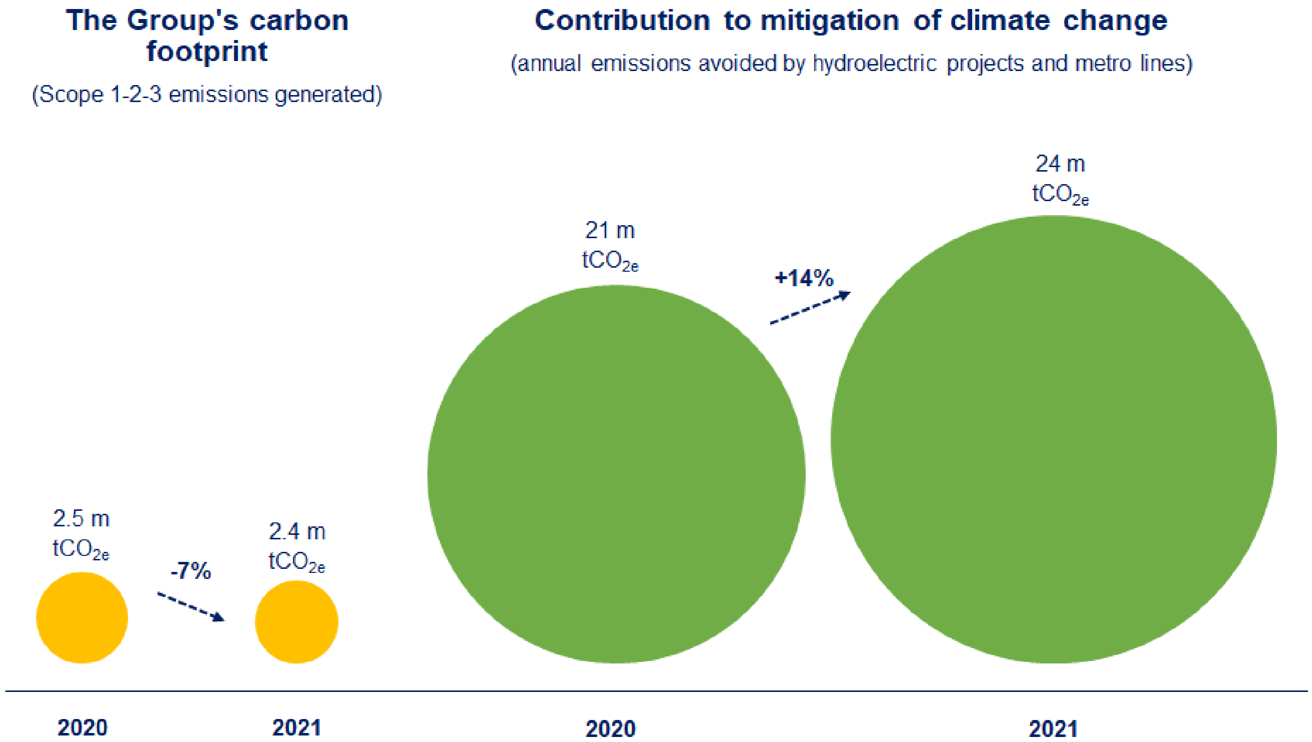
The graph below plots the intensity trend of GHG emissions (t CO_{2e} Scope 1&2/€M) and shows how it has improved over the past eight years[71].



The large reduction in scope 1 and 2 emissions over the period is due to completion of some large projects, mainly in the Middle East (Kuwait and Qatar) where diesel is the main fuel used in the work sites. This reduction has been offset to a small degree by the start-up of newly acquired projects, whose ramp-up will be reflected in the emissions of coming years.

It is important to note that the infrastructure 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, as shown in the next graph.

[71] The 2019 and 2020 figures have been recalculated using Astaldi's pro forma revenue, as shown in its information documents published on its website. In addition, since 2021, the indicator is also calculated using the market-based method (for scope 2).



Emissions reduction 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:

Emissions intensity target*	Absolute reduction target	Long-term target
-50% by 2025 (compared to 2017 baseline)	**New targets validated by *SBTi*** by 2022**	**Net-zero*** by mid century**

* 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

In 2021, Webuild formally committed to its SBTi targets, presenting its scope 1 & 2 and scope 3 emission reduction targets for validation. It will publish these targets once it has obtained their validation.

These reduction targets are supported by an action plan defined during the year.

Webuild's main intervention levers to reduce scope 1 & 2 emissions are:

- the gradual transition from diesel generators at work sites to their connection to electricity grids;
- improving the efficiency of the vehicle fleet
  - by steadily replacing existing vehicles with low emission models, introducing hybrid and/or electric vehicles
  - use of conveyor belts to move excavation materials at the work sites instead of lorries
  - progressive adoption of high efficiency catalytic systems on site vehicles
  - introduction of real time consumption monitoring systems for vehicles and machinery;
- making plant, equipment and electrical systems more efficient,
  - by adopting power quality solutions able to stabilise electrical loads and reduce consumption in the work sites
  - ongoing deployment of "green" TBMs, i.e., machines engineered specially 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), specifically
  - 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

- the utilisation of alternative low emission solutions (such as steel fibre instead of traditional metal reinforcements).

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 (91% in 2021), 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 to deal with the Covid-19 emergency
    - 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[72] and the initiatives taken to reduce the related GHG emissions:

[72] The "Recalculated environmental figures" paragraph in the "Methodology for reporting non-financial information" section includes comparative tables showing the recalculated figures and those of the approved 2020 Consolidated Non-financial Statement.

Energy consumption (GRI 302-1, 302-2, 302-3)	Unit	2019	2020	2021
Non-renewable energy sources				
Diesel	GJ	4,972,867	4,547,812	4,098,364
Petrol	GJ	225,963	220,991	205,202
Kerosene	GJ	3,105	975	2,807
Natural gas and LPG	GJ	24,425	29,024	25,228
Electricity	GJ	575,359	499,595	370,161
Total consumption from non-renewable energy sources	**GJ**	**5,801,718**	**5,298,396**	**4,701,761**
Renewable energy sources				
Electricity from renewable sources	GJ	148,742	198,772	196,359
Total internal energy consumption	**GJ**	**5,950,460**	**5,497,168**	**4,898,120**
Energy consumption - subcontractors	GJ	904,849	1,146,475	1,705,414
Total	**GJ**	**6,855,308**	**6,643,643**	**6,603,534**
Energy intensity	**GJ/€M**	**1,117**	**1,251**	**1,029**

The Group's overall energy requirements have decreased compared to 2020. Consumption from the main energy sources (diesel, petrol and electricity) was affected by the reduction in activities for the contracts nearing completion (mostly in the Middle East), only partly offset by the greater volume of activities carried out for the projects in Europe, the US and Australia.

In 2021, 35% of the electricity consumed by the Group came from renewable sources (28% in 2020).

Over the last three years, initiatives 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	2019	2020	2021
Active initiatives	n.	15	13	22
Reduction in GHG emissions	t $CO2_e$	52,253	78,979	73,704

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

68%
low-carbon steel used

98%
reused excavated materials

71%
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 in 2002, one of the first European construction companies to do so. In 2007, it introduced an environmental management system which is ISO 14001 certified.

Webuild's Environmental Policy defines ten principles to guarantee:

- compliance with applicable legal and contractual requirements related to the environment;
- identification and assessment of environmental aspects tied to the Company's direct and indirect, present and future operations, evaluation of the related significant effects and management of the mitigation and control measures, integrating the life cycle perspective and sustainable supply chain logics;
- identification of all the technical and organisational measures, including of an innovative nature, designed for the rational use of natural resources and the mitigation of pollution, GHG emissions, waste generation and inconvenience to the local communities as well as the maximisation of the positive effects for the environment;
- involvement and participation of all employees or people who work for the Company through actions to make them aware of the issue, the dissemination of information and training courses, dialogue and transparency in action;
- engagement with the community and stakeholders.

The Policy also provides that each worker has the right and is obliged to intervene and stop work if the environment could potentially be compromised.

During the realisation of awarded projects, the Group ensures compliance with the above-mentioned principles in accordance with the commitments taken on with its clients. More information about Webuild's role and responsibilities during the infrastructure project development stage is available in the section entitled "The infrastructure sector and Webuild's role".

Main risks and management methods

The main environmental risks arising from the Company's activities relate to non-compliance with applicable environmental legislation, compromising one or more environmental components (e.g., the soil, water, air or biodiversity) due to a mistaken assessment of the risk or ineffective management/mitigation activities, inefficient use of natural resources and the failure to obtain/maintain environmental certifications and ratings.

The main environmental risks facing the Company (generated by external factors) arise from changes in the applicable environmental legislation, the inconsistent interpretation of applicable legislation by the competent local authorities, incomplete and/or insufficient environmental impact assessments for projects (which should be performed by the client) or adverse environmental or geological conditions (e.g., extreme weather events, actual conditions 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

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), 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;
- traffic, atmospheric, light and electromagnetic pollution;
- noise and vibrations;
- ecosystem, cultural heritage and environmental restoration.

After the environmental risk assessment, analysis of the contractual obligations and related environmental regulations, the following is prepared for each contract:

- environmental plans/procedures setting out guidelines for the management/protection of each specific environmental component;
- environmental protection plans defining the specific mitigation and monitoring activities to be adopted in the specific area;
- environmental monitoring and control plans defining the specific management and monitoring activities for the environmental components identified in the various areas that also allow an assessment of the mitigation actions' effectiveness;
- specific instructions for the different method statements applied in order that the related impacts can be mitigated and monitored and improvement actions taken.

In addition and to comply with the client's instructions, the project's social-environmental impact assessment and ruling legislation, the contract undergoes environmental monitoring to check any unforeseen variations and/or critical environmental issues affecting the areas outside the work site during the development or roll out of the work. This includes investigating the causes to determine whether they are due to the project and, if so, together with the client, to define mitigation/prevention measures with the client and check their effectiveness.

To ensure the correct implementation of the environmental plans, the work sites schedule and provide for information/training to be given to the employees involved in contracts with potential impacts on the environment, including the subcontractors' employees. They regularly run campaigns to raise employees' awareness of specific issues (e.g., energy savings, waste, spills, use of hazardous substances/preparations, etc.).

Organisational oversight

The work site environmental departments carry out the monitoring/supervision procedures provided for in the environmental plan with regular checks and audits of the activities performed directly and indirectly by subcontractors. If any instances of non-compliance are identified, special remedial actions are defined as well as plans to improve the processes and/or performance when deemed appropriate.

Contract management regularly reviews environmental performances and the management system's strengths and weaknesses. It sets objectives for the subsequent period to ensure 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, the use of local raw materials is more efficient and effective and that water resources, materials and waste not sent to landfills will be reused including for energy generation (in line with the applicable legislation). It will assess its water management cycle and machinery to define additional measures to reduce its impact on the environment. Finally, it will continue to provide training courses about the environment to its employees to increase the per capita hours provided to direct employees.

At corporate level, the Group HR, Organisation and Systems Department defines methodologies, tools and operating methods to manage quality, health, safety and the 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. Partly to this end, the figures for 2019 and 2020 have been recalculated compared to those shown in the 2020 Consolidated Non-financial Statement, to include Astaldi's environmental performance[73]. Overall, the main environmental indicators increased in 2021, reflecting the recommencement of works which had been strongly affected by Covid-19 in 2020.

The local area and the circular economy

At the end of 2021, the Group's work sites included in the scope of this Statement included 681 operational sites, of which 131 underground, for a total surface area of 160,397,970 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 / %	22,424,500	0%	0%
Europe	m^2 / %	22,395,629	11%	6%
Americas	m^2 / %	71,677,370	66%	4%
Asia and Oceania	m^2 / %	43,900,471	18%	1%
Total	**m^2 / %**	**160,397,970**	**36%**	**3%**

The American continent is the geographical area where the Group has the largest surface areas inside protected areas. This is due to the Caloosahatchee (C43) West Basin Storage Reservoir contract in Florida, USA acquired in 2019. The project is part of a larger plan, The Comprehensive Everglades Restoration Plan, a long-term plan approved by the US Congress to restore, protect and preserve the environment of a protected area of great importance to the community, the economy and ecosystem of Florida. The Everglades provides drinking water to more than eight million people, supports the flourishing agricultural and tourist sectors of Florida, has unique natural habitats and is home to two native American tribes. Lane's share of the project is to build a reservoir on over 4 thousand hectares as part of the plan to contain wastewater discharges, improve water quality, restore natural habitats and preserve the protected species.

In Europe, the largest surface areas inside protected areas are a railway project in Romania and two Italian projects (Cociv and Line 4 of the Milan Metro).

The projects in protected areas (or partly within them) in Asia and Oceania are Umm Lafina in the United Arab Emirates and Snowy 2.0 in Australia.

Information about biodiversity management is available in the "Biodiversity, cultural heritage and environmental restorations" section.

[73] The "Recalculated environmental figures" paragraph in the "Methodology for reporting non-financial information" section includes comparative tables showing the recalculated figures and those of the approved 2020 Consolidated Non-financial Statement.

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

18.2 Mt	25.1 Mm³	14.9 Mm³
of materials used	of excavated materials	of water withdrawals

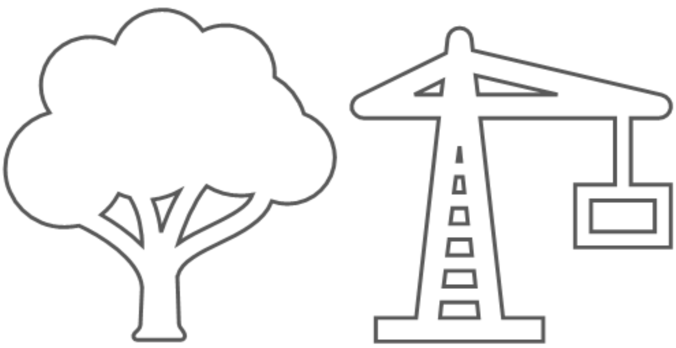
OUTPUT

6.1 Mt	of which 87%	of which 13%
of waste products	excavation waste	other waste

71% of materials purchased within a 160 km radius of the work sites

98% of reused excavated materials[74]

68% of low-carbon steel[75]



+2% of waste generated compared to the previous year

97.7% of non-hazardous waste

51% of waste sent for recycling

PROTECTION AND RESTORATION

717.2 Mm²	3,546 thousand m²	594 thousand m²
of soil protected from erosion	of areas where topsoil was replaced	of reforested areas

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

[74] The materials reused during the year may include excavated materials from previous years.

[75] Steel with high recycled content (equal to or higher than 90%)

Raw materials

Construction of motorways, bridges, dams, railway and metro lines and civil and industrial buildings requires the use of large quantities of water, aggregates, iron, cement and backfill: all raw materials which are mostly not renewable.

The environmental assessments made at the start of a new contract consider these aspects and the related mitigation measures are designed to ensure the efficient management of these resources.

With respect to raw materials, the Group is committed to, where possible:

- reusing excavated earth and rocks in other industrial processes such as, for example, the production of aggregates for concrete or the construction of embankments and other earth fills as required by the projects for cost efficiency purposes and in line with circular economy principles;
- 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.

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.

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 by:





- value engineering processes to decrease the quantities of materials used;
- development of special optimised concrete mixes with a low cement content or that include cement substitutes from other industrial sectors (e.g., the iron and steel sector) to allow a reduction in the use of cement of up to 65%;
- greater use of steel with a higher recycled content (including above 90%).

Alongside the Group’s traditional process water recovery systems and closed-circuit systems in place at its work sites for years, it is also developing an innovative remote control system for the fully digitalised tracing of water resources. This will assist detection of water losses and immediate resolution, identification of waste and the reduction of water consumption and water efficiency.

The main raw materials used by the Group are shown in the tables below[76]:

Materials used (GRI 301-1)	Unit	2019	2020	2021
Principal construction materials				
Bitumen	t	142,567	47,570	27,844
Cement	t	490,790	484,637	527,145
Concrete-reinforcing bars	t	243,436	179,758	173,681
Ready-mixed and pre-cast concrete	t	3,950,022	4,175,879	4,353,389
Ready-mixed asphalt	t	591,229	740,851	486,530
Total construction materials	**t**	**5,418,044**	**5,628,695**	**5,568,590**
Aggregates				
Aggregates and sand	t	9,488,392	11,411,623	12,584,211
Total aggregates	**t**	**9,488,392**	**11,411,623**	**12,584,211**

Water use (GRI 303-1)	Unit	2019	2020	2021
Wells	m^3	4,966,216	3,398,594	3,467,299
Rivers	m^3	5,099,717	6,882,593	9,562,130
Lakes	m^3	-	29,790	117,865
Aqueducts	m^3	4,229,675	2,389,843	1,642,059
Rainwater and wastewater from other organisations	m^3	36,158	63,455	140,357
Total	**m^3**	**14,331,766**	**12,764,275**	**14,929,711**

The main variations on the previous year relate to the progress made on the Group's projects. Specifically, the reduction in aggregates and bitumen is mostly due to this sale. The decrease in the principal construction materials (-1% on 2020) is mainly a result of progress on the projects in the Middle East and the US, partly offset by the increase seen on the Italian projects.

The rise in the use of aggregates is mostly attributable to the greater activities carried out for Lane's projects in the US and for the projects in Ethiopia and Colombia.

There was a 17% increase in water resources utilisation in 2021, mostly due to the greater withdrawals from rivers for the Rogun Dam (Tajikistan) and the GERD and Koysha projects (Ethiopia) and from lakes for the Snowy 2.0 project (Australia).

With respect to the circular and green economy, during the year, 71% 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 2021, 68% of the steel used was low-carbon, i.e., with a recycled content of 90% or more. The Group also used 7.5 thousand tonnes of fly ash (14.4 thousand tonnes in 2020) and water recycled and reused in production processes of 1.3 million cubic metres (1.5 million cubic metres in 2020).

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

[76] The "Recalculated environmental figures" paragraph in the "Methodology for reporting non-financial information" section includes comparative tables showing the recalculated figures and those of the approved 2020 Consolidated Non-financial Statement.

emissions and mitigation of the effects of climate change. The “Climate change” section describes the Group’s actions in this area.

Soil, subsoil and water environment

The Group’s construction activities may affect the soil and water environment at different levels depending on the works in question and the surrounding environment (e.g., urban or rural environment).

Contracts are managed to avoid damaging these environmental components. Specifically, containment tanks, wastewater conveying networks and waterproofing systems for risky logistic areas (e.g., workshops, fuel and chemical depots) are built during the work site start-up phase to prevent contamination of the soil, subsoil and surrounding water bodies.

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, given the wastewater’s specific characteristics.

Construction work involves movement of large earth quantities to construct embankments, cuttings, tunnels or certain types of dams. In accordance with the policy to reduce waste production, the excavated earth and rocks are classified and stored on the sites for possible reuse within them, where possible and in compliance with the regulations, or transferred to third parties to be reused externally. In 2021, reused excavated materials[77] amounted to 24.6 million cubic metres (26.2 million cubic metres in 2020), which is a very 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 GPS monitoring of the transported materials and the digitalisation of the transport documents leading to a more efficient process, a more reliable end result and a drastic reduction in the production of paper documents.

In order to mitigate the risk of soil erosion due to excavations and aggravated by weather events (rain, wind), the Group takes specific soil protection measures consisting of systems to consolidate excavation fronts and to channel rainwater, as well as covering more exposed areas (e.g., escarpments) and planting trees that mitigate erosion. The mitigation measures are defined considering the natural elements, the environment and features of the local area. In 2021, areas where measures to protect against erosion have been implemented covered 717.2 million square meters (2020: 97.6 million square metres).

[77] These materials may include materials excavated in previous years.

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.

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 contracts. Normally it involves paint, additives and solvents, used oil and oil filters from vehicle maintenance, batteries, rechargeable batteries and, in some cases, earth, sludge and other materials containing hazardous substances.

Waste produced by activity, type and destination is shown in the following table[78]:

Waste by activity (GRI 306-3)	Unit	2019	2020	2021
Construction and demolition waste	t	469,111	607,955	629,824
Excavation waste	t	7,262,294	5,247,569	5,298,227
Waste from support activities	t	101,876	105,030	148,946
Total non-hazardous and hazardous waste	**t**	**7,833,282**	**5,960,554**	**6,076,998**

Waste by type and destination (GRI 306-3)	Unit	2019	2020	2021
Non-hazardous waste				
Recovery, reuse and recycling	t	5,849,119	4,845,193	3,010,694
Incineration	t	943	6,329	1,257
Landfill	t	1,864,773	1,027,233	2,923,553
Total non-hazardous waste	**t**	**7,714,836**	**5,878,756**	**5,935,504**
Hazardous waste				
Recovery, reuse and recycling	t	105,248	61,102	103,238
Incineration	t	1,848	208	5
Landfill	t	11,350	20,488	38,250
Total hazardous waste	**t**	**118,446**	**81,799**	**141,494**
Total non-hazardous and hazardous waste	**t**	**7,833,282**	**5,960,554**	**6,076,998**

87% of the waste produced is from excavations, which thus affects Webuild's global waste performance. It is classified as waste in line with the applicable regulations and its possible internal and/or external reuse, which

[78] The "Recalculated environmental figures" paragraph in the "Methodology for reporting non-financial information" section includes comparative tables showing the recalculated figures and those of the approved 2020 Consolidated Non-financial Statement.

varies depending on the projects’ characteristics and the material’s geotechnical characteristics which the Group cannot influence.

The slight increase in waste in 2021 compared to the previous year is mostly due to the start-up of recently acquired projects in Europe and the progress made on the Koysha project in Ethiopia, partly offset by the reduction in waste on Middle East projects.

The percentage of waste recovered, reused and recycled is 51% for the year.

Webuild encourages all work sites to reduce their waste production and to maximise its recovery in line with their local context and economy and the ruling legislation.

Atmosphere

Unlike other industrial sectors, the construction sector does not generate significant atmospheric pollution. The main sources of atmospheric emissions are linked to dust created by the construction activities: excavations, earthwork, movement of heavy vehicles on unpaved roads and crushing excavated stone.

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, covering lorries transporting powdery materials, tyre washing systems at site entrance points and the replacement of road transport with conveyor belt transport;
- preventative and regular maintenance schedules for site plant and vehicles, ongoing replacement of the fleet with more efficient models.

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. The choice of the barrier depends on its effectiveness, the area in which it will be placed and its landscaping effect.

Vibration is also a feature of work on civil engineering sites. The effects of pressure waves that propagate in the soil can cause damage to buildings or other structures located in the vicinity of the works. During the works, periodic monitoring of both noise and vibration is carried out, particularly in the presence of sensitive receptors.

Biodiversity, cultural heritage and environmental 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 human activities' impact on biodiversity are the Group's hydraulic engineering projects designed to reduce the pollution of water bodies (rivers, lakes, wetlands and oceans) being carried out in various parts of the world.

Webuild also adopts special protection measures, especially when the work sites are within sites of special natural, cultural or archaeological interest. These measures, which are implemented in accordance with the competent authorities' provisions and the relevant applicable legislation, are designed to protect and preserve the ecosystem, flora and fauna, biodiversity and cultural/landscape and archaeological heritage of the areas around the work sites.

Depending on the type of project and activities, the works schedule is defined considering the biological rhythms of the local wildlife (e.g., their behaviour, reproduction periods, seasonal migration). This involves drawing up special plans to protect the fauna, including the procedures to be followed in the case of their rescue. In the last three years, the Group has rescued more than 1,300 wild animals. The use of pesticides and herbicides is usually banned in the Group's work sites.

The linear work sites (for roads, railways) prepare flora and fauna continuity solutions, which can include making wildlife corridors, so that the works (including during the construction phase) do not become a physical barrier between previously adjacent areas.

Tailored plans are implemented for the protection of endemic and endangered species which provide for barriers/check points, work procedures, response and reporting procedures. The site employees are provided with the appropriate training courses.

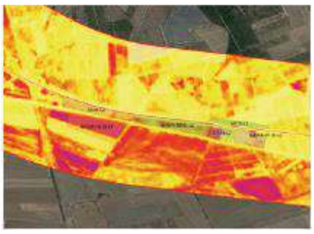
The Group also involves external professionals, researchers and local authorities in its procedures to manage operations in protected areas and/or when archaeological artefacts are discovered. For example, Webuild implemented an intensive system to monitor and protect the local flora and fauna at the Umm Lafina project in the United Arab Emirates, which is located in a coastal protected area with mangroves and a very diversified avian fauna. This system includes regular surveys by an independent specialist to monitor migratory birds. Webuild shared a special plan for the management of the mangroves with the authorities. This covered their movement, the planting of new plants previously grown in a nursery, and the monitoring of their well-being once they have been re-planted, with the requirement of a survival rate of at least 80%.

The Group ensures that the direct and indirect work site employees are provided with tailored training courses on biodiversity, especially when this is pertinent to the project.

Smart biodiversity monitoring

The Group has recently started to use innovative biodiversity monitoring systems in areas where it operates. These include satellite technologies and distance monitoring, deployed at several linear work sites (for railway projects for example) where construction activities cover areas with different habitats and it is very important to trace and monitor it in all the project stages.

The systems can efficiently monitor and trace the potential impact of the Group's projects on biodiversity, for example, on valuable crops (through multi-spectral satellite analyses) or the wild life's interaction with the work site activities (using motion-based detection systems).



As disclosed in the "The local area and the circular economy" section, at the end of 2021, 36% (2020: 25%) of the areas managed by the Group was located in protected areas and 3% (2020: 2%) in areas adjacent to protected areas[79].

Specifically, 81 work sites (the equivalent of 57.7 sq km) were located in protected areas (mostly in the US, followed by Italy, Australia, Chile and Poland) and 22 (the equivalent of 4.2 sq km) in areas adjacent to protected areas (mostly in the US, followed by Australia and the United Arab Emirates). Of these sites, 28 are in areas protected by local regulations, 21 in areas protected by national regulations and 50 in "Natura 2000" areas. There are 63 work sites located in ecosystems that contain water (e.g., lakes, rivers, swamps, etc.), seven in urban ecosystems, two in agricultural ecosystems, 16 in wood ecosystems, ten in mountain ecosystems, four in coastal ecosystems and one in an insular ecosystem. In these areas, construction and plant operation activities are mainly carried out.

Once construction has been completed, the areas affected by the work, access roads, plants, installations, quarries and deposits are cleaned up to return the areas to their original conditions in line with the contractual terms and current regulations. These restoration activities facilitate natural revegetation, prevent soil erosion and improve soil stability.

Any land reclamation activities, if provided for in the contract and necessary due to previous contamination, are agreed with the clients 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**	**2019**	**2020**	**2021**
Reforested area	m^2	188,140	159,506	593,973
Areas where the topsoil was replaced	m^2	710,295	8,625,836	3,545,662

[79] 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".

The decrease in topsoil replacing activities compared to 2020 is mostly due to the performance of Lane's projects. The increase in reforestation activities relates to the specific stages of work on the projects in Colombia, the United Arab Emirates and Ethiopia. In 2021, the Group planted 264,618 trees (various species in Colombia and Ethiopia and mangroves in the United Arab Emirates).

Anti-corruption

Prevention and monitoring systems in line with the most stringent international standards

Zero tolerance
for corruption

Anti-corruption system
ISO 37001 certified

Continuous training
on anti-corruption

Whistleblowing
a dedicated platform

Internal policies

Webuild has a zero tolerance policy for all types of corruption and is committed to complying with the anti-corruption laws ruling in the countries where it operates. It requires its stakeholders to act with honesty and integrity at all times. The Company never condones behaviour designed to improperly influence the decisions taken by representatives of public or private bodies.

The Company is committed to adopting preventive protocols to minimise the risk of 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 has the following additional elements:

- preparation, updating and application of the Anti-corruption Model approved by the Board of Directors on 16 June 2014 and updated on 28 September 2018 and 15 December 2020;
- issue of Guidelines and internal procedures and integration of existing ones to define the roles and responsibilities of the parties involved and the operating methods for the processes and controls defined in the above documents.

As part of its zero tolerance policy, the Company seeks to align its strategy with the Anti-corruption System, instilling a compliance culture and mitigating the potential risks of non-compliance.

The Board of Directors adopts the Anti-corruption System while the Compliance Unit monitors the Anti-corruption System and its correct application. It draws up an annual Compliance Plan, which sets out the Company's goals to ensure achievement of the general objectives and ISO 37001 recertification. The Control, Risk and Sustainability Committee, the Board of Statutory Auditors and the Director in charge of the Internal Control

System all check the Compliance Plan as does the Integrity Board for the aspects related to Legislative decree no. 231/2001.

Main risks

The Anti-corruption System is designed to cover the risks to which the Company could be exposed. With respect to active corruption, the main risks identified relate to interaction with representatives of the public administration as part of specific activities, such as, for example, those to comply with defined obligations vis-à-vis the public administration or the obtaining of authorisations from it (licences and permits, payment authorisations from works management or approval of design extensions/variations). Other risks may arise from participation in calls to tender by public bodies, inspections and/or checks or disputes.

With respect to active corruption in the private sector, this risk is less material and mostly relates to the Group's participation in tenders called by private bodies or management of partnerships.

The main risks facing the Company arise from procurement and subcontracting activities. During the assignment stage, potential suppliers/subcontractors could attempt to corrupt a company employee to obtain the contract (passive corruption). In addition, once the contract has been signed, the suppliers/subcontractors could act unlawfully to obtain approval and, hence, payment for activities they did not actually perform or the non-reporting of non-compliance of their services.

Organisational and management oversight

The Compliance Unit performs an anti-corruption risk assessment by specific process for the Company 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's companies operate and depending on how long their compliance system has been in place. In 2021, 100% of the legal entities making up Webuild Group were included in the Anti-corruption risk assessment scope. The risk assessment findings are used to draft the Compliance Plan and the annual scheduling of the audits and inspections to check the Group's operating companies correctly apply its ethical and anti-corruption procedures and standards.

The procedures specifically designed to monitor the above risks include the Guidelines for the Assessment of Relevant Third Parties, which define valuation procedures applicable to potential counterparties before a contract is signed. The procedures aim to identify the ethics and professional integrity of the Group's partners and their compliance with its anti-corruption policies. To complete the due diligence of third parties, the Group has specific procedures to monitor conflicts of interest with its employees during the recruiting stage and when they are hired. During 2021, it updated its third party assessment procedures to fine-tune its assessment procedures, especially in the case of entities debarred by multilateral development banks.

With respect to ethical procedures, the Company has introduced new rules to manage its advocacy and PR programmes[80].

Contracts agreed by the Company with Third Parties must include specific measures to ensure their compliance with Anti-corruption laws, the Company's Code of Ethics and Anti-corruption Model.

Whistleblowing system

Webuild also has a whistleblowing system that can be accessed through an external web portal. This allows employees to make anonymous or confidential (at their own discretion) notifications about potential violations while being protected against any form of reprisal, discrimination or unfair treatment. The Anti-corruption Model provides that employees are obliged to report any violations of the Model and/or internal or external regulations, the ethical principles and all anti-corruption laws by the Company, a colleague, a consultant or third party. As of 2018, third parties (e.g., suppliers, subcontractors) can also use the whistleblowing system and, starting from 2020, access to the system has been extended with the creation of sections dedicated to companies and joint ventures led by Webuild. Alternatively, notifications can be made by post or email. The Company guarantees the protection of the notifying person in accordance with the provisions of Law no. 2021/47 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 conservative disciplinary measures, dismissal, termination of the contractual relationship, claims for compensation, etc..

In 2021, the Company received ten notifications through its whistleblowing channels, of which only one for the potential violations of its anti-corruption procedures involving a group company. In all cases, the Compliance Unit commenced an investigation assisted by either the Internal Audit Unit or the Legal Unit based on the Company's internal procedures. Most of the notifications received lacked key information or were too general making it impossible to perform targeted investigations.

Training

The Company requires that all new employees receive the mandatory Anti-corruption training as part of a broader Compliance programme. During 2021, the Company launched a new training programme to present virtuous conduct that fosters an ethical culture and especially to encourage reporting possible violations. It also 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.

[80] More information is available in the "Stakeholder engagement" paragraph of the "Social" section.

Monitoring and reporting

The Compliance Unit also prepares internal reports for the Board of Directors (every six months), which it addresses to the Control, Risk and Sustainability Committee, as well as ad hoc communications and reports to management, either together with or through the Internal Audit and Compliance Manager, on any critical issues it identifies during its work.

Reference should be made to the “Main risk factors and uncertainties” (sub-paragraph “COCIV consortium” in the “Criminal litigation” paragraph) section of the Directors’ report for ongoing disputes about corruption.

Supply chain

Quality partnerships and ongoing performance improvement to take on market challenges together

15 thousand suppliers
that worked with Webuild in around 70 countries

>164 thousand hours
HSE training provided to subcontractors' employees

Innovation Days
to encourage collaboration with innovative suppliers and partners

Improving vendor rating index[81]
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 is hinged on principles of correctness and transparency, and it is committed to not exploiting any conditions of dependence or weakness of its suppliers.

The Company selects its suppliers using principles of fairness and impartiality and selection criteria which involve checking their quality, technical/professional qualifications, compliance with standards about human rights, labour regulations, including equal opportunities, health, safety and the environment as well as prices.

Suppliers are required to formally accept the Code of Ethics, the Anti-corruption Model and, starting from 2020, the Suppliers Code of Conduct, which are integral parts of the contract. Webuild encourages its suppliers to apply the same criteria when selecting their subcontractors and also to pass on 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.

[81] Internal supplier rating system

Main risks and management methods

In 2021, the Group worked with around 15 thousand suppliers[82] from around 70 countries. The main supply categories related to subcontracts, materials, machinery and equipment and services.

An 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 possibly expose the Group to various risks as part of its procurement process, such as compliance, reputation and commercial.

The main risks arising from external factors include potential risks of non-compliance related to regulation updates that make it necessary to adopt 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 and the Anti-corruption Model.

Selection and qualification

The supplier qualification procedure is an important part of the procurement process. Its aim is to assess whether the potential supplier meets the Company's criteria so that it can be included in the Vendor List. This qualification procedure also ensures that the Group's requirements are met for all goods categories and in all relevant geographical areas.

The Procurement Department manages the supplier qualification process, which involves a number of preliminary checks of the potential supplier's reputation, its expertise and that it is not already included in the Reference Lists.

Potential suppliers are required to fill in a questionnaire to allow the Company to obtain information about and assess various aspects such as: business and production category, organisation and shareholder structure, financial reporting, registration and certifications, quality, the environment and safety, social responsibility (including human rights), specific information about their goods categories (when available).

Based on these questionnaires, the Procurement Department may proceed with specific analyses and detailed checks, which can include assessment visits to the supplier's production units and offices. Other company departments, such as the Technical Services and Safety, Environment and Systems Departments, may also participate 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.

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[82] Prudent figure that does not include all the Astaldi Group entities. Specifically, it includes the suppliers of the entities that had completed the ongoing Information system integration at the end of 2021.

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 2021, the Corporate Procurement Department vetted 6,490 potential suppliers to verify their integrity, classification of their know-how and reference lists with positive results for 94% of the applicants which were included in the suppliers register.

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 head office's Procurement Department and the contract managers. It assesses suppliers once a year. In 2021, these assessments involved more than 20 contracts selected for their financial relevance. 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 above 86/100 (an improvement on the 80/100 of 2020), 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 managed 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 (161,037 hours in 2021).

Involvement

In addition to involving and monitoring suppliers at the work sites, the Company also interacted with them at central level 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. At the start of 2021, the Group launched a programme to support the supply chain, Supplier Development Hub, to share its know-how, experience and solutions to accelerate innovation and sustainability in the infrastructure sector. This programme, hosted on a collaboration platform, involved workshops and webinars designed specifically about innovation and sustainability for the Group's suppliers.

The Company continued its innovation days in 2021, which are appointments with individual suppliers attended by company employees (including on virtual platforms). They are an opportunity for the supplier and the Company to discuss their experiences about new technologies, products, innovative processes and other matters of mutual interest. Once again, the focus was increasingly on sustainability issues and this trend will continue in 2022.

Social

Economic development of local areas, ongoing engagement with stakeholders, support to communities: the shared value generated by the Group

84% direct employees hired locally	**91%** local procurement
7 jobs created for each direct group employee	**≈14,000** free healthcare check-ups at work site clinics

Internal policies

It is a well-known fact that the direct relationship between investments in infrastructure and greater domestic demand leverages economic growth. Companies like Webuild engaged in building infrastructure may contribute to this factor by adopting suitable internal policies designed to maximise the utilisation and enhancement of local production factors.

Webuild is committed to contributing to the social and economic development of the areas where it operates in line with its Code of Ethics and Sustainability Policy, through:

- employment of workers from the area in which the projects are taking place, when available in the numbers required and that have the necessary skills;
- professional training of local personnel;
- procurement strategies designed to meet requirements using local supplies as far as possible, depending on the availability of the required goods and services;
- initiatives to assist the local communities, after checking the integrity and respectability of the recipients and the projects' consistency with the Code of Ethics.

The Company is also committed to respecting the rights and culture of the local communities which it does by also using appropriate communication channels in line with the relevant regulatory and contractual provisions.

Main risks and management methods

The Group identifies the risks and defines methods to manage the aspects related to the hiring of local labour and procurement and relations with the local stakeholders during the start-up stage of its projects.

The project start-up process complies with the Project Management principles (ISO 21500) and entails the proactive involvement of the project team and the corporate departments to ensure the integrated management of internal and external factors.

Specifically, regulatory and contractual elements applicable to the project are analysed during this process and the Company defines the Mobilisation programme which includes the main activities needed to start the project. They include definition of the work schedule, which comprises, inter alia:

- the requirement plan for machinery, plant, subcontractors, third parties, materials and services;
- the mobilisation plan for managers, staff and blue collars.

The methods of managing relations with local stakeholders are defined in the contracts and the Group is obliged to scrupulously abide by their provisions, as described in more detail in the following pages.

Employment created by the Group's projects

The creation of jobs by the Group in the countries where it operates is important as it enables local personnel to improve their skills and expertise and to generate additional wealth for the economy. As noted, the Group tends to employ workers from the areas near the work site when possible and they have the right qualifications. This approach also creates the opportunity for the Group to create a pool of qualified workers who can be used for future projects.

Some projects have special local personnel recruitment plans as provided for contractually, which may include employment targets.

Specifically, 84% of the 30,798 direct employees were hired locally in 2021.

Direct employees hired locally	Unit	2019	2020	2021
Africa	%	96%	96%	96%
Europe	%	84%	90%	85%
Americas	%	96%	98%	96%
Asia and Oceania	%	26%	38%	42%
Average	**%**	**69%**	**82%**	**84%**

The Asia and Oceania area increased its average numbers but has the smallest percentage of local workers. This is affected by the projects in the Middle East (Saudi Arabia and the United Arab Emirates), where insufficient resources are available to perform the contracts making it necessary to bring in labour from other countries. Reference should be made to the section on "Human rights" for information about the management of migrant workers.

In 2021, local managers made up 73% of the total, reaching 98% 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 43,307 at 31 December 2021[83].

[83] Excluding Lane.

Local procurement

Purchases from suppliers resident in the countries where the Group operates are the main trigger to developing ancillary industries (which is a direct contributor to GDP, public revenue and disposable income).

In 2021, the Group maintained a strong relationship with its local supplier chain, working with roughly 15,000 suppliers for an average 91% of its expenditure made with local suppliers.

Local procurement (GRI 204-1)	Unit	2019	2020	2021
Africa	%	43%	47%	28%
Europe	%	97%	99%	94%
Americas	%	99%	99%	100%
Asia and Oceania	%	93%	84%	87%
Average	**%**	**94%**	**91%**	**91%**

As already noted, the use of local suppliers allows the Group to minimise long-distance transport and, hence, mitigate the related environmental effect.

Tax

Taxes are one of the main sources of the Group's contribution to the countries where it operates as they can be used by the public administration to finance the economic and social development of their areas.

Webuild scrupulously meets all its tax requirements arising from its business in line with its Code of Ethics and the Sustainability Policy.

Its approach to tax is based on its business given that its foreign interests are mostly tied to commercial opportunities (participation in calls for tenders) and/or operating possibilities (contract management, concessions, equity investments, etc.).

Webuild fully complies with the applicable tax regulations in all the countries where it operates and has a collaborative and transparent relationship with the tax authorities.

The parent's tax department, which reports to the chief financial officer, analyses, directs and monitors the management of tax issues in line with Webuild's values and principles. It also assists the Group's other departments and companies.

Webuild's 231 model defines its rules of behaviour, prevention protocols and controls to ensure compliance with tax requirements and minimise the risk that tax crimes could be committed. It also serves to guarantee that the Group respects all the rules, procedures and processes to calculate taxes, keep tax records and prepare tax returns for approval.

All stakeholders (direct employees, supplier employees, local communities, etc.) may use the whistleblowing system described in the "Anti-corruption" section to report any suspect instances of tax non-compliance.

Webuild's tax contribution for 2020[84] in the main geographical areas where it operates is provided below.

[84] This is the most recent year for which information is available. More details are provided in the GRI Content Index (disclosure 207-4).

Area	Tax jurisdiction	Revenue from sales to third parties	Intragroup revenue	Average nominal tax rate	Income taxes paid	Income taxes accrued	Employees (no.)	Tangible assets
Africa	LY, MA, SL, ZW, ZA, TN, DZ, LS, ET, UG, NG, NA, CG, GW, LR, TZ	339	10	26%	-20	-48	10,014	32
Americas	BR, CL, EC, DO, PA, US, AR, CA, CO, PE, VE, BO, CR, SV, GT, HN, MX, NI, PY	1,264	101	24%	-10	-3	5,648	116
Asia and Oceania	AE, KW, QA, OM, JO, KZ, SA, TJ, MY, AU, IN, ID, IR, SG	1,221	239	19%	-9	-0.1	6,613	216
Europe	AL, CH, RO, PL, GE, GB, CZ, UA, IT, TR, SK, AT, GR, FR, DK, ES, NO, NL, BG, RU, SE	2,281	828	19%	-11	-15	6,895	120

€m

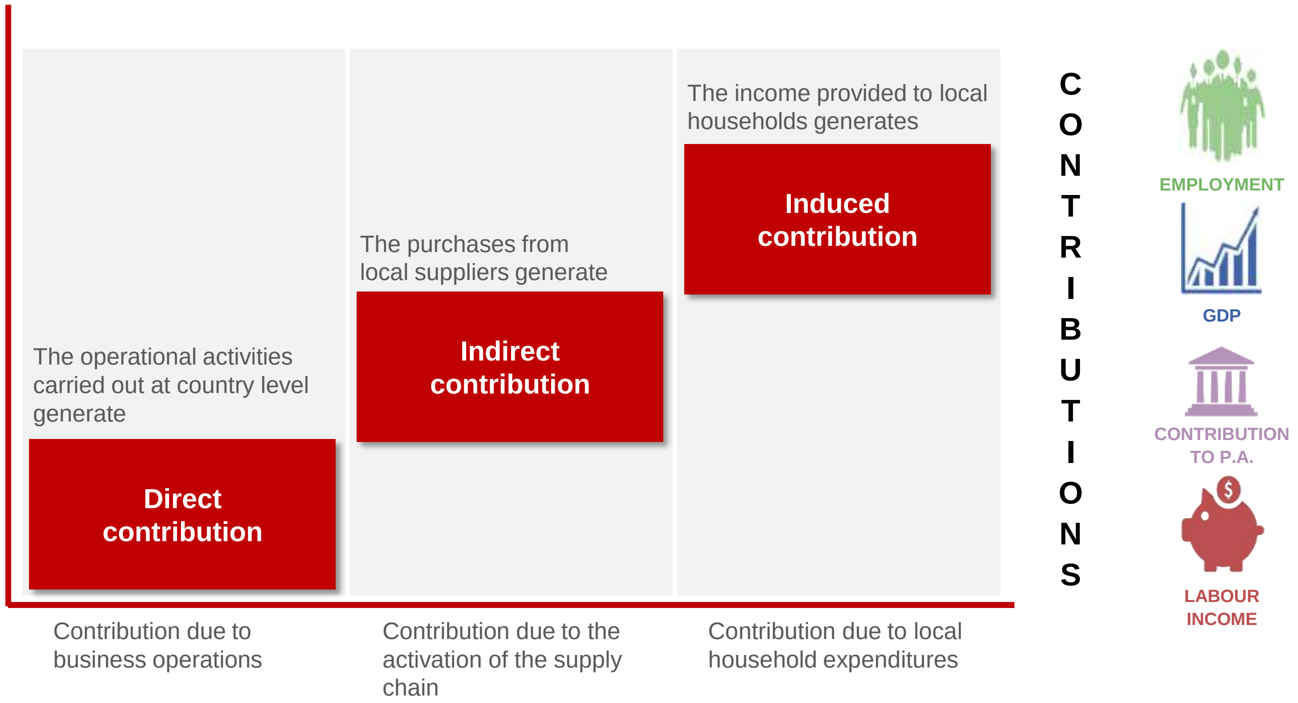
Contributions to local economies

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, SEED (Socio-Economic Effects Determination) Model, to calculate its total contribution (direct, indirect and induced) to a country's economic and social growth in terms of employment, GDP, tax revenues and work income distributed to families[85] .

The following graph presents the SEED model.

[85] 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[86] are considered, its average contribution to their economies, expressed as a multiple, is as follows:

- seven jobs created for each direct Webuild employee;
- €3.5 of work income distributed for each Euro paid by the Group;
- €3.6 of GDP for each Euro of added value generated by Webuild;
- €7.9 of tax revenues for each Euro paid by the Group to the public administration.

These figures confirm that the Group's local investment policies have a significant knock-on effect on the economies of the countries where it operates.

In addition to the economic benefits to the countries, each person involved in a group project benefits in terms of the work income received and the opportunity to advance professionally thanks to the training received.

Many studies[87] 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 561,445 hours of training to its direct employees and those of its subcontractors in 2021.

[86] Italy, USA, Australia, Ethiopia and Saudi Arabia.

[87] 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 43 initiatives in 2021 for €2.6 million (2020: roughly €1.1 million).

The most sizeable initiatives were carried out in Italy both at corporate and branch level, the US (by Lane) and Ethiopia, mostly for social, environmental, cultural and educational purposes.

Other initiatives include the customary free healthcare provided to local communities by work site clinics in Ethiopia and Tajikistan, as well as that started in Argentina, Saudi Arabia, Chile and Australia (Snowy project) this year. Specifically, 6,498 medical check-ups (2020: 5,922) were given and 13,607 health interventions (2020: 7,413).

Stakeholder engagement

Webuild has operations and projects all around the world and handles thousands of contacts with its stakeholders every day. It regularly maps its stakeholders based on engagement with the main stakeholders in the areas where it operates. The following chart lists the stakeholders relevant to the Company, the areas of interest and the key characteristics of the engagement with the Group.

Interest / Stakeholder	Level of engagement		Area of interest					Relationship length			
	International	Local	Anti-corruption	Environment	Labour practices and human rights	Supply chain	Social	Long term	Short-medium term	Project life	Ad-hoc
Employees & Trade unions	l	l	l		l		l	l		l	l
Shareholders & Investors	l		l	l	l	l	l	l	l		l
Clients & Potential clients	l	l	l	l	l	l	l	l	l	l	l
Suppliers, contractors, subcontractors & partners	l	l	l	l	l	l	l	l	l	l	l
Local communities & NGO	l	l	l	l	l	l	l	l		l	l
Governments & public administrations		l	l	l	l	l	l	l		l	
Sector associations & media	l	l	l	l	l	l	l	l		l	l

The Group adopts diversified and flexible dialogue and involvement practices depending on the stakeholders' characteristics and needs.

At corporate level, key stakeholders include investors, clients, current and potential employees, national and international trade unions, partners, public administrations, the media and the general public. Dialogue with them mainly relates to development objectives and strategies, results, the acquisition of new contracts, the shareholder structure, career paths and professional development.

Institutional relations and advocacy activities

Stakeholder engagement activities include institutional relations and advocacy activities that the Group engages in with public institutions, regulators and other stakeholders to ensure the legitimate representation and sharing of issues of interest to it. These issues include development plans for infrastructure, sustainable mobility, water and hydropower resource management, innovation for the development of efficient, resilient and low environmental impact works and the creation of jobs and value for the areas where the Group operates.

Webuild's corporate identity and communication department carries out these activities in compliance with the relevant guidelines. This involves participation in events promoted by the sector associations and/or Italian embassies in the various countries where the Group operates, engagement with members of public institutions and monitoring of proposed legislation related to the sectors in which the Group operates in Italy and abroad[88].

Institutional relations take place in full compliance with the principles of legitimacy, transparency and accountability by qualified employees with special proxies and in compliance with Webuild's guidelines for the management of potential conflicts of interest. In order to contain the revolving doors risk, Webuild's policy is not to hire people who state during the recruitment stage that they have held public offices that involved authorising the Group's works or negotiating with it in the previous three years.

Moreover, pursuant to the principles of its Code of Ethics, the Company does not make contributions to political and trade organisations of any kind (parties, movements, committees, etc.) nor their representatives.

At operating level, the main engagement activities depend on the individual project's characteristics. The key stakeholders are partners, employees, local communities, suppliers, contractors and subcontractors, clients, local authorities and organisations like local trade unions and non-governmental organisations.

Like in previous years, the Group has engaged regularly in engagement with its stakeholders. Its main initiatives are summarised below:

Channel	*Activity*
Face to face communication	
Meetings, presentations, focus groups, workshops, interviews, consultations, career days, public events	>12,000 people involved in more than 1,600 meetings with the local communities and their representatives >3,000 people visited the Group's projects during roughly 500 open door events >1.3 million people were involved in about 5,200 information campaigns about the Group's projects
Digital communication	
Company websites, intranet, magazines, webinars, surveys, social media	1.5 million visits to the Group's website 1.3 million interactions on the Group's social media 68 million impressions on the Group's digital touchpoint

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.

[88]More information about the sector associations the Group is a member of is available in the GRI Content Index (disclosure 102-13) in the "Methodology for reporting non-financial information" section.

In line with these provisions, the Group defines procedures to handle engagement with local stakeholders (such as, for example, the grievance mechanisms) and the communication channels to be used at work sites either physical (e.g., public relations offices) or technological (dedicated phone numbers, websites, email addresses, etc.).

The clients are responsible for engagement with the local communities in most of the ongoing contracts while the Group provides technical and operating assistance to manage any issues that arise. Matters discussed by contract personnel and the local communities mostly relate to:

- employment and interaction between the work site and surrounding areas;
- the characteristics of the work under construction and its possible social and environmental implications.

As described in detail in the 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

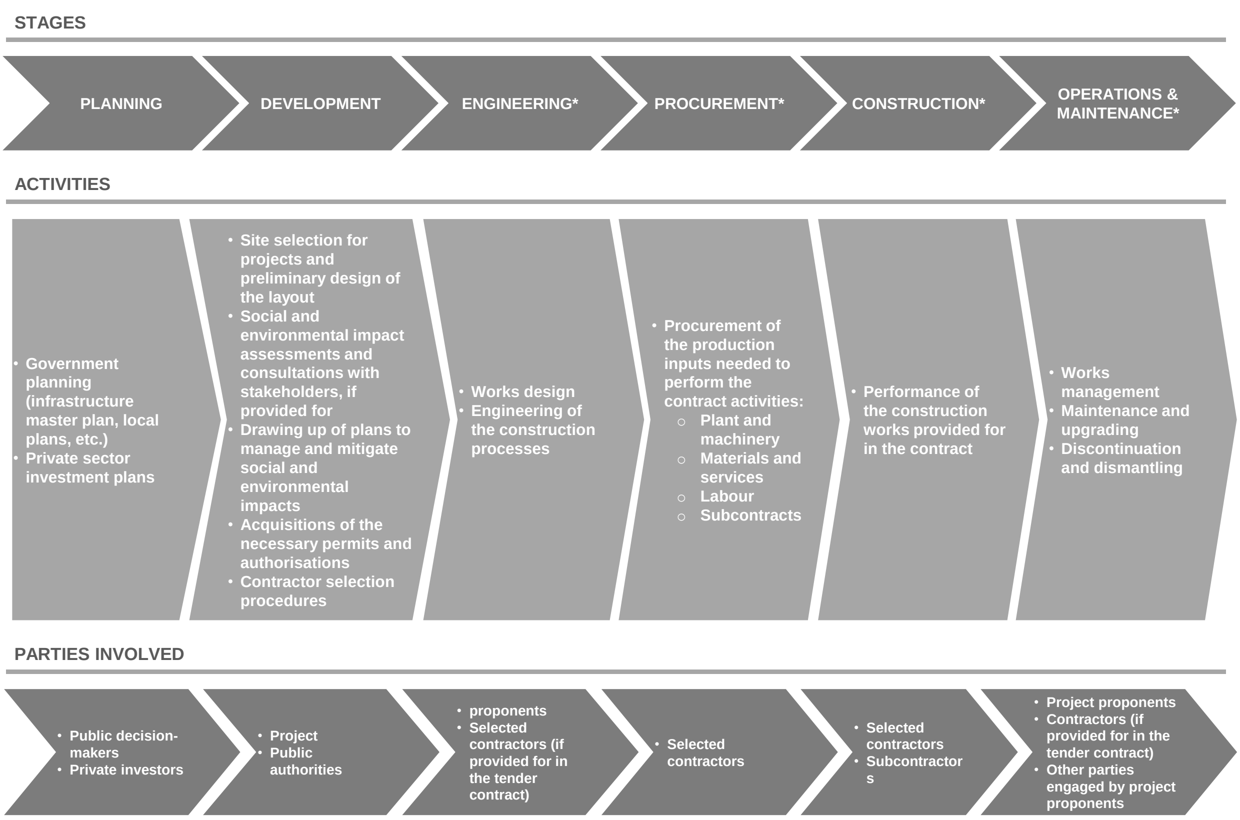
This 2021 Consolidated Non-financial Statement has been prepared in accordance with Legislative decree no. 254/2016. The Company has used the GRI Sustainability Reporting Standards (Core option), published by the GRI. This Statement also constitutes the Communication on Progress (COP) to Global Compact and. together with the other sections of the Annual Report, is the Company's integrated 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:

LIFE CYCLE OF AN INFRASTRUCTURE PROJECT



* Main stages of the infrastructure's life cycle in which Webuild Group is involved

An infrastructure project is planned by a public administration or private sector body (the project proponent) that is also involved in the subsequent stages of developing the infrastructure project. This stage involves a number of activities that include identifying the project locations, performing feasibility studies and, based on the type of work and applicable legislation, completing the social and environmental procedures (assessment of potential impacts, consultations with stakeholders, identification of mitigation measures and compensation).

The public authorities (usually ministries or state environmental protection agencies, assisted by local bodies of the area where the project is to take place) actively engage in these procedures: assessing the adequacy of the social and environmental impact assessments, the consultation programmes and mitigation plans prepared by the Project proponent.

Upon completion of these procedures, the relevant authorities issue the appropriate authorisations, which include any social and environmental requirements the Project proponent has to abide by during the project.

Contractors such as Webuild enter the project development process only after the decision-making stage has been completed as this only involves the client and the public authorities. The Group takes part in selection procedures, organised by public and private clients to award the tenders, which may cover specific project activities (e.g., just construction), the entire engineering, procurement and construction cycle or also the subsequent operations & maintenance activities.

Therefore, the contractor does not take part in any activities prior to the assigning of the contract or the prior assessment processes, including the assessment of the project's social and environmental impacts and consultation of stakeholders.

As described earlier, these assessments are the sole responsibility of the Project proponent and of the public authorities, as they are required to meet the relevant obligations under the applicable regulations. They also have the decision-making powers about the findings of the assessment process. It follows that the potential social and environmental impacts of the work itself (e.g., loss of biodiversity due to the infrastructure's presence, expropriation of land) are the sole responsibility of the Project proponent.

The contractor is obliged to comply with the social and environmental requirements of the applicable regulations, the contract and any provisions imposed by the competent authorities when they approve the impact assessments. The social and environmental impacts attributable to the contractor arise solely from the contract activities and are mainly of a temporary nature (e.g., disruptions caused by the work site, health and safety in the workplace).

Materiality analysis

The Company performed a materiality analysis as set out in the GRI Sustainability Reporting Standards to define the individual topics to be disclosed in the Non-financial Statement pursuant to Legislative decree no. 254/2016. The main steps comprising this analysis are set out below:

- internal identification of the possible non-financial topics relevant to the Group, by analysing the global situation (megatrends, the Paris Agreement, SGDs), the market scenario (peers), the financial context (reports published by analysts and ESG rating agencies) and applicable standards;
- internal prioritisation of the identified topics, in line with the Group's Sustainability Strategy and policies;
- engagement with the stakeholders with two separate surveys, one for middle management and one for employees, clients, suppliers, investors, NGOs and ESG experts;
- approval of the material topics by management involved in non-financial reporting and checks of the materiality matrix by the Control, Risk and Sustainability Committee.

In 2021, the materiality analysis involved roughly one thousand parties from the above categories that confirmed the materiality of the topics shown in the matrix presented in the "Introduction" section, in line with the analysis performed in 2020.

The material aspects identified by the materiality analysis, grouped into the macro categories provided for by Legislative decree no. 254/2016 are listed below:

Topics as per Leg. decree no. 254/2016	GRI related material aspects	Materiality within the Group	Materiality outside the Group
Environment	Materials, Energy, Water, Biodiversity, Emissions, Waste and Environmental compliance	Direct activities performed at the offices and work sites	Activities performed by subcontractors and service providers
Employees	Employment, Industrial relations, Health and safety, Training, Diversity and equal opportunities* and Non-discrimination	Direct activities performed at the offices and work sites	Activities performed by subcontractors and service providers
Human rights	Freedom of association and collective bargaining, Child labour, Forced or compulsory labour, Security practices and Rights of Indigenous peoples	Direct activities performed at the work sites	Activities performed by subcontractors and service providers
Anti-corruption	Anti-corruption	Direct activities performed at the offices and work sites	Activities performed by the third parties defined in the Anti-corruption Model
Supply chain	Supplier environmental assessment, Supplier assessment for impacts on society	Direct activities performed at the offices and work sites	Activities performed by subcontractors and service providers
Social	Market presence, Procurement practices, Local communities, Indirect economic impacts and Privacy	Direct activities performed at the offices and work sites	Activities performed by clients and subcontractors

*The equal opportunities topic is material mostly for the corporate offices while it is of less significance at the work sites given the characteristics of the construction sector, which is a predominantly male domain.

The table does not include the topics of innovation and cyber security, identified as material during the analysis, as they are not required by Legislative decree no. 254/2016 or the GRI Sustainability Reporting Standards. However, this Statement includes the topics as required by the latter Standards.

Scope of the Statement

As established by article 4 of Legislative decree no. 254/2016, this Consolidated Non-financial Statement includes the figures of the parent (Webuild S.p.A.) and its fully-consolidated subsidiaries. The parent comprises its head offices in Italy (corporate), the directly run work sites, branches and joint operations for which it manages their operations, as per the list provided later in this document.

The Company has an internal procedure in place to define and regularly review the scope of the Statement based on its consolidation scope for financial reporting purposes. Specifically, it performs a materiality analysis on the list of entities making up the parent and fully-consolidated subsidiaries considering the level of operations of the individual entities, which are classified as:

- operational (e.g., ongoing contracts);
- limited operations (e.g., contracts being completed);

- non-operational (e.g., entity in liquidation).

This Statement's scope includes entities classified as "operational" and "limited operations". A list of the entities included in the 2021 Statement's scope for which a non-financial reporting system was implemented is given below:

Name	Country	Name	Country
Webuild S.p.A.*	Italy	Nuovo Ospedale Sud Est Barese S.c.r.l. - NOSEB S.c.r.l.*	Italy
AGN HAGA AB*	Sweden	S. Agata FS S.c.r.l.*	Italy
Capodichino AS.M. S.c.r.l.*	Italy	SA.PI. NOR Salini Impregilo - Pizzarotti J.V.*	Norway
CDE S.c.a.r.l.*	Italy	Salini Australia PTY Ltd.*	Australia
Consorzio COCIV*	Italy	Salini Impregilo - NRW Joint Venture*	Australia
Consorzio Hirpinia AV	Italy	Salini Impregilo - Tristar*	United Arab Emirates
Consorzio Iricav Due	Italy	Salini Impregilo Canada Holding Inc.*	Canada
Constructora Ariguani SAS*	Colombia	Salini Impregilo Civil Works*	Canada
Cossi Costruzioni S.p.A.*	Italy	Salini Impregilo S.p.A. - The Lane Construction Co Jose J. Chediack S.a. UTE*	Argentina
CSC Costruzioni S.A.*	Switzerland	Salini Nigeria L.t.d.*	Nigeria
CSI Simplon Consorzio*	Switzerland	Salini Saudi Arabia Company L.t.d.*	Saudi Arabia
DIRPA 2 S.c.r.l.*	Italy	SCI ADI Ortakligi*	Turkey
Fisia Italimpianti S.p.A. *	Italy	SCLC Polihali Diversion Tunnel J.V.	Lesotho
HCE Costruzioni S.p.A.*	Italy	Seli Overseas S.p.A.	Italy
Infraflegrea Project S.p.A.*	Italy	Sirjo S.c.p.A.*	Italy
Lane Industries Incorporated*	USA	SLC Snowy Hydro Joint Venture*	Australia
Metro Blu S.c..r.l.*	Italy	T.E.Q Construction Enterprise Inc.	Canada
Napoli Cancello Alta Velocità S.c.r.l.*	Italy	Thessaloniki Metro CW J.V.*	Greece
NBI S.p.A.	Italy		

*The entities marked with an asterisk in the above table were also included in the reporting scope of the 2020 Consolidated Non-financial Statement. The other entities have been included in the reporting scope of this Statement for the first time.

Contracts managed directly by the parent include the Grand Ethiopian Renaissance Dam (Ethiopia), Koysha (Ethiopia), Bumbuna O&M (Sierra Leone), Urban Roads (Sierra Leone), Rogun Dam (Tajikistan), Saida - Tiaret Railway (Algeria), Normalizacion Hospital Base de Linares (Chile), Normalizacion Hospital Barros Luco Trudeau (Chile), El Teniente - Q3 (Chile), S2 - Warsaw Southern Bypass - Lot A (Poland), S7 - Naprawa - Skomielna Biała (Poland), Sibiu Pitesti Lot 5 (Romania), Logistics Terminal at the Taranto Port (Italy), Sigonella Nato Base (Italy) and Cumana Railway (Italy).

The joint operations for which the Group manages their operations are Civil Works Joint Ventures (Saudi Arabia), South Al Mutlaa Joint Venture (Kuwait) and Salini Impregilo - NGE Genie Civil (France), Asocierea Astaldi S.p.A.-IHI Infrastructure Systems SO, L.t.d. (Romania), Asocierea Astaldi-FCC-Salcef-Thales, lot 2a (Romania), Asocierea Astaldi-FCC-Salcef-Thales, lot 2b (Romania), Consorzio Gdansk (Poland), BSS-KSAB JV (Saudi Arabia) and Consorcio Ana Cua (Paraguay).

More information on the in-scope entities is available in the section on the "Consolidation scope" in the notes to the consolidated financial statements.

The information in this Statement refers to the above scope. The data for the joint operations led by the Group are shown at 100%. Exceptions to the scope are listed below:

- data about emissions generated by the Group refer to a larger scope, defined in accordance with the GHG Protocol Corporate Accounting and Reporting Standard, which considers all the emissions generated by Webuild and operations over which it or one or its subsidiaries has operating control. Therefore, in addition to the above operating entities, the scope also includes Mobilinx Hurontario Contractor (Canada) and Fisia Italimpianti succursale Argentina-Acciona Agua succursale Argentina UTE (Argentina);
- the environmental data for the offices are limited to the headquarters in Italy (Milan and Rome) and the US (Lane's head office) and include energy consumption, direct emissions and emissions related to personnel travel; the other offices are not included as they are immaterial;
- data about the anti-corruption risk assessment refer to the consolidation scope of the consolidated financial statements;
- data about the labour force relate to the consolidation scope of the consolidated financial statements; with respect to the direct workforce, they are calculated in proportion to the Group's investment for the entities that qualify as joint operations or that are measured using the equity method;
- data about health and safety of workers and QEHS training include the companies that are not fully consolidated for which the Group manages their operations and exclude joint operations when its partners are responsible for management of the Health and Safety Systems.

Any specific limitations to the scope are specified in the text or in the GRI Content Index.

Unless otherwise indicated, the 2019 and 2020 corresponding information are taken from the Group's 2020 Consolidated Non-financial Statement, to which reference should be made.

Recalculation of environmental figures

The figures for 2019 and 2020 in the Climate change and Environment sections have been recalculated compared to those presented in the 2020 Consolidated Non-financial statement to include Astaldi and make the calculation methods consistent. This approach complies with the comparability principle defined in GRI Standard 101 and the requirements of GHG Protocol Corporate Accounting and Reporting Standard (Tracking Emissions Over Time section, referred to by the GRI Standards).

The tables affected by the recalculation are provided below, showing the figures taken from the 2020 Consolidated Non-financial Statement and the recalculated figures.

GHG emissions (Scope 1 & 2 (GRI 305-1, 305-2, 305-3, 305-4)	Unit	2019		2020		2021
		2020 NFS	*Recalculated*	*2020 NFS*	*Recalculated*	
Scope 1 emissions	$tCO2_e$	350,593	385,691	330,596	358,733	311,272
Scope 2 emissions (market-based method)	$tCO2_e$		90,930		71,255	42,212
Scope 2 emissions (location-based method)	$tCO2_e$	43,371	85,173	30,910	68,252	38,574
Total scope 1 & 2 emissions (market-based)	**$t\ CO2_e$**	**393,964**	**476,621**	**361,506**	**429,988**	**353,484**
Intensity of scope 1 & 2 emissions	**$t\ CO2_e$/€M**	**77**	**77**	**72**	**80**	**55**

GHG emissions (scope 3) (GRI 305-3)	Unit	2019		2020		2021
		2020 NFS	*Recalculated*	*2020 NFS*	*Recalculated*	
Goods and services acquired	$tCO2_e$	61,573	1,827,973	78,834	1,697,170	1,552,130
Transportation of materials to the work sites	$tCO2_e$		251,731		278,131	289,301
Use of energy (upstream, not included in scope 1 & 2)	$tCO2_e$		99,333		90,745	107,213
Waste products	$tCO2_e$		36,823		31,134	58,904
Business trips and home-work commute of employees	$tCO2_e$		9,033		4,953	4,705
Total scope 3 emissions	**$t\ CO2_e$**	**61,573**	**2,224,893**	**78,834**	**2,102,134**	**2,012,252**

Energy consumption (GRI 302-1, 302-2, 302-3)	Unit	2019		2020		2021
		2020 NFS	*Recalculated*	*2020 NFS*	*Recalculated*	
Non-renewable energy sources						
Diesel	GJ	4,788,252	4,972,867	4,499,507	4,547,812	4,098,364
Petrol	GJ	234,462	225,963	230,167	220,991	205,202
Kerosene	GJ	2,875	3,105	962	975	2,807
Natural gas and LPG	GJ	3,905	24,425	15,381	29,024	25,228
Electricity	GJ	308,263	575,359	259,381	499,595	370,161
Total consumption from non-renewable energy sources	**GJ**	**5,337,757**	**5,801,718**	**5,005,398**	**5,298,396**	**4,701,761**
Renewable energy sources						
Electricity from renewable sources	GJ	148,619	148,742	206,656	198,772	196,359
Total internal energy consumption	**GJ**	**5,486,376**	**5,950,460**	**5,212,054**	**5,497,168**	**4,898,120**
Energy consumption - subcontractors	GJ	770,806	904,849	1,004,413	1,146,475	1,705,414
Total	**GJ**	**6,257,182**	**6,855,308**	**6,216,467**	**6,643,643**	**6,603,534**
Energy intensity	**GJ/€M**	**1,220**	**1,117**	**1,238**	**1,251**	**1,029**

Materials used (GRI 301-1)	Unit	2019		2020		2021
		2020 NFS	*Recalculated*	*2020 NFS*	*Recalculated*	
Principal construction materials						
Bitumen	t	77,705	142,567	43,357	47,570	27,844
Cement	t	357,757	490,790	408,631	484,637	527,145
Concrete-reinforcing bars	t	488,085	243,436	759,573	179,758	173,681
Ready-mixed and pre-cast concrete	t	2,808,654	3,950,022	2,999,374	4,175,879	4,353,389
Ready-mixed asphalt	t	560,039	591,229	675,581	740,851	486,530
Total construction materials	**t**	**4,292,240**	**5,418,044**	**4,886,516**	**5,628,695**	**5,568,590**
Aggregates						
Aggregates and sand	t	4,063,905	9,488,392	5,754,137	11,411,623	12,584,211
Total aggregates	**t**	**4,063,905**	**9,488,392**	**5,754,137**	**11,411,623**	**12,584,211**

Water use (GRI 303-1)	Unit	2019		2020		2021
		2020 NFS	*Recalculated*	*2020 NFS*	*Recalculated*	
Wells	m^3	3,739,539	4,966,216	2,226,930	3,398,594	3,467,299
Rivers	m^3	3,810,030	5,099,717	4,705,652	6,882,593	9,562,130
Lakes	m^3	-	-	29,790	29,790	117,865
Aqueducts	m^3	2,417,294	4,229,675	1,980,192	2,389,843	1,642,059
Rainwater and wastewater from other organisations	m^3	158	36,158	27,455	63,455	140,357
Total	**m^3**	**9,967,021**	**14,331,766**	**8,970,019**	**12,764,275**	**14,929,711**

Waste by activity (GRI 306-3)	Unit	2019		2020		2021
		2020 NFS	*Recalculated*	*2020 NFS*	*Recalculated*	
Construction and demolition waste	t	291,491	469,111	522,685	607,955	629,824
Excavation waste	t	5,593,636	7,262,294	2,596,281	5,247,569	5,298,227
Waste from support activities	t	66,829	101,876	96,034	105,030	148,946
Total non-hazardous and hazardous waste	**t**	**5,951,955**	**7,833,282**	**3,215,000**	**5,960,554**	**6,076,998**

Waste by type and destination (GRI 306-3)	Unit	2019		2020		2021
		2020 NFS	*Recalculated*	*2020 NFS*	*Recalculated*	
Non-hazardous waste						
Recovery, reuse and recycling	t	4,341,435	5,849,119	2,195,581	4,845,193	3,010,694
Incineration	t	930	943	6,305	6,329	1,257
Landfill	t	1,598,681	1,864,773	988,993	1,027,233	2,923,553
Total non-hazardous waste	**t**	**5,941,047**	**7,714,836**	**3,190,880**	**5,878,756**	**5,935,504**
Hazardous waste						
Recovery, reuse and recycling	t	712	105,248	13,721	61,102	103,238
Incineration	t	27	1,848	13	208	5
Landfill	t	10,169	11,350	10,387	20,488	38,250
Total hazardous waste	**t**	**10,908**	**118,446**	**24,120**	**81,799**	**141,494**
Total non-hazardous and hazardous waste	**t**	**5,951,955**	**7,833,282**	**3,215,000**	**5,960,554**	**6,076,998**

Calculation method

The data and information in this Statement are taken from the Group's information systems and a special non-financial reporting system introduced to meet the requirements of Legislative decree no. 254/2016 and the GRI Sustainability Reporting Standards. The data were processed using accurate calculations and, if specified, estimates. The methods used to calculate the main data and indicators are set out below.

Benefits of ongoing projects

The data in the "Sustainability Strategy" and "Climate change" sections related to the benefits of ongoing projects, in terms of residents served and progress towards the SDGs, are processed internally based on the characteristics of the individual projects in portfolio and reputable statistical sources. When available, official information has been used (i.e., data provided by clients).

Additional information about the main data presented is provided below:

- Beneficiaries of ongoing projects
    - Clean Water projects - calculated using the number of residents in the areas served by the projects and/or the equivalent residents served by the plants (sources: project data, internal processing);
    - Clean Hydro Energy projects - calculated using the number of residents potentially served based on the plants' production capacity and current energy consumption levels (sources: project data, World Bank database, internal processing);
    - Sustainable 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 SDG 3, 6, 7, 9 and 11 - calculated using the number of hospital beds, water treated by water treatment plants, installed capacity from renewable sources, reduction in railway travelling times and car trips avoided by taking the metro (sources: project data, internal processing);
- Contribution to SDG 13 - annual avoidable GHG emissions of ongoing low-carbon projects (hydropower plants, railways and metros), calculated as the difference between the emissions generated by the projects and the emissions that would be generated to obtain the same results (in terms of energy production and travel) with non-low-carbon systems (the average emission factor of the country in which the project is based was considered for the hydropower projects, the average emission factors of car trips were considered for railway and metro projects) (sources: project data, IEA database, Defra GHG Conversion Factors for Company Reporting, World Nuclear Association, internal processing).

Injury rates

The injury rates are calculated using the methods established by standard UNI 7249 “Statistics on occupational injuries”. They show the number of injuries leading to lost work days (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 (2016 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 and the recommendations of GHG Protocol Corporate Accounting and Reporting Standard and the requirements of the 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, HSE reporting systems).

The data used to calculate the emissions from fuel and electricity used at the fixed work sites are taken from the suppliers’ documentation (e.g., invoices, reports).

The data used to calculate the emissions associated with business trips, employee home-work commute, transportation of materials to work sites from the production facilities were calculated using documentation provided by the service providers (travel agencies, logistics companies, vehicle lease companies) and estimates.

The emission factors are taken from qualified databases and/or product environmental certifications.

The main databases used were:

- Government GHG Conversion Factors for Company Reporting (UK Department for Business, Energy & Industrial Strategy – BEIS)
- CO2 Emissions from Fuel (International Energy Agency)
- Fourth Assessment Report AR4 (IPCC)
- Inventory of Carbon and Energy (Bath Inventory of Carbon and Energy – ICE)
- SimPro modelling software

The energy intensity rates and the GHG emission rates are calculated by comparing the total data (energy consumption and GHG emissions) to revenue for the period. Specifically, the intensity rate for GHG emissions includes the sum of scope 1 and scope 2 emissions).

The 2019 and 2020 figures were recalculated using pro forma revenue including that for Astaldi, as disclosed in its information documents published on its website.

Water use

Data about water not taken from aqueducts, not obtained from other sources (e.g., water tanks) and not measured using meters are calculated considering the withdrawal systems' capacity (pump capacity in the average number of working hours) or production activity performed in the period.

Waste

The data refers to waste generated by the in-scope contracts in line with the locally-applicable regulations. When the data is 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

Disclosure	**Description, page number, reference to other sections of the Report or other documents** (The page numbers refer to the paragraph that includes the information)	UN Global Compact Principles
GRI 102 General disclosures (2016)		
Organisational profile		
102-1	Name of the organisation: Webuild S.p.A.	
102-2	Activities, brands, products, and services: p. 9	
102-3	Location of headquarters: Milan, Italy	
102-4	Location of operations: p. 41	
102-5	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..	
102-6	Markets served: p. 41	
102-7	Scale of the organisation: p. 79, p. 42, p. 131	6
102-8	Information on employees and other workers: p. 131. Open-ended contracts account for 94% of the total in Africa, 62% in the Americas, 87% in Europe and 79% in Asia and Oceania. 100.0% of the employees have full-time contracts. Percentages do not include Astaldi.	
102-9	Supply chain: p. 195	
102-10	Significant changes to the organisation and its supply chain: No significant changes to the organisation or the supply chain compared to the previous period.	
102-11	Precautionary Principle or approach: p. 207, p. 156	
102-12	External initiatives: p. 112	
102-13	Membership of associations: Webuild is a member of Assonime, Assolombarda, Associazione Assafrica e Mediterraneo, Associazione AIAS (Associazione Italiana Ambiente e Sicurezza), Associazione Italiana Internal Auditors, AICQ CN – Associazione Italiana Cultura Qualità Centro-Nord, Canova Club, CCI France Italie (French Chambers of Commerce and Industry in Italy), Comitato Leonardo, E4Impact Foundation, Fondazione Global Compact Network Italy, Fondazione La Triennale di Milano, Gruppo Italiano della Trilateral Commission, ISPI – Istituto per gli Studi di Politica Internazionale, ITCOLD - Comitato Nazionale Italiano per le Grandi Dighe, OICE – Associazione delle organizzazioni di ingegneria, architettura e consulenza tecnico-economica, Robert F. Kennedy Foundation, SIG – Società Italiana Gallerie and UNI – Ente Italiano di Normazione. It paid membership fees of roughly €303 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.	
Strategy		
102-14	Statement from senior decision-maker: p. 5	
Ethics and integrity		
102-16	Values, principles, standards, and norms of behaviour: p. 112	10
Governance		
102-18	Governance structure: p. 112	

Stakeholder engagement		
102-40	List of stakeholder groups: p. 203	
102-41	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 2021, this covered 11,305 employees, equal to 36.7% of the total.	3
102-42	Identifying and selecting stakeholders: p. 203	
102-43	Approach to stakeholder engagement: p. 177, p. 151, p. 195, p 209, p. 203	
102-44	Key topics and concerns raised: p. 203	
Reporting practice		
102-45	Entities included in the consolidated financial statements: p. 210	
102-46	Defining report content and topic Boundaries: p. 210	
102-47	List of material topics: p. 209	
102-48	Restatements of information: p. 210	
102-49	Changes in reporting: no significant changes in the material topics. Moreover, the scope of the material topics is the same as that for the previous year. The reporting scope includes Astaldi for this year.	
102-50	Reporting period: 2021	
102-51	Date of most recent report: The 2020 Consolidated Non-financial Statement was published on 7 April 2021.	
102-52	Reporting cycle: Annual	
102-53	Contact point for questions regarding the report: sustainability@webuildgroup.com	
102-54	Claims of reporting in accordance with the GRI standards: p. 203	
102-55	GRI Content Index: p. 220	
102-56	External assurance: p. 228	
GRI 200 Economic		
GRI 201 Economic performance (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 9	
201-1	Direct value generated and distributed: the direct economic value generated by the Group in 2021 amounted to €6,499 million, including €6,424 million which was distributed and €75 million which was retained. Specifically, €4,881 million was distributed to suppliers (operating costs), €1,102 million to employees (remuneration and benefits), €308 million to lenders and €134 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 23 May 2022.	
GRI 202 Market Presence (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 199	6

202-2	Proportion of senior management hired from the local community: p. 199. 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)		
103-1, 103-2, 103-3	Management approach disclosures: p. 203	
203-1	Infrastructure investments and services supported: p. 203. The total value of initiatives to assist local areas includes monetary donations (29.5%), sponsorships (9.9%) and contributions in kind (60.6%) (e.g., labour, materials, machinery).	
GRI 204 Procurement Practices (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 200	
204-1	Proportion of spending on local suppliers: p. 200. 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)		
103-1, 103-2, 103-3	Management approach disclosures: p. 190**Errore. Il segnalibro non è definito.**	10
205-1	Operations assessed for risks related to corruption: p. **Errore. Il segnalibro non è definito.**. 153 companies were included in the assessment scope.	10
GRI 207 Tax (2019)		
207-1	Approach to tax: p. 200	
207-2	Tax governance, control and risk management: p. 200	
207-3	Stakeholder engagement and management of concerns related to tax: p. 200	
207-4	Country-by-country reporting: p. 200. The data refer to 2020 as this is the most recent year for which information is available. The list of group companies included in the notes to the consolidated financial statements provides the names of the companies resident in each tax jurisdiction. As set out in the "Tax" section, the main activities performed by the companies resident in the tax jurisdictions are tied to commercial opportunities (participation in calls for tenders) and/or operating possibilities (contract management, concessions, equity investments, etc.) The data presented are grouped by geographical area and do not include the pre-tax profit or loss (the average nominal tax rate applicable to each area is shown). This omission is for confidentiality purposes as presentation of the pre-tax profit or loss could affect the Group's competitive position in some markets.	
GRI 300 Environmental		
GRI 301 Materials (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 182	7, 8
301-1	Materials used by weight or content: p. 182. The Group does not use significant renewable materials for its core activities while it can use recycled or recovered materials, as described in the relevant section.	7, 8
GRI 302 Energy (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 170	7, 8, 9
302-1	Energy consumption within the organisation: p. 170, p. 218	7, 8, 9
302-2	Energy consumption outside of the organisation: p. 170, p. 218. Significant external energy consumption refers to the Group's subcontractors.	7, 8, 9
302-3	Energy intensity: p. 170, p. 218	7, 8, 9
GRI 303 Water (2018)		
103-1, 103-2, 103, 303-1, 303-2	Management approach disclosures: p. 182	7, 8

303-1, 303-3	Interactions with water as a shared resource: p. 182, p. 219. Water withdrawn in areas subject to water stress: during the year, water withdrawals of 118,271 cubic metres were made in areas subject to water stress for a project being carried out by Lane in the US and the Saida - Tairet railway project in Algeria. Areas subject to 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 period, no water withdrawals with over 1,000 mg/l of total dissolved solids were made.	7, 8
GRI 304 Biodiversity (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 187	8
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas: p. 187.	8
GRI 305 Emissions (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 170	7, 8, 9
305-1	Direct (Scope 1) GHG emissions: p. 170, p. 218	7, 8, 9
305-2	Indirect (Scope 2) GHG emissions: p. 170, p. 218	7, 8, 9
305-3	Other indirect (Scope 3) GHG emissions: p. 170, p. 218	7, 8, 9
305-4	GHG emissions intensity: p. 170, p. 218	7, 8, 9
GRI 306 Effluents and Waste (2020)		
103-1, 103-2, 103-3, 306-1, 306-2	Management approach disclosures: p. 185	8
306-3	Waste by type and disposal method: p. 185, p. 219	8
GRI 307 Environmental Compliance (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 177	8
307-1	Non-compliance with environmental laws and regulations: p. 177	8
GRI 308 Supplier Environmental Assessment (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 195	8
308-1	New suppliers that were screened using environmental criteria: p. 195. Specifically, in 2021, 73% of the suppliers with large orders (i.e., > €250 thousand) were screened. Excluding Lane (USA), whose screening process is being revised to become more compliant with that of the Group, the figure would be 85%. As described in the “Supply chain” section, this process involves screening of various aspects, including the suppliers’ environmental policies.	8
GRI 400 Social		
GRI 401 Employment (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 132	6
401-1	New employee hires and employee turnover: p. 132. Specifically, in 2021, 9,556 people joined the Group (entry rate of 32%), including 4,201 under 30 years of age (44%), 4,405 between 30 and 50 (46%) and 950 over 50 (10%). The geographical distribution of employees is as follows: 3,385 in Africa (35%), 4,556 in the Americas (48%), 795 in Europe (8%), 820 in Asia and Oceania (9%). During the year, people that left the Group, including the transfers of resources among group sites, numbered 5,234 (exit rate of 17%), including 1,850 under 30 (35%), 2,777 between 30 and 50 (53%) and 607 over 50 (12%). The geographical distribution of the leavers is as follows: 768 in Africa (15%), 3,342 in the Americas (64%), 545 in Europe (10%), 579 in Asia and Oceania (11%). The turnover rates were calculated using the average employee numbers for the year. The figures do not include Astaldi.	6
GRI 402 Labour/Management Relations (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 151	3
402-1	Minimum notice periods regarding significant changes: The minimum notice period to communicate significant operating personnel changes for Webuild is set by collective employment contracts and relevant local laws. It varies from one to 50 weeks for managers, one to 12 weeks for office staff and one to eight weeks for blue collars.	3

GRI 403 Occupational Health and Safety (2018)		
103-1, 103-2, 103-3	Management approach disclosures: p. 142	
403-1	Occupational health and safety management system: p. 142. The Health and Safety Management System is installed at the Italian head offices (corporate), direct contracts, joint operations where the Group manages the operational activities or has specific agreements with its partners. Its system is not used by the joint operations where health and safety management is the responsibility of its partners.	
403-2	Hazard identification, risk assessment, and incident investigation: p. 142	
403-3	Occupational health services: p. 142142	
403-4	Worker participation, consultation, and communication on occupational health and safety: p. 142	
403-5	Worker training on occupational health and safety: p. 142	
403-6	Promotion of worker health: p. 142142	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships: p. 142	
403-9	Work-related injuries: p. 142. Despite the stringent assessments of risks and operating controls, nine fatal injuries took place in 2021 involving direct employees (0.10%) and one involving employees of subcontractors (0.02%). The serious injuries, calculated in accordance with Italian legislation (sick leave of more than 40 days), involved 13 direct employees (0.14%) and 11 employees of subcontractors (0.19%). The total number of recordable injuries was 602 for the direct employees (6.70%) and 285 for employees of subcontractors (4.97%). The main types of injury were bruises, fractures, wounds and dislocations.	
GRI 404 Training and education (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 135135	6
404-1	Average hours of training per year per employee: p. 135, p. 210. In 2021, direct employees received on average 13 hours of training (per head). Specifically, an average of 10 hours of training per capita was provided to managers and white collars while blue collars received an average of 14 hours. Technical and production employees received an average of 14 hours of training per capita, while office employees received eight hours. During the year, the per capita training hours provided to corporate employees amounted to 43 for men and 30 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)		
103-1, 103-2, 103-3	Management approach disclosures: p. 151	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. 151(diversity of employees).	6
GRI 406 Non-discrimination (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 151	6
406-1	Incidents of discrimination and corrective actions taken: p. 151. The Group received two notifications of alleged discrimination from Lane's employees during the year. These notifications were handled in accordance with Lane's internal procedures. At year end, one case was under investigation and one had not yet been analysed.	6
GRI 407 Freedom of Association and Collective Bargaining (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 151	3
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk: p. 151	3
GRI 408 Child Labour (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 151	5
408-1	Operations and suppliers at significant risk for incidents of child labour: p. 151	5

GRI 409 Forced or Compulsory Labour (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 151	4
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour: p. 151	4
GRI 410 Security Practices (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 151	1
410-1	Security personnel trained in human rights or procedures: p. 151. As described in the section on "Human rights", 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)		
103-1, 103-2, 103-3	Management approach disclosures: p. 151	1
411-1	Incidents of violations involving rights of indigenous peoples: p. 151. No instances (e.g., legal action) for the violation of indigenous rights took place in the year.	1
GRI 412 Human Rights Assessment (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 151	1
412-1	Operations that have been subject to human rights reviews or impact assessments: p. 151	1
GRI 413 Local Communities (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 207	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 72% of its in-scope projects. The clients consulted the local communities for 47% of the projects. A management system is in place to handle complaints from local communities for 50% of the projects (the grievance mechanisms). Development projects assisting the local communities exist for 22% of the projects while workers committees exist for 43% of the projects.	1
GRI 414 Supplier Social Assessment (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 195	2
414-1	New suppliers that were screened using social criteria: p. 195. In 2021, 73% of the suppliers with large orders (i.e., > €250 thousand) were screened. Excluding Lane (USA), whose screening process is being revised to become more compliant with that of the Group, the figure would be 85%. As described in the "Supply Chain" section, this process includes the screening of various aspects, including social ones (e.g., employees, health and safety and human rights).	2
GRI 415 Public policy (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 220	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		2021 NFS
GOVERNANCE		
Governance around climate-related risks and opportunities	a) Role of BoD	"Climate change - Governance" section
	b) Role of management	
STRATEGY		
Actual and potential impacts of climate-related risks and opportunities on the organisation	a) Climate-related risks and opportunities	"Climate change - Main climate-related risks and opportunities" section
	b) Impact of climate-related risks and opportunities	
	c) Resilience of the organisation's strategy	
RISK MANAGEMENT		
Management of climate-related risks	a) Identification and assessment processes	"Climate change - Main climate-related risks and opportunities" section
	b) Management processes	
	c) Integration into overall risk management	
METRICS AND TARGETS		
Metrics and targets used to assess and manage climate-related risks and opportunities	a) Metrics used	"Climate change - Performance and targets" section
	b) GHG emissions	
	c) Targets	

Report of the auditors

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(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' report on the consolidated non-financial statement pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 and article 5 of the Consob Regulation adopted with Resolution no. 20267 of 18 January 2018

To the board of directors of
Webuild S.p.A.

Pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 (the "decree") and article 5 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 2021 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 17 March 2022 (the "NFS").

Our procedures did not cover the information set out in the "EU taxonomy for sustainable economic activities" section of the NFS required by article 8 of Regulation (EU) 852 of 18 June 2020.

Responsibilities of the directors and board of statutory auditors ("Collegio Sindacale") of Webuild S.p.A. (the "parent") for the NFS

The directors are responsible for the preparation of an NFS in accordance with articles 3 and 4 of the decree and the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative (the "GRI Standards"), which they have identified as the reporting standards.

The directors are also responsible, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of an NFS that is free from material misstatement, whether due to fraud or error.

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Moreover, the directors are responsible for the identification of the content of the NFS, considering the aspects indicated in article 3.1 of the decree and the group's business and characteristics, to the extent necessary to enable an understanding of the group's business, performance, results and the impacts it generates.

The directors' responsibility also includes the design of an internal model for the management and organisation of the group's activities, as well as, with reference to the aspects identified and disclosed in the NFS, the group's policies and the identification and management of the risks generated or borne.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, compliance with the decree's provisions.

Auditors' independence and quality control

We are independent in compliance with the independence and all other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards, the IESBA Code) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our company applies International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains a system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditors' responsibility

Our responsibility is to express a conclusion, based on the procedures performed, about the compliance of the NFS with the requirements of the decree and the GRI Standards. We carried out our work in accordance with the criteria established by "International Standard on Assurance Engagements 3000 (revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 revised"), issued by the International Auditing and Assurance Standards Board applicable to limited assurance engagements. This standard requires that we plan and perform the engagement to obtain limited assurance about whether the NFS is free from material misstatement. A limited assurance engagement is less in scope than a reasonable assurance engagement carried out in accordance with ISAE 3000 revised, and consequently does not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures we performed on the NFS are based on our professional judgement and include inquiries, primarily of the parent's personnel responsible for the preparation of the information presented in the NFS, documental analyses, recalculations and other evidence gathering procedures, as appropriate.

Specifically, we carried out the following procedures:

1. Analysing the material aspects based on the group's business and characteristics disclosed in the NFS, in order to assess the reasonableness of the identification process adopted on the basis of the provisions of article 3 of the decree and taking into account the reporting standards applied.

2. Analysing and assessing the identification criteria for the reporting scope, in order to check their compliance with the decree.
3. Comparing the financial disclosures presented in the NFS with those included in the group's consolidated financial statements.
4. Gaining an understanding of the following:
   - the group's business management and organisational model, with reference to the management of the aspects set out in article 3 of the decree;
   - the 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 NFS and carried out the procedures described in point 5.a).
5. Understanding the processes underlying the generation, recording and management of the significant qualitative and quantitative information disclosed in the NFS.

   Specifically, we held interviews and discussions with the parent's management personnel. We also performed selected procedures on documentation to gather information on the processes and procedures used to gather, combine, process and transmit non-financial data and information to the office that prepares the NFS.

   Furthermore, with respect to significant information, considering the group's business and characteristics:
   - at group level,
     a) we held interviews and obtained supporting documentation to check the qualitative information presented in the NFS and, specifically, the business model, the policies applied and main risks for consistency with available evidence,
     b) we carried out analytical and limited procedures to check, on a sample basis, the correct aggregation of data in the quantitative information;
   - through remote communication tools, we performed reasonableness analyses of certain projects, which we have selected on the basis of their business and contribution to certain significant indicators, by obtaining documentary evidence and, where necessary, holding discussions with their management;
   - through remote communication tools, we held discussions with the management of the high speed/capacity Milan - Genoa railway line project (COCIV), which we have selected on the basis of its 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.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2021 consolidated non-financial statement of the Webuild Group has not been prepared, in all material respects, in accordance with the requirements of articles 3 and 4 of the decree and the GRI Standards.
Our conclusion does not extend to the information set out in the "EU taxonomy for sustainable economic activities" section of the NFS required by article 8 of Regulation (EU) 852 of 18 June 2020.

Milan, 5 April 2022

KPMG S.p.A.

(signed on the original)

Angelo Pascali
Director of Audit

Directors' report -

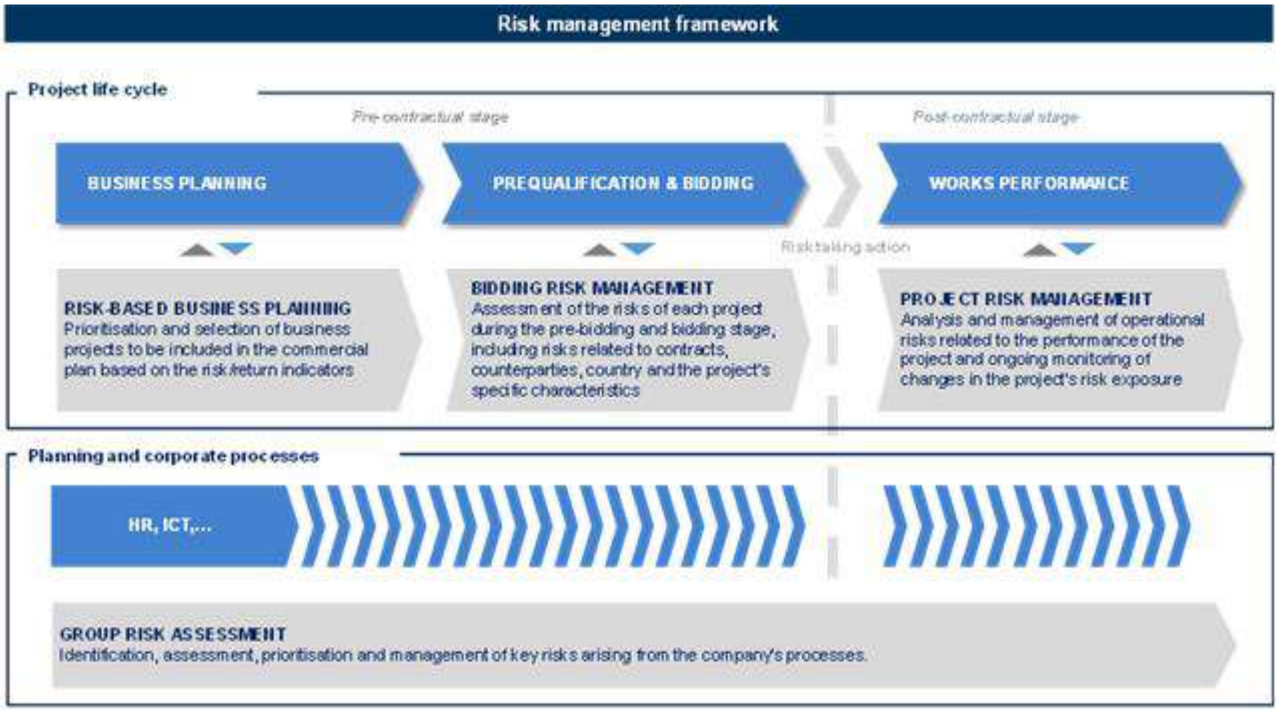
Part III

Risk management system

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

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

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



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

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

During the second half of the year, the Group carried out its annual risk assessment to analyse its exposure to process risks, given the change in the risks it faces (including the effects of the Covid-19 pandemic, the supply chain crisis and commodity price fluctuations) and inclusion of Astaldi in the internal processes. It focused on those risks that could have the largest impact on achievement of its strategic and business goals.

As a result of Astaldi's entry into the Group in November 2020, planning activities for the integration and alignment of its risk management model with that of Webuild have been started to ensure a standardised and consistent risk management model in line with best practices and Webuild's standards in the short term. During the first half of 2021, the Group analysed the potential integration risks in order to pre-empt any risks that could affect the post-merger Group's operations and achievement of its objectives and continued to monitor them in the second half of the year.

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

During the year, assisted by the competent departments, the risk management unit closely monitored trends in the prices of construction materials to keep senior management updated and to promptly define risk mitigation strategies. With respect to the Group's Italian contracts, the unit's activities enabled the Group to present timely requests for compensation for the price hikes of the principal construction materials as provided by article 1-septies of Decree law no. 73/2021 (the "Sostegni-bis decree"), converted with amendments into Law no. 106 of 23 July 2021.

The Group extended the duties and responsibilities of the first level control functions of the risk management unit to strengthen its risk management framework and ensure greater oversight and integration of the risk assessment models and risk mitigation actions as part of the business control model.

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

Business risks

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

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

Strategic risks

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

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

Financial risks

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

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

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

Legal and compliance risks

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

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

Operational risks

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

The Group monitors operational risks starting from the bidding stage for each project to evaluate its potential risks and benefits and possible order backlog concentration. As part of a wider process, Webuild prepares a 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.

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

Country risk

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

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

Counterparty risk

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

Contract risk

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

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

The risk management framework, as outlined above and subject to further and future developments, has been designed to support decision-making and operational processes at every stage of the management of projects, in order to reduce the possibility that certain events could compromise the Group's normal business operations or attainment of its defined strategic objectives: to this end, it is integrated in strategic and business planning processes, which, therefore, cannot be separated from the Group's risk profile, as well as from its choices in terms of risk appetite.

Report on corporate governance and the ownership structure

The corporate governance model adopted by Webuild complies with the principles enshrined in the Code of Conduct/Corporate Governance valid from time to time.

More information about the corporate governance system pursuant to article 123-bis of the Consolidated Finance Act (Legislative decree no. 58 of 24 February 1998, as subsequently amended) is available in the Report on corporate governance and the ownership structure, published on the parent's website in the governance section (www.webuildgroup.com).

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 2021 should be added to the universe of risk events that may potentially impact on operations.

Civil litigation

USW Campania projects

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

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

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

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

Civil proceedings

1. In May 2005, the government commissioner filed a motion requesting compensation from Fibe S.p.A. (“Fibe”) and FISIA Ambiente S.p.A. (“Fisia Ambiente”) for alleged damage of about €43 million. During the hearing, the commissioner increased its claims to approximately €700 million, further to the additional claim for damage to its reputation, calculated to be approximately €1,000 million. The companies appeared before the court and, in addition to disputing the claims made by the government commissioner, filed a counterclaim requesting compensation for damage due to contract default and sundry expenses for over €650 million, plus a further claim for reputation damage quantified at €1.5 billion. In the same proceeding, the banks that issued Fibe and Fibe Campania S.p.A.’s (“Fibe Campania”) performance bonds to the government commissioner also requested the commissioner’s claim be dismissed and, in any case, to be held harmless by Webuild, which appeared before the court and disputed the banks’ requests. In ruling no. 4253/2011, the judge declared their lack of jurisdiction referring the case to the administrative judge. The attorney general filed an appeal which was rejected on 14 February 2019 and the first level ruling was upheld. The attorney general has appealed to the Supreme Court.
2. On 30 November 2015, the Office of the Prime Minister received a new claim form served by both Fibe and other group companies involved in various ways in the activities performed in Campania for the waste

disposal service, containing claims for the damage suffered as a result of termination of the contracts in 2005.

The total amount claimed is €2,429 million. Considering that some requests are already included in other proceedings, the net amount is €2,258 million. The Office of the Prime Minister filed a counterclaim for €845 million for reasons already included in other proceedings. The court appointed an expert to appraise the subordinated claim filed by Fibe that prepared two alternative appraisals of the amount due to Fibe of approximately €56 million or approximately €114 million. The competent judge handed down the ruling on 25 October 2019, finding that Fibe was due approximately €114 million and the Office of the Prime Minister approximately €80 million. After offsetting the two amounts, the Office of the Prime Minister was ordered to pay Fibe approximately €34 million plus interest accruing from 4 December 2015. Both Fibe and the Office of the Prime Minister have filed separate appeals.

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

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

Panama Canal extension project

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

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

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

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

1. arbitration about the DAB's decisions on the claims presented by GUPC about the inadequate quality of the basalt compared to the quality guaranteed by PCA and the lengthy delays caused by PCA to approve the design formula for the concrete mix. The DAB had found that GUPC was due USD265.3 million, which it collected in full. After the proceeding confirming the arbitration tribunal's competence to rule on the damages incurred by the individual consortium members, the tribunal issued a partial award at the end of September 2020, accepting some of GUPC's claims for USD20.7 million as well as some claims for which the parties have agreed the amounts. PCA also paid GUPC an additional approximate USD6.1 million. The arbitration tribunal defined the arbitration costs with a final award as USD33.4 million (USD13.5 million for Webuild). At the end of November 2020, GUPC's legal advisors filed a petition for the cancellation of the partial award with the Miami Court (Florida, USA). In February 2021, after the arbitration tribunal's final award, Grupo Unidos por el Canal S.A. paid approximately USD272 million to settle its liabilities with the customer, using the financial support provided by its European partners (Webuild's share: roughly USD110 million). At the end of April 2021, a petition for cancellation of the final award was filed. On 18 November 2021, the arbitration tribunal rejected GUPC's petition and confirmed the arbitration award; GUPC has already requested its legal advisors to file an appeal within the established deadline;
2. arbitration about the extra costs incurred by GUPC due to certain unjustified conditions imposed by PCA for the design of the lock gates and other claims about labour costs;
3. arbitration commenced at the end of 2016 involving the sundry claims mentioned in the completion

certification; the arbitration tribunal has already been set up and GUPC presented its first brief in October 2021. The arbitration tribunal will define the other proceeding dates during the hearing expected to take place in the second half of 2022.

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

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

In 2021, the estimate of the extra costs to complete the project was updated, as well as the additional consideration claimed from the customer (again with the support of the Group's experts). The Group has reflected this situation in its consolidated financial statements.

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

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

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

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

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

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

On 2 February 2022, the Supreme Court handed down its ruling rejecting FCA's appeal after which the parent adjusted the claims' estimated realisable value and the carrying amount of contract assets.

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

- filing of an appeal by FCA with the Lazio Regional Administrative Court on 11 November 2016 for the claims of approximately €18 million presented during the contract's term and not covered by the previous award of 2013. This proceeding was firstly suspended from the register and then resumed. It is currently pending before the competent administrative judge;
- on 12 October 2017, presentation of a claim form to the Rome Court by FCA for claims made during the contract term and not covered by the previous award for €109 million. The court-appointed expert found that approximately €14.8 million was due to FCA, the non-application of the penalty and release of the performance guarantee of about €45.2 million.

Strait of Messina bridge - Eurolink

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

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

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

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

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

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

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

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

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

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

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

Orastie - Sibiu motorway

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

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

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

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

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

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

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

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

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

In the meantime, on 17 February 2021, the Bucharest Court confirmed Webuild’s obligation to return RON83.8 million collected on the basis of the partial award, seeing that it has been cancelled.

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

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

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

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

Contorno Rodoviario Florianópolis (Brazil)

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

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

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

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

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

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

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

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

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

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

On 6 August 2021, CCSIA appealed against this ruling before the Santa Caterina Appeal Court assisted by its legal advisors. 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.

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

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

Rome Metro

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Colombia - Yuma and Ariguani

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

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

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

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

After more than a year of negotiations, on 20 February 2020, the parties signed 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 as part of the international arbitration.

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

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

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

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

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

Project S8 (Poland)

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

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

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

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

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

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

Project A1F (Poland)

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

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

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

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

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

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

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

Project S3 (Poland)

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

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

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

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

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

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

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

Project S7 Kielce (Poland)

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

The customer has enforced approximately €15 million of the bank guarantees.

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

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

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

Project S7 Wydoma (Poland)

Webuild was awarded this contract in October 2017.

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

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

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

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

Copenhagen Cityringen

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

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

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

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

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

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

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

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

North West Rail Link (Australia)

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

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

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

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

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

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

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

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

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

Al Bayt Stadium (Qatar)

On 25 October 2019, the joint venture comprising Leonardo S.p.A. and PSC S.p.A. ("Leonardo/PSC JV") commenced an arbitration proceeding before the International Chamber of Commerce against the joint venture consisting of Galfar Al Misnad Engineering and Contracting, Salini Impregilo (now Webuild) and Cimolai S.p.A.

("GSIC JV" in which the Group has a 40% interest) with respect to the contract to build the Al Bayt Stadium in Doha, Qatar.

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

In turn, the Galfar/Webuild/Cimolai joint venture has claimed damages of not less than QAR715 million (approximately €173 million).

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

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

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

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

Saudi Arabia

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

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

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

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

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

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

Tajikistan

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

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

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

Slovakia

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

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

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

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

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

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

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

Administrative litigation

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

USW Campania projects

The special commissioner tasked by the Regional Administrative Court to collect receivables of the former operators of the waste disposal service performed until 15 December 2005 submitted their final report in November 2014, in which they stated that the competent public administration had already collected directly €46.4 million of the fee due to Fibe for its services rendered until 15 December 2015 (when the contracts were terminated ope legis), without forwarding it to Fibe, and that total outstanding receivables totalled €74.3 million.

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

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

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

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

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

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

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

As part of the USW Campania projects, the Group was notified of a large number of administrative measures regarding reclamation and the implementation of safety measures at some of the landfills, storage areas and RDF plants. For the proceedings regarding the characterisation and emergency safety measures at the Pontericcio site, the RDF plant in Giugliano and the temporary storage area at Cava Giuliani, the Lazio

Regional Administrative Court rejected the appeals filed by Fibe with ruling no. 6033/2012. An appeal against this ruling, based on contamination found at a site different to those subject of the proceedings, was filed with the Council of State. It denied Fibe's precautionary motion to stay the enforcement of the decision. The Council of State subsequently accepted Fibe's appeal in its ruling no. 5076/2018, reversing the first level ruling and cancelling the measures challenged by Fibe. With respect to the Cava Giuliani landfill, the Lazio Regional Administrative Court, with ruling no. 5831/2012, found that it lacked jurisdiction in favour of the Superior Court of Public Waters, before which the appeal was summed up and this court rejected the appeal with its ruling no. 119/2020 filed on 28 December 2020. Fibe has appealed this ruling. Before the judges' rulings, Fibe had completed the characterisation operations for the above sites, but this does not constitute any admission of liability whatsoever.

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

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

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

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

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

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

Webuild deems the risk of an unfavourable ruling is remote and that the assets recognised under intangible assets at 31 December 2021 are recoverable, supported by their legal advisors.

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

Criminal litigation

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

USW Campania projects

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

commissioner's office. As part of this investigation, the former service providers and Fisia Ambiente are also charged with the administrative liability attributable to companies pursuant to Legislative decree no. 231/01 without claims for compensation being made against these companies.
In the hearing of 21 March 2013, the Preliminary Hearing Judge ordered that all the defendants and companies involved pursuant to Legislative decree no. 231/2001 be committed for trial for all charges, transferring the proceedings to the Rome Court as a result of an acting judge being listed by the Naples public prosecutor as under investigation.

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

COCIV consortium

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

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

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

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

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

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

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

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

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

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

The preliminary hearing before the Judge for the Preliminary Hearing at the Alessandria Court is scheduled for 24 March 2022.

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

Cossi Costruzioni S.p.A.

Cossi Costruzioni S.p.A. was notified of the commencement of proceedings before the Rimini Court for an alleged administrative offence as per article 25-septies.3 of Legislative decree no. 231/2001 (personal injuries, which were treated, that allegedly happened due to violations of occupational safety regulations). The Court acquitted all the defendants, including the company whose liability was excluded as the event did not take place, with its ruling no. 1111 of 14 June 2021 filed on 13 September 2021.

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

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

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

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

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

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

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

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

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

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

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

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

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

After articulated and complex procedural phases, on 21 March 2012, with respect to the appeal made by the public prosecutor against the first level ruling that had acquitted Impregilo of the responsibilities as per Law no. 231/02, the Milan Appeal Court rejected the requests of the public prosecutor and fully confirmed the first level ruling which, inter alia, found the company's organisational model to be suitable. The public prosecutor appealed this ruling before the Supreme Court which cancelled the Milan Appeal Court's ruling in its sentence no. 4677/14 of 18 December 2013. It referred the case to another section of the same court for a review of its merits. The proceeding was resumed before the Milan Appeal Court which acquitted the company in the hearing of 19 November 2014 and confirmed the remainder of the Milan Court's Judge for the Preliminary Investigation's acquittal ruling of 17 November 2009. The reasonings for this acquittal ruling were only filed with the Appeal Court's secretary on 30 April 2021. The attorney general (represented by the chief prosecutor) presented another appeal to the Supreme Court against the Appeal Court's most recent ruling with an application notified on 14 June 2021. The Supreme Court rejected in toto the appeal with its ruling of 11 November 2021, making the acquittal ruling definitive.

Other situations characterised by risk and/or uncertainty profiles

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

Società Italiana per Condotte d'Acqua S.p.A. under extraordinary administration ("Condotte"), which has investments in group companies, filed a petition as per article 161.6 of the Bankruptcy Law after which, on 17

July 2018, it applied for immediate application of the extraordinary administration procedure pursuant to article 2 of Decree law no. 347/2003 to the Ministry of Economic Development.

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

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

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

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

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

Their claims were based on the following:

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

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

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

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

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

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

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

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

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

Lybian Expressway Contractors, Eurolink S.c.p.a., Reggio Calabria Scilla S.C.p.A. and Salerno Reggio Calabria S.C.p.A. have challenged the accepted claims before the Rome Court, asking that their requests be accepted and, specifically, that the pre-preferential nature of the accepted claims be acknowledged (including conditional upon Condotte’s taking over of the consortium’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 Societa’ Italiana per Condotte d’Acque S.p.A. under extraordinary administration.

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

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

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

Astaldi

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

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

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

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

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

Partial proportionate demerger of the core assets scope

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

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

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

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

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

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

Afragola FS S.C.R.L. - Separate composition with creditors procedure

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

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

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

Civil litigation

Metro C (Italy)

Actions related to default of the implementing act:

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

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

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

Metro C commenced an action for damages with its claim form of 21 May 2019 against Roma Metropolitane and Roma Capitale for unjustly incurred financial charges and damage caused by the non-payment of the sums due under the implementing act of September 2013 referred to in point 1a) as well as the unlawful deductions applied by Roma Metropolitane. Metro C has claimed damages of approximately €55 million for the reasons cited in the claims form, based on an appraisal, in addition to another €18 million for the deductions made by Roma Metropolitane as arbitrary claims for refunds of the new prices agreed and paid during the contract term.

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

As the pre-trial stage has been completed, the proceedings are before the judge for their ruling.

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

As part of the dispute about the construction of E-90, the section of SS-106 state road Jonica from the Squillace interchange (km 178+350) to the Simeri Crichi interchange, on 29 October 2020, the Rome Appeal Court entirely rejected the appeal presented by the customer ANAS against the arbitration award of 28 October 2013 which found that CO.MERI was to be paid approximately €103 million plus the legally required amounts. ANAS has appealed to the Supreme Court and a date for the hearing has still to be set.

Alto Piura hydroelctric project (Peru)

The Obrainsa Astaldi joint venture was awarded the contract to build the Alto Piura hydroelectric project with the customer PEIHAP (Proyecto Especial de Irrigacion e Hidroenergetico del Alto Piura). On 23 October 2018, the customer terminated the contract and the joint venture commenced a number of local arbitration proceedings before the arbitration centre of the Piura Chamber of Commerce ("Centro de Arbitraje de la Camara de Comercio di Piura) against PEIHAP for €3.8 million (Astaldi's share: €1.9 million). The customer presented its counterclaim for approximately €56 million, mainly for alleged indirect damages. In January 2022, the third arbitration hearing ruled in favour of the joint venture, awarding it nearly €1 million.

On 1 September 2021, PEIHAP enforced a guarantee for the return of contract advances of USD7.1 million provided by Astaldi. The Peruvian legal advisors immediately requested and obtained a provisional measure from the arbitration tribunal to block payment of the guarantee and this tribunal confirmed the measure on 6 December 2021 until the award is handed down on the arbitration proceedings.

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

On 12 March 2015, Supreme decree no. 105 signed by the President of Chile and the Minister of Public Works (Mnisterio de Obras Públicas), as grantor, was issued awarding the concession for the construction, restructuring, maintenance and operation of Arturo Merico Benítez International Airport in Santiago to Sociedad Concesionaria Nuevo Pudaahuel S.A. ("NPU"), 45% owned by Aéroports de Paris, 40% by VINCI Airports and 15% by Astaldi Concessioni (now transferred to the separate unit). On 18 November 2015, NPU awarded an EPC contract to a joint venture comprising Astaldi and VINCI Construction Grands Projects

(VCGP) to design, build and restructure the airport. Due to the grantor's delay in approving the definitive design prepared by the contractor, the contract was immediately beset by serious delays, generating additional costs for the joint venture, mostly due to the general difficultly in planning the work activities leading to the lack of productivity and significant diseconomies as a result of the continued interruptions in the approval process.

The non-productivity caused both the need for additional resources to resolve the delays and the greater resort to those scheduled. In addition, the leader VCGP had immediately imposed a work site organisation which was very costly and a contract strategy which was not favourable to the operator NPU, which Vinci has a 40% interest in. This management model and the operating decisions taken, most of which Astaldi did not agree with, meant the contract outcome decreased over time. VCGP continued to refuse the proposals made by Astaldi over the contract term to improve its management and make the processes more efficient, leading Astaldi to communicate its intention of commencing a dispute for mismanagement. In the meantime, Astaldi found itself in financial difficulties which led to its application for a composition with creditors procedure and meant it was unable to cover the joint venture's significant funding requirements. VCGP agreed to provide the joint venture with Astaldi's share of the funding.

The conflict of interest between VCGP and the group company VINCI Airports, which has a 40% interest in NPU, meant that it could not apply to NPU or the Ministry for the immediate cover of the higher costs incurred.

Astaldi always queried this policy to no avail. Due to this growing level of disagreement, on 23 November 2020, VCGP exercised its right to withdraw from the interim agreement, signed in June 2019 whereby it agreed to provide the joint venture with necessary funding, also on behalf of Astaldi. Its formal reason for this was the positive conclusion of Astaldi's composition with creditors procedure and subsequent capital increase of 5 November 2020. In addition, on 4 December 2020, VCGP requested Astaldi return the funding provided to the joint venture (and interest thereon) by VCGP on its behalf of around €38 million.

As Astaldi deems that the joint venture's difficulties were caused by its bad management unilaterally decided upon by the leader (VCGP) and given that its proposal to settle the dispute amicably was rejected, it challenged VCGP's request and presented an application for arbitration to the International Chamber of Commerce against its partner VCGP on 14 December 2020. It requested that VCGP cover all the costs of its management decisions and to hold Astaldi harmless from any other risks arising from the contract.

In line with its general approach, VCGP objected that Astaldi had defaulted and announced that it was excluded from the joint venture. Under the terms of the agreement between the parties and without prejudice to the fact that ascertainment of liability is the subject of the currently pending arbitration, the defaulting party is excluded from the joint venture and an expert (appointed jointly by the parties or, if they cannot come to an agreement, by the International Chamber of Commerce) defines the receivable (or payable) due from or to the excluded party, considering the reasonably foreseeable losses to complete the contract and the revenue accrued at the exclusion date. The proceeding is at an initial stage.

Upon completion of the contract, the excluded party does not have any rights should the contract outcome be better than expected while should it be worse (smaller profits or larger losses), the excluded party bears its share in proportion to its original investment.

As part of the same dispute, VCGP filed an appeal with the Rome Court on 15 April 2021 for the preventive attachment of Astaldi's real estate, movable property and receivables for €37.2 million, plus interest, as protection for its alleged claim related to the share of the loan given to the joint venture that it has counterclaimed in the arbitration proceeding commenced by Astaldi. While awaiting the exchange of the authorised briefs, the parties are waiting for the judge to hand down their measure.

At the end of October 2021, VINCI Agencia en Chile presented an application for the preventive attachment of €56 million to the Chilean courts against Astaldi Sucursal Chile. The relevant court rejected this application.

In addition, Astaldi was notified by VCGP by registered letter received on 1 July 2021 that the latter has sued Astaldi's chairperson and CEO and the same Astaldi as the party civilly liable (for the symbolic amount of €1 as compensation plus the costs of publishing the ruling and payment of another €20 thousand) before the Nanterre Court in France for the alleged crime of public defamation under the French Criminal Code.

Based on the documentation received, the alleged defamation took pace with the publication of the 2020 Annual Report which described the ongoing dispute with VCGP and the complaints made by Astaldi Group (like above). According to VCGP, these complaints were seriously defamatory and prejudicial.

Assisted by their expert legal advisors, the company and its two directors deem that VCGP's allegations are completely unfounded at factual level as well as legally. They will take the appropriate legal action at all levels.

VCGP has also sued Webuild and its chairperson as part of the same criminal proceeding and for the same reasons.

On 25 November 2021, VCGP filed a new arbitration application (ICC no. 26708/PAR) against Webuild, requesting that Webuild be ordered to pay Astaldi's cash calls for the Santiago del Chile Airport of €52 million and that the two proceedings be joined. The arbitration tribunal has not yet been constituted at the date of preparation of this report.

In addition, on 2 November 2021, VCGP obtained the preventive attachment of Webuild's French accounts of €38.8 million but has currently managed to have just €1.8 million frozen. Webuild's legal advisors are finalising their counterclaim to cancel the attachment.

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 until April 2022.

With respect to the above dispute, supported by the opinions of the Group's legal advisors, the directors deem the risk of losing the case is possible, leading to additional costs to those already provided for in the consolidated financial statements.

Chacayes hydroelectric plant (Chile)

In October 2008, Pacific Hydro Chacayes S.A. and Constructora Astaldi Cachapoal Ltda. signed an EPC contract for the design, supply and construction of the Chacayes hydroelectric plant in Chile. In August 2017, Pacific Hydro Chacayes S.A. applied for arbitration against Constructora Astaldi Cachapoal Ltda. and Astaldi for their alleged breach of the EPC contract. It noted that in February 2016 and, therefore, before Astaldi's composition with creditors procedure, one of the structures of the hydroelectric plant collapsed (the emergency spillway). Pacific Hydro has claimed damages of USD50 million.

On 10 December 2021, the arbitration tribunal issued its final award ordering Astaldi and Constructora Astaldi Cachapoal Ltda to pay USD30.7 million.

With respect to the above dispute, supported by the opinions of the Group's legal advisors, the directors deem the risk of losing the case is possible, leading to additional costs to those already provided for in the consolidated financial statements.

Felix Bulnes Hospital (Chile)

In January 2019, Sociedad Concesionaria Metropolitana de Salud S.A. (SCMS) unduly terminated the construction contract after requesting the guarantees of approximately €30 million be enforced. The contractor, Astaldi Succursal Chile, challenged the termination and requested arbitration before the Santiago Chamber of Commerce, claiming that termination was unlawful, payment for the work performed, compensation for damage and lost profit and return of the enforced guarantees for a total of €103 million. SCMA presented its rejoinder and replication for approximately €70 million. The final award was notified to the parties on 4 January 2022, rejecting Astaldi's claims and ordering Astaldi Sucursal Chile to pay SCMS approximately €111 million. Astaldi Succursal Chile has appealed against the award to the Appeal Court.

With respect to the above dispute, supported by the opinions of the Group's legal advisors, the directors deem the risk of losing the case is possible, leading to additional costs to those already provided for in the consolidated financial statements.

Muskrat Falls hydroelectric project (Canada)

During the performance of this project in Canada, a number of unforeseeable events took place which, together with operating difficulties during the start-up phase, led to an increase in the project's total cost. Specifically, the productivity level of the local labour was unexpectedly and unusually low.

In December 2016, Astaldi Canada Inc. ("ACI") and the customer, Muskrat Falls Corporation ("MFC"), wholly-owned by Nalcor Energy, signed a rider, whereby the customer acknowledged the higher costs incurred by Astaldi to carry out the project. However, the difficulties in performing the works continued. During the performance of the works (95% completed), on 27 September 2018, ACI notified MFC that it was requesting arbitration for payment quantum meruit of the actual value of the works performed due to the fact that MFC had arbitrarily imposed a pain/gain share mechanism to its sole advantage and to ACI's cost, thus causing the contractor to incur financial difficulties in performing the works. In addition, ACI claimed that MFC had not fulfilled its obligation of good faith or its contractual obligations.

The estimated amount of damages set out in the application was CAD429 million (the equivalent of €280 million). In reply, the customer sent a notice of default on 28 September 2018 and subsequently a notice of termination on 8 November 2018, and enforced the letters of credit acting as performance bond (CAD100 million, the equivalent of €65 million) and advance payment bond (CAD84 million, the equivalent of approximately €55 million) for a total of CAD184 million (the equivalent of €120 million), generically alleging lack of funds and non-payment of subcontractors and third parties.

On 26 November 2018, the arbitration tribunal was set up. ACF requests that MFC be ordered to pay compensation for damages incurred (in terms of the work performed and not paid for, costs incurred after termination of the contract, unfairly enforced letters of credit and lost profit) of CAD378.2 million (including CAD50.0 million for punitive damages) and the return of the letter of credit which acted as the performance bond. MFC requested ACI pay CAD38.1 million (the equivalent of approximately €25.0 million) for alleged damage incurred due to ACI's conduct.

At the start of February 2022, the tribunal handed down a partial award confirming that MFC was correct to terminate the contract and rejecting some of ACI's claims finding them to be illegitimate. However, it also ordered MFC to compensate ACI for delays and loss of productivity and for the work already completed while ACI is to compensate MFC for the additional costs due in relation to the contract termination and to return the amounts paid by MFC to ACI's creditors. The arbitration tribunal requested the two parties to present additional briefs to finalise the remainder of the dispute after which it will issue its final award which will include instructions on who is to pay for the arbitration proceeding and interest. A preliminary estimate of the amount due by MFC to ACI is approximately CAD120 million.

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

CFR (the Romanian National Railways Company) and the Astaldi (49.5%)-FCC-Salcef-Thales Lot 2A joint venture signed the contract for the rehabilitation of the railway line and restructuring of some stations on 19 May 2017. Events took place during the performance of the contract that were outside the contractor's control such as non-possession of the work areas, non-receipt of the building permits, delays and lack of expropriations, delays in the delivery of the technical documentation and lack of environmental permits. On 13 November 2020, the contractor presented an application for arbitration as per the rules of the International Chamber of Commerce against the customer CFR to obtain an extension of the contract timeline and to recover the higher costs and expenses incurred. It requested that the arbitration tribunal rule on the customer's non-compliance with its contractual obligations and, accordingly, to grant an extension to allow it to complete the works. It also requested that CFR be ordered to pay an amount subsequently revised to approximately RON120 million (the equivalent of around €24.2 million) plus interest and the costs of the arbitration proceeding. The parties have reached a settlement agreement granting the contractor a price revision of RON308 million (approximately €62 million).

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

CFR and the Astaldi (49.5%)-FCC-Salcef-Thales Lot 2B joint venture signed the contract to rehabilitate the railway line on 19 May 2017. Events took place during the performance of the contract that were outside the contractor's control such as non-possession of the work areas, non-receipt of the building permits, delays and lack of expropriations, delays in the delivery of the technical documentation and lack of environmental permits. On 13 November 2020, the contractor presented an application for arbitration as per the rules of the International Chamber of Commerce against the customer CFR to obtain an extension of the contract timeline and to recover the higher costs and expenses incurred. It requested that the arbitration tribunal rule on the customer's non-compliance with its contractual obligations and, accordingly, to grant an extension to allow it to complete the works. It also requested that CFR be ordered to pay an amount of not less than RON78.7 million (the equivalent of around €15.9 million) plus interest and the costs of the arbitration proceeding. The parties have reached a settlement agreement granting the contractor a price revision of RON322 million (approximately €65 million).

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

CFR and the FCC-Astaldi (49.5%)-Convensa lot 3 joint venture signed the contract for lot 3 of the railway line on 7 August 2017. Events took place during the performance of the contract that were outside the contractor's control such as non-possession of the work areas, non-receipt of the building permits, delays and lack of expropriations, the discovery of archaeological artefacts and delays in the delivery of the technical documentation. On 13 November 2020, the contractor presented an application for arbitration to the Court of International Commercial Arbitration attached to the Bucharest Chamber of Commerce against the customer CFR to obtain an extension of the contract timeline and to recover the higher costs and expenses incurred. It requested that the arbitration tribunal rule on the customer's non-compliance with its contractual obligations and, accordingly, to grant an extension to allow it to complete the works. It also requested that CFR be ordered to pay not less than RON106.1 million (the equivalent of around €21.4 million) plus interest and the costs of the arbitration proceeding. The parties have reached a settlement agreement granting the contractor a price revision equal to roughly 20.5% of the contractual consideration.

I-405 Expressway (USA)

Astaldi Construction Corporation ("ACC") was assigned this contract as part of a joint venture with the Spanish company Obrascón Huarte Lain S.A. ("OHL") which presented an arbitration application requesting that ACC be excluded from the joint venture on 16 June 2021. It claims that both ACC and Astaldi (its parent and guarantor) are insolvent. This application was made years after Astaldi commenced its composition with creditors procedure.

The arbitration will take place in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association (jurisdiction of New York, State of New York law). ACC has challenged OHL's claims and has requested in turn that OHL be excluded from the joint venture for the same reasons as it appears that the Spanish company is in severe financial difficulties according to news in the specialist press and verified by

Astaldi's US-based legal advisors. The arbitration tribunal has been constituted and the proceeding is at an initial stage.

Railway project E-59 (Poland)

On 27 September 2018, Astaldi notified the customer (PKP, Polskie Linie Koejowe S.A.) of the termination of the contract due to the extraordinary and unforeseeable change in the works performance as evidenced by the abnormal increase in materials and labour costs, as well as the serious unavailability of materials, services and labour on the market, including rail transport of construction materials.

On 5 October 2018, the customer replied by terminating the contract alleging the contractor's default and requesting payment of the fine (PLN130.9 million, the equivalent of around €29 million) and enforcing the guarantees totalling €18.8 million (including the advance payment bond). On 7 February 2019, PKP filed a petition with the Warsaw Court, requesting the payment of fines of PLN87.25 million (the equivalent of €19 million), net of the enforced performance bond (€9.4 million). The customer also requested repayment of PLN8.1 million (including interest) (the equivalent of approximately €1.8 million) it had paid to the subcontractors. Astaldi filed its defence brief on 2 December 2019 and the first level ruling is still pending.

Following the termination of the contract, Astaldi filed a claim before the Warsaw Court on 17 March 2020 for the non-payment of work performed and certified worth PLN17.6 million (the equivalent of approximately €4 million). Subsequently, it filed an additional claim on 26 May 2020 requesting payment of a further PLN16.8 million (the equivalent of €3.9 million, of which around €1.3 million for unpaid invoices and roughly €2.6 million for work performed but not certified). The proceeding is underway.

Railway project 7, Dęblin - Lublin line (Poland)

On 27 September 2018, as leader of the consortium (94.98% share) set up to develop the Deblin-Lublin railway line, Astaldi notified the customer (PKP, Polskie Linie Koejowe S.A.) of the termination of the contract due to the extraordinary and unforeseeable change in the works performance as evidenced by the abnormal increase in materials and labour costs, as well as the serious unavailability of materials, services and labour on the market, including rail transport of construction materials.

On 5 October 2018, the customer replied by terminating the contract alleging the consortium's default and requesting payment of the fine (PLN248.7 million, the equivalent of around €55 million) and enforcing the guarantees totalling €18,8 million (including the advance payment bond). On 7 February 2019, PKP filed a petition with the Warsaw Court, requesting the payment of fines of PLN155.6 million (the equivalent of approximately €34.4 million), net of the enforced payment bond (€21.7 million). The customer also requested repayment of PLN66.8 million (including interest) (the equivalent of approximately €15 million) it had paid to the subcontractors.

Astaldi filed its defence brief on 2 December 2019 and the first level ruling is still pending. Following termination of the contract, Astaldi presented its claim to the Warsaw Court for non-payment of work performed and certified by the works manager of PLN37.9 million (the equivalent of approximately €8.4 million). It subsequently filed a second claim on 26 May 2020 requesting payment of a further PLN135.3 million (the equivalent of approximately €30 million) for work performed but not certified. The proceeding is underway.

Criminal litigation

Investigations related to Ospedale del Mare di Napoli (Italy)

In January 2021, the ceiling of a reinforced concrete building in the car park of Ospedale del Mare di Napoli collapsed. As a result, the Naples public prosecutor is carrying out an investigation to ascertain the causes and accountability. In order to carry out the necessary unrepeatable technical checks, the public prosecutor included in the register of suspects for the crime of negligent collapse all the parties involved in various capacities in the development of the project, including some former Astaldi managers and employees. The technical inspections are underway.

Country risk

Libya

Webuild S.p.A. operates in Libya through a permanent establishment and a subsidiary, Impregilo Lidco Libya General Contracting Company (Impregilo Lidco), which has been active in Libya since 2009 and is 60% owned by Webuild with the other 40% held by a local partner.

The directors do not deem that significant risks exist with respect to the permanent establishment's contracts as work thereon has not started, except for the Koufra Airport project. Moreover, the Group's exposure for that project is not material. The Group is also involved in the Libyan Coastal Highway project which leads to the Egyptian border for the stretch through Cyrenaica, which had not yet been started at the reporting date.

Impregilo Lidco won important contracts for the construction of:

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

Despite the dramatic political and social events in Libya from 2011, Webuild has always acted in accordance with the contractual terms.

This political upheaval has not yet subsided, impeding the subsidiary from developing its business. At present, Webuild does not expect activities to be resumed in the near future as there are serious security problems.

Impregilo Lidco continues to be present in Libya and to maintain contacts with its customers, complying promptly with legal and corporate requirements. It informed its customers immediately of the activation of the force majeure clause (provided for contractually).

The customers have acknowledged the contractual rights and the validity of the claims presented for the costs, losses and damages incurred as a result of the above-mentioned unrest. Once the local situation has normalised and the country's institutions are working again, these claims will be discussed with the customers.

The impairment losses on net assets and costs incurred starting from the 2012 financial statements are fully included in contract liabilities. The subsidiary has presented claims to the customers for these amounts, which it deems are fully recoverable as they are due to force majeure.

In addition, the investments made to date are covered by the contract advances received from the customers.

The subsidiary's legal advisors agree with this approach as can be seen in their reports.

No significant risks are deemed to exist for the recovery of the net assets attributable to the subsidiary, thanks in part to actions and claims filed against the customers.

As this country's situation continues to be complex and critical, the Group does not expect that operations can be resumed in the short term.

On 10 March 2021, the House of Representatives in Tobruk met at Sirte and approved the interim government of national accord led by the Prime Minister Abdul Hamid Ddeibah until the next elections.

Webuild will continue to guarantee the subsidiary's business continuity. However, it cannot be excluded that events which cannot currently be foreseen may take place after the date of preparation of this report that require changes to the assessments made to date.

Argentina

In recession since 2018, this country's challenging macroeconomic situation has been worsened by the global health emergency caused by Covid-19.

The economic slump, the containment measures put in place to deal with the pandemic and the drop in global demand have not helped the country's ongoing recession. According to the World Bank, Argentina is one of the Latin American countries that has lost the most wealth.

The additional hike in the inflation rate is partly due to the government's decision to contain the peso's devaluation through restrictive measures on the currency market.

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

The Group is carrying out two projects in Argentina mostly funded by the World Bank: a hydraulic tunnel (lot 3) and a wastewater pre-treatment plant (lot 2), both of which are part of a mega project for the environmental restoration of the Matanza Riachuelo River Basin in the Buenos Aires Metropolitan Area. These projects have continued despite the country's difficult macroeconomic situation.

Venezuela

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

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

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

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

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

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

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

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

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

Nigeria

This country's outlook continues to be uncertain as the campaign for the elections (presidential and governmental) to be held in February 2023 has kicked off.

At the date of preparation of this report, Covid-19 has not had a significant impact on Nigeria in social or health terms, thanks partly to a vaccination campaign which is garnering increasing success with the population.

The economic outlook does not prospect the recovery of the construction sector, which is currently on standby, except for limited progress on a few strategically important projects.

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

Some activity is being carried out on the projects for the Suleja-Minna Road, as the main thoroughfare for the state of Niger, the Inner Northern Expressway which links the Outer Northern Expressway to Ring Road III in Abuja and the Adiyan-Lagos water treatment plant.

Another factor holding back recommencement of the works is the need to approve variations for the increase in unit prices or commissions for price variations and/or currency fluctuations for some of the ongoing projects.

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

The Group cannot exclude that events which cannot currently be foreseen may take place after the date of preparation of this report that require changes to the assessments made to date.

Ukraine

Tensions blew up again with Russia early in 2022 leading to the armed intervention of the Russian military forces in Ukraine, which is still underway. This has clearly contributed to significantly worsening the expected macroeconomic outlook for this country.

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

Main contract events and effect of the sale of Todini

The parent's sale in April 2016 of Todini Costruzioni Generali (which had been awarded the M03 contract) was one of the factors that led to the customer's termination of the contract in August 2016.

The Group defended its position and obtained positive rulings from the Dispute Board (DB) with respect to both its financial requests and the principal of the issue, including the illegality of the termination.

The customer's continued refusal to comply with the DB's rulings, including after the Group had made significant concessions, led to the effective termination of the contract in March 2017, the dismantlement of the work site and commencement of arbitration proceedings before the International Chamber of Commerce (ICC) in Paris.

Arbitration proceedings before the Paris International Chamber of Commerce

As part of the pending arbitration proceedings, the ICC issued two partial awards substantially confirming the amounts awarded by the DB on a provisional basis and without prejudice to the assessment of the merits of the claims presented.

On 26 June 2018, it issued its first partial award for an amount equivalent to approximately €54 million. On 30 January 2019, it issued the second partial award for the interest accrued on the amounts awarded with the first award of approximately €7 million.

The ICC also established that additional interest is to be charged on the amounts due to the Group up until the date of effective payment of the contractual consideration.

The claims presented by the Group to the ICC total UAH1,389 million (the equivalent of approximately €137 million at 30 June 2021), as per the amounts claimed via the DB plus the additional claims and related financial expense made directly to the ICC.

In October 2019, the Kiev Court of Appeal acknowledged the applicability of the ICC's first partial award and issued a writ of execution for payment by Ukravtodor to Todini Costruzioni Generali S.p.A. of UAH34 million, €20 million and USD39 million.

The customer appealed this decision before the Supreme Court.

In February 2020, the Supreme Court rejected the customer's appeal and confirmed the Kiev Court of Appeal's ruling of October 2019.

In April 2020, the Group presented the writ of execution to the local authorities to formalise the payment request for the amounts covered by the first partial award.

The customer has confirmed it is willing to pay the amounts due under the first partial award in local currency. The Group is waiting for additional clarifications from the central bank to obtain authorisation to transfer the amounts in hard currency to Italy.

On 31 March 2021, a fifth partial award was notified setting out the criteria to be applied but not the amounts related to most of Todini's requests. It established that the customer's decision to terminate the contracts in August 2016 was contractually valid: Todini had assigned the contracts without the customer's prior consent. The award led to a reduction of the equivalent of approximately €20 million in the initial petitum equal to around the equivalent of €137 million, net of interest that continues to accrue in Todini's favour Todini's legal counsel filed an appeal as per article 36 of the ICC arbitration regulation for the correction of material errors, deeming that certain numerical and logical contradictions in the provisions of the award should be corrected. Specifically, it requested that the number of days for suspension of the contract granted by the award be corrected. The appeal also included corrections to the consideration for the additional designs.

The appeal was rejected with the measure of 21 August 2021. This led to another reduction in the initial petitum of the equivalent of approximately €137 million by the equivalent of approximately €10 million.

At the date of preparation of this Report, it is not possible to establish the amounts of the remaining requests. The court has asked the parties' experts to apply the criteria to calculate the amounts due to Todini. Their findings will be included in the final award, expected to be issued by mid-2022 and which will also set out the arbitration costs. Todini has maintained the right to payment for the partial awards accepted many years ago by the Ukrainian court.

In view of the present critical situation, it cannot be excluded that events not foreseeable at the date of preparation of this report may arise in the future requiring changes to the assessments made to date.

Alternative performance indicators

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

Financial ratios:

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

Debt indicators:

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

a. Current and non-current financial assets;

b. Cash and cash equivalents.

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

a. Current account facilities and other loans;

b. Bonds;

c. Lease liabilities.

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

a. Derivatives;

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

Performance indicators:

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

   a. Total revenue;

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

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

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

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

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Disclosure on the adjusted figures

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

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

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

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

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

Reclassified consolidated statement of profit or loss for 2020

- elimination of the gain from the bargain purchase and the amortisation of intangible assets arising from the PPA for the acquisition of control of Astaldi Group;
- elimination of the accounting effects of the impairment losses recognised on the Group's receivables from Venezuelan government agencies;
- sterilisation of the effects of the out-of-court agreement with Condotte;
- recognition of the impairment test performed on the equity investment in Grupo Unidos por el Canal S.A..

Reclassified consolidated statement of profit or loss for 2021

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

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

Events after the reporting date

Webuild wins contract for the Diriyah Square Package 2 multi-storey mega car park worth approximately €840 million (excluding VAT) in Riyad, Saudi Arabia

On 17 January 2022, Webuild Group won a contract of approximately €840 million (excluding VAT) to build a multi-storey mega car park for 10,500 vehicles in Riyad, the Diriyah Square - Package 2 Super-Basement Works. Commissioned by Diriyah Gate Development Authority, the car park will have three underground floors and will create more than 9 thousand jobs.

The mega car park is part of the Diriyah Gate Development, an ambitious urban development project in Ad Diriyah, the historic district in Riyadh and a UNESCO heritage site. It aims to combine socio-economic development opportunities while respecting the district's cultural identity. The Diriyah Gate Development will lead to the creation of a new district along the Western Ring Road, in north-west Riyadh, that will cover 7 square kilometres. The architecture and design of the district will take inspiration from the traditional Najdi style. It will include the development of a network of pedestrian streets, public squares, courtyards, souks and bazaars to recreate the authenticity of a Saudi village.

Successful placement of additional unsecured notes reserved to institutional investors

On 28 January 2022, Webuild successfully placed sustainability-linked notes with an aggregate nominal amount of €400 million reserved to institutional investors. This is the first sustainability-linked issue made by the parent, demonstrating its commitment to fully integrate sustainability into its business and financial strategies. The notes are redeemable on 28 July 2026 and have an annual coupon of 3.875%. They are linked to achievement of the reduction by 50% of carbon intensity emissions (scope 1 & 2), contributing to the UN's SDG 9 Industry, Innovation and Infrastructure and SDG 13 Climate Action in line with Webuild's Sustainability-Linked Financing Framework.

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

Share buy-back programme

On 27 January 2022, Webuild announced the launch of a share buy-back programme pursuant to the resolution passed by its shareholders at their ordinary meeting of 30 April 2021.

Purpose of the programme

The programme's aims at the repurchase of treasury shares, pursuant to and for the purposes of the market practices permitted by Consob and, moreover, article 5 of Regulation (EU) 596/2014 as implemented (including Delegated Regulation (EU) no. 2016/1052) in order to:

a) operate on the market, in compliance with applicable laws and regulations currently in force and through intermediaries, to support the liquidity of the share and to stabilise the trend of trading and prices, in the presence of any price fluctuations that reflect abnormal trends, including those linked to excessive volatility or poor trading liquidity and/or to ordinary share placements on the market by shareholders that have the effect of affecting its price and/or more generally to contingent market situations. In such case, the parent shall make any additional information required by the applicable law and market practice available to the market;

b) equip itself with a portfolio of its own treasury shares to be used in the context of any extraordinary financial and/or incentive operations and/or for other uses deemed to be of financial, managerial and/or strategic interest for the parent.

The parent’s board of directors may provide for additional or different purposes of the Programme, in accordance with resolutions passed by the shareholders and the applicable law, and in this case, the market shall be informed pursuant to the law and applicable regulations. The repurchase transactions shall not be instrumental in reducing the share capital by cancelling the repurchased treasury shares.

Maximum number of treasury shares and duration of the programme

The share buy-back programme, which may be implemented within 18 months from the date of the shareholders’ resolution and, therefore, no later than 31 October 2022, may involve up to a maximum number of the parent’s ordinary shares not exceeding 10% of the total number of ordinary shares outstanding at the time of the transaction (currently 999,944,446 ordinary shares).

Minimum and maximum consideration and countervalue

The buy-back of treasury shares cannot differ, in any event, either downwards or upwards, by more than 20% with respect to the reference price recorded by the ordinary share during the stock exchange session preceding each individual transaction.

Methods via which the buy-back can be carried out

Share buy-back transactions shall be carried out in accordance with the principle of equal treatment of shareholders provided for in article 132 of the Consolidated Finance Act, in accordance with the procedure set out in article 144-bis.1.b) of the Issuers’ Regulation. Share buy-back transactions may take place in the manner established by market practices permitted by Consob pursuant to article 13 of Regulation (EU) no. 596/2014 and, moreover, article 5 of the same regulation, as implemented (including Delegated Regulation (EU) no. 2016/20152).

In order to carry out its treasury share buy-back transactions, the parent shall avail of financial intermediaries that shall operate entirely independently and without being influenced by the parent as to the timing of the purchases, without prejudice to the further communications that the parent shall make in this regard in accordance with the provisions of the applicable legal and regulatory framework, including accepted market practices, as applicable.

The programme does not oblige the parent to buy back its treasury shares or to do so to the maximum extent authorised by the shareholders. The programme may be implemented in part and/or suspended, interrupted and revoked at any time, subject to due notice.

Russia - Ukraine crisis

The diplomatic and military crisis between Russia and Ukraine came to a head in early 2022, resulting in the military operation launched by the Russian President Vladimir Putin into the Donbas region on 24 February 2022, which began the invasion of Ukraine which is still underway.

Financial closure reached on the Sotra Connection Project in Norway for over €1 billion

On 16 March 2022, Webuild, part of Sotra Link AS, reached financial closure on the Sotra Connection PPP Project, which includes the financing, design, construction and multi-year maintenance of a network of roads, tunnels and bridges in western Norway in the Vestland county. The public-private partnership (PPP) contract, with a combined total value of NOK19.8 billion (€2.0 billion), more than €1 billion of which for design and construction, is the largest transport contract in Norwegian history to date.

Outlook

Considering the Group's solid order backlog at year end, the sizeable infrastructure development programmes launched in the areas where it operates and the ongoing easing of the restrictions introduced to deal with the Covid-19 pandemic, the Group's outlook for 2022 is as follows:

- **book-to-bill:** >1.0x in the 2022-24 period;
- **revenue:** €7.0 - €7.5 billion, entirely covered by the existing order backlog;
- **EBITDA margin:** 7-7.5%, supported by the ongoing cost efficiency measures;
- **maintenance of a positive net financial position.**

These objectives have been set on the basis that no significant changes will take place in the global public health emergency, which could slow down Webuild's operations. They do not reflect the possible adverse effects on the global economic activities of the geopolitical tensions caused by the armed conflict in Ukraine[89].

Webuild will continue to pursue the following strategies:

1. **execute its order backlog that covers over 89% of its 2022-2024 targeted revenue** with strict control over cost and contract management;
2. continue to **consolidate its footprint in Italy** availing of the increase in infrastructure spending, simplification of the tendering process and introduction of a more favourable advance payment regime, **leveraging its capacity to invest in innovation and health & safety**;
3. **pursue de-risking strategies** focusing on low-risk regions;
4. **complete the €120 million operational efficiency programme** by 2023, enabled by the digitalisation of core processes and synergies with Astaldi;
5. **focus on cash flow generation and deleveraging** as a result of the de-risking, operating efficiencies and asset monetisation;
6. **develop new business opportunities** to diversify revenue and cash flows (such as infrastructure maintenance in Italy, strategic partnerships with infrastructure funds);
7. **pursue sustainability objectives**, favouring projects that reduce CO2 emissions and guarantee high safety standards.

[89] Reference should be made to the "Russia – Ukraine crisis" paragraph of this report for more information.

Other information

Research and development

Webuild carried out industrial research and experimental development activities during the year. These activities enabled the acquisition of new know-how and improvement of production efficiency, which will improve the parent's competitive edge.

The main R&D activities carried out during the year are described below:

- research, design and development of an innovative integrated platform for advanced construction production processes, comprising four strongly inter-related pillars:
    - Big Data & Digital Twins;
    - Knowledge Management and Collaboration & Process Revision and BPM System;
    - Fleet Management System;
    - Procurement Platform;
- study and experimental development of innovative energy systems and an integrated platform for work site monitoring, management and efficiency to promote the energy transition and digitalisation;
- design, analysis and development of high energy efficient mechanised excavation systems to minimise excavation machines' energy consumption without compromising their performances;
- study, analysis and experimental development of fully electric or hybrid propulsion multi-service means of transport to transport materials and personnel underground at the work sites and to assist the TBM with the mechanised excavation works;
- study and experimental development of an innovative automated, robotic industrial facility for prefabrication of tunnel lining sections with low environmental impact and powered with renewable energy;
- ideation, study, design, development and experimental validation of new technologies to build large complex civil works.

These macro projects related to the following areas:

a) **experimental or theoretical work**, with the main aim being the acquisition of new knowledge on the foundations of phenomena and observable facts;

b) **planned research** or critical investigations to acquire knowledge to be used to fine-tune new products, processes or services or allow the upgrading of existing products, processes or services or create parts of complex systems;

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

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

e) **production and testing of innovative products, processes and services.**

Compliance with the conditions of article 15 of the Stock Exchange Regulation

Webuild confirms that it complies with the conditions of article 15 of Consob regulation no. 20249 (“Regulation on markets”), based on the procedures adopted before article 15 was effective and the availability of the related information.

Repurchase of treasury shares

On 30 April 2021, in their ordinary meeting, the parent’s shareholders authorised the board of directors to adopt a treasury share repurchase plan as per the terms and methods approved by them (available in the “Shareholders’ meetings” part of the “Governance” section on the parent’s website www.webuildgroup.com).

At 31 December 2021, the parent had 1,330,845 treasury shares.

Related parties

Reference should be made to note 36 to the consolidated financial statements for a description of related party transactions.

Non-financial Statement

Webuild S.p.A. is exempt from preparation of the Non-financial Statement as per article 3 of Legislative decree no. 254/2016 as it prepares a Consolidated Non-financial Statement in accordance with article 4 of the same decree to which reference should be made.

On behalf of the board of directors

Chairman

Donato Iacovone

(signed on the original)

Consolidated financial statements as at and for the year ended 31 December 2021

Consolidated financial statements
Statement of financial position

ASSETS (€'000)	Note	31 December 2020 (*)	of which: related parties	31 December 2021	of which: related parties
Non-current assets					
Property, plant and equipment	7.1	477,498		620,277	
Right-of-use assets	7.2	164,632		169,639	
Investment property		120		-	
Intangible assets	7.3	595,668		466,350	
Goodwill	8	70,020		78,496	
Equity investments	9	640,135		736,233	
Derivatives and non-current financial assets	10	322,617	150,050	418,511	207,617
Deferred tax assets	11	368,364		348,480	
Total non-current assets		**2,639,054**		**2,837,986**	
Current assets					
Inventories	12	198,325		217,607	
Contract assets	13	2,796,074		2,787,252	
Trade receivables	14	1,884,647	379,367	2,498,234	385,865
Derivatives and other current financial assets	15	340,596	67,495	316,925	69,130
Current tax assets	16	114,297		104,708	
Other current tax assets	16	229,448		249,459	
Other current assets	17	1,008,839	45,085	905,056	71,746
Cash and cash equivalents	18	2,455,125		2,370,032	
Total current assets		**9,027,351**		**9,449,273**	
Non-current assets held for sale and disposal groups	19	10,049		42,997	23,592
Total assets		**11,676,454**		**12,330,256**	

(*) The Group's IFRS statement of financial position figures at 31 December 2020 have been restated after completion of Astaldi's PPA.

EQUITY AND LIABILITIES	Note	31 December 2020	of which: related parties	31 December 2021	of which: related parties
(€'000)		(*)			
Equity					
Share capital		600,000		600,000	
Share premium reserve		654,486		367,763	
Other reserves		162,616		248,901	
Other comprehensive expense		(245,264)		(169,819)	
Retained earnings		110,161		845,412	
Profit (loss) for the year		138,395		(304,949)	
Equity attributable to the owners of the parent		**1,420,395**		**1,587,308**	
Non-controlling interests		650,494		272,291	
Total equity	20	**2,070,889**		**1,859,599**	
Non-current liabilities					
Bank and other loans and borrowings	21	767,494		317,265	6,515
Bonds	22	1,288,620		1,487,852	
Lease liabilities	23	98,881	4,537	101,673	
Post-employment benefits and employee benefits	24	63,349		50,687	
Deferred tax liabilities	11	126,869		56,504	
Provisions for risks	25	189,798		222,591	
Total non-current liabilities		**2,535,011**		**2,236,572**	
Current liabilities					
Current portion of bank loans and borrowings and current account facilities	21	1,077,309	17,054	667,066	7,633
Current portion of bonds	22	246,910		11,881	
Current portion of lease liabilities	23	79,557		68,808	
Contract liabilities	13	2,212,476		3,422,846	
Trade payables	26	2,705,374	153,897	3,208,770	146,711
Current tax liabilities	27	127,295		170,358	
Other current tax liabilities	27	75,978		100,786	
Other current liabilities	28	530,544	34,455	565,421	66,413
Total current liabilities		**7,055,443**		**8,215,936**	
Liabilities directly associated with non-current assets held for sale	19	15,111		18,149	
Total equity and liabilities		**11,676,454**		**12,330,256**	

(*) The Group's IFRS statement of financial position figures at 31 December 2020 have been restated after completion of Astaldi's PPA.

Statement of profit or loss

(€'000)	Note	2020 (*)	of which: related parties	2021	of which: related parties
Revenue					
Revenue from contracts with customers	31	4,247,167	130,103	5,977,821	130,371
Other income	31	226,478	13,589	442,513	44,231
Gain from bargain purchase	31	539,292		-	
Total revenue and other income		**5,012,937**		**6,420,334**	
Operating expenses					
Purchases	32.1	(575,127)	(3,613)	(967,545)	(1,203)
Subcontracts	32.2	(1,498,284)	(6,988)	(2,098,691)	(39,999)
Services	32.3	(1,181,931)	(286,162)	(1,590,648)	(191,577)
Personnel expenses	32.4	(845,062)	(371)	(1,101,920)	(7)
Other operating expenses	32.5	(161,418)	(6,189)	(347,819)	(29,747)
Impairment losses	32.6	(173,583)	(13,341)	(27,498)	(3,669)
Amortisation, depreciation and provisions	32.6	(184,588)		(319,928)	
Total operating expenses		**(4,619,993)**		**(6,454,049)**	
Operating profit (loss)		**392,944**		**(33,715)**	
Financing income (costs) and gains (losses) on equity investments					
Financial income	33.1	80,990	13,767	87,537	13,439
Financial expense	33.2	(155,606)	(5,473)	(190,326)	(6,070)
Net exchange gains (losses)	33.3	(43,907)		10,292	
Net financing costs		(118,523)		(92,497)	
Net losses on equity investments	34	(108,816)		(19,157)	
Net financing costs and net losses on equity investments		**(227,339)**		**(111,654)**	
Profit (loss) before tax		**165,605**		**(145,369)**	
Income taxes	35	(27,182)		(133,629)	
Profit (loss) from continuing operations		**138,423**		**(278,998)**	
Profit (loss) from discontinued operations	19	(5,088)		232	
Profit (loss) for the year		**133,335**		**(278,766)**	
Profit (loss) for the year attributable to:					
Owners of the parent		138,395		(304,949)	
Non-controlling interests		(5,060)		26,183	

(*) The Group's IFRS statement of profit or loss figures for 2020 have been restated after completion of Astaldi's PPA.

Statement of comprehensive income

(€'000)	Note	2020 (*)	2021
Profit (loss) for the year (a)		**133,335**	**(278,766)**
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	(75,451)	94,687
Net gains on cash flow hedges, net of the tax effect	20	482	1,177
Net fair value gains (losses) recognised in OCI	20	32	(32)
Other comprehensive expense related to equity-accounted investees	20	(39,133)	(21,599)
Items that may not be subsequently reclassified to profit or loss, net of the tax effect:			
Net actuarial gains on defined benefit plans	20	3,546	9,993
Other comprehensive income (expense) (b)		**(110,524)**	**84,226**
Comprehensive income (expense) (a) + (b)		**22,811**	**(194,540)**
Comprehensive income (expense) attributable to:			
Owners of the parent		34,284	(229,461)
Non-controlling interests		(11,473)	34,921

Earnings (loss) per share			
From continuing and discontinued operations	37		
Basic		0.16	(0.33)
Diluted		0.15	(0.33)
From continuing operations	37		
Basic		0.16	(0.33)
Diluted		0.15	(0.33)

(*) The Group's IFRS statement of comprehensive income figures for 2020 have been restated after completion of Astaldi's PPA.

Statement of cash flows

(€'000)	Note	2020 (*)	2021
Operating activities			
Profit (loss) from continuing operations		138,423	(278,998)
adjusted by:			
Amortisation of intangible assets	32	32,879	133,275
Depreciation of property, plant and equipment and right-of-use assets	32	127,711	166,976
Net impairment losses and provisions		197,581	47,176
Accrual for post-employment benefits and employee benefits	24	14,616	21,623
Net gains on the sale of assets		(1,348)	(9,464)
Deferred taxes	35	(22,966)	(281)
Share of losses of equity-accounted investees	9 - 25	115,891	21,453
Income taxes	35	50,148	133,909
Net exchange (gains) losses	33	43,909	(10,292)
Net financial expense	33	74,616	102,788
Gain from bargain purchase	31	(539,292)	-
Other non-monetary items		(51,586)	141,222
		180,580	**469,387**
Increase in inventories and contract assets		(55,679)	(319,064)
Decrease (increase) in trade receivables		111,242	(276,659)
(Decrease) increase in contract liabilities		(113,618)	1,308,759
(Decrease) increase in trade payables		(49,271)	176,084
Decrease in other assets/liabilities		266,707	126,007
Total changes in working capital		**159,380**	**1,015,127**
Increase in other items not included in working capital		(35,346)	(49,771)
Financial income collected		22,995	14,442
Interest expense paid		(82,907)	(118,349)
Income taxes		(48,673)	(117,063)
Cash flows generated by operating activities		**196,029**	**1,213,772**
Investing activities			
Investments in intangible assets	7.3	(18,240)	(9,963)
Investments in property, plant and equipment and right-of-use assets	7.1	(165,527)	(205,126)
Proceeds from the sale or reimbursement value of property, plant and equipment and intangible assets		41,254	60,664
Investments in non-current financial assets and capital transactions	9	(54,514)	(120,200)
Dividends and capital repayments from equity-accounted investees	9	12,700	63,010
Proceeds from the sale or reimbursement value of non-current financial assets		(8)	1,230
Cash and cash equivalents from change in consolidation scope		199,956	15,875
Sales of subsidiaries and business units net of cash and cash equivalents		11,021	-
Acquisitions of subsidiaries and business units net of cash and cash equivalents		194,927	(11,195)

Statement of cash flows

(€'000)	Note	2020 (*)	2021
Cash flows generated by (used in) investing activities		**221,569**	**(205,706)**
Financing activities			
Dividends distributed	20	(29,704)	(52,944)
Capital injection by non-controlling interests in subsidiaries		121,636	9,160
Increase in bank and other loans	21	2,177,753	1,070,844
Decrease in bank and other loans	21	(1,100,956)	(1,897,495)
Decrease in lease liabilities	23	(75,187)	(107,199)
Change in other financial assets/liabilities		(24,762)	(101,576)
Cash flows generated by (used in) financing activities		**1,068,782**	**(1,079,210)**
Net exchange gains (losses) on cash and cash equivalents		**(40,746)**	**41,254**
Increase (decrease) in cash and cash equivalents		**1,445,634**	**(29,890)**
Cash and cash equivalents	18	1,020,858	2,455,125
Current account facilities	21	(79,814)	(68,446)
Total opening cash and cash equivalents		**941,044**	**2,386,679**
Cash and cash equivalents	18	2,455,125	2,370,032
Current account facilities	21	(68,446)	(13,244)
Total closing cash and cash equivalents		**2,386,679**	**2,356,788**

(*) The Group's IFRS statement of financial position at 31 December 2021 and statement of profit or loss figures for the year then ended have been restated after completion of Astaldi's PPA.

Statement of changes in equity

(€'000)		Share capital	Share premium reserve	Other reserves							Other comprehensive income (expense)					Retained earnings	Profit (loss) 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	Reserve for treasury shares	Inflation reserve	Extraordinary and other reserves	Total other reserves	Translation reserve	Hedging reserve	Actuarial reserve	Fair value reserve including tax	Total other comprehensive income (expense)					
As at 1 January 2020 (*)	**20**	**600,000**	**654,486**	**120,000**	**(10,988)**	**-**	**(3,291)**	**42,724**	**136**	**148,581**	**(125,993)**	**(8,861)**	**(6,300)**	**-**	**(141,153)**	**155,610**	**(22,128)**	**1,395,395**	**108,750**	**1,504,145**
Allocation of profit and reserves	20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(22,128)	22,128	-	417,798	417,798
Dividend distribution	20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(27,145)	-	(27,145)	-	(27,145)
Change in consolidation scope	20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,824	-	3,824	-	3,824
Capital increase	20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	135,445	135,445
Other changes and reclassifications	20	-	-	-	-	-	-	14,035	-	14,035	-	-	-	-	-	-	-	14,035	2,534	16,569
Dividend distribution to non-controlling interests	20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,559)	(2,559)
Profit for the year	*20*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	*138,395*	138,395	(5,060)	133,335
Other comprehensive expense	*20*	-	-	-	-	-	-	-	-	-	*(114,807)*	*7,124*	*3,540*	*32*	(104,111)	-	-	(104,111)	(6,413)	(110,524)
Comprehensive income	*20*	-	-	-	-	-	-	-	-	-	*(114,807)*	*7,124*	*3,540*	*32*	*(104,111)*	-	*138,395*	34,284	*(11,473)*	22,811
As at 31 December 2020	**20**	**600,000**	**654,486**	**120,000**	**(10,988)**	**-**	**(3,291)**	**56,759**	**136**	**162,616**	**(240,800)**	**(1,737)**	**(2,760)**	**32**	**(245,264)**	**110,161**	**138,395**	**1,420,395**	**650,494**	**2,070,889**
As at 1 January 2021	**20**	**600,000**	**654,486**	**120,000**	**(10,988)**	**-**	**(3,291)**	**56,759**	**136**	**162,616**	**(240,800)**	**(1,737)**	**(2,760)**	**32**	**(245,264)**	**110,161**	**138,395**	**1,420,395**	**650,494**	**2,070,889**
Effects of demerger	20	-	-	-	-	69,615	(7,553)	-	-	62,062	(43)	-	-	-	(43)	359,218	-	421,237	(421,237)	-
Allocation of profit and reserves	20	-	(237,638)	-	-	-	-	-	-	-	-	-	-	-	-	376,034	(138,356)	1	-	1
Dividend distribution	20	-	(49,085)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(49,085)	-	(49,085)
Stock options	20	-	-	-	-	1,843	-	-	-	1,843	-	-	-	-	-	-	-	1,843	-	1,843
Capital increase	20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,160	9,160
Other changes and reclassifications	20	-	-	-	-	5,067	502	16,810	-	22,379	-	-	-	-	-	-	-	22,379	2,813	25,192
Dividend distribution to non-controlling interests	20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,859)	(3,859)
Loss for the year	*20*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	*(304,949)*	(304,949)	26,183	(278,766)
Other comprehensive income	*20*	-	-	-	-	-	-	-	-	-	*61,984*	*3,525*	*10,011*	*(32)*	75,488	-	-	75,488	8,738	84,226
Comprehensive expense	*20*	-	-	-	-	-	-	-	-	-	*61,984*	*3,525*	*10,011*	*(32)*	*75,488*	-	*(304,949)*	(229,461)	*34,021*	(194,540)
As at 31 December 2021	**20**	**600,000**	**367,763**	**120,000**	**(10,988)**	**76,525**	**(10,342)**	**73,569**	**136**	**248,901**	**(178,859)**	**1,788**	**7,251**	**-**	**(169,819)**	**845,412**	**(304,949)**	**1,587,308**	**272,291**	**1,859,599**

(*) The Group's IFRS statement of financial position at 31 December 2021 and statement of profit or loss figures for the year then ended have been restated after completion of Astaldi's PPA.

Notes to the consolidated financial statements

1. Basis of preparation

Webuild S.p.A. (the "parent" or "Webuild") has its registered office in Italy. These consolidated financial statements at 31 December 2021 include the financial statements of the parent and its subsidiaries (the "Group"). The Group, created by the reverse merger of the Salini and Impregilo Groups, is a global player in the large-scale infrastructure sector.

The parent's board of directors approved the consolidated financial statements on 17 March 2022.

Webuild Group has prepared its consolidated financial statements at 31 December 2021 on a going concern basis. The directors have checked that events that could affect the Group's ability to meet its commitments in the near future and, specifically, in the next 12 months do not exist. Preparation of 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. Reference should be made to the "Complex accounting estimates" section for details of the assumptions made in the specific context of the pandemic.

In addition, as required by Regulation EC (no.) 1606/2002 issued by the European Parliament and Council, implemented in Italy by Legislative decree no. 38/2005, these consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union.

The accounting policies adopted to draw up these consolidated financial statements at 31 December 2021 are consistent with those used to prepare the 2020 annual consolidated financial statements, to which reference should be made, except for the changes summarised in note 2.

Complex accounting estimates

Preparation of financial statements and the related notes in accordance with the IFRS requires management to make judgements and estimates that affect the carrying amount of assets and liabilities and financial statements disclosures. The estimates are used to:

- recognise goodwill (see section 5 "Business combinations");
- determine amortisation and depreciation (see the "Property, plant and machinery", "Leased property, plant and equipment", "Rights to infrastructure under concession" and "Other intangible assets" paragraphs of the "Accounting policies" section);
- recognise impairment losses (see the "Impairment of non-financial assets" paragraph of the "Accounting policies" section);
- recognise employee benefits (see the "Employee benefits" paragraph of the "Accounting policies" section);

- recognise taxes (see the “Income taxes” paragraph of the “Accounting policies” section);
- recognise provisions for risks and charges (see the “Provisions for risks and charges” paragraph of the “Accounting policies” section);
- 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 “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 may entail adjustment of their equity due to standardisation with the Group’s accounting policies.

The actual results may differ from those estimated due to uncertainties underlying the assumptions and the conditions on which the estimates are based.

Fundamental assumptions about the future and other reasons for uncertainty when making the estimates at the reporting date that may lead to material adjustments to the carrying amount of the assets and liabilities are described in the specific section of the Directors’ report on the main risk factors and uncertainties.

Given Webuild Group’s reference markets, assumptions about Covid-19 and the crisis in Ukraine are particularly relevant.

Covid-19

As discussed in the section on Covid-19 of the Directors’ report, the macroeconomic situation of most countries began to improve in 2021, thanks in part to the easing of the restrictions and continuation of their vaccination campaigns. Growth forecasts were revised downwards however when the public health situation worsened in December 2021.

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

The utilisation of up-to-date group 2022 forecasts that reflect the uncertainties as a basis for the judgements is essential. The Group’s procedures include a planning process split into two parts that take place before the preparation of the annual and interim consolidated financial statements. In this case, the group 2022 forecasts were prepared considering the growth forecasts revised after the public health situation worsened in December 2021.

Firstly, the consolidated financial statements at 31 December 2021 have been prepared assuming the group can continue as a going concern as described earlier. This assumption was made using all the information available over at least 12 months, including the projected profitability and the availability of financial resources.

Specifically, the directors considered the following aspects, which have already been referred to in the relevant section of the Directors’ report:

- No contracts were cancelled as a result of the pandemic. All the Group’s activities have resumed at the date of preparation of this report although not all of them are operating at pre-Covid-19 levels. The revenue not earned in this year as a result of the inefficiencies described has not been lost but simply deferred to the future.
- During the year, the Group liaised constantly with its customers to manage the crisis situation in terms of security and compliance with the government measures. In addition, negotiations also commenced on specific contractual issues, mainly the delays due to the shuttering of work sites and the consequent inefficiencies and included discussions about the additional costs incurred due to the crisis situation which the Group has so far borne almost in full.
- With respect to available financial resources, article 207 of Decree law no. 34/2020 (the Relaunch decree), converted with amendments by Law no. 77 of 17 July 2020, approved by the Italian government, provided for the receipt of contract advances of up to 30% within the limitations and in line with the annual resources earmarked for each project. This also applies to contractors that have already used the contractually-provided for advances or have already started work on the contract without receiving an advance.

  At the date of preparation of this report, the Group is not exposed to potential financial stress scenarios. It has cash and cash equivalents and revolving credit facilities sufficient to meet its short-term requirements.

  In 2020 and early 2021, the Group issued notes for €600 billion to cover its main short-term repayments in line with its strategy to optimise the timelines of its financial commitments by lengthening their average term.

In addition to that set out above, the complex accounting estimates related to:

- Impairment of non-financial assets (IAS 36). When there is an indication of impairment of property, plant and equipment and intangible assets, the Group estimates the asset’s recoverable amount to determine any impairment losses. This impairment test is usually carried out once a year for goodwill.

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

  As a result, the directors deemed that this indicator is not an impairment indicator.
- Impairment of financial assets (IFRS 9). The Group tests the recoverable amount of financial assets not measured at fair value through profit or loss using the expected credit loss model. This model develops estimates of the impact of changes in economic factors on the expected credit losses using a probability-weighted outcome.

The Group found that, given the characteristics of its business sector, credit risk is that deriving from its exposure to potential losses arising from the customers' (which are mostly governments or state bodies) non-compliance with their obligations.

Management of this risk is complex, starting as early as the assessment of offers, through a careful analysis of the characteristics of the countries in which the Group's activities should be carried out and the customers, which are usually state or similar bodies, requesting an offer.

Therefore, this risk can be essentially assimilated to the country risk. An analysis of this risk based on the age of the outstanding amounts is not very meaningful, since the receivables should be assessed together with the related working capital items, especially those reflecting the net exposure to customers in relation to contract work in progress as a whole.

Given the Covid-19 situation, the Group estimated the effect of the uncertainties and short-term outlook for the economies of the countries in which it operates on the measurement of expected credit losses for impaired financial assets over the entire expected life of financial instruments.

- Measurement of contract assets and liabilities and revenue from customers in accordance with IFRS 15. Application of this standard requires management to make judgements and estimates to determine contract revenue, including claims for additional consideration, contract costs and the stage of completion. A significant part of the Group's activities is typically performed on the basis of contracts which provide that a specific consideration is agreed when the contract is awarded. This implies that the profits on these contracts may undergo change compared to the original estimates depending on the recoverability of greater expenses and/or costs the Group may incur during the performance of such contracts. In addition, recognition of additional consideration by associates may entail adjustment of their equity due to standardisation with the Group's accounting policies. Application of IFRS 15 requires the Group to check the existence of the right to additional consideration and the degree of probability of collecting such consideration. Moreover, the Group is required to estimate possible contract fines such as fines for the late delivery of the works compared to the agreed deadlines.

  The Group carefully analysed these elements, especially as part of its planning process which led it to update the group 2022 forecasts before preparation of the consolidated financial statements. It also considered all available information, including that obtained during discussions with customers (as described earlier) to confirm the judgements used in making accounting estimates.

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

Given the uncertain climate generated by Covid-19, actual results may differ from those estimated.

Fundamental assumptions about the future and other reasons for uncertainty when making the estimates at the reporting date that may lead to material adjustments to the carrying amount of the assets and liabilities are described in the specific section of the Directors' report on the main risk factors and uncertainties.

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

Ukraine crisis

The Group does not currently have operations in this country but it has a receivable of €66.1 million from the Ukrainian customer Ukravtodor for the contract to update the Kiev - Kharkiv - Dovzhanskiy section of the M03 motorway from 2013 to 2016. This receivable has been the subject of litigation for various years after the customer terminated the contract in August 2016. Since then, various proceedings have been commenced, including an arbitration with the International Chamber of Commerce ("ICC") in Paris, which awarded a total amount of €83 million, including interest, to Webuild.

The Group tested the receivable for impairment in line with IFRS 9 and, based on the parameters at the reporting date, its carrying amount is fully recoverable.

Moreover, tensions with Russia, resulting in the ongoing military intervention, required a careful assessment in order to ensure full compliance with all requirements for proper measurement and recognition of the receivable.[90]

After having assessed the situation, the Group believes that the above military intervention is a non-adjusting event after the reporting date under IAS 10, in line with the assessments made at the outbreak of the Covid-19 pandemic in February 2020 for the preparation of the 2019 consolidated financial statements.

The Group also performed sensitivity analyses, using updated parameters (specifically, the discount rate reflects the large increase in country risk). These analyses based on the most recent market parameters show that the receivable's carrying amount is still fully recoverable. However, the situation requires continuous and careful monitoring and the Group cannot exclude that other 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.

The Ukraine crisis may have significant effects on all assumptions underlying impairment testing, especially on the relevant market variables. The Group will closely monitor developments in this situation, including the communications from the supervisory authorities.

More information is available in the "Outlook" section of the Directors' report.

[90] More information is available in the "Russia – Ukraine crisis" and the "Main risk factors and uncertainties" sections of the Directors' report.

IAS 29 - Financial reporting in hyperinflationary economies

After a lengthy observation period of inflation rates, which have exceeded 100% in the last three years, Argentina has been considered a hyperinflationary economy pursuant to the IFRS since 2018. As a result, all the companies operating in Argentina have applied IAS 29 - Financial reporting in hyperinflationary economies in their financial reports starting from 1 July 2018.

These conditions were applicable in 2021 as well.

2. Changes in standards

Changes in standards and effects of new standards

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

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

The standards, amendments and interpretations published by the IASB and the International Financial Reporting Standards Interpretations Committee (IFRS-IC) and endorsed by the competent EU bodies at the reporting date are set out below:

Standard/Interpretation	IASB application date
Amendments to: ▪ IFRS 3 - Business combinations; ▪ IAS 16 - Property, plant and equipment; ▪ IAS 37 - Provisions, contingent assets and contingent liabilities Annual Improvements 2018-2020 issued on 14 May 2020	1 January 2022
Amendments to IAS 1 (Presentation of financial statements) and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021)	1 January 2023
Amendments to IAS 8 - Accounting policies, changes in accounting estimates and errors: definition of accounting estimates (issued on 12 February 2021)	1 January 2023
Amendments to IFRS 16 (Leases) Covid-19-Related Rent Concessions beyond 30 June 2021 (issued on 30 May 2021)	1 April 2021
IFRS 17 (Insurance contracts) issued on 18 May 2017, including the amendments to IFRS 17 issued on 25 June 2020	1 January 2023

The standards, amendments and interpretations published by the IASB and the International Financial Reporting Standards Interpretations Committee (IFRS-IC) but not yet endorsed by the competent EU bodies at the reporting date are set out below:

Standard/Interpretation	IASB application date
Amendments to IFRS 17 (Insurance contracts) - Initial Application of IFRS 17 and IFRS 9 - Comparative information issued on 9 December 2021	1 January 2023
Amendments to IAS 1 (Presentation of financial statements): Classification of liabilities as current or non-current (issued on 23 January 2020, and subsequent amendment issued on 15 July 2020)	1 January 2023
Amendments to IAS 12 - Income taxes: deferred tax related to assets and liabilities arising from a single transaction (issued on 7 May 2021)	1 January 2023

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

The standards and amendments that became applicable on 1 January 2022 are not expected to have a significant effect on the consolidated financial statements.

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

At 31 December 2021, the Group found that the conditions existed to apply IFRS 5 - Non-current assets held for sale and discontinued operations to the following disposal groups:

- divisions held for disposal in the Honduras area;
- Astaldi's foreign divisions, whose industrial activities will be discontinued;
- investment in Gaziantep Hastane Saglik Hizmetleri Isletme ve Yatirim A.S..

More information is available in note 19.

4. Basis of presentation

The Group's consolidated financial statements include the financial statements of the parent, Webuild, and the Italian and foreign operating companies controlled directly or indirectly by it.

The financial statements at 31 December 2021 approved by the internal bodies of the consolidated companies, where applicable, have been used for consolidation purposes.

The financial statements are prepared by adopting the parent's accounting policies. Where necessary, consolidation adjustments are made to make the items affected by different accounting policies consistent.

A list of the companies and other Webuild Group entities included in the consolidation scope is set out in the annexes (List of Webuild Group Companies) with the schedules showing changes therein during the year.

Consolidated financial statements

The Group opted to present its consolidated financial statements at 31 December 2021 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, sold, used or settled in the Group's normal operating cycle, which usually exceeds 12 months. Non-current assets and liabilities include non-current assets, deferred tax assets, employee benefits, deferred tax liabilities and other balances expected to be realised, sold, used 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.

Basis of consolidation

The consolidated financial statements have been prepared by consolidating the financial statements at 31 December 2021 of Webuild, the parent, and the Italian and foreign companies which the parent directly or indirectly controls.

Control exists when the Group has the power to govern, directly or indirectly, the financial and operating policies of an entity so as to obtain benefits from its activities. Generally speaking, control is presumed to exist when the Group holds more than half of the voting rights either directly or indirectly.

Entities or companies over which Webuild has joint control, by virtue of an investment therein or specific contractual arrangements, are consolidated as follows pursuant to IFRS 11:

- on a line-by-line basis according to the investment percentage, if they are joint operations;
- at equity, if they are joint ventures.

In the case of some joint ventures, the financial reporting packages of consortia and/or consortium companies prepared for their inclusion in the consolidated financial statements have not yet been approved by the competent consortium bodies as they are waiting for the court-approved procedures of the consortium members to be defined. When this is the case, the financial reporting packages are prepared using the best information available.

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.

The financial statements used are expressed in the functional currency, being the local currency or another currency in which most of the economic transactions and assets and liabilities are denominated.

Financial statements expressed in currencies other than the Euro are translated into Euros by applying the closing rates to the statement of financial position items and the average annual rates to the statement of profit or loss items, as these approximate the spot 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 2020	2020 average rate	Closing rate 31 December 2021	2021 average rate
ZAR South African Rand	18.0219	18.7655	18.0625	17.4766
BRL Brazilian Real	6.3735	5.8943	6.3101	6.3779
COP Colombian Peso	4,202.34	4,217.06	4,598.68	4,429.48
PEN Nuevo Sol	4.4426	3.9962	4.5193	4.5914
AED United Arab Emirates Dirham	4.5065	4.1947	4.1595	4.3436
ARS Argentine Peso	103.2494	103.2494	116.3622	116.3622
AUD Australian Dollar	1.5896	1.6549	1.5615	1.5749
BGN Bulgarian New Lev	1.9558	1.9558	1.9558	1.9558
DZD Algerian Dinar	162.1071	144.8473	157.4077	159.6527
INR Indian Rupee	89.6605	84.6392	84.2292	87.4392
IDR Indonesian Rupiah	17,240.76	16,627.37	16,100.42	16,920.72
MAD Moroccan Dirham	10.919	10.8235	10.483	10.626
NIO Nicaraguan Cordoba oro	42.7609	39.2779	40.126	41.515
RON Romanian New Leu	4.8683	4.8383	4.9490	4.9215
LYD Libyan Dinar	1.6419	1.5827	5.2078	5.3355
MYR Malaysian Ringgit	4.934	4.7959	4.7184	4.9015
NGN Nigerian Naira	465.6845	407.4454	466.8577	470.922
PES Chilean Peso	872.52	903.14	964.35	898.39
PLN Polish Zloty	4.5597	4.443	4.5969	4.5652
RUB Russian Ruble	91.4671	82.7248	85.3004	87.1527
SAR Saudi Riyal	4.6016	4.2832	4.2473	4.4353
SGD Singapore Dollar	1.6218	1.5742	1.5279	1.5891
TRY Turkish Lira (new)	9.1131	8.0547	15.2335	10.5124
USD US Dollar	1.2271	1.1422	1.1326	1.1827
NAM Namibian Dollar	18.0219	18.7655	18.0625	17.4759
CHF Swiss Franc	1.0802	1.0705	1.0331	1.0811
GBP British pound	0.89903	0.8897	0.84028	0.8596
DOP Dominican Peso	71.4411	64.6052	64.9469	67.5229
PKR Pakistani Rupee	196.8241	184.9387	200.8766	192.7325
QAR Qatari Riyal	4.4666	4.1576	4.1227	4.3052
DKK Danish Krone	7.4409	7.4542	7.4364	7.437
OMR Omani Real	0.4718	0.4392	0.4355	0.4548
VED Bolivar Digital (*)			5.20030	3.81043
BsS Bolivar S. (VEF 2017)	1,356,945.0779	375,274.0479		

(*) On 1 October 2021, the Venezuelan government introduced a new monetary scale with Presidential decree no. 4.553 of 6 August 2021 (published in the Venezuelan Official Journal no. 42.185 of 6 August 2021). The new scale provides for the million-to-one adjustment (BS1,000,000 = BS1) and introduced the digital bolivar.

When an investment in a consolidated entity is sold, the accumulated gain or loss recognised in equity is released to profit or loss.

The consolidation criteria used to prepare these consolidated financial statements may be summarised as follows:

- subsidiaries are consolidated on a line-by-line basis, whereby:
  - assets and liabilities, costs and revenue shown in the subsidiaries' financial statements are fully recognised, regardless of the size of the investment therein;
  - the carrying amount of the investment is eliminated against the Group's share of its equity;
  - the main transactions between consolidated entities, including dividends distributed among group companies, are eliminated;
  - non-controlling interests are shown separately under equity and their share of the profit or loss for the year is similarly shown separately in the statement of profit or loss.
- Investments in associates and joint ventures are measured using the equity method whereby the carrying amount of the investment is adjusted to consider:
  - standardisation to comply with the group accounting policies, where necessary;
  - the parent's share of the profits or losses of the investee realised after the acquisition date;
  - modifications arising from changes in equity of the investee that are not taken to profit or loss as per the relevant IFRS;
  - dividends distributed by the investees;
  - any greater value paid at acquisition (measured using the same criteria set out in the section on "Business combinations") and managed pursuant to the relevant standard;
  - the share of the profit or loss deriving from application of the equity method, which is taken to profit or loss;
  - the results of any impairment testing;
- interests in joint ventures that qualify as joint operations are recognised by the investor to the extent of its share of the rights and obligations held.

Dividends, reversals of impairment losses and impairment losses on investments in consolidated companies, gains and losses on the intragroup exchange of investments in consolidated entities and the related tax effects are eliminated.

Gains and losses arising from transactions between consolidated companies, which are not realised directly or indirectly through transactions with third parties, are eliminated. Unrealised intragroup losses are recognised when the transaction shows an impairment of the transferred asset.

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 its proportionate share of the fair value of the net assets of the acquiree at the acquisition date. The measurement method is decided on a transaction by transaction 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.

Transactions involving NCI

Changes to the investment percentage of a subsidiary that does not entail loss of control are treated as equity transactions. Therefore, any differences between the acquisition price and the related share of equity in subsequent acquisitions of investments in entities already controlled by the Group are recognised directly in equity. With respect to partial disposals of an investment in a subsidiary while control is retained, any gain or loss is recognised in equity.

Basis of preparation

The accounting policies adopted to draw up the Group's consolidated financial statements at 31 December 2021 comply with the IFRS and are consistent with those used to prepare the 2020 consolidated financial statements, except for the amendments enacted after 1 January 2021, summarised in the section on the "Changes in standards".

Accounting policies

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%

Land and buildings, plant and machinery with a carrying amount to be recovered mainly through their sale (rather than the asset's continuing use) are measured at the lower of their carrying amount and fair value less costs to sell. Assets held for sale shall be available for immediate sale and their sale shall be highly probable (i.e., the related commitments already exist). Their price shall be reasonable compared to their fair value.

Assets acquired as a result of business combinations are recognised at fair value at the acquisition date and remeasured within a year. Such amount reflects their purchase cost.

After their initial recognition, they are measured at cost, depreciated over their estimated useful lives and shown net of any impairment losses.

When an asset consists of different significant components with different useful lives, the significant components are recognised and subsequently measured separately.

The carrying amount of property, plant and equipment is tested for impairment whenever events or changes in circumstances take place indicating that the carrying amount may not be recovered. Reference should be made to the section on "Impairment of non-financial assets" for details on impairment testing.

Borrowing costs directly related to the acquisition or construction of an asset are capitalised as part of the cost of the asset, to the extent of its recoverable amount. As established by IAS 23 - Borrowing costs, the Group has applied this method to all qualifying assets.

Borrowing costs are capitalised when the costs of the acquisition of the asset and borrowing costs are incurred, and the activities necessary to bring the asset to a condition for its use have been started.

The costs provided for but not yet paid related to qualifying assets are excluded from the amount to be capitalised.

Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

Moreover, capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Subsequent expenditure is only capitalised if it increases the future economic benefits of the related asset. All other expenditure is expensed when incurred.

Ordinary maintenance costs are fully expensed when incurred. Costs that increase the carrying amount of assets are allocated thereto and depreciated over their residual economic lives.

Dismantlement and restoration costs of assets used for contract work in progress are added to the cost of the related asset and depreciated in line with the depreciation pattern of the asset to which they refer when they are foreseeable and objectively determinable.

Leasehold improvements are classified in the different items of property, plant and equipment on the basis of their nature. They are depreciated over the shorter of the estimated useful life of the relevant asset and the residual term of the lease.

Right-of-use assets and lease liabilities

Right-of-use assets and lease liabilities are recognised in accordance with IFRS 16 as described below.

Leases of property, plant and equipment

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard defines a lease as a contract that conveys the right to use an asset to the customer (the lessee) for a period of time in exchange for consideration. For lessees, the standard provides for just one presentation model regardless of whether the lease is a finance or an operating lease. For all leases with a term of more than twelve months, a lessee shall recognise a right-of-use asset and a lease liability (the obligation to make the lease payments contractually provided for). On the other hand, the recognition of leases required of lessors has not changed significantly and there is still the differentiation between finance and operating leases. Moreover, IFRS 16 significantly expanded the disclosure requirements previously provided for by IAS 17, but specifies that disclosures are required only if they are helpful to users of financial statements. At inception of a contract, the Group carefully assesses whether the contract is or contains a lease, i.e., if the contract conveys the right to use an asset for a period of time in exchange for consideration.

Webuild Group as lessee

The Group has adopted a single model to recognise and measure all leases, except for short-term leases and leases of low-value assets. It recognises the liabilities for the lease payments and the right-of-use assets, i.e., its right to use the underlying assets.

i) Right-of-use assets: at the commencement date (the date on which a lessor makes an underlying asset available for use by a lessee), the Group recognises the right-of use assets. These are measured at cost, net of accumulated amortisation/depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liabilities. The cost of a right-of-use asset comprises the amount of the initial measurement of the lease liability, any initial direct costs incurred and any lease payments made at or before the commencement date, less any lease incentives received. Right-of-use assets are amortised/depreciated on a straight-line basis from the commencement date to the end of their useful life. If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the lessee shall depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Right-of-use assets shall be tested for impairment.
ii) Lease liabilities: At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments include fixed payments (including

in-substance fixed payments), less any incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be payable under residual value guarantees. They also include the exercise price of a purchase option if the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease. Variable lease payments that do not depend on an index or a rate are recognised in profit or loss (unless those costs are incurred to produce inventories) in the period in which the event or condition that triggers those payments occurs. The Group uses the incremental borrowing rate to discount the lease payments at the commencement date if the interest rate implicit in the lease cannot be readily determined. After the commencement date, the lease liability increases to reflect interest thereon and decreases to reflect the lease payments made. Moreover, the carrying amount of the lease liability is remeasured to reflect any lease modifications or revised in-substance fixed lease payments. It is also remeasured if there is any change in the assessment of an option to purchase the underlying asset or if there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments.

iii) The Group elected to apply the recognition exemption available for short-term leases and leases of low-value assets. The former are those relating to machinery and equipment (i.e., those with a lease term of 12 months or less at the date commencement date and do not contain a purchase option), while the latter relate to office equipment of a low value. The related lease payments are recognised as costs on a straight-line basis over the lease term.

The Group as lessor

Leases that do not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are classified as operating leases. Lease payments from operating leases are recognised as income on a straight-line basis over the lease term. The Group adds initial direct costs incurred in obtaining an operating lease to the carrying amount of the underlying asset and recognises those costs as an expense over the lease term on the same basis as the lease income. Income from unexpected leases is recognised as revenue when it accrues.

Rights to infrastructure under concession

These rights are covered by IFRIC 12 - Service concession arrangements, issued by the International Financial Reporting Interpretations Committee (IFRIC), which regulates the recognition and measurement of concession arrangements between public sector entities and private sector operators. It was endorsed by the European Commission with Commission Regulation (EC) no. 254/2009 dated 25 March 2009 and its application is mandatory for financial statements drawn up under IFRS beginning from the year after which it was endorsed. Therefore, the Group has applied IFRIC 12 since 2010.

The criteria adopted by the Group to apply the interpretation to its concessions are set out below.

Scope and measurement

Scope: IFRIC 12 is applicable to service concession arrangements when the grantor is a public body and the operator is a private entity, when the following conditions are met:

a) the grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; and

b) 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 acts as the service provider (construction and management of the work) and recognises the revenue for the construction and upgrade services in accordance with IFRS 15 - Revenue from contracts with customers.

The grantor pays the operator a consideration for the construction/upgrade services, to be recognised at fair value, which may consist of rights to:

(a) a financial asset (financial asset model);

(b) an intangible asset (intangible asset model);

(c) both ("mixed" model).

The first model is applicable when the operator has an unconditional contractual right to receive a specified or determinable amount of cash. The second is applicable when the operator acquires the right to charge for use of a public sector asset that it constructs or upgrades. The amounts are contingent on the extent to which the public uses the service (demand risk). Finally, the third model is applicable when both of 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 (via the operators consolidated on a line-by-line or proportionate basis) fall under the intangible asset model except for immaterial concessions held by subsidiaries of HCE Costruzioni Generali S.p.A., wholly owned by the parent, which fall under the "mixed model". The financial asset model is applicable to certain equity-accounted associates.

Recognition of the intangible asset: the intangible asset is recognised during construction of the infrastructure. The main identified cases are as follows:

a. *Arrangements that cover the construction of a new infrastructure:* the operator recognises the intangible asset in line with the stage of completion of the construction project. During construction, the operator recognises revenue and costs in line with IFRS 15 - Revenue from contracts with customers.

b. *Arrangements that cover management of an existing infrastructure and its extension or upgrading against which the operator acquires specific additional financial benefits*: the operator recognises these construction and/or upgrade services in line with IFRS 15 - Revenue from contracts with customers. *Arrangements that cover management of an existing infrastructure and specific obligations to extend or upgrade it against which the operator does not acquire additional specific financial benefits*: at initial recognition, the operator recognises a liability equal to the present value of the forecast outlay for the construction services to be provided in the future with, as a balancing item, an additional component of the intangible asset for the contract consideration, which begins to be amortised.

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 spit into two categories: (i) work related to normal maintenance of the infrastructure; (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: amortisation of the intangible asset recognised for the rights acquired under the concession arrangement is calculated in line with paragraph 97 of IAS 38 - Intangible assets: "The amortisation method used shall reflect the pattern in which the asset's future economic benefits are expected to be consumed by the entity. If that pattern cannot be determined reliably, the straight-line method shall be used".

Goodwill and intangible assets with indefinite lives

Goodwill and other intangible assets with indefinite lives are recognised at cost net of 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.

Other intangible assets

Other intangible assets acquired or generated internally are recognised under assets in accordance with IAS 38 - Intangible assets 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. Those assets with finite useful lives 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 of non-financial assets”.

Other non-current assets (recognised in Other assets)

Other non-current assets mainly consist of loans and receivables and claims related to completed or nearly completed contracts and companies in liquidation when their liquidation plan provides for the realisation of the assets after twelve months from the reporting date.

These assets are measured at their estimated realisable value, by recognising allowances to adjust their carrying amount accordingly. Claims are only recognised for the amounts matured and that part which is held to be reasonably recoverable. The estimated realisable value is discounted if the time value of money is material depending on when settlement is expected to take place.

Impairment of non-financial assets

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.

Inventories of goods

Inventories of goods are measured at the lower of average purchase cost and net realisable value.

Cost includes the directly related costs and estimated realisable value is determined using the replacement cost of the asset or similar assets.

Any write-downs are eliminated in subsequent years when the reasons therefor are no longer valid.

Contract assets and liabilities

Contract assets and liabilities are recognised and measured in accordance with the guidelines of IFRS 15 - Revenue from contracts with customers. Revenue is recognised using the five-step model as set out below:

1. Identify the contract with a customer;

2. Identify the performance obligations in the contract;

3. Determine the transaction price;

4. Allocate the transaction price to the performance obligations in the contract;

5. Recognise revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 also covers contract costs, contract modifications and financial statements disclosures.

The methods used by the Group to apply IFRS 15 are summarised below.

1. <u>Identify the contract with a customer</u>

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. 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); and

e) it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

2. <u>Identifying performance obligations and allocating the transaction price</u>

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 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 transaction price should be 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).

3. 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 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 Group considers its market sector and the complex mix of goods and services it provides when it selects the appropriate revenue recognition method. IFRS 15 provides for two alternative methods to recognise revenue over time:

a) output method;

b) input method.

Output methods recognise revenue on the basis of direct measurements of the value to the customer of the goods or services transferred to the date relative to the remaining goods or services promised under the contract (e.g., surveys of performance completed to date, milestones reached, units delivered, etc.). Input methods recognise revenue on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation (e.g., resources consumed, labour hours expended, costs incurred, time elapsed or machine hours used) relative to the total expected inputs to the satisfaction of that performance obligation (cost to cost method).

The most appropriate criterion for measuring revenue with the input method is the cost to cost method calculated by applying the percentage of completion (the ratio of costs incurred to total estimated costs) to contract revenue. The calculation of the ratio of costs incurred to estimated costs only considers costs that contribute to the actual transfer of control of the goods and/or services. This method allows the objective measurement of the transfer of control to the customer as it considers quantitative variables related to the contract as a whole.

When choosing the appropriate method for measuring the transfer of control to the customer, the Group did not adopt the output method (e.g., surveys of performance completed to date) for its ongoing contracts as it considered that although this output method would allow a direct measurement of progress, it would also lead to operating difficulties in managing and monitoring progress considering all the resources necessary to satisfy the obligation.

In addition, an output method would entail the application of criteria and measurement inputs that are not directly observable and the incurring of excessive costs to obtain useful information.

Finally, in the Group's reference sector, the objective of contractual outputs (milestones) refers to, inter alia, modulation of cash flows to obtain financial resources useful to perform the contract and the definition of technical specifications of the works and related performance timing.

4. 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 contract 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 could be approved in writing, by oral agreement or implied by customary business practices. A contract modification may exist even though the parties to the contract have a dispute about the scope or price (or both) of the modification. The rights to the consideration shall be provided for contractually generating an enforceable right. Once the enforceable right has been identified, in order to recognise the claims and amount of the additional consideration requested, the Group shall apply 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 shall decide 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.

4.a 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.

4.b 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.

4.c Significant financing component

It is normal practice in the construction and large-scale infrastructure sector that the transaction price for the 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.

5. Losses to complete

The standard does not specifically cover the accounting treatment of loss-making contracts but refers to IAS 37, which regulates the measurement and classification (previously covered by IAS 11) of onerous contracts. IAS 37 provides that an onerous contract is one in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The present obligation under the contract shall be 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.

6. Contract costs

6.a Incremental costs of obtaining a contract

IFRS 15 allows an entity to recognise the incremental costs of obtaining a contract as an asset if it expects to recover those costs through the future economic benefits of the contract. The incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be 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.

6.b 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; and
- 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 cannot be recognised as assets and contribute to the stage of completion.

When the contract provides for their explicit recognition and the above three criteria are met, the pre-operating costs are recognised as assets and amortised on a systematic basis that is consistent with the pattern of transfer of control of the goods and/or services to the customer.

In addition, IFRS 15 defines all those costs that, by their nature, do not contribute to the stage of completion as, although they are referred to in the contract and can be recovered, they do not contribute to generating or enhancing the resources that will be used to satisfy the performance obligations or to transfer of control of the good and/or service to the customer.

7. Presentation in the consolidated financial statements

The statement of financial position includes “Contract costs” under intangible assets which includes the costs capitalised under the criteria described in point 6 of this section. Amortisation of these costs is included in the statement of profit or loss item “Amortisation, depreciation and provisions”.

Contract assets and liabilities are presented in the statement of financial position items “Contract assets” and “Contract liabilities”, respectively under assets and liabilities. The classification in line with IFRS 15 depends on the relationship between the Group’s performance obligation and payment by the customer. These items show the sum of the following components analysed individually for each customer:

(+) Amount of work performed calculated using the cost-to-cost method pursuant to IFRS 15

(-) Progress payments and advances received

(-) Contract advances.

When the total is positive, the net balance is recognised as a “Contract asset”. If it is negative, it is recognised as a “Contract liability”. When the amounts represent an unconditional right to payment of the consideration, they are recognised as financial assets.

The Group’s statement of profit or loss includes a revenue item “Revenue from contracts with customers” to comply with IFRS 15. This revenue is presented and measured in accordance with the new standard. 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. Under IFRS 10 and IFRS 11, these entities have been classified as subsidiaries, associates and joint ventures. As this income does not arise on the performance of the contract obligations or contract negotiations, it is recognised as “Other income”.

Real estate projects

Closing inventories of real estate projects are those real estate areas developed with a view to selling them. They are measured at the lower of cost and estimated realisable value. Costs incurred consist of the consideration paid for purchasing the areas and related charges, construction costs and borrowing costs related to the project up to and not exceeding its completion.

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.

Equity investments

Investments in entities other than subsidiaries, associates, joint operations and joint ventures (reference for which should be made to the section on "Consolidation scope") are classified as "Equity investments" at the time of their acquisition and are included in the financial assets at fair value through profit or loss category required by IFRS 9.

Since they mainly relate to consortia and consortium companies of which the Group holds less than 20%, in accordance with IFRS 9, such investments are stated as non-current assets.

Dividend income from such financial instruments is recognised in profit or loss under financial income when the group companies holding the investments are given the right to such dividend.

Financial instruments

Financial assets – Debt instruments

Financial assets, which are debt instruments, are classified in the following three categories depending on the instruments' contractual cash flow characteristics and the business model for managing them:

(i) financial assets at amortised cost;

(ii) financial assets at fair value through other comprehensive income (FVTOCI);

(iii) 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.

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.

Debt instruments held within a business model whose objective is to collect contractual cash flows and sell financial assets (hold to collect and sell model) are measured at fair value through other comprehensive income. Fair value gains and losses on these financial assets are recognised in other comprehensive income (OCI). The cumulative fair value gains and losses previously recognised in OCI are reclassified to profit or loss when the financial asset is derecognised. Interest income calculated using the effective interest method, exchange differences and impairment losses are recognised in profit or loss.

Debt instruments that are not measured at amortised cost or FVTOCI are measured at fair value through profit or loss.

Financial assets that are transferred are derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred to third parties.

Impairment losses on financial assets

The Group tests the recoverable amount of debt instruments not measured at fair value through profit or loss using the expected credit loss model. This model develops estimates of the impact of changes in economic factors on the expected credit losses using a probability-weighted outcome.

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 offers, through a careful analysis of the characteristics of the countries in which the Group’s activities should be carried out and the customers, which are usually state or similar bodies, requesting an offer.

Therefore, this risk can be essentially assimilated to the country risk. An analysis of this risk based on the age of the outstanding amounts is not very meaningful, since the receivables should be assessed together with the related working capital items, especially those reflecting the net exposure to customers in relation to contract work in progress as a whole.

Loans and borrowings and bonds

Loans and borrowings and bonds are initially recognised at cost, being the fair value of the consideration received less transaction costs.

After initial recognition, loans are measured at amortised cost, whereby repayments are determined using the effective interest method with a rate which matches, at initial recognition, the expected cash flows with the initial carrying amount.

Loan transaction costs are classified under liabilities decreasing the loan; amortised cost is calculated considering these costs and any discounts or premiums expected at settlement.

The effects arising from the recognition at amortised cost are taken to “Financing income (costs)”.

Derecognition of financial assets and liabilities

(a) 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:

(i) the contractual rights to the cash flows from the financial asset expire;

(ii) 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;

(iii) 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.

(b) 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.

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, as described below.

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”.

Employee benefits

- *Defined benefit plans and defined contribution plans*

The Group has pension plans for its employees that are classified either as defined benefit plans or defined contribution plans depending on their characteristics. Defined benefit plans include the benefits the employees will receive when they retire and which are usually dependent on one or more factors such as age, years of service and remuneration. The Group recognises a liability for these defined benefits equal to the present value of its obligation at year end, including any adjustments for unrecognised costs related to past service less the fair value of the plan assets. The Group calculates its liability once a year using the projected unit credit method. Present value is calculated by discounting the future outlays using the interest rate applied to high quality corporate bonds with a currency and term consistent with the currency and estimated term of the post-employment benefit obligations. Actuarial gains and losses on defined benefit plans arising from changes in the underlying assumptions or in the plan conditions are recognised in other comprehensive income in the period in which they arise. Past service cost is expensed immediately. 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 expenses.

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.

- *Short-term and long-term benefits*

Short-term employee benefits, that is, payable within twelve months of the end of the year in which the employees rendered the service, are recognised as a cost and as a liability for the undiscounted amount of benefits expected to be paid in exchange for that service. Long-term benefits, such as remuneration to be paid after twelve months of the end of the year in which the employees rendered the service, are recognised as liabilities for an amount equal to the present value of the benefits at the reporting date.

- *Post-employment benefits*

Post-employment benefits are recognised at the present value of the Group's liability determined in line with ruling legislation and national and in-house labour agreements. The valuation, based on demographic, financial and turnover assumptions, is carried out by independent actuaries. The gains and losses resulting from the actuarial calculation are recognised in profit or loss if related to service costs and interest expense or in comprehensive income if relating to assets and liabilities.

The 2007 Finance Act and related implementing decrees introduced significant changes to legislation governing Italian post-employment benefits, effective as from 1 January 2007. These include the option given to employees, to be exercised before 30 June 2007, of where to allocate their future benefits. Specifically, employees can opt to allocate them to selected pension funds or maintain them with the company, in which case, the latter shall pay the contributions to the treasury fund of INPS (the Italian social security institution).

Following these changes, the Italian post-employment benefits accruing after the date of the employees' decision and, in any case, after 30 June 2007, are considered part of a defined contribution plan and treated like all other social security contributions.

- *Share-based payments*

Share-based payments are measured at fair value of the option at the grant date. This amount is recognised in the statement of profit or loss on a straight-line basis over the vesting period. This treatment is based on an assessment of the stock options that will effectively vest in favour of the qualifying employees. Fair value is determined using the share price at the grant date.

Income tax

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 2021, 14 of the parent's Italian subsidiaries had joined the system, which is regulated by the specific consolidation mechanisms.

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.

Provisions for risks and charges

In accordance with IAS 37, the Group makes accruals to provisions for risks and charges when the following conditions exist:

- the Group or a group company has a present obligation (legal or constructive) at the reporting date as a result of a past event where an outflow of resources embodying economic benefits will be required to settle the obligation;
- it is probable that the obligation (through an outflow of resources) will have to be settled;
- a reliable estimate can be made of the amount of the obligation.

When the time value is material and the obligation payment dates can be estimated reliably, the amount recognised as the provision equals the pre-tax future cash flows (i.e., forecast outflows) discounted at a rate that reflects the present market value and risks specific to the liability.

The increase in the provision due to discounting is recognised as a financial expense.

When the expected cash flows are included in an estimate range with the same probability of occurrence, the median value is discounted to measure the liability.

Provision for restructuring costs is recognised when the parent or relevant group company has approved a detailed formal plan that has been implemented and communicated to the third parties involved.

Translation criteria for foreign currency items and translation of financial statements of consolidated companies or companies measured using the equity method expressed in currencies other than the Euro

The translation criteria for foreign currency items adopted by the Group are as follows:

- foreign currency monetary assets and liabilities are translated at the closing spot rate with any exchange rate gains or losses taken to the statement of 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.

With respect to the translation of financial statements of consolidated companies or companies measured using the equity method and expressed in currencies other than the presentation currency (functional currency), reference should be made to the section on the “Basis of consolidation”.

The Group has applied IAS 29 - Financial reporting in hyperinflationary economies for its subsidiaries and associates that prepare their financial statements in a functional currency of a hyperinflationary economy. This standard requires that the financial statements of an entity, whose functional currency is that of a hyperinflationary economy, be translated at the closing spot rate. The statement of financial position items not yet translated into Euros at the reporting date are redetermined using a general price index. All the statement of profit or loss items are translated into Euros at the exchange rate ruling on the date the revenue and costs were initially recognised.

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, and
- the sale must be highly probable and expected to take place within twelve months.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

A discontinued operation is a component of an entity that either has been disposed of or classified as held for sale and that meets any of the following criteria: i) it represents a separate major line of business or geographical area of operations; ii) it is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or iii) it is a subsidiary acquired exclusively with a plan to resell.

The profit or loss from discontinued operations is disclosed separately in the statement of profit or loss. As required by paragraph 34 of IFRS 5 - Non-current assets held for sale and discontinued operations, the corresponding prior year figures are reclassified accordingly.

Revenue from contracts with customers

Revenue from contracts with customers is recognised using the five-step model: (i) identify the contract with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; (v) recognise revenue when (or as) the entity satisfies a performance obligation.

More information is available in the “Contract assets and liabilities” paragraph of these notes.

Interest income

Interest income is recognised on an accruals basis, considering the principal and applicable effective interest rate, i.e., the rate that discounts the estimated future inflows over the expected life of the financial asset to return it to its carrying amount.

Dividends

Dividends are recognised when the investors’ right to receive payment arises in line with local ruling legislation.

Earnings (loss) per share

Basic earnings per share are calculated as the ratio of the profit or loss for the year attributable to the holders of the ordinary shares of the parent to the weighted number of ordinary shares outstanding during the year. Diluted earnings per share are calculated considering the potential diluting effect of exercise of their rights by the holders of rights that potentially have a diluting effect on shares when calculating the number of outstanding shares.

Operating segments

The operating segments comply with the reporting system provided to group management which is in charge of allocating the resources and assessing the results obtained by the segments. The Group's management and organisational structure presents the segments according to a geographical breakdown in macro-areas, on the basis of the Italy, Abroad and Lane Group segments.

The intrasegment transfer prices related to the exchange of goods and services are agreed at normal market conditions.

5. Business combinations

Astaldi

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

The acquisition took the form of a cash capital increase of €225 million reserved to Webuild, the proceeds of which were partly used to settle the secured and pre-deductible claims and partly to support Astaldi’s continuity plan. Webuild financed the transaction using the liquidity obtained with the capital increase that was fully subscribed and paid up by Salini Costruttori, CDP Equity, Banco BPM, Intesa Sanpaolo, UniCredit and other institutional investors in November 2019.

Webuild accounted for the acquisition in accordance with IFRS 3 - Business combinations which requires application of the acquisition method. After calculating the consideration transferred, Webuild allocated it to the identifiable assets acquired and liabilities assumed, both measured at fair value, as part of the purchase price allocation (“PPA”) procedure. Any negative difference between the consideration transferred, any non-controlling interest in the acquiree and the net identifiable assets acquired, net of the related tax effect, is the gain from the bargain purchase.

The Group availed of the 12-month measurement period established by IFRS 3 to finalise the fair value of the identifiable assets acquired and liabilities assumed. During 2021, it remeasured the related amounts as follows:

Definitive PPA - 2021

(€'000)	Carrying amount	Adjustments	Definitive fair value	Provisional amounts	Variation in fair value
Non-current assets	121,000	392,101	513,101	504,231	8,870
- of which intangible assets	*37,053*	*392,101*	*429,153*	*420,283*	*8,870*
Equity investments	92,824	28,711	121,535	121,535	-
Non-current financial assets	46,894	-	46,894	46,894	-
Deferred tax assets	89,405	38,229	127,634	135,305	(7,671)
Total non-current assets	350,123	459,041	809,164	807,965	1,199
Inventories	40,421	-	40,421	40,421	-
Contract assets	1,012,296	(138,128)	874,168	832,296	41,872
Trade receivables	648,542	(3,239)	645,303	648,542	(3,239)
Other current assets and non-current assets held for sale	550,171	-	550,170	550,170	-
Cash and cash equivalents	421,927	-	421,927	421,927	-
Total current assets	2,673,357	(141,367)	2,531,989	2,493,356	38,633
Total assets	**3,023,480**	**317,674**	**3,341,153**	**3,301,321**	**39,832**
Non-current financial liabilities	62,221	-	62,221	62,221	-
Post-employment benefits and employee benefits	6,164	-	6,164	6,164	-
Deferred tax liabilities	57,938	94,579	152,517	170,646	(18,129)
Provisions for risks and charges	36,070	4,647	40,717	47,270	(6,553)
Total non-current liabilities	162,393	99,226	261,619	286,301	(24,682)
Current financial liabilities	335,798	-	335,798	335,798	-
Contract liabilities	512,740	-	512,740	432,740	80,000
Other liabilities and liabilities associated with assets held for sale	1,047,757	(1,202)	1,046,555	1,047,757	(1,202)
Total current liabilities	1,896,295	(1,202)	1,895,093	1,816,295	78,798
Total liabilities	**2,058,688**	**98,024**	**2,156,712**	**2,102,596**	**54,116**
Equity attributable to non-controlling interests	(2,190)		(2,190)	(2,190)	-
Net assets acquired	**966,982**	**219,650**	**1,186,631**	**1,200,915**	**(14,284)**

The main differences between the provisional amounts and the definitive fair values relate to:

- a reclassification among contract assets, contract liabilities and order backlog under property, plant and equipment due to the more accurate allocation of the fair value of the contracts acquired to them, confirming the total amount. The fair value of contract assets and contract liabilities was restated under intangible assets to reflect the allocation of the fair values to the individual contracts underway;
- in addition to an adjustment to the order backlog's fair value as described above, it was adjusted to reflect additional information about Astaldi's budget obtained in the 12-month measurement period;

- adjustments to assets and liabilities included in Astaldi's composition with creditors procedure, again based on information that came to light during the measurement period.

The above adjustments gave rise to a gain from a bargain purchase as shown below:

(€'000)	
Consideration transferred to acquire a controlling interest	225,000
Value of the Webuild shares	2,000
Value of the non-controlling interests	420,338
Net assets acquired	(1,186,631)
Gain from a bargain purchase	**(539,293)**

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

The Group's statement of financial position and statement of profit or loss restated after completion of the PPA are set out below.

Statement of financial position

ASSETS (€'000)	31 December 2020 Published	Effects of Astaldi PPA adjustments	31 December 2020 Restated
Non-current assets			
Property, plant and equipment	477,497	-	477,498
Right-of-use assets	164,632	-	164,632
Investment property	120	-	120
Intangible assets	586,367	9,301	595,668
Goodwill	70,020	-	70,020
Equity investments	640,134	1	640,135
Derivatives and non-current financial assets	322,617	-	322,617
Deferred tax assets	368,364	-	368,364
Total non-current assets	**2,629,751**	**9,302**	**2,639,054**
Current assets			
Inventories	198,325	-	198,325
Contract assets	2,754,203	41,871	2,796,074
Trade receivables	1,889,929	(5,282)	1,884,647
Derivatives and other current financial assets	340,596	-	340,596
Current tax assets	114,297	-	114,297
Other current tax assets	229,448	-	229,448
Other current assets	1,006,796	2,043	1,008,839
Cash and cash equivalents	2,455,125	-	2,455,125
Total current assets	**8,988,719**	**38,632**	**9,027,351**
Non-current assets held for sale and disposal groups	10,049	-	10,049
Total assets	**11,628,519**	**47,934**	**11,676,454**

EQUITY AND LIABILITIES	31 December 2020	Effects of Astaldi PPA adjustments	31 December 2020
(€'000)	Published		Restated
Equity			
Share capital	600,000	-	600,000
Share premium reserve	654,486	-	654,486
Other reserves	162,616	-	162,616
Other comprehensive expense	(245,264)	-	(245,264)
Retained earnings	110,161	-	110,161
Profit (loss) for the year	146,990	(8,595)	138,395
Equity attributable to the owners of the parent	**1,428,989**	**(8,595)**	**1,420,395**
Non-controlling interests	655,893	(5,399)	650,494
Total equity	**2,084,882**	**(13,994)**	**2,070,889**
Bank and other loans and borrowings	767,494	-	767,494
Bonds	1,288,620	-	1,288,620
Lease liabilities	98,881	-	98,881
Post-employment benefits and employee benefits	63,349	-	63,349
Deferred tax liabilities	137,186	(10,317)	126,869
Provisions for risks	196,351	(6,553)	189,798
Total non-current liabilities	**2,551,881**	**(16,870)**	**2,535,011**
Current portion of bank loans and borrowings and current account facilities	1,077,309	-	1,077,309
Current portion of bonds	246,910	-	246,910
Current portion of lease liabilities	79,557	-	79,557
Contract liabilities	2,132,476	80,000	2,212,476
Trade payables	2,706,576	(1,202)	2,705,374
Current tax liabilities	127,295	-	127,295
Other current tax liabilities	75,978	-	75,978
Other current liabilities	530,544	-	530,544
Total current liabilities	**6,976,645**	**78,798**	**7,055,443**
Liabilities associated with non-current assets held for sale	15,111	-	15,111
Total equity and liabilities	**11,628,519**	**47,934**	**11,676,454**

Statement of profit or loss

(€'000)	2020 Published	Effects of Astaldi PPA adjustments	2020 Restated
Revenue			
Revenue from contracts with customers	4,247,167	-	4,247,167
Other income	226,478	-	226,478
Gain from bargain purchase	548,177	(8,885)	539,292
Total revenue and other income	**5,021,822**	**(8,885)**	**5,012,937**
Operating expenses			
Purchases	(575,127)	-	(575,127)
Subcontracts	(1,498,284)	-	(1,498,284)
Services	(1,181,931)	-	(1,181,931)
Personnel expenses	(845,062)	-	(845,062)
Other operating expenses	(161,418)	-	(161,418)
Impairment losses	(173,583)	-	(173,583)
Amortisation, depreciation and provisions	(185,019)	431	(184,588)
Total operating expenses	**(4,620,424)**	**431**	**(4,619,993)**
Operating profit (loss)	**401,398**	**(8,454)**	**392,944**
Financing income (costs) and gains (losses) on equity investments			
Financial income	80,990	-	80,990
Financial expense	(155,606)	-	(155,606)
Net exchange losses	(43,907)	-	(43,907)
Net financing costs	(118,523)	-	(118,523)
Net losses on equity investments	(108,816)	-	(108,816)
Net financing costs and net losses on equity investments	**(227,339)**	**-**	**(227,339)**
Profit (loss) before tax	**174,059**	**(8,454)**	**165,605**
Income taxes	(27,041)	(141)	(27,182)
Profit (loss) from continuing operations	**147,018**	**(8,595)**	**138,423**
Loss from discontinued operations	(5,088)	-	(5,088)
Profit (loss) for the year	**141,930**	**(8,595)**	**133,335**
Profit (loss) for the year attributable to:			
Owners of the parent	146,990	(8,595)	138,395
Non-controlling interests	(5,060)	-	(5,060)

Acquisition of Seli Overseas S.p.A.

Webuild acquired 100% of Seli Overseas S.p.A., specialised in tunnelling, as part of the Grandi Lavori Fincosit composition with creditors procedure with effect from 27 July 2021. This final step consolidates Webuild's expertise in the mechanised tunnelling sector.

The acquisition was the result of Webuild's successful offer presented in 2018 as part of the auction commenced by the judicial liquidator of Grandi Lavori Fincosit, completed in April 2021.

The consideration transferred amounted to €12.7 million.

Webuild availed of the option allowed by IFRS 3 (revised) to provisionally allocate the consideration to the fair value of the assets acquired and the liabilities and contingent liabilities assumed.

The following table summarises the assets and liabilities of Seli Overseas Group at the acquisition date and their fair value measured on a provisional basis for the PPA procedure:

(€'000)	Carrying amount	Adjustments	Fair value
Non-current assets	66,533	8,110	74,643
- of which intangible assets	4,063	*8,110*	*12,173*
Equity investments	2,465	-	2,465
Non-current financial assets	1	-	1
Total non-current assets	68,999	8,110	77,109
Inventories	11,578	-	11,578
Contract assets	25,290	-	25,290
Trade receivables	45,409	-	45,409
Other current assets and non-current assets held for sale	10,026	-	10,026
Cash and cash equivalents	1,571	-	1,571
Total current assets	93,874	--	93,874
Total assets	**162,873**	**8,110**	**170,983**
Non-current financial liabilities	13,839	-	13,839
Post-employment benefits and employee benefits	1,519	-	1,519
Deferred tax liabilities	-	3,396	3,396
Provisions for risks and charges	92	-	92
Total non-current liabilities	15,450	3,396	18,846
Current financial liabilities	46,040	-	46,040
Contract liabilities	9,157	-	9,157
Other liabilities and liabilities associated with assets held for sale	87,188	-	87,188
Total current liabilities	142,385	-	142,385
Total liabilities	**157,835**	**3,396**	**161,231**
Net assets acquired	**5,038**	**4,714**	**9,752**

The difference between the consideration transferred and the net assets acquired is recognised as goodwill as shown below:

(€'000)	
Consideration transferred to acquire a controlling interest	12,767
Net assets acquired	9,752
Goodwill	**3,015**

The cash used for the acquisition, net of cash acquired, is set out below:

(€'000)	
Total net assets acquired	**9,753**
Goodwill	3,015
Less cash acquired	(1,571)
Cash and cash equivalents net of cash acquired and used for the acquisition	**11,196**

Seli Overseas' contribution to Webuild's statement of profit or loss is shown in the following table:

(€'000)	**31/07/2021 - 31/12/2021**	**01/01/2021 - 31/12/2021**
Revenue	94,837	205,839
Operating expenses	(90,428)	(201,199)
Net financing costs and net losses on equity investments	(3,817)	(5,481)
Profit (loss) before tax	**592**	**(841)**

Other changes in the consolidation scope

No significant changes in the consolidation scope took place during the year.

The number of consolidated companies varies due to the set up and the winding up of companies to manage ongoing contracts.

As part of the larger strategy commenced by the parent with Progetto Italia, Webuild transferred its domestic production activities to two independent legal entities, Webuild Italia S.p.A. and Partecipazioni Italia S.p.A. (more information is available in the "Key events of the year" section of the Directors' report and note 36 "Related party transactions").

6. Segment reporting

Segment reporting is presented according to macro geographical regions, based on the management review approach adopted by senior management, for the '"Italy", "Abroad" and "Lane Group" operating segments".

Costs relating to activities which are carried out by the parent, Webuild, called "Corporate" costs, are attributed to the Italy segment and relate to:

- planning of human and financial resources;
- coordination and assistance with the group companies' administrative, tax, legal/corporate and institutional and business communications requirements.

These costs amounted to €165.4 million for 2021 compared to €161.5 million for the previous year.

Management measures the segments' results by considering their operating profit.

It measures their equity structure using their net invested capital.

Disclosures on the Group's performance by business segment are set out in the Directors' report. The consolidated financial statements figures are summarised below by operating segment with comparative figures for 2020 (statement of profit or loss) and at 31 December 2020 (statement of financial position).

Statement of profit or loss by operating segment - 2020 (§)

(€'000)	Italy (*)	Abroad	LANE Group (**)	Total
Revenue from contracts with customers	887,260	2,376,148	983,759	4,247,167
Other income	92,997	130,211	3,269	226,477
Gain from bargain purchase	539,294	-	-	539,294
Total revenue and other income	**1,519,551**	**2,506,359**	**987,028**	**5,012,938**
Operating expenses				
Production costs	(869,687)	(1,687,610)	(698,045)	(3,255,342)
Personnel expenses	(165,163)	(382,758)	(297,141)	(845,062)
Other operating expenses	(91,128)	(66,761)	(3,529)	(161,418)
Total operating expenses	**(1,125,978)**	**(2,137,129)**	**(998,715)**	**(4,261,822)**
Gross operating profit (loss)	**393,573**	**369,230**	**(11,687)**	**751,116**
Gross operating profit (loss) margin (EBITDA) %	*25.9%*	*14.7%*	*-1.2%*	*15.0%*
Impairment losses	(32,074)	(131,432)	(10,077)	(173,583)
Amortisation, depreciation and provisions	(58,094)	(83,926)	(42,568)	(184,588)
Operating profit (loss) (EBIT)	**303,405**	**153,872**	**(64,332)**	**392,945**
Return on Sales				*7.8%*
Net financing costs and net losses on equity investments				(227,340)
Profit before tax				**165,605**
Income taxes				(27,182)
Profit from continuing operations				**138,423**
Loss from discontinued operations				(5,088)
Profit for the year				**133,335**

(§) The Group's IFRS statement of profit or loss figures for 2020 have been restated after completion of Astaldi's PPA.

(*) The operating profit includes the costs of the central units and other general costs of €161.5 million.

(**) Lane Group includes the figures for the fully-consolidated companies in Argentina (Iglys S.A. and Mercovia S.A., the Middle East (Lane Mideast Contracting and Lane Mideast Qatar) and Europe (Seli Tunneling Denmark and Impregilo New Cross).

Statement of profit or loss by operating segment - 2021

(€'000)	Italy (*)	Abroad	LANE Group	Total
Revenue from contracts with customers	1,801,934	3,240,837	935,050	5,977,821
Other income	202,681	226,480	13,352	442,513
Total revenue and other income	**2,004,615**	**3,467,316**	**948,402**	**6,420,334**
Operating expenses				
Production costs	(1,520,902)	(2,432,445)	(703,538)	(4,656,884)
Personnel expenses	(290,499)	(527,180)	(284,241)	(1,101,920)
Other operating expenses	(238,882)	(100,074)	(8,864)	(347,819)
Total operating expenses	**(2,050,282)**	**(3,059,699)**	**(996,642)**	**(6,106,624)**
Gross operating profit (loss)	**(45,667)**	**407,617**	**(48,240)**	**313,710**
Gross operating profit (loss) margin (EBITDA) %	*-2.3%*	*11.8%*	*-5.1%*	*4.9%*
Impairment losses	(7,817)	(19,059)	(623)	(27,498)
Amortisation, depreciation and provisions	(61,254)	(233,794)	(24,881)	(319,928)
Operating profit (loss) (EBIT)	**(114,738)**	**154,765**	**(73,743)**	**(33,717)**
Return on Sales				*-0.5%*
Net financing costs and net losses on equity investments				(111,653)
Loss before tax				**(145,369)**
Income taxes				(133,629)
Loss from continuing operations				**(278,998)**
Profit (loss) from discontinued operations				232
Loss for the year				**(278,766)**

(*) The operating profit includes the costs of the central units and other general costs of €165.4 million and costs of €131.9 million related to the dispute with the customer for the C.A.V.TO.MI. contract.

The figures for Lane Group in the above tables are presented in accordance with the IFRS. Therefore, the profits or losses of the non-controlling investments in joint ventures are presented under "Joint ventures not controlled by Lane" as presented in the Directors' report.

The Group monitors the key figures of Lane Group solely for management purposes adjusting the IFRS figures prepared for consolidation purposes to present its share of revenue and costs of the non-subsidiary joint ventures. These figures show the status of contracts managed directly by Lane or through non-controlling investments in joint ventures. Reference should be made to the section on "Financial highlights" of the Directors' report for more information.

Statement of financial position at 31 December 2020 by operating segment (§)

(€'000)	Italy	Abroad	LANE Group	Total
Non-current assets	1,192,206	523,434	232,431	**1,948,071**
Net liabilities held for sale	23	(5,086)	-	**(5,063)**
Provisions for risks	(61,705)	(68,954)	(59,139)	**(189,798)**
Post-employment benefits and employee benefits	(21,171)	(12,583)	(29,595)	**(63,349)**
Net tax assets (liabilities)	442,635	(82,968)	22,300	**381,967**
Working capital	**(301,466)**	**820,607**	**(78,189)**	**440,952**
Net invested capital	**1,250,522**	**1,174,452**	**87,808**	**2,512,782**
Equity				2,070,888
Net financial indebtedness				441,894
Total financial resources				**2,512,782**

(§) The Group's IFRS statement of financial position figures at 31 December 2020 have been restated after completion of Astaldi's PPA.

Statement of financial position at 31 December 2021 by operating segment

(€'000)	Italy	Abroad	LANE Group	Total
Non-current assets	1,054,969	833,150	182,876	**2,070,996**
Net assets (liabilities) held for sale	26,368	(1,520)	-	**24,848**
Provisions for risks	(96,447)	(46,026)	(80,118)	**(222,591)**
Post-employment benefits and employee benefits	(24,536)	(14,406)	(11,745)	**(50,687)**
Net tax assets (liabilities)	413,358	(72,151)	33,793	**374,999**
Working capital	**(1,375,286)**	**651,280**	**(80,636)**	**(804,642)**
Net invested capital	**(1,575)**	**1,350,328**	**44,169**	**1,392,922**
Equity				**1,859,599**
Net financial position				**(466,677)**
Total financial resources				**1,392,922**

7. Property, plant and equipment, intangible assets and right-of-use assets

Property, plant and equipment, intangible assets and right-of-use assets are analysed in the table below:

(€'000)	31 December 2020	31 December 2021	Variation
Property, plant and equipment	477,497	620,277	142,780
Right-of-use assets	164,632	169,639	5,007
Investment property	120	-	(120)
Intangible assets	595,668	466,350	(129,318)
Total	**1,237,917**	**1,256,266**	**18,349**

7.1. Property, plant and equipment

Property, plant and equipment amount to €620.3 million, up from the 31 December 2020 figure by €142.8 million. The historical cost and carrying amounts are given in the following table:

	31 December 2020			31 December 2021		
(€'000)	Cost	Acc. depreciation	Carrying amount	Cost	Acc. depreciation	Carrying amount
Land	13,850	-	13,850	13,384	-	13,384
Buildings	141,454	(81,730)	59,724	185,057	(100,363)	84,694
Plant and equipment	951,141	(715,180)	235,961	1,147,577	(779,570)	368,007
Industrial and commercial equipment	110,603	(100,088)	10,515	114,864	(100,062)	14,802
Other assets	64,211	(51,340)	12,871	87,105	(74,454)	12,651
Assets under const. and payments on account	144,577	-	144,577	126,739	-	126,739
Total	**1,425,836**	**(948,338)**	**477,498**	**1,674,726**	**(1,054,449)**	**620,277**

Changes during the year are summarised below:

(€'000)	31 December 2020	Increases	Depreciation	Imp. losses	Reclass.	Disposals	Exchange gains (losses)	Change in consolidation scope	31 December 2021
Land	13,850	-	-	-	-	(868)	402	-	13,384
Buildings	59,724	32,158	(11,123)	-	2,871	(2,769)	2,694	1,139	84,694
Plant and machinery	235,961	174,386	(65,169)	(4,750)	16,339	(16,070)	2,193	25,117	368,007
Industrial and commercial equipment	10,515	19,231	(5,033)	-	2,982	(13,493)	238	362	14,802
Other assets	12,871	6,939	(3,996)	-	1,133	(5,351)	592	463	12,651
Assets under const. and payments on account	144,577	1,293	-	-	(20,508)	-	-	1,377	126,739
Total	**477,498**	**234,007**	**(85,321)**	**(4,750)**	**2,817**	**(38,551)**	**6,119**	**28,458**	**620,277**

The most significant changes include:

- increases of €234.0 million, mainly related to investments made by the Australian subsidiary Snowy Hydro (€117.7 million) to purchase the equipment necessary for the Snowy 2.0 project, Lane Group (€19.9 million) and Consorzio Hirpinia (€18.0 million) to acquire prefabricated modules, equipment and machinery;
- disposals of €38.6 million, principally related to the Tajikistani branch (€10.3 million) mostly for the sale of equipment no longer needed to carry out work at the Rogun Dam;
- impairment losses of €4.7 million, chiefly related to contracts that are no longer active in North America;
- the change in the consolidation scope of €28.5 million, mainly related to the acquisition of control of Seli Overseas and Consorzio Isarco.

7.2. Right-of-use assets

Right-of-use assets amount to €169.6 million, showing an increase of €5.0 million on the 31 December 2020 balance.

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

(€'000)	31 December 2020 Cost	Acc. depreciation	Carrying amount	31 December 2021 Cost	Acc. depreciation	Carrying amount
Land	4,230	(1,692)	2,538	4,308	(2,453)	1,855
Buildings	72,255	(30,881)	41,374	91,169	(46,681)	44,488
Plant and machinery	251,078	(133,474)	117,604	249,734	(128,635)	121,099
Industrial and commercial equipment	3,056	(2,563)	493	1,632	(1,566)	66
Other assets	5,508	(2,885)	2,623	5,286	(3,154)	2,132
Total	**336,127**	**(171,495)**	**164,632**	**352,128**	**(182,489)**	**169,639**

Changes during the year are summarised below:

(€'000)	31 December 2020	Increases	Deprec.	Impairment losses	Reclass.	Remeas.	Net exchange gains	Change in consolidation scope	31 December 2021
Land	2,538	-	(732)	-	-	-	-	49	1,854
Buildings	41,374	15,623	(18,659)	-	(357)	(2,752)	1,614	7,645	44,488
Plant and machinery	117,604	39,247	(61,321)	(415)	(2,321)	(7,738)	2,660	33,383	121,099
Industrial and commercial equipment	493	16	(171)	-	(137)	(135)	-	-	66
Other assets	2,623	213	(772)	-	(2)	(2)	71	-	2,131
Total	**164,632**	**55,099**	**(81,655)**	**(415)**	**(2,817)**	**(10,627)**	**4,345**	**41,077**	**169,639**

The item mainly comprises plant, machinery and equipment used for projects underway mostly in (i) France (Line 16 of the Paris Metro); (ii) US (Lane Group and I-405 in California); (iii) Tajikistan (Rogun Dam); (iv) Italy (high speed/capacity Milan - Genoa railway line); and (v) Chile, as well as the buildings where the Rome and Milan offices are located and the buildings housing the offices of the branches and foreign subsidiaries.The most significant changes of the year are summarised below:

- the increase of €55.1 million, mostly related to the Milan head office (€12.4 million, mainly due to the lease of the new offices in Rozzano), Lane Group (€11.3 million) and the Tajikistani branch (€7.5 million);
- the change in the consolidation scope, principally for the acquisition of Seli Overseas S.p.A.[91]

7.3. Intangible assets

Intangible assets amount to €466.4 million, down from the 31 December 2020 figure by €129.3 million. The item may be analysed as follows:

[91] More information is available in the "Business combinations" paragraph of the "Accounting policies" section.

	31 December 2020			31 December 2021		
(€'000)	**Cost**	**Acc. amortisation**	**Carrying amount**	**Cost**	**Acc. amortisation**	**Carrying amount**
Rights to infrastructure under concession	63,593	(9,393)	54,200	67,477	(10,013)	57,464
Contract costs	760,489	(220,956)	539,533	744,343	(337,269)	407,074
Other	13,855	(11,920)	1,935	9,905	(8,093)	1,812
Total	**837,937**	**(242,269)**	**595,668**	**821,725**	**(355,375)**	**466,350**

Rights to infrastructure under concession of €57.5 million decreased by €3.3 million compared to 31 December 2020.

(€'000)	**31 December 2019**	**Increases**	**Amortisation**	**(Imp. losses) and reval.**	**Net exchange losses**	**Reclassific.**	**31 December 2020**
SA.BRO.M. S.p.A.	44,125	158	-	-	-	-	44,283
Corso del Popolo S.p.A.	9,477	-	(376)	-	-	-	9,101
Mercovia S.A.	2,060	567	(1,093)	-	(718)	-	816
Total	**55,662**	**725**	**(1,469)**	**-**	**(718)**	**-**	**54,200**

Changes of the year are detailed in the following table:

(€'000)	**31 December 2020**	**Increases**	**Amortisation**	**(Impairment losses) and Reval.**	**Net exchange losses**	**Reclassific.**	**31 December 2021**
SA.BRO.M. S.p.A.	44,283	159	-	-	-	-	44,442
Corso del Popolo S.p.A.	9,101	4,298	(376)	-	-	-	13,023
Mercovia S.A.	816	150	(959)	-	(8)	-	-
Total	**54,200**	**4,607**	**(1,335)**	**-**	**(8)**		**57,465**

The main contributor to this item is SA.BRO.M. for design costs for the new Broni - Mortara regional motorway, including the borrowing costs capitalised in accordance with IAS 23, which the Group expects to recover based on the outcome of the contract. The item is not amortised as the concession is currently inoperative. More information is available in the "Main risk factors and uncertainties" section in the Directors' report.

On 3 December 2018, the Terni Court ruled that the subconcession for the car park in Terni held by Corso del Popolo S.p.A. was terminated. The operator appealed against this ruling and concurrently formally invited the Terni municipal authorities to rebalance the economic and financial plan commencing arbitration procedures on 15 March 2019. The Terni municipal authorities notified its intention of analysing the identified issues through an expert panel, which completed its work on 24 June 2020 with report no. 8 acknowledging the proposals of both parties for the rebalancing of the economic and financial plan on which the Terni municipal council shall express an opinion. Should the Terni municipal authorities not agree with the rebalancing proposals made by the expert panel, the group company will take the appropriate legal action to recover its assets. Its legal advisors are confident that the outcome should be in its favour.

The largest item, contract costs of €407.1 million, decreased by €132.5 million on 31 December 2020. They comprise contract acquisition costs, the incremental costs of obtaining the contract and costs to fulfil the contract.

Contract acquisition costs include considerations paid to acquire stakes in projects/contracts representing intangible assets with a finite useful life, which are amortised in line with the stage of completion of the related contracts.

The increase in the contract acquisition costs is mainly due to the amortisation of the assets allocated as part of the PPA performed after the 2020 acquisition of Astaldi (more information is available in the "Business combinations" paragraph).

The incremental costs of obtaining a contract mainly relate to Lot 2 of the Riachuelo project in Argentina awarded to Fisia Italimpianti and Astaldi Group.

The costs to fulfil the contract mostly comprise COCIV's pre-operating costs.
A breakdown of the item and changes of the year are shown below:

(€'000)	31 December 2019	Increases	Depreciation	(Imp. losses)/Reval.	Net exchange losses	Reclass. and change in consolidation scope	31 December 2020
COCIV (Milan - Genoa railway line)	27,436	-	(3,046)	-	-	-	24,390
Riyadh Metro (Saudi Arabia)	9,390	-	(4,132)	-	--		5,258
Iricav Due (Verona - Padua railway line)	12,510	12,910	(687)	-	--		24,733
Astaldi order backlog	-	-	(14,030)	-	-	393,066	379,036
Other	702	-	(530)	-	--		172
Total contract acquisition costs	**50,038**	**12,910**	**(22,425)-**		**-**	**393,066**	**433,589**
Riachuelo Lot 3 (Argentina)	8,865	2,057	(845)	-	(3,088)	(88)	6,901
		-					
Astaldi Group	-		(121)	934	-	33,616	34,429
Mobilinx Hurontario (Canada)	1,515	-	(121)	-	(99)	-	1,295
Sa.Pi. Nor. (Norway)	1,109	-	(173)	-	(68)	-	868
Other	497	177	(308)	-	(198)	-	168
Total incremental costs of obtaining a contract	**11,986**	**2,234**	**(1,568)**	**934**	**(3,453)**	**33,528**	**43,661**
COCIV (Milan - Genoa railway line)	64,299	-	(6,727)	-	-	-	57,572
Riyadh Metro (Saudi Arabia)	88	-	(52)	-	9	-	45
SANG (Riyadh, Saudi Arabia)	24	-	(13)	-	-	-	11
Astaldi Group	-	1,959	-	-	-	2,696	4,655
Other	8	-	-	-	(8)	-	-
Total costs to fulfil a contract	**64,419**	**1,959**	**(6,792)**	**-**	**1**	**2,696**	**62,283**
Total contract costs	**126,443**	**17,103**	**(30,785)**	**934**	**(3,452)**	**429,290**	**539,533**

Contract acquisition costs

(€'000)	31 December 2020	Increases	Amortisation	(Imp. losses)/Reval.	Decreases	Net exchange gains (losses	Reclass. and change in consolidation scope	31 December 2021
COCIV (Milan - Genoa railway line)	24,390	-	(6,149)	-		-	-	18,241
Riyadh Metro (Saudi Arabia)	5,258	-	(575)	-		-	-	4,683
Iricav Due (Verona - Padua railway line)	24,733	-	(2,440)	-	-	-	-	22,293
Seli Overseas	-	-	(1,272)	-	-	-	12,172	10,900
Astaldi Group	379,035	-	(103,550)	(3,530)	(13,476)	-	34,759	293,238
Other	172	-	105	-	-	-	-	277
Total contract acquisition costs	**433,588**	**-**	**(113,881)**	**(3,530)**	**(13,476)**	**-**	**46,931**	**349,632**
Fisia It. Acciona Agua Lotto 2 UTE (Argentina)	6,901	3,500	(2,959)	-	-	(1,195)	-	6,247
Astaldi Group	34,429	-	-	-	-	-	(34,429)	-
Astaldi Canada Enterprises	-	1,338	-	-	-	40	-	1,378
Mobilinx Hurontario (Canada)	1,295	-	(482)	-	-	1,035	-	1,848
Sa.Pi. Nor. (Norway)	868	-	(352)	-	-	36	-	552
Other	168	-	(160)	-	-	8-		16
Total incremental costs of obtaining a contract	**43,660**	**4,838**	**(3,953)**	**-**	**-**	**(76)**	**(34,429)**	**10,041**
COCIV (Milan - Genoa railway line)	57,572	-	(13,228)	-	-	-	-	44,344
Riyadh Metro (Saudi Arabia)	45	-	(28)	-	-	16	-	33
SANG (Riyadh, Saudi Arabia)	12	-	-	-	-	(12)-		-
Astaldi Group	4,655	-	-	(1,235)	-	-	(400)	3,020
Total costs to fulfil a contract	**62,284**	**-**	**(13,255)**	**(1,235)**	**-**	**4**	**(400)**	**47,397**
Total contract costs	**539,531**	**4,838**	**(131,089)**	**(1,235)**	**-**	**(72)**	**12,102**	**407,071**

Changes of the year are mostly a result of:

- the decrease of €131.1 million due to amortisation, which includes amortisation of €93.7 million of the EPC backlog for the Astaldi Group contracts recognised as part of the PPA. These costs are amortised in line with the percentage of completion of the related contracts;
- partly offset by the increase of €12.2 million for the PPA for Seli Overseas and the re-allocation of some amounts after completion of Astaldi's PPA.

There are no indicators of impairment for the contracts to which the costs refer based on the contracts' performance.

Other intangible assets amount to €1.8 million, substantially unchanged from the 31 December 2020 figure. The historical cost and carrying amount are given in the following table:

(€'000)	31 December 2020 Cost	Acc. amortisation	Carrying amount	31 December 2021 Cost	Acc. amortisation	Carrying amount
Industrial patents	3,748	(3,347)	401	2,328	(2,222)	106
Concessions	64	(64)	-	58	(58)	-
Software	4,881	(4,167)	714	6,023	(4,737)	1,286
Assets under development and payments on account	4	-	4	-	-	-
Other	5,157	(4,341)	816	1,500	(1,081)	419
Total	**13,854**	**(11,919)**	**1,935**	**9,909**	**(8,098)**	**1,811**

Prior year changes are as follows:

(€'000)	31 December 2019	Increases	Amortisation	Reclass.	Disposals	Net exchange losses	Change in consolidation scope	31 December 2020
Industrial patents	65	45	(51)	-	-	(36)	378	401
Software	1,323	136	(300)	(408)	-	(41)	4	714
Other	639	231	(273)	-	-	(143)	366	820
Total	**2,027**	**412**	**(624)**	**(408)**	**-**	**(220)**	**748**	**1,935**

Changes during the year are set out below:

(€'000)	31 December 2020	Increases	Amortisation	Other changes	Disposals	Net exchange losses	Change in consolidation scope	31 December 2021
Industrial patents	401	-	(290)	-	-	(5)	-	106
Software	714	518	(295)	-	-	26	323	1,286
Other	820	-	(265)	-	-	(136)	-	419
Total	**1,935**	**518**	**(850)**	**-**	**-**	**(115)**	**323**	**1,811**

8. Goodwill

Goodwill of €78.5 million at the reporting date entirely relates to the acquisition of Lane Group finalised in 2016 net of the decrease due to Lane's sale of the Plants & Paving division on 12 December 2018.

Prior year changes are as follows:

(€'000)	31 December 2019	Increases	Decreases	Net exchange losses	31 December 2020
Lane Group	76,061	-	-	(6,041)	70,020
Total	76,061	-	-	(6,041)	70,020

Changes during the year are set out below:

(€'000)	31 December 2020	Increases	Impairment losses	Net exchange gains	31 December 2021
Lane Group	70,020	-	-	5,461	75,481
Seli Overseas	-	3,015	-	-	3,015
Total	**70,020**	**3,015**	**-**	**5,461**	**78,496**

The increases refer to the acquisition of Seli Overseas Group (more information is available in the "Business combinations" paragraph of the "Accounting policies" section).

At the reporting date, the Group performed an impairment test to check the recoverability of the carrying amount of goodwill:

Lane Group's net invested capital

The Group estimated the Lane Group CGU's value in use, using the unlevered discounted cash flow (UDCF) method, by discounting the cash flows from operating activities assumed in its 2022-2026 business plan prepared and approved by management, and its terminal value.

The main assumptions adopted to calculate value in use are as follows:

- long-term growth rate: 2.2%;
- post-tax discount rate: 8.43%.

The Group has adopted the discount rate calculated based on the market cost of money and the business sector's specific risk (Weighted Average Cost of Capital, WACC).

The terminal value is based on a sustainable profit assumption, from which stable long-term operating cash flows have been estimated, on a going concern basis.

The impairment tests showed that the carrying amount of the goodwill is fully recoverable, based also on the independent business review performed by independent experts.

The impairment test was subjected to sensitivity analyses to check the sensitivity of the results to a reasonable variation in the preselected value drivers (+1% in the discount rate and terminal value). No potential impairment losses were identified.

Seli Group Overseas' net invested capital

The Group estimated the Seli Overseas Group CGU's value in use, using the unlevered discounted cash flow (UDCF) method, by discounting the operating cash flows assumed for the explicit period of its 2022-2026 business plan prepared and approved by the subsidiary, and its terminal value.

The main assumptions adopted to calculate value in use are as follows:

- long-term growth rate: 1.8%;
- post-tax discount rate: 10.98%.

The Group has adopted the discount rate calculated based on the market cost of money and the business sector's specific risk (Weighted Average Cost of Capital, WACC).

The terminal value is based on a sustainable profit assumption on a going concern basis.

The impairment tests, performed with independent experts, showed that the carrying amount of the goodwill is fully recoverable.

The impairment test was subjected to sensitivity analyses to check the sensitivity of the results to a reasonable variation in the preselected value drivers (+1% in the discount rate and terminal value). No potential impairment losses were identified.

9. Equity investments

Equity investments increased by €96.1 million to €736.2 million.

(€'000)	31 December 2020	31 December 2021	Variation
Investments in equity-accounted investees	584,431	676,005	91,574
Other equity investments	26,752	31,106	4,354
Participating financial instruments	28,952	29,123	171
Total	**640,135**	**736,233**	**96,098**

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

(€'000)	31 December 2020	31 December 2021
Change in consolidation scope	114,905	2,770
Capital transactions	39,845	107,517
Acquisitions, capital injections and disinvestments	(43)	(1,230)
Share of loss of equity-accounted investees	(104,523)	(15,297)
Dividends from equity-accounted investees	(12,700)	(45,761)
Reclassifications	3,311	(3,587)
Other changes including change in the translation reserve	(43,146)	51,686
Total	**(2,351)**	**96,098**

Capital transactions include the injections into Grupo Unidos por el Canal (€100.7 million) and the investees of Lane Group (€6.7 million).

The overall effect on profit or loss is analysed in note 34 and includes the changes in the provision for risks on equity investments set out in note 25.

As already described in previous annual reports, the financial statements utilised to measure some of the investments using the equity method include requests for additional consideration as its payment is highly probable, based also on the technical and legal opinions of the Group's advisors. More information is available in the "Main risk factors and uncertainties" section of the Directors' report.

Dividends from equity-accounted investees mainly refer to the non-consolidated joint ventures of Lane Group.

Impairment test

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

Grupo Unidos por el Canal S.A.

At 31 December 2021, the Group updated the impairment test performed on the investment in this Panama-based SPE at 30 June 2021.

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

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

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

The impairment test confirmed the equity investment's carrying amount, determined using the equity method, at 31 December 2021.

No other impairment indicators were identified.

Participating financial instruments

The participating financial instruments include the equity instruments (IAS 32.16.C) assigned to Astaldi's creditors as partial settlement of their unsecured claims. They were measured using the estimated net proceeds from the sale of the assets transferred to Astaldi's separate unit and earmarked for the holders of these instruments.

Investments in equity-accounted investees and other equity investments

Investments in equity-accounted investees and other equity investments increased by €95.9 million to €707.1 million compared to 31 December 2020:

(€'000)	31 December 2020	31 December 2021	Variation
Investments in associates	163,440	164,912	1,472
Investments in jointly controlled entities	420,991	511,093	90,102
Investments in other companies	26,752	31,106	4,354
Total	**611,183**	**707,111**	**95,928**

Investments in associates, jointly controlled entities and other companies with a negative carrying amount, which are recognised in the provision for risks on equity investments (see note 25), increased by €18.5 million to €85.3 million compared to 31 December 2020:

(€'000)	31 December 2020	31 December 2021	Variation
Investments in associates	(7,519)	(6,587)	932
Investments in jointly controlled entities	(50,622)	(61,872)	(11,250)
Investments in other companies	(11,018)	(16,798)	(5,780)
Total	**(69,159)**	**(85,257)**	**(16,098)**

The provision for equity investments mostly refers to Lane Group's joint ventures and, specifically, the SPE carrying out the I-4 Ultimate contract.

The net losses on equity investments recognised in profit or loss may be analysed as follows:

(€'000)	2020	2021	Variation
Investments in associates	(19,084)	6,951	25,951
Investments in jointly controlled entities	(93,812)	(26,105)	67,708
Investments in other companies	(2,740)	564	2,261
Total	**(115,637)**	**(19,717)**	**95,920**

The classification of Webuild Group entities in line with the IFRS referred to earlier was based on the following guidelines:

(i) paragraphs 5 and 6 of IFRS 10 were adhered to for assessing the existence of control. Group entities were only classified as subsidiaries when the Group has substantial rights over the investee's relevant activities, in exchange for the Group's exposure to variable returns from its involvement with the investee and the Group can use its power over the investee to affect the amount of the variable returns. These requirements are met when the Group holds sufficient voting rights to obtain the majority required in decisions for the governance bodies of the group companies in question;

(ii) reference was made to paragraphs 4 and 5 of IFRS 11 to assess the existence of joint control. Joint control exists if the majorities required for decision-taking by the governance bodies of the group entities in question require the unanimous vote or qualified majorities that can only be reached with the consent of a specific group of investors;

(iii) with reference to the type of joint arrangements, in view of the fact that all joint arrangements in which the Group participates are structured through separate vehicles, reference was made to paragraph B15 of IFRS 11, analysing in particular the legal form of the separate vehicle and the terms of the contractual agreement. Only those entities not incorporated into legal entities and structured as separate vehicles that guarantee transparency of the rights and obligations of the parties are classified as joint operations.

Webuild Group's activities involve its participation in numerous SPEs that, especially in Italy, use the consortium structure, which works using a cost recharging system. For the purposes of classification under IFRS 10 and 11, these entities have been classified as subsidiaries, associates and joint ventures, according to the guidelines set out above.

Financial highlights of the significant associates

The group associates at 31 December 2021 that management considers significant for the Group are presented below. Their share capital consists solely of ordinary shares, which the Group holds directly. These companies primarily conduct their business in the country of their incorporation or registration.

Company	Head office	Registered office (if different to the head office)	Investment %	Nature of the relationship	Measurement method
Yuma Concessionaria S.A.	Colombia	n/a	48.33%	(1)	Equity
Metro de Lima 2 S.A.	Peru	n/a	18.25%	(2)	Equity
Eurolink S.c.p.A.	Italy	Rome	45%	(3)	Equity
Autopistas del Sol S.A.	Argentina	n/a	19.82%	(4)	Equity

The activities of the above companies are key to the Group's activities. A description of the nature of Webuild Group's relationship with the above companies is provided below:

(1) the company is held directly by Webuild S.p.A., and indirectly through Impregilo International Infrastructures N.V., and has a concession contract for the third motorway lot of the Ruta del Sol project in Colombia. The

contract expires in 2036. The governance system requires qualified majority resolutions and Webuild's investment percentage means it can be classified as an associate. The subsection on "Concessions" in the "Abroad" section and the "Main risk factors and uncertainties" section in the Directors' report provides details of the concession's term;

(2) the company is held directly by the parent and has a concession contract for the "Metro de Lima 2" project (Peru) for the concession, construction and operation of the infrastructure during the 35-year concession expiring in 2049. The governance system requires majority resolutions and Webuild's investment percentage means it can be classified as an associate;

(3) the consortium company is held directly by the parent and was set up to design and build the Messina Strait Bridge and railway and road connectors on both sides in Calabria and Sicily. More information about this contract is available in the "Main risk factors and uncertainties" section of the Directors' report. The governance system requires majority resolutions and Webuild's investment percentage means it can be classified as an associate;

(4) the company, listed on the Buenos Aires stock market, is held by the subsidiary Impregilo International Infrastructures N.V. and has a concession contract for the operation of the Buenos Aires Norte access infrastructure expiring in 2030.

The financial information relating to individually significant associates accounted for using the equity method is shown below. In addition, the financial information of the associates is reconciled with the carrying amount of the related investments.

Yuma (Colombia)

€'000	31 December 2020	31 December 2021	€'000	31 December 2020	31 December 2021
Non-current assets			**Equity**	**11,888**	**2,643**
Property, plant and equipment and intangible assets	302,787	364,800	**Non-current liabilities**		
Non-current financial assets	-	-	Non-current financial liabilities	102,633	210,963
Other non-current assets	-	-	Other non-current liabilities	179	360
Total non-current assets	**302,787**	**364,800**	**Total non-current liabilities**	**102,812**	**211,323**
Current assets			**Current liabilities**		
Cash and cash equivalents and other financial assets	14,739	2,965	Current financial liabilities	77,668	5,988
Other current assets	52,944	43,768	Other current liabilities	178,102	191,579
Total current assets	**67,683**	**46,733**	**Total current liabilities**	**255,770**	**197,567**
Total assets	**370,470**	**411,533**	**Total liabilities**	**370,470**	**411,533**

€'000 Group share	31 December 2020	31 December 2021	€'000	2020	2021
			Revenue	199,267	149,330
Opening equity	**10,322**	**5,746**	Operating expenses	(201,182)	(153,858)
Comprehensive expense attributable to the owners of the parent	(4,576)	(4,468)	**Operating loss**	**(1,915)**	**(4,528)**
Dividends distributed	-	-	Net financing costs	(4,566)	(3,517)
Capital increases and other variations	-	-	**Loss before tax**	**(6,481)**	**(8,045)**
Closing equity	**5,746**	**1,278**	Income taxes	(353)	(489)
			Loss from continuing operations	**(6,834)**	**(8,534)**
			Other comprehensive expense	(2,635)	(711)
Carrying amount	**5,746**	**1,278**	**Comprehensive expense**	**(9,469)**	**(9,245)**

Metro de Lima 2 S.A. (Peru)

€'000	31 December 2020	31 December 2021	€'000	31 December 2020	31 December 2021
Non-current assets			**Equity**	**145,274**	**172,843**
Property, plant and equipment and intangible assets	102	624	**Non-current liabilities**		
Other non-current assets	-	-	Other non-current liabilities	4,205	4,556
Total non-current assets	**102**	**624**	**Total non-current liabilities**	**4,205**	**4,556**
Current assets			**Current liabilities**		
Cash and cash equivalents and other financial assets	5,795	17,875	Current financial liabilities	30,750	55,210
Other current assets	375,249	437,622	Other current liabilities	200,917	223,512
Total current assets	**381,044**	**455,497**	**Total current liabilities**	**231,667**	**278,722**
Total assets	**381,146**	**456,121**	**Total liabilities**	**381,146**	**456,121**

€'000 Group share	31 December 2020	31 December 2021	€'000	2020	2021
			Revenue	197,265	248,280
Opening equity	**26,820**	**26,513**	Operating expenses	(188,804)	(240,386)
Comprehensive income (expense) attributable to the owners of the parent	(307)	5,031	**Operating profit**	**8,461**	**7,894**
Dividends distributed	-	-	Net financing income	4,653	15,111
Capital increases and other variations	-	-	**Profit before tax**	**13,114**	**23,005**
Closing equity	**26,513**	**31,544**	Income taxes	(1,581)	(8,210)
			Profit from continuing operations	**11,533**	**14,795**
			Other comprehensive income (expense)	(13,217)	12,775
Carrying amount	**26,513**	**31,544**	**Comprehensive income (expense)**	**(1,684)**	**27,570**

Eurolink S.c.p.A. (Italy)

€'000	31 December 2020	31 December 2021
Non-current assets		
Current assets		
Cash and cash equivalents and other financial assets	593	708
Other current assets	59,563	59,518
Total current assets	**60,156**	**60,226**
Total assets	**60,156**	**60,226**

€'000	31 December 2020	31 December 2021
Equity	**37,500**	**37,500**
Current liabilities		
Current financial liabilities	-	-
Other current liabilities	22,656	22,726
Total current liabilities	**22,656**	**22,726**
Total liabilities	**60,156**	**60,226**

€'000 Group share	31 December 2020	31 December 2021
Opening equity	**16,875**	**16,875**
Comprehensive income attributable to the owners of the parent	-	-
Capital increases and other variations	-	-
Closing equity	**16,875**	**16,875**
Carrying amount	**16,875**	**16,875**

€'000	2020	2021
Revenue	789	242
Operating expenses	(783)	(235)
Operating profit	**6**	**7**
Profit before tax	**6**	**7**
Income taxes	(6)	(7)
Comprehensive income	**-**	**-**

Autopistas del Sol S.A. (Argentina)

€'000	31 December 2020	31 December 2021
Non-current assets		
Property, plant and equipment and intangible assets	128,905	164,081
Non-current financial assets	41,605	-
Other non-current assets	-	-
Total non-current assets	**170,510**	**164,081**
Current assets		
Cash and cash equivalents and other financial assets	12,939	20,523
Other current assets	6,447	49,052
Total current assets	**19,386**	**69,575**
Total assets	**189,896**	**233,656**

€'000	31 December 2020	31 December 2021
Equity	**93,302**	**111,906**
Non-current liabilities		
Non-current financial liabilities	-	-
Other non-current liabilities	35,722	61,848
Total non-current liabilities	**35,722**	**61,848**
Current liabilities		
Current financial liabilities	-	-
Other current liabilities	60,872	59,903
Total current liabilities	**60,872**	**59,902**
Total liabilities	**189,896**	**233,656**

€'000 Group share	31 December 2020	31 December 2021
Opening equity	**21,563**	**18,492**
Comprehensive expense attributable to the owners of the parent	(7,226)	(2,786)
Dividends distributed	(839)	-
Capital increases and other variations	4,904	6,064
Closing equity	**18,492**	**21,770**
Impairment losses	(5,000)	(5,000)
Carrying amount	13,492	16,770

€'000	2020	2021
Revenue	52,488	50,802
Operating expenses	(41,197)	(40,773)
Operating profit	**11,291**	**10,029**
Net financing income (costs)	(1,728)	5,747
Profit before tax	**9,563**	**15,776**
Income taxes	(9,043)	(19,387)
Profit (loss) from continuing operations	**520**	**(3,611)**
Other comprehensive expense	(36,979)	(8,957)
Comprehensive expense	**(36,459)**	**(12,568)**

Significant restrictions

At the date of preparation of this Annual Report, there were no restrictions on the associates' ability to transfer dividends, repay loans or make advances to the parent.

Contingent liabilities

At the date of preparation of this Annual Report, there were no significant contingent liabilities related to the Group's investments in joint ventures and associates. Any related risks are described in the "Main risk factors and uncertainties" section of the Directors' report.

Interests in joint ventures

The most significant joint ventures are listed below:

Company	Head office	Registered office (if different to the head office)	Investment %	Nature of the relationship	Measurement method
Unionport Bridge	United States	n/a	45%	(1)	Equity
Purple Line Transit Constructors LLC	United States	n/a	30%	(1)	Equity
Skanska Granite Lane I-4	United States	n/a	30%	(1)	Equity
Grupo Unidos por el Canal S.A.	Panama	n/a	48%[a]	(2)	Equity
Mobilink Hurontario General Partnership	Canada	n/a	35%	(3)	Equity

[a] Internal agreements are in place for the reallocation of the percentages for the consortium member's results, giving Webuild an investment percentage of 38.4%.

(1) The joint ventures are held by the sub-holding company Lane and are active in the construction segment. Reference should be made to the Directors' report for information on the Lane segment.

(2) The company is held directly by Webuild. Reference should be made to the "Main risk factors and uncertainties" section of the Directors' report for further information. The governance system requires qualified majority resolutions passed with the favourable vote of two members, including Webuild.

(3) The company is held through the subsidiaries Salini Impregilo Mobilinx Hurontario Inc. and Astaldi Mobilinx Hurontario GP Inc. and has a contract to design, build, finance and operate a light rail transport system for a 30-year term between the cities of Mississauga and Brampton in Ontario (Canada). Information about the concession term is provided in the "Abroad" paragraph of the "Concessions" section of the Directors' report. The governance system requires qualified majority resolutions passed with the favourable vote of three members, including Webuild. The company's status as a joint venture means that its partners do not have rights or obligations.

Financial highlights of the joint ventures

The financial information related to the joint ventures measured using the equity method is set out below with a reconciliation of such information with the carrying amount of the Group's interest in the joint ventures as per the joint venturer agreements.

The information shown reflects the carrying amounts in the joint venture's financial statements, adjusted to comply with group accounting policies.

Unionport Bridge (USA)

€'000	31 December 2020	31 December 2021	€'000	31 December 2020	31 December 2021
Non-current assets			**Equity**	**27,260**	**30,133**
Property, plant and equipment and intangible assets	83	-	**Non-current liabilities**		
Total non-current assets	**83**	**-**	**Total non-current liabilities**	**-**	**-**
Current assets			**Current liabilities**		
Cash and cash equivalents and other financial assets	7,273	5,276	Current financial liabilities	-	-
Other current assets	31,496	45,134	Other current liabilities	11,592	20,277
Total current assets	**38,769**	**50,410**	**Total current liabilities**	**11,592**	**20,277**
Total assets	**38,852**	**50,410**	**Total liabilities**	**38,852**	**50,410**

€'000 Group share	31 December 2020	31 December 2021	€'000	2020	2021
			Revenue	40,475	21,010
Opening equity	**12,326**	**12,267**	Operating expenses	(43,958)	(30,938)
Comprehensive expense attributable to the owners of the parent	(2,816)	(3,463)	**Operating loss**	**(3,483)**	**(9,928)**
Dividends distributed	-	-	Net financing costs	(212)	(69)
Capital increases and other variations	2,757	4,755	**Loss before tax**	**(3,695)**	**(9,997)**
Closing equity	**12,267**	**13,559**	Income taxes	(86)	-
			Loss from continuing operations	**(3,781)**	**(9,997)**
			Other comprehensive income (expense)	(2,477)	2,300
Carrying amount	**12,267**	**13,559**	**Comprehensive expense**	**(6,258)**	**(7,697)**

Purple Line Tr. Constr. (Lane) (USA)

€'000	31 December 2020	31 December 2021	€'000	31 December 2020	31 December 2021
Non-current assets			**Equity**	**98,709**	**6,007**
Property, plant and equipment and intangible assets	7,580	1,611	**Non-current liabilities**		
Non-current financial assets	1,243	4,739	Non-current financial liabilities	-	-
Total non-current assets	**8,823**	**6,350**	**Total non-current liabilities**	**-**	**-**
Current assets			**Current liabilities**		
Cash and cash equivalents and other financial assets	73,258	6,927	Current financial liabilities	-	-
Other current assets	51,277	(1)	Other current liabilities	34,649	7,269
Total current assets	**124,535**	**6,926**	**Total current liabilities**	**34,649**	**7,269**
Total assets	**133,358**	**13,276**	**Total liabilities**	**133,358**	**13,276**

€'000 Group share	31 December 2020	31 December 2021	€'000	2020	2021
			Revenue	361,016	83,585
Opening equity	**1,745**	**29,613**	Operating expenses	(326,404)	(28,054)
Comprehensive income attributable to the owners of the parent	8,169	17,847	**Operating profit**	**34,612**	**55,531**
Dividends distributed	-	(45,658)	Net financing income	52	1
Capital increases and other variations	19,699	-	**Profit before tax**	**34,664**	**55,532**
Closing equity	**29,613**	**1,802**	Income taxes	-	-
			Profit from continuing operations	**34,664**	**55,532**
			Other comprehensive income (expense)	(7,433)	3,960
Carrying amount	**29,613**	**1,802**	**Comprehensive income**	**27,231**	**59,492**

Skanska Granite Lane I-4 (USA)

€'000	31 December 2020	31 December 2021	€'000	31 December 2020	31 December 2021
Non-current assets			**Deficit**	**(158,154)**	**(199,582)**
Property, plant and equipment and intangible assets	265	304	**Non-current liabilities**		
Total non-current assets	**265**	**304**	**Total non-current liabilities**	**-**	**-**
Current assets			**Current liabilities**		
Cash and cash equivalents and other financial assets	11,256	17,675	Current financial liabilities	323	-
Other current assets	14,526	10,842	Other current liabilities	183,878	228,403
Total current assets	**25,782**	**28,517**	**Total current liabilities**	**184,201**	**228,403**
Total assets	**26,047**	**28,821**	**Total liabilities**	**26,047**	**28,821**

€'000 Group share	31 December 2020	31 December 2021	€'000	2020	2021
			Revenue	406,291	220,953
Opening deficit	**(59,309)**	**(47,446)**	Operating expenses	(429,912)	(247,997)
Comprehensive expense attributable to the owners of the parent	(2,583)	(12,429)	**Operating loss**	**(23,621)**	**(27,044)**
Dividends distributed	-	-	Net financing income	-	7
Capital increases and other variations	14,446	-	**Loss before tax**	**(23,621)**	**(27,037)**
Closing deficit	**(47,446)**	**(59,875)**	Income taxes	-	-
			Loss from continuing operations	**(23,621)**	**(27,037)**
			Other comprehensive income (expense)	15,010	(14,392)
Carrying amount	**(47,446)**	**(59,875)**	**Comprehensive expense**	**(8,611)**	**(41,429)**

GUPC (Panama)

€'000	31 December 2020	31 December 2021	€'000	31 December 2020	31 December 2021
Non-current assets			**Equity (deficit) (*)**	**(12,955)**	**5,215**
Other non-current assets	-	-	Other non-current liabilities	28	29
Total non-current assets	**-**	**-**	**Total non-current liabilities**	**28**	**29**
Current assets			**Current liabilities**		
Cash and cash equivalents and other financial assets	861	307	Current financial liabilities	659,026	718,212
Other current assets	1,463,644	1,559,709	Other current liabilities	818,406	836,560
Total current assets	**1,464,505**	**1,560,016**	**Total current liabilities**	**1,477,432**	**1,554,772**
Total assets	**1,464,505**	**1,560,016**	**Total liabilities**	**1,464,505**	**1,560,016**

€'000 Group share	31 December 2020	31 December 2021	€'000	2020	2021
			Revenue	(425)	(240,858)
Opening equity (deficit)	**324**	**(10,038)**	Operating expenses	(55,741)	(21,212)
Comprehensive expense attributable to the owners of the parent	(20,180)	(100,590)	**Operating loss**	**(56,166)**	**(262,070)**
Dividends distributed			Net financing income	330	788
Capital increases and other variations	9,818	112,631	**Loss before tax**	**(55,836)**	**(261,282)**
Closing equity (deficit)	**(10,038)**	**2,003**	Income taxes	-	-
Additional long-term investments (IAS 28.14.a)	456,403	481,458	**Loss from continuing operations**	**(55,836)**	**(261,282)**
Impairment (*)	(76,427)	(3,755)	Other comprehensive income (expense)	3,285	(673)
Carrying amount	**369,938**	**483,461**	**Comprehensive expense**	**(52,551)**	**(261,955)**

(*) the Group recognised an impairment loss of approximately €76.4 million on its investment after the impairment test in 2020.

Mobilinx Hurontario G.P. (Canada)

€'000	31 December 2020	31 December 2021	€'000	31 December 2020	31 December 2021
Non-current assets			**Equity (deficit)**	**(5,323)**	**11,790**
Property, plant and equipment and intangible assets	237,319	453,627	**Non-current liabilities**		
Non-current financial assets		-	Non-current financial liabilities (*)	216,457	383,631
Total non-current assets	**237,319**	**453,627**	**Total non-current liabilities**	**216,457**	**383,631**
Current assets			**Current liabilities**		
Cash and cash equivalents and other financial assets	4,862	4,831	Current financial liabilities		
Other current assets	2,335	265	Other current liabilities	33,382	63,302
Total current assets	**7,197**	**5,096**	**Total current liabilities**	**33,382**	**63,302**
Total assets	**244,516**	**458,723**	**Total liabilities**	**244,516**	**458,723**

€'000 Group share	31 December 2020	31 December 2021	€'000	2020	2021
			Revenue	152,463	281,938
Opening equity (deficit)	**621**	**(1,613)**	Operating expenses	(143,892)	(263,400)
Comprehensive income attributable to the owners of the parent	749	2,742	**Operating profit**	**8,571**	**18,538**
Dividends distributed	-	-	Net financing costs	(5,431)	(10,822)
Capital increases and other variations	(2,398)	2,997	**Profit before tax**	**3,140**	**7,716**
Closing equity (deficit)	**(1,028)**	**4,126**	Income taxes	-	-
			Profit from continuing operations	**3,140**	**7,716**
Effect of acquisition of Astaldi Group	(585)	-	Other comprehensive income	-	119
Carrying amount	**(1,613)**	**4,126**	**Comprehensive income**	**3,140**	**7,835**

(*) the financial liabilities relate to a project under concession for which the partners are only liable for the amount of principal invested

The carrying amount of the investment in GUPC is the balance of the parent's receivable due from the joint venture and the provisions for risks on equity investments set up to reflect the assessment of the losses to complete the contract.

Contingent liabilities

At the date of preparation of this report, there were no significant contingent liabilities related to the Group's interests in joint ventures and associates. Any related risk areas are described in the "Main risk factors and uncertainties" section of the Directors' report.

Risks associated with the Group's interest in associates and joint ventures

Commitments

The Group has the following commitments vis-à-vis its associates and joint ventures:

(€'000)	**31 December 2020**	**31 December 2021**	**Variation**
Commitments	1,461,314	1,648,851	187,537

The increase is mostly due to the joint effect of the reduction in guarantees given on behalf of the unconsolidated joint ventures of Lane Group (€135.6 million) and the inclusion of the new works for lot 1 of the Fortezza - Verona railway line (Dolomiti Implenia) (€243.8 million). These guarantees are already included in those presented in note 29.

Joint operations

The Group is involved in the following main joint operations:

- Civil Work Group (Saudi Arabia), in which Webuild has a direct 52% interest and an indirect 14% interest through Salini Saudi Arabia (the Group's investment in the latter is 51%). Civil Work Group is engaged in the civil works for the Riyadh Metro;
- Salini Impregilo - NGE Genie Civil S.a.s. (France), 65% held by Webuild, engaged in the civil works for the Paris Metro as part of the Gran Paris Express project (Line 16, Lot 2);
- Consorzio Constructor M2 Lima (Peru), in which Webuild has a 25.5% interest, engaged in the extension of the Lima Metro in Peru;
- Asocierea Astaldi-FCC-Salcef-Thales, lot 2°A (Romania), in which Webuild has a 49.5% interest, engaged in the construction of Lot 2A of the Frontieră - Curtici - Simeria railway line;
- Asocierea Astaldi-FCC-Salcef-Thales, lot 2°B (Romania), 49.5% held by Webuild, engaged in the construction of Lot 2B of the Frontieră - Curtici - Simeria railway line;
- Asocierea Lot 3 FCC-Astaldi- Convensa (Romania), in which Webuild has a 49.5% share, engaged in the rehabilitation of the Lot 3 Gurasada - Simeria section of the Frontieră - Curtici - Simeria railway line;
- Asocierea Astaldi S.p.A. - IHI Infrastructure Systems Co., Ltd. (Romania), in which Webuild has a 60% interest, engaged in building the suspension Braila Bridge;
- Astaldi-Turkerler Joint Venture (Turkey), in which Webuild has an interest of 51%, holder of an EPC contract to build a healthcare facility in Ankara Etilik;
- Mobilinx Hurontario Contractor (Canada), in which Webuild has a 70% interest, engaged in developing a light rail system to run along Hurontario Street from Port Credit in Mississauga to Brampton Gateway Terminal in Brampton, Ontario.

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. Derivatives and non-current financial assets

Derivatives and non-current financial assets of €418.5 million are analysed in the following table:

(€'000)	31 December 2020	31 December 2021	Variation
Loans and receivables - third parties	153,934	187,819	33,885
Loans and receivables - unconsolidated group companies and other related parties	150,050	207,616	57,566
Other financial assets	17,968	23,076	5,108
Derivatives	665	-	(665)
Total	**322,617**	**418,511**	**95,894**

The main changes in non-current assets mostly relate to: (i) additional injections of €41.5 million and €17.6 milion to the SPEs Yuma Concesionaria S.A. and SPV Linea M4 S.p.A., respectively; and (ii) sale advances of €30.4 million granted to Astaldi's separate unit.

Loans and receivables - third parties of €187.8 million mainly include:

- €66.0 million related to the CAV.TO.MI. consortium paid as a result of the Appeal Court ruling of 23 September 2015 for the ongoing dispute with the customer about the high speed/capacity Turin - Milan railway section project. More information is available in the "Main risk factors and uncertainties" section in the Directors' report;
- Sales advances of €64.4 million disbursed to Astaldi's separate unit in accordance with the approved composition with creditors plan. These advances will be repaid through the proceeds from the sale of the separate unit's assets before the distribution of such proceeds to the holders of the participating financial instruments;
- €50.7 million related to the enforcement of the performance bond for the A1F, S3 Nowa Sol and S7 Checiny motorway contracts in Poland. The Group is confident that it will recover this amount, based also on the opinion of its legal advisors assisting it with the dispute. More information is available in the "Main risk factors and uncertainties" section in the Directors' report.

Loans and receivables - unconsolidated group companies and other related parties of €207.6 million (31 December 2020: €150.1 million) mainly relate to:

- €98.9 million due from Yuma Concessionaria (more details are available in the "Main risk factors and uncertainties" section in the Directors report);
- the loans of €87.7 million granted to SPV Linea M4 S.p.A. (up €17.6 million on 31 December 2020).

The other financial assets of €23.1 million include:

- unlisted guaranteed-return securities, which mature after one year, amount to €10.0 million and relate to the fund financing Yuma;
- securities of €13.0 million for the I-405 project in the US, related to performance bonds deposited by the customer in an escrow account which will be released upon completion of the project.

11. Deferred tax assets and liabilities

Deferred tax assets and liabilities amount to €348.5 million and €56.5 million at 31 December 2021, respectively. They are classified under non-current assets and liabilities and are offset when the conditions provided for by the IFRS are met. More information about their recoverability is available in the "Complex accounting estimates and the effects of Covid-19" section of note 1.

Changes in the year are shown in the following table:

(€'000)	31 December 2020	31 December 2021	Variation
Deferred tax assets	368,364	348,480	(19,884)
Deferred tax liabilities	(126,869)	(56,504)	70,365

Changes in 2021 and 2020 are as follows:

(€'000)	31 December 2019	Increases	Decreases	Net exchange gains (losses)	Change in consolidation scope	Change in tax rate	Reclassifications	Other changes	31 December 2020
Deferred tax assets									
Amortisation and depreciation exceeding tax rates	6,672	(336)	(4,315)	(44)	1,041	-	(21)	-	2,997
Provisions for risks and impairment losses	156,450	32,150	(11,727)	(2,675)	65,738	-	1,924	(16)	241,844
Tax effect of capital increase	1,773	-	(443)	-	-	-	-	-	1,330
Astaldi PPA	-	-	-	-	38,229	-	-	-	38,229
Excess maintenance	15,520	-	(8,594)	-	-	-	-	-	6,926
Unrealised exchange losses	41,751	3,835	(40,299)	1,672	14,681	-	-	-	21,640
Other	98,907	31,157	(11,139)	(4,064)	19,578	-	(4,946)	(7,372)	122,121
Deferred tax assets before offsetting	**321,073**	**66,806**	**(76,517)**	**(5,111)**	**139,267**	**-**	**(3,043)**	**(7,388)**	**435,087**
Offsetting	(67,620)	7,001	37,368	2,237	(48,803)	-	3,094	-	(66,723)
Net deferred tax assets	**253,453**	**73,807**	**(39,149)**	**(2,874)**	**90,464**	**-**	**51**	**(7,388)**	**368,364**

Deferred tax liabilities									
Fiscally-driven amortisation and depreciation	(17,882)	(415)	-	2,922	-	-	3,141	-	(12,234)
Uncollected default interest	(6,210)	-	1,383	-	(6,952)	-	-	-	(11,779)
Astaldi PPA	-	-	3,274	-	(94,579)	-	-	-	(91,305)
Contract revenue or revenue items	4,316	-	2,496	(1,438)	-	-	-	5	5,379
Contract revenue taxable in future years	(2,359)	(3,407)	1,415	999	(57,754)	-	-	318	(60,788)
Unrealised exchange gains	(35,822)	(8,277)	35,775	5	-	-	3,489	-	(4,830)
Other	(17,062)	(955)	1,389	2,827	(3,807)	-	(3,588)	3,161	(18,035)
Deferred tax liabilities before offsetting	**(75,019)**	**(13,054)**	**45,732**	**5,315**	**(163,092)**	**-**	**3,042**	**3,484**	**(193,592)**
Offsetting	67,620	(7,001)	(37,368)	(2,237)	48,803	-	(3,094)		66,723
Net deferred tax liabilities	**(7,399)**	**(20,055)**	**8,364**	**3,078**	**(114,289)**	**-**	**(52)**	**3,484**	**(126,869)**

(€'000)	31 December 2020	Increases	Decreases	Net exchange losses	Change in consolidation scope	Change in tax rate	Reclassifications	Other changes	31 December 2021
Deferred tax assets									
Amortisation and depreciation exceeding tax rates	2,997	746	(1,132)	(27)	-	-	(2)	-	2,582
Provisions for risks and impairment losses	241,844	35,967	(60,379)	16	-	-	-	-	217,448
Tax effect of capital increase	1,330	-	(443)	-	-	-	-	-	887
Astaldi PPA	38,229	-	(9,336)	-	-	-	-	(6,623)	22,270
Excess maintenance	6,926	-	(3,942)	-	-	-	-	-	2,984
Unrealised exchange losses	21,640	22,118	(12,590)	(223)	-	-	-	-	30,945
Other	122,121	19,485	(52,824)	3,370	-	-	2,130	54,053	148,335
Deferred tax assets before offsetting	**435,087**	**78,316**	**(140,646)**	**3,136**	**-**	**-**	**2,128**	**47,430**	**425,451**
Offsetting	(66,723)	-	13,744	(1,274)	-	-	(781)	(21,937)	(76,971)
Net deferred tax assets	**368,364**	**78,316**	**(126,902)**	**1,862**	**-**	**-**	**1,347**	**25,493**	**348,480**
Deferred tax liabilities									
Fiscally-driven amortisation and depreciation	(12,234)	-	713	(297)	-	-	(2,181)	-	(13,999)
Deferred gains	-	(755)	-	(78)	-	-	-	(1,828)	(2,661)
Uncollected default interest	(11,779)	-	602	-	-	-	-	-	(11,177)
Astaldi PPA	(91,305)	-	22,367	-	-	-	-	4,042	(64,896)
Seli Overseas PPA	-	(355)	-	-	(3,396)	-	-	-	(3,751)
Contract revenue or revenue items	5,379	(2,818)	573	(83)	-	-	-	(1,517)	1,534
Contract revenue taxable in future years	(60,788)	(701)	58,685	(210)	-	-	(718)	9	(3,723)
Unrealised exchange gains	(4,830)	(24,293)	158	14	-	-	(57)	57	(28,951)
Other	(18,035)	(300)	8,735	960	-	-	828	1,961	(5,851)
Deferred tax liabilities before offsetting	**(193,592)**	**(29,222)**	**91,833**	**306**	**(3,396)**	**-**	**(2,128)**	**2,724**	**(133,475)**
Offsetting	66,723		(13,744)	1,274	-	-	781	21,937	76,971
Net deferred tax liabilities	**(126,869)**	**(29,222)**	**78,089**	**1,580**	**(3,396)**	**-**	**(1,347)**	**24,661**	**(56,504)**

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

The increase in “Other” under Deferred tax assets is mosty due to the temporary differences generated by the settlement of the dispute involving the Ethiopian branch for the years from 2017 to 2019.

The effects of the PPA procedure shown in the above table relate to the acquisitions of Astaldi Group and Seli Overseas, carried out between the end of 2020 and 2021. More information is available in note 5.

12. Inventories

Inventories total €217.6 million at the reporting date, as shown in the following table:

	31 December 2020			31 December 2021			
(€'000)	Gross amount	Allowance	Carrying amount	Gross amount	Allowance	Carrying amount	Variation
Real estate projects	23,678	(17,534)	6,144	23,528	(17,534)	5,994	(150)
Finished products and goods	5,666	-	5,666	7,429	-	7,429	1,763
Semi-finished products	360	-	360	793	-	793	433
Raw materials, consumables and supplies	201,439	(15,284)	186,155	227,216	(23,825)	203,391	17,236
Total	**231,143**	**(32,818)**	**198,325**	**258,966**	**(41,359)**	**217,607**	**19,282**

Real estate projects

Real estate projects amount to €6.0 million and mainly relate to an area zoned for agricultural use on which it was planned to construct a trade point in Lombardy.

Finished products and goods, Semi-finished products and Raw materials, consumables and supplies

The carrying amount of these items totals €7.4 million, €0.8 million and €203.4 million, respectively, and mainly relates to materials and goods to be used in large foreign projects, including those in Ethiopia (€83.2 million) and Australia (Snowy Hydro 2.0 for €20.5 million). Seli Overseas’ Italian projects contributed €13.6 million, mostly relating to pre-fabricated sections for the Milan - Genoa railway line.

The carrying amount of inventories is net of an allowance of €41.4 million, analysed below.

Changes in the allowance in 2020 are shown below:

(€'000)	31 December 2019	Accruals	Utilisations	Reversals	Change in cons. scope	Other changes and exchange gains (losses)	31 December 2020
Allowance - real estate projects	17,534	-	-	-	-	-	17,534
Allowance - raw materials	5,584	1,369	(244)	-	8,809	(234)	15,284
Total	**23,118**	**1,369**	**(244)**	**-**	**8,809**	**(234)**	**32,818**

Changes in the allowance during the year are shown below:

(€'000)	31 December 2020	Accruals	Utilisations	Reversals	Change in cons. scope	Other changes and exchange gains (losses)	31 December 2021
Allowance - real estate projects	17,534	-	-	-	-	-	17,534
Allowance - raw materials	15,284	8,578	(519)	(20)	-	502	23,825
Total	**32,818**	**8,578**	**(519)**	**(20)**	**-**	**502**	**41,359**

13. Contract assets and liabilities

Contract assets and liabilities can be analysed as follows:

(€'000)	31 December 2020	31 December 2021	Variation
Contract assets	2,796,074	2,787,252	(8,822)
Contract liabilities	2,212,476	3,422,846	1,210,370

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

Revenue recognised in 2021 on performance obligations satisfied (or partly satisfied) mostly relates to changes in estimates of the percentage of completion and the variable consideration.

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

Contract assets

Contract assets of €2,787.3 million include contracts in Italy (€654.2 million) and abroad (€2,133.1 million, of which €101.6 million for Lane's contracts.

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

(€'000)	31 December 2020	31 December 2021	Variation
Contract work in progress	44,243,982	41,105,731	(3,138,251)
Progress payments (on approved work)	(40,405,362)	(37,346,332)	3,059,030
Advances	(1,042,546)	(972,147)	70,399
Total contract assets	**2,796,074**	**2,787,252**	**(8,822)**

This caption, substantially unchanged from the previous year end, includes: (i) a large increase due to progress on contracts underway in Italy (maxi lot 2 of the Marche - Umbria road system, the Monte Sant'Angelo railway connector and Line 4 of the Milan Metro), Europe (the Braila Bridge in Romania and Line 16 of the Paris Metro in France) and Asia (the Rogun Dam in Tajikistan, the Al Bayt Stadium in Al Khor City, Qatar); and an (ii) almost proportionate contraction in African contracts, mainly GERD in Ethiopia after the signing of the amicable settlement of claims in May 2021, settling all the pending disputes up to 13 March 2021, with definitive payment of the related amounts.

The most significant contract assets at the reporting date refer to:

- works performed in Italy via the subsidiaries Partecipazioni Italia S.p.A. and Webuild Italia S.p.A. for €178.4 million (mainly maxi lot 2 of the Marche - Umbria road system, the Monte Sant'Angelo railway connector and Line 4 of the Milan Metro);
- projects underway in Poland (principally the Warsaw Southern Bypass, the Naprawa - Skomielna Biala section of the S-7 Expressway and the Rzeszor waste-to-energy plant) for €227.9 million;
- the Romanian projects (chiefly lots 2A, 2B and 3 of the Curtici - Simeria railway section and the Braila Bridge) for €183.6 million;
- the Saida - Tiaret - Moulay railway line in Algeria for €175.2 million;
- the Meydan One Mall contract in Dubai for €154.8 million;
- the Rogun Hydropower Project in Tajikistan for €245.8 million;
- the Doha Metro and the Al Bayt Stadium in Al Khor City in Qatar for €270.5 million.

The advances mainly refer to the contract for the metro line in Denmark (€279.3 million) and the Rogun Hydropower Project in Tajikistan (€266.6 million).

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

(€'000)	31 December 2020	31 December 2021	Variation
Italy	388,084	654,150	266,066
EU (excluding Italy)	682,940	739,682	56,742
Other European countries (non-EU)	48,270	14,374	(33,896)
Asia/Middle East	783,151	949,831	166,680
Africa	480,080	105,761	(374,319)
Americas	229,615	170,373	(59,242)
Oceania	183,934	153,081	(30,853)
Total	**2,796,074**	**2,787,252**	**(8,822)**

Contract liabilities

Contract liabilities of €3,422.8 million refer to contracts in Italy (€2,125.2 million) and abroad (€1,297.6 million) and Lane Group's contracts (€140.1 million).

The item may be analysed as follows:

(€'000)	31 December 2020	31 December 2021	Variation
Contract work in progress	(17,822,972)	(22,645,081)	(4,822,109)
Progress payments (on approved work)	18,272,278	22,836,482	4,564,204
Advances	1,763,170	3,231,445	1,468,275
Total	**2,212,476**	**3,422,846**	**1,210,370**

The increase in contract liabilities is mostly due to the higher advances received principally in Italy as a result of the new projects acquired in the year and the extraordinary measures introduced by Decree law no. 34/2020 (the Relaunch decree) to counter the pandemic and facilitate greater and more immediate liquidity for infrastructure sector companies.

Advances increased by a net €1,468.3 million compared to 31 December 2020, mostly related to the high speed/capacity Verona - Padua and Milan - Genoa railway lines (€478.4 million and €104.5 million, respectively) as well as the contracts for the Messina - Catania[92] and Naples - Bari[93] railway lines (€493.2 million and €432.6 million, respectively) recently acquired through Partecipazioni Italia S.p.A. and Webuild Italia S.p.A.. The increase in this item is partly offset by the advances recovered by customers on consideration accrued on works performed during the year (mainly in Ethiopia, the Snowy 2.0 project in Australia and the third mega lot for SS-106 state road Jonica).

The contracts that contributed to contract liabilities at the reporting date are:

- the Snowy 2.0 project in Australia (€406.4 million);
- the high speed/capacity Verona - Padua railway section (€679.4 million);

[92] Taormina - Giampilieri and Taormina - Fiumefreddo sections

[93] Hirpinia - Orsara and Orsara - Bovino sections

- the two sections of the Messina - Catania railway line (the Taormina - Giampilieri north section, lot 2 for €294.3 million and the Taormina - Fiumefreddo south section, lot 1 for €189.5 million);
- the Naples - Bari railway line (the Hirpinia - Orsara section for €317.6 million, the Apice - Hirpinia section for €128.1 million and the Orsara - Bovino section for €107.4 million);
- works for the SS-106 state road Jonica mega lot 3 (€142.8 million);
- Lane's contracts in the US (€140.1 million);
- the high speed/capacity Milan - Genoa railway line (€88.8 million).

The contract liabilities related to both the high speed/capacity Milan - Genoa railway line and the Koysha Hydroelectric Project in Ethiopia decreased significantly by €102.2 million and €180.2 million, respectively, as a result of the positive production volumes of 2021 and the related increase in ongoing works.

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

(€'000)	31 December 2020	31 December 2021	Variation
Italy	893,661	2,125,223	1,231,562
EU (excluding Italy)	50,456	31,440	(19,016)
Other European countries (non-EU)	88,256	335,265	247,009
Asia/Middle East	123,988	13,292	(110,696)
Africa	292,195	114,786	(177,409)
Americas	285,191	264,542	(20,649)
Oceania	478,729	538,298	59,569
Total	**2,212,476**	**3,422,846**	**1,210,370**

Contract assets and liabilities, comprising progress payments and advances, include claims for additional consideration of €2,207.8 million and €384.0 million, respectively.

They are recognised to the extent that their payment is deemed highly probable, based also on the legal and technical opinions of the Group's advisors. The additional consideration recognised in this item is part of the total consideration formally requested of the customers.

The "Main risk factors and uncertainties" section of the Directors' report provides information on pending disputes and assets exposed to country risk.

The section on the "Performance by geographical area" in the Directors' report provides more details about the contracts and the progress made on the main contracts.

14. Trade receivables

At 31 December 2021, trade receivables amount to €2,498.2 million, a net increase of €613.6 million compared to 31 December 2020. The item includes receivables of €385.9 million from unconsolidated group companies and other related parties.

This item may be analysed in the following table:

(€'000)	31 December 2020	31 December 2021	Variation
Third parties	1,505,280	2,112,369	607,089
Unconsolidated group companies and other related parties	379,367	385,865	6,498
Total	**1,884,647**	**2,498,234**	**613,587**

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

(€'000)	31 December 2020	31 December 2021	Variation
Third parties	1,941,207	2,536,536	595,329
Loss allowance	(435,927)	(424,167)	11,760
Total	**1,505,280**	**2,112,369**	**607,089**

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

The item shows an increase of €607.1 million. The upturn in Italy is mostly due to (i) the contracts that contributed the most to production during the year (the high speed/capacity Verona - Padua railway line and the SS-106 state road Jonica mega lot 3 for €112.7 milion); as well as (ii) the increase in receivables, chiefly due from consortium partners, for recently acquired railway line projects (the Messina - Catania[94] and Naples - Bari[95] railway lines for €284.5 million). The latter increase is substantially balanced by a similar rise in liabilities to consortium partners for the same projects.

With respect to the Group's foreign projects, this item increased due to the contracts underway in Ethiopia (€55.9 million), Australia for the Forrestfield - Airport Link in Perth (€39.1 million) and Canada (approximately €89.0 million).

It mainly includes:

- €151.6 million related to the two lots of the Messina - Catania railway line;
- €140.1 million related to the high speed/capacity Verona - Padua (Iricav Due) railway line;
- €124.9 million due to Fibe by the Campania municipalities for its services provided under contract until 15 December 2005 and the subsequent transition period (reference should be made to the "Main risk factors and uncertainties" section in the Directors' report for more information about this complicated situation and the directors' related assessments);
- amounts due to Lane Group of €114.0 million;
- €99.6 million from Ethiopian customers;
- €99.0 million for the Salerno-Reggio Calabria S.C.p.A. contract;

[94] Taormina - Giampilieri and Taormina - Fiumefreddo sections

[95] Hirpinia - Orsara and Orsara - Bovino sections

- €97.7 million related to HCE, including €67.4 million from Ukravtodor (Ukraine) for fees awarded by the Paris International Court of Arbitration. Given the significant worsening of this country's macro-economic conditions, including as a result of the heightening tensions with Russia, management deemed it appropriate to test the receivable from the Ukrainian customer for impairment using the conceptual framework of IFRS 9. The test, performed with leading independent experts, confirmed the recoverability of the receivable's carrying amount. More information about this complicated dispute and the directors' related assessments is available in the "Main risk factors and uncertainties" section of the Directors' report and the "Complex accounting estimates" section of these notes;
- €45.5 million net from Nigerian government agencies which has tested for impairment and shows no impairment losses.

Retentions amount to €175.8 million at the reporting date compared to €135.9 million at 31 December 2020.

The loss allowance amounts to €424.2 million at the reporting date (substantially unchanged from 31 December 2020) and mainly refers to:

- the loss allowance for Venezuelan receivables of €303.3 million;
- default interest of €62.2 million, mostly related to Fibe S.p.A..

Reference should be made to the "Main risk factors and uncertainties" section of the Directors' report for more information.

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

(€'000)	31 December 2019	Impairment losses	Utilisations	Impairment gains	Change in cons. scope	Other changes	Net exchange losses	31 December 2020
Trade receivables	349,917	80,117	(167)	(59,627)	-	5,889	(2,555)	373,574
Default interest	60,272	2,158	-	(211)	-	148	(14)	62,353
Total	**410,189**	**82,275**	**(167)**	**(59,838)**	**-**	**6,037**	**(2,569)**	**435,927**

(€'000)	31 December 2020	Impairment losses	Utilisations	Impairment gains	Change in cons. scope	Reclassifications and other changes	Net exchange gains	31 December 2021
Trade receivables	373,574	2,555	(24)	(13,983)	(50)	(1,087)	1,026	362,011
Default interest	62,353	320	(223)	(525)	223	(74)	82	62,156
Total	**435,927**	**2,875**	**(247)**	**(14,508)**	**173**	**(1,161)**	**1,108**	**424,167**

The loss allowance for trade receivables from third parties amounts to €362.0 million and mostly relates to the impairment of the receivables from the Venezuelan government.

Trade receivables from unconsolidated group companies and other related parties increased by €6.5 million to €385.9 million at the reporting date. A complete list of transactions performed with group companies and other related parties is provided at the end of these notes.

The item mainly comprises trade receivables from unconsolidated SPEs for work carried out by them under contracts with Italian and foreign public administrations.

The balance includes €15.8 million (€1.9 million at 31 December 2020) related to the Group's receivables with consortia and consortium companies (SPEs) that operate by recharging costs and are not included in the consolidation scope. It is shown in the item "Net financial debt with unconsolidated SPEs" as part of net financial position.

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

(€'000)	31 December 2020	31 December 2021	Variation
Italy	832,257	1,230,014	397,757
EU (excluding Italy)	186,881	208,712	21,831
Other European countries (non-EU)	151,461	244,494	93,033
Asia/Middle East	200,572	199,544	(1,028)
Africa	129,733	113,840	(15,893)
Americas	374,622	446,795	72,173
Oceania	9,121	54,835	45,714
Total	**1,884,647**	**2,498,234**	**613,587**

15. Derivatives and other current financial assets

At 31 December 2021, this item of €316.9 million (31 December 2020: €340.6 million) includes the following:

(€'000)	31 December 2020	31 December 2021	Variation
Loans and receivables - third parties	265,794	243,005	(22,789)
Loans and receivables - unconsolidated group companies and other related parties	67,495	64,130	(3,365)
Government bonds and insurance shares	5,714	6,106	392
Derivatives	1,593	3,684	2,091
Total	**340,596**	**316,925**	**(23,671)**

Loans and receivables - third parties decreased by €22.8 million, mostly as a result of:

- the elimination of loans granted to Seli Overseas S.p.A.[96] after its acquisition in July 2021 (they amounted to €18.3 million at 31 December 2020);
- the reclassification of sales advances granted to Astadi's separate unit as per the related composition with creditors proposal (€34 million at 31 December 2020) to non-current financial assets. This reclassification was deemed necessary given the updated estimates about when the assets transferred to the separate unit will be sold and, therefore, when Webuild will collect its receivables.

[96] Salini Impregilo (now Webuild) had usufruct rights over this company from 2018

This decrease is partly offset by the €29.3 million increase arising on the short-term investment of the excess liquidity of the consortium company set up for north lot of the Messina - Catania railway line project.

The item mainly comprises:

- approximately €198.1 million disbursed to non-controlling investors of the group companies, mainly active in Australia, Italy, Kuwait and Qatar;
- roughly €12.2 million due from the Romanian Ministry of Infrastructure and Transport due to the enforcement of the performance bond in 2017 for the disputes with the customer for the Orastie - Sibiu motorway contracts. The Court of International Commercial Arbitration attached to the Chamber of Commerce and Industry of Romania ("CCIR") announced the definitive award on 25 February 2021 ordering the customer to return the unfairly enforced amounts. As a result and based on the assessments made with the Group's legal advisors, management deems that the receivable is fully recoverable. More information is available in the "Main risks and uncertainties" section of the Directors' report;
- €9.3 million related to the net investment in leases by the COCIV consortium for assets given to subcontractors.

The decrease in loans and receivables with unconsolidated group companies and other related parties is mostly due to the reclassification of the subordinated loan granted to the operator Gaziantep Hastane Sanglik (€15.6 million at 31 December 2020) to non-current assets held for sale (see note 18).

Reference should be made to note 34 "Related party transactions" and the disclosures attached to these notes on intragroup transactions for information about this item.

The government bonds and insurance shares amount to €6.1 million compared to €5.7 million at 31 December 2020. The item principally comprises securities held by the Group's Argentine companies.

Derivatives include the reporting-date fair value of commodity hedges of €3.7 million entered into by Lane Group to hedge against fluctuations in diesel and petrol costs that meet the criteria for application of hedge accounting for cash flow hedges under the IFRS.

Their fair value was a positive €3.7 million at the reporting date as shown below:

(€'000)	31 December 2020	31 December 2021
Currency swaps - FVTPL	1,593	-
Commodity swaps - Cash flow hedges	-	3,684
Total current derivatives shown in net financial position	**1,593**	**3,684**

16. Current tax assets and other current tax assets

Current tax assets amount to €104.7 million as follows:

(€'000)	31 December 2020	31 December 2021	Variation
Direct taxes	42,849	43,092	243
IRAP	4,408	2,427	(1,981)
Foreign direct taxes	67,040	59,189	(7,851)
Total	**114,297**	**104,708**	**(9,589)**

The 31 December 2021 balance mainly consists of:

- direct tax assets for excess taxes paid in previous years, which the Group has correctly claimed for reimbursement and which bear interest;
- foreign direct taxes for excess taxes paid abroad by the foreign group companies which will be recovered as per the relevant legislation.

Other current tax assets increased by €20.0 million to €249.5 million at the reporting date as follows:

(€'000)	31 December 2020	31 December 2021	Variation
VAT	204,196	234,404	30,208
Other indirect taxes	25,252	15,056	(10,196)
Total	**229,448**	**249,460**	**20,012**

VAT increased by €30.2 million compared to 31 December 2020, mostly as a result of the greater production volumes in Italy on contracts with public administrations that the split payment regime[97] can be applied to (chiefly the high speed/capacity Verona - Padua railway line, the Marche - Umbria road system maxi lot 2 and SS-106 state road Jonica mega lot 3) as well as the acquisition of control of Seli Overseas S.p.A.. The increase in foreign VAT refers to Line 3 of the Riyadh Metro in Saudi Arabia.

17. Other current assets

Other current assets of €905.1 million show a decrease of €103.8 million on the previous year end and may be analysed as follows:

(€'000)	31 December 2020	31 December 2021	Variation
Other	436,693	271,589	(165,104)
Advances to suppliers	331,428	335,440	4,012
Unconsolidated group companies and other related parties	45,085	71,745	26,660
Prepayments and accrued income	195,633	226,283	30,650
Total	**1,008,839**	**905,057**	**(103,782)**

[97] article 17-ter of Presidential decree no. 633/1972

The large increase in “Other” is mostly due to (i) the accounting offsetting of amounts receivable and payable (€71.2 million) by Consorzio Cossi LGV and a former consortium partner for the works to build the Monte Ceneri Tunnel in Switzerland; as well as (ii) the reduction in amounts due to the subsidiary Iricav due S.c.r.l. (high speed/capacity Verona - Padua railway line) and Civil Works Joint Venture (Line 3 of the Riyadh Metro in Saudi Arabia) by their consortium partners, suppliers and subcontractors.

Specifically, this item includes:

- €47.6 million (unchanged from 31 December 2020) from the public bodies involved in managing the waste emergency in Campania to Fibe. More information about the USW Campania projects and assessments about the recoverability of the outstanding amounts is provided in the “Main risks and uncertainties” section of the Directors’ report;
- €30.7 million due from the Argentine Republic as compensation for damage following the favourable award issued on 21 June 2011 and confirmed by the Buenos Aires Arbitration Tribunal on 24 January 2014. This award settled the proceedings commenced by the shareholders of the investee Aguas del Buenos Aires S.A. in liquidation (operator) against the Argentine Republic. Given that the country’s significant economic crisis has not abated, management reperformed the impairment test of its exposure in accordance with the conceptual framework of IFRS 9 and hypothesized possible collection situations and their probability. The recoverable amount is in line with the exposure’s carrying amount. More information on country risk is available in the “Main risk factors and uncertainties” section in the Directors report;
- €22.7 million due from Webuild’s partners of the joint ventures set up for the works for the housing project in South Al Mutlaa (Kuwait) and the Versova - Bandra Sea Link in Mumbai (India);
- guarantee deposits of €14.0 million given mostly to the grantor for mining projects in Chile;
- amounts due on the sale of goods and provision of services related to the Group’s works (leases of machinery and equipment, sale of goods and provision of services) to suppliers and subcontractors.

Advances to suppliers, substantially in line with the balance at 31 December 2020, amount to €335.4 million. At the reporting date, the item mostly refers to suppliers and subcontractors for the high speed/capacity Milan - Genoa railway line (€97.2 million), the high speed/capacity Verona - Padua railway line (€28.0 million), the works in Riyadh and the SANG Villas project in Saudi Arabia (€31.4 million), and the Etilik Integrated Health Campus in Ankara and the Gaziantep project in Turkey (€28.5 million).

The item “Unconsolidated group companies and other related parties” increased by €26.7 million to €71.7 million. At the reporting date, it chiefly comprises amounts due from Salini Costruttori S.p.A. and partners of the joint operations working on the projects in Romania (mainly lots 2A, 2B and 3 of the Curtici - Simeria railway line) and the Etlik Hastane PA S.r.l. joint venture. More information is available in note 36 “Related party transactions” and the annex on intragroup transactions attached hereto.

Prepayments and accrued income of €226.3 million show an increase of €30.6 million on 31 December 2020. The item mainly consists of insurance premiums, commissions on sureties and other contract costs which will be recognised in profit or loss in future periods based on the stage of completion of the related contracts.

(€'000)	31 December 2020	31 December 2021	Variation
Accrued income:			
- Other	9,429	9,769	340
Total accrued income	**9,429**	**9,769**	**340**
Prepayments:			
- Insurance	95,383	97,567	2,184
- Sureties	45,508	30,746	(14,762)
- Other contract costs	45,313	88,200	42,887
Total prepayments	**186,204**	**216,513**	**30,309**
Total	**195,633**	**226,282**	**30,649**

18. Cash and cash equivalents

At 31 December 2021, cash and cash equivalents amount to €2,370.0 million, down by €85.1 million, as shown below:

(€'000)	31 December 2020	31 December 2021	Variation
Cash and cash equivalents	2,455,125	2,370,032	(85,093)

A breakdown by geographical segment is as follows:

(€'000)	31 December 2020	31 December 2021	Variation
Italy	1,432,561	1,201,786	(230,775)
EU (excluding Italy)	209,040	142,770	(66,270)
Other European countries (non-EU)	53,966	108,720	54,754
Asia/Middle East	102,352	82,207	(20,145)
Africa	67,161	45,246	(21,915)
Americas	430,544	593,680	163,136
Oceania	159,501	195,623	36,122
Total	**2,455,125**	**2,370,032**	**(85,093)**

The balance includes bank account credit balances at the end of the year and the amounts of cash, cheques and valuables at the registered offices, work sites and foreign branches. Liquidity management is designed to ensure the financial independence of ongoing contracts, considering the structure of the consortia and SPEs, which may limit the availability of financial resources to achievement of the related projects. Liquidity management also considers the existence of constraints to the transfer of currency imposed by certain countries. In this respect, the liquidity in Africa mainly comprises local currency that cannot be exported and is used for the Ethiopian projects.

The reduction in liquidity in Italy is mostly due to the parent's repayment of financing.

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 of the consolidated SPEs amount to €263.9 million and mainly refer to the entities carrying out the railway projects for the Naples - Bari line (€71.7 million) and the Messina - Catania line (€73.9 million), Lane Group (€40 million) and Consorzio Iricav Due (€30.0 million).

The item comprises tied-up amounts of approximately €22.5 million, which includes €12.8 million related to the Astaldi-Turkerler Joint Venture as cash collateral for the performance bond for the Etlik Hospital.

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

Net non-current assets held for sale

Net non-current assets held for sale approximate €24.9 million at 31 December 2021 (an increase of €29.9 million on 31 December 2020).

This item may be analysed as follows:

(€'000)	31 December 2020	31 December 2021	Variation
Non-current assets held for sale	10,049	42,997	32,948
Liabilities directly associated with non-current assets held for sale	(15,111)	(18,149)	(3,038)
Net non-current assets (liabilities) held for sale	**(5,062)**	**24,848**	**29,910**

At 31 December 2021, net non-current assets held for sale amount to €24.8 million and mostly consist of the investment (capital and shareholder loan) held by the parent in Gaziantep Hastane Saglik Hizmetleri Isletme ve Yatirim A.S. (€26.2 million) and the deficit of €1.4 million of the Honduras discontinued divisions.

Gaziantep Hastane Saglik Hizmetleri Isletme ve Yatirim A.S. (€26.2 million)

In September 2021, the parent signed a preliminary agreement with the Turkish group Rönesans to sell the investment (capital and shareholder loan) in Gaziantep Hastane Saglik Hizmetleri Isletme ve Yatirim A.S. (Ganziantep SPV), owner of the project financing contract for the design, construction and operation under concession of the Integrated Health Campus in the Sahinbey District of Gaziantep in southern Turkey. As a result of the subsequent addenda, the agreement also includes the sale of the investment (24.5% of the SPE) if certain conditions precedent are met. Management believes it is highly probable that the sale will be completed by mid 2022. At the reporting date and pending completion of the sale, the Group classified the equity investment and the shareholder loan held by the parent as assets held for sale. At the date of preparation of this report, it measured the assets related to Gaziantep SPV at the lower of their carrying amount and fair value less costs to sell as required by IFRS 5. The Group determined fair value less costs to sell considering the terms of the sales agreement. It found the assets' carrying amount to be fully recoverable and that there was no need to impair them.

Honduras discontinued operations (-€1.4 million)

Given Astaldi's well-known financial difficulties, in 2019, the local judicial authorities appointed an administrator with full powers over the assets of the group companies based in Honduras, to manage and preserve them, in order to sell the assets to satisfy their creditors. In light of the above and considering that the industrial activities in progress in the country were interrupted upon the appointment of the administrator, management classified the assets and liabilities of the Honduras operations under liabilities directly associated with non-current assets held for sale as such amount will only be recovered when the assets are sold to satisfy the creditors.

Breakdown of net non-current assets held for sale and directly associated liabilities

(€'000)	31 December 2020	31 December 2021	Variation
Non-current assets	1,591	4,006	2,415
Current assets	8,458	38,991	30,533
Non-current assets held for sale	**10,049**	**42,997**	**32,948**
Non-current liabilities	(7,618)	(5,618)	2,000
Current liabilities	(7,493)	(12,530)	(5,037)
Liabilities directly associated with non-current assets held for sale	**(15,111)**	**(18,148)**	**(3,037)**
Net non-current assets (liabilities) held for sale	**(5,062)**	**24,849**	**29,911**
- Of which net financial position	*116*	*23,687*	*23,571*

Profit from discontinued operations

This item shows the results of Astaldi's foreign operations that no longer complied with the Group's commercial and industrial strategies. Industrial operations in these countries (mainly central and south America, based on the 2021 results) have been discontinued for some time now. The administrative procedures for the definitive closure of the relevant reporting entities are currently nearing completion. In 2021, the process for the closure of the companies in Russia, Bolivia, Singapore, Iran, Tanzania and Guinea was completed. Based on the above and since the requirements of paragraphs 32.a) and b) of IFRS 5 - Non-current assets held for sale and discontinued operations have been met, the directors classified the results of the operations in those countries as part of the profit from discontinued operations.

The profit from discontinued operations of €0.2 million for 2021 entirely relates to the South American operations.

It may be broken down as follows:

Profit from discontinued operations

(€'000)	2020	2021	Variation
Revenue			
Operating revenue	1,964	7,903	5,939
Other revenue	241	8,768	8,527
Total revenue and other income	**2,205**	**16,671**	**14,466**
Operating expenses			
Purchases	(1,995)	(726)	1,269
Subcontracts	-	(6,908)	(6,908)
Services	-	(2,677)	(2,677)
Other operating expenses	(551)	(3,334)	(2,783)
Personnel expenses	(25)	(1,913)	(1,888)
Amortisation, depreciation, provisions and impairment losses	69	(3,414)	(3,483)
Total operating expenses	**(2,502)**	**(18,972)**	**(16,470)**
Operating loss	**(297)**	**(2,301)**	**(2,004)**
Financing income (costs) and gains (losses) on equity investments			
Net financing income (costs)	(4,752)	2,983	7,735
Net financing income (costs) and net losses on equity investments	**(4,752)**	**2,983**	**7,735**
Profit (loss) before tax	**(5,049)**	**682**	**5,731**
Income taxes	(40)	(449)	(409)
Profit (loss) from discontinued operations	**(5,089)**	**233**	**5,322**

20. Equity

Equity decreased to €1,859.6 million at 31 December 2021 from €2,070.9 million at the end of 2020 as follows:

(€'000)	31 December 2020	31 December 2021	Variation
Equity attributable to the owners of the parent			
Share capital	600,000	600,000	-
Share premium reserve	654,486	367,763	(286,723)
- Legal reserve	120,000	120,000	-
- Reserve for share capital increase related charges	(10,988)	(10,988)	-
- Reserve for treasury shares	(3,291)	(3,291)	-
- Reserve for treasury shares held by group companies	-	(7,051)	(7,051)
- LTI reserve	-	1,843	1,843
- Inflation reserve	56,760	73,570	16,810
- IFRS 2 reserve	-	74,682	74,682
- Extraordinary and other reserves	136	136	-
Total other reserves	**162,617**	**248,901**	**86,284**
Other comprehensive expense			
- Translation reserve	(240,800)	(178,859)	61,941
- Hedging reserve	(1,737)	1,788	3,525
- Actuarial reserve	(2,760)	7,251	10,011
- Fair value reserve	32	-	(32)
Total other comprehensive expense	(245,265)	(169,820)	75,445
Retained earnings	110,161	845,412	735,251
Profit (loss) for the year	138,396	(304,949)	(443,345)
Equity attributable to the owners of the parent	**1,420,395**	**1,587,307**	**166,912**
Share capital and reserves attributable to non-controlling interests	655,555	246,108	(409,447)
Profit (loss) for the year attributable to non-controlling interests	(5,061)	26,183	31,244
Share capital and reserves attributable to non-controlling interests	650,494	272,291	(378,203)
Total	**2,070,889**	**1,859,598**	**(211,291)**

Share capital

At 31 December 2021, the parent's share capital continues to amount to €600,000,000 and currently comprises 1,001,559,937 shares, including 999,944,446 ordinary shares and 1,615,491 savings shares, all without a nominal amount.

The number of shares increased during the year as a result of the partial proportionate demerger of Astaldi to Webuild (the "demerger") and the consequent issue of 107,771,755 new ordinary shares (including 5,916,843 ordinary shares to be assigned to the potential creditors), which did not change the share capital's nominal amount. The new shares were assigned to Astaldi's shareholders other than Webuild using a ratio identified by the two companies' boards of directors after consulting their related-party transactions committees and assisted by their financial advisors.

Financial instruments giving the right to new shares

During their extraordinary meeting of 30 April 2021, Webuild's shareholders resolved inter alia on the following as part of their resolutions about the demerger:

- 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;
- (a) to issue 15,223,311 warrants (the "**lender warrants**") to Unicredit S.p.A., Intesa San Paolo S.p.A., Sace S.p.A., BNP Paribas SA Succursale Italia, Banca Monte dei Paschi di Siena S.p.A. (the "**lending banks**") to replace, due to the demerger, a maximum of 74,991,680 Astaldi S.p.A. 2020-2023 warrants issued as part of the loan agreements signed on 2 August 2020 by Astaldi and its lending banks which gave them the right to subscribe ordinary Webuild shares in the ratio of one share to every lender warrant before 5 July 2023, as well as (b) to authorise the board of directors to issue and assign, under the terms and conditions set out in the lender warrants' regulation, in more than one instalment, a maximum of 15,223,311 ordinary Webuild shares, without a nominal amount, reserved for the exercise (at a unit price of €1.133 per share) of the above lender warrants;
- to authorise the board of directors to issue, in more than one instalment and before 31 August 2030, a maximum of 8,826,087 ordinary shares, without a nominal amount, to be reserved to the creditors not provided for (as defined in the demerger proposal). They will have the right to receive Webuild shares using: (a) the ratio established by Astaldi's composition with creditors plan for the exchange of claims with shares (i.e., 12,493 Astaldi shares for each €100.00 of claims); and (b) the assignment ratio (i.e., 203 Webuild shares to every 1,000 Astaldi shares).

Changes of the year in the different equity items are summarised in the relevant schedule of the consolidated financial statements.

Resolution of the parent's shareholders about the allocation of the loss for 2020

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

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

Share capital increase related charges

At 31 December 2021, this reserve is negative by €11.0 million.

It includes the costs for the parent's capital increases carried out on 12 November 2019 (€7.0 million) and in 2014 (€4 million).

Other reserves

Treasury shares

Reserve for treasury shares

At the reporting date, this reserve amounts to €3,291,089.72 for 1,330,845 shares, unchanged from the previous year end. During their ordinary meeting of 30 April 2021, the shareholders authorised Webuild's board of directors to buy back and dispose of treasury shares under the terms and methods established at the same meeting. On 27 January 2022, Webuild announced the launch of a share buy-back programme pursuant to the resolution passed by its shareholders at said ordinary meeting of 30 April 2021.

Reserve for treasury shares held by group companies

After completion and as a result of the demerger, the parent integrated the reserve for treasury shares to include its shares issued in November 2021 to Astaldi's shareholders and assigned to the group companies that received new Astaldi shares in exchange for their unsecured claims (the "capital increase for conversion purposes"). Considering the above and the assignment ratio established for the purposes of the demerger, the group companies held 3,597,912 Webuild shares at the reporting date, equal to €7.05 million.

LTI reserve

The LTI (long term incentive plan) reserve includes the fair value of incentive plan introduced in 2020. On 11 March 2020, the board of directors of Salini Impregilo (now Webuild) approved the guidelines and draft regulation for an incentive plan open to certain employees, consultants and/or directors with specific duties either with the parent and/or its direct or indirect subsidiaries pursuant to article 2359 of the Italian Civil Code (the "Salini Impregilo 2020-2022 performance share plan" or the "plan"), subsequently approved by the company's shareholders. The reserve amounts to €1.8 million. The section on the accounting policies describes the accounting treatment of this reserve, which is detailed below:

Euro	Number of shares	Amount	Start date	End date	Average price	Fair value
CEO	1,325,283	2,999,998.95	30/09/2021	31/03/2023	2.2637	504,570.21
Key management personnel	2,358,671	5,339,244.92	30/09/2021	31/03/2023	2.2637	898,008.29
Other management personnel	1,157,027	2,619,123	30/09/2021	31/03/2023	2.2637	440,510.70
Total	**4,840,981**	**10,958,367**				**1,843,089**

IFRS 2 reserve

This reserve comprises (i) the fair value (€30.2 million) of the shares that could be issued – under Astaldi's authorised composition with creditors procedure and considering the parent's commitments taken on as part of the demerger - in exchange for potential unsecured claims (i.e., provisions for risks); and (ii) the fair value (€44.5 million) of the lender warrants.

When measuring the fair value of the lender warrants, management deemed that their exercise was beneficial to the lending banks because the subscription price for the related capital increase was lower than the Webuild shares' fair value. Accordingly, the warrants' fair value was indirectly measured by reference to the equity instruments assigned, using a specific tool made available by the info provider Bloomberg for the valuation of call options with an equity underlying and American-style exercise.

Inflation reserve

This reserve was set up to comply with IAS 29 - Financial reporting in hyperinflationary economies for the preparation of the financial statements of the Argentine group companies that use the Argentine peso as their functional currency.

Other comprehensive expense

The most significant change in this item relates to the translation of foreign currency financial statements:

(€'000)	2020	2021
Opening balance	(125,993)	(240,800)
Reclassification to profit or loss	-	-
Equity-accounted investees	(45,776)	(23,947)
Change in consolidation scope	-	-
Increase (decrease)	(69,031)	85,888
Total changes	(114,807)	61,941
Closing balance	**(240,800)**	**(178,859)**

At the reporting date, the hedging reserve mostly consists of the fair value gain of €2.7 million related to Lane Group and €0.5 million to the equity-accounted associate Mobilink Hurontario GP. The effect of changes in the hedging reserve due to fair value gains (losses) on financial instruments is detailed below:

(€'000)	2020	2021
Opening balance	(4,037)	(1,737)
Net fair value gains	-	1,177
Net gains (losses) for equity-accounted investees	(1,737)	2,348
Total changes	(1,737)	3,525
Closing balance	**(5,774)**	**1,788**

The actuarial reserve underwent the following changes:

(€'000)	2020	2021
Opening balance	(6,300)	(2,760)
Reclassifications and change in consolidation scope	-	-
Net actuarial gains recognised in OCI	3,540	10,011
Closing balance	**(2,760)**	**7,251**

Retained earnings

This item may be analysed as follows:

(€'000)	2020	2021
Opening balance	155,610	110,161
Astaldi demerger	-	359,218
Allocation of profit (loss)	(22,128)	376,034
Dividend distribution	(27,145)	-
Assignment of shares under LTI plan	-	-
Reclassifications	-	-
Change in consolidation scope	3,824	-
Closing balance	**110,161**	**845,413**

Share capital and reserves attributable to non-controlling interests

Share capital and reserves attributable to non-controlling interests are as follows:

(€'000)	2020	2021
Opening balance	108,750	650,494
Capital increase	135,445	9,160
Profit (loss) attributable to non-controlling interests	(5,061)	26,183
Dividend distribution to non-controlling interests	(2,559)	(3,859)
Change in consolidation scope	423,196	(421,237)
Other changes	2,535	2,814
Components of comprehensive income (expense)	(6,413)	8,738
Closing balance	**655,893**	**272,293**

The “Other changes” chiefly refer to the application of IAS 29 to the Argentine company for the Riachuelo contract.

At the reporting date, the Group has the following investments deemed significant by management in subsidiaries which have non-controlling investors:

Operator	Head office	Business	% of ordinary shares held directly by the parent	% of ordinary shares held by the Group	% of ordinary shares held by non-controlling investors	Non-controlling interests (€m)
Salerno-Reggio Calabria S.c.p.a. in liquidazione	Italy	Construction	51.00%	51.00%	49.00%	24.5
Reggio Calabria - Scilla S.c.p.a. in liquidazione	Italy	Construction	51.00%	51.00%	49.00%	17.2
Impregilo-SK E&C-Galfar al Misnad J.V.	Qatar	Construction	41.25%	41.25%	58.75%	30.3
Galfar - Salini Impregilo - Cimolai J.V.	Qatar	Construction	40.00%	40.00%	60.00%	83.2
Salini Saudi Arabia Ltd.	Saudi Arabia	Construction	51.00%	51.00%	49.00%	14.8
Western Station J.V.	Saudi Arabia	Construction	51.00%	51.00%	49.00%	19.5
SLC Snowy Hydro Joint Venture	Australia	Construction	64.99%	65.00%	35.00%	18.7
Lane Group	USA	Construction	n.a.	n.a.	n.a.	22.0
Other						42.1
Total non-controlling interests						**272.3**

A complete list of not wholly-owned subsidiaries is given in the “List of the Webuild Group companies” annex at the end of these notes.

Summary of financial information of subsidiaries with significant non-controlling interests

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.

The following table summarises the financial information of each company in which the Group has an investment that has significant non-controlling interests:

Salerno-Reggio Calabria S.C.p.A. in liquidazione

(€'000)

Statement of financial position	31 December 2020	31 December 2021	Variation
Assets			
Current assets	205,282	204,818	(464)
Total assets	**205,282**	**204,818**	**(464)**
Equity and liabilities			
Equity	50,000	50,000	-
Current liabilities	155,281	154,818	(463)
Total equity and liabilities	**205,281**	**204,818**	**(463)**

Statement of profit or loss	2020	2021	Variation
Revenue	1,658	1,594	(64)
Profit before tax	99	5	(94)
Income taxes	(99)	(5)	94

Statement of cash flows	2021
Cash flows used in operating activities	(356)
Cash flows generated by financing activities	771
Increase in cash and cash equivalents	**415**
Opening cash and cash equivalents and current account facilities	**157**
Closing cash and cash equivalents and current account facilities	**573**

Reggio Calabria - Scilla S.C.p.A. in liquidazione

(€'000)

Statement of financial position	31 December 2020	31 December 2021	Variation
Assets			
Current assets	87,442	86,703	(739)
Total assets	**87,442**	**86,703**	**(739)**
Equity and liabilities			
Equity	35,000	35,000	-
Non-current liabilities	19	21	2
Current liabilities	52,423	51,682	(741)
Total equity and liabilities	**87,442**	**86,703**	**(739)**

Statement of profit or loss	2020	2021	Variation
Revenue	1,025	402	(623)
Profit before tax	50	4	(46)
Income taxes	(50)	(4)	46

Statement of cash flows	2021
Cash flows used in operating activities	(1,047)
Cash flows generated by financing activities	407
Decrease in cash and cash equivalents	**(640)**
Opening cash and cash equivalents and current account facilities	**1,011**
Closing cash and cash equivalents and current account facilities	**370**

Impregilo-SK E&C-Galfar al Misnad J.V. (Qatar)

(€'000)

Statement of financial position	31 December 2020	31 December 2021	Variation
Assets			
Current assets	72,477	78,459	5,982
Total assets	**72,477**	**78,459**	**5,982**
Equity and liabilities			
Equity	47,572	51,516	3,944
Non-current liabilities	163	53	(110)
Current liabilities	24,742	26,890	2,148
Total equity and liabilities	**72,477**	**78,459**	**5,982**

Statement of profit or loss	2020	2021	Variation
Revenue	21,983	3,472	(18,511)
Profit (loss) before tax	2,389	(23)	(2,412)
Profit (loss) for the year	**2,389**	**(23)**	**(2,412)**
Other comprehensive income (expense)	(1,561)	3,967	5,528
Comprehensive income	**828**	**3,944**	**3,116**
Comprehensive income attributable to non-controlling interests	**486**	**2,317**	1,831

Statement of cash flows	2021
Cash flows used in operating activities	(3,382)
Cash flows generated by financing activities	4,958
Increase in cash and cash equivalents	**1,576**
Opening cash and cash equivalents and current account facilities	**829**
Closing cash and cash equivalents and current account facilities	**2,406**

Galfar - Salini Impregilo - Cimolai J.V (Qatar)

(€'000)

Statement of financial position	31 December 2020	31 December 2021	Variation
Assets			
Current assets	240,370	288,391	48,021
Total assets	**240,370**	**288,391**	**48,021**
Equity and liabilities			
Equity	131,242	138,718	7,476
Non-current liabilities	534	403	(131)
Current liabilities	108,594	149,269	40,675
Total equity and liabilities	**240,370**	**288,390**	**48,020**

Statement of profit or loss	2020	2021	Variation
Revenue	67,863	29,905	(37,958)
Loss before tax	(5,820)	(3,324)	2,496
Loss for the year	**(5,820)**	**(3,324)**	**2,496**
Other comprehensive income	486	10,801	10,315
Comprehensive income (expense)	**(5,334)**	**7,477**	**12,811**
Comprehensive income (expense) attributable to non-controlling interests	**(3,201)**	**4,486**	7,687

Statement of cash flows	2021
Cash flows used in operating activities	(36,363)
Cash flows generated by financing activities	36,402
Increase in cash and cash equivalents	**39**
Opening cash and cash equivalents and current account facilities	**654**
Closing cash and cash equivalents and current account facilities	**693**

Salini Saudi Arabia Ltd Co

(€'000)

Statement of financial position	31 December 2020	31 December 2021	Variation
Assets			
Non-current assets	8,420	7,321	(1,099)
Current assets	131,026	142,989	11,963
Total assets	**139,446**	**150,310**	**10,864**
Equity and liabilities			
Equity	10,268	20,124	9,856
Non-current liabilities	1,873	2,730	857
Current liabilities	127,305	127,456	151
Total equity and liabilities	**139,446**	**150,310**	**10,864**

Statement of profit or loss	2020	2021	Variation
Revenue	212,958	135,899	(77,059)
Profit (loss) before tax	(2,111)	9,350	11,461
Income taxes	(201)	(787)	(586)
Profit (loss) for the year	**(2,312)**	**8,563**	**10,875**
Other comprehensive income (expense)	(771)	1,294	2,065
Comprehensive income (expense)	**(3,083)**	**9,857**	**12,940**
Comprehensive income (expense) attributable to non-controlling interests	**(1,511)**	**4,830**	**6,341**

Statement of cash flows	2021
Cash flows generated by operating activities	2,033
Cash flows generated by financing activities	4,772
Increase in cash and cash equivalents	**6,805**
Opening cash and cash equivalents and current account facilities	**21,573**
Closing cash and cash equivalents and current account facilities	**28,378**

Western Station Joint Venture (Saudi Arabia)

(€'000)

Statement of financial position	31 December 2020	31 December 2021	Variation
Assets			
Current assets	120,697	137,469	16,772
Total assets	**120,697**	**137,469**	**16,772**
Equity and liabilities			
Equity	37,571	39,725	2,154
Current liabilities	83,127	97,744	14,617
Total equity and liabilities	**120,698**	**137,469**	**16,771**

Statement of profit or loss	2020	2021	Variation
Revenue	5,015	9,226	4,211
Loss before tax	(8,155)	(939)	7,216
Loss for the year	**(8,155)**	**(939)**	**7,216**
Other comprehensive income (expense)	(3,604)	3,093	6,697
Comprehensive income (expense)	**(11,759)**	**2,154**	**13,913**
Comprehensive income (expense) attributable to non-controlling interests	**(5,762)**	**1,055**	**6,817**

Statement of cash flows	2021
Cash flows generated by operating activities	729
Cash flows used in financing activities	(612)

Increase in cash and cash equivalents	**117**
Opening cash and cash equivalents and current account facilities	**248**
Closing cash and cash equivalents and current account facilities	**365**

SLC Snowy Hydro Joint Venture (Australia)

(€'000)

Statement of financial position	31 December 2020	31 December	Variation
Assets			
Non-current assets	146,403	253,121	106,718
Current assets	446,619	335,754	(110,865)
Total assets	**593,022**	**588,875**	**(4,147)**
Equity and liabilities			
Equity	21,643	53,570	31,927
Non-current liabilities	1,403	1,435	32
Current liabilities	569,976	533,870	(36,106)
Total equity and liabilities	**593,022**	**588,875**	**(4,147)**
Statement of profit or loss	**2020**	**2021**	**Variation**
Revenue	172,872	525,993	353,121
Profit before tax	13,918	31,269	17,351
Profit for the year	**13,918**	**31,269**	**17,351**
Other comprehensive income	616	658	42
Comprehensive income	**14,534**	**31,927**	**17,393**
Comprehensive income attributable to non-controlling interests	**5,087**	**11,174**	**6,087**

Statement of cash flows	2021
Cash flows used in operating activities	(14,963)
Cash flows used in investing activities	(119,490)
Cash flows generated by financing activities	27,180
Increase in cash and cash equivalents	**(107,273)**
Opening cash and cash equivalents and current account facilities	**147,891**
Closing cash and cash equivalents and current account facilities	**40,618**

Reconciliation between equity and loss of Webuild S.p.A. with consolidated equity and consolidated loss

The following table shows the reconciliation of equity and loss of the parent with the corresponding consolidated items:

€'000	Equity	Loss for the year
Equity and loss for the year of Webuild S.p.A.	**1,676,074**	**(245,728)**
Elimination of consolidated investments	(1,596,445)	95,762
Elimination of the provision for risks on equity investments	36,353	-
Equity and profit or loss of consolidated companies	1,422,380	(80,137)
Treasury shares	(6,878)	-
Other consolidation entries		
Other consolidation entries	(1,428)	(12,016)
Purchase price allocation	30,080	(37,701)
Unrealised net exchange losses	(1,751)	(42,746)
Tax effects	(2,014)	9,581
Elimination of national tax consolidation system effects	30,938	8,036
Equity and loss for the year attributable to the owners of the parent	**1,587,309**	**(304,949)**
Equity and profit for the year attributable to non-controlling interests	272,291	26,183
Consolidated equity and loss for the year	**1,859,599**	**(278,766)**

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

Bank and other loans and borrowings decreased by €860.5 million from 31 December 2020 to €984.3 million at year end, as summarised below:

(€'000)	31 December 2020	31 December 2021	Variation
Non-current portion			
- Bank and other loans and borrowings	767,494	317,265	(450,229)
Current portion			
- Current account facilities and other loans	1,077,309	667,066	(410,243)
Total	**1,844,803**	**984,331**	**(860,472)**

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

	31 December 2020			31 December 2021		
(€'000)	Non-current	Current	Total	Non-current	Current	Total
Bank corporate loans	547,805	693,982	1,241,787	241,747	454,793	696,540
Bank construction loans	189,021	173,931	362,952	24,209	54,419	78,628
Bank concession financing	11,833	1,123	12,956	11,267	1,289	12,556
Other financing	18,835	80,516	99,351	33,527	114,599	148,126
Total bank and other loans and borrowings	**767,494**	**949,552**	**1,717,046**	**310,750**	**625,100**	**935,850**
Current account facilities	-	68,446	68,446	-	13,244	13,244
Factoring liabilities	-	42,257	42,257	-	21,088	21,088
Loans and borrowings - unconsolidated group companies	-	17,054	17,054	6,515	7,634	14,149
Total	**767,494**	**1,077,309**	**1,844,803**	**317,265**	**667,066**	**984,331**

Bank corporate loans

Bank corporate loans amount to €696.5 million at the reporting date (31 December 2020: €1,241.8 million) and refer to the parent.

The main conditions of the bank corporate loans in place at 31 December 2021 are as follows:

	Company	Interest rate	Expiry date	Note
Banca IMI (term loan) (2017-2022)	Webuild	Euribor	2022	(1)
Monte dei Paschi di Siena	Webuild	Fixed	2022	(1)
Banca Popolare di Milano (2016-2024)	Webuild	Euribor	2024	(1)
Banca Popolare di Milano (2017-2025)	Webuild	Euribor	2025	(1)
Banca IMI (term loan) (2016-2024)	Webuild	Euribor	2024	(1)
Banca IMI - Yuma	Webuild	Fixed	2025	
BPER	Webuild	Euribor	2024	(1)

(1) As part of a wide-ranging action plan implemented at group level to mitigate the impacts of Covid-19, Webuild negotiated the temporary suspension of checks of certain financial covenants at 31 December 2021 with its lending banks.

The decrease in corporate loans during the year is mostly due to the repayment of facilities made possible by the satisfactory continuation of work in Italy and abroad as well as the reduction in net working capital compared to 31 December 2020.

The fair value of the bank corporate loans, measured as set out in the “Accounting policies” section, is €696.8 million.

Bank construction loans

Bank construction loans amount to €78.6 million at the reporting date and mainly relate to the US-based Astaldi Construction Corporation (€15.3 million), the Swiss CSC Costruzioni (€12.9 million) and Salini Saudi Arabia (€12.0 million).

The reduction in bank construction loans is mostly due to:

- reclassification of Astaldi’s revolving facility (€177.2 million drawn down at 31 December 2020) to bank corporate loans following the demerger. For completeness of disclosure purposes, it should be noted that this revolving facility was fully available at the reporting date;
- repayment of its revolving facilities by Lane Group (€49.0 million drawn down at 31 December 2020);
- repayment of the loan for the Colombian projects (€39.7 million at 31 December 2020).

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

	Company	Country	Interest rate	Expiry date
Aig Ltd / Zurich Insurance Ltd	Astaldi Construction Corporation	United States	Fixed	2024
Various banks	CSC Costruzioni	Switzerland	Fixed	2024
Riyad bank	Salini Saudi Arabia Company L.t.d.	Saudi Arabia	Fixed	2022

The fair value of the construction loans, measured as set out in the "Accounting policies" section, is €78.6 million.

Bank concession financing

At 31 December 2021, bank concession financing amounts to €12.6 million as follows:

€'000				31 December 2020			31 December 2021		
	Company	Currency	Country	Total concession financing	Current	Non-current	Total concession financing	Current	Non-current
Monte dei Paschi di Siena	Corso del Popolo S.p.A.	Euro	Italy	6,774	531	6,243	6,243	567	5,676
Credito Sportivo	Piscine dello Stadio S.r.l.	Euro	Italy	6,182	592	5,590	6,314	723	5,591
Total				**12,956**	**1,123**	**11,833**	**12,557**	**1,290**	**11,267**

The conditions of the main bank concession financing in place at year end may be summarised as follows:

	Company	Country	Interest rate	Expiry date
Monte dei Paschi di Siena	Corso del Popolo S.p.A.	Italy	Euribor	2028
Credito Sportivo	Piscine dello Stadio	Italy	IRS	2035

The interest rates shown in the table have floating spreads depending on the term and conditions of the financing.

The fair value of the bank concession financing, measured as set out in the "Accounting policies" section, is €13.8 million.

Other financing

This item may be analysed as follows:

€'000			31 December 2020			31 December 2021		
	Operator	Country	Total other financing	Current	Non-current	Total other financing	Current	Non-current
Various	Galfar Cimolai JV	Qatar	13,932	13,932	-	21,380	21,380	-
Various	French branch	France	2,275	2,275		11,123		11,123
Società Italiana Condotte d'Acqua	Webuild Italia (formerly Webuild head office)	Italy	9,541	-	9,541	9,628	1,000	8,628
Non-controlling interests	Sabrom	Italy	7,962	7,962	-	8,325	8,325	-
Non-controlling interests	NRW JV	Australia	1,335	1,335	-	5,233	5,233	-
Non-controlling interests	Cossi Costruzioni	Italy	4,011	-	4,011	4,011	-	4,011
Various	SCI ADI Ortakligi	Turkey	2,625	2,625	-	3,648	3,648	-
Various	Webuild head office	Various	3,148	3,148	-	3,503	3,503	-
Various	Impregilo-SK E&C-Galfar al Misnad J.V.	Qatar	-	-	-	3,157	3,157	-
Various	Other former Astaldi Group entities	Various	45,617	44,878	739	66,459	58,959	7,500
Other	Other	Various	8,904	4,361	4,543	11,659	9,394	2,265
Total			**99,350**	**80,516**	**18,834**	**148,126**	**114,599**	**33,527**

Other financing increased by €48.8million, mostly as a result of:

- the increase of €19.8 million due to the obligations generated by the agreements entered into by Astaldi and some of its subsidiaries in 2020 for activities performed by Astaldi Group in North America; and

- the increase related to the subsidiary Galfar Cimolai J.V. (€7.4 million) and the French branch (€8.8 million).

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

	Company	Country	Interest rate	Expiry date
Società Italiana Condotte d'Acqua	Webuild Italia	Italy	Interest free rate	2025
Galfar Al Misnad	Galfar Cimolai JV	Qatar	Interest free rate	2022
Various	French branch	France	Fixed rate	2025
Non-controlling interests	Sabrom	Italy	Fixed rate	2022
Various	Webuild head office	Chile	Interest free rate	2023
Non-controlling interests	NRW JV	Australia	Fixed rate	2022
Non-controlling interests	Cossi Costruzioni	Italy	Fixed rate	2026
Various	Impregilo-SK E&C-Galfar al Misnad J.V.	Qatar	Interest free rate	2022

The fair value of the other financing, measured as set out in the "Accounting policies" section, is €145.6 million.

Current account facilities

Current account facilities decreased by €55.2 million to €13.2 million at the reporting date.

Factoring liabilities

(€'000)	31 December 2020	31 December 2021	Variation
Isarco S.c.r.l. (Unicredit Factoring)	-	16,858	16,858
Ethiopian branch (Factorit)	3,019	1,995	(1,024)
Former Astaldi Panama branch		1,674	1,674
Webuild head office (various)	-	561	561
Astaldi Group (various)	39,238	-	(39,238)
Total	**42,257**	**21,088**	**(21,169)**

Factoring liabilities relate to the factoring of receivables and decreased by €21.2 million, mainly due to the reduction in liabilities of the subsidiaries of the former Astaldi Group. This decrease was partly offset by the increase of €16.9 million due to the factoring of liabilities by the subsidiary Isarco S.C.r.l., consolidated starting from the second half of 2021.

The non-current portion of the above 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	Due after 25 months but within 60 months	Due after 60 months
Bank corporate loans	241,747	70,654	171,093	-
Bank construction loans	24,209	3,434	20,775	-
Bank concession financing	11,267	861	3,891	6,515
Other financing	33,597	16,360	17,237	-
Total	**310,820**	**91,309**	**212,996**	**6,515**

Net financial position of Webuild Group

(€'000)	Note (*)	31 December 2020	31 December 2021	Variation
Non-current financial assets	10	321,952	418,511	96,559
Current financial assets	15	339,002	313,241	(25,761)
Cash and cash equivalents	18	2,455,125	2,370,032	(85,093)
Total cash and cash equivalents and other financial assets		**3,116,079**	**3,101,784**	**(14,295)**
Bank and other loans and borrowings	21	(767,494)	(317,265)	450,229
Bonds	22	(1,288,620)	(1,487,852)	(199,232)
Lease liabilities	23	(98,881)	(101,673)	(2,792)
Total non-current financial indebtedness		**(2,154,995)**	**(1,906,790)**	**248,205**
Current portion of bank loans and borrowings and current account facilities	21	(1,077,309)	(667,066)	410,243
Current portion of bonds	22	(246,910)	(11,881)	235,029
Current portion of lease liabilities	23	(79,557)	(68,808)	10,749
Total current financial indebtedness		**(1,403,776)**	**(747,755)**	**656,021**
Derivative assets	10-15	2,259	3,684	1,425
Net financial position (debt) with unconsolidated SPEs (**)		(1,461)	15,754	17,215
Total other net financial assets		**798**	**19,438**	**18,640**
Net financial position (indebtedness) - continuing operations		**(441,894)**	**466,677**	**908,571**
Net financial position - discontinued operations		116	23,687	23,571
Net financial position (indebtedness) including discontinued operations		**(441,778)**	**490,364**	**932,142**

(*) 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.

Net financial position as per the ESMA guidelines of 4 March 2021

The following table shows the Group's net financial position as required by Consob's (the Italian commission for listed companies and the stock exchange) warning notice no. 5/21 of 29 April 2021, which refers to the guidelines of the European Securities and Markets Authority (ESMA) issued on 15 July 2020 and applicable from 5 May 2021:

	(€'000)	31 December 2020	31 December 2021
A	Cash	2,455,125	2,370,032
B	Cash equivalents	-	-
C	Other current financial assets	5,714	6,106
D	**Cash and cash equivalents (A+B+C)**	**2,460,839**	**2,376,138**
E	Current loans and borrowings (including debt instruments but excluding the current portion of non-current loans and borrowings)	127,757	41,998
F	Current portion of non-current loans and borrowings	1,276,019	705,757
G	**Current financial indebtedness (E+F)**	**1,403,776**	**747,755**
H	**Net current financial position (G-D)**	**(1,057,063)**	**(1,628,383)**
I	Non-current loans and borrowings (excluding their current portion and debt instruments)	2,154,995	1,906,790
J	Debt instruments	-	
K	Trade payables and other non-current financial liabilities	99,543	27,861
L	**Non-current financial indebtedness (I+J+K)**	**2,254,538**	**1,934,651**
M	**Net financial indebtedness (H+L)**	**1,197,475**	**306,268**

The next table provides a reconciliation between the Group's net financial indebtedness as per the ESMA guidelines of 4 March 2021 and its management accounts:

(€'000)	31 December 2020	31 December 2021
Difference compared to Webuild's net financial indebtedness	**755,697**	**796,632**
Due to:		
Non-current financial assets	321,952	418,511
Current financial assets with a maturity of more than 90 days (*)	333,288	307,135
Derivatives	2,259	3,684
Net financial position (debt) with unconsolidated SPEs	(1,461)	15,754
Net financial position - discontinued operations	116	23,687
Trade payables and other non-current financial liabilities	99,543	27,861
Total difference	**755,697**	**796,632**

(*) The exclusion of current financial assets with a maturity of more than 90 days is based on current professional guidance.

Trade payables and other non-current financial liabilities comprise:

(€'000)	31 December 2020	31 December 2021
Suppliers	23,858	10,868
Employees	2,821	597
Social security institutions	93	339
Guarantee deposits	138	164
Other liabilities	72,633	15,893
Total	**99,543**	**27,861**

22. Bonds

The outstanding bonds at 31 December 2021 relate to the parent, Webuild (€1,499.7 million). They are analysed in the following table:

(€'000)	31 December 2020	31 December 2021	Variation
Non-current portion	1,288,620	1,487,852	199,232
Current portion	246,910	11,881	(235,029)
Total	**1,535,530**	**1,499,733**	**(35,797)**

The following table analyses the item:

		31 December 2020			31 December 2021		
(€'000)	Expiry date	Nominal amount	Non-current portion (net of related charges)	Current portion (accrued interest)	Nominal amount	Non-current portion (net of related charges)	Current portion (net of related charges)
Webuild 3.75% Call 24gn21	24.06.2021	236,674	-	235,542	-	-	-
Webuild 1.75% Call 26ot24	26.10.2024	500,000	497,052	1,582	500,000	497,823	1,582
Webuild 5.875% Call 15dc25	15.12.2025	550,000	542,643	1,416	750,000	745,222	1,932
Webuild 3.625% Call 28ge27	28.01.2027	250,000	248,925	8,370	250,000	244,807	8,367
Total		**1,536,674**	**1,288,620**	**246,910**	**1,500,000**	**1,487,852**	**11,881**

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 at the reporting date, measured as set out in the "Accounting policies" section, is € 1,583.1 million.

On 21 January 2021, Webuild successfully placed additional notes with an aggregate nominal amount of €200 million (the "additional notes") reserved to institutional investors. As they have the same characteristics, maturities and terms as those issued on 15 December 2020 (Webuild €550 million 5.875%) and are entirely fungible, they brought the total size of such notes to €750 million. The net proceeds from the issuance of the additional notes were used by Webuild to repay the Group's existing indebtedness.

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

On 19 January 2022, Webuild successfully placed notes with an aggregate nominal amount of €400,000,000 million reserved to institutional investors. Their maturity date is 28 July 2026 and they have an annual coupon of 3.875%.

23. Lease liabilities

Lease liabilities may be broken down as follows at 31 December 2021:

(€'000)	31 December 2020	31 December 2021	Variation
Non-current portion	98,881	101,673	2,792
Current portion	79,557	68,808	(10,749)
Total	**178,438**	**170,481**	**(7,957)**

The present value of the minimum future lease payments is €170.5 million (31 December 2020: €178.4 million) as follows:

(€'000)	31 December 2020	31 December 2021
Minimum lease payments:		
Due within one year	83,410	72,996
Due between one and five years	103,794	105,065
Due after five years	531	724
Total	**187,735**	**178,785**
Future interest expense	(9,297)	(8,304)
Net present value	**178,438**	**170,481**
The net present value is as follows:		
Due within one year	79,557	68,808
Due between one and five years	98,370	101,050
Due after five years	511	623
Total	**178,438**	**170,481**

24. Post-employment benefits and employee benefits

At 31 December 2021, the Group's liability due to its employees determined using the criteria set out in IAS 19 is €50.7 million.

Employee benefits mostly include the post-employment benefits governed by article 2120 of the Italian Civil Code and the defined benefit plans for Lane Group's full-time employees.

Post-employment benefits governed by article 2120 of the Italian Civil Code

Plan characteristics

At 31 December 2006, the Italian post-employment benefits (TFR) was qualified as a defined benefit plan. Law no. 296 of 27 December 2006 (the 2007 Finance Act) and related implementing decrees issued in early 2007 introduced changes, according to which companies with at least 50 employees now classify the TFR as a defined benefit plan solely with reference to the benefits vested until before 1 January 2007 (if not paid at the reporting date), while those accrued after that date are to be classified as part of a defined contribution plan.

Accordingly, the liability for post-employment benefits recognised in the Group's statement of financial position, net of any advances paid, reflects (i) for companies with more than 50 employees, the residual obligation for the Group for the benefits vested up to 31 December 2006 that will be paid when the employees leave the company and (ii) for the other companies, the accumulated benefits accrued by employees over their employment term, recognised on an accruals basis on the basis of the service necessary to accrue them.

Main assumptions

The main assumptions used for the actuarial estimate of the TFR at the reporting date are:

- turnover rate: 7.25%;
- advance payment rate: 3%;
- inflation rate: 1.75%.

The Group has used the Eurocomposite AA index, which has an average financial duration in line with the fund being valued, to calculate the discount rate.

Other defined benefit plans

This item mainly consists of the liability for Lane Group's defined benefit plan for its full-time employees. This liability is calculated on the basis of the employees' years of service and remuneration and is subjected to an actuarial valuation. Lane Group also provides healthcare cover to retired employees, hired before 31 December 1992 with at least 20 years of service. The plan's main characteristics and the most significant assumptions used for the related actuarial estimate are set out in the "Lane Construction Corporation Defined Benefit Pension Plan" paragraph.

Composition and changes in employee benefits

The following tables provide a breakdown of this item and changes of the year:

(€'000)	31 December 2019	Accruals	Reversals	Payments	Contributions paid to INPS treasury and other funds	Net actuarial losses	Other changes	31 December 2020
Post-employment benefits and employee benefits	61,868	14,616		(13,768)	(1,389)	(3,541)	5,563	63,349

(€'000)	31 December 2020	Accruals	Payments	Contributions paid to INPS treasury and other funds	Net actuarial losses	Other changes	31 December 2021
Post-employment benefits and employee benefits	63,349	21,622	(11,304)	(6,507)	(10,011)	(6,462)	50,687

Management availed of the services of leading independent experts to perform the actuarial calculation of the employee benefits.

"Net actuarial losses" include the actuarial gains and losses recognised in the actuarial reserve as per the revised IAS 19.

"Other changes" mainly relate to the resolution passed by Lane's board of directors on 25 May 2021 to terminate all the agreements provided for by its Supplemental Retirement Benefit Agreement (SRBA) from 30 June 2021.

They also include the effects of consolidating Seli Overseas S.p.A. and Isarco S.C.r.l. after the related transactions of the second half of 2021.

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	Variation
1 January 2021	**196,446**	**171,095**	**25,351**
Service cost	57	-	57
Interest	4,601	4,159	442
(Gains)/losses on the change in the expected return on the plan assets	-	772	(772)
Net gains on changes in the financial assumptions	(11,094)	-	(11,094)
Net gains from agreements	(5,768)	-	(5,768)
Net gains from experience	(1,713)	-	(1,713)
Payments	(949)	-	(949)
Effect of changes in demographic assumptions	563	-	563
Payments of benefits from plan assets	(7,226)	(7,226)	-
Administrative fees charged to plan assets	-	(78)	78
Net exchange losses	15,775	14,494	1,281
31 December 2021	**190,692**	**183,216**	**7,476**

The following tables show the assumptions used to calculate the liability for employee benefits:

	Pension benefits		**Other benefits**	
	31 December 2020	**31 December 2021**	**31 December 2020**	**31 December 2021**
Discount rate	2.37%	2.71%	1.35%	2.04%
Expected rate of return on plan assets	5.25%	4.90%	N/A	N/A
Salary increase rate	3.50%	3.50%	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 2020	**31 December 2021**
Annual growth rate	6.63%	5.61%
Ultimate trend rate	4.31%	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%	(23,516)	29,452
Salary increase rate	1.00%	357	(327)

The following table presents the plan asset categories as a percentage of total invested assets:

(€'000)	31 December 2020	%	31 December 2021	%
Common / collective trusts	170,497	99.65%	182,303	99.50%
Interest-bearing deposits	598	0.35%	913	0.50%
Total	**171,095**	**100.00%**	**183,216**	**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 subsidiary's 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 2020
	Level 1	Level 2	Level 3	Total
Common / collective trusts	170,497	-	-	170,497
Interest-bearing deposits	598	-	-	598
Total	**171,095**	**-**	**-**	**171,095**

(€'000)	Listed prices	Other observable significant inputs	Other non-observable significant inputs	31 December 2021
	Level 1	Level 2	Level 3	Total
Common / collective trusts	182,303	-	-	182,303
Interest-bearing deposits	913	-	-	913
Total	**183,216**	**-**	**-**	**183,216**

The following table shows the estimated undiscounted future payments for employee benefits:

(€'000) Period	Pension benefits	Other benefits
2022	11,111	136
2023	10,810	114
2024	7,911	95
2025	7,864	100
2026	8,211	97
2027-2031	43,358	399

25. Provisions for risks

These provisions amount to €222.6 million at the reporting date, as follows:

(€'000)	31 December 2020	31 December 2021	Variation
Provisions for risks on equity investments	69,159	85,257	16,098
Other provisions	120,639	137,334	16,695
Total	**189,798**	**222,591**	**32,793**

The provisions for risks on equity investments relate to expected impairment losses on the carrying amount of the Group's investments in associates and joint ventures for the part that exceeds their carrying amounts.

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

(€'000)	2021
Share of loss of equity-accounted investees	9,942
Other changes including change in the translation reserve	6,156
Total	**16,098**

Other provisions comprise:

(€'000)	31 December 2020	31 December 2021	Variation
Provisions set up by entities in liquidation	8,690	8,665	(25)
USW Campania projects	27,739	27,165	(574)
Provision for ongoing litigation	19,251	18,548	(703)
Provisions for risks relating to ongoing contracts	38,682	56,188	17,506
Other	26,277	26,765	488
Total	**120,639**	**137,333**	**16,693**

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

The provision for the USW Campania projects mainly consists of the estimated potential costs for the environmental remediation. The "Main risk factors and uncertainties" section in the Directors' report includes a description of the litigation and risks related to the USW Campania projects.

The provisions for risks relating to ongoing contracts mainly refer to contracts in Poland (€11.3 million) and Turkey (€11.3 million) and those of Lane Group (€5.6 million, principally for the Cabot Yard contract).

These provisions are measured in accordance with paragraphs 66-69 of IAS 37 - Provisions, contingent liabilities and contingent assets and cover the estimated costs to fulfil certain contracts (net of the related economic benefits).

The provision for ongoing litigation mostly relates to litigation in Canada, Italy and South America.

“Other” refers to additional obligations deemed probable for disputes with third parties and group companies’ commitments taken on mainly in Italy, the Americas and Europe.

Changes in the item in the year are summarised below:

(€'000)	31 December 2020	Accruals	Utilisations / Releases	Change in consolidation scope	Exchange gains (losses) and other changes	31 December 2021
Total	**120,639**	**50,804**	**(44,028)**	**29**	**9,890**	**137,334**

The main accruals for the year relate to (i) updated assessments about the costs necessary to complete contracts in Turkey (€11.3 million) and Poland (€9.0 million); and (ii) expected costs to be incurred for claims received from subcontractors for projects in Canada (€5.7 million).

Utilisations/releases chiefly relate to:

- utilisations of €3.9 million by NBI S.p.A.;
- releases of €18.1 million by Lane Group, due to the updating of the costs expected to be necessary to complete onerous contracts based on the progress made during the year.

More information is available in the section on the “Main risk factors and uncertainties” in the Directors’ report.

26. Trade payables

Trade payables amount to €3,208.8 million at the reporting date, an increase of €503.4 million on 31 December 2020. They are made up as follows:

(€'000)	31 December 2020	31 December 2021	Variation
Third parties	2,551,477	3,062,059	510,582
Unconsolidated group companies and other related parties	153,897	146,711	(7,186)
Total	**2,705,374**	**3,208,770**	**503,396**

The increase in this item is mostly due to the higher payables to third parties (+€510.6 million) and specifically (i) consortium partners for the newly acquired railway contracts in Italy (Messina - Catania and Naples - Bari railway lines for €158.9 million and €138.7 million, respectively) (see note 14 on trade receivables); and (ii) the effects of consolidating Seli Overseas S.p.A. for €68.8 million.

Trade payables to unconsolidated group companies and other related parties mainly comprise amounts due to unconsolidated SPEs for work carried out by them under contracts with public administrations. A complete list of transactions with group companies and other related parties is provided at the end of these notes.

The item does not include any amounts due to consortia and consortia companies (SPEs) that operate by recharging costs and are not included in the consolidation scope at the reporting date. At the end of 2020, these amounts (€3.3 million) were shown in the item "Net financial debt with unconsolidated SPEs" as part of net financial position.

27. Current tax liabilities and other current tax liabilities

Current tax liabilities of €170.4 million increased by €43.1 million over 31 December 2020. The increase is mostly to the Ethiopian branch for the taxes on income generated in this country in 2021 and the assessment (equal to the equivalent of roughly €54.0 million) for the higher corporate income taxes challenged by the local tax authorities (ERCA) for 2017, 2018 and 2019[98]. However, this increase is partly offset by a reduction in IRES, mainly due to the payment of Astaldi's tax liabilities arising from its composition with creditors procedure (approximately €29.0 million) and of the subsidiary Astaldi Arabia Ltd. (roughly €14.0 million).

The item may be analysed as follows:

(€'000)	31 December 2020	31 December 2021	Variation
IRES	46,675	4,735	(41,940)
IRAP	1,608	7,667	6,059
Foreign taxes	79,012	157,956	78,944
Total	**127,295**	**170,358**	**43,063**

The other current tax liabilities of €100.8 million increased by €24.8 million over 31 December 2020. The increase is chiefly due to VAT, mainly on the billing on milestones reached on contracts in Australia (North East Link in Melbourne) and France (TELT Lot 2).

They may be analysed as follows:

(€'000)	31 December 2020	31 December 2021	Variation
VAT	41,312	66,265	24,953
Other indirect taxes	34,666	34,521	(145)
Total	**75,978**	**100,786**	**24,808**

[98] More information is available in the "Tax disputes" section of these notes.

28. Other current liabilities

Other current liabilities of €565.4 million (€530.5 million) comprise:

(€'000)	31 December 2020	31 December 2021	Variation
State bodies	33,288	33,288	-
Other liabilities	277,827	175,789	(102,038)
Employees	91,035	102,920	11,885
Social security institutions	48,655	41,563	(7,092)
Unconsolidated group companies and other related parties	34,455	66,413	31,958
Compensation and compulsory purchases	6,504	109,747	103,243
Accrued expenses and deferred income	38,780	35,702	(3,078)
Total	**530,544**	**565,422**	**34,878**

"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 €175.8 million (€277.8 million) decreased by roughly €102.0 million, mostly due to the accounting offsetting of amounts due from and to (€70.6 million) the Cossi LGV consortium to a former consortium partner for the Monte Ceneri Tunnel in Switzerland. At the reporting date, the balance principally refers to the high speed/capacity projects and some foreign contracts (Poland and Nigeria).

"Unconsolidated group companies and other related parties" amount to €66.4 million. The year-end balance principally refers to the Shimmick-Fcc-Igl joint venture operating in the US mobility sector, the Argentine group companies involved in the environmental remediation project in the Buenos Aires area and the Churchill Hospital joint venture active in the UK hospital sector.

The increase in "Compensation and compulsory purchases", which amount to €109.8 million, mostly refers to Iricav Due for the development of the high speed/capacity Verona - Padua railway line.

Accrued expenses and deferred income decreased by €3.1 million to €35.7 million as follows:

(€'000)	31 December 2020	31 December 2021	Variation
Accrued expenses:			
- Commissions on sureties	3,326	10,940	7,614
- Other	34,475	21,444	(13,031)
Total accrued expenses	**37,801**	**32,384**	**(5,417)**
Deferred income:			
- Provision of services	979	3,319	2,340
Total deferred income	**979**	**3,319**	**2,340**
Total	**38,780**	**35,703**	**(3,077)**

29. Guarantees, commitments, risks and contingent liabilities

Guarantees and commitments

The key guarantees given by the Group are set out below:

- contractual sureties: these total €18,666.5 million (including €6,522.0 million issued directly by Lane Group) and are given to customers as performance bonds, to guarantee advances, retentions and involvement in tenders for all ongoing contracts. In turn, the group companies have guarantees given by its subcontractors;
- sureties for bank loans: they amount to €175.7 million;
- sureties granted for export credit: €6.3 million;
- other guarantees: they amount to €1,988.9 million and comprise guarantees related to customs and tax obligations (€11.8 million);
- collateral related to a lien on the shares of an SPE (€22.3 million).

Tax disputes

Webuild S.p.A.

With respect to the principal dispute with the tax authorities:

- the Supreme Court hearing was held on 17 January 2020 to discuss the reimbursement of tax assets with a nominal amount of €12.3 million plus interest acquired from third parties as part of previous non-recurring transactions. The court quashed the second level ruling ordering the case to be transferred to the Regional Tax Commission. The parent filed a petition for the resumption of the hearing within the legal term;
- a dispute related to 2005 about the technique used to "realign" the carrying amount of equity investments as per article 128 of Presidential decree no. 917/86 (greater assessed tax base of €4.2 million) is still pending before the first level court while with respect to another dispute with the same subject but for 2004 (greater assessed tax base of €0.4 million), the Supreme Court accepted the parent's grounds and ordered the case be sent to the Lombardy Regional Tax Commission which fully accepted the parent's appeal in the hearing of 14 January 2019 with its ruling of 12 February 2019. The tax authorities appealed this ruling on 11 September 2019 and the appeal still has to be allocated to the relevant section of the court;
- after their tax inspection into 2015, the tax authorities notified the Constructor M2 Lima consortium of an assessment notice claiming approximately €15.9 million. The main allegation made by the local tax authorities (SUNAT) is due to a different interpretation of the accounting treatment of revenue from contracts with customers for work carried out under the IFRS. The parent's investment in the consortium is 25.5%, which means the portion of assessed tax attributable to it is about €4.06 million. Since the consortium deems that the accounting treatment it adopted is correct, it challenged the above assessment notice within the term prescribed by the local law;

- on 21 January 2021, the local tax authorities (ERCA) served an assessment notice to the Ethiopian branch relating to the 2017, 2018 and 2019 corporate income tax. The most significant assessment relates to the calculation of revenue. Indeed, the tax inspectors did not agree on the adoption of the cost to cost method, despite it being provided for by the local tax law and the IFRS. Further to discussions with the tax authorities, the assessed taxes were revisited and the branch fully settled the new assessed taxes for all three years, in order to benefit from the cancellation of the fines and interest, by paying an equivalent of roughly €54.0 million in instalments until October 2023.

Furthermore, considering the demerger and the principal disputes of the demerged company Astaldi, with the tax authorities:

- In 2010, Astaldi's Costa Rican branch received an assessment notice of a higher taxable amount due to the disallowance of the deductibility of various costs (amortisation and depreciation, personnel remuneration, losses and travel and transport costs), for an amount due of CRC776,803,156 (the equivalent of approximately €1.2 million). A separate notice imposed fines of CRC194,200,789 (the equivalent of approximately €0.3 million at current exchange rates). With the assistance of its advisors, the branch has commenced the local administrative and legal procedures to challenge the above assessment and to defend the correctness of its actions. On 3 December 2020, the tax authorities issued a resolution confirming the branch's amounts. The procedures for having the proceeding declared closed are currently being assessed.

  In 2015, the same branch received a notice from the local tax authorities that disallowed certain withholding tax assets for 2011, 2012 and 2013. The initial assessed amount is CRC640,694,557 (the equivalent of about €0.9 million) against which the branch has commenced the local administrative and legal procedures with the assistance of its advisors. The tax authorities subsequently decreased the assessed amount to CRC132,305,779 (the equivalent of approximately €0.2 million). The proceedings are still ongoing with a remote risk of losing the case.

- In 2016, the El Salvadoran branch received a notice of assessment from the local tax authorities relating to its tax base and related income taxes for 2012. In this assessment, the local tax authorities alleged: (i) allegedly undeclared revenue of USD23.5 million (the equivalent of approximately €20.5 million) for the proceeds arising from the out-of-court agreement settling the dispute related to the El Chaparral hydroelectric power plant project; (ii) interest income of USD0.8 million (the equivalent of about €0.7 million) allegedly accrued on intragroup loans; (iii) revenue and income reported as tax-exempt or non-taxable amounting to USD13.4 million (the equivalent of roughly €11.7 million); and (iv) costs of USD15.4 million (the equivalent of approximately €13.5 million) whose deductibility was contested. As a result, the local tax authorities recalculated the income tax due by the branch for 2012 and assessed higher taxes of USD9.1 million (the equivalent of approximately €8 million), plus fines and interest. With the assistance of its advisors, the subsidiary has commenced the procedures to challenge all assessments. The proceedings are still ongoing with a remote risk of losing the case.

In Italy:

- on 14 April 2020, the Italian tax authorities notified Astaldi of their refusal to its proposal to settle tax liabilities as per article 182-ter of the Bankruptcy Law presented as part of its composition with creditors procedure. The above proposal requested the cancellation due to non-application of the higher fines, amounting to approximately €8 million, on the tax liabilities attributable exclusively to the prohibition imposed by the composition with creditors procedure to pay liabilities already due prior to the filing of the related application with reservation. Astaldi presented its appeal on 9 July 2020, challenging a number of issues of the refusal on the merits and in law. As part of a self-review, the tax authorities acknowledged that the higher fines due to the disqualification of the option to pay by instalment were not due for some assessments settled with the mutually-agreed settlement procedure, for which the payments were discontinued on 28 September 2018 and therefore the dispute will continue for the other similar positions not revisited by the tax authorities. As provided for in the composition with creditors proposal, Astaldi paid the preferential tax liabilities in full, net of the reliefs already allowed, taking into account the above-mentioned refusal and, should the outcome of the dispute be favourable, it will recover the higher amounts paid;
- on 28 August 2020, the Italian tax authorities notified Astaldi of a recovery notice for alleged undue offsetting of excess VAT transferred by its subsidiaries under the 2017 group VAT scheme. The assessed amount is €4.8 million, plus fines and interest of €1.4 million and €0.5 million, respectively. The assessment is based on the recalculation of the interim offsetting of VAT that, according to the tax authorities, resulted in excess and unsecured offset VAT. The recalculation also led to the recalculation of the annual VAT asset claimed for reimbursement at year end, with the consequent disallowance of the reimbursement and authorisation to carry forward. Astaldi challenged both the recovery notice and the disallowance of the reimbursement in court. Should Astaldi lose the case, it will carry forward a higher amount of VAT assets and will solely bear the related fines and interest. In any case, supported by the opinion of its advisors, Astaldi believes that the risk of losing the case is remote.

With respect to the above pending disputes, after consulting its legal advisors, Astaldi believes that it has acted correctly and deems that the risk of an adverse ruling is not probable. When it deemed it appropriate to settle the dispute, as explained earlier in more detail, it did so to avail of the various options provided for by the relevant legislation, such as the voluntary settlement procedure for the pending tax disputes or the positions assigned to the tax collection agency, the court-ordered settlement procedure and the mutually-agreed settlement procedure.

Fisia Ambiente S.p.A.

After the 2013 IRES tax audit and the 2013, 2014 and 2015 VAT audit, the Genoa tax office inspectors identified findings for IRES purposes for 2013 related to alleged undue deductions of €1.5 million for the use of the loss allowance and the alleged undue deduction of VAT of €0.3 million on costs incurred for the defence of managers and other employees in criminal court proceedings in 2013, 2014 and 2015. Fisia Ambiente appealed against these assessments in fact and in law with its comments and applications filed in accordance with article 12.7 of Law no. 212/2000. The tax authorities fully accepted the inspectors' findings and notified two assessment notices for 2013, one for IRES and one for VAT. In turn, the subsidiary has filed reasoned requests for a mitigation hearing as per article 6 and following articles of Legislative decree no. 218/1997.

The mutually-agreed settlement procedure for the VAT was not successful and, in June 2019, the subsidiary appealed to the competent tax commission commencing the relevant legal proceedings. The competent tax commission has issued its ruling (i) partly accepting the subsidiary's appeal for 2013; (ii) rejecting the appeal for 2014; and (iii) fully accepting its appeal for 2015 thereby cancelling the assessment notice. An appeal has been filed for all cases.

With respect to the above pending disputes, after consulting its legal advisors, the subsidiary believes that it has acted correctly and deems that the risk of an adverse ruling is not probable. When it deemed it appropriate to settle the dispute, as explained earlier in more detail, it did so to avail of the various options provided for by the relevant legislation, such as the voluntary settlement procedure for the pending tax disputes or the positions assigned to the tax collection agency, the court-ordered settlement procedure and the mutually-agreed settlement procedure.

Fibe S.p.A.

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

In January 2013, the subsidiary received tax assessment notices from the Acerra municipality with respect to the waste-to-energy plant, which requested payment of local property tax and related penalties for approximately €14.3 million for the years 2009-2011. The amount requested by the municipality and challenged by Fibe was confirmed as far as its applicability but reduced in terms of its amount and penalties by the Naples Regional Tax Commission.

The subsidiary appealed against the second level ruling with the Supreme Court and the case is still pending. However, in 2015, the subsidiary set aside a provision for an amount equal to the assessed tax plus accrued interest on a prudent basis. On 7 March 2018, Fibe applied for the procedure for the out-of-court settlement of the positions assigned to the collection agency as per article 1 of Decree law no. 148/2017 converted with modifications into Law no. 172/2017.

The disputes about the following are still pending:

1) Assessment notice for 2003 IREPG, IRAP and VAT issued by the Casoria tax office about assessed taxes of €6.5 million. The subsidiary has been challenged for the following violations: (i) undue deduction of costs of €3.1 million contrary to the principle of pertinence/accruals basis; and (ii) undue deduction of VAT of €2.0 million as a result of the application of a higher-than-allowed rate.

The Naples Provincial Tax Commission accepted the subsidiary's appeal in its ruling no. 497 filed on 25 June 2009, which the tax office appealed. The subsidiary presented its defence brief and counter-appeal. The Naples Regional Tax Commission confirmed that costs of €2,771,179.66 were to be taxed, due to their non-compliance with the pertinence/accruals basis principle in its ruling no. 27/1/12 filed on 12 January 2012 while also confirming the deductibility of VAT of €1,839,943.61. The tax office has appealed to the Supreme Court. The subsidiary in turn has presented its defence brief and appeal. A date for the court hearing has not yet been set.

2) Assessment notice for 2004 VAT issued by the Casoria tax office about alleged unpaid VAT of €5.2 million. It alleges the subsidiary unduly deducted VAT based on the assumption that all the services received by it should have been invoiced with the lower rate of 10% instead of the ordinary rate (20%). The Naples Provincial Tax Commission accepted the subsidiary's appeal in its ruling no. 498/01/09 filed on 25 June 2009 and cancelled the assessment notice, which the tax office appealed. The subsidiary presented its defence brief and counter-appeal. The Naples Regional Tax Commission handed down its ruling no. 26/1/2012 filed on 23 January 2012, which (i) after having decided in favour of the subsidiary, fully in line with its defence grounds, which was the "quaestio iuris", whose resolution was essential to confirm or cancel the tax assessment; and (ii) nonetheless confirmed the tax office's assessed taxes and related fines (i.e., as recalculate by the tax office in its appeal). The subsidiary has appealed against the ruling before the Supreme Court which quashed the previous ruling. The subsidiary has filed a petition for the resumption of the hearing within the legal term.

3) Assessment notice for the 2012 IMU property tax, issued by the Acerra municipal authorities for the assessed tax of €551 thousand for the WtE plant. The subsidiary promptly presented its appeal which was filed on 20 April 2017. The Provincial Tax Commission rejected the appeal with ruling no. 17386 filed on 14 December 2017 which the subsidiary appealed on 5 July 2019. The Regional Tax Commission handed down its ruling on 13 January 2020, which was not in the subsidiary's favour. The subsidiary has appealed to the Supreme Court.

With respect to the above pending disputes, after consulting its legal advisors, the subsidiary believes that it has acted correctly and deems that the risk of an adverse ruling is not probable. When it deemed it appropriate to settle the dispute, as explained earlier in more detail, it did so to avail of the various options provided for by the relevant legislation, such as the voluntary settlement procedure for the pending tax disputes or the positions assigned to the tax collection agency, the court-ordered settlement procedure and the mutually-agreed settlement procedure.

COMERI S.p.A.

On 3 November 2010, upon completion of a general direct and indirect tax audit, this group company received a preliminary assessment report from the Rome tax police. In 2015, the tax authorities notified the company of the related assessment notice that repeated the same issues raised in the above preliminary assessment report. The group company promptly appealed against the above-mentioned notice and concurrently started discussions with the tax authorities to obtain the administrative cancellation of the assessment. The Rome Provincial Tax Commission allowed the appeal with ruling no. 29543/50/16 handed down on 17 November 2016 and filed on 20 December 2016. The Lazio Regional Tax Commission reviewed the first level hearing on 14 April 2021 and accepted the tax authorities' appeal with its ruling no. 1902/17/2021. The group company has given its legal advisors a mandate to appeal this second level ruling before the Supreme Court. For completeness, it should be noted that the above preliminary assessment report challenges the tax treatment of the out-of-court agreement signed by the group company and ANAS S.p.A. on 3 May 2010 to settle the technical claims recognised in the work site's accounts up to 31 December 2008. The tax police had mistakenly considered the amounts as additional consideration rather than compensation for damage, therefore applying VAT at 20%. Furthermore, COMERI S.p.A. had previously submitted the out-of-court agreement in question to the tax authorities on 15 June 2010, which requested and accepted payment of the proportional registration tax on the above claims, confirming, by conduct, that they should be subject to indirect taxes, having considered them to have a compensation nature and being, therefore, VAT-exempt. The tax authorities found unpaid VAT of €8.5 million and fines and interest of €10.6 million. Supported by the opinion of its advisors, the group company believes that the risk of losing the case is remote.

Astaldi Canada Inc.

In September 2019, as a result of an audit carried out by the local tax authorities, Astaldi Canada Inc. received a tax notice alleging omitted withholdings of about CAD1.7 million (the equivalent of about €1.1 million) on Astaldi's fees for the guarantees it gave on behalf and in the interest of the Canadian subsidiary in 2015 and 2016. With the assistance of its advisors, the latter has commenced the procedure to challenge the assessment notice and defend its position to support the fact that it had acted correctly. The case is still pending. Supported by the opinion of its advisors, the Canadian subsidiary believes that the risk of losing the case is remote.

Obrainsa - Astaldi consortium

In August 2021, as the result of an audit commenced by the local tax authorities in 2019, Obrainsa - Astaldi consortium (Peru) received a tax notice disallowing the deduction of some costs. The amount in question is SOL38,942,205 (the equivalent of roughly €9.4 million), of which Astaldi's share is SOL19,860,524 (the equivalent of roughly €4.8 million) based on its 51% interest in the consortium.

Assisted by its local advisors, the consortium has activated the relevant procedures to challenge the notice and present its reasons supporting the correctness of its approach. The case is still pending and Astaldi believes that the risk of losing it is remote, supported by the opinion of its advisors.

30. Financial instruments and risk management

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 2020 (€’000)	Note	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Hedging derivatives		Financial assets at fair value through profit or loss	Total	Fair value
Financial assets								
Derivatives and non-current financial assets	10	321,952	-	665	-	-	322,617	322,617
Trade receivables	14	1,884,647	-	-	-	-	1,884,647	1,884,647
Other current financial assets	15	338,328	2,259	-	-	-	340,587	340,587
Cash and cash equivalents	18	2,455,125	-	-	-	-	2,455,125	2,455,125
Total		**5,000,052**	**2,259**	**665**	**-**	-	**5,002,976**	**5,002,976**

31 December 2020 (€’000)	Note	Other liabilities at amortised cost	Financial liabilities at fair value through profit or loss	Hedging derivatives		Financial liabilities at fair value through profit or loss	Total	Fair value
Financial liabilities								
Bank and other loans and borrowings	21	1,844,803	-	-	-	-	1,844,803	1,848,479
Bonds	22	1,535,530	-	-	-	-	1,535,530	1,505,066
Lease liabilities	23	178,439	-	-	-	-	178,439	178,439
Derivatives and other current financial liabilities	23		-	-	-	-		
Trade payables	26	2,705,374		-	-	-	2,705,374	2,705,374
Total		**6,264,146**	**-**	**-**	**-**	**-**	**6,264,146**	**6,237,358**

31 December 2021 (€'000)	Note	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Hedging derivatives		Financial assets at fair value through profit or loss	Total	Fair value
Financial assets								
Derivatives and non-current financial assets	10	418,511	-	-	-	-	418,511	418,511
Trade receivables	14	2,498,234	-	-	-	-	2,498,234	2,498,234
Other current financial assets	15	313,241	-	3,684	-	-	316,925	316,925
Cash and cash equivalents	18	2,370,032	-	-	-	-	2,370,032	2,370,032
Total		**5,600,018**	**-**	**3,684**	**-**	-	**5,603,702**	**5,603,702**

31 December 2021 (€'000)	Note	Other liabilities at amortised cost	Financial liabilities at fair value through profit or loss	Hedging derivatives		Financial liabilities at fair value through profit or loss	Total	Fair value
Financial liabilities								
Bank and other loans and borrowings	21	984,331	-	-	-	-	984,331	983,198
Bonds	22	1,499,733	-	-	-	-	1,499,733	1,583,113
Lease liabilities	23	170,481	-	-	-	-	170,481	170,481
Derivatives and other current financial liabilities	23	-	-	-	-	--		-
Trade payables	26	3,208,770	-	-	-	-	3,208,770	3,208,770
Total		**5,863,315**	**-**	**-**	**-**	**-**	**5,863,315**	**5,945,562**

Risk management

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

	2020		2021	
(€m)	-5%	+5%	-5%	+5%
US dollar	(1.60)	1.60	3.87	(3.87)
Ethiopian birr	2.37	(2.37)	1.45	(1.45)
Australian dollar	1.35	(1.35)	5.73	(5.73)
Canadian dollar	n.a.	n.a.	(0,65)	0,65
Colombian peso	3.45	(3.45)	4.19	(4.19)
Romanian New Leu	n.a.	n.a.	(1.75)	1.75
Tajikistani somoni	0.53	(0.53)	0.08	(0.08)
South African rand	(1.00)	1.00	(1.00)	1.00

This analysis excludes the effects of the translation of the equity of group companies with a currency other than the Euro.

Interest rate risk

Considering the Group's predominantly fixed rate debt structure in 2021, had interest rates increased or decreased by an average 75 basis points in 2021, the loss before tax would have been respectively smaller or greater by a maximum of €5.7 million (2020: €11.3 million), assuming that all other variables remained constant and without considering cash and cash equivalents.

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 offers, through a careful analysis of the characteristics of the countries in which the Group's activities should be carried out and the customers, which are usually state or similar bodies, requesting an offer.

Therefore, this risk can be essentially assimilated to the country risk. An analysis of this risk based on the age of the outstanding amounts is not very meaningful, since the receivables should be assessed together with the related working capital items, especially those reflecting the net exposure to customers (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 2020	31 December 2021
Italy	(301,464)	(1,375,286)
Other EU countries	372,844	487,427
Other European countries (non-EU)	(50,357)	(76,540)
Americas (Lane and other group contracts)	(38,212)	(182,315)
Asia/Middle East	365,805	767,407
Africa	452,503	(36,904)
Australia	(360,166)	(388,432)
Total	**440,953**	**(804,642)**

The reconciliation of the reclassified statement of financial position details the items included in working capital.

The Group's exposure to customers, broken down by contract location, is analysed below:

Working capital analysis by geographical segment (€'000)	Trade receivables	Contract assets	Contract liabilities	Total	Allowances
31 December 2020					
Italy	832,257	388,084	(893,661)	326,679	93,693
Other EU countries	186,881	682,940	(50,456)	819,365	6,161
Other European countries (non-EU)	151,461	48,270	(88,256)	111,475	-
Americas	374,623	229,615	(285,191)	319,047	317,426
Asia/Middle East	200,572	783,152	(123,988)	859,736	5,970
Africa	129,733	480,080	(292,195)	317,618	15,008
Australia	9,121	183,934	(478,729)	(285,674)	-
Total	**1,884,648**	**2,796,074**	**(2,212,476)**	**2,468,246**	**438,257**
31 December 2021					
Italy	1,230,013	654,150	(2,125,223)	(241,060)	98,269
Other EU countries	208,712	739,682	(31,440)	916,954	6,123
Other European countries (non-EU)	244,494	14,374	(335,265)	(76,397)	246
Americas	446,795	170,373	(264,542)	352,625	310,287
Asia/Middle East	199,544	949,831	(13,292)	1,136,083	7,374
Africa	113,840	105,761	(114,786)	104,816	11,809
Australia	54,835	153,081	(538,298)	(330,381)	-
Total	**2,498,234**	**2,787,252**	**(3,422,846)**	**1,862,640**	**434,107**

The "Main risk factors and uncertainties" section of the Directors' report provides information about country risk for Libya, Venezuela, Nigeria, Argentina and Ukraine.

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 2022	31 December 2023	31 December 2024	After	Total
Current account facilities	13,244				13,244
Bonds	61,875	61,875	561,996	1,071,250	1,756,996
Bank loans and borrowings	199,808	424,171	66,238	72,225	762,442
Lease liabilities	72,996	60,033	18,224	27,532	178,785
Gross financial liabilities	**347,923**	**546,079**	**646,458**	**1,171,007**	**2,711,467**
Trade payables	3,208,770				3,208,770
Total	**3,556,693**	**546,079**	**646,458**	**1,171,007**	**5,920,237**

The prior year figures are as follows:

(€'000)	31 December 2021	31 December 2022	31 December 2023	After	Total
Current account facilities	68,446				68,446
Bonds	295,674	50,125	50,125	1,409,625	1,805,549
Bank loans and borrowings	944,611	462,748	46,253	244,392	1,698,004
Lease liabilities	83,401	46,162	43,652	14,473	187,688
Gross financial liabilities	**1,392,132**	**559,035**	**140,030**	**1,668,490**	**3,759,687**
Trade payables	2,705,374				2,705,374
Total	**4,097,506**	**559,035**	**140,030**	**1,668,490**	**6,465,061**

Future interest has been estimated based on the market interest rates at the date of preparation of these consolidated financial statements, summarised in the notes.

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

Webuild has constantly monitored this risk and has not currently identified particular problems considering its cash and cash equivalents at 31 December 2021.

(€'000)	Total financial commitments due before 31.03.2022 (*)	Cash and cash equivalents (**)	Difference
Webuild (head office and branches)	254,982	373,853	118,871
Subsidiaries	598,541	451,178	(147,363)
SPEs	870,524	1,104,255	233,731
Joint operations	362,158	418,233	56,075
Total	**2,086,205**	**2,347,519**	**261,314**

(*) does not include amounts due to group companies.

(**) net of tied-up liquidity. At the reporting date, Webuild has suitable cash and cash equivalents and available credit facilities to meet the above obligations.

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 - Fair values measured using quoted prices in active markets;
- Level 2 - Fair values measured using valuation techniques for which inputs significant to the fair value measurement are based on observable market data;
- Level 3 - Fair values measured using valuation techniques for which inputs significant to the fair value measurement are based on unobservable market data.

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	10	-	3,684	-
Total		**-**	**3,684**	**-**

There were no movements from Level 1 to Level 2 during the year or vice versa.

Changes in assets and liabilities arising from financing activities

The following table shows changes in assets and liabilities arising from financing activities as required by IAS 7.44:

(€'000)	Changes arising from cash flows from financing activities	Non-monetary items	Change in cons. scope	Change in exchange rates	Other changes	Total changes
Non-current financial assts	(96,784)	(5,128)	-	861	5,156	**(95,895)**
Derivatives and other current financial assets	2,460	(25,451)	35,506	-	11,156	**23,671**
Non-current derivatives	(7)	-	-	-	7	**-**
Non-current loans and borrowings - related parties and other unconsolidated group companies	6,446	-	-	-	-	**6,446**
Current loans and borrowings - related parties and other unconsolidated group companies	(13,690)	6,070	-	-	(1,801)	**(9,421)**
Total	**(101,575)**	**(24,509)**	**35,506**	**861**	**14,518**	**(75,199)**

Statement of profit or loss

Initial considerations on the comparability of the statement of profit or loss figures

The 2020 statement of profit or loss figures include the figures of Astaldi Group for the period from the date of acquisition of control (5 November 2020) to 31 December 2020.

31. Revenue

Revenue for 2021 amounts to €6,420.3 million, up 28.1% on the previous year.

(€'000)	2020	2021	Variation
Revenue from contracts with customers	4,247,167	5,977,821	1,730,654
Other income	226,478	442,513	216,035
Gain from bargain purchase	539,292	-	(539,292)
Total	**5,012,937**	**6,420,334**	**1,407,397**

"Revenue from contracts with customers" refers to work performed and approved by the relevant customers, including the work performed during the year on long-term contracts not yet completed.

"Other income" includes income not directly related to contracts with customers but nonetheless relative to industrial activities carried out as part of projects and works related to the core business.

The 2020 "Gain from bargain purchase" reflects the positive effects of the PPA performed after the acquisition of Astaldi Group.

Revenue increased by €1,407.4 million, mostly earned on projects underway in Italy, Europe (Norway, Romania and Sweden), Oceania (Australia), the Americas (Canada and the US) and Turkey.

A breakdown of revenue and other income by geographical segment is as follows:

	2020		2021	
(€'000)		Percentage of total		Percentage of total
Italy	**1,519,550**	**30%**	**2,004,615**	**31%**
Oceania	332,677	7%	731,240	11%
EU (excluding Italy)	374,432	7%	666,868	10%
Americas (excluding Lane)	237,218	5%	633,830	10%
Non-EU	211,893	4%	516,902	8%
Africa	344,083	7%	364,525	6%
Middle East	687,034	14%	304,096	5%
Asia	319,022	6%	249,856	4%
Abroad	**2,506,359**	**50%**	**3,467,316**	**54%**
Lane	**987,028**	**20%**	**948,402**	**15%**
Total	**5,012,937**	**100%**	**6,420,334**	**100%**

Revenue from contracts with customers

A breakdown of revenue from contracts with customers is given in the following table:

(€'000)	2020	2021	Variation
Works invoiced to customers	4,172,504	5,914,254	1,741,750
Services	63,032	45,165	(17,867)
Sales	11,631	18,503	6,872
Real estate projects	-	(101)	(101)
Total	**4,247,167**	**5,977,821**	**1,730,654**

Revenue from contracts with customers amounts to €5,977.8 million for 2021, showing an increase of €1,730.7 million (approximately 40.7%). This improvement was driven by the development of the business in Italy and abroad with the steady resumption of work sites activities although they have not yet returned to pre-Covid-19 production and efficiency levels.

The main contributors to revenue are:

- the projects in Italy that benefited, inter alia, from the positive effects of the National Resilience and Recovery Plan (the high speed/capacity Milan - Genoa railway line, the high speed/capacity Verona - Padua railway line and SS-106 state road Jonica mega lot 3);
- some large foreign projects and specially the ongoing contracts in the US (Lane Group and I-405 in California), Canada (Hurontario Light Rail Project), Australia (Perth Metro and Snowy 2.0), Ethiopia (Koysha Hydroelectric Project and GERD), Saudi Arabia (Line 3 of the Riyadh Metro), France (Line 16 of the Paris Metro), Norway (the Nykirke - Barkaker railway line), Sweden (Haga and Kvarnberget Rock Tunnel), Romania (the Curtici - Simeria railway line, lots 2A, 2B and 3 as well as the Braila Bridge), Turkey (Etilik Integrated Health Campus in Ankara) and Tajikistan (Rogun Dam).

In Italy, revenue was adversely affected by the negative effects (€131.9 million) of the adjustments to the estimated variable consideration for the contract for the Novara - Milan sub-section of the high speed/high capacity Turin - Milan railway line due to unexpected developments in the pending dispute between the subcontractor Consorzio C.A.V.TO.MI and the customer.[99]

Variable consideration made up 8.6% of revenue from contracts with customers during the year.

The transaction price of ongoing contracts allocated to the unsatisfied performance obligations amounts to € 32,898.4 million at the reporting date. The Group will recognise this amount as revenue in future periods in line with the available forecasts.

[99] More information is available in the "Main risk factors and uncertainties" section of this report.

(€m)	Revenue related to unsatisfied (or partially satisfied) performance obligations which will be recognised in future years	of which: from 2022 to 2024	of which: after
Total		19,754.2	11,422.5

Ongoing contracts include contracts with customers if they meet the criteria of IFRS 15.9[100]. The item includes variable consideration when its realisation is highly probable.

Other income

A breakdown of other income is given in the following table:

(€'000)	2020	2021	Variation
Recharged costs	104,923	149,885	44,962
Other income from joint ventures and consortia	33,676	112,813	79,137
Gains on the disposal of non-current assets	10,262	16,038	5,776
Insurance compensation	11,192	12,218	1,026
Other	66,425	151,560	85,135
Total	**226,478**	**442,514**	**216,036**

The €216.0 million increase in this item is substantially due to: (i) the continuation of the ongoing works in Australia, principally revenue earned on services provided as part of commercial initiatives carried out as a partnership with other sector operators; and (ii) the increase in income from the recharging of costs to consortium partners, mostly related to the high speed/capacity Verona - Padua contract, the new ENI offices and operation & maintenance activities for the four Tuscan hospitals. Webuild Group's activities involve its participation in numerous SPEs that, especially in Italy, use the consortium structure, which works using a cost recharging system whereby the costs incurred by the SPE are invoiced to the consortium members in line with their investment percentages. As this income does not arise on the performance of the contract obligations or contract negotiations, it is recognised as "Other income".

Gain from bargain purchase

In 2021, this item included the gain recognised as a result of the PPA procedure for the acquisition of Astaldi Group (more information is available in note 5).

[100] a) the parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations; b) the entity can identify each party's rights regarding the goods or services to be transferred; c) the entity can identify the payment terms for the goods or services to be transferred; d) the contract has commercial substance (i.e., the risk, timing or amount of the entity's future cash flows is expected to change as a result of the contract); and e) it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

(€'000)	2020	2021	Variation
Gain from bargain purchase	539,292	-	(539,292)
Total	**539,292**	**-**	**(539,292)**

32. Operating expenses

Operating expenses for the year amount to €6,454.1 million compared to €4,620.0 million for 2020.

The item may be broken down as follows:

(€'000)	2020	2021	Variation
Purchases	575,127	967,545	392,418
Subcontracts	1,498,284	2,098,691	600,407
Services	1,181,931	1,590,648	408,717
Personnel expenses	845,062	1,101,920	256,858
Other operating expenses	161,418	347,819	186,401
Amortisation, depreciation, provisions and impairment losses	358,171	347,427	(10,744)
Total	**4,619,993**	**6,454,050**	**1,834,057**

Changes in this item mostly reflect the production trends with greater volumes achieved (see note 31) due to the progress made on contracts in Italy (high speed/capacity Milan - Genoa railway line, the high speed/capacity Verona - Padua railway line and SS-106 state road Jonica mega lot 3), the US (I-405 in California), Canada (Hurontario Light Rail Project), Australia (the Perth Metro and Snowy 2.0), Norway (the Nykirke-Barkaker railway line), Sweden (Haga and Kvarnberget Rock Tunnel), Romania (the Curtici-Simeria railway line, lots 2A, 2B and 3 and the Braila Bridge) and Turkey (Etilik Intergrated Health Campus di Ankara). Raw materials prices increased in 2021 due to limited supplies, partly caused by the upturn in demand driven by the uptick in the global economy. As a result, the Group introduced mitigation measures to contain price increases. Its contracts with customers include price adjustment clauses.

The composition of this item may vary from one year to another, including in relation to the same project and with identical production volumes, due to changes made by management to the industrial operating model. Moreover, as these are large-scale infrastructural works that take several years to complete, resort to normal production factors for any one contract depends on the stage of completion of each one in any given year. These changes may generate significant variations in the percentage of the related cost categories depending on the contract and the year, while not affecting the total percentage of costs of total revenue.

32.1 Purchases

The cost of raw materials and consumables incurred in 2021 increased by €392.4 million to €967.5 million compared to 2020.

(€'000)	2020	2021	Variation
Purchases of raw materials and consumables	573,017	985,212	412,195
Change in raw materials and consumables	2,110	(17,666)	(19,776)
Total	**575,127**	**967,545**	**392,419**

The increase is mostly due to the full-scale operation of certain contracts in the US (Lane Group), Australia (Snowy 2.0), Turkey (Etilik Integrated Health Campus in Ankara) and Italy.

32.2 Subcontracts

Costs of subcontracts increased to €2,098.7 million, up €600.4 million on 2020 as shown in the following table:

(€'000)	2020	2021	Variation
Subcontracts	1,498,284	2,098,691	600,407
Total	**1,498,284**	**2,098,691**	**600,407**

The increase is chiefly a result of the satisfactory development of industrial activities on contracts, mostly in Italy (high speed/capacity Milan - Genoa railway line, high speed/capacity Verona - Padua railway line and SS-106 state road Jonica mega lot 3), Australia (Snowy 2.0), Turkey (Etilik Integrated Health Campus in Ankara) Sweden (Haga and Kvarnberget Rock Tunnel) and Romania (Braila Bridge).

32.3 Services

This item increased to €1,590.6 million, up €408.7 million on the previous year, as shown in the following table:

(€'000)	2020	2021	Variation
Consultancy and technical services	550,874	810,154	259,280
Recharging of costs by consortia	267,181	207,475	(59,706)
Leases	144,178	213,276	69,098
Transport and customs	52,887	99,300	46,413
Insurance	42,328	73,290	30,962
Maintenance	26,656	68,842	42,186
Fees to directors, statutory auditors and independent auditors	12,426	16,680	4,254
Other	85,401	101,631	16,230
Total	**1,181,931**	**1,590,648**	**408,718**

The recharging of costs by consortia relate to works carried out with other sector companies and mostly refer to the Brenner Base Tunnel (Lot Mules 2-3) and Line C of the Rome Metro. The reduction compared to the previous year is due to the fact that the 2020 balance included the costs of the projects managed jointly with Astaldi (mostly Iricav 2, Sirjo S.C.p.A. and Metro Blu S.C.r.l.) up until eht end of October.[101]

Leases include rent and leases with variable payments for assets of a low value and leases with a term of less than 12 months. The related payments are recognised in profit or loss immediately. The increase in this item is mostly due to the continuation of work for the Snowy 2.0 hydropower plant in Australia, the I-405 project in California and the Hurontario Light Rail Project in Canada.

"Consultancy and technical services" mainly consist of the design and construction costs incurred by the SPEs and legal and administrative consultancy fees.

The €259.3 million increase over the previous year is chiefly due to (i) the study and roll-out of a number of important foreign projects, mainly in Australia, for which significant engineering and legal consultancy services, also to finalise the contracts, were required; and (ii) the design activities for the high speed/capacity Verona - Padua railway line, the Hurontario Light Rail Project in Canada, Haga and Kvarnberget Rock Tunnel in Sweden and the Snowy 2.0 project in Australia.

A breakdown of this item is as follows:

(€'000)	2020	2021	Variation
Design and engineering services	308,474	495,143	186,669
Construction	142,019	140,857	(1,162)
Legal, administrative and other services	99,885	172,668	72,783
Other	496	1,485	989
Total	**550,874**	**810,154**	**259,279**

32.4 Personnel expenses

Personnel expenses for the year amount to €1,101.9 million, up €256.9 million on 2020. The item is made up as follows:

(€'000)	2020	2021	Variation
Wages and salaries	642,055	813,874	171,819
Social security and pension contributions	134,387	188,515	54,128
Post-employment benefits and employee benefits	14,616	21,625	7,009
Other	54,004	77,906	23,902
Total	**845,062**	**1,101,920**	**256,858**

Personnel expenses increased abroad mainly (i) in Romania and Chile, where the Group's business model includes greater resort to direct employees to develop the local projects; and (ii) due to the progress achieved on the I-405 in California.

[101]Since November and after completion of the business combination with Astaldi, these entities have been consolidated on a line-by-line basis.

The increase in personnel expenses in Italy is due to (i) greater production volumes achieved in 2021; (ii) the acquisition of Seli Overseas Group in July 2021; (iii) the effects of the redundancy scheme for Astaldi's managers of its Rome office who voluntarily decided to avail of the scheme which was agreed with the trade unions. "Other" mainly relates to termination benefits and reimbursements of travel expenses.

Information about the Group's workforce at the reporting date is provided in the "Human resources" section of the Consolidated Non-financial Statement.

32.5 Other operating expenses

Other operating expenses amount to €347.8 million, up €186.4 million on 2020.

This item is made up as follows:

(€'000)	2020	2021	Variation
Other operating costs	70,690	204,870	134,180
Commissions on sureties	66,497	110,306	43,809
Losses on disposals	8,914	6,574	(2,340)
Bank charges	5,177	7,026	1,849
Other non-recurring costs	10,140	19,043	8,903
Total	**161,418**	**347,819**	**186,401**

This item's increase is mostly due to the compulsory purchases made by Iricav Due of the in-scope areas approved by the Inter-ministerial committee for Economic Planning (CIPE). The consortium carried out the compulsory purchases to gain access to the areas where the definitive and temporary works will be built.

32.6 Amortisation, depreciation, provisions and impairment losses

This item includes amortisation, depreciation and provisions of €319.9 million and impairment losses of €27.5 million, showing an increase of €135.3 million and a decrease of €146.1 million on the previous year, respectively. It may be analysed as follows:

(€'000)	2020	2021	Variation
Total impairment losses	**173,583**	**27,498**	**(146,085)**
- Depreciation of property, plant and equipment	75,389	85,321	9,932
- Depreciation of right-of-use assets	52,322	81,655	29,333
- Amortisation of contract costs	30,785	131,088	100,303
- Amortisation of rights to infrastructure under concession	1,470	1,335	(135)
- Amortisation of intangible assets	625	851	226
Amortisation and depreciation	**160,591**	**300,250**	**139,659**
Provisions	23,998	19,677	(4,321)
Total amortisation, depreciation and provisions	**184,589**	**319,927**	**135,338**
Total	**358,172**	**347,425**	**(10,747)**

Impairment losses amount to €27.5 million (€173.6 million in the previous year). In 2020, this item included impairment losses on the Venezuelan receivables and the definition of the out-of-court agreement with Condotte of €122.5 million and €20.3 million, respectively. Lastly, the 2021 figure mostly relates to the impairment loss on machinery and equipment relating to completed contracts in the Americas.

The item "Depreciation of right-of-use assets" relates to leased assets as defined by IFRS 16. Its increase of €29.3 million is principally related to the continuation of the ongoing contracts in Sweden (Haga and Kvarnberget Rock Tunnel), Romania (the Curtici - Simeria railway line, lots 2A and 2B), France (Line 16 of the Paris Metro), the US (Lane Group and I-405 in California) and Chile as well as the effects of acquiring control of Seli Overseas Group.

Amortisation of contract costs rose by €100.3 million due to amortisation of €93.7 million (€14.0 million in 2020[102]) of the costs of acquiring Astaldi Group's EPC[103] order backlog.

Provisions are substantially unchanged from the previous year and include the updated estimated costs necessary to fulfil some contracts, mainly in Turkey and Romania, and the expected costs of claims received from subcontractors for works in Canada. These accruals are partly decreased by utilisations of the year for Lane Group's onerous contracts, made to reflect progress on such contracts during the year.

33. Net financing costs

Net financing costs amount to €92.5 million compared to €118.5 million for 2020.

The item may be broken down as follows:

[102]For the period from the date of acquisition of control of Astaldi (5 November 2020) to the end of 2020

[103] Engineering Procurement Construction

(€'000)	2020	2021	Variation
Financial income	80,990	87,537	6,547
Financial expense	(155,606)	(190,326)	(34,720)
Net exchange gains (losses)	(43,907)	10,292	54,199
Net financing costs	**(118,523)**	**(92,497)**	**26,026**

33.1 Financial income

Financial income totals €87.5 million (€81.0 million) and is made up as follows:

(€'000)	2020	2021	Variation
Interest and other financial income	**61,387**	**70,362**	**8,975**
- Other	37,642	47,824	10,182
- Interest on receivables	16,805	18,132	1,327
- Bank interest	6,940	4,406	(2,534)
Interest and other income from unconsolidated group companies and other related parties	**13,767**	**13,439**	**(328)**
Income from inflation adjustment	**5,705**	**2,724**	**(2,981)**
Gains on securities	**131**	**1,012**	**881**
Total	**80,990**	**87,537**	**6,547**

The increase of €6.5 million in financial income is mostly due to the rise in “Other” of €10.2 million chiefly related to Canada. This increase is partly offset by the decrease in income from inflation adjustment and bank interest of €3 million and €2.5 million, respectively.

33.2 Financial expense

Financial expense totals €190.3 million (€155.6 million) and is made up as follows:

(€'000)	2020	2021	Variation
Intragroup interest and other expense	**(1,583)**	**(6,070)**	**(4,487)**
Interest and other financial expense	**(154,025)**	**(184,256)**	**(30,231)**
- Interest on bonds	(41,674)	(68,653)	(26,979)
- Other	(43,997)	(46,635)	(2,638)
- Interest on bank accounts and financing	(41,179)	(36,660)	4,519
- Bank fees	(14,424)	(11,150)	3,274
- Leases	(6,219)	(8,113)	(1,894)
- Expense for inflation adjustments	(5,855)	(12,654)	(6,799)
- Interest on tax liabilities	(677)	(391)	286
Total	**(155,608)**	**(190,326)**	**(34,718)**

The €34.7 million increase in financial expense is mostly due to the issue of new bonds in December 2020 and January 2021 (€27.0 million).

33.3 Net exchange gains

Net exchange gains of €10.3 million mostly relate to the Euro's performance against the US dollar, the Turkish Lira, the Ethiopian birr and the Qatari riyal.

34. Net losses on equity investments

Net losses on equity investments amount to €19.2 million compared to €108.8 million for the previous year.

(€'000)	2020	2021	Variation
Share of loss of equity-accounted investees	(115,637)	(19,718)	95,919
Dividends	149	279	130
Gain (loss) on the disposal of equity investments	6,672	(7)	(6,679)
Other income	-	289	289
Total	**(108,816)**	**(19,157)**	**89,659**

The share of loss of equity-accounted investees is principally the result of the loss recognised by the associate Grupo Unidos por el Canal, partly offset by the profits of Lane Group's joint ventures. Reference should be made to the section on "Equity investments" for more information on impairment testing.

The following table provides a breakdown of "Share of loss of equity-accounted investees":

(€'000)	2020	2021	Variation
Lane Group's joint ventures	4,058	5,554	1,496
Autopistas del Sol S.A.	(4,896)	(702)	4,194
Fisia Abeima LCC	(2,854)	(2,261)	593
Gupc	(97,868)	(27,659)	70,209
Gaziantep Hastane Saglik	(11,906)	(457)	11,449
Yuma Concessionaria	(203)	(4,124)	(3,921)
Salini Impregilo Mobilink Hurontario GP Inc.	749	2,515	1,766
Renovation Palais Des Nations S.A.	-	1,471	1,471
Other	(2,717)	5,946	8,663
Total	**(115,637)**	**(19,717)**	**95,920**

35. Income taxes

The Group's income taxes for the year, shown below, amount to €133.6 million for the year. They are mainly affected by the temporary non-recovery in Italy of taxes paid abroad under the legislation of the countries where the parent's branches operate. The IRES tax base for 2021 is not currently sufficient to allow the full recovery of these foreign taxes although this situation may change in the future depending on the enacted legislation.

The Group has calculated income taxes by duly applying the applicable tax legislation:

(€'000)	2020	2021	Variation
Current taxes (income taxes)	60,686	126,439	65,753
Deferred taxes	(22,966)	(281)	22,685
Prior year taxes	(11,366)	(3,092)	8,274
Total	**26,354**	**123,066**	**96,712**
IRAP	828	10,563	9,735
Total	**27,182**	**133,629**	**106,447**

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

	2020		2021	
	€m	%	€m	%
Profit before tax	**174.0**		**(145,4)**	
Theoretical tax expense	41.8	24%	(34,9)	n.a.
Effect of permanent differences	(69.0)	(40%)	59,1	n.a.
Net effect of foreign taxes	61.5	35%	100,5	n.a.
Prior year and other taxes	(8.1)	(5%)	(1,6)	n.a
Total	**26.2**	**15%**	**123,1**	**n.a.**

The tax expense mostly reflects the results of the group companies in the countries where they operate and the partial non-recovery in Italy of taxes paid abroad under the legislation of the countries where the parent's branches operate.

An analysis and reconciliation of the theoretical IRAP tax rate and the effective tax rate are set out below:

IRAP

	2020		2021	
	€m	%	€m	%
Operating profit	401.4		(33.7)	
Personnel expenses	845.1		1,101.9	
Provisions and impairment losses	197.6		47.2	
Revenue	**1,444.0**		**1,115.4**	
Theoretical tax expense	56.3	3.9%	4.35	3.9%
Tax effect of foreign companies' production	(20.5)	(1.4%)	(26.8)	(2.4%)
Tax effect of foreign production by resident companies	(8.9)	(0.6%)	(7.3)	(0.7%)
Tax effect of permanent differences	(26.0)	(1.8%)	1.2	0.1%
Total	**0.8**	**0.1%**	**10.6**	**0.9%**

Net deferred taxes contribute to the consolidated loss for €0.3 million as shown below:

(€'000)	2020	2021	Variation
Deferred tax expense for the year	(20,055)	(29,222)	(9,167)
Use of deferred tax liabilities recognised in previous years	8,363	78,089	69,726
Deferred tax income for the year	73,807	78,316	4,509
Use of deferred tax assets recognised in previous years	(39,149)	(126,902)	(87,753)
Total	**22,966**	**281**	**(22,685)**

Deferred tax liabilities arise on temporary differences between statutory and tax legislation.

36. 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.

  Transactions are carried out with associates in the interests of Webuild, aimed at building on existing synergies in the Group in terms of production and sales integration, efficient use of existing skills, streamlining of centralised structures and financial resources. These transactions are regulated by specific contracts and are carried out on an arm's length basis;
- other related parties: the main transactions with other related parties, identified pursuant to IAS 24, including companies managed and coordinated by Salini Costruttori S.p.A., are summarised below:

Related party (€'000)	Loans and receivables	Financial assets	Other assets	Trade payables	Lease liabilities	Guarantees	Total revenue	Total operating expenses	Net financing income (costs)
Casada S.r.l.	144	-	-	-	-	-	15	-	-
CDP S.p.A.	-	-	1,303	(868)	-	738,724	-	(5,486)	-
CEDIV S.p.A.	2,286	3,241	-	-	-	-	33	-	113
C.Tiburtino	135	-	-	-	-	-	15	-	-
Dirlan S.r.l.	129	-	-	-	-	-	20	-	-
Eni S.p.A.	-	-	-	(141)	-	-	5	(452)	-
Fincantieri Infrastruc. S.p.A.	312	-	-	(18,603)	-	-	-	(23,007)	-
Fintecna S.p.A.	97	-	-	(173)	-	-	22	-	-
G.A.B.I.RE S.r.l.	3,209	18,001	-	-	-	-	21	-	630
Galla Placida S.c.a.r.l.	151	-	-	-	-	-	14	-	-
Gruppo PSC S.p.A.	21,181	-	-	(16,378)	-	-	-	(220)	-
Imm. Agricola San Vittorino S.r.l.	201	-	-	-	-	-	25	-	-
Infernetto S.r.l.	45	-	-	-	-	-	8	-	-
Madonna dei Monti S.r.l.	84	-	-	-	-	-	26	-	-
Nores S.r.l.	92	-	-	-	-	-	11	-	-
Parente & Partners S.r.l.	-	-	-	(78)	-	-	-	-	-
Plus S.r.l.	175	-	-	-	-	-	31	-	-
Poste Italiane S.p.A.	-	-	-	(6)	-	-	-	(6)	-
Sace BT	-	-	98	-	-	262,278	-	(5,122)	(46)
Sace FCT	-	-	-	(762)	(225)	-	-	(2,366)	(474)
Sace S.p.A.	-	-	-	-	-	899,427	-	(14,291)	(294)
Salini Costruttori S.p.A.	-	3,487	11,955	-	-	499,403	153	(3,280)	134
Salini Simonpietro & C.	93	-	-	-	-	-	14	-	-
Simest S.p.A.	-	-	-	-	(6,515)	6,738	-	-	-
SNAM Rete Gas S.p.A.	-	-	-	(9,409)	-	-	-	(14,850)	-
Studio Sarubbi Poggi Longostrevi	-	-	-	(146)	-	-	-	-	-
Terna S.p.A.	-	-	-	(2,614)	-	-	-	(2,614)	-
Terna Rete Italia S.p.A.	-	-	-	(171)	-	-	-	(163)	-
Zeis S.r.l.	144	2,412	-	(7)	-	-	244	-	85
Total	**28,478**	**27,141**	**13,356**	**(49,356)**	**(6,740)**	**2,406,570**	**657**	**(71,857)**	**148**

Since 2020, Cassa Depositi e Prestiti S.p.A. ("CDP") and its subsidiaries and associates have been included in the list of related parties as Cassa Depositi e Prestiti S.p.A. has significant influence over Webuild. Transactions with these related parties include in particular the guarantees issued by CDP and SACE related to:

- tax requirements in favour of the tax authorities;
- advance payment bonds, performance bonds and other guarantees to customers;
- guarantees to secure financing to banks.

During the year, the Group factored receivables without recourse to SACE Factoring for €276.0 million. They mostly comprise trade receivables from customers and progress billings which qualify for derecognition under IFRS 9.

The most signficant transactions include:

- subcontracting contract agreed in previous years with Fincantieri for foreign contracts acquired with Astaldi for a total cost of €23 million in 2021;
- activities performed by SNAM Rete Gas for €15 million related to the resolution of interference issues for high speed contracts in Italy.

The above transactions qualify as ordinary transactions based on the parent's related party transactions procedure. Therefore, they are exempt from such procedure.

Most of the Group's production is carried out through SPEs, set up with other partners that have participated with Webuild S.p.A. in calls for tenders. The SPEs carry out the related contracts on behalf of their partners.

The other transactions refer to costs for design and similar activities, incurred when presenting bids and for recently started contracts. They are also governed by specific agreements and carried out on an arm's length basis and, where applicable, in line with the contract terms.

Their effects on the statements of financial position and profit or loss are shown together with the related contract, when appropriate.

The next table shows the impact of transactions with the above related parties on the statement of financial position and the income statement (including as a percentage), while their effect on cash flows is shown in the statement of cash flows, when material:

(€'000)	Total at 31 December 2021	Group entity	Other related parties	Total	%
Non-current financial assets	418,511	207,617	-	207,617	49.6%
Trade receivables	2,498,234	357,387	28,478	385,865	15.4%
Current financial assets	316,925	41,989	27,141	69,130	21.8%
Other current assets	905,056	58,390	13,356	71,746	7.9%
Non-current assets held for sale and disposal groups	42,997	23,592	-	23,592	54.87%
Non-current portion of lease liabilities	101,673	-	-	-	0.0%
Bank loans and borrowings	317,265	-	6,515	6,515	2.2%
Current portion of loans	667,066	7,408	225	7,633	1.1%
Current portion of lease liabilities	68,808	-	-	-	0.0%
Trade payables	3,208,770	97,354	49,356	146,711	4.6%
Other current liabilities	565,421	66,413	-	66,413	11.7%

(€'000)	Total for 2021	Group entity	Other related parties	Total	%
Revenue from contracts with customers	5,977,821	129,894	477	130,371	2.2%
Other income	442,513	44,051	180	44,231	10.0%
Purchases	(967,545)	(64)	(1,139)	(1,203)	0.1%
Subcontracts	(2,098,691)	-	(39,999)	(39,999)	1.9%
Services	(1,590,648)	(188,817)	(2,760)	(191,577)	12.0%
Personnel expenses	(1,101,920)	(7)	-	(7)	0.0%
Other operating expenses	(347,819)	(1,787)	(27,960)	(29,747)	8.6%
Impairment losses	(27,498)	(3,669)	-	(3,669)	13.3%
Amortisation, depreciation and provisions	(319,929)	-	-	-	0.0%
Financial income	87,537	12,476	963	13,439	15.4%
Financial expense	(190,326)	(5,254)	(815)	(6,070)	3.2%

Transactions with directors, statutory auditors and key management personnel are shown below:

		2020			2021	
(€'000)	Fees and remuneration	Termination benefits and post-employment benefits	Total	Fees and remuneration	Termination benefits and post-empoyment benefits	Total
Directors and statutory auditors	8,296		8,296	6,735	-	6,735
Key management personnel	8,773	2,881	11,654	9,537	-	9,537
Total	**17,069**	**2,881**	**19,950**	**16,272**	**-**	**16,272**

Transactions with related parties carried out as part of Progetto Italia

Partial proportionate demerger of Astaldi to Webuild

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

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

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

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

The proposed demerger took place as follows:

1. Webuild received all the assets, liabilities and legal relationships of Astaldi after it discharged its debts that are not part of the separate unit, as defined in the composition with creditors plan;

2. the separate unit's assets, rights and obligations remain with Astaldi, without altering their transfer to the separate unit as provided for in the composition with creditors' procedure;

3. at the demerger effective date, Astaldi's shareholders received newly issued ordinary Webuild shares while all the ordinary Astaldi shares were cancelled (including those held by Webuild) and Astaldi was delisted from the Milan Stock Exchange. The exchange ratio was 203 ordinary Webuild shares for every 1,000 ordinary Astaldi shares;

4. any unsecured creditors of Astaldi that present claims after the demerger effective date will have the right to receive ordinary Webuild shares and will maintain their right to receive participating financial instruments linked to the separate unit from Astaldi, as provided for in Astaldi's composition with creditors plan;

5. on the date immediately before the demerger effective date, Webuild's shareholders received Webuild warrants giving them the right to receive new Webuild shares so that their investment percentage is not changed should Webuild issue new shares for Astaldi's unsecured creditors (as described above). Webuild also issued warrants to banks to replace those issued by Astaldi in accordance with the composition with creditors proposal;

6. the demerged company's share capital was zeroed and concurrently reconstituted through the subscription of new shares by Fondazione Creditori Chirografari which will assist with the management and orderly sale of the separate unit in line with the composition with creditors proposal as Astaldi's sole shareholder.

The demerger became effective for statutory, accounting and tax purposes on 1 August 2021.

Contribution by Webuild and Astaldi of their Italian infrastructure operations

In line with its business strategies underpinning Progetto Italia, the Group intends to focus on its industrial and production resources in Italy for various reasons, the main ones of which are: i) to create a more suitable organisational structure that can promptly provide tailored solutions to the infrastruture requirements of Italy's National Recovery and Resilience Plan and the National Plan for Additional Investments as per Decree law no. 77/2021 and Decree law no. 58/2021; ii) to redesign the Group's organisation and optimise its indirect contract costs and overheads by centralising shared and automated back office services provided by the administration, finance and control, HR and IT and technical departments.

This has entailed the set up of two separate entities (Webuild Italia S.p.A. and Partecipazioni Italia S.p.A. (the "newcos").

On 22 July 2021, the boards of directors of Webuild and Astaldi resolved to increase the newcos' share capital through a contribution in kind of their business units consisting of all the property, plant and equipment, intangible assets and liabilities related to the two groups' Italian operations in the infrastructure sector, the related operating facilities, equipment and machinery, personnel and resources.

The scope of the business units was based on the statements of financial position at 31 March 2021 prepared by Webuild and Astaldi, which engaged independent experts with the necessary and proven expertise as per article 2343-ter.2.b) of the Italian Civil Code to value the two business units and provide them with their appraisals.

The directors of the two newcos checked the experts' appraisals to check whether any new pertinent facts had been overlooked which would significantly change the value of the contributed business units. They also checked the experts' professional and independence qualifications.

The business units were transferred to Webuild Italia S.p.A. and Partecipazioni Italia S.p.A. on 1 August 2021 as they existed at that date. Therefore, title to the property, plant and equipment, intangible assets, moveable assets and real estate, as well as all the rights, shares and legal relationships of the business units were also transferred to Webuild Italia S.p.A. and Partecipazioni Italia S.p.A..

The contributions became effective in due time to allow Astaldi's demerger, after which Webuild directly holds all the share capital of both Webuild Italia S.p.A. and Partecipazioni Italia S.p.A..

The contributions were based on the same carrying amounts and on a tax neutrality basis as per article 176.1 of Presidential decree no. 917/1986 as subsequently amended and integrated (the Consolidated Income Tax Act).

Although the contributions qualify as material related party transactions, they benefit from the exemption allowed by article 11 of Webuild's Related Party Transactions Procedure as they are performed with a subsidiary without any significant interest of other related parties.

The contributions have provided the newcos with the expertise and resources necessary to continue Webuild's and Astaldi's ongoing contracts and, moreover, they can also rely on the contributors' expertise for an interim period.

The transaction strengthens the Group's global business model, with Webuild's corporate headquarters acting as the expertise hub holding the cross-company technical know-how and providing services to its satellite companies, which are independent in governance terms, but managed, coordinated and controlled by the Group. This to-be model has already been successfully implemented in the US with Lane.

37. Earnings (loss) per share

Earnings (loss) per share are disclosed at the foot of the statement of comprehensive income.

Basic earnings (loss) per share are calculated by dividing the profit (loss) for the year attributable to the owners of the parent by the weighted average of the shares outstanding during the year. Diluted earnings (loss) per share are calculated considering the weighted average of the outstanding shares adjusted by assuming the conversion of all the shares with potentially diluting effects.

The following table summarises the calculation. At the reporting date, the parent's share capital consists of 999,944,446 ordinary shares and 1,615,491 savings shares.

With respect to the weighed average number of shares used to calculate earnings (loss) per share:

- on 2 August 2021, the number of the parent's shares increased as a result of the partial proportionate demerger of Astaldi to Webuild which led to the issue of 107,771,755 new ordinary shares (including 5,916,843 for the potential creditors);
- as a result of and after the demerger, the number of treasury shares increased by 3,597,912 shares[104] assigned to the group companies included in the consolidation scope that had received new Astaldi shares to settle their claims (the "capital increase for conversion purposes").

More information is available in note 20 "Equity".

(€'000)	2020 (*)	2021
Profit (loss) from continuing operations	142,896	(278,998)
Non-controlling interests	(5,061)	(26,183)
Profit (loss) from continuing operations attributable to the owners of the parent	**137,835**	**(305,181)**
Profit (loss) from continuing and discontinued operations	133,335	(278,766)
Non-controlling interests	5,061	(26,183)
Profit (loss) from continuing and discontinued operations attributable to the owners of the parent	**138,396**	**(304,949)**
Profit earmarked for holders of savings shares	**588**	**588**
Average outstanding ordinary shares	890,842	931,491
Average outstanding savings shares	1,615	1,615
Average number of shares	**892,458**	**933,106**
Average number of diluted shares	**892,458**	**933,106**
Basic earnings (loss) per share (from continuing operations)	**0.16**	**(0.33)**
Basic earnings (loss) per share (from continuing and discontinued operations)	**0.15**	**(0.33)**
Diluted earnings (loss) per share (from continuing operations)	**0.16**	**(0.33)**
Diluted earnings (loss) per share (from continuing and discontinued operations)	**0.15**	**(0.33)**

(*) The Group's IFRS statement of profit or loss figures for 2020 have been restated after completion of Astaldi's PPA.

[104] Based on the ratio defined for the demerger.

38. Article 1.125 and 127 of Law no. 124 of 4 August 2017 - Disclosure of government grants

With respect to Law no. 124 of 4 August 2017 and related interpretations about the disclosure requirement in the notes to the separate and consolidated financial statements of companies that receive subsidies, grants, fees for paid engagements or other financial benefits of any kind from the public administration and similar bodies, it should be noted that the Group did not receive any government or similar grants in 2021.

39. Events after the reporting date

Reference should be made to the related section in the Directors' report for information about events after the reporting date.

40. 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[105].

[105] Significant non-recurring events and transactions are those that do not frequently occur in the normal course of business.

41. Balances or transactions arising from atypical and/or unusual transactions

During the year, Webuild Group did not carry out any atypical and/or unusual transactions, as defined in the above Consob communication no. DEM/6064293[106].

On behalf of the board of directors

Chairman

Donato Iacovone

(signed on the original)

[106] Atypical and/or unusual transactions are those that, due to their significance and relevance, the counterparty, the object of the transaction, exchange pricing and timing, may cast doubts as to the accuracy and completeness of disclosures, conflicts of interest, protection of the Group's assets and non-controlling interests.

Consolidated financial statements of Webuild Group - Intragroup transactions

Assets and liabilities at 31 December 2021

	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 loans and current lease liabilities	Other current liabilities	Total liabilities	Net balance	Assets/liabilities held for sale
A.Constructor J.V Kallidromo	445,109	-	86,360	-	531,469	-	-	-	-	-	531,469	-
ABEIMA FISIA - SALALAH UTE	-	-	-	-	-	-	-	142,336	-	142,336	(142,336)	-
ACE CHIASSO 2	267,045	-	-	-	267,045	-	-	-	-	-	267,045	-
Acqua Campania S.p.A.	-	-	-	21,811	21,811	-	-	-	-	-	21,811	-
Aegek - Impregilo - Alstom J.V.	-	-	-	-	-	-	-	-	1,207	1,207	(1,207)	-
Agua BA	13,353	-	18,547	-	31,900	-	-	21,193	-	21,193	10,707	-
AM S.c.r.l.	73,354	-	-	-	73,354	117,763	-	-	-	117,763	(44,409)	-
Arge Haupttunnel Eyholz	1,548,698	-	-	-	1,548,698	-	-	-	-	-	1,548,698	-
Arge Secondo Tubo	418,674	-	-	-	418,674	-	-	1,742,329	-	1,742,329	(1,323,655)	-
Asociera JV FCC Contruccion S.A.- Astaldi S.p.A. (Arad - Timisoara)	489,076	-	-	257,255	746,331	39,154	-	-	-	39,154	707,177	-
Asocierea Asaldi Spa-Astalrom SA (Mihai Bravu)	-	-	-	611,376	611,376	6,631	-	-	1,255,868	1,262,499	(651,123)	-
Asocierea Astaldi - FCC - Delta ACM- AB Construct (Metro 5 Bucarest struttura)	308,005	-	641,016	2,758,138	3,707,159	113,241	-	-	2,129,304	2,242,545	1,464,614	-
Asocierea Astaldi - FCC - Salcef - Thales, lot 2°a	47,532	-	-	2,514,507	2,562,039	13,853	-	-	228,311	242,164	2,319,875	-
Asocierea Astaldi – FCC – Salcef – Thales, lot 2b	14,155	-	-	6,138,957	6,153,112	44,887	-	-	260,515	305,402	5,847,710	-
Asocierea Astaldi S.p.A - IHI Infrastructure Systems Co., Ltd. (Braila)	-	-	-	313,283	313,283	1,364	-	-	3,588,365	3,589,729	(3,276,446)	-
Asocierea Astaldi S.P.A. - Max Boegl Romania S.R.L. (Cernavoda)	617	-	-	9,558	10,175	35,141	-	-	284,815	319,956	(309,781)	-
Asocierea Astaldi Spa – Max Boegl Romania Srl – Astalrom Sa – Consitrans S.R.L.	675,475	-	-	4,162,313	4,837,788	40,760	-	-	8,908	49,668	4,788,120	-
Asocierea Astaldi Spa - SC Euroconstruct Tranding 98 Srl - SC Astalrom SA	27,860	1,336	-	363,258	392,454	11,899	-	-	19,595	31,494	360,960	-
Asocierea Astaldi Spa - Sc Euroconstruct Tranding 98 Srl (Piazza Romana)	-	-	-	-	-	-	-	-	2,535	2,535	(2,535)	-
Asocierea Astaldi Spa -Euroconstruct Trading - RCV	77,277	-	-	2,445,393	2,522,670	13,227	-	-	12,926	26,153	2,496,517	-
Asocierea JV Astaldi S.p.A. - Max Bogl	-	-	-	26,591	26,591	24,349	-	-	546	24,895	1,696	-
Asocierea Uti Group S.A. - Astaldi Spa (Pista pattinaggio)	237	-	6,287	1,030,341	1,036,865	390	-	-	17,390	17,780	1,019,085	-
Associera Lot 3 FCC-Astaldi- Convensa	165	-	-	2,736,331	2,736,496	-	-	-	-	-	2,736,496	-
Associerea ASTALDI - FCC-UTI-ACTIV (Metro 5)	-	-	-	2,025,685	2,025,685	47,681	-	-	718,191	765,872	1,259,813	-

Assets and liabilities at 31 December 2021

	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 loans and current lease liabilities	Other current liabilities	Total liabilities	Net balance	Assets/liabilities held for sale
Astadim S.C.	-	-	-	2,327	2,327	-	-	-	-	-	2,327	-
Astaldi - Gulermak Ortak Girisimi JV	73,810	-	-	1,034,092	1,107,902	5,995	-	-	-	5,995	1,101,907	-
Astaldi - Max Bogl - Euroconstruct - Tecnologica - Priect Bucuresti JV	-	-	-	150,087	150,087	-	-	-	208,319	208,319	(58,232)	-
Astaldi - Tukerler Joint Venture	73,049	-	-	4,176	77,225	45,519	-	-	-	45,519	31,706	-
Astaldi - UTI - Romairport JV	-	-	-	418,969	418,969	-	-	-	203,943	203,943	215,026	-
Astaldi Spa - Max Boegl Romania Srl – Nadlac Arad Lot 2 Joint Venture	2,486	-	-	81,491	83,977	2,532	-	-	149,618	152,150	(68,173)	-
Astaldi-FCC Joint Venture (J.V. Basarab Overpass)	4,446,789	-	-	2,772,670	7,219,459	4,365,225	-	-	-	4,365,225	2,854,234	-
Aster Astaldi S.p.A.,Tm.e. S.p.a. Termomeccanica ecologia S.C.	-	-	-	281,549	281,549	-	-	-	1,957,947	1,957,947	(1,676,398)	-
Aster Dantiscum	-	-	-	566,373	566,373	-	-	-	-	-	566,373	-
ASTER RESOVIA s.c	-	-	152,455	1,502,215	1,654,670	7	-	-	550	557	1,654,113	-
Aurelia 98 S.c.r.l.	-	-	-	-	-	16,121	-	-	-	16,121	(16,121)	-
Autopistas del Sol S.A.	-	-	-	-	-	45	-	-	-	45	(45)	-
Autostrada Nogara Mare Adriatico Scpa	-	-	-	107,141	107,141	24,231	-	-	-	24,231	82,910	-
Avola S.c.r.l.	78,291	-	84,192	-	162,483	162,482	-	-	-	162,482	1	-
Avrasya Metro Grubu JV (AMG JV)	52,438	-	-	72,720	125,158	835	-	-	-	835	124,323	-
Avrasya Metro Grubu S.r.l.	-	-	-	106,821	106,821	36,656	-	-	-	36,656	70,165	-
Brennero Tunnel Construction S.c.ar.l.	1,884,647	-	4,117,824	-	6,002,471	(5,597,126)	-	-	164	(5,596,962)	11,599,433	-
BSS-KSAB JV	82,001	-	-	-	82,001	-	-	-	-	-	82,001	-
C.F.M. S.c.r.l.	67,786	-	-	-	67,786	54,645	-	-	-	54,645	13,141	-
Cagliari 89 S.c.r.l.	1,511,006	-	561,692	-	2,072,698	1,930,913	-	-	-	1,930,913	141,785	-
CENTOQUATTRO S.c.ar.l.	721,765	-	-	-	721,765	2,176,936	-	-	-	2,176,936	(1,455,171)	-
CENTOTRE S.c.ar.l.	153,865	-	-	-	153,865	2,075,005	-	-	-	2,075,005	(1,921,140)	-
Churchill Consortium	10,008	-	-	-	10,008	-	-	-	-	-	10,008	-
Churchill Hospital J.V.	71,405	-	-	-	71,405	-	-	-	5,124,234	5,124,234	(5,052,829)	-
CIVIL WORK	1	-	376,439	-	376,440	16,120	-	-	-	16,120	360,320	-
CMR Consorzio	433,894	-	-	-	433,894	-	-	-	-	-	433,894	-
CMS Consorzio	1,953,581	-	-	-	1,953,581	-	-	-	-	-	1,953,581	-
CO.SAT S.c.r.l.	1,835	-	-	66,654	68,489	503,142	-	-	-	503,142	(434,653)	-
Col De Roches	646,882	-	-	-	646,882	-	-	-	-	-	646,882	-

Assets and liabilities at 31 December 2021

	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 loans and current lease liabilities	Other current liabilities	Total liabilities	Net balance	Assets/liabilities held for sale
Colli Albani S.c.r.l.	333,345	-	10,000	-	343,345	343,345	-	-	-	343,345	-	-
Concorcio Obrainsa - Astaldi	30,441	-	4,307,198	3,808,295	8,145,934	84,580	-	-	795,891	880,471	7,265,463	-
Cons. A.F.T. Taksebt	112,076	-	300,000	-	412,076	-	-	-	-	-	412,076	-
Cons. Astaldi Federici Todini Kramis	3,644,668	2,584,250	-	-	6,228,918	1,453,534	-	-	-	1,453,534	4,775,384	-
Consorcio Aña Cuá	64	-	-	410,811	410,875	-	-	-	-	-	410,875	-
Consorcio Contuy Medio	-	-	439,944	122	440,066	48,059	-	-	53,545	101,604	338,462	-
Consorcio Europeo Hospital de Chinandega	613,198	-	-	1,083,578	1,696,776	-	-	-	1,379	1,379	1,695,397	-
Consorcio Federici/Impresit/Ice Cochabamba	-	-	-	-	-	-	-	100,903	-	100,903	(100,903)	-
Consorcio Grupo Contuy-Proyectos y Ob. De F.	240,620	-	-	44,225	284,845	-	-	-	-	-	284,845	-
Consorcio OIV-TOCOMA	-	-	751,426	-	751,426	-	-	-	6,625,327	6,625,327	(5,873,901)	-
Consorcio Rio Mantaro	565,848	-	1,329,276	181,660	2,076,784	285	-	-	-	285	2,076,499	-
Consorcio Rio Urubamba	-	-	-	-	-	5,186	-	-	199,778	204,964	(204,964)	-
Consorcio VIT Tocoma	-	-	3,430,412	-	3,430,412	-	-	-	-	-	3,430,412	-
Consorio.Kallidromo	38,232	-	-	-	38,232	-	-	38,232	-	38,232	-	-
Consortium CSC S.A.-Zuttion Construction S.A.	182,154	-	91,956	-	274,110	-	-	-	-	-	274,110	-
Consorzio 201 Quintai	1,461,744	-	-	-	1,461,744	-	-	-	-	-	1,461,744	-
Consorzio 202 Quintai	77,012	-	-	-	77,012	20,067	-	-	-	20,067	56,945	-
Consorzio ACE Chiasso	573,053	-	-	-	573,053	-	-	-	-	-	573,053	-
Consorzio Cà di Ferro	37,740	-	-	-	37,740	-	-	-	-	-	37,740	-
Consorzio CEMS	-	-	-	-	-	30,799	-	-	-	30,799	(30,799)	-
Consorzio Centro Uno	52,108	-	-	-	52,108	-	-	-	-	-	52,108	-
Consorzio Consarno	294,538	-	126,862	-	421,400	73,614	-	-	-	73,614	347,786	-
Consorzio Constructora El Arenal	137,878	-	-	-	137,878	-	-	-	-	-	137,878	-
Consorzio Costruttori TEEM	17	-	-	-	17	126	-	-	-	126	(109)	-
Consorzio CPR 3	-	-	-	-	-	(4,119)	-	-	-	(4,119)	4,119	-
Consorzio CPR 2	-	-	53,203	-	53,203	309,945	-	-	-	309,945	(256,742)	-
Consorzio del Sinni	-	-	-	-	-	29,999	-	-	-	29,999	(29,999)	-
Consorzio Di Penta Ugo Vitolo	-	-	-	-	-	699	-	-	-	699	(699)	-
Consorzio EPC	702,623	-	-	-	702,623	209,028	-	-	-	209,028	493,595	-
Consorzio FAT	1,087	-	-	-	1,087	-	-	-	-	-	1,087	-
Consorzio Ferrofir	190,963	-	-	-	190,963	38,296	-	-	-	38,296	152,667	-

Assets and liabilities at 31 December 2021

	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 loans and current lease liabilities	Other current liabilities	Total liabilities	Net balance	Assets/liabilities held for sale
Consorzio Fonomen	253,912	-	-	-	253,912	-	-	-	-	-	253,912	-
Consorzio GDANSK	-	-	-	689,395	689,395	-	-	-	-	-	689,395	-
Consorzio Gi.It.	124,683	-	-	-	124,683	89,365	-	-	-	89,365	35,318	-
Consorzio GIC	80,535	-	-	-	80,535	-	-	-	-	-	80,535	-
Consorzio Groupement Lesi-Dipenta	-	-	-	-	-	-	-	-	15	15	(15)	-
Consorzio H20 Morobbia	33,470	-	-	-	33,470	-	-	-	-	-	33,470	-
Consorzio Imprese Lavori FF.SS. di Saline - FEIC	5,055	-	-	-	5,055	-	-	-	-	-	5,055	-
Consorzio Iricav Uno	(7,786)	-	-	-	(7,786)	368,664	-	-	-	368,664	(376,450)	-
Consorzio Ital.Co.Cer.	37,612	-	-	-	37,612	72,464	-	-	-	72,464	(34,852)	-
Consorzio Lodz	8,614	1	142,086	-	150,701	8,630	-	-	-	8,630	142,071	-
Consorzio Lublino (Astaldi - PBDIM)	-	-	-	279,399	279,399	-	-	-	335,996	335,996	(56,597)	-
Consorzio Masnan	292,136	-	-	-	292,136	-	-	-	-	-	292,136	-
Consorzio MEGE	823,924	-	-	-	823,924	-	-	-	-	-	823,924	-
Consorzio MM4	3,949,082	-	-	-	3,949,082	6,005,533	-	-	-	6,005,533	(2,056,451)	-
Consorzio NOG.MA	-	-	-	-	-	83,477	-	-	-	83,477	(83,477)	-
Consorzio Novocento	52,477	-	22,419	-	74,896	74,896	-	-	-	74,896	-	-
Consorzio Pedelombarda 2	2,318	-	-	-	2,318	-	-	-	-	-	2,318	-
Consorzio Piottino	41,087	-	-	-	41,087	-	-	-	-	-	41,087	-
Consorzio Portale Vezia	16,810	-	-	-	16,810	-	-	-	-	-	16,810	-
Consorzio Probin	-	-	-	-	-	1,981,563	-	-	-	1,981,563	(1,981,563)	-
Consorzio Rasoira	884,654	-	-	-	884,654	-	-	-	-	-	884,654	-
Consorzio San Cristoforo	-	-	-	-	-	35,609	-	-	-	35,609	(35,609)	-
Consorzio Sarda Costruzioni Generali	-	-	7,549	-	7,549	42,524	-	-	-	42,524	(34,975)	-
Consorzio TRA.DE.CI.V.	1,160,636	-	-	-	1,160,636	510,654	-	-	-	510,654	649,982	-
Consorzio Tre Esse	-	-	-	-	-	192,504	-	-	-	192,504	(192,504)	-
Consorzio Trevi - S.G.F. INC per Napoli	298,461	-	-	-	298,461	5,880	-	-	-	5,880	292,581	-
Consorzio Venezia Nuova	2,698,781	-	-	-	2,698,781	6,366	-	-	-	6,366	2,692,415	-
Consorzio Vertiaz	2,142,695	-	-	-	2,142,695	4,456	-	1,258,349	-	1,262,805	879,890	-
Consorzio VIT Caroni Tocoma	-	-	-	-	-	-	-	1,011,416	-	1,011,416	(1,011,416)	-
Consorzio Zeb	558,092	-	-	-	558,092	-	-	-	-	-	558,092	-
CONTUY A	-	-	1,995	-	1,995	-	-	-	-	-	1,995	-

Assets and liabilities at 31 December 2021

	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 loans and current lease liabilities	Other current liabilities	Total liabilities	Net balance	Assets/liabilities held for sale
CS Consorzio	298,337	-	-	-	298,337	-	-	-	-	-	298,337	-
Daelim - Astaldi - WIKA Joint Venture	462,706	-	-	133,515	596,221	-	-	-	-	-	596,221	-
Depurazione Palermo S.c.r.l.	-	-	-	-	-	-	-	-	3,615	3,615	(3,615)	-
Diga di Blufi S.c.r.l.	6,828,155	-	-	-	6,828,155	5,478,500	-	-	-	5,478,500	1,349,655	-
Dolomiti Webuild Implenia	20,250,527	-	1,127,621	-	21,378,148	1,353,889	-	447,945	-	1,801,834	19,576,314	-
E.R. Impregilo/Dumez y Asociados para Yaciretê	17,685,283	-	1,771,412	-	19,456,695	45,033	-	-	12,765,759	12,810,792	6,645,903	-
Ecosarno S.c.r.l.	47,326	-	-	-	47,326	134,727	-	-	-	134,727	(87,401)	-
Emittenti Titoli S.p.A.	-	-	-	-	-	-	-	247,575	-	247,575	(247,575)	-
Enecor	796	-	-	12,891	13,687	-	-	-	-	-	13,687	-
Etlik Hastane PA S.r.l.	40,481	-	-	6,208,845	6,249,326	11,566,166	-	-	-	11,566,166	(5,316,840)	-
Eurolink S.c.p.a.	10,123,613	-	-	-	10,123,613	15,496,352	-	-	-	15,496,352	(5,372,739)	-
Executive J.V. Impregilo S.p.A. Terna S.A.	-	-	9,991	-	9,991	-	-	-	-	-	9,991	-
FCC - Astaldi Constanta Bypass JV	-	-	-	2,704,862	2,704,862	88,574	-	-	256	88,830	2,616,032	-
FISIA ABEIMA LCC	-	-	4,503,179	-	4,503,179	-	-	-	-	-	4,503,179	-
Fisia GS Inima (Al Ghubra) LLC	-	-	55,228	-	55,228	-	-	-	-	-	55,228	-
Fisia Italimpianti succ.Arge.-Acciona Agua succ.Arge - UTE	34,125	-	-	-	34,125	-	-	-	-	-	34,125	-
Fosso Canna S.c.r.l.	-	-	77,755	-	77,755	77,755	-	-	-	77,755	-	-
Gaziantep Hastane Saglik	-	-	-	-	-	1,102,422	-	-	-	1,102,422	(1,102,422)	23,592,223
Gaziantep Hastanesi Isletme Ve Bakim Hizmetleri	(299,993)	-	299,993	-	-	-	-	-	-	-	-	-
Gebze-Izmir Otoyolu Insaati (Nomayg) Adi Ortakligi	513	-	-	159	672	3,346	-	-	6,131	9,477	(8,805)	-
Generalny Wikonawca Salini Polska	3,531	-	-	-	3,531	71,384	-	-	-	71,384	(67,853)	-
Group. d'entreprises Salini Strabag (Guinea)	-	-	210,934	-	210,934	498,095	-	-	-	498,095	(287,161)	-
Grupo Empresas Italianas - GEI	-	-	262,908	580,005	842,913	-	-	-	16,565	16,565	826,348	-
Gruppo Astaldi	-	-	-	-	-	75	-	-	-	75	(75)	-
GS Inima Fisa (Barka) LLC	-	-	14,036	-	14,036	-	-	-	-	-	14,036	-
GUP CANAL	38,778,498	-	(1)	-	38,778,497	-	-	-	-	-	38,778,497	-
IGL Arabia	-	-	(1)	-	(1)	547,371	-	-	-	547,371	(547,372)	-
Infraflegrea S.c.r.l.	608,129	-	-	-	608,129	562,538	-	-	-	562,538	45,591	-
Irina Srl in liquidazione	-	-	-	-	-	-	-	4,161	-	4,161	(4,161)	-
Joint Venture (AIASA JV)	10,592	-	-	-	10,592	843	-	-	-	843	9,749	-
Joint Venture Aktor S.A. - Impregilo S.p.A.	-	-	332	-	332	-	-	-	-	-	332	-

Assets and liabilities at 31 December 2021

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Joint Venture Impregilo S.p.A. - Empedos S.A. - Aktor	-	-	45,281	870,199	915,480	-	-	-	-	-	915,480	-
Kramis filale Algeria	400	-	278,000	4,456,702	4,735,102	275,200	-	-	-	275,200	4,459,902	-
La Maddalena	4,156,246	-	67,837	-	4,224,083	-	-	-	-	-	4,224,083	-
Lambro Scrl	6,611	-	134	-	6,745	719	-	-	-	719	6,026	-
Line 3 Metro Stations	90,986	-	331,700	-	422,686	-	-	-	268,407	268,407	154,279	-
M.N. 6 S.c.r.l.	404,189	-	-	-	404,189	715,052	-	-	-	715,052	(310,863)	-
M.O.MES S.c.r.l.	-	-	-	-	-	446,113	-	-	-	446,113	(446,113)	-
Messina Catania tratto nord	-	-	-	-	-	2,832	-	-	-	2,832	(2,832)	-
Metro 5 S.p.A.	-	1,122,620	-	-	1,122,620	3,316	-	-	-	3,316	1,119,304	-
METRO C S.c.p.A.	47,044,598	-	-	-	47,044,598	6,554,017	-	-	-	6,554,017	40,490,581	-
Metrogenova S.c.r.l.	80,749	-	-	-	80,749	128,923	-	-	-	128,923	(48,174)	-
Metropolitana di Napoli S.p.A.	8,934,453	-	-	-	8,934,453	477,558	-	-	-	477,558	8,456,895	-
Mobilink Hurontario General Partnership	26,538,485	-	-	43,953	26,582,438	-	-	-	-	-	26,582,438	-
Mobilinx Hurontario Contractor	914,360	-	-	-	914,360	-	-	-	-	-	914,360	-
Mobilinx Hurontario DBJV	-	-	195,885	-	195,885	535	-	-	-	535	195,350	-
Mose Bocca di Chioggia S.c.ar.l.	6,339	-	-	-	6,339	105,341	-	-	-	105,341	(99,002)	-
Mose-Treporti S.c.r.l.	1,104	-	-	-	1,104	287,911	-	-	-	287,911	(286,807)	-
N.P.F. - Nuovo Polo Fieristico S.c.r.l.	229,828	-	-	-	229,828	254	-	-	-	254	229,574	-
Nadlac-Arad JV (Lotto 1)	492,558	-	684,576	918,123	2,095,257	241,379	-	-	144,858	386,237	1,709,020	-
NBI - A4 Tunnel Joint Venture	-	-	-	-	-	1	5	-	-	6	(6)	-
NBI - ELEKTROMAK Joint Venture	25	-	-	1	26	1	3	-	-	4	22	-
NGE Genie Civil S.a.s. - Salini Impregilo S.p.A.	-	-	-	-	-	54,722	-	-	-	54,722	(54,722)	-
NOVA VIA FESTINAT INDUSTRIAS	-	-	-	-	-	4	-	-	-	4	(4)	-
OCHRE HOLD	-	16,281,400	-	(94,000)	16,187,400	-	-	-	-	-	16,187,400	-
Ochre Solutions Ltd	501,250	-	-	-	501,250	-	-	-	-	-	501,250	-
Olbia 90 S.c.r.l.	84,750	-	-	-	84,750	896	-	-	-	896	83,854	-
Passante di Mestre S.c.p.A.	600,210	-	-	-	600,210	296,285	-	-	-	296,285	303,925	-
Pedelombarda S.c.p.a.	3,932,573	-	2,463	-	3,935,036	2,382,094	-	-	-	2,382,094	1,552,942	-
Pegaso S.c.r.l.	4,114	-	-	-	4,114	67,948	-	-	-	67,948	(63,834)	-
PERGENOVA	4,078,288	-	-	-	4,078,288	1,731,181	-	-	-	1,731,181	2,347,107	-
Piana di Licata S.c.r.l.	-	-	139,073	-	139,073	139,073	-	-	-	139,073	-	-

Assets and liabilities at 31 December 2021

	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 loans and current lease liabilities	Other current liabilities	Total liabilities	Net balance	Assets/liabilities held for sale
Puentes	14,076	-	-	-	14,076	-	-	-	-	-	14,076	-
Reliance - ASTALDI JV ("VBSL")	175	-	-	-	175	-	-	-	-	-	175	-
Rinfra-Astaldi JV	-	-	448,063	769,430	1,217,493	-	-	-	-	-	1,217,493	-
S.E.I.S. S.p.A.	-	-	5,848,241	-	5,848,241	-	-	-	-	-	5,848,241	-
S.I.MA. GEST 3 S.c.r.l.	-	-	-	-	-	162,355	-	-	-	162,355	(162,355)	-
S.Ruffillo S.c.a.r.l.	-	-	-	-	-	18,234,743	-	-	-	18,234,743	(18,234,743)	-
SA.T S.p.A.	21,771,047	-	-	809	21,771,856	2,936,936	-	-	-	2,936,936	18,834,920	-
Sailini Impregilo - NGE Genie Civil S.a.s	6,300,980	-	2,710,125	-	9,011,105	-	-	-	-	-	9,011,105	-
San Benedetto S.c.r.l.	-	-	-	-	-	45,520	-	-	26	45,546	(45,546)	-
Sclafani S.c.r.l.	408,189	-	-	-	408,189	-	-	-	-	-	408,189	-
Sedi scarl	67,677	57,608	-	-	125,285	124,279	-	-	-	124,279	1,006	-
Segrate	-	-	2,365,230	-	2,365,230	3,021,304	-	-	-	3,021,304	(656,074)	-
Sellero S.c.r.l. (in liq.)	-	-	14,268	-	14,268	23,540	-	-	-	23,540	(9,272)	-
SFI leasing	-	-	2,913,650	-	2,913,650	-	-	-	3,477,701	3,477,701	(564,051)	-
SHIMMICK	50,970,842	-	-	-	50,970,842	70,380	-	-	25,268,458	25,338,838	25,632,004	-
Sibar Arge	302,494	-	348,466	-	650,960	-	-	-	-	-	650,960	-
Sistranyac S.A.	415	-	-	-	415	-	-	-	-	-	415	-
Southland Astaldi Joint Venture	58,958	950,521	-	-	1,009,479	-	-	-	-	-	1,009,479	-
Spark Nel DC JV	4,443,655	-	-	-	4,443,655	-	-	-	-	-	4,443,655	-
SPV Linea M4 Spa	1,049,484	87,745,299	-	-	88,794,783	162,070	-	-	-	162,070	88,632,713	-
Tangenziale Seconda S.c.r.l.	92,232	-	-	-	92,232	25,124	-	-	-	25,124	67,108	-
Tartano S.r.l. Società Agricola	-	-	35,000	-	35,000	-	-	-	-	-	35,000	-
Techint S.A.C.I.- Hochtief A.G.- Impregilo S.p.A.	-	-	-	2,679,739	2,679,739	-	-	2,393,504	275,625	2,669,129	10,610	-
Tokwe Mukorsi Dam	7,522	-	-	-	7,522	19,761	-	-	-	19,761	(12,239)	-
Trieste Due S.c.a.r.l. (in liq.)	-	-	146,667	-	146,667	1,212	-	-	-	1,212	145,455	-
Ute Abeima Fisia Shuaibah	95,249	-	-	-	95,249	-	-	-	-	-	95,249	-
Valdostana Condotte - Cossi	-	-	16,422	-	16,422	2,899	-	-	-	2,899	13,523	-
Veneta Sanitaria Finanza di Progetto S.p.A. - V.S.F.P. S.p.A.	22,667	-	-	25,378	48,045	5,265	-	-	-	5,265	42,780	-
Webuild - Kolin	3,090,026	-	5,080	-	3,095,106	-	-	-	-	-	3,095,106	-
Yacilec	2,221	-	-	-	2,221	-	-	-	-	-	2,221	-
Yuma	36,281,331	98,873,581	-	-	135,154,912	3,124,887	-	-	-	3,124,887	132,030,025	-

Assets and liabilities at 31 December 2021

	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 loans and current lease liabilities	Other current liabilities	Total liabilities	Net balance	Assets/liabilities held for sale
ZUTTION-CSC-ORRLATI	14,260	-	-	-	14,260	-	-	-	-	-	14,260	-
Total group companies	**357,387,063**	**207,616,616**	**41,988,686**	**58,390,178**	**665,382,543**	**97,354,351**	**8**	**7,407,943**	**66,412,583**	**171,174,885**	**494,207,658**	**23,592,223**
Casada S.r.l.	143,904	-	-	-	143,904	-	-	-	-	-	143,904	-
CDP SpA	-	-	-	1,302,835	1,302,835	868,191	-	-	-	868,191	434,644	-
CEDIV SPA	2,286,435	-	3,241,000	-	5,527,435	-	-	-	-	-	5,527,435	-
C. Tiburtino	135,214	-	-	-	135,214	-	-	-	-	-	135,214	-
Dirlan S.r.l.	128,668	-	-	-	128,668	-	-	-	-	-	128,668	-
Eni S.p.A.	-	-	-	-	-	141,351	-	-	-	141,351	(141,351)	-
Fincantieri Infrastructure S.p.A.	312,069	-	-	-	312,069	18,603,198	-	-	-	18,603,198	(18,291,129)	-
Fintecna SpA	97,148	-	-	-	97,148	173,015	-	-	-	173,015	(75,867)	-
G.A.B.I.RE. Srl	3,209,035	-	18,001,297		21,210,332	-	-	-	-	-	21,210,332	-
Galla Placidia S.c.a.r.l.	151,122	-	-	-	151,122	-	-	-	-	-	151,122	-
Gruppo PSC S.p.A.	21,180,950	-	-	-	21,180,950	16,377,618	-	-	-	16,377,618	4,803,332	-
Imm. Agricola San Vittorino S.r.l.	201,050	-	-	-	201,050	-	-	-	-	-	201,050	-
Infernetto S.r.l.	44,755	-	-	-	44,755	-	-	-	-	-	44,755	-
Madonna dei Monti Srl	83,903	-	-	-	83,903	-	-	-	-	-	83,903	-
Nores S.r.l.	92,198	-	-	-	92,198	-	-	-	-	-	92,198	-
Parente & Partners S.r.l.	-	-	-	-	-	78,000	-	-	-	78,000	(78,000)	-
Plus S.r.l.	175,032	-	-	-	175,032	-	-	-	-	-	175,032	-
Poste Italiane S.p.A.	-	-	-	-	-	6,089	-	-	-	6,089	(6,089)	-
SACE BT	-	-	-	97,416	97,416	-	-	-	-	-	97,416	-
SACE FCT	-	-	-	-	-	761,928	-	225,000	-	986,928	(986,928)	-
Salini Costruttori	170	-	3,486,530	11,955,426	15,442,126	-	-	-	-	-	15,442,126	-
SALINI SIMONPIETRO & C. S.A.P.A.	93,198	-	-	-	93,198	-	-	-	-	-	93,198	-
Simest S.p.A.	-	-	-	-	-	-	6,515,157	-	-	6,515,157	(6,515,157)	-
SNAM RETE GAS S.p.A.	-	-	-	-	-	9,409,472	-	-	-	9,409,472	(9,409,472)	-
Studio Sarubbi Poggi Longostrevi	-	-	-	-	-	146,090	-	-	-	146,090	(146,090)	-
Terna Rete Italia S.p.A.	-	-	-	-	-	170,800	-	-	-	170,800	(170,800)	-
Terna S.p.A.	-	-	-	-	-	2,613,500	-	-	-	2,613,500	(2,613,500)	-
Zeis S.r.l.	143,477	-	2,412,041	-	2,555,518	7,184	-	-	-	7,184	2,548,334	-
Total other related parties	**28,478,328**	**-**	**27,140,868**	**13,355,677**	**68,974,873**	**49,356,436**	**6,515,157**	**225,000**	**-**	**56,096,593**	**12,878,280**	**23,592,223**

Assets and liabilities at 31 December 2021

	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 loans and current lease liabilities	Other current liabilities	Total liabilities	Net balance	Assets/liabilities held for sale
Total	385,865,391	207,616,616	69,129,554	71,745,855	734,357,416	146,710,787	6,515,165	7,632,943	66,412,583	227,271,478	507,085,938	23,592,223

Revenue and costs for 2021

	Revenue	Other income	Purchases	Subcontracts	Services	Personnel expenses	Other operating expenses	Amortisation, depreciation, provisions and impairment losses	Financial income	Financial expense
ABEIMA FISIA - SALALAH UTE	57,367	42,329	-	-	-	-	-	-	-	-
ACE CHIASSO 2	925,387	253	-	-	909,203	-	-	-	-	-
Agua BA	18,304	-	-	-	2,475	-	-	-	-	-
AM S.c.r.l.	-	68,414	-	-	109,320	-	-	-	-	-
Arge Haupttunnel Eyholz	1,422,076	-	-	-	-	-	-	-	-	-
Arge Secondo Tubo	3,789,769	159	-	-	3,266,404	-	-	-	-	-
ARGE T.PF.	90,085	-	-	-	-	-	-	-	-	(9,756)
Asocierea Astaldi - FCC - Delta ACM- AB Construct (Metro 5 Bucarest struttura)	32,743	3,063,569	-	-	906,814	-	1,163,517	-	-	-
Asocierea Astaldi - FCC - Salcef - Thales, lot 2°a	6,875	824,187	-	-	170	200	-	-	-	-
Asocierea Astaldi - FCC - Salcef - Thales, Lot 2b	9,693	1,190,549	-	-	3,287	2,194	-	-	-	-
Asocierea Astaldi S.p.A - IHI Infrastructure Systems Co., Ltd. (Braila)	-	1,437,041	-	-	1,935	-	-	-	-	-
Asocierea Astaldi Spa – Max Boegl Romania Srl – Astalrom Sa – Consitrans S.R.L.	4,133	69,179	-	-	103,401	280	110,066	-	-	-
Asocierea Astaldi Spa - SC Euroconstruct Tranding 98 Srl - SC Astalrom SA	-	3,571	-	-	-	-	-	-	-	-
Asocierea Uti Grup S.A. - Astaldi Spa (Pista pattinaggio)	-	-	-	-	-	-	2,059	-	-	-
Associera Lot 3 FCC-Astaldi- Convensa	-	978,207	-	-	-	-	-	-	-	-
Associerea ASTALDI - FCC-UTI-ACTIV (Metro 5)	-	258,029	-	-	3,418	1,531	1,209	-	(81)	-
Astadim S.C.	-	36	152	-	72	-	-	-	-	17
Astaldi - Gulermak Ortak Girisimi JV	-	8,076	-	-	-	-	-	-	-	-
Astaldi - Max Bogl - Euroconstruct - Tecnologica - Priect Bucuresti JV	-	802	-	-	-	-	-	-	-	-
Astaldi - UTI - Romairport JV	-	-	-	-	10,905	-	16,577	-	-	-
Astaldi Filiale IRAN	-	850	-	-	-	-	-	-	-	-
Astaldi Spa - Max Boegl Romania Srl – Nadlac Arad Lot 2 Joint Venture	-	(63)	557	-	-	-	149	-	-	-
Astaldi-FCC Joint Venture (J.V. Basarab Overpass)	-	(355)	-	-	32,913	-	195	-	-	-
Astaldi-Turkerler Joint Venture	-	9,800	-	-	-	-	-	-	-	-
Aster Astaldi S.p.A.,Tm.e. S.p.a. Termomeccanica ecologia S.C.	-	2,178	-	-	-	-	-	-	5	-
Aster Dantiscum	-	499,903	-	-	-	-	-	-	-	-
ASTER RESOVIA s.c	-	2,814	-	-	-	-	-	-	519	-

Revenue and costs for 2021

	Revenue	Other income	Purchases	Subcontracts	Services	Personnel expenses	Other operating expenses	Amortisation, depreciation, provisions and impairment losses	Financial income	Financial expense
Autopistas del Sol S.A.	-	-	-	-	-	-	26,445	-	-	-
Avola S.c.r.l.	-	-	-	-	-	-	-	477,823	-	-
Avrasya Metro Grubu JV (AMG JV)	-	5,800	-	-	-	-	-	(106,821)	-	-
Brennero Tunnel Construction S.c.ar.l.	66,063	207,816	1,186	-	83,975,882	-	-	-	200,801	-
BSS J.V. - Air Academy project	-	25,073	-	-	-	-	-	-	-	-
BSS-KSAB JV	37,500	4,199,698	-	-	-	-	-	-	-	-
C.F.M. S.c.r.l.	-	5,487	-	-	-	-	-	-	-	-
CENTOQUATTRO S.c.ar.l.	-	-	-	-	843,325	-	-	-	-	-
CENTOTRE S.c.ar.l.	-	-	-	-	1,027,092	-	-	-	-	-
Churchill Consortium	13,960	-	-	-	-	-	-	-	-	-
Churchill Hospital J.V.	27,920	-	-	-	1,177,181	-	-	-	-	-
CIVIL WORK	-	464,804	-	-	8,432	-	-	-	-	-
CMC Consorzio Monte Ceneri lotto 851	-	-	-	-	519,306	-	-	-	-	-
CMR Consorzio	217,719	-	-	-	473,002	-	-	-	-	-
CMS Consorzio	5,570,386	2,444	-	-	3,760,475	-	-	-	-	-
CO.SAT S.c.r.l.	-	-	-	-	6,268	-	-	-	-	-
Colli Albani S.c.r.l.	-	-	-	-	-	-	-	456,947	-	-
Col De Roches	5,910,296	5,363	-	-	5,403,843	-	-	-	-	-
Cons. A.F.T. Taksebt	-	-	-	-	177	-	-	-	-	-
Cons. Astaldi Federici Todini Kramis	-	-	-	-	197	-	-	-	-	-
Consorcio Aña Cuá	-	410,585	-	-	-	-	-	-	-	-
Consorcio Constructora El Arenal	-	7,647	-	-	-	-	-	-	-	-
Consorcio Contuy Medio	-	-	-	-	90,472	-	-	-	-	-
Consorcio Europeo Hospital de Chinandega Cehchi	-	66,595	-	-	-	-	-	-	-	-
Consorcio Grupo Contuy-Proyectos y Ob. De F.	111,843	-	-	-	242,833	-	-	-	-	-
Consorcio OIV-TOCOMA	391,656	-	-	-	1,016,662	-	-	-	-	-
Consorcio VIT Tocoma	20,962	-	-	-	-	-	-	-	-	-
Consorzio 201 Quintai	378,066	-	-	-	-	-	-	-	-	-
Consorzio 202 Quintai	374,684	-	-	-	272,860	-	-	-	-	-
Consorzio ACE Chiasso	1,907,271	454	-	-	1,660,117	-	-	-	-	-
Consorzio Cà di Ferro	431,732	-	-	-	459,973	-	-	-	-	-
Consorzio Cona	-	8,332	-	-	-	-	-	-	-	-
Consorzio Consarno	-	-	-	-	17,765	-	-	-	-	-
Consorzio Costruttori TEEM	-	-	-	-	55	-	-	-	-	-

Revenue and costs for 2021

	Revenue	Other income	Purchases	Subcontracts	Services	Personnel expenses	Other operating expenses	Amortisation, depreciation, provisions and impairment losses	Financial income	Financial expense
Consorzio EPC	55,722,162	11,869	-	-	1,654,374	-	-	-	-	-
Consorzio Ferrofir	-	159,665	-	-	51,367	-	-	-	-	-
Consorzio Fonomen	41,085	-	-	-	-	-	-	-	-	-
Consorzio Gdansk	-	153,619	-	-	-	-	-	-	726	-
Consorzio GIC	694,023	-	-	-	576,691	-	-	-	-	-
Consorzio H20 Morobbia	3,290	-	-	-	-	-	-	-	-	-
Consorzio Iniziative Ferroviarie - INFER	-	-	-	-	14,713	-	-	-	-	-
Consorzio Iricav Uno	-	-	-	-	177,311	-	6,889	-	-	-
Consorzio Italvenezia	-	58,102	-	-	-	-	-	-	-	-
Consorzio Lodz	-	273,936	-	-	270,871	-	657	-	-	-
Consorzio Lotto 742-01	-	-	-	-	29	-	-	-	-	-
Consorzio Lotto 822 - Vezia	-	-	-	-	4	-	-	-	-	-
Consorzio Lublino (Astaldi - PBDIM)	-	2,455	-	-	-	-	-	-	-	-
Consorzio Masnan	2,122,368	-	-	-	1,806,632	-	-	-	-	-
Consorzio MEGE	7,274,830	15,349	-	-	4,433,565	-	-	-	-	-
Consorzio MM4	516,635	400,431	-	-	1,880,626	-	-	-	-	-
Consorzio Novocento	-	324	-	-	-	-	46	209,303	-	-
Consorzio Rasoira	1,728,443	108	-	-	972,242	-	-	-	-	-
Consorzio TRA.DE.CI.V.	-	-	-	-	10,278	-	-	-	-	-
Consorzio Tre Esse	-	-	-	-	20,667	-	-	-	-	-
Consorzio Vedeggio	-	-	-	-	2,448	-	-	-	-	-
Consorzio Vertiaz	18,774,818	3,960	-	-	14,859,439	-	-	-	-	4,258
Consorzio VIT Caroni Tocoma	-	-	-	-	1,014,850	-	-	-	-	-
Consorzio Zeb	2,043,041	-	-	-	2,085,654	-	-	-	-	-
CS Consorzio	1,960,297	686	-	-	1,446,042	-	-	-	-	-
Daelim - Astaldi - WIKA Joint Venture	-	88,068	-	-	-	-	-	-	-	-
Diga di Blufi S.c.r.l.	-	1,143	-	-	1,531	-	-	-	-	-
Dolomiti Webuild Implenia	-	169,291	-	-	1,353,889	-	-	-	5,621	447,945
E.R. Impregilo/Dumez y Asociados para Yaciretê	1,185,251	-	-	-	3,756,868	-	-	-	713,207	227,538
Ecosarno S.c.r.l.	-	-	-	-	22,803	-	-	-	-	-
Enecor	7,308	-	-	-	-	-	-	-	-	-
Etlik Hastane PA S.r.l.	-	-	-	-	51,096	2,906	-	-	-	-
Eurolink S.c.p.a.	30,000	150,988	-	-	108,663	-	-	-	-	-
Fisia Abeima Salalah J.V.	335,113	-	-	-	-	-	-	-	-	-

Revenue and costs for 2021

	Revenue	Other income	Purchases	Subcontracts	Services	Personnel expenses	Other operating expenses	Amortisation, depreciation, provisions and impairment losses	Financial income	Financial expense
Fisia Italimpianti succ.Arge.-Acciona Agua succ.Arge - UTE	429,270	15,610	-	-	-	-	-	-	9,978	-
Fosso Canna S.c.r.l.	-	-	-	-	-	-	-	254,116	-	104,723
Gaziantep Hastanesi Isletme Ve Bakim Hizmetleri	-	-	-	-	-	-	-	299,993	-	-
Gaziantep Hastane Saglik	-	-	-	-	417,287	-	-	-	1,970,509	-
Gebze-Izmir Otoyolu Insaati (Nomayg) Adi Ortakligi	-	-	37	-	3,755	-	-	-	-	-
Generalny Wikonawca Salini Polska	-	65,633	-	-	-	-	-	-	-	-
GHAZI JV	-	8,664	-	-	-	-	-	-	-	-
GIBE IV	-	310	-	-	-	-	-	-	-	-
Grand Capital Ring	-	-	-	-	-	-	-	(75,162)	-	-
Grupo Empresas Italianas - GEI	71,344	-	-	-	374,752	-	-	-	-	-
GUP CANAL	1,363,363	14,000	-	-	-	-	-	-	-	-
I 405 Partners Joint Venture	-	550,799	-	-	-	-	-	-	-	-
IGL Arabia	611	2,351	-	-	-	-	-	1,352	-	487,931
Impresit Bakolori Plc	-	-	-	-	-	-	-	-	-	1,323,053
Infraflegrea S.c.r.l.	-	-	-	-	401	-	-	-	-	-
Joint Venture (AIASA JV)	-	102,500	-	-	-	-	-	-	-	-
KAYI - Salini - Samsung - JV	-	7,726	-	-	-	-	-	-	-	-
Kramis filale Algeria	-	220	-	-	-	-	1	-	-	-
La Maddalena	6,199,957	3,251,951	-	-	5,456,880	-	-	-	-	-
Lambro Scrl	-	-	-	-	46	-	-	-	-	-
Line 3 Metro Stations	-	-	-	-	5,119	-	-	-	-	-
M.N. 6 S.c.r.l.	-	-	-	-	276,020	-	18,059	-	-	-
M.O.MES S.c.r.l.	-	26,992	-	-	1,117,833	-	-	-	-	-
M2 LIMA	2,573,337	7,655	-	-	-	-	-	-	-	-
Messina Catania tratto nord	-	-	-	-	2,832	-	-	-	-	-
Metro 5 S.p.A.	-	46,788	-	-	-	-	-	-	65,797	-
METRO C S.c.p.A.	102,471	147,596	-	-	19,022,699	-	58,732	-	-	-
Metrogenova S.c.r.l.	-	9,646	-	-	-	-	-	-	-	-
Metropolitana di Napoli S.p.A.	-	121,253	-	-	16,064	-	284,017	-	-	-
Mobilink Hurontario General Partnership	595,170	422,205	-	-	-	-	-	-	-	-
Mobilinx Hurontario Contractor	1,728,352	2,824,515	-	-	-	-	-	-	-	-
Mobilinx Hurontario DBJV	-	581,945	-	-	301,029	-	39,260	-	-	-
N.P.F. - Nuovo Polo Fieristico S.c.r.l.	-	-	-	-	(14,417)	-	-	-	-	-
Nadlac-Arad JV (Lotto 1)	-	(12,624)	-	-	-	-	1,671	-	-	-

Revenue and costs for 2021

	Revenue	Other income	Purchases	Subcontracts	Services	Personnel expenses	Other operating expenses	Amortisation, depreciation, provisions and impairment losses	Financial income	Financial expense
NGE Genie Civil S.a.s. - Salini Impregilo S.p.A.	-	625,879	45,601	-	-	-	-	-	-	-
NOVA VIA FESTINAT INDUSTRIAS	-	(94)	-	-	-	-	-	-	-	-
OCHRE HOLD	-	-	-	-	-	-	-	-	930,933	-
Ochre Solutions Ltd	51,723	-	-	-	-	-	-	-	-	-
Otoyol Isletme Ve Bakim Anonim Sirketi	-	94	-	-	-	-	-	-	-	-
Passante di Mestre S.c.p.A.	-	3,118	-	-	55,630	-	-	-	-	-
Pedelombarda S.c.p.a.	40,127	26	-	-	(27,967)	-	-	-	-	-
Pegaso S.c.r.l.	-	438	-	-	215,643	-	40,204	-	-	-
PERGENOVA	1,182,293	471,876	-	-	2,069,860	-	-	-	-	-
Piana di Licata S.c.r.l.	-	-	-	-	-	-	-	258,680	-	16,186
Puentes	10,078	-	-	-	1,719	-	-	-	-	1,195,395
Reliance - ASTALDI JV (“VBSL”)	-	1,551,513	-	-	-	-	-	-	-	-
Renovation Palais Des Nations S.A.	356,428	-	-	-	-	-	-	-	-	-
Rinfra-Astaldi JV	-	710,716	-	-	-	-	-	-	-	-
S.E.I.S. S.p.A.	-	-	-	-	-	-	-	-	153,780	-
S. Leonardo S.c.r.l.	-	-	-	-	-	-	-	1,905,494	-	-
S.Ruffillo S.c.a.r.l.	-	-	-	-	16,055	-	-	-	-	-
SA.T S.p.A.	(485,985)	50,952	-	-	1,083,647	-	-	-	-	-
Sailini Impregilo - NGE Genie Civil S.a.s	5,446,490	6,253,147	-	-	-	-	-	-	-	-
Salini Kolin Cgf Joint Venture	-	-	-	-	-	-	379	-	-	-
Sclafani S.c.r.l.	-	2	-	-	-	-	-	-	-	-
Sedi scarl	-	965	-	-	11,596	-	-	17,420	-	-
Segrate	-	-	-	-	2,990,408	-	-	-	14,508	1,318
Sellero S.c.r.l. (in liq.)	-	-	-	-	23,540	-	-	-	-	-
SFI leasing	44,485	-	-	-	1,711,435	-	-	-	-	-
SHIMMICK	(12,518,780)	-	-	-	8,584,295	-	-	-	-	-
Sibar Arge	303,326	-	-	-	215,843	-	-	-	-	-
Sistranyac S.A.	3,813	-	-	-	-	-	975	-	-	-
SOC 24, Russia	-	-	-	-	-	-	-	(44,541)	-	-
South Al Mutlaa Joint Venture	729,478	-	-	-	(4,520)	-	-	-	-	-
Southland Astaldi Joint Venture	-	301,026	-	-	-	-	-	-	-	-
Spark Nel DC JV	-	4,358,180	-	-	-	-	-	-	-	-
SPV Linea M4 Spa	-	438,210	-	-	61,845	-	856	-	4,278,252	1,455,835
Tangenziale Seconda S.c.r.l.	-	531	-	-	767	-	-	-	-	-

Revenue and costs for 2021

	Revenue	Other income	Purchases	Subcontracts	Services	Personnel expenses	Other operating expenses	Amortisation, depreciation, provisions and impairment losses	Financial income	Financial expense
TB Metro in liquidazione	-	-	-	-	-	-	-	14,648	-	-
Techint S.A.C.I.- Hochtief A.G.- Impregilo S.p.A.	-	-	-	-	1,234,737	-	-	-	-	-
Telt Arieux	-	2,687,374	-	-	-	-	-	-	-	-
Trieste Due S.c.a.r.l. (in liq.)	-	-	-	-	1,212	-	-	-	-	-
UJV Astaldi S.p.A. (Succursale Cile), VCGP (Agencia en Chile) e VCGP-Astaldi Ing	-	574,823	16,956	-	-	-	-	-	-	-
Ute Abeima Fisia Shuaibah	46,234	7,292	-	-	-	-	-	-	-	-
Veneta Sanitaria Finanza di Progetto S.p.A. - V.S.F.P. S.p.A.	-	40,176	-	-	-	-	5,833	-	-	-
Webuild - Kolin	7,147,195	359	-	-	-	-	-	-	-	-
Yacilec	18,943	-	-	-	-	-	7,134	-	-	-
Yuma	193,140	2,418,630	-	-	688,629	-	1,715	-	4,131,270	-
ZUTTION-CSC-ORRLATI	6,475	-	-	-	23,125	-	-	-	-	-
Total group companies	**129,894,492**	**44,050,588**	**64,489**	**-**	**188,816,686**	**7,111**	**1,786,645**	**3,669,252**	**12,475,825**	**5,254,443**
Casada S.r.l.	12,499	2,898	-	-	-	-	-	-	-	-
CDP SpA	-	-	-	-	1,698,493	-	3,787,096	-	-	-
CEDIV SPA	29,552	3,410	-	-	-	-	-	-	113,435	-
C. Tiburtino	11,254	3,431	-	-	-	-	-	-	-	-
Dirlan S.r.l.	16,693	2,898	-	-	-	-	-	-	-	-
Eni S.p.A.	-	5,487	452,134	-	129	-	-	-	-	-
Fincantieri Infrastructure S.p.A.	-	-	684,166	22,314,951	8,128	-	-	-	-	-
Fintecna SpA	-	22,063	-	-	-	-	-	-	-	-
G.A.B.I.RE. Srl	17,454	3,155	-	-	-	-	-	-	630,045	-
Galla Placidia S.c.a.r.l.	11,381	2,898	-	-	-	-	-	-	-	-
Gruppo PSC S.p.A.	-	-	-	220,487	-	-	-	-	-	-
Imm. Agricola San Vittorino S.r.l.	21,880	2,898	-	-	-	-	-	-	-	-
Infernetto S.r.l.	5,461	2,898	-	-	-	-	-	-	-	-
Madonna dei Monti Srl	22,997	2,898	-	-	-	-	-	-	-	-
Nores S.r.l.	7,721	2,898	-	-	-	-	-	-	-	-
Plus S.r.l.	27,765	2,898	-	-	-	-	-	-	-	-
Poste Italiane S.p.A.	-	-	-	-	2,593	-	3,853	-	-	-
SACE BT	-	-	2,237	-	86,868	-	5,033,420	-	-	47,496
SACE FCT	-	-	-	-	826,280	-	1,539,299	-	-	473,786
SACE S.p.A.	-	-	-	-	134,990	-	14,155,598	-	-	293,916
Salini Costruttori S.p.A.	132,722	20,008	-	-	-	-	3,280,593	-	133,924	-

Revenue and costs for 2021

	Revenue	Other income	Purchases	Subcontracts	Services	Personnel expenses	Other operating expenses	Amortisation, depreciation, provisions and impairment losses	Financial income	Financial expense
SALINI SIMONPIETRO & C. S.A.P.A.	14,394	-	-	-	-	-	-	-	-	-
SNAM RETE GAS S.p.A.	-	-	-	14,849,576	-	-	-	-	-	-
Terna S.p.A.	-	-	-	2,613,500	-	-	-	-	-	-
Terna Rete Italia S.p.A.	-	-	-	-	3,000	-	160,000	-	-	-
Zeis S.r.l.	145,074	99,404	-	-	-	-	-	-	85,433	-
Total other related parties	**476,847**	**180,142**	**1,138,537**	**39,998,514**	**2,760,481**	**-**	**27,959,859**	**-**	**962,837**	**815,198**
Total	**130,371,339**	**44,230,730**	**1,203,026**	**39,998,514**	**191,577,167**	**7,111**	**29,746,504**	**3,669,252**	**13,438,662**	**6,069,641**

Consolidated financial statements of Webuild Group – Equity investments

Equity investments of Webuild Group at 31 December 2021 – Positive carrying amount

Equity investment	31 December 2020	Change in cons. method	Capital transactions	(Disinvestments and liquid.)	Share of profit or loss of equity-accounted investees	Other effects recognised in profit or loss	Dividends from equity-accounted investees	Change in hedging reserve	Change in ROC of equity-accounted investees	Change in ROC of investee recognised in investor's financia statements	Reclassifications	Monetary adjustment	Other changes	31 December 2021
A.Constructor J.V Kallidromo	1													1
Acqua Campania S.p.A.	9,607													9,607
Ankara Etlik Hastane Isletme Ve Bakim Anonim Sirketi	21,110,236				(988,254)					(12,457)				20,109,525
Autopistas del Sol S.A.	13,492,043				(702,609)				(2,083,910)			6,063,959		16,769,483
Autostrada Nogara Mare Adriatico Scpa	27,600		139,839		(167,439)									-
Brennero Tunnel Construction S.c.ar.l.	47,230													47,230
C.F.C. S.c.r.l.	5													5
C.F.M. S.c.r.l.	20,659													20,659
CENTOQUATTRO S.c.ar.l.	1,207													1,207
CENTOTRE S.c.ar.l.	1,252													1,252
Co.Sa.Vi.D. S.c.r.l.	3													3
Cons. A.F.T. Taksebt	30,988												15,494	46,482
Cons. Astaldi Federici Todini Kramis	49,995										(49,994)			1
Consorcio Federici/Impresit/Ice Cochabamba	15,818													15,818
Consorzio Casale Nei	775			(775)										-
Consorzio Centro Uno	3,099													3,099
Consorzio Consarno	5.166												(5.166)	-
Consorzio CPR 3	747													747
Consorzio CPR 2	37													37
Consorzio del Sinni	12,395													12,395
Consorzio Ferrofir	203,227				(4,304)	335,872								534,795
Consorzio Gi.It. (in liquidazione)	1,290													1,291
Consorzio Groupement Lesi-Dipenta	21												(21)	-
Consorzio Imprese Lavori FF.SS. di Saline - FEIC	5,165													5,165
Consorzio Iniziative Ferroviarie - INFER	14,461			(14,461)										-
Consorzio Iricav Uno	123,951												9	123,960
Consorzio Ital.Co.Cer.	15.495												(15.495)	-
Consorzio Italvenezia	19,367												(19,367)	-
Consorzio MM4	128,540													128,540
Consorzio Nazionale Imballaggi - CO.NA.I.	5													-

Equity investment	31 December 2020	Change in cons. method	Capital transactions	(Disinvestments and liquid.)	Share of profit or loss of equity-accounted investees	Other effects recognised in profit or loss	Dividends from equity-accounted investees	Change in hedging reserve	Change in ROC of equity-accounted investees	Change in ROC of investee recognised in investor's financia statements	Reclassifications	Monetary adjustment	Other changes	31 December 2021
Consorzio NOG.MA	83,307													83,307
Consorzio Sarda Costruzioni Generali	2,582													2,582
Consorzio TRA.DE.CI.V.	27,571													27,571
Consorzio Trevi - S.G.F. INC per Napoli	4,500													4,500
Consorzio Utenti Servizi Salaria Vallericca	-												16,500	16,500
Depurazione Palermo S.c.r.l.	3,615													3,615
Diga di Blufi S.c.r.l.	23,242				(8,136)									15,106
Dolomiti Webuild Implenia	-		5,100											5,100
Ecosarno S.c.r.l.	17,043													17,043
Emittenti Titoli S.p.A.	10,832													10,832
Etlik Hastane PA S.r.l.	78,455				2,549,926									2,628,381
EUROLINK	16,875,000													16,875,000
FLUOR-LANE LLC	70													76
FLUOR-LANE SOUTH CAROLINA	73,614		1,902,427		(3,578,703)				2,764		1,599,899			-
FLUOR-LANE95 LLC	16,755						(1,015)		1,353					17,093
Forum S.c. a r.l.	10,329			(10,329)										-
Fusaro S.C.r.l.	1													1
Gaziantep Hastanesi Isletme Ve Bakim Hizmetleri	82,468				(82,468)									-
Grassetto S.p.A.	7,747													7,747
Grupo Empresas Italianas - GEI	654,883									(654,883)				-
Gupc (Grupos Unidos Por El Canal)arda	369,937,432		100,672,687		(27,660,355)				40,511,072					483,460,836
GZ00 Gaziantep Hastane Saglik	2,995,355				(456,776)			94,530			(2,633,109)			-
I4 LEASING LLC	8,556,380				583,850				739,739					9,879,969
ICA LT Limited Liability Company	455				16								(471)	-
Immobiliare Golf Club Castel D'Aviano S.r.l.	20,190													20,190
Infraflegrea S.c.r.l.	23,300				(8,155)									15,145
Irina Srl in liquidazione	308,344													308,344
ISARCO	43,672	(43,672)												-
Istituto per lo Sviluppo Edilizio ed Urbanistico	56,836		7,334											64,170
Lambro Scrl	20													20
M.N. 6 S.c.r.l.	510													510
Manifesto S.p.A.	4,300				(4,299)									1
Markland S.r.l.	1,269													1,269
Metro 5 S.p.A.	1,644,630													1,644,630

Equity investment	31 December 2020	Change in cons. method	Capital transactions	(Disinvestments and liquid.)	Share of profit or loss of equity-accounted investees	Other effects recognised in profit or loss	Dividends from equity-accounted investees	Change in hedging reserve	Change in ROC of equity-accounted investees	Change in ROC of investee recognised in investor's financia statements	Reclassifications	Monetary adjustment	Other changes	31 December 2021
METRO C S.c.p.A.	19,671,134													19,671,134
Metro de Lima Linea 2 S.A.	26,512,427				2,699,815				2,331,525					31,543,767
Metrogenova S.c.r.l.	13,423		5,056		(111)								8,258	26,626
Metropolitana di Napoli S.p.A.	5,110,338				63,321									5,173,658
Mobilink Hurontario General Partnership	-	182,259			2,518,428			3,027,619		11,431	(1,613,165)			4,126,572
Mobilinx Hurontario Services L.t.d.	-	103,946			97,161				6,050				4	207,157
Mose Bocca di Chioggia S.c.ar.l.	1,500													1,500
MOSE OPERAE S.C.a rl.	1,728													1,728
Mose-Treporti S.c.r.l.	3,500													3,500
N.P.F. - Nuovo Polo Fieristico S.c.r.l.	20,000													20,000
Nomisma spa	27,015													27,015
OCHRE HOLD	890,634										(890,634)			-
OHL-POSILLICO-SELI OVERSEAS	-	2,525,224			(716,856)					32,699				1,841,067
Olbia 90 S.c.r.l.	2,531													2,531
Otoyol deniz tasimaciligi A.S.	111,626								(44,849)					66,777
Otoyol Isletme Ve Bakim Anonim Sirketi	7,549,368				691,140					(448,248)				7,792,260
Pavimental S.p.A.	62,007													62,007
PDM	2,333,320													2,333,320
Pedelombarda	3,550,000													3,550,000
Pedemontana Lombarda Manutenzioni S.c.a.r.l.	3,540												(3,540)	-
Pedemontana Veneta S.p.A.	1,195,118			(1,195,118)										-
Pegaso S.c.r.l.	113,749													113,750
PERGENOVA	500,000													500,000
PROG.ESTE. S.p.A.	63,000		28,563											91,563
PURPLE LINE TRANSIT CONSTRUCTORS LLC	29,612,843				16,659,448		(45,658,240)		1,188,040					1,802,092
Renovation Palais Des Nations S.A.	15,738				1,470,776					69,052				1,555,566
S.E.I.S. S.p.A.	8,703,375				(192,153)								(4,529)	8,506,693
S.I.MA. GEST 3 S.c.r.l.	5													5
S.Ruffillo S.c.a.r.l.	21,000													21,000
SA.T S.p.A.	361,052													361,052
San Benedetto S.c.r.l.	9,622			(9,622)										-
Segrate	3,500													3,500
Sellero S.c.r.l. (in liq.)	3,900													3,900
Sistranyac S.A.	149,965													149,965

Equity investment	31 December 2020	Change in cons. method	Capital transactions	(Disinvestments and liquid.)	Share of profit or loss of equity-accounted investees	Other effects recognised in profit or loss	Dividends from equity-accounted investees	Change in hedging reserve	Change in ROC of equity-accounted investees	Change in ROC of investee recognised in investor's financia statements	Reclassifications	Monetary adjustment	Other changes	31 December 2021
Skiarea Valchiavenna S.p.A.	116,208												607	116,815
SPV Linea M4 Spa	47,420,800													47,420,800
Tangenziale Esterna di Milano S.p.A.	100													100
Tangenziale Seconda S.c.r.l.	19,861												(463)	19,398
Tartano S.r.l. Società Agricola	994,462													994,462
Techint S.A.C.I.- Hochtief A.G.- Impregilo S.p.A	3,944													3,944
Trieste Due S.c.a.r.l. (in liq.)	4,500													4,500
Unionport Bridge	12,267,362		4,756,067		(4,498,068)				1,034,956					13,560,316
Valdostana Condotte - Cossi	20,000													20,000
VCGP - Astaldi Ingenieria y Construccion Limitada	-												13,998	13,998
VE.CO. S.c.r.l.	2,582													2,582
Veneta Sanitaria Finanza di Progetto S.p.A. - V.S.F.P. S.p.A.	512,102													512,102
Yacilec	453,883				55,752		(102,137)		(47,923)			206,563		566,138
Yuma	5,745,531				(4,124,658)				(343,432)					1,277,441
Altre	99,389												(1,585)	97,804
Strumenti finanziari partecipativi	28,951,881									170,672				29,122,553
Total equity investments with positive carrying amount	**640,134,655**	**2,767,757**	**107,517,073**	**(1,230,305)**	**(15,803,711)**	**335,872**	**(45,761,392)**	**3,122,149**	**43,295,385**	**(831,734)**	**(3,587,003)**	**6,270,522**	**4,233**	**736,233,498**

Equity investments of Webuild Group at 31 December 2021 – negative carrying amount

Equity investment	31 December 2020	Change in cons. method	Capital transactions	(Disinvestments and liquid.)	Share of profit or loss of equity-accounted investees	Other effects recognised in profit or loss	Dividends from equity-accounted investees	Change in hedging reserve	Change in ROC of equity-accounted investees	Change in ROC of investee recognised in investor's financia statements	Reclassifications	Monetary adjustment	Other changes	31 December 2021
AGL JV	(3,175,390)					1,216,571				(38,604)				(1,997,423)
Cagliari 89 S.c.r.l.	(132,850)													(132,850)
Cons. Astaldi Federici Todini Kramis	(4,203,580)													(4,203,580)
Consorzio Groupement Lesi-Dipenta	-											(570)		(570)
FISIA ABEIMA LCC	(6,194,678)					(2,261,387)					(620,596)			(9,076,661)
Flatiron West Inc.- The Lane Constr. Corp. J.V.	(3,772,009)				12,682,844	3,283,062		(17,248,668)		(371,465)		-		(5,426,236)
FLUOR-LANE SOUTH CAROLINA	-									(70,772)		(1,599,899)		(1,670,671)
IGL Arabia	(1,888,264)				-	93,477				(301,103)				(2,095,890)
Mobilink Hurontario General Partnership	(1,117,832)											1,117,832		-
Mobilink Hurontario General Partnership	(495,333)											495,333		-
Normetro - Agrupamento Do Metropolitano Do P.	(441)													(441)
OCHRE HOLD	-					(625,199)				(433,444)		890,634		(168,009)
Salini Impregilo - Kolin	(165,907)					165,907								-
Salini Kolin Cgf Joint Venture	-											(126,064)		(126,064)
Sclafani S.c.r.l.	(135,866)					(25,581)								(161,447)
Sedi scarl	(100,000)					100,000								-
SKANSKA-GRANITE-LANE	(47,446,157)					(8,110,796)				(4,317,511)				(59,874,464)
Tokwe Mukorsi Dam	(7,522)					7,522								-
VCGP - Astaldi Ingenieria y Construccion Limitada	(322,955)													(322,955)
Total equity investments with negative carrying amount	**(69,158,784)**	**-**	**-**	**-**	**12,682,844**	**(6,156,424)**	**-**	**(17,248,668)**	**-**	**(5,532,899)**	**(620,596)**	**777,266**	**-**	**(85,257,261)**

List of Webuild Group companies

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	Country	Currency	Share/quota capital subscribed	Invest-ment %	% direct	% indirect	Indirect parent	Consolidation or measurement method
Webuild S.p.A.	Italy	Euro	600,000,000	100	100			line-by-line
3E System S.r.l. (in liq.)	Italy	Euro	10,000	100	-	100	NBI S.p.A.	line-by-line
A1 Motorway Tuszyn-Pyrzowice lot F Joint Venture	Poland	PLN		100	94.99	5	Salini Polska Ltd Liability	line-by-line
						0,01	HCE Costruzioni S.p.A.	
A10 S.c.r.l.	Italy	Euro	10,000	62.52	-	62,52	NBI S.p.A.	line-by-line
Afragola FS S.c.a r.l. (in liq.)	Italy	Euro	10,000	100	82.54	17,46	NBI S.p.A.	line-by-line
AGN HAGA AB	Sweden	SEK	1,000	40	40			line-by-line
Aguas de Punilla Sociedad Concesionaria S.A.	Chile	CLP	40,000,000,000	99.998		99,998	Astaldi Concessions S.p.A.	line-by-line
Al Maktoum International Airport J.V.	United Arab Emirates			29.4		29,4	Lane Mideast Contrac. LLC	line-by-line
AR.GI. S.c.p.A.	Italy	Euro	35,000,000	99.99		99,99	Partecipazioni Italia S.p.A.	line-by-line
AS.M. S.c.r.l.	Italy	Euro	10,000	75.91		75,91	Partecipazioni Italia S.p.A.	line-by-line
Astaldi Algerie-E.u.r.l.	Algeria	DZD	50,000,000	100	100			line-by-line
Astaldi Arabia Ltd.	Saudi Arabia	SAR	5,000,000	100	60	40	Astaldi International Ltd.	line-by-line
Astaldi Bulgaria L.t.d. (in liq.)	Bulgaria	BGN	5,000	100	100			line-by-line
Astaldi Canada Design and Construcion Inc.	Canada	CAD	20,000	100		100	Astaldi Canada Enterp. Inc.	line-by-line
Astaldi Canada Enterprises Inc.	Canada	CAD	10,000	100	100			line-by-line
Astaldi Canada Inc.	Canada	CAD	20,000	100	100			line-by-line
Astaldi Concessions S.p.A.	Italy	Euro	300,000	100	100			line-by-line
Astaldi Construction Corporation	USA	USD	18,972,000	65.813	65.813			line-by-line
Astaldi de Venezuela C.A.	Venezuela	VEB	110,300	99.803	99.803			line-by-line
Astaldi India Services LLP	India	INR	30,003,000	99.99	99.99			line-by-line
Astaldi International Inc.	Liberia			100	100			line-by-line
Astaldi International Ltd. (in liq.)	UK			100	100			line-by-line
Astaldi Mobilinx Hurontario GP Inc.	Canada			100		100	Astaldi Canada Enterp. Inc.	line-by-line
Astaldi Polska zo.o. (in liq.)	Poland	PLZ	120,000	100	100			line-by-line
Astaldi-Max Bogl-CCCF J.V.	Romania	RON	40,000	66	66			line-by-line
Astalnica S.A.	Nicaragua	NIO	2,000,000	98	98			line-by-line
Astalrom S.A.	Romania	RON	3,809,897	99.707	99.707			line-by-line
Astur Construction and Trade A.S.	Turkey	TRY	35,500,000	100	100			line-by-line
Beyond S.r.l. (in liq.)	Italy	Euro	10,000	100	100			line-by-line
Bielle Impianti S.c.r.l. (in liq.)	Italy	Euro	100,000	75	-	75	NBI S.p.A.	line-by-line

List of Webuild Group companies

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Bovino Orsara AV	Italy	Euro	10,000	70		45	Webuild Italia S.p.A.	line-by-line
						25	Partecipazioni Italia S.p.A.	
Brennero Galleriaacque S.c.r.l.	Italy	Euro	10,000	51		51	Fisia Italimpianti S.p.A.	line-by-line
Bussentina S.c.r.l. (in liq.)	Italy	Euro	25,500	78.902	78.902			line-by-line
C.O.MES. S.c.r.l. (in liq.)	Italy	Euro	20,000	55		55	Partecipazioni Italia S.p.A.	line-by-line
C43 Water Management Builders	USA			100	30	70	Lane Constr. Corporation	line-by-line
Capodichino AS.M. S.c.r.l.	Italy	Euro	10,000	66.83		66,83	Partecipazioni Italia S.p.A.	line-by-line
CDE S.c.a.r.l.	Italy	Euro	10,000	60		60	Webuild Italia S.p.A.	line-by-line
CO.ME.NA. S.c.r.l. (in liq.)	Italy	Euro	20,658	70.433	70.433			line-by-line
CO.MERI S.p.A.	Italy	Euro	35,000,000	99.99		99,99	Partecipazioni Italia S.p.A.	line-by-line
CO.VA. S.c.r.l. (in liq.)	Italy	Euro	10,000	60	-	60	NBI S.p.A.	line-by-line
Collegamenti Integrati Veloci C.I.V. S.p.A.	Italy	Euro	20,000	85		85	Webuild Italia S.p.A.	line-by-line
Compagnia Gestione Macchinari CO.GE.MA. S.p.A.	Italy	Euro	200,000	100	100			line-by-line
Consorcio Constructor Salini Impregilo - Cigla (florianopolis)	Brazil			100	60	40	Cigla S.A.	line-by-line
Consorcio Impregilo Yarull	Dom. Republic			70	70			line-by-line
Consorzio Alta Velocità Torino/Milano - C.A.V.TO.MI.	Italy	Euro	5,000,000	74.69	74.69			line-by-line
Consorzio C.A.V.E.T. - Consorzio Alta Velocità Emilia/Toscana	Italy	Euro	5,422,797	75.983	75.983			line-by-line
Consorzio Cociv	Italy	Euro	516,457	99.999		92,753	Webuild Italia S.p.A.	line-by-line
						7,246	C.I.V. S.p.A.	
Consorzio Cossi LGV Ceneri	Switzerland			70.8		50,8	Cossi Costruzioni S.p.A.	line-by-line
						20	CSC Costruzioni S.A.	
Consorzio Hirpinia AV	Italy	Euro	10,000	100		60	Webuild Italia S.p.A.	line-by-line
						40	Partecipazioni Italia S.p.A.	
Consorzio Iricav Due	Italy	Euro	510,000	82.93		45,44	Webuild Italia S.p.A.	line-by-line
						37,49	Partecipazioni Italia S.p.A.	
Consorzio Italvenezia (in liq.)	Italy	Euro	77,450	100		100	Partecipazioni Italia S.p.A.	line-by-line
Consorzio Libyan Expressway Contractor	Italy	Euro	10,000	78.91	78.91			line-by-line
Consorzio Scilla (in liq.)	Italy	Euro	1,000	51		51	HCE Costruzioni S.p.A.	line-by-line
Consorzio Stabile Busi (in liq.)	Italy	Euro	100,000	95.025	-	94	NBI S.p.A.	line-by-line
						0,025	C.I.T.I.E. (in liq.)	
						1	3E System S.r.l. (in Liq.)	

List of Webuild Group companies

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Consorzio Stabile Operae	Italy	Euro	500,000	99		98	Partecipazioni Italia S.p.A.	line-by-line
						1	NBI S.p.A.	
Constructora Ariguani SAS En Reorganizacion	Colombia	COP	100,000,000	100	100			line-by-line
Constructora Astaldi Cachapoal Limitada	Chile	CLP	10,000,000	99	99			line-by-line
Construtora Impregilo y Associados S.A.-CIGLA S.A.	Brazil	BRL	2,480,849	100	100		Cigla S.A.	line-by-line
Copenaghen Metro Team I/S	Denmark			99.989	99.989			line-by-line
Corso del Popolo Engineering S.c.r.l. (in liq.)	Italy	Euro	10,000	64.707		64,707	HCE Costruzioni S.p.A.	line-by-line
Corso del Popolo S.p.A.	Italy	Euro	1,200,000	55		55	HCE Costruzioni S.p.A.	line-by-line
Cossi Costruzioni S.p.A.	Italy	Euro	10,000,000	63.5	63.5			line-by-line
CSC Costruzioni S.A.	Switzerland	CHF	2,000,000	100	100			line-by-line
CSI Simplon Consorzio	Switzerland			100	0.01	99,99	CSC Costruzioni S.A.	line-by-line
DCSC Data Center Swiss Contractor	Switzerland			99.9		99,9	CSC Costruzioni S.A.	line-by-line
DEAS S.c.r.l.	Italy	Euro	10,000	57	-	57	NBI S.p.A.	line-by-line
DIRPA 2 S.c.r.l.	Italy	Euro	50,020,000	99	-	99	Consorzio Stabile Operae	line-by-line
DMS Design Consortium S.c.r.l.	Italy	Euro	10,000	60	60			line-by-line
Fibe S.p.A.	Italy	Euro	3,500,000	99.998	99.989	0,003	Impregilo Intern. Infr. N.V.	line-by-line
						0,006	Fisia Ambiente S.p.A.	
Fisia - Alkatas Joint Venture	Turkey			51		51	Fisia Italimpianti S.p.A.	line-by-line
Fisia Ambiente S.p.A.	Italy	Euro	3,000,000	100	100			line-by-line
Fisia Italimpianti S.p.A.	Italy	Euro	3,400,000	100	100			line-by-line
Fisia LLC	Oman	OMR	250,000	70		70	Fisia Italimpianti S.p.A.	line-by-line
Fisia Muhendislik VE Insaat Anonim Sirketi	Turkey			100		100	Fisia Italimpianti S.p.A.	line-by-line
Fisia-Alkatas-Alke J.V.	Turkey			48		48	Fisia Italimpianti S.p.A.	line-by-line
Forum S.c.r.l. (in liq.)	Italy	Euro	51,000	99.98		79,98	Partecipazioni Italia S.p.A.	line-by-line
						20	Webuild Italia S.p.A.	
Galfar - Salini Impregilo - Cimolai J.V.	Qatar			40	40			line-by-line
Garbi Linea 5 S.c.r.l. (in liq.)	Italy	Euro	10,000	100		100	Partecipazioni Italia S.p.A.	line-by-line
GE.SAT. S.c.a r.l.	Italy	Euro	10,000	53.85		35	Partecipazioni Italia S.p.A.	line-by-line
						18,85	Astaldi Concessions S.p.A.	
Generalny Wykonawca Salini Polska - Impregilo - Kobylarnia S.A.	Poland			66.68	33.34	33,34	Salini Polska Ltd Liability	line-by-line
Grupo ICT II SAS	Colombia	COP	9,745,180,000	100	100			line-by-line

List of Webuild Group companies

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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 25	Webuild Italia S.p.A. Partecipazioni Italia S.p.A.	line-by-line
IGLYS S.A.	Argentina	ARS	10,000,000	100		100	Impregilo Intern. Infr. N.V.	line-by-line
Impregilo International Infrastructures N.V.	Netherlands	Euro	45,000	100		100	Astaldi Concessions S.p.A.	line-by-line
Impregilo Lidco Libya Co	Libya	DL	5,000,000	60	60			line-by-line
Impregilo New Cross Ltd	UK	GBP	2	100		100	Impregilo Intern. Infr. N.V.	line-by-line
Impregilo-SK E&C-Galfar al Misnad J.V.	Qatar			41.25	41.25			line-by-line
Impregilo-Terna SNFCC J.V.	Greece	Euro	100,000	51	51			line-by-line
INC - Il Nuovo Castoro Algerie S.a.r.l.	Algeria	DZD	301,172,000	99.983	99.983			line-by-line
Infraflegrea Progetto S.p.A.	Italy	Euro	500,000	51		51	Partecipazioni Italia S.p.A.	line-by-line
IS Joint Ventures	Australia			100	50	50	Salini Australia PTY L.t.d.	line-by-line
Isarco S.c.r.l.	Italy	Euro	10,000	79.98		79,98	Webuild Italia S.p.A.	line-by-line
Italstrade CCCF JV Romis S.r.l.	Romania	RON	540,000	51	51			line-by-line
Italstrade S.p.A.	Italy	Euro	611,882	100	100			line-by-line
Joint Venture Impregilo S.p.A. - S.G.F. INC S.p.A.	Greece	-	-	100	100			line-by-line
Kayi Salini Samsung Joint Venture	Turkey			33	33			line-by-line
Laguna S.c.r.l. (in liq.)	Italy	Euro	10,000	84.7	-	84,7	NBI S.p.A.	line-by-line
Lane Abrams Joint Venture	USA			51		51	Lane Constr. Corporation	line-by-line
Lane Construction Corporation	USA	USD	1,392,955	100		100	Lane Industries Incorporated	line-by-line
Lane Corman Joint Venture	USA			60		60	Lane Constr. Corporation	line-by-line
Lane DS - NC Consortium (Ada)	United Arab Emirates			24.5		24,5	Lane Mideast Contrac. LLC	line-by-line
Lane Industries Incorporated	USA	USD	5	100		100	Salini Impregilo - US Holdings Inc.	line-by-line
Lane Infrastructure Inc.	USA	USD	10	100		100	Lane Industries Incorporated	line-by-line
Lane Mideast Contracting LLC	United Arab Emirates	AED	300,000	49		49	Impregilo Intern. Infr. N.V.	line-by-line
Lane Mideast Qatar LLC	Qatar	QAR	5,000,000	49		49	Impregilo Intern. Infr. N.V.	line-by-line
Lane Securety Paving J.V.	USA			60		60	Lane Constr. Corporation	line-by-line
Lane Water LLC	USA			100		100	Lane Constr. Corporation	line-by-line
Lane Worldwide Infrastructure Inc..	USA	USD	10	100		100	Lane Industries Incorporated	line-by-line

List of Webuild Group companies

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LMH_lane Cabot Yard J.V.	USA			50		50	Lane Constr. Corporation	line-by-line
MEL PP Pty Ltd	Australia	AUD	1,000	100		100	Salini Australia PTY L.t.d.	line-by-line (a)
MEL PP Trust	Australia	AUD	1,000	100		100	Salini Australia PTY L.t.d.	line-by-line (a)
Melito S.c.r.l. (in liq.)	Italy	Euro	77,400	66.667		66,667	HCE Costruzioni S.p.A.	line-by-line
Mercovia S.A.	Argentina	ARS	10,000,000	60		60	Impregilo Intern. Infr. N.V.	line-by-line
Messina Catania lotto Nord	Italy	Euro	10,000	70		45	Webuild Italia S.p.A.	line-by-line
						25	Partecipazioni Italia S.p.A.	
Messina Catania lotto Sud	Italy	Euro	10,000	70		45	Webuild Italia S.p.A.	line-by-line
						25	Partecipazioni Italia S.p.A.	
Messina Stadio S.c.r.l. (in liq.)	Italy	Euro	30,600	100	100			line-by-line
Metro B S.r.l.	Italy	Euro	20,000,000	52.52		52,52	Webuild Italia S.p.A.	line-by-line
Metro B1 S.c.a.r.l.	Italy	Euro	100,000	80.7	80.7			line-by-line
Metro Blu S.c.r.l.	Italy	Euro	10,000	100		50	Webuild Italia S.p.A.	line-by-line
						50	Partecipazioni Italia S.p.A.	
Mondial Milas-Bodrum Havalimani Uluslararasi Terminal İşletmeciliği Ve Yatirim A.S.	Turkey	TRY	37,518,000	80		80	Astaldi Concessions S.p.A.	line-by-line
Mosconi S.r.l.	Italy	Euro	100,000	63.5		63,5	Cossi Costruzioni S.p.A.	line-by-line
Napoli Cancello Alta Velocità S.c.r.l.	Italy	Euro	10,000	100		60	Webuild Italia S.p.A.	line-by-line
						40	Partecipazioni Italia S.p.A.	
NBI Elektrik Elektromekanik Tesisat Insaat Ve Ticaret I.S.	Turkey	TRY	10,720,000	100		94,999	NBI S.p.A.	line-by-line
						5,001	Astur Construction and Trade A.S.	
NBI S.p.A.	Italy	Euro	7,500,000	100	100			line-by-line
Nuovo Ospedale Sud Est Baresen S.c.r.l. – NOSEB S.c.r.l.	Italy	Euro	35,000	100		100	Partecipazioni Italia S.p.A.	line-by-line
Ospedale del Mare S.c.r.l. (in liq.)	Italy	Euro	50,000	100		100	Partecipazioni Italia S.p.A.	line-by-line
Ospedale Monopoli Fasano S.c.r.l.	Italy	Euro	10,000	51		51	NBI S.p.A.	line-by-line
Partecipazioni Italia S.p.A.	Italy	Euro	1,000,000	100	100			line-by-line
Partenopea Finanza di Progetto S.c.p.A. (in liq.)	Italy	Euro	9,300,000	99.99		99,99	Partecipazioni Italia S.p.A.	line-by-line
Passante Dorico S.p.A.	Italy	Euro	24,000,000	71		47	Webuild Italia S.p.A.	line-by-line
						24	Partecipazioni Italia S.p.A.	
PGH Ltd	Nigeria	NGN	52,000,000	100	100			line-by-line
Pietrarossa S.c.r.l. (in liq.)	Italy	Euro	10,200	100		100	HCE Costruzioni S.p.A.	line-by-line
Piscine dello Stadio S.r.l.	Italy	Euro	851,000	96.023		96,023	HCE Costruzioni S.p.A.	line-by-line
Portovesme S.c.r.l. (in liq.)	Italy	Euro	25,500	99.98	99.98			line-by-line

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Radimero S.c.r.l. (in liq.)	Italy	Euro	10,000	100		100	Seli Overseas S.p.A.	line-by-line
Redo-Association Momentanée	Congo			100	75	25	Astaldi Internationale Inc.	line-by-line
Reggio Calabria - Scilla S.c.p.a. (in liq.)	Italy	Euro	35,000,000	51	51			line-by-line
RI.MA.TI. S.c.a.r.l. (in liq.)	Italy	Euro	100,000	83.42	83.42			line-by-line
Rivigo J.V. (Nigeria) Ltd	Nigeria	NGN	100,000,000	70		70	PGH Ltd	line-by-line
Romairport S.r.l.	Italy	Euro	500,000	99.263	99.263			line-by-line
S. Agata FS S.c.r.l.	Italy	Euro	20,000	100		60	Webuild Italia S.p.A.	line-by-line
						40	Partecipazioni Italia S.p.A.	
S. Filippo S.c.r.l. (in liq.)	Italy	Euro	10,200	80	80			line-by-line
S.P.T.-Società Passante Torino Sc.r.l. (in liq.)	Italy	Euro	50,000	82.5		82,5	Partecipazioni Italia S.p.A.	line-by-line
SA.PI. NOR Salini Impregilo - Pizzarotti J.V.	Norway			51	51			line-by-line
Salerno-Reggio Calabria S.c.p.a. (in liq.)	Italy	Euro	50,000,000	51	51			line-by-line
Salini Australia PTY L.t.d.	Australia	AUD	4,350,000	100	100			line-by-line
Salini Impregilo - Duha Joint Venture	Slovakia			75	75			line-by-line
Salini Impregilo - Healy J.V. (Cleveland)	USA			100	60	40	Lane Constr. Corporation	line-by-line
Salini Impregilo - Healy J.V. (Tunnel 3RPORT Indiana)	USA			100	30	70	Lane Constr. Corporation	line-by-line
Salini Impregilo - Healy J.V. NEBT	USA			100	30	70	Lane Constr. Corporation	line-by-line
Salini Impregilo - NRW Joint Venture	Australia			80	80			line-by-line
Salini Impregilo - Tristar	United Arab Emirates			60	60			line-by-line
Salini Impregilo Canada Holding Inc.	Canada			100	100			line-by-line
Salini Impregilo Civil Works	Canada			100		100	Salini Impregilo Canada Holding Inc.	line-by-line
Salini Impregilo Mobilink Hurontario GP Inc.	Canada			100		100	Salini Impregilo Canada Holding Inc.	line-by-line
Salini Impregilo S.p.A. - The Lane Construction Co. - Jose J Chediack S.A. UTE	Argentina	ARS	10,000	75	73	2	Lane Constr. Corporation	line-by-line
Salini Insaat Taahhut Sanayi Ve Ticaret Anonim Sirketi (in liq.)	Turkey	TRY	50,000	100	100			line-by-line
Salini Malaysia SDN BHD	Malaysia	MYR	1,100,000	100	90	10	CO.GE.MA. S.p.A.	line-by-line
Salini Namibia Proprietary L.t.d.	Namibia	NAD	100	100	100			line-by-line
Salini Nigeria L.t.d.	Nigeria	NGN	10,000,000	100	99	1	CO.GE.MA. S.p.A.	line-by-line
Salini Polska - Todini - Salini Impregilo - S7 JV	Poland	PLN		100	74.99	25	Salini Polska Ltd Liability	line-by-line
						0,01	HCE Costruzioni S.p.A.	
Salini Polska - Todini - Salini Impregilo - Pribex - S3 JV	Poland	PLN		95	71.24	23,75	Salini Polska Ltd Liability	line-by-line

List of Webuild Group companies

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						0,01	HCE Costruzioni S.p.A.	
Salini Polska - Todini - Salini Impregilo - Pribex - S8 JV	Poland	PLN		95	71.24	23,75	Salini Polska Ltd Liability	line-by-line
						0,01	HCE Costruzioni S.p.A.	
Salini Polska L.t.d. Liability Co	Poland	PLN	393,450	100	100			line-by-line
Salini Saudi Arabia Company L.t.d.	Saudi Arabia	SAR	1,000,000	51	51			line-by-line
Sartori Tecnologie Industriali S.r.l. (in liq.)	Italy	Euro	500,000	100	-	100	NBI S.p.A.	line-by-line
SC Hydro Pty Ltd	Australia			50		50	Salini Australia PTY L.t.d.	line-by-line
SCI ADI Ortakligi	Turkey	TRY	10,000	50	50			line-by-line
SCLC Polihali Diversion Tunnel J.V.	Lesotho			69.99	69.99			line-by-line
Scuola Carabinieri S.c.r.l. (in liq.)	Italy	Euro	50,000	76.4		76,4	Partecipazioni Italia S.p.A.	line-by-line
Seac S.c.r.l. (in liq.)	Congo			100	100			line-by-line
Seli Middle East Construction Co. W.L.L.	Qatar	QA	200,000	49		49	Seli Overseas S.p.A.	line-by-line
Seli Overseas S.p.A.	Italy	Euro	3,000,000	100	100			line-by-line
Seli Overseas USA Inc.	USA	USD	1,000	100		100	Seli Overseas S.p.A.	line-by-line
Seli Tunneling Denmark A.p.s.	Denmark	DKK	130,000	100		100	HCE Costruzioni S.p.A.	line-by-line
Sirjo S.c.p.A.	Italy	Euro	30,000,000	100		60	Partecipazioni Italia S.p.A.	line-by-line
						40	Webuild Italia S.p.A.	
SLC Snowy Hydro Joint Venure	Australia			65	64.99	0,01	Lane Constr. Corporation	line-by-line
So Chile S.p.A.	Chile	CLP	1,000,000	100		100	Seli Overseas S.p.A.	line-by-line
So Tunneling India Private Limited	India	INR	100,000	100		100	Seli Overseas S.p.A.	line-by-line
Sociedad Austral Mantenciones y Operaciones S.p.A.	Chile	CLP	1,000,000	100		75	Astaldi Concessions S.p.A.	line-by-line
						25	NBI S.p.A.	
Società Autostrada Broni - Mortara S.p.A.	Italy	Euro	28,902,600	60		60	Webuild Italia S.p.A.	line-by-line
Suramericana de Obras Publicas C.A.- Suropca C.A.	Venezuela	VEB	2,874,118,000	100	99	1	CSC Costruzioni S.A.	line-by-line
Susa Dora Quattro S.c.r.l. (in liq.)	Italy	Euro	51,000	90	90			line-by-line
T.E.Q Construction Enterprise Inc.	Canada	CAD	10,000	100		100	Astaldi Canada Enterp. Inc.	line-by-line
TB Metro S.r.l. (in liq.)	Italy	Euro	100,000	51	51			line-by-line
Texas High Speed Rail	USA			100	50	50	Lane Constr. Corporation	line-by-line
The Lane Blythe Construction J.V.	USA			50		50	Lane Constr. Corporation	line-by-line
Thessaloniki Metro CW J.V. (AIS JV)	Greece			50	50			line-by-line
Tione 2008 S.C.ar.l. (in liq.)	Italy	Euro		76.02	-	76,02	Consorzio Stabile Busi (in Liq.)	line-by-line
Todini Akkord Salini	Ukraine			100	25	75	HCE Costruzioni S.p.A.	line-by-line

List of Webuild Group companies

	Country	Currency	Share/quota capital subscribed	Investment %	% direct	% indirect	Indirect parent	Consolidation or measurement method
Toledo S.c.r.l. (in liq.)	Italy	Euro	50,000	90.394		90,394	Partecipazioni Italia S.p.A.	line-by-line
Transmisora del Sur S.p.A.	Chile	CLP	1,000,000	100		100	Astaldi Concessions S.p.A.	line-by-line
Valle Aconcagua S.A.	Chile	CLP	19,064,993	84.308		84,308	Astaldi Concessions S.p.A.	line-by-line
VSL Electrical, Signing, Lighting LLC	USA			100		100	Lane Constr. Corporation	line-by-line
Webuild - US Holdings Inc.	USA	USD	1,100	100	100			line-by-line
Webuild Italia S.p.A.	Italy	Euro	100,000	100	100			line-by-line
Western Station J.V,	Saudi Arabia			51	51			line-by-line
Abeinsa Infr. e Fisia Italimpianti UTE Salalah	Spain			51		51	Fisia Italimpianti S.p.A.	joint oper.
Arriyad New Mobility Consortium	Saudi Arabia			33.48	33.48			joint oper.
Asocierea Astaldi - Euroconstruct Trading 98	Romania			70	70			joint oper.
Asocierea Astaldi S.p.A-IHI Infrastructure Systems SO, L.t.d. (Braila)	Romania			60	60			joint oper.
Asocierea Astaldi Spa – Max Boegl Romania Srl – Astalrom Sa – Consitrans S.R.L. (Ogra-Campia Turzii)	Romania			49.971	40	9,971	Astalrom S.A.	joint oper.
Asocierea Astaldi Spa -Euroconstruct Trading 98 SRL - RCV Global Group SRL (Piata Sudului)	Romania			50	50			joint oper.
Asocierea Astaldi-FCC-Salcef-Thales, lot 2°a	Romania			49.5	49.5			joint oper.
Asocierea Astaldi-FCC-Salcef-Thales, lot 2°b	Romania			49.5	49.5			joint oper.
Asocierea Astaldi-FCC-UTI-ACTIV (Metro 5)	Romania			38.99	38.99			joint oper.
Asocierea JV Astaldi S.p.A. - Max Bogl (Medgidia-Costanza)	Romania			60	60			joint oper.
Asocierea Lot 3 FCC-Astaldi- Convensa	Romania			49.5	49.5			joint oper.
Astadim S.C.	Poland	PLZ	10,000	90	90			joint oper.
Astaldi S.p.A. – Astalrom S.A. Joint Venture (Mihai Bravu)	Romania			99.927	75	24,927	Astalrom S.A.	joint oper.
Astaldi-FCC Joint Venture (Basarab Overpass)	Romania			50	50			joint oper.
Astaldi-FCC-Delta ACM-AB Construct (Metro 5 Bucarest struttura)	Romania			47.495	47.495			joint oper.
Astaldi-Gulermak Joint Venture	Turkey	TRY	1,500	51	51			joint oper.
Astaldi-Max Boegl Romania - Nadlac Arad Lot 2 Joint Venture (Cernavoda)	Romania			50	50			joint oper.
Astaldi-Max Boegl Romania-Nadlac Arad Lot 2 Joint Venture	Romania			50	50			joint oper.
Astaldi-Max Bogl-Euroconstruct-Tecnologica-Priect Bucuresti J.V. (A1 Ciuriel)	Romania			27.66	27.66			joint oper.
Astaldi-SC Euroconstruct Tranding 98-SC Astalrom Asocierea (Orastie - Sibiu)	Romania			99.975	94.99	4,985	Astalrom S.A.	joint oper.
Astaldi-Tukerler Ortak Girisimi Joint Venture	Turkey	TRY	1,500	51	51			joint oper.
Astaldi-UTI-Romairport J.V. (Clui Napoca)	Romania			78.779	49	29,779	Romairport S.r.l.	joint oper. (a)

List of Webuild Group companies

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Aster Astaldi-TIM-Termomeccanica Ecologica	Poland			51	51			joint oper.
Aster Dantiscum	Poland	PLZ	10,000	51	51			joint oper.
Aster Resovia TM e Termomeccanca Ecologica Astaldi S.C.	Poland			49	49			joint oper.
Avrasya Metro Grubu - AMG J.V.	Turkey	TRY	1,000	42	42			joint oper.
BSS-KSAB JV	Saudi Arabia			37.5	37.5			joint oper.
Civil Works Joint Ventures	Saudi Arabia			59.14	52	7,14	Salini Saudi Arabia Company L.t.d.	joint oper.
CMC - Mavundla - Impregilo J.V.	South Africa			39.2	39.2			joint oper.
Consorcio Ana Cua	Paraguay			55	55			joint oper.
Consorcio Constructor Tumarin	Nicaragua			50	50			joint oper.
Consorcio Contuy Medio Grupo A C.I. S.p.A. Ghella Sogene C.A., Otaola C.A.	Venezuela	-	-	36.4	36.4			joint oper.
Consorcio Europeo Hospital de Chinandega	Nicaragua			29.65	29.65			joint oper.
Consorcio Rio Mantaro	Peru			50	50			joint oper.
Consorcio Rio Urubamba	Peru			40	40			joint oper.
Consorzio Constructor M2 Lima	Peru			25.5	25.5			joint oper.
Consorzio Constructora El Arenal	Honduras			49	49			joint oper.
Consorzio Gdansk	Poland			51	51			joint oper.
Consorzio Lublino (Astaldi - PBDIM)	Poland			94.98	94.98			joint oper.
Consorzio Obrainsa - Astaldi	Peru			51	51			joint oper.
Daelim-Astaldi-WIKA Joint Venture	Indonesia			30	30			joint oper.
FCC - Astaldi Constanza Bypass	Romania			50	50			joint oper.
FCC Construccion S.A. – Astaldi S.p.A., Joint Venture (Arad - Timisoara)	Romania			50	50			joint oper.
Fisia Abeima Salalah J.V.	Oman	OMR		35.7		35,7	Fisia LLC	joint oper.
Fisia Italimpianti suc. Argentina-Acciona Agua suc. Argentina UTE	Argentina			65		65	Fisia Italimpianti filiale Argentina	joint oper.
G.R.B.K. Barrage de Kerrada et Adduction Chelif-Kerrada du Transfert M.A.O	Algeria			68.68	68.68			joint oper. (a)
Gebze-İzmir Otoyolu İnşaati (NOMAYG) Adi Ortakligi	Turkey	TRY	50,000	17.5	17.5			joint oper.
Ghazi-Barotha Contractors J.V.	Pakistan	-	-	57.8	57.8			joint oper.
Groupement Astaldi-Somatra Get (G.A.S.)	Tunisia			60	60			joint oper. (a)
Groupement ASTEH	Algeria			51	51			joint oper. (a)
Groupement GR-RDM	Algeria			51	51			joint oper. (a)
GS Inima -Fisia Italimp. S.p.A. UTE Barka V Swro	Oman	OMR	6,000	50		50	Fisia Italimpianti S.p.A.	joint oper.

List of Webuild Group companies

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GS Inima -Fisia Italimp. S.p.A. UTE Ghubrah III Swro	Oman	OMR	6,000	50		50	Fisia Italimpianti S.p.A.	joint oper.
I 405 Partners Joint Venture	USA			26.325		26,325	Astaldi Construction Corporation	joint oper.
Ika Izmir Demiryolu Joint Venture	Turkey	TRY	10,000	33		33	Astur Construction and Trade A.S.	joint oper. (a)
Ilka Metro Yapim Joint Venture	Turkey	TRY	10,000	15		15	Astur Construction and Trade A.S.	joint oper.
Lodz Consorzio	Poland			40	40			joint oper.
Mobilinx Hurontario Contractor	Canada			70		42	Salini Impregilo Civil Works	joint oper.
						28	Astaldi Canada Design & Construction Inc.	
Mobilinx Hurontario DBJV	Canada			48.692		48,692	Mobilinx Hurontario Contractor	joint oper.
Nadlac-Arad JV	Romania			50	50			joint oper.
Nathpa Jhakri J.V.	India	USD	1,000,000	60		60	HCE Costruzioni S.p.A.	joint oper.
NBI-A4 Joint Venture (Elektromak)	Turkey	TRY	1,500	99.99		99,99	NBI Elektrik Elekt. Tesisat Insaat	joint oper.
NBI-A4 Tunnel Joint Venture	Turkey			99.99		99,99	NBI S.p.A.	joint oper.
NGE Genie Civil S.a.s. - Salini Impregilo S.p.A.	Francia			50	50			joint oper.
Reliance-Astaldi, J.V.	India			50	50			joint oper.
Rinfra-Astaldi, J.V.	India			26	26			joint oper.
Sailini Impregilo - NGE Genie Civil S.a.s	France			65	65			joint oper.
Sopark NEL DC Joint Venture	Australia			29	29			joint oper.
South Al Mutlaa J.V.	Kuwait			55	55			joint oper.
Southland Astaldi, Joint Venture	Canada			30		30	Astaldi Canada Design & Construction Inc.	joint oper.
Telt Lot 2	France			50	50			joint oper.
Telt Villarodin-Bourget Modane Avrieux	France			33.33	33.33			joint oper.
Tristar Salini Joint Venture	United Arab Emirates			40	40			joint oper.
UTE Abeima Fisia Shoaibah	Saudi Arabia			50		50	Fisia Italimpianti S.p.A.	joint oper.
Uti Grup S.A.-Astaldi S.p.A. (pattinaggio)	Romania			65	65			joint oper.
Webuild - Kolin	Turkey			50.01	50.01			joint oper. (a)
Aegek-Impregilo-Aslom J.V.	Greece			45.8	45.8			equity
AGL JV	USA			20		20	Lane Constr. Corporation	equity
Aguas del Gran Buenos Aires S.A. (in liq.)	Argentina	ARS	45,000,000	42.588	16.503	23,727	Impregilo Intern. Infr. N.V.	equity
						2,358	Iglys. S.A.	

List of Webuild Group companies

	Country	Currency	Share/quota capital subscribed	Investment %	% direct	% indirect	Indirect parent	Consolidation or measurement method
AM S.c.r.l.	Italy	Euro	10,000	42.74		42,74	NBI S.p.A.	equity
Ankara Etlik Hastane Isletme Ve Bakim Anonim Sirketi	Turkey	TRY	50,000	51		51	Astaldi Concessions S.p.A.	equity
Arge - BBT - Bavios H41	Austria	Euro	100,000	50	25	25	CSC Costruzioni S.A.	equity
Arge Haupttunnel Eyholz	Switzerland			36		36	CSC Costruzioni S.A.	equity
Arge Secondo Tubo	Switzerland			40	5	35	CSC Costruzioni S.A.	equity
Associazione Astaldi-SOMET-TIAB-UTI GRUP	Romania			40	40			equity (a)
Atayde North Holding	Mexico			40	40			equity (a)
Autopistas del Sol S.A.	Argentina	ARS	175,396,394	19.818		19,818	Impregilo Intern. Infr. N.V.	equity
Autostrada Nogara Mare Adriatico S.c.r.l. (in liq.)	Italy	Euro	120,000	23		10	Partecipazioni Italia S.p.A.	equity
						13	Astaldi Concessions S.p.A.	
Avola S.c.r.l. (in liq.)	Italy	Euro	10,200	50	50			equity
Avrasya Metro Grubu S.r.l . (in Liq.)	Italy	Euro	10,000	42	42			equity
Biomedica S.c.r.l. (in liq.)	Italy	Euro	10,000	42.666		42,666	Consorzio Stabile Busi (in liq.)	equity (a)
Brennero Tunnel Construction S.c.r.l.	Italy	Euro	100,000	47.23		47,23	Partecipazioni Italia S.p.A.	equity
C.F.M. S.c.r.l. (in liq.)	Italy	Euro	40,800	50	50			equity
C.P.R.2	Italy	Euro	2,066	35.97		35,97	HCE Costruzioni S.p.A.	equity
C.P.R.3	Italy	Euro	2,066	35.97		35,97	HCE Costruzioni S.p.A.	equity
Cagliari 89 S.c.r.l. (in liq.)	Italy	Euro	10,200	49		49	HCE Costruzioni S.p.A.	equity
Churchill Construction Consortium	UK			30		30	Impregilo New Cross Ltd	equity
Churchill Hospital J.V.	UK			50		50	Impregilo New Cross Ltd	equity
CMC - Consorzio Monte Ceneri lotto 851	Switzerland			40		40	CSC Costruzioni S.A.	equity
CMR Consorzio	Switzerland			47.5		47,5	CSC Costruzioni S.A.	equity
CMS Consorzio	Switzerland			70		70	CSC Costruzioni S.A.	equity
CO.SAT S.c.r.l. (in liq.)	Italy	Euro	10,000	50		50	Partecipazioni Italia S.p.A.	equity
Col De Roches	Switzerland			90		90	CSC Costruzioni S.A.	equity
Colli Albani S.c.r.l. (in liq.)	Italy	Euro	25,500	60	60			equity
Consorcio Contuy Medio	Venezuela	-	-	57.34	57.34			equity
Consorcio Federici/Impresit/Ice Cochabamba	Bolivia	USD	100,000	25		25	HCE Costruzioni S.p.A.	equity
Consorcio Grupo Contuy-Proyectos y Obras de Ferrocarriles	Venezuela	-	-	66.658	66.658			equity
Consorcio Normetro	Portugal			13.18	13.18			equity
Consorcio OIV-TOCOMA	Venezuela			40	40			equity
Consorcio V.I.T. - Tocoma	Venezuela	-	-	35	35			equity

List of Webuild Group companies

	Country	Currency	Share/quota capital subscribed	Investment %	% direct	% indirect	Indirect parent	Consolidation or measurement method
Consorcio V.I.T. Caroni - Tocoma	Venezuela			35	35			equity
Consorcio V.S.T. Tocoma	Venezuela	-	-	30	30			equity
Consortium CSC S.A.-Zuttion Construction S.A.	Switzerland			50		50	CSC Costruzioni S.A.	equity
Consortium Front Sud TETO3	Switzerland			70		70	CSC Costruzioni S.A.	equity
Consortium Zuttion Constructions-CSC-Orrlati	Switzerland			40		40	CSC Costruzioni S.A.	equity
Consorzio 201 Quintai	Switzerland			60		60	CSC Costruzioni S.A.	equity
Consorzio 202 Quintai	Switzerland			30		30	CSC Costruzioni S.A.	equity
Consorzio ACE Chiasso	Switzerland			50		50	CSC Costruzioni S.A.	equity
Consorzio ACE Chiasso 2	Switzerland			50		50	CSC Costruzioni S.A.	equity
Consorzio Astaldi-Federici-Todini (in liq.)	Italy	Euro	46,000	66.67	33.33	33,34	HCE Costruzioni S.p.A.	equity
Consorzio Astaldi-Federici-Todini Kramis	Italy	Euro	100,000	99.99	49.995	49,995	HCE Costruzioni S.p.A.	equity
Consorzio Cà di Ferro	Switzerland			50		50	CSC Costruzioni S.A.	equity
Consorzio CEMS	Switzerland			33.4		33,4	CSC Costruzioni S.A.	equity
Consorzio Consarno	Italy	Euro	20,658	25	25			equity
Consorzio del Sinni	Italy	Euro	51,646	43.16		43,16	HCE Costruzioni S.p.A.	equity
Consorzio di Penta Ugo Vitolo (in liq.)	Italy	Euro	2,582	50	50			equity (a)
Consorzio di Riconversione Industriale Apuano - CO.RI.A. S.c.r.l.	Italy	Euro	46,481	10		10	HCE Costruzioni S.p.A.	equity
Consorzio EPC	Peru			18.25	18.25			equity
Consorzio Ferrofir (in liq.)	Italy	Euro	30,987	100	66.667	33,333	HCE Costruzioni S.p.A.	equity
Consorzio Fonomen	Switzerland			33.33		33,33	CSC Costruzioni S.A.	equity
Consorzio GI.IT. (in liq.)	Italy	Euro	2,582	50	50			equity
Consorzio GIC	Switzerland			30		30	CSC Costruzioni S.A.	equity
Consorzio H20 Morobbia	Switzerland			50		50	CSC Costruzioni S.A.	equity
Consorzio Imprese Lavori FF.SS. di Saline - FEIC	Italy	Euro	15,494	33.333		33,333	HCE Costruzioni S.p.A.	equity
Consorzio Iniziative Ferroviarie - INFER	Italy	Euro	41,316	35.001		35,001	HCE Costruzioni S.p.A.	equity
Consorzio Iricav Uno	Italy	Euro	520,000	42.853		42,853	Partecipazioni Italia S.p.A.	equity
Consorzio Ital.Co.Cer. (in Liq.)	Italy	Euro	51,600	30	30			equity
Consorzio Kallidromo	Greece	Euro	8,804	23		23	HCE Costruzioni S.p.A.	equity
Consorzio Masnan	Switzerland			70		70	CSC Costruzioni S.A.	equity
Consorzio MEGE	Switzerland			25		25	CSC Costruzioni S.A.	equity
Consorzio MM4	Italy	Euro	200,000	64.27		32,135	Webuild Italia S.p.A.	equity
						32,135	Partecipazioni Italia S.p.A.	

List of Webuild Group companies

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Consorzio NOG.MA (in liq.)	Italy	Euro	600,000	16.767		16,767	HCE Costruzioni S.p.A.	equity
Consorzio Novocen (in liq.)	Italy	Euro	51,640	40.76	40.76			equity
Consorzio Piottino	Switzerland			45		45	CSC Costruzioni S.A.	equity
Consorzio Pizzarotti Todini-Kef-Eddir. (in liq.)	Italy	Euro	100,000	50		50	HCE Costruzioni S.p.A.	equity
Consorzio Portale Vezia (CPV Lotto 854)	Switzerland			60		60	CSC Costruzioni S.A.	equity
Consorzio Probin	Switzerland			50		50	CSC Costruzioni S.A.	equity
Consorzio Sarda Costruzioni Generali - SACOGEN	Italy			25		25	HCE Costruzioni S.p.A.	equity
Consorzio Torretta	Switzerland			50		50	CSC Costruzioni S.A.	equity
Consorzio Trevi - S.G.F. INC per Napoli	Italy	Euro	10,000	45	45			equity
Consorzio Vedeggio	Switzerland			99		99	CSC Costruzioni S.A.	equity
Consorzio Vertiaz	Switzerland			100	0.01	99,99	CSC Costruzioni S.A.	equity
Consorzio Zeb	Switzerland			25		25	CSC Costruzioni S.A.	equity
CS Consorzio	Switzerland			85		85	CSC Costruzioni S.A.	equity
Depurazione Palermo S.c.r.l. (in liq.)	Italy	Euro	20,000	50		50	HCE Costruzioni S.p.A.	equity
Diga di Blufi S.c.r.l. (in liq.)	Italy	Euro	45,900	50	50			equity
Dolomiti Webuild Implenia	Italy	Euro	10,000	51		51	Webuild Italia S.p.A.	equity
E.R. Impregilo/Dumez y Asociados para Yaciretê - ERIDAY	Argentina	USD	539,400	20.75	18.75	2	Iglys S.A.	equity
Ecosarno S.c.r.l. (in Liq.)	Italy	Euro	50,490	33.334	33.33 4			equity
EDIL.CRO S.c.r.l. (in liq.)	Italy	Euro	10,200	16.65		16,65	HCE Costruzioni S.p.A.	equity
Enecor S.A.	Argentina	ARS	8,000,000	30		30	Impregilo Intern. Infr. N.V.	equity
Etlik Hastane P.A. S.r.l.	Italy	Euro	110,000	51	51			equity
Eurolink S.c.p.a.	Italy	Euro	150,000,000	45		45	Webuild Italia S.p.A.	equity
Fisia Abeima LLC	Saudi Arabia	SAR	500,000	50		50	Fisia Italimpianti S.p.A.	equity
Fisia GS Inima (Al Ghubra) LLC	Oman	OMR	250,000	50		50	Fisia Italimpianti S.p.A.	equity
Flatiron West Inc.- The Lane Constr. Corp. J.V.	USA			40		40	Lane Constr. Corporation	equity
Flatiron-Lane J.V.	USA			45		45	Lane Constr. Corporation	equity
Fluor-Lane 95 LLC	USA			35		35	Lane Constr. Corporation	equity
Fluor-Lane LLC	USA			35		35	Lane Constr. Corporation	equity
Fluor-Lane South Carolina LLC	USA			45		45	Lane Constr. Corporation	equity
Fosso Canna S.c.r.l. (in liq.)	Italy	Euro	25,500	32	32			equity
Gaziantep Hastane Sanglik Hizmetleri Isletme Yatrim Joint Stock Company	Turkey	TRY	175,200,00 0	24.5	24.5			equity
Gaziantep Hastanesi Isletme Ve Bakim Hizmetleri	Turkey	TRY	6,050,000	50	50			equity

List of Webuild Group companies

	Country	Currency	Share/quota capital subscribed	Investment %	% direct	% indirect	Indirect parent	Consolidation or measurement method
Grand Capital Ring (in liq.)	Russia	RUB	400,000	25.1	25.1			equity
Groupement Astaldi - Consider TP	Algeria			60	60			equity (a)
Groupement de Raccordement de la Station d'El Hamma (G.R.S.H.)	Algeria			100	51	49	Astaldi Algerie - E.u.r.l.	equity (a)
Grupo Empresas Italianas - GEI	Venezuela	VEB	10,500,000	66.666	66.666			equity
Grupo Unidos Por El Canal S.A.	Panama	USD	1,000,000	48	48			equity
GS Inima Fisa (Barka) LLC	Oman	OMR	250,000	50		50	Fisia Italimpianti S.p.A.	equity
I4 Leasing LLC	USA			30		30	Lane Constr. Corporation	equity
ICA LT Limited Liability Company	Russia			50	50			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.r.l. (in liq.)	Italy	Euro	46,600	50	50			equity
IRINA S.r.l. (in liq.)	Italy	Euro	103,300	36		36	HCE Costruzioni S.p.A.	equity
Isibari S.c.r.l. (in liq.)	Italy	Euro	15,494	100		100	HCE Costruzioni S.p.A.	equity
J.V. Salini Impregilo - Doprastav	Czech Republic			50	50			equity
Joint Venture Aktor-Webuild-Ansaldo-STS-Hitachi Rail Utaly (ex AIASA JV)	Greece			26.7	26.7			equity
Joint Venture Impregilo S.p.A. - Empedos S.A. - Aktor A.T.E. (in liq.)	Greece	-	-	66		66	HCE Costruzioni S.p.A.	equity
Joint Venture Terna - Impregilo	Greece	-	-	45	45			equity
JV Salini - Secol	Romania			80	80			equity
Kallidromo Joint Venture	Greece	Euro	29,347	23		20,7	HCE Costruzioni S.p.A.	equity
						2,3	Consorzio Kallidromo	
La Maddalena	Switzerland			66.67	5	61,67	CSC Costruzioni S.A.	equity
La Quado S.c.a.r.l. (in liq.)	Italy	Euro	10,000	35		35	HCE Costruzioni S.p.A.	equity
Line 3 Metro Stations	Greece			50	50			equity
M.N. Metropolitana di Napoli S.p.A.	Italy	Euro	3,655,397	22.62		22,62	Partecipazioni Italia S.p.A.	equity
M.O.MES. S.c.r.l.	Italy	Euro	10,000	60		60	Partecipazioni Italia S.p.A.	equity
Messina Catania tratto Nord	Italy	Euro	10,000	70	45	25	Partecipazioni Italia S.p.A.	equity (a)
Metro C S.c.p.a.	Italy	Euro	150,000,000	34.5		34,5	Partecipazioni Italia S.p.A.	equity
Metro de Lima Linea 2 S.A.	Peru	PEN	368,808,060	18.25	18.25			equity
Metrogenova S.c.r.l. (in liq.)	Italy	Euro	25,500	57.439	57.439			equity
Mobilink Hurontario General Partnership	Canada			35		21	Salini Impregilo Mobilink Hur. GP Inc.	equity (a)

List of Webuild Group companies

	Country	Currency	Share/quota capital subscribed	Investment %	% direct	% indirect	Indirect parent	Consolidation or measurement method
						14	Astaldi Mobilinx Hur. GP Inc.	
Mobilinx Hurontario Services L.t.d.	Canada			20	12	8	Astaldi Canada Enterprises Inc.	equity
Mose Bocca di Chioggia S.c.r.l.	Italy	Euro	10,000	15		15	Partecipazioni Italia S.p.A.	equity
Mose-Treporti S.c.r.l.	Italy	Euro	10,000	35		35	Partecipazioni Italia S.p.A.	equity
N.P.F. – Nuovo Polo Fieristico S.c.r.l. (in liq.)	Italy	Euro	40,000	50	50			equity
Nlf Nowa Lodz Fabryczna Sc	Poland			50	50			equity (a)
Ochre Solutions Holdings Ltd	UK	GBP	20,000	40		40	Impregilo Intern. Infr. N.V.	equity
OHL - Posillico - Seli Overseas J.V.	USA			20		20	Seli Overseas USA Inc.	equity
Olbia 90 S.c.r.l. (in liq.)	Italy	Euro	10,200	24.5		24,5	HCE Costruzioni S.p.A.	equity
Otoyol Deniz Tasimaciligi A.S.	Turkey	TRY	5,000,000	17.5	17.5			equity
Otoyol Isletme Ve Bakim A.S.	Turkey	TRY	5,000,000	18.14	18.14			equity
Passante di Mestre S.c.p.A. (in liq.)	Italy	Euro	50,000,000	42.424		42,424	HCE Costruzioni S.p.A.	equity
Pedelombarda S.c.p.a.	Italy	Euro	80,000,000	71	47	24	Partecipazioni Italia S.p.A.	equity
Pegaso S.c.r.l. (in Liq.)	Italy	Euro	260,000	43.75		43,75	Partecipazioni Italia S.p.A.	equity
PerGenova S.c.p.a.	Italy	Euro	1,000,000	50	50			equity
Piana di Licaca S.c.r.l. (in liq.)	Italy	Euro	10,200	43.745	43.745			equity
Puentes del Litoral S.A. (in liq.)	Argentina	ARS	43,650,000	26	22	4	Iglys S.A.	equity
Purple Line Transit Constructors LLC	USA			30		30	Lane Constr. Corporation	equity
Rasoira Consorzio	Switzerland			50		50	CSC Costruzioni S.A.	equity
Renovation Palais Des Nations S.A.	Switzerland	CHF	100,000	17		17	CSC Costruzioni S.A.	equity
S. Benedetto S.c.r.l. (in liq.)	Italy	Euro	25,823	57		57	HCE Costruzioni S.p.A.	equity
S. Ruffillo S.c.r.l. (in liq.)	Italy	Euro	60,000	35	35			equity
S.E.I.S. S.p.A.	Italy	Euro	3,877,500	48.333	48.333			equity
Salini Strabag Joint Ventures	Guinea	Euro	10,000	50	50			equity
Sclafani S.c.r.l. (in liq.)	Italy	Euro	10,400	41		41	HCE Costruzioni S.p.A.	equity
SEDI S.c.r.l.	Italy	Euro	10,000	34		34	HCE Costruzioni S.p.A.	equity
Segrate S.c.r.l.	Italy	Euro	10,000	35		35	Webuild Italia S.p.A.	equity (a)
Sellero S.c.r.l. (in liq.)	Italy	Euro	10,000	24.765		24,765	Cossi Costruzioni S.p.A.	equity
SFI Leasing Company	USA			30	30			equity
Shimmick CO. INC. - FCC CO S.A. - Impregilo S.p.A -J.V.	USA			30	30			equity
Sibar Arge	Switzerland	-	-	60		60	CSC Costruzioni S.A.	equity

List of Webuild Group companies

	Country	Currency	Share/quota capital subscribed	Investment %	% direct	% indirect	Indirect parent	Consolidation or measurement method
Sistranyac S.A.	Argentina	ARS	3,000,000	20.101		20,101	Impregilo Intern. Infr. N.V.	equity
Skanska-Granite-Lane J.V.	USA			30		30	Lane Constr. Corporation	equity
Soingit S.c.r.l. (in liq.)	Italy	Euro	41,317	29.489		29,489	HCE Costruzioni S.p.A.	equity
SOK 24 Russia (in liq.)	Russia	RUB	400,000	25.1	25.1			equity
Spark North East Holding Pty Ltd	Australia	AUD	1,000	7.5		7,5	MEL PP Pty Ltd	equity
Spark North East Link Pty Ltd	Australia	AUD	2	7.5		7,5	Spark North East Holding Pty Ltd	equity
Tangenziale Seconda S.c.r.l. (in liq.)	Italy	Euro	45,900	42.73	42.73			equity
Tartano S.r.l. Società Agricola	Italy	Euro	110,000	20.638		20,638	Cossi Costruzioni S.p.A.	equity
Techint S.A.C.I.- Hochtief A.G.- Impregilo S.p.A.-Iglys S.A. UTE	Argentina	-	-	35	26.25	8,75	Iglys S.A.	equity
TM-Salini Consortium	Malaysia	-	-	90	90			equity
Trieste Due S.c.a.r.l. (in liq.)	Italy	Euro	10,000	28.575		28.575	Cossi Costruzioni S.p.A.	equity
Unionport Constructors J.V.	USA			45		45	Lane Constr. Corporation	equity
Valdostana Condotte - Cossi	Italy	Euro	100,000	12.7		12,7	Cossi Costruzioni S.p.A.	equity
VE.CO. S.c.r.l.	Italy	Euro	10,200	25	25			equity
Yacylec S.A.	Argentina	ARS	20,000,000	18.67		18,67	Impregilo Intern. Infr. N.V.	equity
Yuma Concessionaria S.A.	Colombia	COP	26,000,100,000	48.326	40	8,326	Impregilo Intern. Infr. N.V.	equity
Acqua Campania S.p.A.	Italy	Euro	4,950,000	0.1		0,1	Impregilo Intern. Infr. N.V.	cost - No cons.
Arge Tulfes Pfons	Austria	Euro	1,000	0.01	0.01			cost - No cons.
Asse Sangro Consorzio (in liq.)	Italy	Euro	464,811	4.762	4.762			cost - No cons.
Astaldi - Gulemark TR - Gulemark PL (C4 -C6)	Poland			0.1	0.1			cost - No cons.
Astaldi - Gulemark TR - Gulemark PL (Mory)	Poland			0.1	0.1			cost - No cons.
BSS J.V. - Air Academy project	Saudi Arabia	-	-	5	5			cost - No cons.
C.F.C. S.c.r.l. (in liq.)	Italy	Euro	45,900	0.01	0.01			cost - No cons.
C.I.T.I.E. Consorzio Inst. Tec. Idr. Elettr. Soc. Cooperativa (in liq.)	Italy	Euro	8,035	0.49		0,39	NBI S.p.A.	cost - No cons.
						0,10	3E System S.r.l. (in liq.)	
CE.DI.R. S.c.r.l. (in liq.)	Italy	Euro	10,200	1		1	HCE Costruzioni S.p.A.	cost - No cons.
Centoquattro S.c.r.l.	Italy	Euro	10,000	12.07		12,07	NBI S.p.A.	cost - No cons.

List of Webuild Group companies

	Country	Currency	Share/quota capital subscribed	Investment %	% direct	% indirect	Indirect parent	Consolidation or measurement method
Centotre S.c.r.l.	Italy	Euro	10,000	12.52		12,52	NBI S.p.A.	cost - No cons.
CO.SA.VI.D. S.c.r.l.	Italy	Euro	25,500	0.011	0.011			cost - No cons.
Consorzio Aree Industriali Potentine (in liq.)	Italy	Euro	408,000	2		2	Fisia Ambiente S.p.A.	cost - No cons.
Consorzio Casale Nei	Italy	Euro	27,889	2.779		2,779	HCE Costruzioni S.p.A.	cost - No cons.
Consorzio Centro Uno (in liq.)	Italy	Euro	154,937	2	2			cost - No cons.
Consorzio Cona (in liq.)	Italy	Euro	751,950	4.99		4,99	NBI S.p.A.	cost - No cons.
Consorzio Costruttori TEEM	Italy	Euro	10,000	0.01		0,01	HCE Costruzioni S.p.A.	cost - No cons.
Consorzio Groupement Lesi-Dipenta	Italy	Euro	258,228	0.01	0.01			cost - No cons.
Consorzio infrastruttura area metropolitana - Metro Cagliari (in liq.)	Italy	Euro	129,114	7.5		7,5	HCE Costruzioni S.p.A.	cost - No cons.
Consorzio Malagrotta	Italy	Euro	2,840	0.035	0.035			cost - No cons.
Consorzio Nazionale Imballaggi - CO.NA.I.	Italy	Euro	130	1	1			cost - No cons.
Consorzio Tratta Determinante Città Vitale - TRA.DE.CIV	Italy	Euro	155,535	17.727		17,727	Partecipazioni Italia S.p.A.	cost - No cons.
Consorzio Utenti Servizi Salaria Vallericca	Italy	Euro	10,500	0.01	0.01			cost - No cons.
Consorzio Venezia Nuova	Italy	Euro	274,000	17.55		17,55	Consorzio Italvenezia	cost - No cons.
DIRPA S.c.r.l.	Italy	Euro	50,000,000	98.98		98,98	Consorzio Stabile Operae	cost - No cons.
Elektromak - Mekatronik - NBI, Joint Venture	Turkey			0.1		0,1	NBI Elektrik Elektromekanik	cost - No cons.
Emittenti Titoli S.p.A. (in liq.)	Italy	Euro	4,264,000	0.244	0.244			cost - No cons.
Fusaro S.c.r.l. (in liq.)	Italy	Euro	10,200	0.01	0.01			cost - No cons.
Grassetto S.p.A. (in liq.)	Italy	Euro	111,650,000	0.001		0,001	HCE Costruzioni S.p.A.	cost - No cons.
Guida Editori S.c.r.l. (in liq.)	Italy	Euro	10,329	1.05	1.05			cost - No cons.
Gulemark - TR Astaldi - Gulemark PL (C18-C21)	Poland			0.1	0.1			cost - No cons.
Hobas Italiana S.p.A. (in liq.)	Italy			8.829		8,829	HCE Costruzioni S.p.A.	cost - No cons.
Immobiliare Golf Club Castel D'Aviano S.r.l.	Italy	Euro	4,540,340	0.444		0,444	HCE Costruzioni S.p.A.	cost - No cons.

List of Webuild Group companies

	Country	Currency	Share/quota capital subscribed	Investment %	% direct	% indirect	Indirect parent	Consolidation or measurement method
Impregilo S.p.A.-Avax S.A.-Ate Gnomon S.A., J.V.	Greece	GRD	3,000,000	1		1	HCE Costruzioni S.p.A.	cost - No cons.
Istituto per lo Sviluppo Edilizio ed Urbanistico - ISVEUR S.p.A. (in liq.)	Italy	Euro	2,500,000	2.6	1.2	1,4	HCE Costruzioni S.p.A.	cost - No cons.
Istituto Promozionale per l'Edilizia S.p.A. - Ispredil S.p.A.	Italy	Euro	111,045	0.119		0,119	I.L.IM. S.r.l. (in liq.)	cost - No cons.
Joint Venture Aktor S.A. - Impregilo S.p.A.	Greece	-	-	0.1	0.1			cost - No cons.
Lambro S.c.r.l.	Italy	Euro	200,000	0.01		0,01	HCE Costruzioni S.p.A.	cost - No cons.
Lane-Developement Co. For Road Works-Tadmur Joint Venture	Qatar			0.49		0,49	Lane Mideast Qatar LLC	cost - No cons.
Manifesto S.p.A. (in liq.)	Italy			0.36		0,36	CO.GE.MA. S.p.A.	cost - No cons.
Markland S.r.l. (in liq.)	Italy	Euro	66,810	1.9	1.9			cost - No cons.
Metro 5 S.p.A.	Italy	Euro	53,300,000	2		2	Partecipazioni Italia S.p.A.	cost - No cons.
Mia Adi Ortakligi J.V.	Turkey			12		12	Astur Construction and Trade A.S.	cost - No cons.
Mika Adi Ortakligi J.V.	Turkey			15		15	Astur Construction and Trade A.S.	cost - No cons.
MN 6 S.c.r.l.	Italy	Euro	51,000	21.132		20,132	M.N. Metropolitana di Napoli S.p.A.	cost - No cons.
						1	Partecipazioni Italia S.p.A.	
Mose Operae S.c.r.l.	Italy	Euro	10,000	17.28		17,28	Partecipazioni Italia S.p.A.	cost - No cons.
Nomisma - Società di Studi Economici S.p.A.	Italy	Euro	20,433,801	0.245		0,245	HCE Costruzioni S.p.A.	cost - No cons.
Normetro - Agrupamento Do Metropolitano Do Porto, ACE	Portugal	PTE	100,000	2.12		2,12	HCE Costruzioni S.p.A.	cost - No cons.
Nova Via Festinat Industrias (in liq.)	Italy	Euro	10,329	0.01	0.01			cost - No cons.
Pavimental S.p.A.	Italy	Euro	10,116,452	0.601	0.601			cost - No cons.
PROG.ESTE S.p.A.	Italy	Euro	11,956,151	2.698		2,698	NBI S.p.A.	cost - No cons.
S.A.T. S.p.A.	Italy	Euro	19,126,000	1		1	Partecipazioni Italia S.p.A.	cost - No cons.
S.I.MA. GEST 3 S.c.r.l. (in liq.)	Italy	Euro	50,000	0.01		0,01	HCE Costruzioni S.p.A.	cost - No cons.
Salini Impregilo Bin Omran J.V.	Qatar			50	50			cost - No cons.
Simple Partership Ictas-Astaldi	Russia			0.1	0.1			cost - No cons.
Skiarea Valchiavenna S.p.A.	Italy	Euro	12,000,000	1.09	0.165	0,925	HCE Costruzioni S.p.A.	cost - No cons.

List of Webuild Group companies

	Country	Currency	Share/quota capital subscribed	Investment %	% direct	% indirect	Indirect parent	Consolidation or measurement method
SPV Linea M4 S.p.A.	Italy	Euro	61,531,500	19.268		9,634	Webuild Italia S.p.A.	cost - No cons.
						9,634	Partecipazioni Italia S.p.A.	
Tangenziale Esterna S.p.A.	Italy	Euro	464,945,000	0.001	0.001			cost - No cons.
Todini-Impregilo Almaty Khorgos J.V.	Kazakhstan			0.01	0.01			cost - No cons.
Transmetro - Construcao de Metropolitano A.C.E.	Portugal			5		5	HCE Costruzioni S.p.A.	cost - No cons.
Valtellina Golf Club S.p.A.	Italy	Euro	2,813,300	0.404		0,292	Cossi Costruzioni S.p.A.	cost - No cons.
						0,112	Mosconi S.r.l.	
Veneta Sanitaria Finanza di Progetto S.p.A. - V.S.F.P. S.p.A.	Italy	Euro	20,500,000	1		0,5	Partecipazioni Italia S.p.A.	cost - No cons.
						0,5	Astaldi Concessions S.p.A.	
Wurno Construction Materials - WUCOMAT Ltd	Nigeria	NGN	3,300,000	5.071		5,071	Impresit Bakolori Plc	cost -
UJV Astaldi S.p.A. (Suc. Cile), VCGP (Ag en Chile) e VCGP–Astaldi Ingenieria y Const.Ltd	Chile			0.01	0.01			cost - N cons.
VCGP - Astaldi Ingenieria y Construccion Limitada	Chile	CLP	66,000,000	0.01	0.01			cost - No cons.
I.L.IM. - Iniziative Lombarde Immobiliari S.r.l. (in liq.)	Italy	Euro	10,000	100	100			(*)
Salini - Impregilo Joint Venture for Mukorsi	Zimbabwe		-	100	99.9	0.1	HCE Costruzioni S.p.A.	(*)
Consorcio Impregilo - OHL	Colombia			100		100	Impregilo Colombia SAS	(*)

(*) No longer consolidated

(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 2021 and the results of operations and cash flows for the year then ended of the Issuer and its consolidated companies.

3.2 The Directors' report includes a reliable analysis of the financial performance and financial position of the Issuer and the consolidated companies, together with information about the key risks and uncertainties to which they are exposed.

Milan, 17 March 2022

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 2021

Statement of financial position

ASSETS (Euro)	Note	31 December 2020	of which: related parties	31 December 2021	of which: related parties
Non-current assets					
Property, plant and equipment	4	113,979,924		120,416,162	
Right-of-use assets	5	54,105,815		57,317,067	
Intangible assets	6	103,654,541		90,817,890	
Equity investments	7	1,418,547,796		2,123,670,799	
Non-current financial assets	8	113,977,097	90,445,123	177,893,120	103,210,141
Deferred tax assets	9	251,134,032		302,072,495	
Total non-current assets		**2,055,399,205**		**2,872,187,533**	
Current assets					
Inventories	10	109,440,590		114,939,819	
Contract assets	11	1,061,366,386		1,509,807,249	
Trade receivables	12	2,338,790,413	2,039,822,518	1,698,950,256	1,210,334,510
Derivatives and other current financial assets	13	992,897,768	946,230,741	1,169,245,197	1,098,567,836
Current tax assets	14	67,070,945		73,393,005	
Other current tax assets	14	44,000,992		85,655,602	
Other current assets	15	310,516,114	137,706,647	522,812,880	209,936,256
Cash and cash equivalents	16	1,065,865,227		692,568,232	
Total current assets		**5,989,948,435**		**5,867,372,240**	
Non-current assets held for sale and disposal groups	17	-		16,962,197	
Total assets		**8,045,347,640**		**8,756,521,970**	

EQUITY AND LIABILITIES		31 December 2020	of which:	31 December 2021	of which:
(Euro)	Note		related parties		related parties
Equity					
Share capital		600,000,000		600,000,000	
Share premium reserve		654,486,000		367,763,241	
Other reserves		195,321,277		962,929,270	
Other comprehensive expense		(12,130,926)		(8,891,059)	
Retained earnings		23,833,256		-	
Loss for the year		(351,071,630)		(245,727,865)	
Total	18	**1,110,437,977**		**1,676,073,587**	
Non-current liabilities					
Bank and other loans and borrowings	19	557,347,400		269,639,223	7,805,189
Bonds	20	1,288,619,886		1,487,852,150	
Lease liabilities	21	40,707,123	4,536,933	55,105,040	
Post-employment benefits and employee benefits	22	10,497,866		13,031,036	
Deferred tax liabilities	9	23,096,367		30,928,452	
Provisions for risks	23	57,316,638		74,234,687	
Total non-current liabilities		**1,977,585,280**		**1,930,790,588**	
Current liabilities					
Current portion of bank loans and borrowings and current account facilities	19	1,479,977,728	715,828,975	2,152,765,133	1,624,566,702
Current portion of bonds	20	246,910,023		11,880,993	
Current portion of lease liabilities	21	21,273,844		18,001,626	
Contract liabilities	11	795,462,534		554,666,472	
Trade payables	24	2,201,900,579	1,719,429,070	1,945,142,323	1,196,865,181
Current tax liabilities	25	74,528,534		149,348,198	
Other current tax liabilities	25	24,703,538		58,727,741	
Other current liabilities	26	112,567,603	40,336,080	240,743,610	86,612,537
Total current liabilities		**4,957,324,383**		**5,131,276,096**	
Non-current liabilities associated with non-current assets held for sale	17	-		18,381,699	
Total equity and liabilities		**8,045,347,640**		**8,756,521,970**	

Statement of profit or loss

(Euro)	Note	2020	of which: related parties	2021	of which: related parties
Revenue					
Revenue from contracts with customers	29	1,863,671,093	95,879,894	1,676,077,540	82,133,616
Other income	29	131,901,067	49,354,700	208,113,822	80,952,852
Total revenue and other income		**1,995,572,160**		**1,884,191,362**	
Operating expenses					
Purchases	30.1	(166,588,763)	(3,094,797)	(229,875,813)	(797,585)
Subcontracts	30.2	(283,125,400)	(1,177,184)	(308,039,037)	(7,229,327)
Services	30.3	(1,085,199,899)	(699,693,75	(906,989,406)	(504,992,76
Personnel expenses	30.4	(273,528,036)	(579,462)	(306,442,382)	(1,410,887)
Other operating expenses	30.5	(89,121,429)	(6,104,163)	(70,379,769)	(25,214,947
Impairment losses	30.6	(124,155,675)	(13,255,515	(17,137,813)	(6,326,100)
Amortisation, depreciation and provisions	30.6	(61,124,082)		(95,522,481)	
Total operating expenses		**(2,082,843,284)**		**(1,934,386,70**	
Operating loss		**(87,271,124)**		**(50,195,339)**	
Financing income (costs) and gains (losses) on equity investments					
Financial income	31.1	68,565,987	34,525,134	61,765,679	38,251,894
Financial expense	31.2	(104,174,399)	(14,584,446	(124,242,125)	(5,982,464)
Net exchange gains (losses)	31.3	(74,190,924)		61,973,798	
Net financing costs		(109,799,336)		(502,648)	
Net losses on equity investments	32	(136,259,481)		(103,021,058)	
Net financing costs and net losses on equity investments		**(246,058,817)**		**(103,523,706)**	
Loss before tax		**(333,329,941)**		**(153,719,045)**	
Income taxes	33	(17,741,689)		(96,708,520)	
Loss from continuing operations		**(351,071,630)**		**(250,427,565)**	
Profit from discontinued operations	17	-		4,699,700	
Loss for the year		**(351,071,630)**		**(245,727,865)**	

Statement of comprehensive income

(€'000)		2020	2021
Loss for the year (a)		**(351,072)**	**(245,728)**
- 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		(4,137)	3,529
Net gains (losses) on cash flow hedges, net of the tax effect	18		
- items that may not be subsequently reclassified to profit or loss, net of the tax effect:			
Net actuarial gains (losses) on defined benefit plans	18	25	(188)
Other comprehensive income (expense) (b)		**(4,112)**	**3,341**
Comprehensive expense (a) + (b)		**(355,184)**	**(242,387)**

Statement of cash flows

(€'000)	Note	2020	2021
Operating activities			
Loss for the year		(351,072)	(245,728)
adjusted by:			
Amortisation of intangible assets	30	12,652	44,267
Depreciation of property, plant and equipment and right-of-use assets	30	43,054	45,747
Net impairment losses and provisions	30	129,590	22,646
Accrual for post-employment benefits and employee benefits	22	8,032	9,152
Net (gains) losses on the sale of assets	29 - 30	798	(1,161)
Deferred taxes	33	(42,118)	10,569
Net losses on equity investments	32	136,860	98,687
Income taxes	33	59,859	86,140
Net exchange (gains) losses	31	74,191	(61,974)
Net interest paid during the year	31	35,608	62,476
Other non-monetary items		(4,137)	141,105
		103,318	**211,926**
Decrease (increase) in inventories and contract assets	10 - 11	90,701	(231,255)
Increase in trade receivables	12	(660,406)	(753,963)
Increase in contract liabilities	11	198,305	345,878
Increase in trade payables	24	201,007	539,324
Decrease (increase) in other assets/liabilities		(75,975)	88,281
Total changes in working capital		**(246,368)**	**(11,735)**
Increase in other items not included in working capital		(70,762)	(1,655)
Income taxes		(36,416)	(73,677)
Interest expense paid		(56,370)	(102,274)
Financial income collected		6,117	8,699
Cash flows generated by (used in) operating activities		**(300,480)**	**31,284**
Investing activities			
Net investments in intangible assets	6	(12,981)	(24)
Investments in property, plant and equipment and right-of-use assets	4 - 5	(13,935)	(3,876)
Proceeds from the sale or reimbursement value of property, plant and equipment		10,894	33,135
Investments in non-current financial assets		(49,410)	(307,813)
Proceeds from the sale or reimbursement value of non-current financial assets	7	-	7,045
Acquisitions and/or sales of subsidiaries and business units, net of cash		(225,000)	
Partial demerger of Astaldi to Webuild Italia S.p.A.		-	75,255
Cash flows used in investing activities		**(290,432)**	**(196,278)**

(€'000)	Note	2020	2021
Financing activities			
Dividends distributed	18	(27,145)	(49,085)
Repurchase of treasury shares			
Increase in bank and other loans	19	1,545,761	909,012
Decrease in bank and other loans	19	(557,201)	(1,660,038)
Decrease in lease liabilities		(20,759)	(30,578)
Change in other financial assets/liabilities		352,420	653,542
Cash flows generated by (used in) financing activities		**1,293,075**	**(177,147)**
Cash flows from discontinued operations			
Net exchange gains (losses) on cash and cash equivalents		**(10,507)**	**4,544**
Increase (decrease) in cash and cash equivalents		**691,655**	**(337,596)**
Cash and cash equivalents	16	388,615	1,065,865
Current account facilities	19	(60,638)	(46,234)
Total opening cash and cash equivalents		**327,977**	**1,019,631**
Cash and cash equivalents	16	1,065,865	692,568
Current account facilities	19	(46,234)	(10,531)
Total closing cash and cash equivalents		**1,019,631**	**682,037**

Statement of changes in equity

(€'000)		Share capital	Share premium reserve	Other reserves: Legal reserve	Share capital increase related charges	Negative goodwill (merger)	Reserve for treasury shares	Negative goodwill (demerger)	IFRS 2 reserve	Total other reserves	Other comprehensive expense: Translation reserve	Hedging reserve	Actuarial reserve	Total other comprehensive expense	Retained earnings (losses carried forward)	Profit (loss) for the year	Equity
As at 1 January 2020		**600,000**	**654,486**	**120,000**	**(10,988)**	**89,600**	**(3,290)**	**-**	**-**	**195,322**	**(7,842)**	**-**	**(177)**	**(8,019)**	**(19,982)**	**70,960**	**1,492,767**
Allocation of profit and reserves	18	-	-	-	-	-	-	-	-	-	-	-	-	-	70,960	(70,960)	-
Dividend distribution	18	-	-	-	-	-	-	-	-	-	-	-	-	-	(27,145)	-	(27,145)
Loss for the year	18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(351,072)	(351,072)
Other comprehensive expense	18	-	-	-	-	-	-	-	-	-	*(4,239)*	-	*25*	*(4,214)*	-	-	(4,214)
Comprehensive expense	18	-	-	-	-	-	-	-	-	-	*(4,239)*	-	*25*	*(4,214)*	-	*(351,072)*	(355,286)
As at 31 December 2020	**18**	**600,000**	**654,486**	**120,000**	**(10,988)**	**89,600**	**(3,290)**	**-**	**-**	**195,322**	**(12,081)**	**-**	**(152)**	**(12,233)**	**23,833**	**(351,072)**	**1,110,337**
As at 1 January 2021	**18**	**600,000**	**654,486**	**120,000**	**(10,988)**	**89,600**	**(3,290)**	**-**	**-**	**195,322**	**(12,081)**	**-**	**(152)**	**(12,233)**	**23,833**	**(351,072)**	**1,110,337**
Astaldi demerger	18	-	-	-	-	-	-	780,908	69,615	850,523	-	-	-	-	-	-	850,523
Allocation of loss and reserves	18	-	(237,638)	-	-	(89,600)	-	-	-	(89,600)	-	-	-	-	(23,833)	351,072	1
Dividend distribution	18	-	(49,085)							-	-	-	-	-	-	-	(49,085)
Stock options	18	-	-	-	-	-	-	-	1,843	1,843	-	-	-	-	-	-	1,843
Other changes	18	-	-	-	-	-	-	-	5,067	5,067	-	-	-	-	-	-	5,067
Loss for the year	18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(245,728)	(245,728)
Other comprehensive income	18	-	-	-	-	-	-	-	-	-	*3,529*	-	*(188)*	*3,341*	-	-	3,341
Comprehensive expense	18	-	-	-	-	-	-	-	-	-	*3,529*	-	*(188)*	*3,341*	-	*(245,728)*	(242,387)
As at 31 December 2021	**18**	**600,000**	**367,763**	**120,000**	**(10,988)**	**-**	**(3,290)**	**780,908**	**76,525**	**963,155**	**(8,552)**	**-**	**(340)**	**(8,892)**	**-**	**-**	**1,676,298**

Notes to the separate financial statements

1. Basis of preparation

Webuild has prepared its separate financial statements at 31 December 2021 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.

As required by Regulation EC (no.) 1606/2002 issued by the European Parliament and Council, implemented in Italy by Legislative decree no. 38/2005, these separate financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union at 31 December 2021. They comprise a statement of financial position, a statement of profit or loss, a statement of comprehensive income, a statement of cash flows, a statement of changes in equity and these notes.

The separate financial statements have been prepared using the historical cost principle, except for those items which are recognised at fair value in accordance with IFRS, as described in the section on "Accounting policies".

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.

Complex accounting estimates

Preparation of financial statements and the related notes in accordance with the IFRS requires management to make judgements and estimates that affect the carrying amount of assets and liabilities and financial statements disclosures. The estimates are used to:

- determine amortisation and depreciation (see the "Property, plant and machinery", "Leased property, plant and equipment", "Rights to infrastructure under concession" and "Other intangible assets" paragraphs of the "Accounting policies" section);
- recognise impairment losses (see the "Impairment of non-financial assets" paragraph of the "Accounting policies" section);
- recognise employee benefits (see the "Employee benefits" paragraph of the "Accounting policies" section);
- recognise taxes (see the "Income taxes" paragraph of the "Accounting policies" section);
- recognise provisions for risks and charges (see the "Provisions for risks and charges" paragraph of the "Accounting policies" section);

- 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 “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. Recognition of additional consideration by associates may entail adjustment of their equity due to standardisation with the company’s accounting policies.

The actual results may differ from those estimated due to uncertainties underlying the assumptions and the conditions on which the estimates are based.

Fundamental assumptions about the future and other reasons for uncertainty when making the estimates at the reporting date that may lead to material adjustments to the carrying amount of the assets and liabilities are described in the specific section of the Directors’ report on the main risk factors and uncertainties.

Given Webuild Group’s reference markets, assumptions about Covid-19 and the crisis in Ukraine are particularly relevant.

Covid-19

As discussed in the section on Covid-19 of the Directors’ report, the macroeconomic situation of most countries improved in 2021, thanks in part to the easing of the restrictions and continuation of their vaccination campaigns. Growth forecasts were revised downwards however when the public health situation worsened in December 2021.

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

The utilisation of up-to-date 2022 forecasts that reflect the uncertainties as a basis for the judgements is essential. The company’s procedures include a planning process split into two parts that take place before the preparation of the annual and interim consolidated financial statements. In this case, the 2022 forecasts were prepared considering growth forecasts revised after the public health situation worsened in December 2021.

Firstly, the separate financial statements at 31 December 2021 have been prepared assuming the company can continue as a going concern as described earlier. This assumption was made using all the information available over at least 12 months, including the projected profitability and the availability of financial resources. Specifically, the directors considered the following aspects, which have already been referred to in the relevant section of the Directors’ report:

- No contracts were cancelled as a result of the pandemic. All the company’s activities have resumed at the date of preparation of this report although not all of them are operating at pre-Covid-19 levels. The revenue not earned in this year as a result of the inefficiencies described has not been lost but simply deferred to the future.

- During the period, the Group liaised constantly with its customers to manage the crisis situation in terms of security and compliance with the government measures. In addition, negotiations also commenced on specific contractual issues, mainly the delays due to the shuttering of work sites and the consequent inefficiencies and included discussions about the additional costs incurred due to the crisis situation which the Group has so far borne almost in full.
- With respect to available financial resources, article 207 of Decree law no. 34/2020 (the Relaunch decree), converted with amendments by Law no. 77 of 17 July 2020, approved by the Italian government, provided for the receipt of contract advances of up to 30% within the limitations and in line with the annual resources earmarked for each project. This also applies to contractors that have already used the contractually-provided for advances or have already started work on the contract without receiving an advance.
- At the date of preparation of this report, the 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. In 2021 and early 2022, the company issued notes for €600 million to cover its main short-term repayments, in line with its strategy to optimise the timelines of its financial commitments by lengthening their average term.

In addition to that set out above, the complex accounting estimates related to:

- Impairment of non-financial assets (IAS 36). When there is an indication of impairment of property, plant and equipment and intangible assets, the company estimates the asset's recoverable amount to determine any impairment losses. This impairment test is usually carried out once a year for goodwill. Note 8 presents the results of this analysis and the sensitivity analyses.

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

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

- Impairment of financial assets (IFRS 9). The company tests the recoverable amount of financial assets not measured at fair value through profit or loss using the expected credit loss model. This model develops estimates of the impact of changes in economic factors on the expected credit losses using a probability-weighted outcome.

  The company found that, given the characteristics of its business sector, credit risk is that deriving from its exposure to potential losses arising from the customers' (which are mostly governments or state bodies) non-compliance with their obligations.

Management of this risk is complex, starting as early as the assessment of offers, through a careful analysis of the characteristics of the countries in which the company's activities should be carried out and the customers, which are usually state or similar bodies, requesting an offer.

Therefore, this risk can be essentially assimilated to the country risk. An analysis of this risk based on the age of the outstanding amounts is not very meaningful, since the receivables should be assessed together with the related working capital items, especially those reflecting the net exposure to customers in relation to contract work in progress as a whole.

Given the Covid-19 situation, the company estimated the effect of the uncertainties and short-term outlook for the economies of the countries in which it operates on the measurement of expected credit losses for impaired financial assets over the entire expected life of financial instruments.

As described earlier, the company also performed a credit risk analysis in accordance with the provisions of IFRS 7. More information is available in the notes to the separate financial statements.

- Measurement of contract assets and liabilities and revenue from customers in accordance with IFRS 15. Application of this standard requires management to make judgements and estimates to determine contract revenue, including claims for additional consideration, contract costs and the stage of completion. A significant part of the 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 the performance of such contracts. In addition, recognition of additional consideration by associates may entail adjustment of their equity due to standardisation with the company's accounting policies. Application of IFRS 15 requires the company to check the existence of the right to additional consideration and the degree of probability of collecting such consideration. Moreover, the company is required to estimate possible contract fines such as fines for the late delivery of the works compared to the agreed deadlines.

The company carefully analysed these elements, especially as part of its planning process which led it to update the group forecasts before preparation of the separate financial statements. It also considered all available information, including that obtained during discussions with customers (as described earlier) to confirm the judgements used in making accounting estimates.

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

Given the uncertain climate generated by Covid-19, actual results may differ from those estimated.

Fundamental assumptions about the future and other reasons for uncertainty when making the estimates at the reporting date that may lead to material adjustments to the carrying amount of the assets and liabilities are described in the specific section of the Directors' report on the main risk factors and uncertainties.

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

Ukraine crisis

Webuild does not currently have operations in this country, but it has a receivable of €66.1 million (via its subsidiary HCE Costruzioni S.p.A.) from the Ukrainian customer Ukravtodor as part of the contract to upgrade the Kiev - Kharkiv - Dovzhanskiy section of the M03 motorway from 2013 to 2016. The receivable has been the subject of litigation for various years, after the customer terminated the contract in August 2016. Since then, various proceedings have been commenced, including an arbitration with the International Chamber of Commerce ("ICC") in Paris, which awarded a total amount of €83 million, including interest, to Webuild.

The company tested the receivable for impairment in line with IFRS 9 and, based on the parameters at the reporting date, its carrying amount is fully recoverable.

Moreover, tensions with Russia, resulting in the ongoing military intervention, required a careful assessment in order to ensure full compliance with all requirements for proper measurement and recognition of the receivable.[107]

After having assessed the situation, the company believes that the above military intervention is a non-adjusting event after the reporting date under IAS 10, in line with the assessments made at the outbreak of the Covid-19 pandemic in February 2020 for the preparation of the 2019 separate financial statements.

The company also performed sensitivity analyses, using updated parameters (specifically, the discount date reflects the large increase in country risk). These analyses based on the most recent market parameters show that the receivable's carrying amount is still recoverable. However, the situation requires continuous and careful monitoring and the company cannot exclude that other 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.

The Ukraine crisis may have significant effects on all assumptions underlying impairment testing, especially on the relevant market variables. Webuild will closely monitor developments in the situation, including the communications from the supervisory authorities.

More information is available in the "Outook" section of the Directors' report.

[107] More information is available in the "Russia-Ukraine crisis" and "Main risk factors and uncertainties" sections of the Directors' report.

2. Changes in standards

Changes in standards and effects of new standards

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

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

The standards, amendments and interpretations published by the IASB and the International Financial Reporting Standards Interpretations Committee (IFRS-IC) and endorsed by the competent EU bodies at the reporting date are set out below:

Standard/Interpretation	**IASB application date**
Amendments to: ▪ IFRS 3 - Business combinations; ▪ IAS 16 - Property, plant and equipment; ▪ IAS 37 - Provisions, contingent assets and contingent liabilities Annual improvements 2018-2020 issued on 14 May 2020	1 January 2022
Amendments to IAS 1 (Presentation of financial statements) and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021)	1 January 2023
Amendments to IAS 8 - Accounting policies, changes in accounting estimates and errors: definition of accounting estimates (issued on 12 February 2021)	1 January 2023

Standard/Interpretation	IASB application date
Amendments to IFRS 16 (Leases) Covid-19-Related Rent Concessions beyond 30 June 2021 (issued on 30 May 2021)	1 April 2021
IFRS 17 (Insurance contracts) issued on 18 May 2017, including the amendments to IFRS 17 issued on 25 June 2020	1 January 2023

The standards, amendments and interpretations published by the IASB and the International Financial Reporting Standards Interpretations Committee (IFRS-IC) but not yet endorsed by the competent EU bodies at the reporting date are set out below:

Standard/Interpretation	IASB application date
Amendments to IFRS 17 (Insurance contracts) - Initial Application of IFRS 17 and IFRS 9 – Comparative Information issued on 9 December 2021	1 January 2023
Amendments to IAS 1 (Presentation of financial statements): Classification of liabilities as current or non-current (issued on 23 January 2020, and subsequent amendment issued on 15 July 2020)	1 January 2023
Amendments to IAS 12 - Income taxes: deferred tax related to assets and liabilities arising from a single transaction (issued on 7 May 2021)	1 January 2023

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

The standards and amendments that became applicable on 1 January 2022 are not expected to have a significant effect on the separate financial statements.

3. Basis of presentation

Separate financial statements

The company opted to present its separate financial statements at 31 December 2021 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, sold, used or settled in the company's normal operating cycle, which usually exceeds 12 months. Non-current assets and liabilities include non-current assets, deferred tax assets, employee benefits, deferred tax liabilities and other balances expected to be realised, sold, used 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 investments" and income taxes. 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.

Accounting policies

The accounting policies adopted to draw up the company's separate financial statements at 31 December 2021 comply with the IFRS and are consistent with those used to prepare the 2020 separate financial statements, except for the standards enacted after 1 January 2020, summarised in the section on the "Changes in standards".

Property, plant and equipment

Property, plant and equipment are recognised 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 equipment	from 10% to 20%
Industrial and commercial equipment	from 25% to 40%
Other assets	from 12% to 25%

Land and buildings, plant and machinery with a carrying amount to be recovered mainly through their sale (rather than the asset's continuing use) are measured at the lower of their carrying amount and fair value less costs to sell. Assets held for sale shall be available for immediate sale and their sale shall be highly probable (i.e., the related commitments already exist). Their price shall be reasonable compared to their fair value.

The carrying amount of property, plant and equipment is tested for impairment whenever events or changes in circumstances take place indicating that the carrying amount may not be recovered. Reference should be made to the section on “Impairment of non-financial assets” for details on impairment testing.

Borrowing costs directly related to the acquisition or construction of an asset are capitalised as part of the cost of the asset, to the extent of its recoverable amount. As established by IAS 23 - Borrowing costs, the company has applied this method to all qualifying assets.

Borrowing costs are capitalised when the costs of the acquisition of the asset and borrowing costs are incurred, and the activities necessary to bring the asset to a condition for its use have been started.

The costs provided for but not yet paid related to qualifying assets are excluded from the amount to be capitalised.

Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

Subsequent expenditure is only capitalised if it increases the future economic benefits of the related asset. All other expenditure is expensed when incurred.

Ordinary maintenance costs are fully expensed when incurred. Costs that increase the carrying amount of assets are allocated thereto and depreciated over their residual economic lives.

Dismantlement and restoration costs of assets used for contract work in progress are added to the cost of the related asset and depreciated in line with the depreciation pattern of the asset to which they refer when they are foreseeable and objectively determinable.

Leasehold improvements are classified in the different items of property, plant and equipment on the basis of their nature. They are depreciated over the shorter of the estimated useful life of the relevant asset and the residual term of the lease.

Right-of-use assets and lease liabilities

Right-of-use assets and lease liabilities are recognised in accordance with IFRS 16.

Leases of property, plant and equipment

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard defines a lease as a contract that conveys the right to use an asset to the customer (the lessee) for a period of time in exchange for consideration. For lessees, the standard provides for just one presentation model regardless of whether the lease is a finance or an operating lease. For all leases with a term of more than twelve months, a lessee shall recognise a right-of-use asset and a lease liability (the obligation to make the lease payments contractually provided for). On the other hand, the recognition of leases required of lessors has not changed significantly and there is still the differentiation between finance and operating leases. Moreover, IFRS 16 significantly expanded the disclosure requirements previously provided for by IAS 17, but specifies that disclosures are required only if they are helpful to users of financial statements. At inception of a contract, the company carefully assesses whether the contract is or contains a lease, i.e., if the contract conveys the right to use an asset for a period of time in exchange for consideration.

Webuild as lessee

The company has adopted a single model to recognise and measure all leases, except for short-term leases and leases of low-value assets. It recognises the liabilities for the lease payments and the rights-of-use assets, i.e., its right to use the underlying assets.

iv) Right-of-use assets: at the commencement date (the date on which a lessor makes an underlying asset available for use by a lessee), the company recognises the right-of use assets. These are measured at cost, net of accumulated amortisation/depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liabilities. The cost of a right-of-use asset comprises the amount of the initial measurement of the lease liability, any initial direct costs incurred and any lease payments made at or before the commencement date, less any lease incentives received. Right-of-use assets are amortised/depreciated on a straight-line basis from the commencement date to the end of their useful life. If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the lessee shall depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Right-of-use assets shall be tested for impairment.

v) Lease liabilities: At the commencement date, the company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments include fixed payments (including in-substance fixed payments), less any incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be payable under residual value guarantees. They also include the exercise price of a purchase option if the company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the company exercising an option to terminate the lease. Variable lease payments that do not depend on an index or a rate are recognised in profit or loss (unless those costs are incurred to produce inventories) in the period in which the event or condition that triggers those payments occurs. The company uses the incremental borrowing rate to discount the lease payments at the commencement date if the interest rate implicit in the lease cannot be readily determined. After the commencement date, the lease liability increases to reflect interest thereon and decreases to reflect the lease payments made. Moreover, the carrying amount of the lease liability is remeasured to reflect any lease modifications or revised in-substance fixed lease payments. It is also remeasured if there is any change in the assessment of an option to purchase the underlying asset or if there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments.

vi) The company elected to apply the recognition exemption available for short-term leases and leases of low-value assets. The former are those relating to machinery and equipment (i.e., those with a lease term of 12 months or less at the date commencement date and do not contain a purchase option), while the latter relate to office equipment of a low value. The related lease payments are recognised as costs on a straight-line basis over the lease term.

Webuild as lessor

Leases that do not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are classified as operating leases. Lease payments from operating leases are recognised as income on a straight-line basis over the lease term. The company adds initial direct costs incurred in obtaining an operating lease to the carrying amount of the underlying asset and recognises those costs as an expense over the lease term on the same basis as the lease income. Income from unexpected leases is recognised as revenue when it accrues.

Other intangible assets

Other intangible assets acquired or generated internally are recognised under assets in accordance with IAS 38 - Intangible assets 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. Those assets with finite useful lives 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 of non-financial assets”.

Equity investments

Investments in subsidiaries and associates and interests in joint ventures are measured at cost and tested regularly for impairment. This test is carried out whenever there is an indication that the investment may be impaired. The method used is described in the section on “Impairment of non-financial assets”. 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. Reversals of impairment losses are recognised in profit or loss.

Impairment of non-financial assets

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 and other intangible assets with an indefinite life are 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.

Inventories of goods

Inventories of goods are measured at the lower of average purchase cost and net realisable value. Cost includes the directly related costs and estimated realisable value is determined using the replacement cost of the assets or similar assets. Any write-downs are eliminated in subsequent years when the reasons therefor are no longer valid.

Contract assets and liabilities

Contract assets and liabilities 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.

1. Identify 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); and

e) it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

2. 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 contract consideration should be allocated to each separate performance obligation based on the guidance of IFRS 15. The company's contracts with customers usually specify the price of each contractual item (detailed in the contract).

3. 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 (cost to cost method).

The most appropriate method for measuring revenue is the cost to cost method calculated by applying the percentage of completion (the ratio of costs incurred to total estimated costs) to contract revenue. The calculation of the ratio of costs incurred to estimated costs only considers costs that contribute to the actual transfer of control of the goods and/or services. This method allows the objective measurement of the transfer of control to the customer as it considers quantitative variables related to the contract as a whole.

When choosing the appropriate method for measuring the transfer of control to the customer, the company did not adopt the output method (e.g., surveys of performance completed to date) for its ongoing contracts as it considered that although this output method would allow a direct measurement of progress, it would also lead to operating difficulties in managing and monitoring progress considering all the resources necessary to satisfy the obligation.

In addition, an output method would entail the application of criteria and measurement inputs that are not directly observable and the incurring of excessive costs to obtain useful information.

Finally, in the company's reference sector, the objective of contractual outputs (milestones) refers to, inter alia, modulation of cash flows to obtain financial resources useful to perform the contract and the definition of technical specifications of the works and related performance timing.

4. 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 contract 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 could be approved in writing, by oral agreement or implied by customary business practices. A contract modification may exist even though the parties to the contract have a dispute about the scope or price (or both) of the modification. The rights to the consideration shall be provided for contractually generating an enforceable right. Once the enforceable right has been identified, in order to recognise the claims and amount of the additional consideration requested, the company applies the guidance about the variable consideration given in IFRS 15. Therefore, in order to adjust the transaction price to include the additional consideration arising from the claims, the company decides whether it is highly probable that the revenue will not be reversed in the future.

The company considers all the relevant aspects and circumstances such as the contract terms, business and negotiating practices of the sector or other supporting evidence when taking the above decision.

4.a 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.

4.b 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.

4.c Significant financing component

It is normal practice in the construction and large-scale infrastructure sector that the transaction price for the 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.

5. Losses to complete

The standard does not specifically cover the accounting treatment of loss-making contracts but refers to IAS 37, which regulates the measurement and classification (previously covered by IAS 11) of onerous contracts. IAS 37 provides that an onerous contract is one in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The present obligation under the contract shall be 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.

6. Contract costs

6.a Incremental costs of obtaining a contract

IFRS 15 allows an entity to recognise the incremental costs of obtaining a contract as an asset if it expects to recover those costs through the future economic benefits of the contract. The incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be 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.

6.b 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; and
- 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 cannot be recognised as assets and contribute to the stage of completion.

When the contract provides for their explicit recognition and the above three criteria are met, the pre-operating costs are recognised as assets and amortised on a systematic basis that is consistent with the pattern of transfer of control of the goods and/or services to the customer.

In addition, IFRS 15 defines all those costs that, by their nature, do not contribute to the stage of completion as, although they are referred to in the contract and can be recovered, they do not contribute to generating or enhancing the resources that will be used to satisfy the performance obligations or to transfer of control of the good and/or service to the customer.

7. Presentation in the separate financial statements

The statement of financial position includes "Contract costs" under intangible assets which includes the costs capitalised under the criteria described in point 6 of this section. Amortisation of these costs is included in the statement of profit or loss item "Amortisation, depreciation and provisions".

Contract assets and liabilities are presented in the statement of financial position items "Contract assets" and "Contract liabilities", respectively under assets and liabilities. The classification in line with IFRS 15 depends on the relationship between the company's performance obligation and payment by the customer. These items show the sum of the following components analysed individually for each customer:

(+) Amount of work performed calculated using the cost-to-cost method pursuant to IFRS 15

(-) Progress payments and advances received

(-) Contract advances.

When the total is positive, the net balance is recognised as a "Contract asset". If it is negative, it is recognised as a "Contract liability". When the amounts represent an unconditional right to payment of the consideration, they are recognised as financial assets.

The company's statement of profit or loss includes a revenue item "Revenue from contracts with customers" to comply with IFRS 15. This revenue is presented and measured in accordance with the new standard. 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. 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 company's activities involve its participation in numerous SPEs that, especially in Italy, use the consortium structure, which works using a cost recharging system. Under IFRS 10 and IFRS 11, these entities have been classified as subsidiaries, associates and joint ventures. As this income does not arise on the performance of the contract obligations or contract negotiations, it is recognised as "Other income".

Real estate projects

Closing inventories of real estate projects are those real estate areas developed with a view to selling them. They are measured at the lower of cost and estimated realisable value. Costs incurred consist of the consideration paid for purchasing the areas and related charges, construction costs and borrowing costs related to the project up to and not exceeding its completion.

Financial instruments

Financial assets – Debt instruments

Financial assets, which are debt instruments, are classified in the following three categories depending on the instruments' contractual cash flow characteristics and the business model for managing them:

(i) financial assets at amortised cost;

(ii) financial assets at fair value through other comprehensive income (FVTOCI);

(iii) 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.

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.

Debt instruments held within a business model whose objective is to collect contractual cash flows and sell financial assets (hold to collect and sell model) are measured at fair value through other comprehensive income. Fair value gains and losses on these financial assets are recognised in other comprehensive income (OCI). The cumulative fair value gains and losses previously recognised in OCI are reclassified to profit or loss when the financial asset is derecognised. Interest income calculated using the effective interest method, exchange differences and impairment losses are recognised in profit or loss.

Debt instruments that are not measured at amortised cost or FVTOCI are measured at fair value through profit or loss.

Financial assets that are transferred are derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred to third parties.

Impairment losses on financial assets

The company tests the recoverable amount of debt instruments not measured at fair value through profit or loss using the expected credit loss model. This model develops estimates of the impact of changes in economic factors on the expected credit losses using a probability-weighted outcome.

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 offers, through a careful analysis of the characteristics of the countries in which the company's activities should be carried out and the customers, which are usually state or similar bodies, requesting an offer.

Therefore, this risk can be essentially assimilated to the country risk. An analysis of this risk based on the age of the outstanding amounts is not very meaningful, since the receivables should be assessed together with the related working capital items, especially those reflecting the net exposure to customers in relation to contract work in progress as a whole.

Loans and borrowings and bonds

Loans and borrowings and bonds are initially recognised at cost, being the fair value of the consideration received less transaction costs.

After initial recognition, loans are measured at amortised cost, whereby repayments are determined using the effective interest method with a rate which matches, at initial recognition, the expected cash flows with the initial carrying amount.

Loan transaction costs are classified under liabilities decreasing the loan; amortised cost is calculated considering these costs and any discounts or premiums expected at settlement.

The effects arising from the recognition at amortised cost are taken to "Financing income (costs)".

Derecognition of financial assets and liabilities

(a) 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:

I. the contractual rights to the cash flows from the financial asset expire;

II. 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;

III. 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.

(b) 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.

Impairment of financial assets

If there is any indication that a financial asset is impaired, the recoverable amount of the asset is estimated to determine the amount of the impairment loss.

Derivatives and hedging transactions

Webuild has derivatives recognised at fair value when the related agreement is signed and for subsequent fair value changes. The treatment of the related fair value gains or losses changes depending on whether the conditions for hedge accounting are met, as described below.

The company 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 company 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”.

Employee benefits

Post-employment benefits

Post-employment benefits are recognised at the present value of the company’s liability determined in line with ruling legislation and national and in-house labour agreements. The valuation, based on demographic, financial and turnover assumptions, is carried out by independent actuaries. The gains and losses resulting from the actuarial calculation are recognised in profit or loss if related to service costs and interest expense or in comprehensive income if relating to assets and liabilities.

The 2007 Finance Act and related implementing decrees introduced significant changes to legislation governing Italian post-employment benefits, effective as from 1 January 2007. These include the option given to employees, to be exercised before 30 June 2007, of where to allocate their future benefits. Specifically, employees can opt to allocate them to selected pension funds or maintain them with the company, in which case, the latter shall pay the contributions to the treasury fund of INPS (the Italian social security institution).

Following these changes, the Italian post-employment benefits accruing after the date of the employees' decision and, in any case, after 30 June 2007, are considered part of a defined contribution plan and treated like all other social security contributions.

Share-based payments

Share-based payments are measured at fair value of the option at the grant date. This amount is recognised in the statement of profit or loss on a straight-line basis over the vesting period. This treatment is based on an assessment of the stock options that will effectively vest in favour of the qualifying employees. Fair value is determined using the share price at the grant date.

Income tax

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 them through the national tax consolidation system, taking into account any losses of the consolidating party and/or other companies that joined the system.

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.

In the case of transactions recognised directly in equity, the related deferred tax asset or liability also affects equity.

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.

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.

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, and
- the sale must be highly probable and expected to take place within twelve months.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

A discontinued operation is a component of an entity that either has been disposed of or classified as held for sale and that meets any of the following criteria: i) it represents a separate major line of business or geographical area of operations; ii) it is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or iii) it is a subsidiary acquired exclusively with a plan to resell.

The profit or loss from discontinued operations is disclosed separately in the statement of profit or loss. As required by paragraph 34 of IFRS 5 - Non-current assets held for sale and discontinued operations, the corresponding prior year figures are reclassified accordingly.

Revenue from contracts with customers

Revenue from contracts with customers is recognised using the five-step model: (i) identify the contract with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; (v) recognise revenue when (or as) the company satisfies a performance obligation.

More information is available in the “Contract assets and liabilities” paragraph of these notes.

Interest income

Interest income is recognised on an accruals basis, considering the principal and applicable effective interest rate, i.e., the rate that discounts the estimated future inflows over the expected life of the financial asset to return it to its carrying amount.

Dividends

Dividends are recognised when the investors’ right to receive payment arises in line with local ruling legislation.

Complex accounting estimates

Preparation of financial statements and the related notes in accordance with the IFRS requires management to make judgements and estimates that affect the carrying amount of assets and liabilities and financial statements disclosures. The estimates are used to:

- determine amortisation and depreciation (see the “Property, plant and machinery”, “Leased property, plant and equipment”, and “Other intangible assets” paragraphs of the “ Accounting policies” section”;
- recognise impairment losses (see the “Impairment of non-financial assets” paragraph of the “Accounting policies” section);
- recognise employee benefits (see the “Employee benefits” paragraph of the “Accounting policies” section);
- recognise taxes (see the “Income taxes” paragraph of the “Accounting policies” section);
- recognise provisions for risks and charges (see the “Provisions for risks and charges” paragraph of the “Accounting policies” section);
- determine total contract costs and the related stage of completion (see the “Contract assets and liabilities” paragraph of the “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 actual results may differ from those estimated due to uncertainties underlying the assumptions and the conditions on which the estimates are based.

Fundamental assumptions about the future and other reasons for uncertainty when making the estimates at the reporting date that may lead to material adjustments to the carrying amount of the assets and liabilities are described in the specific section of the Directors’ report on the main risk factors and uncertainties.

Partial proportionate demerger of Astaldi to Webuild

On 29 and 30 April 2021, respectively, the shareholders of Webuild and Astaldi approved the proposed partial proportionate demerger of Astaldi to Webuild in their extraordinary meetings.

Although the transaction was performed by Webuild with a subsidiary, given its materiality (including as part of Progetto Italia), the company decided not to avail of the exemption allowed by article 14.2 of the Related Party Transactions Regulation and article 11.f of the Related Party Transactions Procedure. Therefore, it elected to introduce and apply the measures and requirements for “material related party transactions”, which include the preparation of an information document in accordance with article 5 of the regulation adopted by Consob with resolution no. 17221 of 12 March 2010, as subsequently amended and integrated.

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

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

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

The demerger was carried out through the following steps:

1. Webuild received all the assets, liabilities and legal relationships of Astaldi after it had discharged its debts that were not part of the separate unit, as defined in the composition with creditors plan;

2. the separate unit's assets, rights and obligations remained with Astaldi, without altering their transfer to the separate unit as provided for in the composition with creditors' procedure;

3. at the demerger effective date, Astaldi's shareholders received newly issued ordinary Webuild shares while all the ordinary Astaldi shares were cancelled (including those held by Webuild) and Astaldi was delisted from the Milan Stock Exchange. The exchange ratio was 203 ordinary Webuild shares for every 1,000 ordinary Astaldi shares;

4. any unsecured creditors of Astaldi that present claims after the demerger effective date will have the right to receive ordinary Webuild shares and will maintain their right to receive participating financial instruments linked to the separate unit from Astaldi, as provided for in Astaldi's composition with creditors plan;

5. on the date immediately before the demerger effective date, Webuild's shareholders received Webuild warrants giving them the right to receive new Webuild shares so that their investment percentage is not changed should Webuild issue new shares for Astaldi's unsecured creditors (as described above). Webuild also issued warrants to banks to replace those issued by Astaldi in accordance with the composition with creditors proposal;

6. the demerged company's share capital was zeroed and concurrently reconstituted through the subscription of new shares by set-up Fondazione Creditori Chirografari which assists with the management and orderly sale of the separate unit in line with the composition with creditors proposal as Astaldi's sole shareholder.

The partial proportionate demerger of Astaldi into Webuild became effective for statutory, accounting and tax purposes on 1 August 2021 after the demerger deed was signed on 29 July 2021 and filed with the Company Registrar.

The demerger enabled the complete integration of the two groups, creating a large player in the Italian infrastructure sector, an essential part of Progetto Italia, the industrial project to strengthen the entire domestic construction sector. The demerger also allows Webuild to contribute to the development of Italian infrastructure as part of the National Recovery and Resilience Plan.

The demerger is substantially similar to a merger between the recipient, Webuild and the core assets scope of Astaldi. Such business unit comprises Astaldi's operations in the building, infrastructure construction, plant engineering, design, maintenance, facility management and complex system management sectors, to be continued as provided for in the composition with creditors procedure. It does not include the separate unit as per article 2447-bis and following articles of the Italian Civil Code provided for by Astaldi's composition with creditors proposal and plan to separate Astaldi's assets, payables and receivables to be sold.

Through the demerger, the integration of the Astaldi's core assets scope into the recipient, Webuild, was completed. It started on 5 November 2020 with the acquisition of a controlling investment in Astaldi by subscribing a capital increase of €225 million giving it a direct 66.101% stake.

Under the IFRS, the demerger qualifies as a business combination under common control, which is outside the scope of IFRS 3 - Business combinations as it did not involve any third parties, except for the non-controlling investors that exchange their Astaldi shares with Webuild shares based on the exchange ratio.

IAS 8.10 states that, in the absence of a standard or interpretation that specifically applies to a transaction, management shall use its judgement in developing and applying an accounting policy that results in information "*that is: (a) relevant to the economic decision-making needs of users; and (b) reliable, in that the financial statements: (i) represent faithfully the financial position, financial performance and cash flows of the entity; (ii) reflect the economic substance of transactions, other events and conditions, and not merely the legal form; (iii) are neutral, i.e., free from bias; (iv) are prudent; and (v) are complete in all material respects.*"

In making such judgement, "*management shall refer to, and consider the applicability of, the following sources in descending order: (a) the requirements in IFRSs dealing with similar and related issues; and (b) the definitions, recognition criteria and measurement concepts for assets, liabilities, income and expenses in the Conceptual framework*." In making the above judgement, "*management may also consider the most recent pronouncements of other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources*" described above.

In developing an accounting policy based on the above principles, Webuild made reference, in particular, to Assirevi (the Italian association of independent auditors) documents OPI 1 and OPI 2, according to which the existence of "economic substance", i.e., a significant influence over the future cash flows of the net assets transferred for the entities involved, is the key element for choosing an accounting policy. Therefore, the demerger was accounted for without remeasuring the carrying amounts, as envisaged in the above Assirevi documents, considering the pre-existing controlling relationship between the companies involved in the demerger, as well as the cost incurred by Webuild to originally acquire Astaldi. Such cost and its allocation to the fair value of the merged company's assets and liabilities are reflected in Webuild Group's consolidated financial statements from the effective date of the above transaction.

The demerger gave rise to negative goodwill (as a result of both the cancellation and exchange of shares) arising from the difference between the cost incurred by Webuild for the acquisition of Astaldi and the net assets combined after the demerger calculated to the extent of the same amount recognised in Webuild's consolidated financial statements at the effective date of the transaction, using the fair values identified as part of the purchase price allocation procedure. The negative goodwill has been recognised as a direct decrease in the Webuild's equity.

The effects of the demerger on Webuild's equity are set out below:

(€'000)	
Net assets acquired	1,075,574
Carrying amount of the investment in Astaldi at the demerger date	(225,051)
Increase in Webuild's equity	**850,523**

The net assets recognised by Webuild in its separate financial statements as a result of the demerger at the effective date of the transaction are summarised below:

(€'000)	Carrying amount
Assets	
Property, plant and equipment	27,740
Right-of-use assets	10,057
Investment property	115
Intangible assets	133,532
Equity investments	645,841
Deferred tax assets	6,364
Total non-current assets	**823,649**
Inventories	22,470
Contract assets	502,042
Trade receivables	56,611
Current financial assets	101,223
Current tax assets	10,335
Other current tax assets	25,595
Other assets	328,807
Cash and cash equivalents	77,764
Total current assets	**1,124,847**
Non-current assets held for sale	10,845
Total assets	**1,959,341**

(€'000)	Carrying amount
Non-current liabilities	
Bank and other loans and borrowings	210,360
Non-current lease liabilities	3,199
Post-employment benefits and employee benefits	1,229
Provisions for risks and charges	19,812
Total non-current liabilities	**234,600**
Current liabilities	
Current portion of bank loans and borrowings and current account facilities	99,435
Current portion of lease liabilities	5,146
Contract liabilities	85,666
Trade payables	335,294
Current tax liabilities	1,299
Other current tax liabilities	7,580
Other current liabilities	99,096
Total current liabilities	**633,516**
Non-current liabilities associated with non-current assets held for sale	15,651
Total liabilities	**883,767**
Net assets recognised as a result of the demerger	**1,075,574**

Contribution of the “Ramo Italia” business unit

In line with its business strategies underpinning Progetto Italia, the Company intends to focus on its industrial and production resources in Italy for various reasons, the main ones of which are: i) to create a more suitable organisational structure that can promptly provide tailored solutions to the infrastructure requirements of Italy’s National Recovery and Resilience Plan and the National Plan for Additional Investments as per Decree law no. 77/2021 and Decree law no. 59/2001; and ii) to redesign the Group’s organisation and optimise its indirect contract costs and overheads by centralising shared and automated back office services provided by the administration, finance and control, HR and IT and technical departments.

This has entailed the set up of two separate entities (Webuild Italia S.p.A. and Partecipazioni Italia S.p.A., the “newcos”).

On 22 July 2021, the boards of directors of Webuild and Astaldi resolved to increase the newcos’ share capital through a contribution in kind of their business units consisting of all the property, plant and equipment, intangible assets and liabilities related to the two group’ Italian operations in the infrastructure sector, the related operating facilities, equipment and machinery, personnel and resources.

The scope of the business units was based on the statements of financial position at 31 March 2021 prepared by Webuild and Astaldi, which engaged independent experts with the necessary and proven expertise as per article 2343-ter.2.b) of the Italian Civil Code to value the two business units and provide them with their appraisals.

The directors of the two newcos checked the experts’ appraisals to check whether any new pertinent facts had been overlooked which would significantly change the value of the contributed business units. They also checked the experts’ professional and independence qualifications.

The business units were transferred to Webuild Italia S.p.A. and Partecipazioni Italia S.p.A. on 1 August 2021 as they existed at that date. Therefore, tittle to the property, plant and equipment, intangible assets, moveable assets and real estate, as well as all the rights, shares and legal relationships of the business units were also transferred to Webuild Italia S.p.A. and Partecipazioni Italia S.p.A..

The contributions became effective in due time to allow Astaldi’s demerger, after which Webuild directly holds all the share capital of both Webuild Italia S.p.A. and Partecipazioni Italia S.p.A..

The contributions were based on the carrying amounts recognised in the statements of financial position at 31 March 2021 and on a tax neutrality basis as per article 176.1 of Presidential decree no. 917/1986 as subsequently amended and integrated (the Consolidated Income Tax Act).

Although the contributions qualify as material related party transactions, they benefit from the exemption allowed by article 11 of Webuild’s Related Party Transactions Procedure as they were performed with a subsidiary without any significant interest of other related parties.

The contributions have provided the newcos with the expertise and resources necessary to continue Webuild’s and Astaldi’s ongoing contracts and, moreover, they can also rely on the transferors’ expertise for an interim period.

The transaction strengthens the Group's global business model, with Webuild's corporate headquarters acting as the expertise hub holding the cross-company technical know-how and providing services to its satellite companies, which are independent in governance terms but managed, coordinated and controlled by the Group. This to-be model has already been successfully implemented in the US with Lane.

The carrying amounts of the assets and liabilities contributed to Webuild Italia S.p.A. are set out below:

(€'000)	**Carrying amount**
Assets	
Intangible assets	88,650
Equity investments	76,361
Non-current financial assets	88,756
Deferred tax assets	3,455
Total non-current assets	**257,221**
Inventories	133
Contract assets	68,096
Trade receivables	1,956,007
Current financial assets	29,354
Other assets	16,719
Cash and cash equivalents	1,306
Total current assets	**2,071,615**
Total assets	**2,328,836**
Non-current liabilities	
Bank and other loans and borrowings	8,541
Provisions	3,158
Deferred tax liabilities	562
Total non-current liabilities	**12,261**
Current liabilities	
Current portion of bank loans and borrowings and current account facilities	1,278
Contract liabilities	587,984
Trade payables	1,604,523
Total current liabilities	**2,193,785**
Total liabilities	**2,206,046**
Net assets contributed	**122,790**

Scope of the separate financial statements

Joint operations

The company is involved in the following main joint operations:

- Civil Work Group (Saudi Arabia), which is 52% held and is engaged in the civil works for the Riyadh metro;
- Salini Impregilo - NGE Genie Civil S.a.s. (France), which is 65% held and is engaged in the civil works for the Paris Metro as part of the Gran Paris Express project (Line 16, Lot 2);
- Consorzio Constructor M2 Lima (Peru), which is 25.5% held and is engaged in the extension of the Lima Metro (Peru);
- Asocierea Astaldi-FCC-Salcef-Thales, lot 2°A (Romania), which is 49.5% held and is engaged in the construction of Lot 2A of the Frontieră - Curtici - Simeria railway line;
- Asocierea Astaldi-FCC-Salcef-Thales, lot 2°B (Romania), which is 49.5% held and is engaged in the construction of Lot 2B of the Frontieră - Curtici - Simeria railway line;
- Asocierea Lot 3 FCC-Astaldi- Convensa (Romania), which is 49.5% held and is engaged in the rehabilitation of Lot 3, Gurasada – Simeria section of the Frontieră - Curtici - Simeria railway line;
- Asocierea Astaldi S.p.A - IHI Infrastructure Systems Co., Ltd. (Romania), which is 60% held and is engaged in the construction of the Braila Bridge;
- Astaldi-Turkerler Joint Venture (Turkey), which is 51% held and is engaged in an EPC contract for the Etilik Integrated Health Campus in Ankara;

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.

Revenue by operating segment - 2020

(€'000)	Italy	Abroad	Total
Revenue from contracts with customers	658,479	1,205,192	1,863,671
Other income	36,823	95,078	131,901
Total revenue and other income	**695,302**	**1,300,270**	**1,995,572**

Revenue by operating segment - 2021

(€'000)	Italy	Abroad	Total
Revenue from contracts with customers	527,935	1,148,142	1,676,078
Other income	24,114	184,000	208,114
Total revenue and other income	**552,049**	**1,332,142**	**1,884,191**

Statement of financial position by operating segment - 31 December 2020

(€'000)	Italy	Abroad	Total
Net non-current assets	1,151,424	538,864	**1,690,288**
Provision for risks	(6,966)	(50,350)	**(57,317)**
Post-employment benefits and employee benefits	(5,274)	(5,223)	**(10,498)**
Net tax assets (liabilities)	289,767	(49,889)	**239,878**
Working capital	**25,876**	**588,846**	**614,722**
Net invested capital	**1,454,827**	**1,022,248**	**2,477,073**
Equity			**1,110,438**
Net financial indebtedness			**1,366,635**
Total financial resources			**2,477,073**

Statement of financial position by operating segment - 31 December 2021

(€'000)	Italy	Abroad	Total
Net non-current assets	1,333,489	1,058,733	**2,392,222**
Assets (liabilities) held for sale, net	112	(1,531)	**(1,420)**
Provision for risks	(26,769)	(47,466)	**(74,235)**
Post-employment benefits and employee benefits	(5,845)	(7,186)	**(13,031)**
Net tax assets (liabilities)	292,715	(70,599)	**222,117**
Working capital	**388,672**	**713,806**	**1,102,479**
Net invested capital	**1,982,375**	**1,645,757**	**3,628,132**
Equity			**1,676,074**
Net financial indebtedness			**1,952,058**
Total financial resources			**3,628,132**

Initial considerations on the comparability of the separate financial statements figures

The 2021 separate financial statements figures are affected by the non-recurring transactions carried out by the company in the second half of the year as part of the larger strategy commenced by the company with Progetto Italia and, specifically, the (i) partial proportionate demerger of Astaldi to Webuild and (ii) the contribution of the “Ramo Italia” business unit to Webuild Italia S.p.A..

Specifically, with effect from 1 August 2021, Webuild has recognised: (i) the accounting effects of the demerger and the subsequent development of its foreign operations thanks to Astaldi’s projects; and (ii) the contribution of the “Ramo Italia” business unit to Webuild Italia S.p.A., which has limited the contribution of the domestic production activities to its statement of profit or loss to the period from 1 January to 31 July 2021.

4. Property, plant and equipment

Property, plant and equipment amount to €120.4 million, up from the 31 December 2020 figure by €6.4 million. The historical cost and carrying amounts are given in the following table:

(€'000)	31 December 2020 Cost	Acc. depreciation	Carrying amount	31 December 2021 Cost	Acc. depreciation	Carrying amount
Land	-	-	-	624	-	624
Buildings	48,824	(31,382)	17,441	73,660	(45,441)	28,219
Plant and machinery	535,125	(463,354)	71,771	563,820	(503,936)	59,884
Industrial and commercial equipment	79,557	(75,016)	4,541	83,258	(78,922)	4,336
Other assets	22,368	(20,093)	2,276	36,297	(31,841)	4,456
Assets under const. and payments on account	17,951	-	17,950	22,897	-	22,897
Total	**703,825**	**(589,845)**	**113,980**	**780,556**	**(660,140)**	**120,416**

Previous year changes are summarised below:

(€'000)	31 December 2019	Increases	Depreciation	Reversals of imp. losses (Imp. losses)/Reval.	Reclassifications	Disposals	Exchange gains (losses) and other changes	31 December 2020
Buildings	19,114	343	(1,987)	-	-	-	(29)	17,441
Plant and machinery	75,569	20,036	(21,564)	-	2,579	(4,594)	(255)	71,771
Industrial and commercial equipment	5,334	1,816	(1,380)	(229)	6,051	(7,037)	(13)	4,541
Other assets	2,785	373	(979)	-	169	(61)	(10)	2,276
Assets under const. and payments on account	25,311	352	-	-	(6,138)	-	(1,575)	17,951
Total	**128,113**	**22,920**	**(25,910)**	**(229)**	**2,661**	**(11,692)**	**(1,882)**	**113,980**

Changes during the year are summarised below:

(€'000)	31 December 2020	Increases	Depreciation	Reversals of imp. losses (Imp. losses)/Reval.	Reclassifications	Disposals	Changes in scope	Exchange gains (losses) and other changes	31 December 2021
Land	-	-	-	-	-	-	624	-	624
Buildings	17,441	2,919	(2,738)	-	6,321	(2,106)	6,332	50	28,219
Plant and machinery	71,771	8,846	(15,317)	(163)	(5,993)	(14,766)	13,839	1,667	59,884
Industrial and commercial equipment	4,541	1,320	(1,569)	-	159	(1,171)	1,039	17	4,335
Other assets	2,277	1,265	(958)	-	498	(338)	1,698	15	4,457
Assets under const. and payments on account	17,950	9,032	-	-	(6,576)	-	2,744	(254)	22,896
Total	**113,980**	**23,382**	**(20,582)**	**(163)**	**(5,591)**	**(18,381)**	**26,278**	**1,495**	**120,416**

The most significant changes include:

- increases of €23.4 million, chiefly related to investments made for the two Paris metro lines (€6.1 million), the Ethiopian branch (€3.9 million) and the Tajikistan branch (€3.4 million);
- decreases of €18.4 million, mostly related to the sale of work equipment no longer necessary for work at the Rogun Dam (€10.3 million);
- changes in scope, mainly related to the (i) partial proportionate demerger of Astaldi to Webuild; and (ii) the contribution of the "Ramo Italia" business unit to Webuild Italia S.p.A..

5. Right-of-use assets

Right-of-use assets amount to €57.3 million.

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

	31 December 2020			31 December 2021		
(€'000)	Cost	Acc. depreciation	Carrying amount	Cost	Acc. depreciation	Carrying amount
Land	112	(63)	49	55	(16)	39
Buildings	31,665	(14,812)	16,853	50,348	(26,157)	24,191
Plant and machinery	59,118	(23,561)	35,558	70,630	(38,757)	31,873
Industrial and commercial equipment	1,480	(1,331)	149	783	(719)	64
Other assets	3,793	(2,296)	1,497	3,998	(2,848)	1,150
Total	**96,169**	**(42,063)**	**54,106**	**125,814**	**(68,497)**	**57,317**

Prior year changes are summarised below:

(€'000)	31 December 2019	Increases	Depreciation	Reversals of imp. losses (Imp. losses)/Reval.	Reclass.	Re-measurement	Exchange gains (losses) and other changes	31 December 2020
Land	22	36	(19)	-	-	-	10	49
Buildings	33,702	724	(7,301)	-	-	(10,272)	-	16,853
Plant and machinery	22,530	22,544	(8,700)	-	(351)	(455)	(10)	35,558
Industrial and commercial equipment	378	3,366	(285)	-	(3,310)	-	-	149
Other assets	1,506	28	(841)	-	999	(195)	-	1,497
Total	**58,138**	**26,698**	**(17,146)**	**-**	**(2,662)**	**(10,922)**	**-**	**54,106**

Changes during the year are summarised below:

(€'000)	31 December 2020	Increases	Depreciation	Reversals of imp. losses (Imp. losses)/Reval.	Reclass.	Re-measurement	Changes in scope	Exchange gains (losses) and other changes	31 December 2021
Land	49	-	(9)	-	-	-	-	-	39
Buildings	16,853	9,394	(8,048)	-	(3,269)	7,713	1,549	(1)	24,191
Plant and machinery	35,558	13,661	(16,604)	-	8,862	(18,049)	8,443	2	31,873
Industrial and commercial equipment	149	101	(85)	-	-	(101)	-	-	64
Other assets	1,497	9	(418)	-	-	-	62	-	1,150
Total	**54,106**	**23,165**	**(25,165)**	**-**	**5,593**	**(10,437)**	**10,057**	**1**	**57,317**

The most significant changes are:

- increases of €23.1 million, chiefly related to the Milan head office (€12.4 million, mainly due to the lease of the new offices in Rozzano) and the Tajikistani branch (€7.5 million);
- changes due to the remeasurement of right-of-use assets under IFRS 16, mainly related to the France branch;
- changes in scope, mainly related to the (i) partial proportionate demerger of Astaldi to Webuild; and (ii) the contribution of the "Ramo Italia" business unit to Webuild Italia S.p.A..

6. Intangible assets

Intangible assets decreased to €90.8 million. Their historical cost and carrying amounts are given in the following table:

(€'000)	31 December 2020 Cost	Acc. amortisation	Carrying amount	31 December 2021 Cost	Acc. amortisation	Carrying amount
Industrial patents	-	-	-	1,215	(1,167)	48
Software	1,674	(1,504)	170	1,964	(1,791)	173
Assets under devel. and payments on account	-	-	-	61	(37)	24
Contract costs:	**218,294**	**(114,809)**	**103,485**	**181,436**	**(90,863)**	**90,573**
- Contract acquisition costs	141,775	(91,736)	50,039	180,804	(90,257)	90,547
- Costs to fulfil the contract	76,519	(23,073)	53,446	632	(606)	26
Total	**219,968**	**(116,313)**	**103,655**	**184,676**	**(93,858)**	**90,818**

Previous year changes are summarised below:

(€'000)	31 December 2019	Increases	Amortisation	Reclassifications	Disposals	Net exchange gains	Changes in scope	31 December 2020
Software	131	75	(36)	-	-	-	-	170
Contract costs	103,195	12,910	(12,620)	-	-	-	-	103,485
Total	**103,326**	**12,985**	**(12,656)**	**-**	**-**	**-**	**-**	**103,655**

Changes during the year are set out below:

(€'000)	31 December 2020	Increases	Amortisation	Reclassifications	Disposals	Net exchange gains (losses)	Changes in scope	31 December 2021
Industrial patents	-	-	(206)	-	-	-	254	48
Software	170	-	(47)	-	-	-	50	173
Other	-	24	(23)	-	-	-	23	24
Contract costs	103,485		(43,991)	-	(13,476)	-	44,555	90,573
Total	**103,655**	**24**	**(44,267)**	**-**	**(13,476)**	**-**	**44,882**	**90,818**

Contract costs of €90.6 million decreased by €12.9 million on the previous year end, due to (i) changes in scope, namely, the Astaldi demerger (increase of €133.2 million) and the contribution of the "Ramo Italia" business unit (decrease of €102.1 million); as well as (ii) amortisation (€44.0 million). They comprise contract acquisition costs, the incremental costs of obtaining a contract and costs to fulfil the contract.

In accordance with IFRS 15, the company has recognised the incremental costs of obtaining a contract and the costs to fulfil the contract under assets. These costs are amortised in line with the percentage of completion of the related contracts.

Prior year changes are as follows:

(€'000)	31 December 2019	Increases	Amortisation	31 December 2020
COCIV (Milan - Genoa railway line)	24,512	-	(2,565)	21,948
Riyadh Metro (Saudi Arabia)	5,742	-	(2,527)	3,215
Iricav Due (Verona - Padua railway line)	12,510	12,910	(686)	24,734
Gerald Desmond - USA	588	-	(588)	(1)
Thessaloniki Metro	115	-	29	144
Total contract acquisition costs	**43,467**	**12,910**	**(6,337)**	**50,040**
COCIV (Milan - Genoa railway line)	59,640	-	(6,239)	53,401
Riyadh Metro - Saudi Arabia	88	-	(43)	45
Total costs to fulfil a contract	**59,728**	**-**	**(6,282)**	**53,446**
Total contract costs	**103,195**	**12,910**	**(12,619)**	**103,486**

The composition of this item and changes during the year are shown below:

(€'000)	31 December 2020	Increases	Amortisation	Disposals	Changes in scope	31 December 2021
COCIV (Milan - Genoa railway line)	21,947	-	(2,973)	-	(18,975)	-
Riyadh Metro (Saudi Arabia)	3,215	-	(342)	-	-	2,873
Iricav Due (Verona - Padua railway line)	24,734	-	(1,228)	-	(23,506)	-
Thessaloniki Metro	144	-	106	-	-	250
Astaldi order backlog	-		(32,303)	(13,476)	133,205	87,427
Total contract acquisition costs	**50,040**	**-**	**(36,739)**	**(13,476)**	**90,724**	**90,549**
COCIV (Milan - Genoa railway line)	53,401	-	(7,233)	-	(46,168)	-
Riyadh Metro - Saudi Arabia	45	-	(19)	-	-	26
Total costs to fulfil a contract	**53,446**	**-**	**(7,252)**	**-**	**(46,168)**	**26**
Total contract costs	**103,486**	**-**	**(43,991)**	**(13,476)**	**44,556**	**90,575**

Contract acquisition costs include considerations paid in previous years to acquire business units and stakes in projects/contracts representing intangible assets with a finite useful life, which are amortised in line with the stage of completion of the related contracts.

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

7. Equity investments

Equity investments increased by €705.1 million to €2,123.7 million.

(€'000)	31 December 2020	31 December 2021	Variation
Investments in subsidiaries	961,478	1,580,237	618,759
Investments in associates	445,044	528,563	83,519
Participating financial instruments	177	956	779
Other equity investments	11,849	13,915	2,066
Total	**1,418,548**	**2,123,671**	**705,123**

Changes during the year are summarised below:

(€'000)	31 December 2020	31 December 2021
Demerger	-	420,789
Capital transactions	44,114	279,281
Acquisitions and capital injections	225,590	12,895
Disinvestments and payments	-	(7,045)
Net impairment losses	(120,558)	(90,865)
Contribution to Webuild Italia S.p.A.	-	46,429
Net exchange (gains) losses	(42,637)	41,680
Reclassifications	(1,301)	1,959
Total	**105,208**	**705,123**

The increase in "Capital transactions" is principally due to the injection for certain subsidiaries and associates, the main ones of which are: Salini US Holding (€123,7 million), Grupo Unidos por el Canal, Panama (€100,7 million) and Fisia Italimpianti (€21,7 million). The carrying amount of the investment in Grupo Unidos por el Canal comprises the injections for the same company made during the year and in previous years.

Acquisitions and capital injections show the 27 July 2021 acquisition of the entire share capital of Seli Overseas S.p.A., specialised in tunnelling.

Net impairment losses mostly include the impairment losses recognised on the investments in the subsidiary HCE (€19.9 million) and NBI (€13.4 million) due to the difference in their carrying amounts and the company's share of their equity based on their financial statements at 31 December 2021 and forecasts provided by management. They also comprise the impairment losses recognised on Grupo Unidos por el Canal (€27.9 million) and Fisia Italimpianti (€23.4 million) after the impairment test described in more detail later in these notes.

The contribution to Webuild Italia S.p.A. shows the capital increase paid for in kind through the contribution of the business unit comprising the projects performed, ongoing or being acquired in Italy to Webuild Italia S.p.A.

(€122.8 million), net of the transferred equity investments of €76.4 million, as discussed in the "Contribution of the "Ramo Italia" business unit" section.

For the purpose of determining whether any impairment losses or reversals of impairment losses 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.

Under this approach, "Equity investments" may be analysed as follows:

(€'000)	31 December 2020	31 December 2021	Variation
Investments in special purpose entities (SPEs)	489,927	561,947	72,020
Other equity investments	928,444	1,560,768	632,324
Participating financial instruments	177	956	779
Total	**1,418,548**	**2,123,671**	**705,123**

Special purpose entities (SPEs) are legal entities set up specifically and solely to carry out construction contracts that Webuild is not expected to carry out directly and in which it has an interest equal to its share of the tender. These entities have a corporate structure compliant with the customers' requirements as communicated during the tender procedure and considering the specific legal context of the country in which the contract will be performed. They are classified depending on whether they are: (i) SPEs, the profit or loss of which are allocated to their venturers in line with their interests as provided for by law (i.e., Italian-based consortia and consortium companies which operate on a "recharges of costs" basis); and (ii) other SPEs for which this allocation is not provided for by law.

Due to the periodic allocation of the contract profit or loss to the venturers, the SPEs in item (i) always substantially reach breakeven point. Any losses recorded in the contracts performed by these entities are recognised by the venturers upon allocation of the contract profits and losses. For the SPEs in item (ii), the existence of any losses should be considered in the separate financial statements of Webuild S.p. A. as their contract profit or loss is included in the consolidated financial statements only.

Impairment test

The equity investments subjected to impairment testing after identification of trigger events are described below.

Grupo Unidos por el Canal S.A.

The company tested its investment in the associate Grupo Unidos por el Canal S.A. (Panama) for impairment by discounting the expected cash flows using the assumed settlement of the claims and other assets held in the SPE as the drivers. Specifically, the cash flows comprised the operating expenses (mainly legal fees) and collections expected in line with the estimated payment timeline of the claims.

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

- the estimated payment timeline;
- a country risk component.

The company recognised an impairment loss of €27.9 million as a result of the test.

Fisia Italimpianti

Fisia Italimpianti recorded a loss of €9.0 million for 2021 and equity of €11.5 million, compared to the investment's carrying amount of €80.7 million. Its order backlog approximated €298 million at the reporting date and principally relates to contracts for water treatment and desalination plants in Argentina, Turkey and Oman, the latter acquired during the year.

Supported by independent experts who carried out an independent business review, the company tested its investment in Fisia Italimpianti for impairment on the basis of the 2022-2026 business plan received from the subsidiary. As a result, it recognised an impairment loss of €23.4 million.

The company determined the subsidiary's equity value using the unlevered discounted cash flow method based on the 2022-2026 business plan approved by the subsidiary's directors and the following parameters:

- long-term growth rate: 0% (0% in 2020);
- discount rate (WACC): 13.5% (15.14% in 2020).

The company also performed sensitivity analyses, considering the potential effect of changes in the reference parameters of the discount rate (+/-0.5%). It did not identify any additional impairment losses.

Salini Nigeria Ltd.

The company tested its investment in the subsidiary Salini Nigeria Ltd. for impairment following the identification of indicators of impairment. It estimated the investment's recoverable amount on the basis of the pro rata *Free Cash Flow to Equity* discounted at its cost of equity.

It used the following main assumptions:

- the cash flows for the explicit period were calculated on the basis of the 2022-2027 management projections, after which period the company is expected to be sold;
- discount rate of 9.8%, equal to the cost of equity considering country and reference sector risks.

The impairment test performed at the reporting date did not identify any impairment losses. The sensitivity analyses confirm that a reasonable change in the reference parameters of the discount rate (+/-0.5%) would not require the recognition of an impairment loss.

Webuild US Holding INC

The subsidiary Webuild US Holding INC substantially broke even in 2021, with equity of €375.9 million at the reporting date, while the investment's carrying amount is €592.0 million.

Therefore, the company tested its investment in Webuild US Holding INC for impairment.

Its equity value has been calculated using the cash flow projections set out in the 2022-2026 five-year plan prepared and approved by the subsidiary's management.

The main parameters used for impairment testing are as follows:

- long-term growth rate: 2.2% (2% in 2020);
- post-tax discount rate: 8.4% (8.9% in 2020).

The company has adopted the discount rate calculated based on the market cost of money and the asset sector's specific risk (*Weighted Avarage Cost of Capital*, WACC). Specifically, the company considered the return rate on long-term government bonds and the average capital structure of a basket of comparable companies.

The terminal value is based on a sustainable profit assumption, from which stable long-term operating cash flows have been estimated, on a going concern basis.

The company tested goodwill for impairment at the reporting date, supported by independent experts that carried out an independent business review, which showed that the investment's recoverable amount exceeds its carrying amount.

The company also performed sensitivity analyses to understand the sensitivity of the results considering the potential effect of a reasonable change in the reference parameters of the discount rate and terminal value. The analyses confirmed the recoverability of the investment.

<u>Other equity investments</u>

As part of the impairment test of the other equity investments, the company considered the difference between the carrying amount and its share of each investees' equity, as per the actual and forward-looking figures at the reporting date prepared by their management. The test has identified a total impairment loss of €45.7 million. In measuring the impairment losses, management considered the following:

- if the analyses of the investees' financial position and performance showed that their losses could potentially undermine their net assets, management recognised an impairment loss to bring the investment's carrying amount into line with the company's share of the investee's equity. These impairment losses related to the investments in NBI (€13.4 million), ICT II (€7.6 million), SCI Ortagi (€4.7 million), PGH (€2.6 million), Salini Polska (€1.7 million) and Salini Australia Pty (€1.9 million);
- if losses are reported by non-operating companies, management has always aligned the investments' carrying amount to the company's share of the investees' equity. During the year, these impairment losses related to:
  - ✓ HCE Costruzioni S.p.A. - its activities mainly involve selling certain assets relating to non-operating departments. Management brought the carrying amount of this investment into line with the company's share of the subsidiary's equity. This led to the recognition of an impairment loss of €19.9 million in 2021, decreasing the investment's carrying amount to €31.8 million;
  - ✓ Fibe S.p.A. - the subsidiary is inactive and only manages the outstanding disputes related to the USW Campania projects. The company has brought the carrying amount of this investment into line with the

subsidiary's equity, by recognising an impairment loss of €0.8 million in 2021, decreasing the investment's carrying amount to €26.5 million.

In certain cases, the financial statements utilised to measure some of the investments using the equity method include requests for additional consideration as its payment is highly probable, based also on the technical and legal opinions of the company's advisors. More information is available in the "Main risk factors and uncertainties" section of the Directors' report.

8. Non-current financial assets

The composition of this item and changes during the year are shown below:

(€'000)	31 December 2020	31 December 2021	Variation
Loans and receivables - group companies	90,445	103,210	12,765
Loans and receivables - third parties	13,538	65,551	52,013
Other financial assets	9,994	9,132	(862)
Total	**113,977**	**177,893**	**63,916**

Loans and receivables - group companies mainly comprise €98.9 million due from Yuma Concessionaria, tested for impairment in accordance with IFRS 9 at 31 December 2021 without identifying any indicators of impairment (more information is available in the "Main risk factors and uncertainties" section in the Directors' report);

The main changes chiefly relate to: (i) additional amounts disbursed to the SPEs Yuma Concesionaria S.A (€41.4 million); and (ii) the transfer of the subordinated loan granted to SPV M4 S.p.A. (€33.0 million at 31 December 2020) to the subsidiary Webuild Italia S.p.A. as part of the contribution of the "Ramo Italia" business unit.

Loans and receivables - third parties rose significantly to €65.6 million mainly due to the demerger of the core assets scope of Astaldi to Webuild. They mostly include sale advances of €64.4 million disbursed to the separate unit of Astaldi in accordance with the approved composition with creditors plan. These advances will be repaid through the proceeds from the sale of the separate unit's assets before the distribution of such proceeds to the holders of the participating financial instruments. The amount of €13.5 million due from the Romanian Ministry for Infrastructure and Transportation and related to the surety enforced in 2017 as a result of the disputes with the customer about the Orastie - Sibiu motorway contract has been reclassified to current financial assets (see note 13 for additional information).

The other financial assets amount to €9.1 million at the reporting date, in line with the previous year end. They are made up of unlisted guaranteed-return securities which mature after one year. They comprise units in the fund financing Yuma (Colombia). More information is available in the "Main risk factors and uncertainties" section of the Directors' report.

9. Deferred tax assets and liabilities

Deferred tax assets and liabilities amount to €302.1 million and €30.9 million at 31 December 2021, respectively. They are classified under non-current assets and liabilities and are offset when the conditions provided for by the IFRS are met.

(€'000)	31 December 2020	31 December 2021	Variation
Deferred tax assets	251,134	302,072	50,938
Deferred tax liabilities	(23,096)	(30,928)	(7,832)

Changes in 2021 and 2020 are as follows:

(€'000)	31 December 2019	Increases	Decreases	Net exchange losses	Change in tax rate	Reclassifications	Other changes	31 December 2020
Deferred tax assets								
Amortisation and depreciation exceeding tax rates	6,306	372	(4,239)	-	-	-	-	2,439
Provisions for risks and impairment losses	153,117	32,150	(6,474)	-	-	-	-	178,793
Tax effect of capital increase	1,773	-	(443)	-	-	-	-	1,330
Excess maintenance	15,643	-	(8,717)	-	-	-	-	6,926
Unrealised exchange losses	40,881	3,029	(40,881)	-	-	-	-	3,029
Other	44,009	25,749	(2,252)	(21)	-	416	(6,014)	61,887
Deferred tax assets before offsetting	**261,729**	**61,300**	**(63,006)**	**(21)**	**-**	**416**	**(6,014)**	**254,404**
Offsetting	(46,678)	7,001	36,407	-	-	-	-	(3,270)
Net deferred tax assets	**215,051**	**68,301**	**(26,599)**	**(21)**	**-**	**416**	**(6,014)**	**251,134**
Deferred tax liabilities								
Uncollected default interest	(5,249)	-	422	-	-	-	-	(4,827)
Unrealised exchange gains	(35,775)	7,001	35,775	-	-	-	-	7,001
Other	(5,942)	(217)	843	-	-	(416)	84	(5,648)
Deferred tax liabilities before offsetting	**(46,966)**	**6,784**	**37,040**	**-**	**-**	**(416)**	**84**	**(3,474)**
Offsetting	46,678	(7,001)	(36,407)	-	-	-	-	3,270
Net deferred tax liabilities	**(288)**	**(217)**	**633**	**-**	**-**	**(416)**	**84**	**(204)**

(€'000)	31 December 2020	Increases	Decreases	Net exchange gains	Change in tax rate	Reclassifications	Other changes	31 December 2021
Deferred tax assets								
Amortisation and depreciation exceeding tax rates	2,439	516	(1,006)	-	-	-	-	1,949
Provisions for risks and impairment losses	178,793	35,007	(5,351)	-	-	-	5,731	214,180
Tax effect of capital increase	1,330	-	(443)	-	-	-	-	887
Excess maintenance	6,926	-	(3,942)	-	-	-	-	2,984
Unrealised exchange losses	3,029	20,945	-	-	-	-	3,936	27,910
Other	61,887	2,275	(26,215)	3	-	-	77,946	115,896
Deferred tax assets before offsetting	**254,404**	**58,743**	**(36,957)**	**3**	**-**	**-**	**87,613**	**363,806**
Offsetting	(3,270)	-	-	-	-	-	(58,464)	(61,734)
Net deferred tax assets	**251,134**	**58,743**	**(36,957)**	**3**	**-**	**-**	**29,149**	**302,072**
Deferred tax liabilities								
Uncollected default interest	(4,827)	-	-	-	-	-	(179)	(5,006)
Unrealised exchange gains	7,001	(33,874)	-	-	-	-	-	(26,873)
Other	(5,648)	-	41,519	-	-	-	(25,726)	(29,855)
Deferred tax liabilities before offsetting	**(3,474)**	**(33,874)**	**1,519**	**-**	**-**	**-**	**(25,905)**	**(61,734)**
Offsetting	3,270	-	-	-	-	-	58,464	61,734
Net deferred tax liabilities	**(204)**	**(33,874)**	**1,519**	**-**	**-**	**-**	**32,559**	**-**

This 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 notice settled by the Ethiopian branch for the years from 2017 to 2019 as well as the deferred tax liabilities arising on carryforward losses and those generated by the application of new standards

Deferred tax liabilities of €30.9 million at the reporting date relate to the provision for the national tax consolidation scheme.

This provision covers the company's liabilities with its Italian subsidiaries that have transferred their tax losses under the national IRES tax consolidation system pursuant to article 117 and subsequent articles of the Consolidated Income Tax Act, as per the regulations signed when they joined the scheme.

10. Inventories

Inventories may be analysed as follows:

	31 December 2020			31 December 2021			
(€'000)	Gross amount	Allowance	Carrying amount	Gross amount	Allowance	Carrying amount	Variation
Real estate projects	19,334	(17,534)	1,800	17,534	(17,534)	-	(1,800)
Finished products and goods	1,354	-	1,354	2,118	-	2,118	764
Raw materials, consumables and supplies	111,561	(5,274)	106,287	135,008	(22,186)	112,822	6,535
Total	**132,249**	**(22,808)**	**109,441**	**154,660**	**(39,720)**	**114,940**	**5,499**

Finished products and goods and Raw materials, consumables and supplies

The carrying amount of these items totals €2.1 million and €112.8 million, respectively, and mainly relates to goods to be used for foreign contracts, including those in Ethiopia (€83.2 million).

Changes in the allowance in 2019 are shown below:

(€'000)	31 December 2019	Accruals	Utilisations	Reversals	Mergers	Net exchange losses	31 December 2020
Allowance - real estate projects	17,534	-	-	-	-	-	17,534
Allowance - raw materials	5,429	209	(192)	-	-	(172)	5,274
Total	**22,963**	**209**	**(192)**	**-**	**-**	**(172)**	**22,808**

Changes in the allowance during the year are shown below:

(€'000)	31 December 2020	Accruals	Utilisations	Reversals	Other changes	Net exchange gains	31 December 2021
Allowance - real estate projects	17,534-		-	-	-	-	17,534
Allowance - raw materials	5,274	8,455	(65)	(20)	8,526	16	22,186
Total	**22,808**	**8,455**	**(65)**	**(20)**	**8,526**	**16**	**39,720**

Other changes show the allowance - raw materials acquired as part of the partial proportionate demerger of Astaldi S.p.A. to Webuild S.p.A.

11. Contract assets and liabilities

Contract assets and liabilities can be analysed as follows:

(€'000)	31 December 2020	31 December 2021	Variation
Contract assets	1,061,366	1,509,807	448,441
Contract liabilities	795,463	554,666	(240,797)

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

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

Contract assets

Contract assets of €1,509.8 million at the reporting date include contracts in Italy (€251.4 million) and abroad (€1,258.4 million).

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

(€'000)	31 December 2020	31 December 2021	Variation
Contract work in progress	15,920,800	18,920,365	2,999,565
Progress payments (on approved work)	(14,496,251)	(17,047,591)	(2,551,340)
Advances	(363,183)	(362,967)	216
Total contract assets	**1,061,366**	**1,509,807**	**448,441**

The most significant assets mainly relate to continuation of the industrial operations carried out for the contracts for the construction of the Rogun Dam in Tajikistan (€245.8 million), the Romanian contracts (essentially the Curtici - Simeria railway line - Lots 2A, 2B and 3 and the Braila Bridge; €183.6 million), the Saida - Tiaret - Moulay railway line in Algeria (€175.2 million), the Meydan One Mall project in the United Arab Emirates (€154.8 million), the Riyadh Metro Line 3 (€165.1 million), the ongoing projects in Poland (mainly the Warsaw Southern Bypass, the S–7 Expressway, Naprawa - Skomielna Biała section and the Gdańsk waste-to-energy plant; €227.9 million) and a 13.4 km motorway lot in Slovakia (€106.7 million).

The advances mainly refer to the Rogun Hydropower Project in Tajikistan (€266.6 million).

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

(€'000)	31 December 2020	31 December 2021	Variation
Italy	59,595	251,388	191,793
EU (excluding Italy)	298,913	583,494	284,581
Other European countries (non-EU)	-	24,476	24,476
Asia/Middle East	473,851	574,140	100,289
Africa	228,646	23,591	(205,055)
Americas	361	52,718	52,357
Total	**1,061,366**	**1,509,807**	**448,441**

Contract liabilities

This item, included in "Current liabilities", amounts to €554.7 million, down by €240.8 million on the figure at 31 December 2020. It comprises:

(€'000)	31 December 2020	31 December 2021	Variation
Contract work in progress	(10,472,846)	(14,091,033)	(3,618,187)
Progress payments (on approved work)	10,302,690	14,431,338	4,128,648
Contract advances	965,619	214,361	(751,258)
Total	**795,463**	**554,666**	**(240,797)**

The contracts that contributed the most to this item are the works for the primary package of the North East Link in Melbourne (€131.8 million), the high speed (CAV.TO.MI.) railway line (€132.9 million)[108], the Koysha Dam and the GERD hydroelectric power plant in Ethiopia (€74.7 million), the high speed/capacity Turin - Lyon railway line (€30.5 million) and the Lima (Peru) Metro Line 2 (€32.0 million).

The most significant advance at the reporting date relates to the Koysha Hydroelectric Project in Ethiopia (€112.2 million; €131.5 million at 31 December 2020).

The decrease in advances is chiefly due to the contribution of the "Ramo Italia" business unit to the subsidiary Webuild Italia S.p.A..

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

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

(€'000)	31 December 2020	31 December 2021	Variation
Italy	462,238	3,888	(458,350)
EU (excluding Italy)	41,478	37,413	(4,065)
Other European countries (non-EU)	3,143	257,114	253,971
Asia/Middle East	31,268	14,599	(16,669)
Africa	218,636	75,471	(143,165)
Americas	38,700	34,338	(4,362)
Oceania	-	131,843	131,843
Total	**795,463**	**554,666**	**(240,797)**

Contract assets and liabilities, comprising progress payments and advances, include claims for additional consideration of €891.6 million and €119.0 million, respectively. They are recognised to the extent that their payment is deemed highly probable, based also on the legal and technical opinions of the company's advisors. The additional consideration recognised in this item is part of the total consideration formally requested of the customers.

The section on the "Performance by geographical area" of the Directors' report provides more details about the contracts and the progress made on the main contracts, while the "Main risk factors and uncertainties" section in the Directors' report provides information on pending disputes and assets exposed to country risk.

12. Trade receivables

Trade receivables amount to €1,699.0 million (31 December 2020: €2,338.8 million) of which €1,210.3 million (31 December 2020: €2,039.8 million) due from group companies and other related parties.

This item may be analysed as follows:

(€'000)	31 December 2020	31 December 2021	Variation
Third parties	298,969	488,615	189,646
Group companies and other related parties	2,039,822	1,210,335	(829,487)
Total	**2,338,791**	**1,698,950**	**(639,841)**

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

(€'000)	31 December 2020	31 December 2021	Variation
Third parties	626,621	815,116	188,495
Loss allowance	(327,652)	(326,501)	1,151
Total	**298,969**	**488,615**	**189,646**

Trade receivables from third parties of €488.6 million, net of the loss allowance (€326.5 million), show a net increase of €189.6 million. The balance includes amounts mainly due from Italian, Ethiopian, Slovakian and Romanian customers for invoices issued and for work performed and approved by customers but still to be invoiced.

The loss allowance amounts to €326.5 million at the reporting date, substantially unchanged from the previous year end. It mainly relates to the impairment losses recognised on the company's receivables with Venezuelan government agencies.

Changes during 2020 are shown in the following table:

(€'000)	31 December 2019	Impairment losses	Utilisations	Impairment gains	Change in scope	Reclassifications/ Other changes	Net exchange losses	31 December 2020
Trade receivables	269,116	63,275	(7)	(12,726)	-	(15)	(103)	319,540
Default interest	5,967	2,158	-	-	-	-	(13)	8,112
Total	**275,083**	**65,433**	**(7)**	**(12,726)**	**-**	**(15)**	**(116)**	**327,652**

Changes in the loss allowance during the year are set out below:

(€'000)	31 December 2020	Impairment losses	Utilisations	Impairment gains	Change in scope	Reclassifications/ Other changes	Net exchange gains	31 December 2021
Trade receivables	319,540	457	-	(4,814)	2,798	759	93	318,833
Default interest	8,112	-	(223)	(525)	223	-	81	7,668
Total	**327,652**	**457**	**(223)**	**(5,339)**	**3,021**	**759**	**174**	**326,501**

The trade receivables from group companies and other related parties decreased to €1,210.3 million from €2,039.8 million at 31 December 2020. The decrease is mainly attributable to the high speed/capacity Milan - Genoa (COCIV) railway line as a result of the contribution of the "Ramo Italia" business unit to the subsidiary Webuild Italia S.p.A., partially offset by new billings.

The change in scope mostly refers to the partial proportionate demerger of Astaldi to Webuild.

A complete list of transactions with group companies and other related parties is provided at the end of these notes.

13. Derivatives and other current financial assets

At the reporting date, this item amounts to €1,169.2 million compared to €992.9 million at 31 December 2020. It is made up as follows:

(€'000)	31 December 2020	31 December 2021	Variation
Loans and receivables - group companies and other related parties	946,231	1,098,568	152,337
Loans and receivables - third parties	44,467	69,146	24,679
Government bonds and insurance shares	1,859	1,531	(328)
Derivatives	340	-	(340)
Total	**992,897**	**1,169,245**	**176,348**

Loans and receivables refer to financial transactions with group companies, other related parties and third parties.

The Loans and receivables - group companies and other related parties include joint current account balances and other financing governed by specific agreements and carried out on an arm's length basis. A complete list of the transactions is provided in the "Intragroup transactions" annex to these notes.

Loans and receivables - third parties of €69.1 million mostly relate to a loan of €23.3 million given by South al Mutlaa in Kuwait to its partner/subcontractor, a loan of €17.8 million granted by the Slovakian branch to the non-controlling investor of Salini Impregilo - Duha Joint Venture and an amount of €12.2 million due from the Romanian Ministry for Infrastructure and Transportation and related to the surety enforced in 2017 as a result of the disputes with the customer about the Orastie - Sibiu motorway contract. The company is confident that it will recover this amount, based also on the opinion of its legal advisors assisting it with the dispute. The "Main risk factors and uncertainties" section of the Directors' report provides more information about this.

14. Current tax assets and other current tax assets

Current tax assets amount to €73.4 million as follows:

(€'000)	31 December 2020	31 December 2021	Variation
Direct taxes	30,305	38,542	8,237
IRAP	2,593	1	(2,592)
Foreign direct taxes	34,173	34,850	677
Total	**67,071**	**73,393**	**6,322**

The 31 December 2021 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 tax assets for excess taxes paid abroad by the foreign companies which will be recovered as per the relevant legislation.

Other current tax assets amount to €85.7 million at the reporting date as follows:

(€'000)	31 December 2020	31 December 2021	Variation
VAT	39,739	81,642	41,903
Other indirect taxes	4,263	4,014	(249)
Total	**44,002**	**85,656**	**41,654**

VAT assets increased by €41.9 million compared to 31 December 2020, mainly due to the effects of the demerger of the core assets scope of Astaldi to Webuild, and especially relating to the ongoing contracts in Algeria, Turkey, Poland and Romania.

15. Other current assets

Other current assets of €522.8 million increased by €212.3 million over the previous year end. The composition of this item and changes during the year are shown below:

(€'000)	31 December 2020	31 December 2021	Variation
Other	62,555	129,881	67,326
Advances to suppliers	60,533	97,158	36,625
Group companies and other related parties	137,707	209,936	72,229
Prepayments and accrued income	49,721	85,838	36,117
Total	**310,516**	**522,813**	**212,297**

"Other" increased by €67.3 million to €129.9 million mainly due to the works in India, Romania and Peru.

This item includes:

- €30.7 million due from the Argentine Republic as compensation for damage following the favourable award issued on 21 June 2011 and confirmed by the Buenos Aires Arbitration Tribunal on 24 January 2014. This award settled the proceedings commenced by the shareholders of the investee Aguas del Buenos Aires S.A. in liquidation (operator) against the Argentine Republic. Given that the country's significant economic crisis has not abated, assisted by its independent experts, the company tested its exposure for impairment in accordance with IFRS 9 and identified a number of possible scenarios of collection methods and timing and their probability of occurrence. The recoverable amount of such exposure was found to be substantially in line with its carrying amount. More information is available in the "Main risk factors and uncertainties" section of the Directors' report;
- €22.7 million due from the company's partners of the joint ventures set up for the works for the housing project in South Al Mutlaa (Kuwait) and the Versova-Bandra Sea Link in Mumbai (India).

Advances to suppliers increased by a net €36.6 million to €97.2 million. The most significant amounts relate to the works for the Riyadh Metro in Saudi Arabia (€14.1 million), the Paris Metro (€7.2 million), in Peru and Romania.

The item “Group companies and other related parties” increased by €72.2 million to €209.9 million at the reporting date and mainly refer to the works for the Al Bayt Stadium and the Red Line Metro in Doha, Qatar, the Riachuelo Lot 3 environmental restoration project in the Buenos Aires area and the construction of Line 3 of the Riyadh Metro in Saudi Arabia.

Prepayments and accrued income of €85.8 million show an increase of €36.1 million on 31 December 2020. The item mainly consists of insurance premiums and other contract costs which will be recognised in profit or loss in future periods based on the stage of completion of the related contracts.

They are broken down in the following table:

(€'000)	31 December 2020	31 December 2021	Variation
Accrued income:			
- Other	4	21	17
Total accrued income	**4**	**21**	**17**
Prepayments:			
- Insurance	17,889	24,190	6,301
- Sureties	1,715	3,171	1,456
- Other contract costs	30,113	58,456	28,343
Total prepayments	**49,717**	**85,817**	**36,100**
Total	**49,721**	**85,838**	**36,117**

16. Cash and cash equivalents

At 31 December 2021, cash and cash equivalents amount to €692.6 million, down by €373.3 million, as shown below:

(€'000)	31 December 2020	31 December 2021	Variation
Cash and cash equivalents	**1,065,865**	**692,568**	**(373,297)**

The balance includes bank account credit balances at the end of the year and the amounts of cash, cheques and valuables at the registered offices, work sites and foreign branches. Liquidity management is designed to ensure the financial independence of ongoing contracts, considering the structure of the consortia and SPEs, which may limit the availability of financial resources to achievement of the related projects. Liquidity management also considers the existence of constraints to the transfer of currency imposed by certain countries. In this respect, the liquidity in Africa mainly comprises local currency that cannot be exported and is used for the Ethiopian projects. The statement of cash flows shows the reason for the decrease in the item and changes in current account facilities (note 18).

Cash and cash equivalents are broken down by geographical segment below:

(€'000)	31 December 2020	31 December 2021	Variation
Italy	807,485	289,441	(518,044)
EU (excluding Italy)	98,087	121,810	23,723
Asia/Middle East	69,912	44,059	(25,853)
Africa	55,176	33,964	(21,212)
Americas	28,488	29,902	1,414
Oceania	5,056	151,923	146,867
Other European countries (non-EU)	1,661	21,469	19,808
Total	**1,065,865**	**692,568**	**(373,297)**

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

Net non-current liabilities held for sale amount to approximately €1.4 million at 31 December 2021 and mostly consist of the deficit of the Honduras operations.

These items may be analysed as follows:

(€'000)	31 December 2020	31 December 2021	Variation
Non-current assets held for sale	(1)	16,963	16,964
Liabilities directly associated with non-current assets held for sale	-	(18,381)	(18,381)
Net non-current liabilities held for sale	**(1)**	**(1,418)**	**(1,417)**

Breakdown of net non-current liabilities held for sale

(€'000)	31 December 2020	31 December 2021	Variation
Non-current assets	-	1,373	1,373
Current assets	-	15,590	15,590
Non-current assets held for sale	**-**	**16,963**	**16,963**
Non-current liabilities	-	(5,618)	(5,618)
Current liabilities	-	(12,763)	(12,763)
Liabilities directly associated with non-current assets held for sale	**-**	**(18,381)**	**(18,381)**
Net non-current liabilities held for sale	**-**	**(1,418)**	**(1,418)**
- Of which net financial position	*-*	*85*	*85*

Honduras discontinued operations (€ 1.4 million)

Given Astaldi's well-known financial difficulties, in 2019, the judicial authorities appointed an administrator with full powers over the assets of the group companies based in Honduras, to manage and preserve them, in order to sell the assets to satisfy their creditors. In light of the above and considering that the industrial activities in progress in the country were interrupted upon the appointment of the administrator, management classified the assets and liabilities of the Honduras operations under liabilities directly associated with non-current assets held for sale as such amount will only be recovered when the assets are sold to satisfy the creditors.

Profit (loss) from discontinued operations

This item shows the results of the Astaldi's foreign operations that no longer complied with the Group's commercial and industrial strategies. Industrial operations in these countries (mainly central and south America, based on the 2021 results) have been discontinued for some time now. The administrative procedures for the definitive closure of the relevant reporting entities are currently nearing completion. Based on the above and since the requirements of paragraphs 32.a) and b) of IFRS 5 - Non-current assets held for sale and discontinued operations have been met, the directors classified the results of the operations in those countries as part of the profit from discontinued operations.

In 2021, the company recognised a profit from discontinued operations of €4.7 million, which may be broken down as follows:

Breakdown of profit from discontinued operations

(€'000)	2020	2021	Variation
Revenue	-		
Operating revenue	-	1,584	1,584
Other revenue	-	6,012	6,012
Total revenue and other income	**-**	**7,596**	**7,596**
Operating expenses	-		
Purchases	-	(130)	(130)
Subcontracts	-	(2,681)	(2,681)
Services	-	(1,509)	(1,509)
Other operating expenses	-	(628)	(628)
Personnel expenses	-	(460)	(460)
Amortisation, depreciation, provisions and impairment losses	-	(2,069)	(2,069)
Total operating expenses	**-**	**(7,477)**	**(7,477)**
Operating profit	**-**	**119**	**119**
Financing income (costs) and gains (losses) on equity investments			
Net financing income	-	4,775	4,775
Net financing income and net gains (losses) on equity investments	**-**	**4,775**	**4,775**
Profit before tax	**-**	**4,894**	**4,894**
Income taxes	-	(194)	(194)
Profit from discontinued operations	**-**	**4,700**	**4,700**

18. Equity

The company's equity increased from €1,110.3 million at 31 December 2020 to €1,676.1 million at 31 December 2021. Changes of the year in the different equity items are summarised in the relevant schedule of the separate financial statements.

(€'000)	31 December 2020	31 December 2021	Variation
Share capital	600,000	600,000	-
Share premium reserve	654,486	367,763	(286,723)
- Legal reserve	120,000	120,000	-
- Negative goodwill (demerger)		780,908	780,908
- Reserve for treasury shares	(3,291)	(3,291)	-
- Reserve for treasury shares held by group companies	-	(224)	(224)
- Reserve for share capital increase related charges	(10,988)	(10,988)	-
- LTI reserve	-	1,843	1,843
- Negative goodwill (merger)	89,600	-	(89,600)
- IFRS 2 reserve	-	74,682	74,682
Total other reserves	195,321	962,930	767,609
- Actuarial reserve	(152)	(340)	(188)
- Translation reserve	(11,979)	(8,551)	3,428
Total other comprehensive expense	(12,131)	(8,891)	3,240
Retained earnings	23,833	-	(23,833)
Loss for the year	(351,072)	(245,728)	105,344
Total	**1,110,437**	**1,676,074**	**565,637**

Shareholders' resolution about the allocation of the loss for 2020

In their meeting held on 30 April 2021, the shareholders resolved to:

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

Disclosures about the individual items are set out below.

Share capital

At 31 December 2021, the company's share capital continues to amount to €600,000,000, split into 1,001,559,937 shares without a nominal amount, including 999,944,446 ordinary shares and 1,615,491 savings shares

The number of shares increased during the year after the partial proportionate demerger of Astaldi to Webuild (the "demerger") and the consequent issue of 107,771,755 new ordinary shares (including the possible 5,916,843 new ordinary shares for potential creditors), which did not change the share capital's nominal amount. The new shares were assigned to Astaldi's shareholders other than Webuild based on a ratio identified by the two companies' boards of directors, after consulting their related-party transactions committees and assisted by their financial advisors.

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 requests and at their own expense, they can be converted into registered shares and vice versa. Savings shares held by directors, statutory auditors and CEOs are registered. Except when the company's by-laws or relevant legislation provide for otherwise, savings shares give the holders the same rights as those of ordinary shares.

Holders of savings shares do not have the right to attend the company's shareholders' meetings or to request that they are called. The special savings shareholders' meeting is regulated by law. When reserves are distributed, the savings shares have the same rights as ordinary shares.

Upon dissolution of the company, savings shares bear preference rights to capital repayment, up to €5.2 per share. When shares are grouped or split (as well as when capital transactions are carried out and as necessary in order to protect the savings shareholders' rights in the case the shares have a nominal amount, the above fixed amount is adjusted accordingly.

Profit for the year as per the separate financial statements is allocated as follows:

a) 5% to the legal reserve up to the legally-required amount;

b) to savings shares, to the extent of 5% of €5.2 per share (i.e., €0.26 per share). If a dividend lower than 5% of €5.2 per share (i.e., €0.26 per share) is paid one year, the difference is taken as an increase in the preferred dividend of the following two years;

c) the residual amount, to all shareholders in such a way as to allocate to savings shares a total dividend which is 2% of €5.2 per share (i.e., €0.104 per share) greater than that distributed to ordinary shares, except when the shareholders decide to allocate an amount to the extraordinary reserves or for other uses.

Financial instruments giving the right to new shares

During their extraordinary meeting of 30 April 2021, Webuild's shareholders, resolved inter alia on the following as part of their resolutions about the Astaldi demerger:

- (a) to issue 80,738,448 "2021-2030 We build warrants (ISIN IT0005454423) to the holders of ordinary Webuild shares in proportion to the shares held at 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;

- (a) to issue 15,223,311 warrants (the **"lender warrants")** to Unicredit S.p.A., Intesa San Paolo S.p.A., Sace S.p.A., BNP Paribas SA Succursale Italia, Banca Monte dei Paschi di Siena S.p.A. (the **"lending banks"**) to replace, due to the demerger, a maximum of 74,991,680 "2020-2023 Astaldi S.p.A. Warrants " issued as part of the loan agreements signed on 2 August 2020 among, inter alia, Astaldi and the lending banks, which give them the right to subscribe ordinary Webuild shares in the ratio of one share to each 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 of 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 (for a unit price of €1.133 per share) of the above lender warrants;
- to authorise the board of directors to issue, in more than one instalment and before 31 August 2030, a maximum of 8,826,087 ordinary shares, without a nominal amount, to be reserved for the creditors not provided for (as defined in the demerger proposal). They will have the right to receive Webuild shares using: (a) the ratio established by Astaldi's composition with creditors plan for the exchange of claims with shares (i.e., 12,493 Astaldi shares for every €100.00 of claims), and (b) the assignment ratio (i.e., 203 Webuild shares to every 1,000 Astaldi shares).

Changes of the year in the different equity items are summarised in the relevant schedule of the separate financial statements.

Details on the possible use of equity items and uses in prior years are summarised below:

				Summary of use in the previous three years	
(€'000)	Amount	Possible use (A, B, C)	Available portion	To cover losses	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		
Reserve for treasury shares	(3,514)				
Share capital increase related charges	(10,988)				
Negative goodwill (demerger	780,908	A, B, C (*)	780,908		
IFRS 2 unavailable reserve	74,682				
Unavailable hedging reserve	-				
Unavailable reserve for assignment of shares under LTI plan	1,843				
Translation reserve	(8,552)				
Actuarial reserve	(340)				
Negative goodwill (merger)	-		-	120,715	
Total	**954,039**				
Retained earnings	**-**		**-**	23,833	
Total	**1,921,802**		**1,268,671**	**382,186**	**49,085**
Non-distributable portion			**365,729**		
Residual distributable portion			**902,942**		

(*) including €159.5 million related to the fair value measurement of Astaldi's net assets acquired that cannot be distributed pursuant to article 6 of Legislative decree no. 38 of 28 February 2005

A: capital increase

B: to cover losses

C: dividends

Other reserves

This item may be analysed as follows:

(€'000)	31 December 2020	31 December 2021	Variation
Legal reserve	120,000	120,000	-
Negative goodwill (merger)	89,600	-	(89,600)
Negative goodwill (demerger)	-	780,908	780,908
Reserve for treasury shares	(3,291)	(3,291)	-
Reserve for treasury shares held by joint operations	-	(224)	(224)
IFRS 2 reserve	-	74,682	74,682
LTI reserve	-	1,843	1,843
Reserve for share capital increase related charges	(10,988)	(10,988)	-
Total	**195,321**	**962,930**	**767,609**

Legal reserve

This reserve underwent the following changes:

(€'000)	
31 December 2019	106,551
Allocation of profit	2,397
Effects of capital increase	11,052
31 December 2020	**120,000**

(€'000)	
31 December 2020	120,000
Allocation of profit	-
Effects of capital increase	-
31 December 2021	**120,000**

Negative goodwill (demerger)

This item increases the company's equity as a result of the difference between the cost incurred to acquire Astaldi and the net assets combined after the demerger calculated to the extent of the same amount recognised in Webuild's consolidated financial statements at 1st August 2021, the effective date of the transaction.

Treasury shares

Reserve for treasury shares

The total investment in treasury shares (1,330,845 shares) at the reporting date is €3,291,089.72 and is unchanged from the previous year end. During their ordinary meeting of 30 April 2021, the shareholders authorised the company's board of directors to buy back and dispose of treasury shares under the terms and methods established at the same meeting. On 27 January 2022, Webuild announced the launch of a share buy-back programme pursuant to the resolution passed by its shareholders at said ordinary meeting of 30 April 2021.

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 Astaldi shareholders and assigned to the joint operations that received new Astaldi shares in exchange for their unsecured claims (the “capital increase for conversion purposes”). Considering the above and the assignment ratio established for the purposes of the demerger, the joint operations held 114,915 Webuild shares at the reporting date, equal to €0.2 million.

Share capital increase related charges

At 31 December 2021, this reserve was negative by €11.0 million.

It includes the costs for the capital increase carried out on 12 November 2019 (€7.0 million) and in 2014 (€4 million).

IFRS 2 reserve

This reserve comprises (i) the fair value (€30.2 million) of the shares that could be issued - under Astaldi’s approved composition with creditors procedure and considering the company’s commitments as part of the demerger - in exchange for potential unsecured claims (i.e., provisions for risk); and (ii) the fair value (€44.5 million) of the warrants issued to Astaldi’s lending banks.

When measuring the fair value of the lending bank warrants, management held that their exercise was beneficial to the lending banks because the subscription price for the related capital increase was lower than the Webuild shares’ fair value. Accordingly, the warrants’ fair value was indirectly measured by reference to the equity instruments assigned, using a specific tool made available by the info provider Bloomberg for the valuation of call options with an equity underlying and American-style exercise.

LTI reserve

The LTI (long term incentive plan) reserve includes the fair value of the incentive plan launched in 2020. On 11 March 2020, the board of directors of Salini Impregilo S.p.A. (now Webuild S.p.A.) approved the guidelines and draft regulation for an incentive plan open to certain employees, consultants and/or directors with specific duties either with the company and/or its direct or indirect subsidiaries pursuant to article 2359 of the Italian Civil Code (the “Salini Impregilo 2020-2022 performance share plan” or the “plan”), subsequently approved by the company’s shareholders. The reserve amounts to €1.8 million. The section on accounting policies described the accounting treatment of this reserve, which is detailed below:

€	Number of shares	Amount	Start date	End date	Average price	Fair value
CEO	1,325,283	2,999,998.95	30/09/2021	31/03/2023	2.2637	504,570.21
Key management personnel	2,358,671	5,339,244.92	30/09/2021	31/03/2023	2.2637	898,008.29
Other management personnel	1,157,027	2,619,123	30/09/2021	31/03/2023	2.2637	440,510.70
Total	**4,840,981**	**10,958,367**				**1,843,089**

Other comprehensive income (expense)

The most significant change in this item is related to the translation reserve, as shown below:

(€'000)	
31 December 2019	(7,842)
Reclassification to profit or loss	-
Increase	(4,239)
Total changes	(4,239)
31 December 2020	**(12,081)**

(€'000)	
31 December 2020	(12,081)
Reclassification to profit or loss	-
Increase	3,529
Total changes	3,529
31 December 2021	**(8,552)**

Changes in the actuarial reserve, which includes the actuarial gains and losses as required by IAS 19, are as follows:

(€'000)	
31 December 2019	(177)
Net actuarial gains recognised in OCI	25
31 December 2020	**(152)**

(€'000)	
31 December 2020	(152)
Net actuarial losses recognised in OCI	(188)
31 December 2021	**(340)**

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

Bank and other loans and borrowings and factoring liabilities increased by €385.1 million to €2,422.4 million at the reporting date.

(€'000)	31 December 2020	31 December 2021	Variation
Bank and other loans and borrowings	557,347	269,639	(287,708)
Current account facilities and other loans	1,479,978	2,152,765	672,787
Total	**2,037,325**	**2,422,404**	**385,079**

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

	31 December 2020			31 December 2021		
(€'000)	Non-current	Current	Total	Non-current	Current	Total
Bank corporate loans	547,807	693,981	1,241,788	241,748	454,793	696,541
Bank construction loans	-	4,436	4,436	1,463	11,967	13,430
Other financing	9,540	16,478	26,018	18,623	46,677	65,300
Current account facilities	-	46,234	46,234	-	10,531	10,531
Factoring liabilities for recourse factoring receivables	-	3,020	3,020	-	4,230	4,230
Loans and borrowings - group companies and related parties	-	715,829	715,829	7,805	1,624,567	1,632,372
Total	**557,347**	**1,479,978**	**2,037,325**	**269,639**	**2,152,765**	**2,422,404**

Bank loans and borrowings

They are broken down in the following table:

€'000	Company	Country	31 December 2020 Total loans	31 December 2020 Current	31 December 2020 Non-current	31 December 2021 Total loans	31 December 2021 Current	31 December 2021 Non-current
Banca IMI term loan	Webuild	Italy	443,819	2,849	440,970	444,285	392,660	51,625
BPER	Webuild	Italy	-			100,513	932	99,581
Banca Popolare di Milano	Webuild	Italy	57,408	705	56,703	56,498	9,956	46,542
Monte dei Paschi di Siena	Webuild	Italy	50,182	48	50,134	50,082	50,082	
Banca IMI Yuma	Webuild	Colombia	-			44,365	365	44,000
Banca IMI - formerly UBI revolving facility	Webuild	Italy	50,944	50,944	-	644	644	-
Banca Popolare di Lodi	Webuild	Italy	9,126	9,126	-	154	154	-
Banca IMI (revolving facility)	Webuild	Italy	402,299	402,299	-	-	-	-
Monte dei Paschi (revolving facility)	Webuild	Italy	100,280	100,280	-	-	-	-
BBVA	Webuild	Italy	50,297	50,297	-	-	-	-
BPER	Webuild	Italy	31,036	31,036	-	-	-	-
Banca Popolare di Sondrio	Webuild	Italy	30,172	30,172	-	-	-	-
Credit Agricole	Webuild	Italy	10,047	10,047	-	-	-	-
Banca del Mezzogiorno	Webuild	Italy	6,179	6,179	-	-	-	-
Total bank corporate loans			**1,241,788**	**693,981**	**547,807**	**696,541**	**454,793**	**241,748**
Various banks	Chile restructured loan	Chile	-	-	-	5,916	4,453	1,463
Various banks	Romanian branch	Romania	4,436	4,436	-	7,514	7,514	
Total bank construction loans			**4,436**	**4,436**	**-**	**13,430**	**11,967**	**1,463**

Bank corporate loans amount to €696.5 million at the reporting date compared to €1,241.8 million at 31 December 2020.

The decrease in corporate loans during the year is mostly due to the repayment of facilities used in 2020.

The main conditions of the bank loans in place at 31 December 2021 are as follows:

	Entity	Interest rate	Expiry date	Note
Banca IMI (term loan) (2017-2022)	Webuild	Euribor	2022	(1)
Monte dei Paschi di Siena	Webuild	Fixed	2022	(1)
Banca Popolare di Milano (2016-2024)	Webuild	Euribor	2024	(1)
Banca Popolare di Milan (2017-2025)	Webuild	Euribor	2025	(1)
Banca IMI (2016-2024)	Webuild	Euribor	2024	(1)
Banca IMI Yuma	Webuild	Fixed	2025	
BPER	Webuild	Euribor	2024	(1)

(1) As part of a wide-ranging action plan implemented at group level to mitigate the impacts of Covid-19, Webuild negotiated the temporary suspension of checks of certain financial covenants at 31 December 2021 with its lending banks.

The non-current portion of the above 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	Due after 25 months but within 60 months	Due after 60 months
Bank corporate loans	**241,749**	**70,654**	**171,095**	**-**

The fair value of the bank corporate loans, measured as set out in the "Accounting policies" section, is €696.0 million.

Current account facilities

Current account facilities decreased by €35.7 million to €10.5 million and mainly refer to the head office.

Other financing

Other financing at 31 December 2021 totals €65.3 million and mainly relates to the Chilean operations (€38.2 million), the French branch (€11.1 million) and the head office arising from the demerger of the core assets scope of Astaldi to Webuild (€7.5 million).

The fair value of this liability, measured as set out in the "Accounting policies" section, is €65.1 million.

Factoring liabilities

Factoring liabilities amount to €4.2 million at the reporting date and relate to the Ethiopian branch (€2.0 million) and the Panama branch (€1.7 million).

Loans and borrowings - group companies and related parties

This item of €1,626.1 million mostly comprises amounts due to subsidiaries, including Webuild Italia S.p.A. (€520.7 million), COCIV (€232.6 million), Partecipazioni Italia S.p.A. (€155.2 million), Consorzio Hirpinia Orsara AV (€147.1 million), Snowy Hydro J.V. (€156.4 million), Messina Catania Lotto Nord (€136.8 million), Messina Catania Lotto Sud (€87.6 million) and Sirjo S.C.p.A. (€57.0 million). The €916.8 million increase principally refers to the amounts due to Webuild Italia S.p.A. and Partecipazioni Italia S.p.A. as a result of: (i) the cash pooling arrangements agreed to centrally manage cash transactions; and (ii) the adjustments to the assets and liabilities covered by the non-recurring contribution of the "Ramo Italia" business unit.

Net financial indebtedness

(€'000)	Note (*)	31 December 2020	31 December 2021	Variation
Non-current financial assets	8	113,978	177,893	63,915
Current financial assets	13	992,558	1,169,245	176,687
Cash and cash equivalents	16	1,065,865	692,568	(373,297)
Total cash and cash equivalents and other financial assets		**2,172,401**	**2,039,706**	**(132,695)**
Bank and other loans and borrowings	19	(557,347)	(269,639)	287,708
Bonds	20	(1,288,620)	(1,487,852)	(199,232)
Lease liabilities	21	(40,707)	(55,105)	(14,398)
Total non-current financial indebtedness		**(1,886,674)**	**(1,812,596)**	**74,078**
Current portion of bank loans and borrowings and current account facilities	19	(1,479,978)	(2,152,765)	(672,787)
Current portion of bonds	20	(246,910)	(11,881)	235,029
Current portion of lease liabilities	21	(21,274)	(18,002)	3,272
Total current financial indebtedness		**(1,748,162)**	**(2,182,648)**	**(434,486)**
Derivative assets	13	340	-	(340)
Net financial position with unconsolidated SPEs (**)		95,460	3,479	(91,981)
Total other net financial assets		**95,800**	**3,479**	**(92,321)**
Net financial indebtedness - continuing operations		**(1,366,635)**	**(1,952,059)**	**899,181**
Net financial position - discontinued operations		-	85	85
Net financial indebtedness including discontinued operations		**(1,366,635)**	**(1,951,974)**	**(585,339)**

(*) The note numbers refer to the notes to the separate financial statements where the items are analysed in detail.

(**) This item shows the company's net amounts due from/to consortia and consortium companies operating under a cost recharging system. The balance reflects the company's share of cash and cash equivalents or debt of the SPEs. The items making up these balances are shown under trade receivables and payables, respectively, in the separate financial statements.

At 31 December 2021, the company has net financial indebtedness of €1,952.1 million compared to €1,366.6 million at the end of the previous year.

More information about changes in the company's net financial indebtedness during the year is available in the "Financial position of the parent, Webuild S.p.A." section of the Directors' report.

Net financial indebtedness as per ESMA Guidelines of 4 March 2021

	(€'000)	31 December 2020	31 December 2021
A	Cash	1,065,865	692,568
B	Cash equivalents		
C	Other current financial assets	1,859	1,531
D	**Cash and cash equivalents (A+B+C)**	**1,067,724**	**694,099**
E	Current loans and borrowings (including debt instruments but excluding the current portion of non-current loans and borrowings)	765,082	1,639,547
F	Current portion of non-current loans and borrowings	983,080	543,100
G	**Current financial indebtedness (E+F)**	**1,748,162**	**2,182,647**
H	**Net current financial indebtedness (G-D)**	**680,438**	**1,488,548**
I	Non-current loans and borrowings (excluding their current portion and debt instruments)	1,886,674	1,812,596
J	Debt instruments		
K	Trade payables and other non-current financial liabilities	3,104	20,798
L	**Non-current financial indebtedness (I+J+K)**	**1,889,778**	**1,833,394**
M	**Net financial indebtedness (H+L)**	**2,570,216**	**3,321,942**

The above table shows the company's net financial indebtedness in accordance with the ESMA Guidelines of 4 March 2021, while the next table provides a reconciliation between its net financial indebtedness as per these Guidelines and its management accounts:

(€'000)	31 December 2020	31 December 2021
Difference compared to Webuild's net financial indebtedness	**1,203,581**	**1,369,968**
Due to:		
Non-current financial assets	113,977	177,893
Current financial assets with a maturity of more than 90 days (*)	990,698	1,167,714
Derivatives	340	-
Net financial position with unconsolidated SPEs	95,461	3,479
Net financial position - discontinued operations	-	85
Trade payables and other non-current financial liabilities	3,104	20,798
Total difference	**1,203,581**	**1,369,968**

(*) The exclusion of current financial assets with a maturity of more than 90 days is based on current professional guidance.

Trade payables and other non-current financial liabilities comprise:

(€'000)	31 December 2020	31 December 2021
Suppliers	603	5,809
Employees	2,501	-
Guarantee deposits	-	51
Other liabilities	-	14,938
Total	**3,104**	**20,798**

20. Bonds

The outstanding bonds at 31 December 2021 amount to €1,499.7 million. They are analysed in the following table:

(€'000)	31 December 2020	31 December 2021	Variation
Non-current portion	1,288,620	1,487,852	199,232
Current portion	246,910	11,881	(235,029)
Total	**1,535,530**	**1,499,733**	**(35,797)**

Description	Expiry date	31 December 2020 Nominal amount	Non-current portion (net of related charges)	Current portion (accrued interest)	31 December 2021 Nominal amount	Non-current portion (net of related charges)	Current portion (accrued interest)
Webuild 3.75% Call 24gn21	24.06.2021	236,674	-	235,542	-	-	-
Webuild 1.75% Call 26ot24	26.10.2024	500,000	497,052	1,582	500,000	497,823	1,582
Webuild 5.875% Call 15dc25	15.12.2025	550,000	542,643	1,416	750,000	745,222	1,932
Webuild 3.625% Call 28ge27	28.01.2027	250,000	248,925	8,370	250,000	244,807	8,367
Total		**1,536,674**	**1,288,620**	**246,910**	**1,500,000**	**1,487,852**	**11,881**

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 at the reporting date, measured as set out in the "Accounting policies" section, is €1,583.1 million.

On 21 January 2021, Webuild successfully placed additional notes with an aggregate nominal amount of €200 million (the "additional notes") reserved to institutional investors. As they have the same characteristics, maturities and terms as those issued on 15 December 2020 (Webuild €550 million 5.875%) and are entirely fungible, they brought the total size of such notes to €750 million. The net proceeds from the issuance of the additional notes were used by Webuild to repay its existing indebtedness.

In June 2021, the company redeemed the Webuild 3.75% Call 24gn21 notes maturing on 24 June 2021, which had a carrying amount of €235.5 million at 31 December 2020.

On 19 January 2022, Webuild successfully placed new sustainability-linked bonds with an aggregate nominal amount of €400,000,000 reserved for institutional investors. Their maturity date is 28 July 2026 and the coupon is 3.875%.

21. Lease liabilities

Lease liabilities may be broken down as follows at 31 December 2021:

(€'000)	31 December 2020	31 December 2021	Variation
Non-current portion	40,707	55,105	14,398
Current portion	21,274	18,002	(3,272)
Total	**61,981**	**73,107**	**11,126**

Lease liabilities show the principal portion of future lease payments at the reporting date and amount to €73.1 million (31 December 2020: €62.0 million). The underlying assets are pledged to secure them.

The present value of the minimum future lease payments is €73.1 million (31 December 2020: €62.0 million) as follows:

(€'000)	31 December 2020	31 December 2021
Minimum lease payments:		
Due within one year	21,970	18,983
Due between one and five years	42,102	56,353
Due after five years	39	16
Total	**64,111**	**75,352**
Future interest expense	(2,130)	(2,245)
Net present value	**61,981**	**73,107**
The net present value is as follows:		
Due within one year	21,274	18,002
Due between one and five years	40,680	55,089
Due after five years	27	16
Total	**61,981**	**73,107**

22. Post-employment benefits and employee benefits

At 31 December 2021, the company's liability due to its employees determined using the criteria set out in IAS 19 is €13.0 million.

Employee benefits mostly include the post-employment benefits governed by article 2120 of the Italian Civil Code.

Post-employment benefits governed by article 2120 of the Italian Civil Code

Plan characteristics

At 31 December 2006, the Italian post-employment benefits (TFR) was qualified as a defined benefit plan. Law no. 296 of 27 December 2006 (the 2007 Finance Act) and related implementing decrees issued in early 2007 introduced changes, according to which companies with at least 50 employees now classify the TFR as a defined benefit plan solely with reference to the benefits vested until before 1 January 2007 (if not paid at the reporting date), while those accrued after that date are to be classified as part of a defined contribution plan.

Accordingly, the liability for post-employment benefits recognised in the company's statement of financial position, net of any advances paid, reflects the residual obligation for the company for the benefits vested up to 31 December 2006 that will be paid when the employees leave the company.

Main assumptions used

At 31 December 2021 and 2020, the liability for post-employment benefits is the outstanding amount at the reform effective date, net of benefits paid up to the reporting date. The liability is considered part of a defined benefit plan under IAS 31 and has, therefore, been subjected to actuarial valuation. The valuation, performed with the assistance of an independent expert, was based on the following rates:

- turnover rate: 7.25%;
- advance payment rate: 3%;
- inflation rate: 1.75%.

The company has used the Eurocomposite AA index, which has an average financial duration in line with the fund being valued, to calculate the discount rate.

Changes in this item are as follows:

(€'000)	31 December 2019	Accruals	Payments	Contributions paid to INPS treasury and other funds	Net actuarial gains	Other changes	31 December 2020
Post-employment benefits and employee benefits	12,267	8,032	(9,939)	(1,037)	(25)	1,200	10,498

(€'000)	31 December 2020	Accruals	Payments	Contributions paid to INPS treasury and other funds	Net actuarial losses	Other changes	31 December 2021
Post-employment benefits and employee benefits	10,498	9,152	(3,623)	(3,896)	188	712	13,031

In addition to the effects of the partial proportionate demerger of Astaldi, became effective for statutory, accounting and tax purposes on 1 August 2021, the 2021 net decrease is due to payments and contributions to INPS treasury and other funds made during the year, the benefits accrued during the year and the net actuarial gains recognised in other comprehensive income, as required by IAS 19.

An increase or decrease of 0.25% in the discount rate used to calculate the liability at 31 December 2021 would have had a negative or positive effect of around €25 thousand or approximately €21 thousand, respectively. A similar increase or decrease at 31 December 2020 would have had a negative effect of approximately €28 thousand or €22 thousand, respectively.

23. Provisions for risks

These provisions amount to €74.2 million at the reporting date, as follows:

(€'000)	31 December 2020	31 December 2021	Variation
Provisions for risks on equity investments	41,635	42,476	841
Other provisions	15,682	31,759	16,077
Total	**57,317**	**74,235**	**16,918**

The main changes in the provisions for risks on equity investments are summarised as follows:

(€'000)	31 December 2021
Increases	1,464
Capital transactions	(17,102)
Impairment gains	(9,723)
Impairment losses	17,545
Reclassifications	1,805
Other changes	6,853
Total	**841**

Specifically, the provision for risks on equity investments includes the impairment losses on investments in certain SPEs for the part that exceeds their carrying amounts.

"Other changes" mostly refers to the partial proportionate demerger of Astaldi to Webuild.

Other provisions comprise:

(€'000)	31 December 2020	31 December 2021	Variation
Provision for risks relating to ongoing contracts	4,441	17,001	12,560
Provision for ongoing litigation	8,468	2,018	(6,450)
Other	2,772	12,740	9,968
Total	**15,682**	**31,759**	**16,078**

Changes during 2020 are shown in the following table:

(€'000)	31 December 2019	Accruals	Utilisations	Change in scope	Other changes	31 December 2020
Total	**57,859**	**5,508**	**(47,653)**	**-**	**(32)**	**15,682**

Changes for the year are summarised below:

(€'000)	31 December 2020	Accruals	Utilisations	Change in scope	Other changes	31 December 2021
Total	**15,682**	**11,305**	**(4,309)**	**12,958**	**(3,876)**	**31,759**

Provisions for risks relating to ongoing contracts mainly refer to those in Poland (€11.3 million), Algeria (€1.9 million) and Georgia (€1.7 million).

These provisions are measured in accordance with paragraphs 66-69 of IAS 37 - Provisions, contingent liabilities and contingent assets and cover the estimated costs to fulfil certain contracts (net of the related economic benefits).

"Utilisations" mostly refer to the head office (€3.3 million) while "Other changes" refers to the contribution of the "Ramo Italia" business unit to Webuild Italia S.p.A..

24. Trade payables

Trade payables amount to €1,945.1 million (31 December 2020: €2,201.9 million) of which €1,196.9 million due to group companies and other related parties.

The decrease of €256.8 million in this item is analysed in the following table:

(€'000)	31 December 2020	31 December 2021	Variation
Third parties	482,473	748,277	265,804
Group companies and other related parties	1,719,429	1,196,865	(522,564)
Total	**2,201,901**	**1,945,142**	**(256,759)**

The increase of €265.8 million in trade payables to third parties is principally due to partial proportionate demerger of the core assets scope of Astaldi to Webuild.

Trade payables to group companies and other related parties decreased by €522.6 million to €1,196.9 million.

The most significant change relates to the high speed/capacity Milan - Genoa (COCIV) railway line as a result of the contribution of the "Ramo Italia" business unit to the subsidiary Webuild Italia S.p.A., partially offset by new billings.
A complete list of transactions with group companies and other related parties is provided at the end of these notes.

25. Current tax liabilities and other current tax liabilities

Current tax liabilities of €149.3 million increased by €74.8 million over 31 December 2020. The increase is mostly related to the Ethiopian branch for the taxes on income generated in this country in 2021 and the additional effects of the assessment (equal to the equivalent of approximately €54.0 million) for the higher corporate income taxes challenged by the local tax authorities (ERCA) for 2017, 2018 and 2019.[109]

(€'000)	31 December 2020	31 December 2021	Variation
IRES	77	454	377
IRAP	-	261	261
Foreign taxes	74,451	148,634	74,183
Total	**74,528**	**149,349**	**74,821**

[109] More information is available in the "Tax disputes" section of these notes.

Other current tax liabilities of €58.7 million increased by €34.0 million over 31 December 2020. The increase is chiefly due to VAT, mainly on the billing on milestones reached on contracts in Australia (North East Link in Melbourne) and France (TELT Lot 2) around the end of the year.

(€'000)	31 December 2020	31 December 2021	Variation
Withholdings	87	36	(51)
VAT	16,926	41,017	24,091
Other indirect taxes	7,691	17,675	9,984
Total	**24,704**	**58,728**	**34,024**

26. Other current liabilities

Other current liabilities of €240.7 million (31 December 2020: €112.6 million) increased by €128.2 million. The composition of this item and changes during the year are shown below:

(€'000)	31 December 2020	31 December 2021	Variation
Employees	30,647	44,671	14,024
Social security institutions	8,087	12,305	4,218
Group companies and other related parties	40,336	86,613	46,277
Other liabilities	30,319	87,722	57,403
Accrued expenses and deferred income	3,178	9,433	6,255
Total	**112,567**	**240,744**	**128,177**

These liabilities include:

- amounts due to employees of €44.7 million, relating to accrued unpaid remuneration;
- "Group companies and other related parties" of €86.6 million, which increased by €46.2 million on the previous year end. They mainly relate to the joint ventures active in the USA (€25.3 million) and Argentina (€11.6 million) and IS JV (€17,5 million) active in Australia;
- other liabilities of €87.7 million (31 December 2020: €30.3 million), mainly relating to foreign projects in Poland;
- accrued expenses and deferred income of €9.4 million, as follows:

(€'000)	31 December 2020	31 December 2021	Variation
Accrued expenses:			
- Personnel-related expenses	-	321	321
- Other	2,649	7,062	4,413
Total accrued expenses	**2,649**	**7,383**	**4,734**
Deferred income:			
- Provision of services	530	2,050	1,520
Total deferred income	**530**	**2,050**	**1,520**
Total	**3,179**	**9,433**	**6,254**

Accrued expenses and deferred income increased by €6.3 million and mostly consist of portions of costs not yet paid for contract work in progress.

27. Guarantees, commitments, risks and contingent liabilities

Guarantees and commitments

The key guarantees given by the company are set out below:

- contractual sureties: these total €12,063.0 million and are given to customers as performance bonds, to guarantee advances, retentions and involvement in tenders for all ongoing contracts. In turn, the company has guarantees given by its subcontractors.
- sureties for bank loans: they amount to €497.0 million and relate to subsidiaries (€321.4 million), associates (€134.2 million) and other group companies (€41.4 million);
- sureties granted for export credit: €3.3 million;
- personal guarantees: they amount to €110.3 million and comprise guarantees related to customs and tax obligations;
- other commitments (environmental remediation and judicial obligations) of €7,044.4 million.

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 significant negative effects on the separate financial statements. With reference to the main disputes, reference should be made to the “Main risk factors and uncertainties” section of the Directors’ report.

Tax disputes

With respect to the principal dispute with the tax authorities:

- The Supreme Court hearing was held on 17 January 2020 to discuss the reimbursement of tax assets with a nominal amount of €12.3 million plus interest acquired from third parties as part of previous non-recurring transactions. The court quashed the second level ruling ordering the case to be transferred to the Regional Tax Commission. The company filed a petition for the resumption of the hearing within the legal term.
- A dispute related to 2005 about the technique used to “realign” the carrying amount of equity investments as per article 128 of Presidential decree no. 917/86 (greater assessed tax base of €4.2 million) is still pending before the first level court while with respect to another dispute with the same subject but for 2004 (greater assessed tax base of €0.4 million), the Supreme Court accepted the company’s grounds and ordered the case be sent to the Lombardy Regional Tax Commission which fully accepted the company’s

appeal in the hearing of 14 January 2019 with its ruling of 12 February 2019. The tax authorities appealed this ruling on 11 September 2019 and the appeal still has to be allocated to the relevant section of the court.

- After their tax inspection into 2015, the tax authorities notified the Constructor M2 Lima consortium of an assessment notice claiming approximately €15.9 million. The main allegation made by the local tax authorities (SUNAT) is due to a different interpretation of the accounting treatment of revenue from contracts with customers for work carried out under the IFRS. The 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.
- On 21 January 2021, the local tax authorities (ERCA) served an assessment notice to the Ethiopian branch relating to the 2017, 2018 and 2019 corporate income tax. The most significant assessment relates to the calculation of revenue. Indeed, the tax inspectors did not agree on the adoption of the cost to cost method, despite it being provided for by the local tax law and the IFRS. Further to discussions with the tax authorities, the assessed taxes were revisited and the branch fully settled the new assessed taxes for all three years, in order to benefit from the cancellation of the fines and interest, by paying an equivalent of roughly €54.0 million in instalments until October 2023.

Furthermore, considering the demerger and the principal disputes of the demerged company, Astaldi, with the tax authorities:

- in 2010, Astaldi's Costa Rican branch received an assessment notice of a higher taxable amount due to the disallowance of the deductibility of various costs (amortisation and depreciation, personnel remuneration, losses and travel and transport costs), for an amount due of CRC776,803,156 (the equivalent of approximately €1.2 million). A separate notice imposed fines of CRC194,200,789 (the equivalent of approximately €0.3 million). With the assistance of its advisors, the branch has commenced the local administrative and legal procedures to challenge the above assessment and to defend the correctness of its actions. On 3 December 2020, the tax authorities issued a resolution confirming the branch's amounts. The procedures for having the proceeding declared closed are currently being assessed.

  In 2015, the same branch received a notice from the local tax authorities that disallowed certain withholding tax assets for 2011, 2012 and 2013. The initial assessed amount is CRC640,694,557 (the equivalent of about €0.9 million) against which the branch has commenced the local administrative and legal procedures with the assistance of its advisors. The tax authorities subsequently decreased the assessed amount to CRC132,305,779 (the equivalent of approximately €0.2 million). The proceedings are still ongoing with a remote risk of losing the case.
- In 2016, the El Salvadoran branch received a notice of assessment from the local tax authorities relating to its tax base and related income taxes for 2012. In this assessment, the local tax authorities challenged: (i) allegedly undeclared revenue of USD23.5 million (the equivalent of approximately €20.5 million) for the proceeds arising from the out-of-court agreement settling the dispute related to the "El Chaparral

hydroelectric power plant project"; (ii) interest income of USD0.8 million (equal to about €0.7 million) allegedly accrued on intragroup loans; (iii) revenue and income reported as tax-exempt or non-taxable amounting to USD13.4 million (the equivalent of roughly €11.7 million); and (iv) costs of USD15.4 million (the equivalent of approximately €13.5 million) whose deductibility was contested. As a result, the local tax authorities recalculated the income tax due by the branch for 2012 and assessed higher taxes of USD9.1 million (equal to approximately €8 million), plus fines and interest. With the assistance of its advisors, the subsidiary has commenced the procedures to challenge all assessments. The proceedings are still ongoing with a remote risk of losing the case.

In Italy:

- on 14 April 2020, the Italian tax authorities notified Astaldi of their refusal to its proposal to settle tax liabilities as per article 182-ter of the Bankruptcy Law presented as part of its composition with creditors procedure. The above proposal requested the cancellation due to non-application of the higher fines, amounting to approximately €8 million, on the tax liabilities attributable exclusively to the prohibition imposed by the composition with creditors procedure to pay liabilities already due prior to the filing of the related application with reservation. Astaldi presented its appeal on 9 July 2020, challenging a number of issues of the refusal on the merits and in law. As part of a self-review, the tax authorities acknowledged that the higher fines due to the disqualification of the option to pay by instalment were not due for some assessments settled with the mutually-agreed settlement procedure, for which the payments were discontinued on 28 September 2018 and therefore the dispute will continue for the other similar positions not revisited by the tax authorities. As provided for in the composition with creditors proposal, Astaldi paid the preferential tax liabilities in full, net of the reliefs already allowed, taking into account the above-mentioned refusal and, should the outcome of the dispute be favourable, it will recover the higher amounts paid;
- on 28 August 2020, the Italian tax authorities notified Astaldi of a recovery notice for alleged undue offsetting of excess VAT transferred by subsidiaries under the 2017 group VAT scheme. The assessed amount is €4.8 million, plus fines and interest of €1.4 million and €0.5 million, respectively. The assessment is based on the recalculation of the interim offsetting of VAT that, according to the tax authorities, resulted in excess and unsecured offset VAT. The recalculation also led to the recalculation of the annual VAT asset claimed for reimbursement at year end, with the consequent disallowance of the reimbursement and authorisation to carry forward. Astaldi challenged both the recovery notice and the disallowance of the reimbursement in court. Should Astaldi lose the case, it will carry forward a higher amount of VAT assets and will solely bear the related fines and interest. In any case, supported by the opinion of its advisors, Astaldi believes that the risk of losing the case is remote.

With respect to the above pending disputes, after consulting its legal advisors, the company believes that it has acted correctly and deems that the risk of an adverse ruling is not probable. When it deemed it appropriate to settle the dispute, as explained in more detail, it did so to avail of the various options provided for by the relevant legislation, such as the voluntary settlement procedure for the pending tax disputes or the positions assigned to the tax collection agency, the court-ordered settlement procedure and the mutually-agreed settlement procedure.

28. Financial instruments and risk management

The “Main risk factors and uncertainties” section of the Directors’ report provides information about the main risk factors and uncertainties identified by management.

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 2020 (€'000)	Note	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Hedging derivatives		Financial assets at fair value through profit or loss	Total	Fair value
Financial assets								
Non-current financial assets	8	113,977	-	-	-	-	113,977	113,977
Trade receivables	12	2,338,790	-	-	-	-	2,338,790	2,338,790
Other current financial assets	13	992,558	-	-	-	-	992,558	992,558
Other loans and receivables		-	-	-	-	-	-	-
Derivatives	13	-	340	-	-	-	340	340
Cash and cash equivalents	16	1,065,865	-	-	-	-	1,065,865	1,065,865
Total		**4,511,190**	**340**	**-**	**-**	**-**	**4,511,530**	**4,511,530**

31 December 2020 (€'000)	Note	Other liabilities at amortised cost	Financial liabilities at fair value through profit or loss	Hedging derivatives		Financial liabilities at fair value through profit or loss	Total	Fair value
Financial liabilities								
Bank and other loans and borrowings	19	2,037,325	-	-	-	-	2,037,325	2,040,899
Bonds	20	1,535,530	-	-	-	-	1,535,530	1,505,066
Lease liabilities	21	61,981	-	-	-	-	61,981	61,981
Derivatives	21	-	-	-	-	-		-
Trade payables	24	2,201,901	-	-	-	-	2,201,901	2,201,901
Total		**5,836,737**	**-**	**-**	**-**	**-**	**5,836,738**	**5,809,847**

31 December 2021 (€'000)	Note	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Hedging derivatives		Financial assets at fair value through profit or loss	Total	Fair value
Financial assets								
Non-current financial assets	8	177,893	-	-	-	-	177,893	177,893
Trade receivables	12	1,698,950	-	-	-	-	1,698,950	1,698,950
Other current financial assets	13	1,169,245	-	-	-	-	1,169,245	1,169,245
Derivatives	13	-	-	-	-	-	-	-
Cash and cash equivalents	16	692,568	-	-	-	-	692,568	692,568
Total		**3,738,656**	**-**	**-**	**-**	**-**	**3,738,656**	**3,738,656**

31 December 2021 (€'000)	Note	Other liabilities at amortised cost	Financial liabilities at fair value through profit or loss	Hedging derivatives		Financial liabilities at fair value through profit or loss	Total	Fair value
Financial liabilities								
Bank and other loans and borrowings	19	2,422,404	-	-	-	-	2,422,404	2,421,237
Bonds	20	1,499,733	-	-	-	-	1,499,733	1,583,113
Lease liabilities	21	73,107	-	-	-	-	73,107	73,107
Derivatives	21	-	-	-	-	-		-
Trade payables	24	1,945,142	-	-	-	-	1,945,142	1,945,142
Total		**5,940,386**	**-**	**-**	**-**	**-**	**5,940,386**	**6,022,599**

The note column gives the section in which the relevant item is described.

Reference should be made to the section on the accounting policies for information on the fair value measurement of these items. Specifically, the fair value of the above items is based on the present value of estimated future cash flows.

Risk management

The company is exposed to financial risks, including the following:

- ***market risk*** deriving from the company's exposure to interest rate fluctuations and exchange rate fluctuations;
- ***credit risk*** deriving from the company's exposure to potential losses arising from the customers' non-compliance with their obligations;
- ***liquidity risk*** deriving from the risk that the financial resources necessary to meet obligations may not be available at the agreed terms and deadlines.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises currency risk and interest rate risk.

Currency risk

Webuild's international presence entails its exposure to currency risk arising from fluctuations in the value of trade and financial transactions in currencies other than the functional currencies of the individual companies, branches or joint operations. The company has adopted a currency risk management strategy to mitigate this risk based on the guidelines described in the "Risk management system" section of the Directors' report to which reference is made.

Currency risk at 31 December 2021 mainly related to the following currencies:

- US dollar (USD)
- Ethiopian Birr (BIRR)
- Canadian dollar (CAD)
- Australian dollar (AUD)
- Colombian peso (COP)
- United Arab Emirates dirham (AED);
- Tajikistani somoni (TJS).

The company considers monetary assets and liabilities of the companies, branches or joint operations 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 2020 and 2021 to reflect the potential effects on profit (loss) and equity

	31 December 2020		31 December 2021	
(€m)	-5%	+5%	-5%	+5%
US dollar	(5.17)	5.17	2.40	(2.40)
Ethiopian birr	2.37	(2.37)	1.24	(1.24)
Australian dollar	1.35	(1.35)	5.83	(5.83)
Canadian dollar	n.a.	n.a.	5.30	(5.30)
Colombian peso	3.45	(3.45)	3.72	(3.72)
United Arab Emirates dirham	(0.62)	0.62	0.54	(0.54)
Romanian new leu	n.a.	n.a.	(1.52)	1.52
Tajikistani somoni	0.53	(0.53)	0.09	(0.09)

This analysis excludes the effects of the translation of the equity of companies or joint operations with a currency other than the Euro.

Interest rate risk

The company has revised its debt structure significantly, increasing its fixed rate exposure. For this reason, had interest rates increased or decreased by an average 75 basis points in 2021, the loss before tax for the year would have been respectively greater or smaller by €4.9 million (€9.3 million for 2020), assuming that all other variables remained constant.

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 offers, through a careful analysis of the characteristics of the countries in which the company's activities should be carried out and the customers, which are usually state or similar bodies, requesting an offer.

Therefore, this risk can be essentially assimilated to the country risk. An analysis of this risk based on the age of the outstanding amounts is not very meaningful, since the receivables (mostly due from state bodies) should be assessed together with the related working capital items, especially those reflecting the net exposure to customers (contract assets and liabilities) in relation to contract work in progress as a whole.

A breakdown of working capital by geographical segment is set out below:

(€'000)	31 December 2020	31 December 2021
Italy	25,876	388,672
Other EU countries	33,151	272,937
Other European countries (non-EU	25,445	30,899
Americas	48,749	47,616
Asia/Middle East	244,736	614,244
Africa	226,088	(121,626)
Australia	10,677	(130,264)
Total	**614,722**	**1,102,479**

The reconciliation of the reclassified statement of financial position details the items included in working capital.

Webuild's exposure to customers, broken down by contract location, is analysed below:

(€'000)	Trade receivables	Contract assets	Contract liabilities	Total	Allowances
31 December 2020					
Italy	1,915,838	59,596	(462,236)	1,513,198	10,321
Other European countries	179,007	298,913	(41,478)	436,442	-
Other European countries (non-EU)	16,072	-	(3,143)	12,929	-
Americas	103,957	361	(38,700)	65,618	252,966
Asia/Middle East	73,598	473,850	(31,268)	516,180	-
Africa	38,523	228,646	(218,636)	48,533	12,775
Australia	11,795	-	-	11,795	-
Total	**2,338,790**	**1,061,366**	**(795,461)**	**2,604,695**	**276,061**
31 December 2021					
Italy	1,028,673	251,388	(3,888)	1,276,173	42,143
Other EU countries	249,171	583,494	(37,413)	795,252	-
Other European countries (non-EU)	97,357	24,476	(257,114)	(135,281)	-
Americas	167,247	52,718	(34,338)	185,627	312,457
Asia/Middle East	87,744	574,140	(14,599)	647,285	-
Africa	37,982	23,591	(75,471)	(13,898)	9,252
Australia	30,776	-	(131,843)	(101,067)	-
Total	**1,698,950**	**1,509,807**	**(554,666)**	**2,654,091**	**363,852**

The "Main risk factors and uncertainties" section of the Directors' report provides information about country risk for Libya, Nigeria, Ukraine and Argentina.

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 with reference to 31 December 2020 and 2021:

(€'000)	31/12/2021	31/12/2022	31/12/2023	After	Total
Current account facilities	46,234	-	-	-	46,234
Bonds	295,674	50,125	50,125	1,409,625	1,805,549
Bank and other loans and borrowings	713,342	461,296	43,063	57,668	1,275,369
Lease liabilities	21,970	7,569	29,175	5,397	64,111
Gross financial liabilities	**1,077,220**	**518,990**	**122,363**	**1,472,690**	**3,191,263**
Trade payables	2,201,900	-	-	-	2,201,900
Total	**3,279,120**	**518,990**	**122,363**	**1,472,690**	**5,393,163**

(€'000)	31/12/2022	31/12/2023	31/12/2024	After	Total
Current account facilities	10,531	-	-	-	10,531
Bonds	61,875	61,875	561,996	1,071,250	1,756,996
Bank and other loans and borrowings	79,670	422,919	46,000	48,550	597,139
Lease liabilities	18,983	29,720	6,270	20,379	75,352
Gross financial liabilities	**171,059**	**514,514**	**614,266**	**1,140,179**	**2,440,018**
Trade payables	1,945,142	-	-	-	1,945,142
Total	**2,116,201**	**514,514**	**614,266**	**1,140,179**	**4,385,160**

Future interest has been estimated based on the market interest rates at the date of preparation of these separate financial statements, summarised in the notes.

The company's strategy aims at ensuring that each ongoing contract is financially independent.

The table below shows the company's trade payables and financial liabilities, net of advances, due before 31 March 2022 and the available cash and cash equivalents that can be used to settle them:

(€'000)	
Trade payables and financial liabilities: due before 31 March 2022 (*)	555,478
Cash and cash equivalents (**)	677,287
Difference	**121,809**

(*) Excluding amounts due to group companies.

(**) net of tied-up liquidity. At the reporting date, Webuild has suitable cash and cash equivalents and available credit facilities to meet the above obligations.

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 - Fair values measured using quoted prices in active markets;
- Level 2 - Fair values measured using valuation techniques for which inputs significant to the fair value measurement are based on observable market data;
- Level 3 - Fair values measured using valuation techniques for which inputs significant to the fair value measurement are based on unobservable market data.

The separate financial statements at 31 December 2021 do not include financial instruments measured at fair value.

Change in assets and liabilities from financing activities

The following table shows changes in assets and liabilities from financing activities as required by IAS 7.44:

(€'000)	Changes in cash flows from financing activities	Change in exchange rates	Other changes	**Total changes**
Non-current financial assets	(149,005)	1,074	84,015	**(63,916)**
Derivatives and other current financial assets	(125,213)	-	(51,135)	**(176,348)**
Bank and other loans and borrowings - amounts due to group companies	927,760	-	(18,803)	**908,957**
	653,542	**1,074**	**14,077**	**668,693**

Statement of profit or loss

Initial considerations on the comparability of the statement of profit or loss figures

The 2021 statement of profit or loss figures include the effects of the partial proportionate demerger of Astaldi to Webuild and the contribution of the “Ramo Italia” business unit to Webuild Italia S.p.A., which took accounting effect on 1 August 2021.

29. Revenue

Revenue for 2021 amounts to €1,884.2 million, down 5.6% on the previous year. It was earned in Italy €552.0 million (2020: €695.3 million) and abroad €1,332.1 million (2020: €1,300.3 million).

(€'000)	2020	2021	Variation
Revenue from contracts with customers	1,863,671	1,676,078	(187,593)
Other income	131,901	208,114	76,213
Total revenue and other income	**1,995,572**	**1,884,192**	**(111,380)**

“Revenue from contracts with customers” relates to work performed and approved by the relevant customers, including the work performed during the year on long-term contracts not yet completed.

The item “Other income” includes income not directly related to contracts with customers but nonetheless relative to industrial activities carried out as part of projects and works related to the core business.

Revenue from contracts with customers

A breakdown of revenue is given in the following table:

(€'000)	2020	2021	Variation
Works invoiced to customers	1,808,211	1,625,701	(182,510)
Services	51,023	39,961	(11,062)
Sales	4,437	10,416	5,979
Total	**1,863,671**	**1,676,078**	**(187,593)**

This item decreased by €187.6 million, mainly due to:

(i) the revised estimate of variable consideration for the high speed/capacity Turin - Milan contract (Novara - Milan sub-section) in the light of the unexpected adverse outcome of the dispute with the customer (effect of €131.9 million)[110];

[110] More information is available in the “Main risk factors and uncertainties” section of this report.

(ii) the non-recurring contribution of the “Ramo Italia” business unit to the subsidiary Webuild Italia S.p.A. which transferred management of industrial activities for contracts underway in Italy to this newco with effect from 1 August 2021.

The above effects have been partly offset by the continuation of foreign operations and the demerger.

The main contributors to revenue are some large projects in Italy (the high speed/capacity railway works for the Milan - Genoa and Verona - Padua railway line and the SS-106 state road Jonica, mega lot 3), the Koysha Hydroelectric Project and the Grand Ethiopian Renaissance Dam (GERD) contract in Ethiopia, the Rogun Hydropower Project in Tajikistan and Lot 2 of the Paris Metro Line 16 in France.

Other income

A breakdown of other income is given in the following table:

(€'000)	2020	2021	Variation
Recharged costs	89,066	153,316	64,250
Other	39,972	51,054	11,082
Gains on the disposal of non-current assets and equity investments	1,307	3,137	1,830
Rent and leases	1,556	607	(949)
Total	**131,901**	**208,114**	**76,213**

The €76.2 million increase in this item is substantially due to the continuation of the ongoing works in Australia, principally revenue earned on services provided as part of commercial initiatives carried out as a partnership with other sector operators.

30. Operating expenses

Operating expenses for the year amount to €1,934.4 million compared to €2,082.8 million for 2020.

The item may be broken down as follows.

(€'000)	2020	2021	Variation
Purchases	166,589	229,876	63,287
Subcontracts	283,125	308,039	24,914
Services	1,085,200	906,989	(178,211)
Personnel expenses	273,528	306,442	32,914
Other operating expenses	89,121	70,380	(18,741)
Amortisation, depreciation, provisions and impairment losses	185,280	112,660	(72,620)
Total	**2,082,843**	**1,934,386**	**(148,457)**

The variations in the individual items compared to 2020 are due to the different cost structures that vary from contract to contract and may, in some cases, entail changes in the industrial operating model from one 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.

Raw materials prices increased in 2021 due to limited supplies, partly caused by the upturn in demand driven by the uptick in the global economy. As a result, the company introduced mitigation measures to contain price increases. Its contracts with customers include price adjustment clauses.

30.1 Purchases

The cost of raw materials and consumables incurred in 2021 increased by €63.3 million to €229.9 million.

(€'000)	2020	2021	Variation
Purchases of raw materials and consumables	163,852	225,673	61,821
Change in raw materials and consumables	2,737	4,203	1,466
Total	**166,589**	**229,876**	**63,287**

The increase is mostly due to the full-scale operation of certain contracts, especially in France (Paris Metro Line 16) and Turkey (Etilik Integrated Health Campus in Ankara).

30.2 Subcontracts

Costs of subcontracts increased to €308.0 million, up €24.9 million on 2020 as summarised in the following table.

(€'000)	2020	2021	Variation
Subcontracts	283,125	308,039	24,914
Total	**283,125**	**308,039**	**24,914**

The increase is mostly due to the continuation of the ongoing works in Turkey (Etilik Integrated Health Campus in Ankara) and Romania (the Braila Bridge), partly offset by the decrease in volumes in Saudi Arabia (Line 3 of the Riyadh Metro).

30.3 Services

This item decreased to €907.0 million, down €178.2 million on the previous year, as shown in the following table:

(€'000)	2020	2021	Variation
Recharging of costs by consortia	754,123	544,003	(210,120)
Consultancy and technical services	176,538	214,644	38,106
Leases	51,374	50,635	(739)
Transport and customs	29,512	30,137	625
Insurance	19,966	25,466	5,500
Fees to directors, statutory auditors and independent auditors	8,135	9,620	1,485
Maintenance	2,444	5,864	3,420
Other	43,108	26,620	(16,488)
Total	**1,085,200**	**906,989**	**(178,211)**

The recharging of costs by consortia relate to works carried out with other sector companies and refer, in particular, to the high speed/capacity railway works for the Milan - Genoa and Verona - Padua railway lines and the SS-106 state road Jonica, mega lot 3 contract. This item's decrease is attributable to the contribution of the business unit comprising contracts underway in Italy to Webuild Italia S.p.A. with accounting effect from 1 August 2021.

Leases, which are substantially in line with the previous year, include rent and leases with variable payments for assets of a low value and leases with a term of less than 12 months. The related payments are recognised in profit or loss immediately.

"Consultancy and technical services" mainly consist of the design and construction costs incurred by the SPEs and legal and administrative consultancy fees.

The €38.1 million increase over the previous year is chiefly due to (i) the study and roll-out of a number of important foreign projects, mainly in Australia, for which significant engineering and legal consultancy services, also to finalise the contracts, were required; and (ii) the design of the Paris Metro Line 16 in France and the high speed/capacity Verona - Padua railway line.

A breakdown of the item "Consultancy and technical services" is as follows:

(€'000)	2020	2021	Variation
Design and engineering services	102,914	160,533	57,619
Construction	38,736	14,541	(24,195)
Legal, administrative and other services	34,881	39,369	4,488
Testing	7	201	194
Total	**176,538**	**214,644**	**38,106**

Fees to the independent auditors, KPMG S.p.A., and other companies of its network for 2021 are detailed as follows:

Services		**Fees** (€'000)
Audit	Webuild S.p.A.	2,017
Audit	Subsidiaries	2,138
Total audit		**4,155**
Other services	Webuild S.p.A.	441
Other services	Subsidiaries	93
Total other services		**534**
Total		**4,689**

30.4 Personnel expenses

Personnel expenses for the year amount to €306.4 million, up €32.9 million on 2020. The item is made up as follows:

(€'000)	2020	2021	Variation
Wages and salaries	199,000	224,951	25,951
Social security and pension contributions	29,501	32,810	3,309
Post-employment benefits	8,032	9,152	1,120
Other	36,995	39,530	2,535
Total	**273,528**	**306,443**	**32,915**

The increase is mostly due to the ongoing contracts in France, Australia and Chile.

"Other" mainly relates to termination benefits and reimbursements of travel expenses.

The following table shows the workforce at year end and the related average number:

	31 December 2020	31 December 2021	2020 average	2021 average
Managers	241	258	241	254
White collars	2,988	4,024	3,261	3,573
Blue collars	11,573	12,624	11,495	12,191
Total	**14,802**	**16,906**	**14,997**	**16,018**

30.5 Other operating expenses

Other operating expenses amount to €70.4 million, down €18.7 million on 2020 as follows:

(€'000)	2020	2021	Variation
Other	85,046	64,230	(20,816)
Non-recurring costs	4,075	6,149	2,074
Total	**89,121**	**70,379**	**(18,742)**

The decrease is mostly due to the effect of the out-of-court agreement with Condotte d'Acqua S.p.A. in A.S in 2020 (€35.3 million).

30.6 Amortisation, depreciation, provisions and impairment losses

This item includes amortisation, depreciation and provisions of €95.5 million and impairment losses of €17.1 million, showing an increase of €34.4 million and a decrease of €107.0 million on the previous year, respectively. It may be analysed as follows:

(€'000)	2020	2021	Variation
Total impairment losses	**124,156**	**17,138**	**(107,018)**
- Depreciation of property, plant and equipment	25,910	20,582	(5,328)
- Depreciation of right-of-use assets	17,145	25,165	8,020
- Amortisation of contract costs	12,616	43,994	31,378
- Amortisation of intangible assets	36	273	237
Amortisation and depreciation	**55,707**	**90,014**	**34,307**
Provisions	5,417	5,508	91
Total amortisation, depreciation and provisions	**61,124**	**95,522**	**34,398**
Total	**185,280**	**112,660**	**(72,620)**

Impairment losses amount to €17.1 million (€124.2 million in the previous year). In 2020, this item included impairment losses on the Venezuelan receivables (€122.5 million). Lastly, the 2021 figure mostly relates to the impairment loss on machinery and equipment relating to completed contracts in the Americas.

The item "Depreciation of right-of-use assets" relates to the leased assets as defined by IFRS 16. Its increase of €8.0 million is principally related to the continuation of the ongoing contract in France (Paris Metro Line 16).

Amortisation of contract costs rose by €31.4 million due to amortisation of the costs of acquiring the EPC order backlog [111] as part of the demerger of Astaldi's core assets scope to Webuild.

[111] Engineering Procurement Construction

Provisions, substantially unchanged from 2020, include the updated estimated costs to fulfil certain contracts, mostly in Poland.

31. Net financing costs

Net financing costs amount to €0.5 million compared to €109.8 million for the previous year.

The item may be broken down as follows:

(€'000)	2020	2021	Variation
Financial income	68,566	61,766	(6,800)
Financial expense	(104,174)	(124,242)	(20,068)
Net exchange gains (losses)	(74,191)	61,974	136,165
Net financing costs	**(109,799)**	**(502)**	**109,297**

31.1 Financial income

Financial income totals €61.8 million (2020: €68.6 million) and is made up as follows:

(€'000)	2020	2021	Variation
Gains on securities	**2**	**-**	**(2)**
Intragroup interest and other income	**34,525**	**38,252**	**3,727**
Interest and other financial income	**34,039**	**23,514**	**(10,525)**
- Default interest	14,416	9,213	(5,203)
- Other	8,509	8,313	(196)
- Bank interest	5,325	3,025	(2,300)
- Financial discounts and allowances	3,983	192	(3,791)
- Income from inflation adjustment	1,313	2,439	1,126
- Interest on financing	493	129	(364)
- Leases	-	203	203
Total	**68,566**	**61,766**	**(6,800)**

The decrease is mostly a result of lower default interest of €6.7 million on certain projects of the Romanian branch.

Interest from group companies amounts to €38.5 million, up €4.0 million on the previous year, and relates to the following companies:

(€'000)	2020	2021	Variation
Yuma	8,068	4,131	(3,937)
HCE Costruzioni S.p.A.	6,108	7,230	1,122
Salini Polska	5,695	7,722	2,027
Salini Nigeria Ltd	3,900	3,789	(111)
CMT	1,942	3,345	1,403
SPV Linea M4 S.p.A.	1,452	1,189	(263)
ICT II	1,390	1,479	89
Gaziantep Hastane Saglik	916	1,971	1,055
Fisia Italimpianti	860	219	(641)
Constructora Ariguani	675	688	13
Eriday	588	680	92
Other	2,931	6,064	3,133
Total	**34,525**	**38,507**	**3,982**

31.2 Financial expense

2021 financial expense increased by €20.1 million to €124.2 million as follows:

(€'000)	2020	2021	Variation
Intragroup interest and other expense	**(14,584)**	**(5,982)**	**8,602**
Interest and other financial expense	**(89,590)**	**(118,260)**	**(28,670)**
- Interest on bonds	(40,807)	(68,653)	(27,846)
- Interest on bank accounts and financing	(25,370)	(26,033)	(663)
- Bank fees	(13,887)	(10,202)	3,685
- Other	(7,420)	(11,687)	(4,267)
- Leases	(1,570)	(1,395)	175
- Interest on tax liabilities	(536)	(290)	246
Total	**(104,174)**	**(124,242)**	**(20,068)**

The increase in financial expense is mainly related to an increase in interest on bonds (€27.8 million), partly offset by the reduction in interest and financial expense from related parties and other unconsolidated group companies (€8.6 million).

(€'000)	2020	2021	Variation
COCIV	(3,711)	(6,241)	(2,530)
Impresit Bakolori Plc	(1,026)	(1,323)	(297)
Lane Construction Corporation	(4,950)	(453)	4,497
SLC Snowy Hydro Joint Venture	(1,217)	(438)	779
E.R. Impregilo/Dumez y Asociados para Yaciretê	(1,009)	(214)	795
Other	(2,671)	2,687	5,358
Total	**(14,584)**	**(5,982)**	**8,602**

31.3 Net exchange gains (losses)

The net exchange gains amount to €62.0 million, an improvement on the previous year's net exchange losses of €74.2 million.

The €136.2 million improvement in this item is due to fluctuations in the exchange rate with certain currencies, especially the US dollar, the Ethiopian Birr and the Argentine peso.

32. Net losses on equity investments

Net losses on equity investments came to €103.0 million compared to €136.3 million for the previous year. They are made up as follows:

(€'000)	2020	2021	Variation
Impairment gains	**4,607**	**11,465**	**6,858**
- Impairment gains	4,607	9,723	5,116
- Gains on equity-accounted investments	-	1,742	1,742
Impairment losses/Provisions for equity investments	**(95,639)**	**(108,409)**	**(12,770)**
- Impairment losses/Provisions for equity investments	(95,639)	(108,409)	(12,770)
Income from equity investments	**(45,229)**	**(6,077)**	**39,152**
- Dividends	(45,228)	655	45,883
- Loss on the disposal of equity investments	(1)	-	1
- Other income	-	(6,732)	(6,732)
Total	**(136,261)**	**(103,021)**	**33,240**

Net losses on equity investments include impairment losses of €108.4 million, the largest of which are those relating to the SPE Grupo Unidos por el Canal, the subsidiaries HCE Costruzioni S.p.A. and Fisia Italimpianti S.p.A., NBI S.p.A. and other minor investments.

Notes 7 and 23 provide more information about changes in the carrying amounts of the above equity investments.

33. Income taxes

The company's income tax expense for the year is €96.7 million as shown in the following table.

(€'000)	2020	2021	Variation
Current taxes (income taxes)	60,617	98,163	37,546
Deferred taxes	(42,118)	10,569	52,687
Utilisation of the provision for the national tax consolidation scheme	1,779	(10,837)	(12,616)
Prior year taxes	(2,539)	(3,972)	(1,433)
Total	**17,739**	**93,923**	**76,184**
IRAP	3	2,786	2,783
Total	**17,742**	**96,709**	**78,967**

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

	2020		2021	
	€m	%	€m	%
Loss before tax	**(333.3)**		**(153.7)**	
Theoretical tax expense	(80.0)	n.a.	(36.9)	n.a.
Effect of permanent differences	36.2	n.a.	31.9	n.a.
Net effect of foreign taxes	60.5	n.a.	100.5	n.a.
Prior year and other taxes	1.0	n.a.	(1.6)	n.a.
Total	**17.7**	**n.a.**	**93.9**	**n.a.**

This item reflects the permanent differences (mostly impairment losses on equity investments) and the temporary non-recovery in Italy of taxes paid abroad under the legislation of the countries where the company's branches operate. The IRES tax base for 2021 is not currently sufficient to allow the full recovery of these foreign taxes although this situation may change in the future depending on the enacted legislation.

An analysis and reconciliation of the theoretical IRAP tax rate and the effective tax rate are set out below:

IRAP

	2020		2021	
	€m	%	€m	%
Operating profit	(87.3)		(50.2)	
Personnel expenses	273.5		306.4	
Provisions and impairment losses	129.6		22.6	
Revenue	**315.8**		**278.9**	
Theoretical tax expense	12.3	3.9%	10.9	3.9%
Tax effect of foreign production	(8.9)	(2.8%)	(7.3)	(2.6%)
Tax effect of permanent differences	(3.4)	(1.1%)	(0.8)	(0.3%)
Total	**-**	**0.0%**	**2.8**	**1.0%**

Deferred taxes' contribution to the company's loss is as follows:

(€'000)	2020	2021	Variation
Deferred tax expense for the year	(217)	(33,874)	(33,657)
Use of deferred tax liabilities recognised in previous years	633	1,519	886
Deferred tax income for the year	68,301	58,743	(9,558)
Use of deferred tax assets recognised in previous years	(26,599)	(36,957)	(10,358)
Total	**42,118**	**(10,569)**	**(52,687)**

The net deferred taxes are mainly due to temporary differences, the most significant of which are the unrealised exchange losses.

34. Related party transactions

Transactions performed in 2021 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:

Related party	Loans and receivables	Financial assets	Other assets	Trade payables	Lease liabilities	Guarantees	Total revenue	Total operating expenses	Net financing costs (income)
(€'000)									
Casada S.r.l.	144	-	-	-	-	-	15	-	-
CDP S.p.A.	-	-	-	(253)	-	-	-	-	-
CEDIV S.p.A.	798	-	-	-	-	-	33	-	-
C.Tiburtino	135	-	-	-	-	-	15	-	-
Dirlan S.r.l.	129	-	-	-	-	-	20	-	-
Eni S.p.A.	-	-	-	-	-	-	-	(32)	-
Fincantieri Infrastruc. S.p.A.	312	-	-	(18,603)	-	-	-	(7,349)	-
G.A.B.I.RE S.r.l.	195	-	-	-	-	-	21	-	-
Galla Placida S.c.a.r.l.	151	-	-	-	-	-	14	-	-
Imm. Agricola San Vittorino S.r.l.	201	-	-	-	-	-	25	-	-
Infernetto S.r.l.	45	-	-	-	-	-	8	-	-
Madonna dei Monti S.r.l.	84	-	-	-	-	-	26	-	-
Nores S.r.l.	92	-	-	-	-	-	11	-	-
Plus S.r.l.	175	-	-	-	-	-	31	-	-
Poste Italiane S.p.A.	-	-	-	(3)	-	-	-	(4)	-
Sace BT	-	-	-	-	-	122,434	-	(4,146)	-
Sace FCT	-	-	-	-	-	-	-	(1,538)	(13)
Sace S.p.A.	-	-	-	-	-	365,725	-	(12,759)	(129)
Salini Costruttori S.p.A.	-	772	-	-	-	499,402	135	(3,280)	22
Salini Simonpietro & C.	93	-	-	-	-	-	14	-	-
Simest S.p.A.	-	-	-	-	(6,515)	-	-	-	-
Studio Sarubbi Poggi Longostrevi	-	-	-	(146)	-	-	-	-	-
Zeis S.r.l.	144	2,412	-	-	-	-	244	-	85
Total	**2,698**	**3,184**	**-**	**(19,005)**	**(6,515)**	**987,561**	**612**	**(29,108)**	**(35)**

Since 2020, Cassa Depositi e Prestiti S.p.A. ("CDP") and its subsidiaries and associates have been included in the list of related parties as Cassa Depositi e Prestiti S.p.A. has significant influence over Webuild according to the communications between the parties. Transactions with these related parties include in particular the guarantees issued by CDP and SACE related to:

- tax requirements in favour of the tax authorities;
- advance payment bonds, performance bonds and other guarantees to customers;
- guarantees to secure financing to banks.

During the year, the company factored receivables without recourse to SACE Factoring for €222.3 million. They mostly comprise trade receivables from customers and progress billings which qualify for derecognition under IFRS 9.

The most significant transactions include the subcontracting contracts agreed with Fincantieri in previous years for foreign contracts acquired through Astaldi for a total cost of €7 million in 2021.

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 their partners.

The other transactions refer to costs for design and similar activities, incurred when presenting bids and for recently started contracts. They are also governed by specific agreements and carried out on an arm's length basis and, where applicable, in line with the contract terms.

Their effects on the statements of financial position and profit or loss are shown together with the related contract, when appropriate.

The next table shows the impact of transactions with the above companies on the statement of financial position and the income statement (including as a percentage), while their effect on cash flows is shown in the statement of cash flows, when material:

(€'000)	Total 31 December 2021	Group entity	Other related parties	Total	%
Non-current financial assets	177,893	103,210	-	103,210	58.0%
Trade receivables	1,698,950	1,207,636	2,698	1,210,334	71.2%
Current financial assets	1,169,245	1,095,384	3,184	1,098,568	94.0%
Other current assets	522,813	209,936	-	209,936	40.2%
Non-current portion of lease liabilities	55,105	-	-	-	0.0%
Bank loans and borrowings	269,639	1,290	6,515	7,805	2.9%
Current portion of loans	2,152,765	1,624,567	-	1,624,567	75.5%
Current portion of lease liabilities	18,002	-	-	-	0.0%
Trade payables	1,945,142	1,177,782	19,083	1,196,865	61.5%
Other current liabilities	240,744	86,613	-	86,613	36.0%

(€'000)	Total 2021	Group entity	Other related parties	Total	%
Revenue from contracts with customers	1,676,078	81,657	477	82,134	4.9%
Other income	208,114	80,817	135	80,953	38.9%
Purchases	(229,876)	(81)	(716)	(798)	0.3%
Subcontracts	(308,039)	(573)	(6,657)	(7,229)	2.3%
Services	(906,989)	(504,977)	(16)	(504,993)	55.7%
Personnel expenses	(306,442)	(1,411)	-	(1,411)	0.5%
Other operating expenses	(70,380)	(3,496)	(21,719)	(25,215)	35.8%
Impairment losses	(17,138)	(6,326)	-	(6,326)	36.9%
Amortisation, depreciation and provisions	(95,522)	-	-	-	0.0%
Financial income	61,766	38,145	107	38,252	61.9%
Financial expense	(124,242)	(5,840)	(142)	(5,982)	4.8%

Transactions with directors, statutory auditors and key management personnel are shown below:

	2020			2021		
(€'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	8,296		8,296	6,735		6,735
Key management personnel	8,773	2,881	11,654	9,537		9,537
Total	**17,069**	**2,881**	**19,950**	**16,272**	**-**	**16,272**

Transactions with related parties carried out as part of Progetto Italia

Partial proportionate demerger of Astaldi to Webuild

On 29 and 30 April 2021, respectively, the shareholders of Webuild and Astaldi approved the proposed partial proportionate demerger of Astaldi to Webuild in their extraordinary meetings. Although the transaction is performed by Webuild with a subsidiary, given its materiality (including as part of Progetto Italia), the company decided not to avail of the exemption allowed by article 14.2 of the Related Party Transactions Regulation and article 11.f of the Related Party Transactions Procedure. Therefore, it elected to introduce and apply the measures and requirements for “material related party transactions”, which include the preparation of an information document in accordance with article 5 of the regulation adopted by Consob with resolution no. 17221 of 12 March 2010, as subsequently amended and integrated.

The transaction is described in the information document drawn up as per article 70.6 and Annex 3B, template 2 of the regulation adopted by Consob with resolution no. 11971 of 14 May 1999, as subsequently amended.

Webuild’s committee for related-party transactions met on 19 March 2021 and issued its reasoned favourable opinion, stating that the transaction is in the company’s interests and its terms are appropriate and substantially correct.

On 20 March 2021, Astaldi also communicated that its board of directors had approved the transaction, after having received the reasoned favourable opinion of its related parties committee.

The proposed demerger took place as follows:

1. Webuild received all the assets, liabilities and legal relationships of Astaldi after it discharged its debts that are not part of the separate unit, as defined in the composition with creditors plan;

2. the separate unit’s assets, rights and obligations remained with Astaldi, without altering their transfer to the separate unit as provided for in the composition with creditors’ procedure;

3. at the demerger effective date, Astaldi’s shareholders received newly issued ordinary Webuild shares while all the ordinary Astaldi shares were cancelled (including those held by Webuild) and Astaldi was delisted from the Milan Stock Exchange. The exchange ratio was 203 ordinary Webuild shares for every 1,000 ordinary Astaldi shares;

4. any unsecured creditors of Astaldi that present claims after the demerger effective date will have the right to receive ordinary Webuild shares and will maintain their right to receive participating financial instruments linked to the separate unit from Astaldi, as provided for in Astaldi’s composition with creditors plan;

5. on the date immediately before the demerger effective date, Webuild’s shareholders received Webuild warrants giving them the right to receive new Webuild shares so that their investment percentage is not changed should Webuild issue new shares for Astaldi’s unsecured creditors (as described above). Webuild also issued warrants to banks to replace those issued by Astaldi in accordance with the composition with creditors proposal;

6. the demerged company's share capital was zeroed and concurrently reconstituted through the subscription of new shares by Fondazione Creditori Chirografari which assists with the management and orderly sale of the separate unit in line with the composition with creditors proposal as Astaldi's sole shareholder.

The demerger became effective for statutory, accounting and tax purposes on 1 August 2021.

Contribution by Webuild and Astaldi of their Italian infrastructure operations

In line with its business strategies underpinning Progetto Italia, the Company intends to focus on its industrial and production resources in Italy for various reasons, the main ones of which are: i) to create a more suitable organisational structure that can promptly provide tailored solutions to the infrastructure requirements of Italy's National Recovery and Resilience Plan and the National Plan for Additional Investments as per Decree law no. 77/2021 and Decree law no. 59/2001; and ii) to redesign the Group's organisation and optimise its indirect contract costs and overheads by centralising shared and automated back office services provided by the administration, finance and control, HR and IT and technical departments.

This has entailed the set up of two separate entities (Webuild Italia S.p.A. and Partecipazioni Italia S.p.A., the "newcos").

On 22 July 2021, the boards of directors of Webuild and Astaldi resolved to increase the newcos' share capital through a contribution in kind of their business units consisting of all the property, plant and equipment, intangible assets and liabilities related to the two group' Italian operations in the infrastructure sector, the related operating facilities, equipment and machinery, personnel and resources.

The scope of the business units was based on the statements of financial position at 31 March 2021 prepared by Webuild and Astaldi, which engaged independent experts with the necessary and proven expertise as per article 2343-ter.2.b) of the Italian Civil Code to value the two business units and provide them with their appraisals.

The directors of the two newcos checked the experts' appraisals to check whether any new pertinent facts had been overlooked which would significantly change the value of the contributed business units. They also checked the experts' professional and independence qualifications.

The business units were transferred to Webuild Italia S.p.A. and Partecipazioni Italia S.p.A. on 1 August 2021 as they existed at that date. Therefore, tittle to the property, plant and equipment, intangible assets, moveable assets and real estate, as well as all the rights, shares and legal relationships of the business units were also transferred to Webuild Italia S.p.A. and Partecipazioni Italia S.p.A..

The contributions became effective in due time to allow Astaldi's demerger, after which Webuild directly holds all the share capital of both Webuild Italia S.p.A. and Partecipazioni Italia S.p.A..

The contributions were based on the carrying amounts recognised in the statements of financial position at 31 March 2021 and on a tax neutrality basis as per article 176.1 of Presidential decree no. 917/1986 as subsequently amended and integrated (the Consolidated Income Tax Act).

Although the transactions qualify as material related party transactions, they benefit from the exemption allowed by article 11 of Webuild's Related Party Transactions Procedure as they were performed with a subsidiary without any significant interest of other related parties.

The contributions have provided the newcos with the expertise and resources necessary to continue Webuild's and Astaldi's ongoing contracts and, moreover, they can also rely on the contributors' expertise for an interim period.

The transaction strengthens the Group's global business model, with Webuild's corporate headquarters acting as the expertise hub holding the cross-company technical know-how and providing services to its satellite companies, which are independent in governance terms but managed, coordinated and controlled by the Group. This to-be model has already been successfully implemented in the US with Lane.

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 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. at 31 December 2020, the most recently approved financial statements, which is the company that manages and coordinates Webuild S.p.A., are presented below. These financial statements have been prepared in accordance with the IFRS.

2020 highlights

(€'000)	
Statement of profit or loss	
Revenue	637
Operating loss	(2,781)
Loss before tax	(12,286)
Loss for the year	(11,569)
Statement of financial position	
Non-current assets	429,405
Current assets	110,572
Total assets	**539,977**
Equity	292,421
Non-current liabilities	210,787
Current liabilities	36,769
Total liabilities	**539,977**

Salini Costruttori S.p.A. did not have any employees at 31 December 2020.

35. Article 1.125 and 127 of Law no. 124 of 4 August 2017 - Disclosure of government grants

With respect to Law no. 124 of 4 August 2017 and related interpretations about the disclosure requirement in the notes to the separate and consolidated financial statements of companies that receive subsidies, grants, fees for paid engagements or other financial benefits of any kind from the public administration and similar bodies, it should be noted that the company did not receive any government or similar grants in 2021.

Other relations with the public administration or similar bodies are part of the company's bilateral contracts and, therefore, do not fall under the scope of the above law.

36. Events after the reporting date

Reference should be made to the related section in the Directors' report for information about events after the reporting date.

37. 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[112].

38. Balances or transactions arising from atypical and/or unusual transactions

During the year, Webuild did not carry out any atypical and/or unusual transactions, as defined in the above Consob communication no. DEM/6064293[113].

[112] Significant non-recurring events and transactions are those that do not frequently occur in the normal course of business.

[113] Atypical and/or unusual transactions are those that, due to their significance and relevance, the counterparty, the object of the transaction, exchange pricing and timing, may cast doubts as to the accuracy and completeness of disclosures, conflicts of interest, protection of the company's assets and non-controlling interests.

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 2021 which show a loss of €245,727,865.15 for the year;
- the loss of €245,727,865.15 be covered by using €245,727,865.15 from negative goodwill (demerger) which will decrease to €535,179,924.98;
- the distribution of a dividend of €0.055, including the legal withholding, for each existing ordinary and savings share with dividend rights at the ex-dividend date, taking the amount from the above residual negative goodwill (demerger);
- the aforementioned ordinary and savings dividends be distributed on 23 May 2022, with an ex-dividend date of 25 May 2022 (record date of 24 May 2022).

On behalf of the board of directors

Chairman

Donato Iacovone

(signed on the original)

Separate financial statements of Webuild – Intragroup transactions

Assets and liabilities at 31 December 2021

	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 loans and current lease liabilities	Other current liabilities	Total liabilities	Net balance
3E System S.r.l.	649	-	-	-	649	-	-	-	-	-	649
A10 S.c.ar.l.	10,183	-	-	-	10,183	-	-	-	-	-	10,183
A1F Tuszyn-Pyrzowice	23,920,628	-	203,550	-	24,124,178	70,106,313	-	-	-	70,106,313	(45,982,135)
Adiyan Water Treatment Plant	387,151	-	53,824	-	440,975	-	-	-	-	-	440,975
Aegek - Impregilo - Alstom J.V.	-	-	-	-	-	-	-	-	1,207	1,207	(1,207)
Afragola FS S.c.a r.l.	-	-	-	-	-	2,010,366	-	-	-	2,010,366	(2,010,366)
AGN HAGA AB	132,913	-	-	889,238	1,022,151	-	-	-	-	-	1,022,151
Agua BA	13,353	-	18,547	-	31,900	-	-	-	-	-	31,900
Al Maktoum International Airport J.V.	19,525	-	-	-	19,525	-	-	-	-	-	19,525
AR.GI. S.c.p.A.	91,500	-	-	-	91,500	-	-	-	-	-	91,500
ARIGUANI	8,475,345	-	25,810,632	-	34,285,977	-	-	-	-	-	34,285,977
AS.M. S.c.r.l.	82,100	-	-	-	82,100	-	-	-	-	-	82,100
Asociera JV FCC Contruccion S.A.- Astaldi S.p.A. (Arad - Timisoara)	-	-	-	255,011	255,011	39,154	-	-	-	39,154	215,857
Asocierea Asaldi Spa-Astalrom SA (Mihai Bravu)	-	-	-	281,764	281,764	6,631	-	-	1,255,868	1,262,499	(980,735)
Asocierea Astaldi - FCC - Delta ACM- AB Construct (Metro 5 Bucarest struttura)	-	-	641,016	2,758,138	3,399,154	73,852	-	-	2,129,304	2,203,156	1,195,998
Asocierea Astaldi - FCC - Salcef - Thales, lot 2°a	-	-	-	2,478,050	2,478,050	13,853	-	-	228,296	242,149	2,235,901
Asocierea Astaldi – FCC – Salcef – Thales, lot 2b	-	-	-	6,113,542	6,113,542	44,887	-	-	260,515	305,402	5,808,140
Asocierea Astaldi S.p.A - IHI Infrastructure Systems Co., Ltd. (Braila)	-	-	-	298,168	298,168	1,364	-	-	3,588,365	3,589,729	(3,291,561)
Asocierea Astaldi S.P.A. - Max Boegl Romania S.R.L. (Cernavoda)	-	-	-	9,557	9,557	35,141	-	-	282,412	317,553	(307,996)

Assets and liabilities at 31 December 2021

	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 loans and current lease liabilities	Other current liabilities	Total liabilities	Net balance
Asocierea Astaldi Spa – Max Boegl Romania Srl – Astalrom Sa – Consitrans S.R.L.	-	-	-	4,159,212	4,159,212	40,760	-	-	2,948	43,708	4,115,504
Asocierea Astaldi Spa - SC Euroconstruct Tranding 98 Srl - SC Astalrom SA	-	-	-	349,376	349,376	11,519	-	-	19,595	31,114	318,262
Asocierea Astaldi Spa - Sc Euroconstruct Tranding 98 Srl (Piazza Romana)	-	-	-	-	-	-	-	-	2,535	2,535	(2,535)
Asocierea Astaldi Spa -Euroconstruct Trading - RCV	-	-	-	2,445,393	2,445,393	13,227	-	-	12,926	26,153	2,419,240
Asocierea JV Astaldi S.p.A. - Max Bogl	-	-	-	23,026	23,026	24,349	-	-	546	24,895	(1,869)
Asocierea Uti Group S.A. - Astaldi Spa (Pista pattinaggio)	-	-	6,287	1,030,341	1,036,628	390	-	-	17,390	17,780	1,018,848
Associera Lot 3 FCC-Astaldi- Convensa	-	-	-	2,736,331	2,736,331	-	-	-	-	-	2,736,331
Associerea ASTALDI - FCC-UTI-ACTIV (Metro 5)	-	-	-	2,025,685	2,025,685	35,012	-	-	718,191	753,203	1,272,482
Astadim S.C.	-	-	-	2,327	2,327	-	-	-	-	-	2,327
Astaldi - Gulermak Ortak Girisimi JV	73,810	-	-	1,034,092	1,107,902	520	-	-	-	520	1,107,382
Astaldi - Max Bogl - Euroconstruct - Tecnologica - Priect Bucuresti JV	-	-	-	150,087	150,087	-	-	-	208,319	208,319	(58,232)
Astaldi - Tukerler Joint Venture	73,049	-	-	4,176	77,225	45,519	-	-	-	45,519	31,706
Astaldi - UTI - Romairport JV	-	-	-	245,008	245,008	-	-	-	21,548	21,548	223,460
Astaldi Algerie - E.u.r.l.	20,152	-	106,255	442,955	569,362	485,994	-	-	-	485,994	83,368
Astaldi Arabia Ltd.	3,283,554	-	543,261	90,976	3,917,791	3,485,112	118,228	-	3,747	3,607,087	310,704
Astaldi Bulgaria L.t.d.	162	45,113	-	-	45,275	-	-	10	-	10	45,265
Astaldi Canada Design & Construction Inc.	243,184	-	-	-	243,184	-	-	-	-	-	243,184
Astaldi Canada Enterprises Inc.	1,432,349	-	3,534,137	9,431	4,975,917	-	-	-	68	68	4,975,849

Assets and liabilities at 31 December 2021

	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 loans and current lease liabilities	Other current liabilities	Total liabilities	Net balance
Astaldi Canada Inc.	16,777,387	-	26,378,726	24,291	43,180,404	-	-	1	-	1	43,180,403
Astaldi Concessions S.p.A.	235,617	-	36,993,774	-	37,229,391	-	-	-	-	-	37,229,391
Astaldi Construction Corporation	5,809,597	-	-	872,877	6,682,474	6,138,193	-	-	818,304	6,956,497	(274,023)
Astaldi de Venezuela C.A.	755	-	8,620	8,777	18,152	8,779	118,235	-	-	127,014	(108,862)
Astaldi India Services LLP	2,348,529	-	771,760	-	3,120,289	270,340	-	-	143,122	413,462	2,706,827
Astaldi Polska zo.o.	-	-	-	269,062	269,062	1,758	-	-	-	1,758	267,304
Astaldi Spa - Max Boegl Romania Srl – Nadlac Arad Lot 2 Joint Venture	-	-	-	81,491	81,491	2,532	-	-	149,618	152,150	(70,659)
Astaldi-FCC Joint Venture (J.V. Basarab Overpass)	4,446,789	-	-	2,772,670	7,219,459	4,365,225	-	-	-	4,365,225	2,854,234
Astaldi-Max Bogl-CCCF JV S.r.l.	6,758	-	-	2,981,086	2,987,844	1,730,952	-	-	395,761	2,126,713	861,131
ASTALNICA S.A.	-	-	-	29,165	29,165	-	-	-	46,853	46,853	(17,688)
ASTALROM S.A.	2,909,867	-	35,478	2,999,448	5,944,793	4,019,697	880,054	1,323,855	2,547,531	8,771,137	(2,826,344)
Aster Astaldi S.p.A.,Tm.e. S.p.a. Termomeccanica ecologia S.C.	-	-	-	281,549	281,549	-	-	-	1,957,947	1,957,947	(1,676,398)
Aster Dantiscum	-	-	-	566,373	566,373	-	-	-	-	-	566,373
ASTER RESOVIA s.c	-	-	152,455	1,502,215	1,654,670	7	-	-	550	557	1,654,113
Astur Construction and Trade A.S.	-	50,000	206,580	23,904	280,484	429,944	-	-	-	429,944	(149,460)
Aurelia 98 S.c.r.l.	-	-	-	-	-	16,121	-	-	-	16,121	(16,121)
Autostrada Al Torun - Strykow	-	-	1,895,401	-	1,895,401	-	-	-	-	-	1,895,401
Avola S.c.r.l.	78,291	-	84,192	-	162,483	162,482	-	-	-	162,482	1
Avrasya Metro Grubu JV (AMG JV)	52,438	-	-	72,720	125,158	38	-	-	-	38	125,120

Assets and liabilities at 31 December 2021

	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 loans and current lease liabilities	Other current liabilities	Total liabilities	Net balance
Avrasya Metro Grubu S.r.l.	-	-	-	106,821	106,821	36,656	-	-	-	36,656	70,165
Beyond S.r.l.	-	-	161	-	161	-	-	-	-	-	161
Bovino Orsara AV	132,405	-	-	-	132,405	-	-	49,181,354	-	49,181,354	(49,048,949)
Brennero Galleriacque S.c.r.l.	250	-	-	-	250	-	-	-	-	-	250
Brennero Tunnel Construction S.c.ar.l.	166,341	-	-	-	166,341	-	-	-	-	-	166,341
BSS-KSAB JV	49,815	-	-	-	49,815	-	-	-	-	-	49,815
Bussentina S.c.r.l.	-	-	175,643	-	175,643	175,643	-	-	-	175,643	-
C.F.M. S.c.r.l.	67,786	-	-	-	67,786	54,645	-	-	-	54,645	13,141
Capodichino AS.M. S.C.r.l.	603,109	-	-	-	603,109	-	-	-	-	-	603,109
CAVET	811,464	-	-	-	811,464	2,461,994	-	2,642,552	-	5,104,546	(4,293,082)
CAVTOMI	60,717,204	-	-	-	60,717,204	9,535,622	-	8,214,508	-	17,750,130	42,967,074
CDE	272,277	-	194,374	-	466,651	-	-	-	-	-	466,651
Cigla	158,184	-	2,851,231	-	3,009,415	-	-	-	305	305	3,009,110
CIV	23,167	-	4,423,475	-	4,446,642	-	-	-	-	-	4,446,642
CMT IS	1,641,374	-	98,141,619	-	99,782,993	-	-	-	-	-	99,782,993
Co.Ge.Ma.	41,048	-	2,529,108	-	2,570,156	3,318,013	-	-	-	3,318,013	(747,857)
CO.ME.NA. S.c.r.l.	81,487	-	-	-	81,487	-	-	-	-	-	81,487
CO.MERI S.p.A.	1,500	-	-	-	1,500	-	-	-	-	-	1,500
COCIV	399,647,353	-	-	-	399,647,353	255,797,616	-	232,643,829	-	488,441,445	(88,794,092)
Colli Albani S.c.r.l.	333,345	-	10,000	-	343,345	343,345	-	-	-	343,345	-

Assets and liabilities at 31 December 2021

	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 loans and current lease liabilities	Other current liabilities	Total liabilities	Net balance
Concorcio Obrainsa - Astaldi	30,441	-	4,307,198	3,808,295	8,145,934	84,580	-	-	795,891	880,471	7,265,463
Cons. A.F.T. Taksebt	112,076	-	300,000	-	412,076	-	-	-	-	-	412,076
Cons. Astaldi Federici Todini Kramis	31,420	-	-	-	31,420	30,076	-	-	-	30,076	1,344
Consorcio Aña Cuá	64	-	-	410,811	410,875	-	-	-	-	-	410,875
Consorcio Constructor Salini Impregilo - Cigla	-	-	15,941,771	97	15,941,868	7,011	-	-	-	7,011	15,934,857
Consorcio Contuy Medio	-	-	439,944	122	440,066	48,059	-	-	53,545	101,604	338,462
Consorcio Europeo Hospital de Chinandega	613,198	-	-	1,083,578	1,696,776	-	-	-	1,379	1,379	1,695,397
Consorcio Grupo Contuy-Proyectos y Ob. De F.	240,620	-	-	44,225	284,845	-	-	-	-	-	284,845
Consorcio OIV-TOCOMA	-	-	751,426	-	751,426	-	-	-	6,625,327	6,625,327	(5,873,901)
Consorcio Rio Mantaro	565,848	-	1,329,276	35,142	1,930,266	285	-	-	-	285	1,929,981
Consorcio Rio Urubamba	-	-	-	-	-	5,186	-	-	199,778	204,964	(204,964)
Consorcio VIT Tocoma	-	-	3,430,412	-	3,430,412	-	-	-	-	-	3,430,412
Consorzio 201 Quintai	1,900	-	-	-	1,900	-	-	-	-	-	1,900
Consorzio Centro Uno	52,108	-	-	-	52,108	-	-	-	-	-	52,108
Consorzio Consarno	294,538	-	126,862	-	421,400	73,614	-	-	-	73,614	347,786
Consorzio Constructora El Arenal	137,878	-	-	-	137,878	-	-	-	-	-	137,878
Consorzio Di Penta Ugo Vitolo	-	-	-	-	-	699	-	-	-	699	(699)
Consorzio EPC	702,623	-	-	-	702,623	209,028	-	-	-	209,028	493,595
Consorzio FAT	1,087	-	-	-	1,087	-	-	-	-	-	1,087
Consorzio Ferrofir	79,925	-	-	-	79,925	20,283	-	-	-	20,283	59,642

Assets and liabilities at 31 December 2021

	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 loans and current lease liabilities	Other current liabilities	Total liabilities	Net balance
Consorzio GDANSK	-	-	-	689,395	689,395	-	-	-	-	-	689,395
Consorzio Gi.It.	124,683	-	-	-	124,683	89,365	-	-	-	89,365	35,318
Consorzio Groupement Lesi-Dipenta	-	-	-	-	-	-	-	-	15	15	(15)
Consorzio Hirpinia	123,645	-	-	-	123,645	-	-	-	-	-	123,645
Consorzio Iricav Due	1,482,329	-	-	-	1,482,329	-	-	-	-	-	1,482,329
Consorzio Iricav Uno	9,239	-	-	-	9,239	-	-	-	-	-	9,239
Consorzio Ital.Co.Cer.	37,612	-	-	-	37,612	72,464	-	-	-	72,464	(34,852)
Consorzio Lodz	8,614	1	142,086	-	150,701	8,630	-	-	-	8,630	142,071
Consorzio Lublino (Astaldi - PBDIM)	-	-	-	275,926	275,926	-	-	-	335,996	335,996	(60,070)
Consorzio MM4	72,946	-	-	-	72,946	373,924	-	-	-	373,924	(300,978)
Consorzio Novocento	52,477	-	22,419	-	74,896	74,896	-	-	-	74,896	-
Consorzio Pedelombarda 2	2,318	-	-	-	2,318	-	-	-	-	-	2,318
Consorzio San Cristoforo	-	-	-	-	-	35,609	-	-	-	35,609	(35,609)
Consorzio Trevi - S.G.F. INC per Napoli	298,461	-	-	-	298,461	5,880	-	-	-	5,880	292,581
Consorzio Venezia Nuova	-	-	-	-	-	356	-	-	-	356	(356)
Consorzio Vertiaz	1,146	-	-	-	1,146	-	-	-	-	-	1,146
Consorzio VIT Caroni Tocoma	-	-	-	-	-	-	-	1,011,416	-	1,011,416	(1,011,416)
Constr. of Inn. Sout. Expre. (ISEX)	62,450	-	14,663	-	77,113	-	-	-	-	-	77,113
Constructora Astaldi Cachapoal Limitada	867,768	-	2,404,012	10,228,050	13,499,830	1,684,253	-	-	3,387,090	5,071,343	8,428,487
CONTUY A	-	-	1,995	-	1,995	-	-	-	-	-	1,995

Assets and liabilities at 31 December 2021

	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 loans and current lease liabilities	Other current liabilities	Total liabilities	Net balance
Corso del Popolo	113,265	-	172,794	-	286,059	-	-	-	-	-	286,059
Corso del Popolo Engineering	695,026	-	1,622,764	-	2,317,790	-	-	-	-	-	2,317,790
Cossi Costruzioni S.p.A.	126,759	-	9,408,276	-	9,535,035	-	-	-	-	-	9,535,035
CSC Costruzioni	508,694	-	-	-	508,694	542,517	-	276,737	-	819,254	(310,560)
CSI Simplon Consorzio	-	-	-	-	-	-	-	15,662	-	15,662	(15,662)
Daelim - Astaldi - WIKA Joint Venture	462,706	-	-	133,515	596,221	-	-	-	-	-	596,221
Dev. Engin. infras. to Idu ind. area and Kar res. dist. Ab	515	-	33,284	-	33,799	-	-	-	-	-	33,799
Diga di Blufi S.c.r.l.	6,828,155	-	-	-	6,828,155	5,478,500	-	-	-	5,478,500	1,349,655
District 1 Development	251,020	-	9,240	-	260,260	-	-	-	-	-	260,260
DMS Design Consortium Scarl	159,449	-	-	-	159,449	323,587	-	-	-	323,587	(164,138)
Dolomiti Webuild Implenia	18,890,849	-	-	-	18,890,849	1,303,620	-	447,945	-	1,751,565	17,139,284
E.R. Impregilo/Dumez y Asociados para Yaciretê	17,681,609	-	770,458	-	18,452,067	9,848	-	-	11,591,896	11,601,744	6,850,323
Ecosarno S.c.r.l.	47,326	-	-	-	47,326	134,727	-	-	-	134,727	(87,401)
Emittenti Titoli S.p.A.	-	-	-	-	-	-	-	247,575	-	247,575	(247,575)
Enecor	796	-	-	-	796	-	-	-	-	-	796
Etlik Hastane PA S.r.l.	17,748	-	-	6,208,845	6,226,593	11,566,166	-	-	-	11,566,166	(5,339,573)
Eurolink S.c.p.a.	77,750	-	-	-	77,750	-	-	-	-	-	77,750
Executive J.V. Impregilo S.p.A. Terna S.A.	-	-	9,991	-	9,991	-	-	-	-	-	9,991
FCC - Astaldi Constanta Bypass JV	-	-	-	2,702,812	2,702,812	88,574	-	-	-	88,574	2,614,238
Fibe	191,886	-	369,285	-	561,171	-	-	-	-	-	561,171

Assets and liabilities at 31 December 2021

	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 loans and current lease liabilities	Other current liabilities	Total liabilities	Net balance
Fisia - Alkatas J.V.	17,100	-	-	-	17,100	-	-	-	-	-	17,100
Fisia Ambiente S.P.A	38,123	-	-	-	38,123	-	-	15,359,549	-	15,359,549	(15,321,426)
FISIA Italimpianti S.p.A	459,821	-	2,284,121	-	2,743,942	551,691	-	-	-	551,691	2,192,251
Fisia Italimpianti succ.Arge.-Acciona Agua succ.Arge - UTE	97,500	-	-	-	97,500	-	-	-	-	-	97,500
FISIA LLC	19,250	-	-	-	19,250	-	-	-	-	-	19,250
Fisia Muhendislik VE Insaat Anonim Sirketi	21,849	-	-	-	21,849	-	-	-	-	-	21,849
Forum S.c. a r.l.	35,282	-	-	-	35,282	-	-	-	-	-	35,282
Fosso Canna S.c.r.l.	-	-	77,755	-	77,755	77,755	-	-	-	77,755	-
G. W. Trans. to Fed. Cap. Ter. Lot A Dam and Aa. W.	714,180	-	44,581	-	758,761	528,303	-	-	-	528,303	230,458
Galfar Salimp Cimolai JV	1,249,283	-	33,073,205	55,487,652	89,810,140	62,422	-	-	-	62,422	89,747,718
Gaziantep Hastane Saglik	-	-	20,063,507	-	20,063,507	-	-	-	-	-	20,063,507
Gaziantep Hastanesi Isletme Ve Bakim Hizmetleri	(299,993)	-	299,993	-	-	-	-	-	-	-	-
Gebze-Izmir Otoyolu Insaati (Nomayg) Adi Ortakligi	513	-	-	159	672	3,346	-	-	6,131	9,477	(8,805)
Group. d'entreprises Salini Strabag (Guinea)	-	-	210,934	-	210,934	498,095	-	-	-	498,095	(287,161)
Grupo Empresas Italianas - GEI	-	-	262,908	580,005	842,913	-	-	-	16,565	16,565	826,348
GUP CANAL	38,778,498	-	-	-	38,778,498	-	-	-	-	-	38,778,498
HCE Italia Altre	353,511	-	30,870,731	-	31,224,242	-	-	-	-	-	31,224,242
HCE Sede	-	-	156,589,452	-	156,589,452	-	-	-	-	-	156,589,452
Hirpina Orsara AV	559,687	-	-	-	559,687	-	-	147,133,629	-	147,133,629	(146,573,942)
I INT IN	26,600	-	2,637,539	-	2,664,139	-	-	-	-	-	2,664,139

Assets and liabilities at 31 December 2021

	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 loans and current lease liabilities	Other current liabilities	Total liabilities	Net balance
ICT II	3,875,804	-	51,744,504	-	55,620,308	422,966	-	-	-	422,966	55,197,342
IGL Arabia	-	-	-	-	-	546,194	-	-	-	546,194	(546,194)
IGL-SK-GALFAR	5,477,821	-	1,801,004	21,250,417	28,529,242	130,380	-	-	-	130,380	28,398,862
Iglys	4,318	-	471	-	4,789	25,860	-	6,209	-	32,069	(27,280)
Impregilo-Healy UTE	577,217	-	-	26,274,578	26,851,795	68,960	-	5,736,511	8,609	5,814,080	21,037,715
Imprepar	-	-	-	-	-	-	-	38,036	-	38,036	(38,036)
INC Algeria	327,692	-	5,201,329	-	5,529,021	90,627	-	-	-	90,627	5,438,394
Infraflegrea Progetto S.p.A.	152,344	-	-	-	152,344	-	-	-	-	-	152,344
Infraflegrea S.c.r.l.	532,336	-	-	-	532,336	562,538	-	-	-	562,538	(30,202)
IS JV	9,008,961	-	79,278,663	-	88,287,624	-	-	-	17,471,713	17,471,713	70,815,911
Isarco S.c.r.l.	323,652	-	-	-	323,652	-	-	-	-	-	323,652
Italstrade CCCF JV Romis S.r.l.	258,421	-	-	79,946	338,367	153,295	-	-	-	153,295	185,072
Italstrade S.p.A.	-	-	2,339,855	-	2,339,855	-	-	-	-	-	2,339,855
Itlastrade filiale Marocco	5,779	-	-	-	5,779	-	-	-	-	-	5,779
Joint Venture (AIASA JV)	10,592	-	-	-	10,592	843	-	-	-	843	9,749
Joint Venture Aktor S.A. - Impregilo S.p.A.	-	-	332	-	332	-	-	-	-	-	332
Joint Venture Impregilo S.p.A. - Empedos S.A. - Aktor	-	-	45,281	223,931	269,212	-	-	-	-	-	269,212
JV Todini - Akkord - Salini	6,859,726	-	8,978,735	-	15,838,461	-	-	-	-	-	15,838,461
JV_IGL_SGF	1,390,063	-	7,545,453	32,884	8,968,400	4,840	-	-	1,725,930	1,730,770	7,237,630
KAYI - Salini - Samsung - JV	-	-	1,072,500	-	1,072,500	-	-	-	-	-	1,072,500

Assets and liabilities at 31 December 2021

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Kramis filale Algeria	400	-	278,000	4,456,702	4,735,102	275,200	-	-	-	275,200	4,459,902
La Maddalena	3,166,029	-	-	-	3,166,029	-	-	-	-	-	3,166,029
Lane Construction Corporation	217,162	-	2,865,616	-	3,082,778	2,754,333	-	-	-	2,754,333	328,445
LANE MIDEAST CONTRACTING	46,675	-	-	-	46,675	-	-	-	-	-	46,675
LANE MIDEAST QATAR	-	-	-	-	-	40,391	-	-	-	40,391	(40,391)
LIBYAN LEC	1,374,014	-	31,236	-	1,405,250	1,095,448	-	-	-	1,095,448	309,802
Lidco	-	-	-	-	-	126,714	-	4,215,544	-	4,342,258	(4,342,258)
Line 3 Metro Stations	90,986	-	331,700	-	422,686	-	-	-	268,407	268,407	154,279
MERCOV	1,605	-	-	-	1,605	-	-	-	-	-	1,605
Messina Catania Lotto Nord	612,052	-	-	-	612,052	-	-	136,819,073	-	136,819,073	(136,207,021)
Messina Catania lotto Sud	200,284	-	-	-	200,284	-	-	87,579,541	-	87,579,541	(87,379,257)
Messina Catania tratto nord	-	-	-	-	-	2,807	-	-	-	2,807	(2,807)
Messina Stadio S.c.r.l.	1,476,954	-	2,469,784	-	3,946,738	3,718,387	-	-	-	3,718,387	228,351
Metro 5 S.p.A.	-	-	-	-	-	385	-	-	-	385	(385)
Metro B1	7,174,755	-	3,877,241	-	11,051,996	16,863,000	-	-	-	16,863,000	(5,811,004)
METRO BLU	1,869,847	-	-	-	1,869,847	780	-	12,757,429	-	12,758,209	(10,888,362)
METRO C S.c.p.A.	1,209,973	-	-	-	1,209,973	10,838	-	-	-	10,838	1,199,135
Metrocampania Secondigliano	138	-	-	-	138	-	-	-	-	-	138
Metrogenova S.c.r.l.	80,749	-	-	-	80,749	128,923	-	-	-	128,923	(48,174)
Metropolitana di Napoli S.p.A.	164,998	-	-	-	164,998	20,050	-	-	-	20,050	144,948

Assets and liabilities at 31 December 2021

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Millennium Park	421	-	1,688	-	2,109	-	-	-	-	-	2,109
Mobilinx Hurontario Contractor	74,080	-	-	-	74,080	-	-	-	-	-	74,080
Mondial Milas-Bodrum Havalimani Uluslararasi Terminal Isletmeciligi Ve Yatirim A	6,635	-	-	36,757	43,392	9,586	-	1,459	-	11,045	32,347
Mosconi S.r.l.	3,850	-	-	-	3,850	-	-	324,721	-	324,721	(320,871)
Mose Bocca di Chioggia S.c.ar.l.	32,369	-	-	-	32,369	-	-	-	-	-	32,369
N.P.F. - Nuovo Polo Fieristico S.c.r.l.	229,828	-	-	-	229,828	193	-	-	-	193	229,635
Nadlac-Arad JV (Lotto 1)	-	-	684,576	806,065	1,490,641	241,186	-	-	144,858	386,044	1,104,597
Napoli Cancello Alta Velocità S.c.r.l.	426,221	-	-	-	426,221	-	-	8,977,937	-	8,977,937	(8,551,716)
NBI Elektrik Elektromekanik Tesisat Insaat Ve Ticaret L.S:	49,853	495,000	-	266,463	811,316	13,589	-	-	-	13,589	797,727
NBI FILIALE CILE	212,771	-	104	1,600,374	1,813,249	979	-	-	-	979	1,812,270
NBI FILIALE ROMANIA	2,609	-	-	223,938	226,547	22,950	-	-	-	22,950	203,597
NBI S.p.A.	153,766	-	-	-	153,766	178,884	-	4,500,000	-	4,678,884	(4,525,118)
New Cros	40,000	-	1,094,932	-	1,134,932	175,529	-	-	-	175,529	959,403
NGE Genie Civil S.a.s. - Salini Impregilo S.p.A.	-	-	-	-	-	54,722	-	-	-	54,722	(54,722)
Nigeria Cultural Centre and Mill. Tower	274,012	-	622,562	-	896,574	-	-	-	-	-	896,574
NOVA VIA FESTINAT INDUSTRIAS	-	-	-	-	-	4	-	-	-	4	(4)
Nuovo Ospedale Sud Est Baresen S.c.ar.l. – NOSEB S.c.r.l.	95,088	-	-	-	95,088	-	-	-	-	-	95,088
Partecipazioni Italia SPA	2,743,532	-	-	-	2,743,532	101,808	-	155,235,701	-	155,337,509	(152,593,977)
Partenopea Finanza di Progetto S.C.p.A.	143,613	-	-	-	143,613	-	-	-	-	-	143,613

Assets and liabilities at 31 December 2021

	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 loans and current lease liabilities	Other current liabilities	Total liabilities	Net balance
Passante di Mestre S.c.p.A.	1,559	-	-	-	1,559	-	-	-	-	-	1,559
Passante Dorico S.p.A.	2,524	-	-	-	2,524	-	-	-	-	-	2,524
Pedelombarda S.c.p.a.	2,704,943	-	2,463	-	2,707,406	1,571,256	-	-	-	1,571,256	1,136,150
Pegaso S.c.r.l.	3,424	-	-	-	3,424	-	-	-	-	-	3,424
PERGENOVA	4,032,179	-	-	-	4,032,179	1,706,781	-	-	-	1,706,781	2,325,398
PGH Ltd	76,422	-	4,339,432	-	4,415,854	8,482	-	-	-	8,482	4,407,372
Piana di Licata S.c.r.l.	-	-	139,073	-	139,073	139,073	-	-	-	139,073	-
Pietrarossa S.c.r.l.	12,396	-	-	-	12,396	-	-	-	-	-	12,396
Piscine dello Stadio	117,916	-	364,997	-	482,913	-	-	-	-	-	482,913
Portovesme S.c.r.l.	228,993	-	-	-	228,993	14,951	-	-	-	14,951	214,042
Puentes	14,076	-	-	-	14,076	-	-	-	-	-	14,076
RC SCILLA	24,162,733	-	-	-	24,162,733	42,615,500	-	223,399	-	42,838,899	(18,676,166)
Reliance - ASTALDI JV (“VBSL”)	175	-	-	-	175	-	-	-	-	-	175
Rimati	128,339	-	-	-	128,339	-	-	615,753	-	615,753	(487,414)
Rinfra-Astaldi JV	-	-	448,063	-	448,063	-	-	-	-	-	448,063
Rivigo	190,105	-	-	-	190,105	-	-	-	-	-	190,105
Romairport filiale Romania	1,154,560	-	-	7,710,547	8,865,107	7,739,575	173,515	-	-	7,913,090	952,017
Romairport S.r.l.	3,493	-	-	-	3,493	13,048	-	49,109	-	62,157	(58,664)
S. Filippo S.c.r.l.	963,732	-	-	-	963,732	89,095	-	-	-	89,095	874,637
S.AGATA	277,919	-	-	-	277,919	-	-	4,853,989	-	4,853,989	(4,576,070)

Assets and liabilities at 31 December 2021

	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 loans and current lease liabilities	Other current liabilities	Total liabilities	Net balance
S.E.I.S. S.p.A.	-	-	5,848,241	-	5,848,241	-	-	-	-	-	5,848,241
S.P.T. - Società Passante Torino S.C.r.l.	1,134	-	-	-	1,134	-	-	-	-	-	1,134
S.Ruffillo S.c.a.r.l.	-	-	-	-	-	18,234,743	-	-	-	18,234,743	(18,234,743)
S3 - Nowa Sol	18,564,746	-	359,893	-	18,924,639	50,370,586	-	-	-	50,370,586	(31,445,947)
S7 - Checiny	20,389,368	-	654,336	-	21,043,704	63,520,580	-	-	-	63,520,580	(42,476,876)
S8 - Marki - Radzymin	1,802,463	-	-	-	1,802,463	25,106,704	-	-	-	25,106,704	(23,304,241)
SA.PI. NOR Salini Impregilo - Pizzarotti J.V.	281,382	-	-	-	281,382	-	-	-	-	-	281,382
SA.T S.p.A.	101,581	-	-	-	101,581	-	-	-	-	-	101,581
SA_RC	77,460,561	-	-	-	77,460,561	94,789,772	-	1,513,434	-	96,303,206	(18,842,645)
Sabrom	4,028	-	-	-	4,028	-	-	165,619	-	165,619	(161,591)
Sailini Impregilo - NGE Genie Civil S.a.s	6,300,980	-	2,710,125	-	9,011,105	-	-	-	-	-	9,011,105
Salimp Cleveland	12,600	-	-	-	12,600	-	-	-	-	-	12,600
Salini Australia	-	-	61,567,723	-	61,567,723	769,301	-	-	-	769,301	60,798,422
Salini Impregilo - Healy J.V. NEBT	12,903	-	-	-	12,903	-	-	14,100	-	14,100	(1,197)
Salini Impregilo - NRW Joint Venture	3,188,727	-	34,273,524	-	37,462,251	20,073	-	-	-	20,073	37,442,178
SALINI IMPREGILO - TRISTAR	3,821,694	-	-	-	3,821,694	445,902	-	-	-	445,902	3,375,792
Salini Impregilo Canada Holding Inc.	-	-	104,795	-	104,795	-	-	-	-	-	104,795
Salini Impregilo Civil Works	3,334,955	-	-	-	3,334,955	-	-	-	-	-	3,334,955
Salini Impregilo Mobilink Hurontario GP Inc.	482,303	-	-	-	482,303	-	-	-	-	-	482,303
Salini Malaysia Head Office	23,408	-	-	-	23,408	-	-	15,605	-	15,605	7,803

Assets and liabilities at 31 December 2021

	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 loans and current lease liabilities	Other current liabilities	Total liabilities	Net balance
Salini Namibia	5,600	-	484,495	-	490,095	-	-	-	349	349	489,746
Salini Nigeria Ltd	2,493,931	-	72,747,637	-	75,241,568	-	-	-	-	-	75,241,568
Salini Polska Sp.	716,772	-	215,275,228	-	215,992,000	-	-	-	-	-	215,992,000
Salini Saudi Arabia Company Ltd	1,939,139	-	433,805	-	2,372,944	957,338	-	650,128	-	1,607,466	765,478
SCI ADI Ortakligi	1,133,005	3,746,446	-	-	4,879,451	-	-	103	-	103	4,879,348
Sclafani S.c.r.l.	7,746	-	-	-	7,746	-	-	-	-	-	7,746
SNFCC	-	-	-	2,506,530	2,506,530	-	-	-	-	-	2,506,530
SCLC Polihali Diversion Tunnel J.V.	2,331,567	-	-	-	2,331,567	-	-	646,489	-	646,489	1,685,078
Scuola Carabinieri S.C.r.l.	499,898	-	-	-	499,898	-	-	-	-	-	499,898
Sedi scarl	1,005	-	-	-	1,005	-	-	-	-	-	1,005
Seli Overseas head office	1,495,397	-	25,933,006	-	27,428,403	481,884	-	-	-	481,884	26,946,519
SFI leasing	-	-	2,913,650	-	2,913,650	-	-	-	3,477,701	3,477,701	(564,051)
SHIMMICK	50,970,842	-	-	-	50,970,842	70,380	-	-	25,268,458	25,338,838	25,632,004
Sirjo S.c.p.A.	2,339,669	-	-	-	2,339,669	-	-	56,982,377	-	56,982,377	(54,642,708)
Sistranyac S.A.	415	-	-	-	415	-	-	-	-	-	415
SLC Snowy Hydro Joint Venure	4,124,762	-	-	-	4,124,762	-	-	156,390,236	-	156,390,236	(152,265,474)
Sociedad Austral Mantenciones y Operaciones SPA	20,803	-	-	-	20,803	-	-	-	-	-	20,803
Sociedad Concesionaria Aguas de Punilla S.A.	6,706	-	-	-	6,706	-	-	-	-	-	6,706
Spark Nel DC JV	4,443,655	-	-	-	4,443,655	-	-	-	-	-	4,443,655
SPV Linea M4 Spa	40,530	-	-	-	40,530	24,500	-	-	-	24,500	16,030

Assets and liabilities at 31 December 2021

	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 loans and current lease liabilities	Other current liabilities	Total liabilities	Net balance
Suleja Minna Dualisation	276,888	-	16,680	-	293,568	-	-	-	-	-	293,568
Suropca - Legal	-	-	29,522	-	29,522	-	-	861,068	-	861,068	(831,546)
Susa Dora Quattro S.c.r.l.	-	-	-	-	-	13,537	-	-	-	13,537	(13,537)
T.E.Q Construction Enterprise Inc.	857,481	-	-	-	857,481	-	-	-	-	-	857,481
Tangenziale Seconda S.c.r.l.	92,232	-	-	-	92,232	25,124	-	-	-	25,124	67,108
TC_0206 Grecia	-	-	15,193	-	15,193	-	-	-	-	-	15,193
Techint S.A.C.I.- Hochtief A.G.- Impregilo S.p.A	-	-	-	2,065,271	2,065,271	-	-	1,795,128	275,625	2,070,753	(5,482)
Texas High Speed Rail	8,652,167	-	-	-	8,652,167	-	-	-	-	-	8,652,167
Thessaloniki Metro CW J.V. (AIS JV)	192,389	-	-	-	192,389	-	-	-	-	-	192,389
Tokwe Mukorsi Dam	-	-	-	-	-	19,761	-	-	-	19,761	(19,761)
Toledo S.c.r.l.	136,593	-	-	-	136,593	-	-	-	-	-	136,593
Tunisia/M'Saken Autoroute	-	-	-	-	-	21,008	-	-	-	21,008	(21,008)
Valle Aconcagua S.A.	(527,956)	-	-	29,382	(498,574)	-	-	-	53,336	53,336	(551,910)
Veneta Sanitaria Finanza di Progetto S.p.A. - V.S.F.P. S.p.A.	-	-	-	-	-	1,417	-	-	-	1,417	(1,417)
Webuild - Kolin	3,090,026	-	5,080	-	3,095,106	-	-	-	-	-	3,095,106
Webuild Italia spa	269,883,374	-	-	-	269,883,374	415,202,840	-	520,702,204	-	935,905,044	(666,021,670)
Western Station JV	1,656,777	-	-	20,259,509	21,916,286	36,628,903	-	4,397,178	-	41,026,081	(19,109,795)
YARULL	97,011	-	2,658,467	-	2,755,478	-	-	-	90,167	90,167	2,665,311
Yuma	13,473	98,873,581	-	-	98,887,054	-	-	-	-	-	98,887,054
Total group companies	1,207,636,128	103,210,141	1,095,383,982	209,936,256	2,616,166,507	1,177,782,217	1,290,032	1,624,566,702	86,612,537	2,890,251,488	(274,084,981)

Assets and liabilities at 31 December 2021

	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 loans and current lease liabilities	Other current liabilities	Total liabilities	Net balance
Casada S.r.l.	143,904	-	-	-	143,904	-	-	-	-	-	143,904
CDP S.p.A.	-	-	-	-	-	252,980	-	-	-	252,980	(252,980)
CEDIV SPA	798,331	-	-	-	798,331	-	-	-	-	-	798,331
C. Tiburtino	135,214	-	-	-	135,214	-	-	-	-	-	135,214
Dirlan S.r.l.	128,668	-	-	-	128,668	-	-	-	-	-	128,668
Fincantieri Infrastruc. S.p.A.	312,069	-	-	-	312,069	18,603,198	-	-	-	18,603,198	(18,291,129)
G.A.B.I.RE. Srl	195,291	-	-	-	195,291	-	-	-	-	-	195,291
Galla Placidia S.c.a.r.l.	151,122	-	-	-	151,122	-	-	-	-	-	151,122
Imm. Agricola San Vittorino	201,050	-	-	-	201,050	-	-	-	-	-	201,050
Infernetto S.r.l.	44,755	-	-	-	44,755	-	-	-	-	-	44,755
Madonna dei Monti Srl	83,903	-	-	-	83,903	-	-	-	-	-	83,903
Nores S.r.l.	92,198	-	-	-	92,198	-	-	-	-	-	92,198
Parente & Partners S.r.l.	-	-	-	-	-	78,000	-	-	-	78,000	(78,000)
Poste Italiane S.p.A.	-	-	-	-	-	2,696	-	-	-	2,696	(2,696)
Plus S.r.l.	175,032	-	-	-	175,032	-	-	-	-	-	175,032
Salini Costruttori S.p.A.	170	-	771,813	-	771,983	-	-	-	-	-	771,983
SALINI SIMONPIETRO & C. S.A.P.A.	93,198	-	-	-	93,198	-	-	-	-	-	93,198
Simest S.p.A.	-	-	-	-	-	-	6,515,157	-	-	6,515,157	(6,515,157)
Studio Sarubbi Poggi Longostrevi	-	-	-	-	-	146,090	-	-	-	146,090	(146,090)
Zeis S.r.l.	143,477	-	2,412,041	-	2,555,518	-	-	-	-	-	2,555,518

Assets and liabilities at 31 December 2021

	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 loans and current lease liabilities	Other current liabilities	Total liabilities	Net balance
Total other related parties	2,698,382	-	3,183,854	-	5,882,236	19,082,964	6,515,157	-	-	25,598,121	(19,715,885)
Total	1,210,334,510	103,210,141	1,098,567,836	209,936,256	2,622,048,743	1,196,865,181	7,805,189	1,624,566,702	86,612,537	2,915,849,609	(293,800,866)

Assets and liabilities at 31 December 2021

	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 loans and current lease liabilities	Other current liabilities	Total liabilities	Net balance

Revenue and costs for 2021

	Revenue	**Other income**	**Purchases**	**Subcontracts**	**Services**	**Personnel expenses**	**Other operating expenses**	**Amortisation, depreciation, provisions and impairment losses**	**Financial income**	**Financial expense**
A1F Tuszyn-Pyrzowice	-	6,166	-	-	1,748,081	-	-	-	-	-
Adiyan Water Treatment Plant	-	-	-	-	-	-	-	-	2,554	-
Afragola FS S.c.a r.l.	-	-	-	-	651	-	-	-	-	-
AGN HAGA AB	-	1,406,870	-	-	-	-	-	-	-	-
Agua BA	18,304	-	-	-	-	-	-	-	-	-
Al Maktoum International Airport J.V.	-	120,050	-	-	-	-	-	-	-	-
AR.GI. S.c.p.A.	50,000	1,500	-	-	-	-	-	-	-	-
ARGE T.PF.	90,085	-	-	-	-	-	-	-	-	(9,756)
ARIGUANI	789,384	256,930	-	-	2,312	227	1	-	687,585	-
AS.M. S.c.r.l.	8,333	-	-	-	-	-	-	-	-	-
Asocierea Astaldi - FCC - Delta ACM- AB Construct (Metro 5 Bucarest struttura)	-	58	-	-	906,363	-	336,394	-	-	-
Asocierea Astaldi - FCC - Salcef - Thales, lot 2°a	-	292,852	-	-	-	-	-	-	-	-
Asocierea Astaldi – FCC – Salcef – Thales, lot 2b	-	445,697	-	-	781	-	-	-	-	-
Asocierea Astaldi S.p.A - IHI Infrastructure Systems Co., Ltd. (Braila)	-	435,331	-	-	617	-	-	-	-	-
Asocierea Astaldi Spa – Max Boegl Romania Srl – Astalrom Sa – Consitrans S.R.L.	-	749	-	-	20,765	-	110,066	-	-	-

Assets and liabilities at 31 December 2021

	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 loans and current lease liabilities	Other current liabilities	Total liabilities	Net balance
Asocierea Astaldi Spa - SC Euroconstruct Tranding 98 Srl - SC Astalrom SA	-	3,556	-	-		-	-	-	-	-	-
Associera Lot 3 FCC-Astaldi- Convensa	-	479,613	-	-		-	-	-	-	-	-
Associerea ASTALDI - FCC-UTI-ACTIV (Metro 5)	-	106,273	-	-		2,374	602	419	-	-	-
Astadim S.C.	-	36	-	-		36	-	-	-	-	-
Astaldi - Gulermak Ortak Girisimi JV	-	182	-	-		-	-	-	-	-	-
Astaldi - Max Bogl - Euroconstruct - Tecnologica - Priect Bucuresti JV	-	802	-	-		-	-	-	-	-	-
Astaldi - UTI - Romairport JV	-	-	-	-		-	-	16,577	-	-	-
Astaldi Arabia Ltd.	-	-	-	-		-	-	-	-	15,242	-
Astaldi Canada Enterprises Inc.	-	18,035	-	-		83	-	-	-	741,516	2,944,271
Astaldi Canada Inc.	-	14,590,426	-	-		-	-	-	-	556,014	(15,957,941)
Astaldi Concessions S.p.A.	21,405	467	-	-		-	-	-	-	162,615	-
Astaldi Construction Corporation	-	383	-	-		-	-	-	1,889,206	126,541	467,579
Astaldi India Services LLP	-	-	-	-		937,972	249,711	-	-	-	
Astaldi sede	-	178	-	-		-	-	-	-	-	-
Astaldi Spa - Max Boegl Romania Srl – Nadlac Arad Lot 2 Joint Venture	-	-	-	-		-	-	149	-	-	-
Astaldi-FCC Joint Venture (J.V. Basarab Overpass)	-	-	-	-		32,913	-	195	-	-	-
ASTALROM S.A.	-	125,764	16,110	-		473,819	67,986	-	-	-	-
Aster Astaldi S.p.A.,Tm.e. S.p.a. Termomeccanica ecologia S.C.	-	784	-	-		-	-	-	-	-	-
Aster Dantiscum	-	278,829	-	-		-	-	-	-	-	-

Assets and liabilities at 31 December 2021

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ASTER RESOVIA s.c	-	1,284	-	-		-	-	-	-	257	-
Astur Construction and Trade A.S.	-	326	-	-		-	-	-	-	3,451	-
Avrasya Metro Grubu S.r.l.	-	-	-	-		-	-	-	(106,820)	-	-
Avola S.c.r.l.	-	-	-	-		-	-	-	477,823	-	-
Beyond S.r.l.	-	-	-	-		-	-	-	-	-	28,975
Bovino Orsara AV	-	17,936	-	-		64,033	-	-	-	-	181,354
Brennero Tunnel Construction S.c.ar.l.	36,777	8,050	-	-		-	-	-	-	-	-
BSS J.V. - Air Academy project	-	25,073	-	-		-	-	-	-	-	-
BSS-KSAB JV	37,500	3,521,364	-	-		-	-	-	-	-	-
Bussentina S.c.r.l.	-	-	-	-		-	-	-	132,267	-	103,051
C.F.M. S.c.r.l.	-	1,372	-	-		-	-	-	-	-	-
Capodichino AS.M. S.C.r.l.	16,667	-	-	-		-	-	-	-	-	-
CAVET	71,422	1,028	-	-		520,597	-	-	-	67,665	89,035
CAVTOMI	72,924	938	-	-		1,491,827	-	6	-	28,619	28,103
CDE	125,114	603,044	-	-		20,994,954	-	-	-	240,329	-
Cigla	-	-	-	-		-	-	-	-	98,244	-
CIV	40,263	8,667	-	-		-	-	-	-	16,957	-
CMT IS	1,627,867	860,502	-	-		-	-	-	-	3,345,069	-
Co.Ge.Ma.	183,760	44,075	-	-		2,650,000	-	-	-	85,752	-
CO.MERI S.p.A.	-	1,500	-	-		-	-	-	-	-	-

Assets and liabilities at 31 December 2021

	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 loans and current lease liabilities	Other current liabilities	Total liabilities	Net balance
COCIV	581,019	873,869	-	-		258,281,451	-	1,947,834	-	-	6,241,005
Colli Albani S.c.r.l.	-	-	-	-		-	-	-	456,947	-	-
Cons. Astaldi Federici Todini Kramis	-	-	-	-		197	-	-	-	-	-
Consorcio Aña Cuá	-	152,975	-	-		-	-	-	-	-	-
Consorcio Constructor Salini Impregilo - Cigla	-	120,068	-	-		-	-	-	-	415,377	-
Consorcio Contuy Medio	-	-	-	-		90,472	-	-	-	-	-
Consorcio Grupo Contuy-Proyectos y Ob. De F.	111,843	-	-	-		242,833	-	-	-	-	-
Consorcio OIV-TOCOMA	391,656	-	-	-		1,016,662	-	-	-	-	-
Consorcio VIT Tocoma	20,962	-	-	-		-	-	-	-	-	-
Consorzio EPC	55,722,162	11,869	-	-		1,654,374	-	-	-	-	-
Consorzio Hirpinia	98,315	190,881	-	-		15,888,240	-	-	-	51,447	-
Consorzio Iricav Due	82,265	2,773,664	-	-		50,749,687	-	-	-	-	109,734
Consorzio Lodz	-	270,771	-	-		270,849	-	-	-	-	-
Consorzio Lublino (Astaldi - PBDIM)	-	239	-	-		-	-	-	-	-	-
Consorzio MM4	147,154	138,314	-	-		490,817	-	-	-	-	-
Consorzio Novocento	-	-	-	-		-	-	-	209,303	-	-
Consorzio Vertiaz	-	1,064	-	-		-	-	-	-	-	-
Consorzio VIT Caroni Tocoma	-	-	-	-		1,014,850	-	-	-	-	-
Constr. of Inn. Sout. Expre. (ISEX)	-	-	-	-		-	-	-	-	698	-
Corso del Popolo	24,124	2,820	-	-		-	-	-	-	5,458	-

Assets and liabilities at 31 December 2021

	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 loans and current lease liabilities	Other current liabilities	Total liabilities	Net balance
Corso del Popolo Engineering	15,345	3,383	-	-		-	-	-	-	58,615	-
Cossi Costruzioni S.p.A.	69,067	265,416	-	-		-	-	-	-	123,371	-
CSC Costruzioni	14,430	53,991	-	-		-	-	189,481	-	-	-
CSI Simplon Consorzio	-	-	-	-		-	-	-	-	-	859
Dev. Engin. infras. to Idu ind. area and Kar res. dist. Ab	-	-	-	-		-	-	-	-	1,585	-
Diga di Blufi S.c.r.l.	-	-	-	-		148	-	-	-	-	-
District 1 Development	-	-	-	-		-	-	-	-	440	-
DMS Design Consortium Scarl	-	-	-	-		408	-	-	-	-	-
Dolomiti Webuild Implenia	-	33,371	-	-		50,269	-	-	-	-	447,945
E.R. Impregilo/Dumez y Asociados para Yaciretê	1,185,251	-	-	-		3,756,868	-	-	-	680,294	213,784
Enecor	7,308	-	-	-		-	-	-	-	-	-
Etlik Hastane PA S.r.l.	-	-	-	-		11,624	2,906	-	-	-	-
Eurolink S.c.p.a.	30,000	150,988	-	-		64,102	-	-	-	-	-
Fibe	178,256	28,863	-	-		-	-	-	-	-	-
Fisia - Alkatas J.V.	-	3,800	-	-		-	-	-	-	-	-
Fisia Ambiente S.P.A	20,501	683	-	-		-	-	-	-	-	341,986
FISIA Italimpianti S.p.A	244,016	291,905	-	-		237,269	-	-	-	218,839	275
Fisia Italimpianti succ.Arge.-Acciona Agua succ.Arge - UTE	-	44,600	-	-		-	-	-	-	-	-
FISIA LLC	-	3,800	-	-		-	-	-	-	-	-
Fisia Muhendislik VE Insaat Anonim Sirketi	24,481	3,800	-	-		-	-	-	-	-	-

Assets and liabilities at 31 December 2021

	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 loans and current lease liabilities	Other current liabilities	Total liabilities	Net balance
Forum S.c. a r.l.	-	-	-	-		35,246	-	-	-	-	-
Fosso Canna S.c.r.l.	-	-	-	-		-	-	-	254,116	-	104,723
G. W. Trans. to Fed. Cap. Ter. Lot A Dam and Aa. W.	-	-	-	-		-	-	-	-	2,194	-
Galfar Salimp Cimolai JV	-	835,480	-	-		12,775	-	907	-	-	-
Gaziantep Hastanesi Isletme Ve Bakim Hizmetleri	-	-	-	-		-	-	-	299,993	-	-
Gaziantep Hastane Saglik	-	-	-	-		-	-	-	-	1,970,509	3,528,716
Gebze-Izmir Otoyolu Insaati (Nomayg) Adi Ortakligi	-	-	37	-		-	-	-	-	-	-
GHAZI JV	-	8,664	-	-		-	-	-	-	-	-
GIBE IV	-	310	-	-		-	-	-	-	-	-
Grupo Empresas Italianas - GEI	71,344	-	-	-		374,752	-	-	-	-	-
GUP CANAL	1,363,363	14,000	-	-		-	-	-	-	-	-
HCE Italia Altre	-	-	-	-		-	-	-	-	7,230,488	77,500
HCE Sede	910,944	1,181,746	-	-		-	-	-	-	-	-
Hirpina Orsara AV	-	11,469	-	-		1,185	-	-	-	-	133,629
I INT IN	-	7,600	-	-		-	-	-	-	98,041	-
ICT II	-	-	-	-		-	-	-	-	1,478,815	-
IGL Arabia	611	2,351	-	-		-	-	-	1,352	-	487,931
IGL-SK-GALFAR	-	490,640	-	-		5,684	-	-	-	-	-
Impregilo-Healy UTE	1,468,446	53,348	-	-		-	-	44,707	-	-	-
Impresit Bakolori Plc	-	-	-	-		-	-	-	-	-	1,323,053

Assets and liabilities at 31 December 2021

	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 loans and current lease liabilities	Other current liabilities	Total liabilities	Net balance
Infraflegrea Progetto S.p.A.	30,000	-	-	-		-	-	-	-	-	-
Infraflegrea S.c.r.l.	-	-	-	-		92	-	-	-	-	-
Inner Northern Expressway (INEX)	1,054,551	-	-	-		-	-	-	-	-	-
IS JV	477,903	2,737,874	-	-		-	-	-	-	-	-
Isarco S.c.r.l.	111,465	1,144,354	-	-		13,286,222	-	-	-	-	-
Joint Venture (AIASA JV)	-	102,500	-	-		-	-	-	-	-	-
JV Todini - Akkord - Salini	-	-	-	-		-	-	-	-	324,199	-
JV_IGL_SGF	-	75,000	-	-		(11,240)	-	-	-	-	-
La Maddalena	-	3,166,029	-	-		-	-	-	-	-	-
Lane Construction Corporation	216,800	2,575,617	-	-		(1,869)	-	19,616	-	58,291	452,694
LANE MIDEAST CONTRACTING	-	38,137	-	-		-	-	-	-	-	-
LIBYAN LEC	60,527	3,028	-	-		81,399	-	-	-	-	-
Lidco	-	23,189	-	-		-	-	-	-	34,922	-
Line 3 Metro Stations	-	-	-	-		5,119	-	-	-	-	-
M2 LIMA	2,573,337	7,655	-	-		-	-	-	-	-	-
MERCOV	14,743	-	-	-		-	-	-	-	-	-
Messina Catania Lotto Nord	-	-	-	-		469,208	-	-	-	-	319,073
Messina Catania lotto Sud	-	-	-	-		1,108	-	-	-	-	79,541
Messina Catania tratto nord	-	-	-	-		2,155	-	-	-	-	-
Messina Stadio S.c.r.l.	-	-	-	-		88	-	-	-	-	-

Assets and liabilities at 31 December 2021

	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 loans and current lease liabilities	Other current liabilities	Total liabilities	Net balance
Metro B s.r.l.		-	533	-	-	-	-	-	-	15	-
Metro B1		25,997	-	-	-	148,962	-	-	-	143,765	7,158
METRO BLU		120,896	567,392	-	-	38,005,557	-	-	-	-	257,429
METRO C S.c.p.A.		101,521	-	-	-	-	-	-	-	-	-
Metrogenova S.c.r.l.		-	9,646	-	-	-	-	-	-	-	-
Millennium Park		-	-	-	-	-	-	-	-	80	-
Mobilinx Hurontario Contractor		35,000	76,680	-	-	-	-	-	-	-	-
Mondial Milas-Bodrum Havalimani Uluslararasi Terminal Isletmeciligi Ve Yatirim A		-	326	-	-	-	-	-	-	-	-
Mosconi S.r.l.		4,873	2,217	-	-	-	-	-	-	281	2,573
N.P.F. - Nuovo Polo Fieristico S.c.r.l.		-	-	-	-	193	-	-	-	-	-
Nadlac-Arad JV (Lotto 1)		-	-	-	-	-	-	1,671	-	-	-
Napoli Cancello Alta Velocità S.c.r.l.		47,161	706,321	-	-	24,785,595	-	215	-	18,381	29,164
NBI Elektrik Elektromekanik Tesisat Insaat Ve Ticaret L.S:		-	326	-	-	-	-	-	-	16,640	-
NBI FILIALE CILE		-	-	-	-	6,129	-	-	-	-	-
NBI FILIALE ROMANIA		-	22,501	-	-	23,077	-	-	-	-	-
NBI S.p.A.		61,439	143,887	-	-	-	-	-	-	18,699	-
New Cros		-	4,800	-	-	-	-	-	-	36,411	-
NGE Genie Civil S.a.s. - Salini Impregilo S.p.A.		-	625,879	45,601	-	-	-	-	-	-	-
Nigeria Cultural Centre and Mill. Tower		-	-	-	-	-	-	-	-	30,039	-

Assets and liabilities at 31 December 2021

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Partecipazioni Italia SPA	758,771	565,506	-	-		10,972	-	-	-	218,932	19,344
Partenopea Finanza di Progetto S.C.p.A.	15,500	-	-	-		-	-	-	-	-	-
Passante di Mestre S.c.p.A.	-	3,118	-	-		-	-	-	-	-	-
Passante Dorico S.p.A.	(9,008)	3,028	-	-		-	-	-	-	-	-
Pedelombarda S.c.p.a.	40,127	-	-	-		(8,942)	-	-	-	-	-
PERGENOVA	2,729	4,130	-	-		1,706,781	-	-	-	-	-
PGH Ltd	-	-	-	-		-	-	-	-	88,735	-
Piana di Licata S.c.r.l.	-	-	-	-		-	-	-	258,680	-	16,186
Piscine dello Stadio	21,302	3,028	-	-		-	-	-	-	11,932	-
Portovesme S.c.r.l.	-	-	-	-		299	-	-	-	-	-
Puentes	10,078	-	-	-		-	-	-	-	-	1,195,395
RC SCILLA	15,672	3,286	-	-		200,382	-	-	-	-	28,306
Rimati	-	5,228	-	-		9,175	-	-	-	-	-
Rivigo	-	3,218	-	-		-	-	-	-	-	-
Romairport S.r.l.	-	-	-	-		2,638	-	-	-	-	-
S.AGATA	56,591	632,903	-	-		12,513,193	-	-	-	-	64,869
S.E.I.S. S.p.A.	-	-	-	-		-	-	-	-	97,183	-
S. Leonardo S.c.r.l.	-	-	-	-		-	-	-	1,905,494	-	-
S.Ruffillo S.c.a.r.l.	-	-	-	-		16,055	-	-	-	-	-
S3 - Nowa Sol	-	39,928	-	-		2,113,132	-	-	-	-	-

Assets and liabilities at 31 December 2021

	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 loans and current lease liabilities	Other current liabilities	Total liabilities	Net balance
S7 - Checiny	-	90,961	-	-	3,205,013	-	-	-	-	-	
S8 - Marki - Radzymin	-	1,357	-	-	1,444,838	-	-	-	-	-	
SA.PI. NOR Salini Impregilo - Pizzarotti J.V.	2,092,865	2,642,207	-	-	-	-	-	-	-	-	
SA_RC	15,290	6,343	-	-	653,729	-	-	-	-	49,664	
Sabrom	(10,336)	2,948	-	-	-	-	-	-	183,769	4,823	
Sailini Impregilo - NGE Genie Civil S.a.s	5,446,490	6,253,147	-	-	-	-	-	-	-	-	
Salini Australia	-	1,466	-	-	34,564	952,132	181,265	-	-	-	
Salini Impregilo - Healy J.V. NEBT	-	76,436	-	-	-	-	-	-	-	-	
Salini Impregilo - NRW Joint Venture	57,000	1,893,120	-	-	18,632	-	-	-	394,006	-	
SALINI IMPREGILO - TRISTAR	-	-	-	-	551,990	-	-	-	-	-	
Salini Impregilo Canada Holding Inc.	-	482	-	-	-	-	-	-	2,660	1	
Salini Kolin Cgf Joint Venture	-	-	-	-	-	-	379	-	-	-	
Salini Malaysia Head Office	-	56,924	-	-	579	-	-	-	57,442	10	
Salini Namibia	-	42,844	-	-	-	-	-	-	63,391	58,012	
Salini Nigeria Ltd	(198,375)	18,146	-	-	-	-	-	-	3,788,830	-	
Salini Polska Sp.	-	34,510	-	-	-	137,002	-	-	7,721,964	-	
Salini Saudi Arabia Company Ltd	-	1,905,191	8,446	346,045	1,589,783	321	12,547	-	-	-	
SCI ADI Ortakligi	152	-	-	-	-	-	633,354	-	-	-	
SCLC Polihali Diversion Tunnel J.V.	1,336,094	1,654,268	-	-	-	-	-	-	650,904	-	
Seac S.p.a.r.l.	-	-	-	-	-	-	-	-	95,888	581,528	

Assets and liabilities at 31 December 2021

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Segrate	-	-	-	-		2,350,807	-	-	-	6,907	1,318
SFI leasing	44,485	-	-	-		1,711,435	-	-	-	-	-
SHIMMICK	(12,518,780)	-	-	-		8,584,295	-	-	-	-	-
Sirjo S.c.p.A.	100,583	347,675	-	-		26,339,481	-	-	-	47,516	1,170,853
Sistranyac S.A.	3,813	-	-	-		-	-	-	-	-	-
SLC Snowy Hydro Joint Venure	4,521,591	10,124,907	-	-		-	-	-	-	-	437,893
Sociedad Concesionaria Aguas de Punilla S.A.	(1,309,448)	-	-	-		-	-	-	-	-	-
South Al Mutlaa Joint Venture	729,478	-	-	-		(4,520)	-	-	-	-	-
Spark Nel DC JV	-	4,358,180	-	-		-	-	-	-	-	-
SPV Linea M4 Spa	-	156,115	-	-		43,172	-	-	-	1,189,134	-
Suleja Minna Dualisation	-	-	-	-		-	-	-	-	794	-
Suropca - Legal	-	-	-	-		-	-	-	-	-	6,124
Susa Dora Quattro S.c.r.l.	-	-	-	-		11,981	-	-	-	-	-
Tangenziale Seconda S.c.r.l.	-	-	-	-		305	-	-	-	-	-
TB Metro in liquidazione	8,552	3,126	-	-		-	-	-	14,648	27,214	27,214
Techint S.A.C.I.- Hochtief A.G.- Impregilo S.p.A	-	-	-	-		926,053	-	-	-	-	-
Telt Arieux	-	2,687,374	-	-		-	-	-	-	-	-
Texas High Speed Rail	-	574,572	-	-		-	-	-	-	-	-
Thessaloniki Metro CW J.V. (AIS JV)	549,776	-	-	-		-	-	-	-	-	-
Toledo S.c.r.l.	5,000	-	-	-		-	-	-	-	-	-

Assets and liabilities at 31 December 2021

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Tunisia/M'Saken Autoroute	-	-	-	-	47,226	-	-	-	-	-	
UJV Astaldi S.p.A. (Succursale Cile), VCGP (Agencia en Chile) e VCGP-Astaldi Ing	-	-	11,193	-	-	-	-	-	-	-	
Valle Aconcagua S.A.	-	-	-	-	-	-	-	533,091	-	-	
Webuild - Kolin	7,147,195	359	-	-	-	-	-	-	-	-	
Webuild Italia spa	1,621,561	57,967	-	-	-	-	-	-	157,670	145,445	
Western Station JV	-	915,453	-	226,565	3,029	-	-	-	-	-	
YARULL	-	5,600	-	-	-	-	-	-	12,255	-	
Yuma	193,140	1,915,000	-	-	-	-	-	-	4,131,270	-	
Total group companies	**81,656,769**	**80,817,374**	**81,387**	**572,610**	**504,976,812**	**1,410,887**	**3,495,783**	**6,326,100**	**38,144,700**	**5,840,428**	
Casada S.r.l.	12,499	2,898	-	-	-	-	-	-	-	-	
CEDIV SPA	29,552	3,408	-	-	-	-	-	-	-	-	
C. Tiburtino	11,254	3,431	-	-	-	-	-	-	-	-	
Dirlan S.r.l.	16,693	2,898	-	-	-	-	-	-	-	-	
Eni S.p.A.	-	-	32,032	-	-	-	-	-	-	-	
Fincantieri Infrastruc. S.p.A.	-	-	684,166	6,656,717	8,128	-	-	-	-	-	
G.A.B.I.RE. Srl	17,454	3,153	-	-	-	-	-	-	-	-	
Galla Placidia S.c.a.r.l.	11,381	2,898	-	-	-	-	-	-	-	-	
Imm. Agricola San Vittorino	21,880	2,898	-	-	-	-	-	-	-	-	
Infernetto S.r.l.	5,461	2,898	-	-	-	-	-	-	-	-	
Madonna dei Monti Srl	22,997	2,898	-	-	-	-	-	-	-	-	
Nores S.r.l.	7,721	2,898	-	-	-	-	-	-	-	-	
Poste Italiane S.p.A.	-	-	-	-	-	-	3,853	-	-	-	
SACE BT	-	-	-	-	-	-	4,146,062	-	-	-	
SACE FCT	-	-	-	-	4,434	-	1,533,135	-	-	13,274	
SACE Spa	-	-	-	-	3,388	-	12,755,521	-	-	128,762	
Plus S.r.l.	27,765	2,898	-	-	-	-	-	-	-	-	
Salini Costruttori S.p.A.	132,722	2,898	-	-	-	-	3,280,593	-	21,761	-	
SALINI SIMONPIETRO & C. S.A.P.A.	14,394	-	-	-	-	-	-	-	-	-	
Zeis S.r.l.	145,074	99,404	-	-	-	-	-	-	85,433	-	
Total other related parties	**476,847**	**135,478**	**716,198**	**6,656,717**	**15,950**	**-**	**21,719,164**	**-**	**107,194**	**142,036**	

Assets and liabilities at 31 December 2021

	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 loans and current lease liabilities	Other current liabilities	Total liabilities	Net balance
Total	**82,133,616**	**80,952,852**	**797,585**	**7,229,327**	**504,992,762**		**1,410,887**	**25,214,947**	**6,326,100**	**38,251,894**	**5,982,464**

Separate financial statements of Webuild - Equity investments

Equity investments at 31 December 2021 - Webuild S.p.A.

Name	% Invest-ment	Registered office	Amount Webuild S.p.A. 1.1.2021 (€)	Increases in the year	No.	Decreases in the year	No.	Amount Webuild S.p.A. 31.12.2021 (€)	Share of equity
SUBSIDIARIES									
Astaldi S.p.A.	66.966	Italy	225,050,968			(225,050,968)	A	-	-
Beyond S.r.l. (in liq.)	100.000	Italy	10,000					10,000	67,863
CDE S.c.a.r.l.	60.000	Italy	6,000			(6,000)	E	-	-
Collegamenti Integrati Veloci C.I.V. S.p.A.	85.000	Italy	12,940,477			(12,940,477)	E	-	-
Compagnia Gestione Macchinari CO.GE.MA. S.p.A.	100.000	Italy	2,059,428					2,059,428	3,220,304
Consorzio Alta Velocità Torino/Milano - C.A.V.TO.MI.	74.690	Italy	3,732,756	1,737	F			3,734,493	3,734,500
Consorzio C.A.V.E.T. - Consorzio Alta Velocità Emilia/Toscana	75.983	Italy	4,115,420	4,984	F	(5,103)	G	4,115,301	4,115,302
Consorzio Cociv	99.999	Italy	330,532	252,694	E	(583,226)	E	-	-
Consorzio Hirpinia AV	86.786	Italy	6,000			(6,000)	E	-	-
Consorzio Iricav Due	70.546	Italy	233,451			(233,451)	E	-	-
Consorzio Libyan Expressway Contractor	58.000	Italy	5,800					5,800	4,263
Cossi Costruzioni S.p.A.	63.500	Italy	4,602,117					4,602,117	9,824,651
Fibe S.p.A.	99.998	Italy	26,504,498			(809,695)	G	25,694,803	25,655,234
Fisia Ambiente S.p.A.	100.000	Italy	21,580,565					21,580,565	43,020,282
Fisia Italimpianti S.p.A.	100.000	Italy	59,085,418	21,618,700	F	(23,363,000)	G	57,341,118	11,472,693
HCE Costruzioni S.p.A.	100.000	Italy	31,803,503			(19,856,257)	G	11,947,246	12,085,527
Metro B S.r.l.	52.520	Italy	1,520,318	1,439,184	E,F	(2,959,502)	E	-	-
Metro B1 S.c.a.r.l.	80.700	Italy	1,952,940					1,952,940	1,952,940
Metro Blu S.c.r.l.	83.483	Italy	5,000			(5,000)	E	-	-
Napoli Cancello Alta Velocità S.c.r.l.	86.786	Italy	6,000			(6,000)	E	-	-
Passante Dorico S.p.A.	63.072	Italy	2,693,589	126,411	E	(2,820,000)	E	-	-
Reggio Calabria - Scilla S.c.p.a. (in liq.)	51.000	Italy	17,850,000					17,850,000	17,850,000
RI.MA.TI. S.c.a.r.l. (in liq.)	83.420	Italy	699,420					699,420	83,420
S. Agata FS S.c.r.l.	86.786	Italy	12,000			(12,000)	E	-	-
Salerno-Reggio Calabria S.c.p.a. (in liq.)	51.000	Italy	25,500,000					25,500,000	25,500,000
Sirjo S.c.p.A.	80.180	Italy	3,000,000			(3,000,000)	E	-	-
Società Autostrada Broni - Mortara S.p.A.	60.000	Italy	14,775,183	2,566,817	E	(17,342,000)	E	-	-
TB Metro S.r.l. (in liq.)	51.000	Italy	35,754					35,754	(880,010)
Forum S.c.r.l.	73.559	Italy	10,329			(10,329)	E	-	-
I.L.IM. - Iniziative Lombarde Immobiliari S.r.l. (in liq.)	100.000	Italy						-	-
S. Anna Palermo S.c.r.l. (in liq.)	71.600	Italy						-	-
A1 Motorway Tuszyn-Pyrzowice lot F Joint Venture	100.000	Poland						-	-

Name	% Invest-ment	Registered office	Amount Webuild S.p.A. 1.1.2021 (€)	Increases in the year	No.	Decreases in the year	No.	Amount Webuild S.p.A. 31.12.2021 (€)	Share of equity
Copenaghen Metro Team I/S	99.989	Denmark	9,272,673					9,272,673	10,250,538
Generalny Wykonawca Salini Polska - Impregilo - Kobylarnia S.A.	66.680	Poland						-	-
Impregilo-Terna SNFCC J.V.	51.000	Greece	51,000					51,000	2,556,491
Joint Venture Impregilo S.p.A. - S.G.F. INC S.p.A.	100.000	Greece						-	-
Salini Impregilo - Duha Joint Venture	75.000	Slovakia	-					-	-
Salini Polska L.t.d. Liability Co	100.000	Poland		2,096,893	L	(1,735,780)	G	361,113	361,114
Salini Polska - Todini - Salini Impregilo - Pribex - S8 JV	95.000	Poland	-					-	-
Salini Polska - Todini - Salini Impregilo - Pribex - S3 JV	95.000	Poland	-					-	-
Salini Polska - Todini - Salini Impregilo - S7 JV	100.000	Poland						-	-
Thessaloniki Metro CW J.V. (AIS JV)	50.000	Greece	1,002,420					1,002,420	-
CSI Simplon Consorzio	100.000	Switzerland						-	-
HCE Costruzioni Ukraine LLC	100.000	Ukraine						-	-
Kayi Salini Samsung Joint Venture	33.000	Turkey						-	-
Salini Insaat Taahhut Sanayi Ve Ticaret Anonim Sirketi (in liq.)	100.000	Turkey	41,391			(27,700)	G	13,691	(90,980)
Salini-Kolin-GCF Joint Venture	38.000	Turkey	-					-	-
SA.PI. NOR Salini Impregilo - Pizzarotti J.V.	51.000	Norway						-	-
Todini Akkord Salini	100.000	Ukraine	688,265			(76,100)	G	612,165	-
CSC Costruzioni S.A.	100.000	Switzerland	9,521,592					9,521,592	(4,105,905)
SCI ADI Ortakligi	50.000	Turkey						-	
Consorzio Vertiaz	100.000	Switzerland						-	
Salini Malaysia SDN BHD	100.000	Malaysia	610,468					610,468	1,763,269
SLC Snowy Hydro Joint Venure	65.000	Australia						-	-
TM-Salini Consortium	90.000	Malaysia						-	-
Impregilo Lidco Libya Co	60.000	Libya	766,464					766,464	1,312,037
INC - Il Nuovo Castoro Algerie S.a.r.l.	99.983	Algeria						-	-
PGH Ltd	100.000	Nigeria						-	-
Salini Namibia Proprietary L.t.d.	100.000	Namibia	358					358	4,947,954
Salini Nigeria L.t.d.	100.000	Nigeria	-	19,814,623	F			19,814,623	11,022,329
Salini - Impregilo Joint Venture for Mukorsi	100.000	Zimbabwe						-	
Galfar - Salini Impregilo - Cimolai J.V.	40.000	Qatar	-					-	
Impregilo-SK E&C-Galfar al Misnad J.V.	41.250	Qatar	-					-	
Salini Impregilo - Tristar	60.000	United Arab Emirates	-					-	
Salini Saudi Arabia Company L.t.d.	51.000	Saudi Arabia	3,795,079					3,795,079	5,546,184
Western Station J.V,	51.000	Saudi Arabia						-	-
C43 Water Management Builders	100.000	USA						-	-
Salini Impregilo - Healy J.V. (Cleveland)	100.000	USA						-	-
Salini Impregilo - Healy J.V. (Tunnel 3RPORT Indiana)	100.000	USA	4,552,497	909,598	I			5,462,095	(2,927,024)
Salini Impregilo - Healy J.V. NEBT	100.000	USA						-	-
Salini Impregilo - US Holdings Inc.	100.000	USA	468,351,670	123,655,358	F			592,007,028	375,876,899

Name	% Invest-ment	Registered office	Amount Webuild S.p.A. 1.1.2021 (€)	Increases in the year	No.	Decreases in the year	No.	Amount Webuild S.p.A. 31.12.2021 (€)	Share of equity
Texas High Speed Rail	100.000	USA						-	-
Salini Impregilo Canada Holding Inc.	100.000	Canada						-	-
Consorcio Constructor Salini Impregilo - Cigla (florianopolis)	100.000	Brazil						-	-
Consorcio Impregilo Yarull	70.000	Dom. Republic	-					-	-
Constructora Ariguani SAS En Reorganizacion	100.000	Colombia						-	-
Construtora Impregilo y Associados S.A.-CIGLA S.A.	100.000	Brazil						-	-
Empresa Constructora Metro 6 L..t.d.a.	100.000	Chile	7,045,258			(7,045,258)	D	-	-
Grupo ICT II SAS	100.000	Colombia	135,445	100,625,344	L	(100,760,789)	L	-	
Salini Impregilo S.p.A. - The Lane Construction Co. - Jose J Chediack S.A. UTE	75.000	Argentina	669,470					669,470	27,001,997
Suramericana de Obras Publicas C.A.- Suropca C.A.	100.000	Venezuela	788,614					788,614	877,883
IS Joint Ventures	100.000	Australia	-					-	
Salini Australia PTY L.t.d.	100.000	Australia						-	
Salini Impregilo - NRW Joint Venture	80.000	Australia						-	
Astaldi de Venezuela	99.80	Venezuela		1,472,291	A			1,472,291	1,508,613
NBI S.p.A.	100.00	Italy		23,188,874	A,F	(14,649,019)	C,G	8,539,855	7,936,442
Astaldi Concessions Spa	100.00	Italy		27,258,861	A,C			27,258,861	2,593,465
Astallrom	99.71	Italy		6,046,178	A			6,046,178	6,157,056
Romaimport Srl	99.26	Italy		7,042,274	A	(164,187)	G	6,878,087	6,929,365
Astrur Construcion and Trade	100.00	Turkey		6,276,648	A,C	(2,500,000)	G	3,776,648	6,159,032
AGN Haga	40.00	Sweden		12,681,779	A,C	(500,000)	G	12,181,779	2,473,786
Astaldi Canada Entreprise	100.00	Canada		4,721,060	A,C			4,721,060	(17,913,379)
Consorzio Ferrofir	100.00	Italy		356,530	A			356,530	534,800
Italstrade	100.00	Italy		610,939	A	(82,312)	G	528,627	544,994
Astaldi Int Ltd	100.00	UK		380,127	A			380,127	373,380
ITALSTRADE CCCF JV ROMIS	51.00	Romania		192,129	A			192,129	190,359
REDO-ASSOCIATION MOMENTANÉE	100.00	Congo		236,131	A			236,131	236,131
Partecipazioni Italia	100.00	Italy		550,031,838	A,C			550,031,838	443,287,160
Webuild Italy spa	100.00	Italy		122,890,040	B,E			122,890,040	205,406,478
Seli Overseas Spa	100.00	Italy		12,767,316	B			12,767,316	4,827,354
Isarco S.c.r.l.	79.980	Italy	41,000			(41,000)	E	-	-
Astaldi Algerie- E.U.R.L.	100.000	Algeria		871,672	A			871,672	887,914
Equity investments - Subsidiaries			**967,461,130**	**1,050,137,030**		**(436,591,153)**		**1,581,007,007**	
ASSOCIATES									
Consorzio MM4	53.655	Italy	64,270			(64,270)	E	-	-
Consorzio Trevi - S.G.F. INC per Napoli	45.000	Italy	4,500					4,500	4,500
Eurolink S.c.p.a.	45.000	Italy	16,875,000			(16,875,000)	E	-	-
Metrogenova S.c.r.l. (in liq.)	50.234	Italy	8,257					8,257	8,257
Pedelombarda S.c.p.a.	63.072	Italy	2,350,000					2,350,000	3,153,592

Name	% Invest-ment	Registered office	Amount Webuild S.p.A. 1.1.2021 (€)	Increases in the year	No.	Decreases in the year	No.	Amount Webuild S.p.A. 31.12.2021 (€)	Share of equity
S. Ruffillo S.c.r.l.	35.000	Italy	21,000					21,000	21,000
VE.CO. S.c.r.l.	25.000	Italy	2,582					2,582	-
Aegek-Impregilo-Aslom J.V.	45.800	Greece	-					-	-
Joint Venture Aegek-Impregilo-Ansaldo-Seli-Ansaldobreda (AIASA JV)	26.700	Greece	-					-	-
Joint Venture Terna - Impregilo	45.000	Greece	-					-	-
Line 3 Metro Stations	50.000	Greece	-					-	-
Gaziantep Hastanesi Isletme Ve Bakim Hizmetleri	50.000	Turkey	82,468			(82,468)	G	-	49,335
Impregilo Arabia Ltd	50.000	Saudi Arabia	1,770,919					1,770,919	3,153,592
Impresit Bakolori Plc	50.707	Nigeria	-					-	-
Barnard Impregilo Healy J.V.	45.000	USA	-					-	-
SFI Leasing Company	30.000	USA	-					-	-
Shimmick CO. INC. - FCC CO S.A. - Impregilo S.p.A. - J.V.	30.000	USA	-					-	-
Mobilinx Hurontario Services L.t.d.	17.357	Canada	8					8	-
Aguas del Gran Buenos Aires S.A. (in liq.)	42.589	Argentina	-					-	-
Consorcio Contuy Medio	47.991	Venezuela	-					-	-
Consorcio Grupo Contuy-Proyectos y Obras de Ferrocarriles	55.648	Venezuela	-					-	-
Consorcio OIV-TOCOMA	40.000	Venezuela	-					-	-
Consorzio EPC	18.250	Peru	-					-	-
Grupo Empresas Italianas - GEI	55.655	Venezuela	-					-	-
Grupo Unidos Por El Canal S.A.	48.000	Panama	369,937,430	144,596,405	F,I,L	(31,070,000)	G,L	483,463,835	2,502,989
Metro de Lima Linea 2 S.A.	18.250	Peru	18,481,628					18,481,628	31,543,767
Puentes del Litoral S.A. (in liq.)	26.000	Argentina	-					-	-
Yuma Concessionaria S.A.	48.326	Colombia	5,757,551					5,757,551	1,277,335
S.E.I.S. S.P.A.	48.330	Italy		8,588,094	A			8,588,094	8,506,165
Otoyol Isletme ve Bakim	18.140	Turkey		7,242,618	A,C			7,242,618	938,712
Otoyol Deniz	17.50	Turkey		101,741	A			101,741	66,777
Equity investments - Associates			**415,355,613**	**160,528,858**		**(48,091,738)**		**527,792,733**	
OTHER									
PerGenova S.c.p.a.	50.000	Italy	500,000					500,000	500,000
Segrate S.c.r.l.	35.000	Italy	3,500			(3,500)	E	-	-
JV Salini - Secol	80.000	Romania						-	-
Consorcio Normetro	13.180	Portugal	-					-	-
J.V. Salini Impregilo - Doprastav	50.000	Czech Republic						-	-
Gaziantep Hastane Sanglik Hizmetleri Isletme Yatrim Joint Stock Company	24.500	Turkey	11,289,839			(380,520)	G	10,909,320	2,762,147
SCLC Polihali Diversion Tunnel J.V.	69.990	Lesotho						-	-
Salini Strabag Joint Ventures	50.000	Guinea						-	-
Consorcio V.I.T. - Tocoma	35.000	Venezuela	-					-	-
Consorcio V.I.T. Caroni - Tocoma	35.000	Venezuela	-					-	-

Name	% Invest-ment	Registered office	Amount Webuild S.p.A. 1.1.2021 (€)	Increases in the year	No.	Decreases in the year	No.	Amount Webuild S.p.A. 31.12.2021 (€)	Share of equity
Consorcio V.S.T. Tocoma	30.000	Venezuela	-					- -	
E.R. Impregilo/Dumez y Asociados para Yaciretê - ERIDAY	20.750	Argentina	-					- -	
Techint S.A.C.I.- Hochtief A.G.- Impregilo S.p.A.-Iglys S.A. UTE	35.000	Argentina	3,944					3,944	-
Arge Tulfes Pfons	0.010	Austria						-	-
NGE Genie Civil S.a.s. - Salini Impregilo S.p.A.	50.000	France						-	-
Sailini Impregilo - NGE Genie Civil S.a.s	65.000	France						- -	
Telt Villarodin-Bourget Modane Avrieux	33.330	France						- -	
Salini Impregilo - Kolin	50.010	Turkey						- -	
CMC - Mavundla - Impregilo J.V.	39.200	South Africa	-					-	-
BSS J.V. - Air Academy project	5.000	Saudi Arabia						- -	
BSS-KSAB JV	37.500	Saudi Arabia						-	-
Ghazi-Barotha Contractors J.V.	57.800	Pakistan	-					-	-
Arriyad New Mobility Consortium	33.480	Saudi Arabia	-					- -	
Civil Works Joint Ventures	59.140	Saudi Arabia						- -	
South Al Mutlaa J.V.	55.000	Kuwait						-	-
Tristar Salini Joint Venture	40.000	United Arab Emirates						-	-
Impregilo-Healy-Parsons J.V.	65.000	USA	-					-	-
Consorcio Amancae	40.000	Peru						-	-
Consorcio Contuy Medio Grupo A C.I. S.p.A. Ghella Sogene C.A., Otaola C.A.	36.400	Venezuela -						-	-
Consorzio Constructor M2 Lima	25.500	Peru	-					- -	
Emittenti Titoli S.p.A. (in liq.)	0.244	Italy	10,832					10,832	-
Istituto per lo Sviluppo Edilizio ed Urbanistico - ISVEUR S.p.A. (in liq.)	2.534	Italy	34,086					34,086	-
Markland S.r.l. (in liq.)	1.900	Italy	1,269					1,269	-
SPV Linea M4 S.p.A.	16.086	Italy	23,710,400			(23,710,400)	E	-	-
Tangenziale Esterna S.p.A.	0.001	Italy	100					100	-
Joint Venture Aktor S.A. - Impregilo S.p.A.	0.100	Greece	-					-	-
Todini-Impregilo Almaty Khorgos J.V.	0.010	Kazakhstan	-					-	-
Salini Impregilo Bin Omran J.V.	50.000	Qatar	-					-	-
ETLIK HASTANE P.A. S.R.L.	51.000	Italy		1,879,361	A			1,879,361	2,628,381
UJV Astaldi S.p.A. (Succursale Cile), VCGP (Agencia en Chile) e VCGP	0.010	Chile		3,772	E			3,772	-
Altre Astaldi		-		580,861	A,F	(8,088)	G	572,773	
Strumenti finanziari partecipativi ASTALDI			177,077	778,521	A			955,598	
Total - Other companies			**35,731,047**	**3,242,515**		**(24,102,508)**		**14,871,055**	
Total equity investments			**1,418,547,790**	**1,213,908,403**		**(508,785,399)**		**2,123,670,797**	

Summary of variations in equity investments

Euro

		Increases	Decreases	Total
Effects of demerger	A	509,790,579	(225,050,968)	284,739,611
Incorporations and subscriptions	B	12,894,188		12,894,188
Increases for PPA	C	137,323,918	(1,275,000)	136,048,918
Disinvestments/liquidations	D		(7,045,258)	(7,045,258)
Transfers	E	127,047,006	(80,618,155)	46,428,851
Capital transactions	F	279,280,550	-	279,280,550
Impairment losses	G		(90,865,227)	(90,865,227)
Net exchange gains (losses)	I	41,679,925		41,679,925
Reclassifications	L	105,892,237	(103,930,789)	1,961,448
Dividends	M			
IFRS 15	N			
Total		**1,213,908,403**	**(508,785,399)**	**705,123,007**

Equity investments at 31 December 2021 - Webuild S.p.A.

Name	% invest-ment	Registered office	Amount Webuild S.p.A. 1.1.2021 (€)	Increases in the year	No.	Decreases in the year	No.	Amount Webuild S.p.A. 31.12.2021 (€)	Share of equity
SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES, CONSOLIDATED WITH NEGATIVE CARRYING AMOUNT									
Agba - Aguas Gran B Aires Sa in liq (Argentina)	16.500	Argentina	18,315					18,315	(10,938)
Constructora Ariguani Sas	100.000	Colombia	12,999,053			(9,557,368)	E	3,441,685	(3,441,685)
Cigla Constructora Sa (Brasile)	100.000	Brazil	2,590,648	459,587	D			3,050,235	(2,803,626)
Grupo ICT II SAS	100.000	Colombia		7,571,183	D	(135,445)	L	7,435,738	(7,435,738)
HCE Costruzioni Ukraine Llc	1.000	Ukraine	63,978					63,978	
Salini Polska L.t.d. Liability Co	100.000	Poland	13,394,631	2,096,893	L	(15,491,524)	C	-	361,114
Impregilo Arabia Ltd	50.000	Saudi Arabia	1,770,919					1,770,919	(3,866,809)
Inc Il Nuovo Castoro Algerie	99.980	Algeria	6,307,054					6,307,054	(6,280,300)
Joint Venture Impregilo S.p.A. - S.G.F. INC S.p.A.	100.000	Greece	17,972					17,972	(1,743,364)
PGH Ltd	100.000	Nigeria	1,658,434	2,566,956	D			4,225,390	(4,225,390)
Salini Impregilo - Kolin	50.010	Turkey	165,907			(165,907)	E	-	
Salini Kolin Cgf Joint Venture	38.000	Turkey	126,064					126,064 -	
Salini Impregilo - Healy J.V. NEBT	30.000	USA	1,839,878	1,463,799	A			3,303,677	4,264,644
Salini Australia Pty Ltd	100.000	Australia	681,928	1,921,299	D	(1,610,974)	C	992,253	(305,459)
Consorzio Astaldi-Federici-Todini Kramis	50.000	Italy	-	2,370,000				2,370,000	(2,370,000)
SCI ADI Ortakligi	50.000	Turkey	-	4,744,863	D			4,744,863	(4,744,863)
Astaldi Arabia Ltd.	60.000	Arabia	-	1,102,309	D			1,102,309	(925,046)
Astaldi Bulgaria L.t.d.	100.000	Bulgaria	-	45,113	D			45,113	(45,919)
Bussentina S.c.r.l.	78.900	Italy	-	78,502	A			78,502	(240,575)
Seac S.p.a.r.l.	100.000	Congo	-	645,099	D			645,099	(11,374,592)
Astaldi Polska zo.o.	100.000	Poland	-	203,926				203,926	(208,861)
Astaldi India Services LLP	99.990	India	-	2,206,030		(143,122)	L	2,062,908	388,843
Avrasya Metro Grubu S.r.l.	42.000	Italy	-	146,341				146,341	(130,951)
VCGP - Astaldi Ingenieria y Construccion Limitada	50.000	Chile	-	322,955				322,955	-
Consorzio Groupement Lesi-Dipenta	0.010	Italy	-	570				570	-
Total investments in subsidiaries, associated and jointly controlled entities, consolidated with negative carrying amount			**41,634,782**	**27,945,425**		**(27,104,340)**		**42,475,868**	

Summary of variations in equity investments

Euro

		Increases	Decreases	Total	
Effect of merger	A	1,463,799		**1,463,799**	
Capital transactions	C		(17,102,498)	**(17,102,498)**	
Impairment losses	D	17,545,040		**17,545,040**	
Impairment gains	E		(9,723,275)	**(9,723,275)**	
Reclassifications	L	2,096,893	(278,567)	**1,818,326**	
Other variations	M	6,839,694		**6,839,694**	
Total		27,945,425	(27,104,340)	**841,086**	**-**

Statement on the separate financial statements

pursuant to article 81-ter of Consob regulation no. 11971 of 14 May 1999 and subsequent amendments and integrations

1 Pietro Salini, as chief executive officer, and Massimo Ferrari, as manager in charge of financial reporting, of Webuild S.p.A., considering the provisions of article 154-bis.3/4 of Legislative decree no. 58 of 24 February 1998, state:

- that the administrative and accounting procedures are adequate given the company's characteristics; and
- that they were actually applied during the year to prepare the separate financial statements.

2 No significant issues arose.

3 Moreover, they state that:

3.1 The separate financial statements:

a) have been prepared in accordance with the applicable International Financial Reporting Standards endorsed by the European Union pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and Council of 19 July 2002;

b) are consistent with the accounting records and entries;

c) are suitable to give a true and fair view of the financial position at 31 December 2021 and the results of operations and cash flows for the year then ended of the Issuer.

3.2 The Directors' report includes a reliable analysis of the financial position and results of operations of the Issuer, together with information about the main risks and uncertainties to which it is exposed.

Milan, 17 March 2022

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 the 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 2021, the statements of profit or loss, comprehensive income, cash flows and changes in equity for the year then ended and notes thereto, which include a summary of the significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Webuild Group as at 31 December 2021 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the consolidated financial statements*" section of our report. We are independent of Webuild S.p.A. (the "parent") in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Significant litigation and disputes

Notes to the consolidated financial statements: notes 4 "Basis of presentation", 7.3 "Intangible assets", 9 "Equity investments", 10 "Derivatives and non-current financial assets", 13 "Contract assets and liabilities", 14 "Trade receivables", 15 "Derivatives and other current financial assets", 17 "Other current assets", 25 "Provisions for risks", 28 "Other current liabilities", 29 "Guarantees, commitments, risks and contingent liabilities", 30 "Financial instruments and risk management", 31 "Revenue" and 32.6 "Amortisation, depreciation, provisions and impairment losses"

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 litigation and disputes entails complex estimates and a significant level of judgement by the directors about their outcome which could have a significant impact on the recoverability of financial assets, trade receivables and contract assets, as well as the calculation of provisions for risks. For the above reasons, we believe that the assessment of significant litigation and disputes is a key audit matter.	Our audit procedures included: — understanding the process for the assessment of litigation and disputes and assessing the design and implementation of related controls; — analysing the accounting policies used by the directors to estimate the outcome of significant litigation and disputes; — analysing the assessments made by the relevant internal departments and related supporting documentation, including the technical and legal opinions of the experts engaged by the group, in relation to the recoverability of the financial assets, trade receivables and contract assets affected by pending litigation and disputes; — sending written requests for information to the legal advisors assisting the group about the assessment of the risk of losing litigation and disputes initiated by third parties 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 contract assets and liabilities

Notes to the consolidated financial statements: notes 4 "Basis of presentation", 13 "Contract assets and liabilities", 30 "Financial instruments and risk management" and 31 "Revenue"

Key audit matter	Audit procedures addressing the key audit matter
The consolidated financial statements at 31 December 2021 include contract assets of €2,787.3 million, contract liabilities of €3,422.8 million and revenue for works invoiced to customers of €5,914.3 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, whose carrying amount totals approximately €2,591.8 million at 31 December 2021; — the projects' long timeframe, size and engineering and operating complexity; — 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 and assessing the design and implementation of related controls; — for a sample of ongoing contracts: - analysing contracts with customers in order to check that the significant factors have been appropriately considered by the directors; - analysing the reasonableness of the assumptions underlying the estimates of total contract revenue and costs through discussions with the contracts' project managers and operation controllers, examining the correspondence with customers, including about contract variations and claims, and the legal and technical opinions of the experts; - analysing the most significant discrepancies between the previous year contract budgets and the current year actual figures and discussing the findings with the project managers and operation controllers; — assessing the appropriateness of the disclosures provided in the annual report about contract assets and liabilities.

Measurement of investments in associates and joint ventures

Notes to the consolidated financial statements: notes 4 "Basis of presentation", 9 "Equity investments", 25 "Provisions for risks" and 34 "Net losses on equity investments"

Key audit matter	Audit procedures addressing the key audit matter
The consolidated financial statements at 31 December 2021 include investments in associates and joint ventures of €676 million. They comprise €483.5 million relating to the SPE GUPC set up for the project to widen the Panama Canal, which was completed in June 2016. The directors have described the pending claims and arbitration proceedings relating to that project in the "Main risk factors and uncertainties" section of the directors' report, to which the notes to the consolidated financial statements make reference. Measuring investments in associates and joint ventures 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 associates and joint ventures is a key audit matter.	Our audit procedures included: — understanding the process for the measurement of investments in associates and joint ventures and assessing the design and implementation of controls; — analysing the reasonableness of the assumptions underlying the claims for additional consideration through discussions with the relevant internal departments and the legal and technical opinions of the experts; — assessing the appropriateness of the disclosures provided in the annual report about the measurement of investments in associates and joint ventures.

Responsibilities of the parent's directors and board of statutory auditors ("Collegio Sindacale") for the consolidated financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the group's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the consolidated financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the parent or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at the appropriate level required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the ethics and independence rules and standards applicable in Italy and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are, therefore, the key audit matters. We describe these matters in our auditors' report.

Other information required by article 10 of Regulation (EU) no. 537/14

On 30 April 2015, the parent's shareholders appointed us to perform the statutory audit of its separate and consolidated financial statements as at and for the years ending from 31 December 2015 to 31 December 2023.

We declare that we did not provide the prohibited non-audit services referred to in article 5.1 of Regulation (EU) no. 537/14 and that we remained independent of the parent in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed herein is consistent with the additional report to the *Collegio Sindacale*, in its capacity as audit committee, prepared in accordance with article 11 of the Regulation mentioned above.

Report on other legal and regulatory requirements

Opinion on the compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The parent's directors are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (ESEF) to the consolidated financial statements 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 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.

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 2021 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 2021 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 2021 and have been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Statement pursuant to article 4 of the Consob regulation implementing Legislative decree no. 254/16

The directors of Webuild S.p.A. are responsible for the preparation of a consolidated non-financial statement pursuant to Legislative decree no. 254/16. We have checked that the directors had approved such consolidated non-financial statement. In accordance with article 3.10 of Legislative decree no. 254/16, we attested the compliance of the non-financial statement separately.

Milan, 5 April 2022

KPMG S.p.A.

(signed on the original)

Angelo Pascali
Director of Audit

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(The accompanying translated separate financial statements of Webuild S.p.A. constitute a non-official version which is not compliant with the provisions of the 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 2021, the statements of profit or loss, comprehensive income, cash flows and changes in equity for the year then ended and notes thereto, which include a summary of the significant accounting policies.

In our opinion, the separate financial statements give a true and fair view of the financial position of Webuild S.p.A. as at 31 December 2021 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the separate financial statements*" section of our report. We are independent of the company in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the separate financial statements of the current year. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Significant litigation and disputes

Notes to the separate financial statements: notes 3 "Basis of presentation", 8 "Non-current financial assets", 11 "Contract assets and liabilities", 23 "Provisions for risks", 27 "Guarantees, commitments, risks and contingent liabilities", 28 "Financial instruments and risk management" and 30.6 "Amortisation, depreciation, provisions and impairment losses"

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 litigation and disputes entails complex estimates and a significant level of judgement by the directors about their outcome which could have a significant impact on the recoverability of financial assets, trade receivables and contract assets, as well as the calculation of provisions for risks. For the above reasons, we believe that the assessment of significant litigation and disputes is a key audit matter.	Our audit procedures included: — understanding the process for the assessment of litigation and disputes and assessing the design and implementation of related controls; — analysing the accounting policies used by the directors to estimate the outcome of significant litigation and disputes; — analysing the assessments made by the relevant internal departments and related supporting documentation, including the technical and legal opinions of the experts engaged by the company, in relation to the recoverability of the financial assets, trade receivables and contract assets affected by pending litigation and disputes; — sending written requests for information to the legal advisors assisting the company about the assessment of the risk of losing litigation and disputes initiated by third parties 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 contract assets and liabilities

Notes to the separate financial statements: notes 3 "Basis of presentation", 11 "Contract assets and liabilities", 28 "Financial instruments and risk management" and 29 "Revenue"

Key audit matter	Audit procedures addressing the key audit matter
The separate financial statements at 31 December 2021 include contract assets of €1,509.8 million, contract liabilities of €554.7 million and revenue for works invoiced to customers of €1,625.7 million recognised using the percentage of completion method based on the cost to cost model. Measuring contract assets and liabilities is based on significant estimates about the total contract revenue and costs and the related stage of completion which entail a high level of judgement by the directors. These estimates are affected by many factors, including: — claims for additional consideration compared to that contractually agreed, whose carrying amount totals approximately €1,010.6 million at 31 December 2021; — the projects' long timeframe, size and engineering and operating complexity; — 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 and assessing the design and implementation of related controls; — for a sample of ongoing contracts: - analysing contracts with customers in order to check that the significant factors have been appropriately considered by the directors; - analysing the reasonableness of the assumptions underlying the estimates of total contract revenue and costs through discussions with the contracts' project managers and operation controllers, examining the correspondence with customers, including about contract variations and claims, and the legal and technical opinions of the experts; - analysing the most significant discrepancies between the previous year contract budgets and the current year actual figures and discussing the findings with the project managers and operation controllers; — assessing the appropriateness of the disclosures provided in the annual report about contract assets and liabilities.

Measurement of investments in subsidiaries and associates

Notes to the separate financial statements: notes 3 "Basis of presentation", 7 "Equity investments", 23 "Provisions for risks" and 32 "Net losses on equity investments"

Key audit matter	Audit procedures addressing the key audit matter
The separate financial statements at 31 December 2021 include investments in subsidiaries and associates of €2,108.8 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, including by discounting the cash flows that are expected to be generated by the investees using the discounted cash flow method. Impairment testing entails a high level of judgement, in addition to the uncertainty inherent in any forecast, especially in relation to: — the expected operating cash flows, calculated by taking into account the general economic performance and that of investees' sector, the actual cash flows generated by the investees in the last few years and their projected long-term growth rates; — the financial parameters to be used to discount the above cash flows. Measuring equity investments entails, in certain cases, complex estimates as it considers the recoverability of assets arising from claims for additional consideration compared to that contractually agreed, which are, sometimes, subject to pending claims and arbitration proceedings, as mentioned above. These estimates require a significant level of judgement by the directors. Considering the above, we believe that the measurement of equity investments is a key audit matter.	Our audit procedures included: — understanding the processes adopted for impairment testing and assessing the design and implementation of related controls; — analysing the directors' review process in relation to the discrepancies between the investees' 2021 actual data and the related previous forecasts; — analysing, including by involving our own specialists, the reasonableness of the key assumptions used by the directors to determine the equity investments' recoverable amount and the related forecast cash flows and the valuation model adopted. We also compared the key assumptions used to the investees' historical figures and external information, where available; — checking the sensitivity analysis made by the directors in relation to the key assumptions used to test equity investments for impairment; — analysing the reasonableness of the assumptions underlying the claims for additional consideration through discussions with the relevant internal departments and the legal and technical opinions of the experts; — assessing the appropriateness of the disclosures provided in the annual report about the measurement of equity investments.

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, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current year and are, therefore, the key audit matters. We describe these matters in our auditors' report.

Other information required by article 10 of Regulation (EU) no. 537/14

On 30 April 2015, the company's shareholders appointed us to perform the statutory audit of its separate and consolidated financial statements as at and for the years ending from 31 December 2015 to 31 December 2023.

We declare that we did not provide the prohibited non-audit services referred to in article 5.1 of Regulation (EU) no. 537/14 and that we remained independent of the company in conducting the statutory audit.

We confirm that the opinion on the separate financial statements expressed herein is consistent with the additional report to the *Collegio Sindacale*, in its capacity as audit committee, prepared in accordance with article 11 of the Regulation mentioned above.

Report on other legal and regulatory requirements

Opinion on the compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The company's directors are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (ESEF) to the separate financial statements 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 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 2021 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 2021 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 2021 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, 5 April 2022

KPMG S.p.A.

(signed on the original)

Angelo Pascali
Director of Audit

(Translation from the Italian original which remains the definitive version)

REPORT OF THE BOARD OF STATUTORY AUDITORS
PURSUANT TO ARTICLE 153 OF LEGISLATIVE DECREE NO. 58/1998
TO THE SHAREHOLDERS' MEETING OF 28 APRIL 2022

Dear shareholders,

The current board of statutory auditors was appointed by the shareholders of Webuild S.p.A. (the "**company**" or "**Webuild**") on 4 May 2020. Its term of office ends with the shareholders' meeting called to approve the separate financial statements as at and for the year ending 31 December 2022. The chairperson of the board of statutory auditors held the same position in the board's previous mandate.

Pursuant to article 153.1 of Legislative decree no. 58 of 24 February 1998 (the "**Consolidated Finance Act**" or the "**TUF**"), we note that we performed our supervisory and control duties prescribed by the current regulations during the year, with specific reference to the Italian Civil Code, article 148 and subsequent articles of the TUF, Legislative decree no. 39 of 27 January 2010 and Legislative decree no. 254/2016. We also considered the guidelines set out in the Consob (the Italian Commission for Listed Companies and the Stock Exchange) communications about the duties of statutory auditors, the guidance of the Code of Corporate Governance for Listed Companies and the ethical standards recommended by the Italian Accounting Profession (Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili).

We have prepared this report for the ordinary and extraordinary shareholders' meeting called to meet on 28 April 2022 on single call to approve the separate financial statements as at and for the year ended 31 December 2021 (as well as on the other matters listed in the call notice, to which reference should be made).

That being said, we describe below our activities performed during the year and up to the date of this report, including as required by Consob communication no. DEM/1025564 of 6 April 2001 as subsequently amended.

1. Significant financial or capital transactions

We note the following key events and transactions which took place in 2021.

With respect to bond issues:

- On 21 January 2021, the company made a second placement of notes by issuing new notes of €200 million, consolidated in a single series, bringing the total to €750 million. On 15 December 2020, it had completed the issue of new unsecured fixed rate senior notes of €550 million maturing in 2025 to be used to repurchase its outstanding notes of the "€600,000,000 3.75 per cent. Notes due 24 June 2021" issue.

With respect to Progetto Italia:

- On 26 July 2021, Webuild and Astaldi (then a subsidiary of Webuild) contributed business units comprising all their property, plant and equipment, intangible assets, assets and liabilities, rights, obligations and relationships related to infrastructure works (motorways, railways, metros, etc.) being performed in Italy, also through investees and consortia, to the wholly-owned newcos Webuild Italia S.p.A. and Partecipazioni Italia S.p.A..
- On 29 and 30 April 2021, the shareholders of Astaldi S.p.A. ("Astaldi") and Webuild approved the partial proportionate demerger of Astaldi to Webuild (the "demerger") in their respective extraordinary meetings.
- On 29 July 2021, Webuild and Astaldi signed the partial proportionate demerger deed which was filed with the offices of the company registrars in Rome and Milan on 30 July 2021. The demerger became effective for statutory, accounting and tax purposes on 1 August 2021.

After the reporting date:

- On 28 January 2022, the company completed the issue of new unsecured fixed rate senior notes of €400 million maturing in 2026 ("€400,000,000 3.875 per cent. Sustainability-Linked Notes due 28 July 2026") pursuant to the Sustainability-Linked Bond Principles published by the International Capital Markets Association (ICMA), to refinance part of the company's debt and to service the group's general objectives.
- On 27 January 2022, Webuild announced the launch of a share buy-back programme pursuant to the resolution passed by its shareholders at their ordinary meeting of 30 April 2021.

The directors and management informed us periodically about the operations and key transactions undertaken by the company and its subsidiaries. They also described such operations and transactions in their report, to which reference is made, with details of their characteristics and effects.

We obtained adequate information about them in order to be in a position to reasonably believe that they comply with the law, the by-laws and principles of correct administration and that they are not imprudent, risky or contrary to the resolutions taken by the shareholders or such that would compromise the company's assets.

The directors analysed the Russia-Ukraine crisis and its possible repercussions on the global economy and the Group's business, cyber risks and management of ESG risks in their report, including in the light of Consob's warning notice of 18 March 2022.

Transactions in which the directors or other related parties have an interest are subjected to the transparency procedures required by the ruling legislation.

2. Atypical and/or unusual transactions carried out with third parties, intragroup transactions or related party transactions

We did not identify nor were we informed by the directors, independent auditors or internal audit supervisor about any atypical and/or unusual transactions (as per the definition in Consob communication no. DEM/6064293 of 28 July 2006) carried out with third parties, related parties or other group companies.

The directors described the day-to-day transactions carried out during the year with group companies and related parties in the notes to the separate financial statements to which reference should be made, also for details about their characteristics and financial effects.

They did not identify any critical issues with respect to their suitability and compliance with the company's interests.

We checked that the procedure for related party transactions adopted by the company is applied, including the regular reporting by the board of directors on any such transactions.

Specifically, we participated at all the meetings of the committee for related-party transactions, which reviewed the demerger and expressed its positive opinion on the company's interest in completing this transaction, as it is based on valid economic and strategic reasons, and on the acceptability and substantial correctness of the related terms, including the exchange ratio, as per their opinion provided in accordance with Consob regulation no. 17221/2010 and Webuild's related parties procedure.

3. Comments on and proposals about the findings and disclosures in the independent auditors' report

On 5 April 2022, the independent auditors, KPMG S.p.A., issued its 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. KPMG S.p.A. states that, in its opinion:

- *the separate and consolidated financial statements of Webuild S.p.A. give a true and fair view of the financial position of the company and the group as at 31 December 2021 and of their financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05;*

- *the directors' report and specific information presented in the report on corporate governance and the ownership structure 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 law;*

- *there is nothing to report with reference to the statement required by article 14.2.e) of Legislative decree no. 39/2010 based on KPMG S.p.A.'s knowledge and understanding of the entity and its environment obtained through its audit;*

- *the separate financial statements have been prepared in XHTML format in compliance with the provisions of Commission Delegated Regulation (EU) 2019/815;*

- *the consolidated financial statements have been prepared in XHTML format and have been marked, in all* *material respects, in compliance with the provisions of Commission Delegated Regulation (EU) 2019/815;*

On 5 April 2022, KPMG S.p.A. also issued its additional report pursuant to article 11 of Regulation (EU) no. 537/2014 confirming, inter alia, that no significant deficiencies in internal control and/or the accounting system were identified.

KPMG S.p.A.'s reports detail the key audit matters with respect to which reference should be made thereto.

On 5 April 2022, KPMG S.p.A. issued its attestation of compliance on the information provided in the Consolidated Non-financial Statement required by articles 3 and 4 of Legislative decree no. 254/2016.

4. Complaints as per article 2408 of the Italian Civil Code, actions taken by the board of statutory auditors and related outcome

We did not receive any complaints as per article 2408 or other complaints from third parties during the year.

The company has a whistleblowing procedure and information channels suitable to ensure the receipt, analysis and processing of reports about internal control, corporate information, the company's administrative liability, fraud or other issues by employees, members of the company bodies or third parties, which can also be made confidentially or anonymously.

5. Engagement of independent auditors and related fees

We confirm that the fees received by KPMG S.p.A. for its attestation services amount to €445,000. This amount consists of €425,000 for engagements approved by us in advance and €20,000 for engagements not approved in advance as they were either for amounts below the threshold established in the Procedure for the conferral of engagements to audit companies or related to long-term services approved in previous years.

Reference should be made to the table presenting the fees paid to KPMG S.p.A. and its network entities in 2021 provided in the notes to the separate financial statements.

Pursuant to article 6.2.a) of Regulation (EU) no. 537/2014, KPMG S.p.A. provided us with the statement that, considering the services it provided, it remained independent vis-à-vis the company and the Group throughout the year.

6. Main opinions issued by the board of statutory auditors in accordance with the ruling regulations

During 2021, we specifically:

- examined and found in favour of the 2021 audit plan prepared by the internal audit supervisor approved by the board of directors. We were also informed that this plan was revisited in the light of the Covid-19 emergency;
- found in favour of the 2021 remuneration policy as well as of the adequacy, with that policy, of the

accounting for the targets of the 2020 short-term incentive plan for the chief executive officer, the general managers and key management personnel. Specifically, we examined and found in favour of the remuneration package for the control departments (internal audit & compliance director and group risk officer). We also examined and found in favour of the content of the remuneration report approved by the board of directors in its meeting of 25 March 2021, checking that it included the information required by article 123-ter of the TUF and article 84-quater of Consob regulation no. 11971/1999;

- issued our favourable opinion pursuant to article 19.1.e) of Legislative decree no. 39 of 27 January 2010 and article 5 of Regulation (EC) no. 537 of 16 April 2014 about the assignment of non-audit services to the independent auditors;
- found in favour of, pursuant to article 4.6 of Consob resolution no. 17221 of 12 March 2010 as subsequently amended (the "Consob Regulation"), the compliance of the update to the company's related party transactions procedure with the principles set out in the Consob Regulation;
- examined and found in favour of the update to the guidelines for the internal control and risk management system;
- examined and found in favour of the report on corporate governance and the ownership structure approved by the board of directors on 25 March 2021; we checked that it included the information required by article 123-bis of the TUF and was consistent with the template prepared by Borsa Italiana S.p.A..

During the period from 31 December 2021 and up until the date of preparation of this report, we also:

- examined and found in favour of the 2022 audit plan prepared by the internal audit supervisor approved by the board of directors;
- issued our reasoned recommendation on the integration of the fees requested by the independent auditors engaged to perform the statutory audit of the financial statements for the nine-year period from 2015 to 2023;
- found in favour of the 2022 remuneration policy and examined and found in favour of the content of the remuneration report approved by the board of directors on 5 April 2022; we checked that this report included the information required by article 123-ter of the TUF and article 84-quater of Consob regulation no. 11971/1999;
- examined and found in favour of the report on corporate governance and the ownership structure approved by the board of directors on 25 March 2022; we checked that it included the information required by article 123-bis of the TUF and was consistent with the template prepared by Borsa Italiana S.p.A..

Reference should be made to the Final assessment of the supervisory activities and proposal to the shareholders for information on our activities carried on the separate and consolidated financial statements at 31 December 2021.

7. Frequency of attendance at company body meetings

All meetings were held using the video conference platform made available by the company in accordance with the regulations and measures brought in to contain the Covid-19 emergency.

As the company was able to ensure reliably that meetings were held correctly and on a timely basis and it has an adequate information communication system, we believe that adoption of this method did not diminish or affect the reliability of the information received or the effectiveness of our activities.

In 2021, we attended all 17 meetings of the board of directors during which we were informed about the operations and key transactions performed by the company and its subsidiaries. We also received information about the exercise of his powers from the chief executive officer.

We met 24 times during 2021 and during our meetings we exchanged information with the independent auditors to ensure that no transactions took place that were imprudent or risky, could give rise to potential conflicts of interest, are not compliant with the law or the company's by-laws or the shareholders' resolutions or that could prejudice the company's assets.

We attended 13 meetings of the control, risk and sustainability committee, 15 meetings of the compensation and nominating committee, 11 meetings of the committee for related-party transactions and nine meetings of the strategic committee (attended by our chairperson or a delegated statutory auditor), obtaining information on the work they performed during the year.

We also participated in the ordinary and extraordinary shareholders' meeting held on 30 April 2021.

During 2022 and up to the date of this report, we attended all the meetings of the company bodies and, specifically, six meetings of the board of directors, four meetings of the control, risk and sustainability committee, five meetings of the compensation and nominating committee, one meeting of the committee for related-party transactions and three meetings of the strategic committee (attended by our chairperson). We have met eight times so far this year.

8. Compliance with correct administration standards

We have no comments to make about compliance with such standards based on our work. We checked that the directors are aware of the riskiness and effects of the transactions performed.

Specifically, we checked that management decisions were taken in the company's interests, in line with its resources and assets and that they were adequately supported by information, analysis and checking processes, including by resort to the committees and external professionals, when necessary.

9. Adequacy of the organisational structure.

We obtained information about the company's organisational structure and any modifications thereto on a regular basis, including through meetings with the competent company managers. As a result, we believe that the company's organisational structure, procedures, duties and responsibilities are adequate given its size and type of activities.

We also checked the adequacy of the organisational, administrative and accounting structures of the company and its key subsidiary Lane Industries.

10. Adequacy of internal controls and risk management

We supervised the adequacy of the internal controls and risk management of the company and its key subsidiaries as follows:

a. we regularly obtained information from the chief executive officer, the competent manager, the internal audit supervisor, the compliance supervisor, the group risk officer and the heads of the other departments involved from time to time about the activities carried out, the mapping of risks related to ongoing activities, test programmes and projects to implement internal controls; we also obtained the related documentation;

b. we participated regularly in the activities of the control, risk and sustainability committee set up in line with the Code of Corporate Governance for Listed Companies as well as the board of directors' meetings;

c. we reviewed the reports of the control, risk and sustainability committee periodically;

d. we reviewed the internal audit reports on the internal units of both the branches and head office and the working of the Group's internal controls and risk management; 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 given the company's and its key subsidiaries' characteristics and risk profile;

e. we discussed the methods adopted to manage risks within the company, compliance with the related containment plans and strategic containment and efficiency objectives with the group risk officer;

f. we reviewed the reports of the compliance department on the prevention, monitoring and management of the risk of non-compliance with the law and anti-corruption regulations.

We also:

- checked that the company has an organisational, management and control model which complies with the provisions of Legislative decree no. 231/01 and the guidelines issued by the sector associations, most recently updated by the board of directors on 14 October 2020;

- checked that the company has an anti-corruption model, which the board of directors last updated on 15 December 2020;
- examined the supervisory body's regular reports as required by Legislative decree no. 231/2001, which summarise its activities of the year; we also met with the body's members;
- met the statutory auditors of the wholly-controlled subsidiaries Fisia Italimpianti S.p.A. and HCE Costruzioni S.p.A. in 2021 and Partecipazioni Italia and Webuild Italia in 2022 to exchange information about, inter alia, the subsidiaries' operations and compliance with instructions received from the company, their internal controls and organisation, the composition and activities performed by the supervisory bodies, committees and internal audit department.

During our work, we:

a) did not identify any critical situations or facts that would have led us to believe that the internal controls and risk management systems of the company and its key subsidiaries were inadequate during the year, acknowledging the board of directors' positive assessment in this respect;

b) based also on the information provided by the chairperson of the supervisory body and the reports referred to above which stated that no censurable events or violations of the model took place in 2021, to the extent of our duties, we deem that the above model is suitable to prevent the crimes covered by the aforesaid regulations and has been implemented properly, without considering the additional updates to the model to be made in 2022 to comply with the new recent requirements;

11. Adequacy of the administrative-accounting system and its reliability

To the extent of our duties, we monitored the adequacy of the administrative and accounting system and its ability to correctly show the company's operations and the activities undertaken as coordinated by the manager in charge of financial reporting to comply with Law no. 262/05 on guidelines for the protection of savings and regulation of financial markets as subsequently amended and integrated by:

a) obtaining information from the manager in charge of financial reporting and the different department heads, including through participation in the activities carried out by the control, risk and sustainability committee;

b) obtaining information about the procedures adopted and instructions issued by the company for the preparation of the 2021 Annual Report and the 2021 Interim Financial Report;

c) obtaining information about the existence of the conditions required by article 15 of the Market Regulation adopted with Consob resolution no. 20249 of 28 December 2017 (formerly article 36 of the Market Regulation adopted with Consob resolution no. 16191 of 29 October 2007) for significant subsidiaries set up in and regulated by laws of non-EU states. We also checked that circumstances entailing non-compliance with the conditions did not exist as they would have required reporting to Consob and Borsa Italiana S.p.A. pursuant to article 15.1.c.ii;

d) reviewing the reports prepared by the manager in charge of financial reporting and the internal audit supervisor on the effective application of the administrative and accounting procedures pursuant to Law no. 262/05 and the results of the related tests as per the annual mandate assigned by the manager in charge of financial reporting;

e) meeting the independent auditors and analysing the findings of their work;

f) reviewing internal documents.

We also acknowledged that, independently and before the approval of the separate financial statements, on 10 March 2022, the board of directors approved the impairment test applied by the company during preparation of the financial statements at 31 December 2021, focusing in particular on the Russia-Ukraine crisis, which the company does not consider to be an adjusting event, and the impairment test procedures to be applied to the financial statements of the group companies, after receiving the favourable opinion of the control, risk and sustainability committee and pursuant to the recommendations issued by the ESMA on 21 January 2013, the joint Bank of Italy/Consob/Isvap document no. 4 of 3 March 2010 and Consob communication no. 3907 of 19 January 2015. We did not identify any critical situations or facts during the above activities that would have led us to believe that the company's administrative and accounting system was inadequate and/or unreliable during the year.

12. Adequacy of the instructions given to subsidiaries

The company regulates the information provided by the subsidiaries, especially that related to more important transactions, with specific procedures.

We believe that the instructions issued by the company to its subsidiaries pursuant to article 114.2 of the TUF are adequate to ensure compliance with the legal disclosure requirements.

13. Issues which arose during meetings with the independent auditors

During our activities related to the 2021 Annual Report, we met the independent auditors:

- to exchange information about the checks performed in accordance with Legislative decree no. 39/2010 and article 150.3 of the TUF to ensure the company's accounts were kept properly and that the accounting entries accurately reflected its operations. No issues arose as a result of these meetings;
- to examine and assess the procedures used to prepare the 2021 Interim Financial Report and the 2021 Annual Report, including the assessment of the correct application of the accounting policies and their consistency; we also reviewed the audit findings and assessment of these reports;

Specifically, we:

- analysed the audit procedures performed by the auditors and, in particular, their methodology, the audit approach to key audit matters and audit planning;
- discussed issues related to the company's risks with the auditors and were favourably impressed by the adequacy of their planned approach to the structural and risk profiles of the company and the Group.

In addition to that set out in paragraph 3, we also:

a) received the additional report from the independent auditors pursuant to article 11.2 of Regulation (EU) no. 537/2014 on key audit matters and any significant deficiencies identified in the internal controls over financial reporting stating that no significant deficiencies were identified;

b) acknowledged KPMG's statement of its independence pursuant to article 6 of Regulation (EU) no. 537/2014 attached to the additional report, which did not report situations that could have compromised its independence;

c) discussed the risks related to the independent auditors' independence and the measures adopted to limit these risks in accordance with article 6.2.b) of Regulation (EU) no. 537/2014.

14. Compliance with the Code of Corporate Governance of the Corporate Governance Committee of Listed companies

We checked that the company, which already complied with the Code of Conduct of listed companies, complies with the Code of Corporate Governance of listed companies (the "code") in force since 1 January 2021 as resolved by its board of directors on 26 February 2021.

During 2021 and up until the date of preparation of this report, we checked that the corporate governance rules applicable from time to time were properly complied with in accordance with article 149.1.c-bis) of the TUF. Specifically:

- the correct application of the criteria and procedures used by the board of directors to assess the independence of its members;
- the self-assessment performed by the board of directors and its committees;
- the company's corporate governance structure.

We note that the board of directors examined the recommendations made by the Corporate Governance Committee in its letter dated 3 December 2021 from the committee chairperson, Lucia Calvosa, to the chairpersons of the boards of directors of Italian listed companies and copied to the chief executive officers and chairpersons of the boards of statutory auditors in order to take the necessary resolutions. In turn, we examined the recommendations in so far as they extended to the board of statutory auditors.

We monitored the activities of the board committees, including with respect to the requirements of the Code of Corporate Governance.

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In addition to that set out above, we:

- checked the compliance of the board's composition with the law in terms of gender and its adequacy with respect to age diversity and professional experience and background of its members. We did not find it necessary to communicate the need to adopt additional and/or specific diversity policies to the board of directors;
- assessed that the board had carried out its duties correctly and efficiently, considering the professionalism, experience and competence of its members and compliance with the regulations about the number of positions that can be held, the time dedicated to carry out their activities and the functionality and quality of the information exchanged with the board of directors, the control, risk and sustainability committee, the independent auditors and other control functions;
- regularly checked that we met the independence criteria pursuant to the relevant legislation, regulations and self-assessment criteria; the outcome of these checks was positive;
- prepared the reports summarising our control activities performed in 2020 as required by Consob communication no. 1025564 of 6 April 2001.

15. Comments on COVID-19

During the year, we continued to monitor developments in the reference legislative framework and measures issued by the competent authorities to combat the ongoing epidemiological emergency to the extent of our supervisory duties. We received constant information from the company about the actions taken to protect the health of its employees in accordance from the emergency regulations in place from time to time. We have no information in this respect to be communicated to the shareholders.

We exchanged information constantly with the independent auditors despite the objective operating difficulties due to the public health emergency caused by COVID-19.

We noted that the shareholders' meeting was called in accordance with the exceptional circumstances rules set out in Decree law no. 18 of 17 March 2020, as subsequently extended, given the COVID-19 epidemiological emergency.

We also acknowledged that, as required by the CONSOB and ESMA guidelines, the directors presented the measures taken to manage and contain the pandemic, considering the health of its employees and partners in the "Covid-19" section of the Directors' report. These measures allowed the company to continue its ongoing projects albeit at a slower pace.

The directors stated that they have not identified critical factors that could trigger a financial stress scenario at the date of preparation of this report.

In addition, the directors set out the company's strategies in the "Outlook" section of their report and the 2022 objectives for the group. These objectives are based on the assumption that there will be no significant changes in the evolution of the public health emergency, with the resulting slowdowns in the company's operations. They do not include the possible adverse effects of the geopolitical tensions arising from the armed conflict in Ukraine on the global economic activities.

16. Consolidated Non-financial Statement

We checked compliance of the company's Consolidated Non-financial Statement (the "NFS") with the provisions of Legislative decree no. 254 of 30 December 2016 and Consob regulation no. 20267 of 18 January 2018.

We noted that, as parent, the company prepared the Consolidated Non-financial Statement in accordance with articles 3 and 4 of Legislative decree no. 254/2016 and the Global Reporting Initiative Sustainability Reporting Standards (the "GRI Standards") defined by GRI - Global Reporting Initiative, identified as the reporting standards by the directors as described in the "Methodology for reporting non-financial information" section of the NFS.

We checked compliance with the provisions of Legislative decree no. 254/2016, ascertaining that the NFS provides an understanding of the Group, its performance, results and impacts and that the NFS discloses information on environmental, social, human resources, respect for human rights and governance issues, considering the company's activities and characteristics in accordance with that set out in article 3 of Legislative decree no. 254/2016.

We discussed the procedures performed by the independent auditors on the NFS with them and were informed that no critical issues arose.

We also checked the board of directors' approval of the Consolidated Non-financial Statement on 17 March 2022 and the expression by the independent auditors of a conclusion about its compliance, in all material respects, with the requirements of articles 3 and 4 of Legislative decree no. 254/2016 and the GRI Standards on 5 April 2022.

Final assessment of the supervisory activities and proposal to the shareholders

Based on that set out above, during the year:

- we monitored compliance with the law and bylaws, the principles of correct administration and, specifically, the adequacy of the organisational, administrative and accounting models adopted by the company and their correct working;
- we monitored compliance with the disclosure requirements about confidential information;
- we monitored the working and efficiency of the internal controls and administrative-accounting system in order to assess their compliance with the company's requirements and reliability in presenting its operations;
- we monitored compliance with the laws about the preparation, checks, approval and publication of the company's separate financial statements and the preparation, checks and publication of the Group's consolidated financial statements and the directors' report for 2021, including through direct checks and information obtained from the independent auditors, assessing the appropriateness of the impairment method;
- we checked that, pursuant to Regulation (EC) no. 1606/2002 and Legislative decree no. 38/2005, the separate financial statements of Webuild S.p.A. and the consolidated financial statements of Webuild Group as at and for the year ended 31 December 2021 were prepared in compliance with the IFRS endorsed by the European Commission and integrated by the interpretations issued by the International Accounting Standards Board (IASB);
- we checked that the company had taken the necessary measures to prepare its separate and consolidated financial statements in electronic format (using XHTML technology) as prescribed by the ESEF Regulation;
- we monitored compliance with the procedure for preparation and presentation of the separate financial statements to the shareholders;
- we monitored the financial reporting process, the effectiveness of internal controls, internal audit and risk management pursuant to article 19.1 of Legislative decree no. 39/2010 and informed the board of directors of the findings of the statutory audit;
- we monitored compliance with the provisions of Legislative decree no. 254/2016 and Consob regulation no. 20267/2018 on the preparation of the Consolidated Non-financial Statement.

That being said, no reprehensible behaviour, omissions or irregularities were noted during our work that would require communication to the competent bodies.

As a result, we invite the shareholders to approve the separate financial statements as at and for the year ended 31 December 2021 presented to you by the board of directors together with its report and proposal.

Milan, 5 April 2022

Board of Statutory Auditors

Giacinto Sarubbi – Chairperson (signed on the original)

Paola Simonelli – Standing statutory auditor (signed on the original)

Roberto Cassader - Standing statutory auditor (signed on the original)