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

Annual Report

31 DECEMBER 2020

Webuild Group

Astaldi S.p.A. – Company subject to the management and coordination by Webuild S.p.A.

Astaldi S.p.A.
Share capital €340,431,460.27
Registered office in Rome, Via Giulio Vincenzo Bona 65
Rome Company Register and Tax Code 00398970582
Rome Economic and Administrative Index no. 152353 – VAT no. 00880281001

www.astaldi.com

Contents

Corporate bodies

Board of Directors

Paolo Astaldi[1], Chairman

Filippo Stinellis[2], Chief Executive Officer

Andrea Gemma[3], Director

Maria Raffaella Leone[3], Director

Nicoletta Mincato[3], Director

Daniela Montemerlo[4], Director

David Morganti[4], Director

Teresa Naddeo[5], Director

Michele Valensise, Director

In 2020, the following were also in office: (i) Alessandro De Rosa, as Deputy Chairman, from 31 July 2020 to 21 January 2021, (ii) Flavia Insom, as an independent non-executive Director, from 31 July 2020 to 5 November 2020.

[1] Executive Director. Confirmed Chairman of the Board of Directors with Board resolution dated 31 July 2020.
[2] Executive Director. Confirmed Chief Executive Officer with Board resolution dated 31 July 2020.
[3] Independent director as per art. 147-ter, fourth paragraph of the Consolidated Finance Act and art. 2 of the Corporate Governance Code. Appointed by shareholders' resolution of 31 July 2020.
[4] Independent director as per art. 147-ter, fourth paragraph of the Consolidated Finance Act and art. 2 of the Corporate Governance Code. Co-opted with Board resolution dated 10 February 2021.
[5] Independent director as per art. 147-ter, fourth paragraph of the Consolidated Finance Act and art. 2 of the Corporate Governance Code. Appointed by shareholders' resolution of 31 July 2020.

Control and Risks Committee

Nicoletta Mincato, Chairwoman

Daniela Montemerlo[6]

Teresa Naddeo

Appointments and Remuneration Committee

Teresa Naddeo, Chairwoman

Nicoletta Mincato

David Morganti[7]

Related Parties Committee

Andrea Gemma, Chairman

Maria Raffaella Leone

Daniela Montemerlo[8]

Board of Statutory Auditors[9]

Giovanni Fiori, Chairman of the Board of Statutory Auditors

Anna Rosa Adiutori, Statutory auditor

Lelio Fornabaio, Statutory auditor

Giulia De Martino, Alternate statutory auditor

Francesco Follina, Alternate statutory auditor

Gregorio Antonio Greco, Alternate statutory auditor

Independent auditors

PricewaterhouseCoopers S.p.A.[10]

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[6] Appointed Member of the Control and risks committee, replacing Alessandro De Rosa, with Board resolution dated 10 February 2021 – see § "Events after the reporting date".

[7] Appointed Member of the Appointments and remuneration committee, replacing Alessandro De Rosa, with Board resolution dated 10 February 2021 – see § "Events after the reporting date".

[8] Appointed Member of the Related parties committee, replacing Flavia Insom, with Board resolution dated 10 February 2021 – see § "Events after the reporting date". Note also that Director Teresa Naddeo held the position of Member of the Related parties committee, replacing Flavia Insom, from 26 November 2020 to 10 February 2021.

[9] Appointed by shareholders' resolution dated 27 April 2018 and in office until the Shareholders' Meeting to approve the financial statements as at 31 December 2020.

[10] Assigned to perform the statutory audit of the separate financial statements of Astaldi S.p.A. and the consolidated financial statements of the Astaldi Group for the years from 2020 to 2028 (inclusive), as well as for the Consolidated Non-Financial Statement and for the Astaldi Separate Unit, appointed by shareholders' resolution dated 31 July 2020.

General management

Paolo Citterio[11], General Manager of Administration and Finance and Manager in charge of financial reporting

Cesare Bernardini[12], General Manager of Operations

Filippo Stinellis[13], General Manager Turkey

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[11] Confirmed as the Manager in charge of financial reporting, as well as the General Manager of Administration and Finance, with Board resolution dated 31 July 2020.

[12] On 10 February 2021, the Company terminated by mutual agreement its employment relationship with Francesco Maria Rotundi, General Manager (Italy, the Americas, Algeria, Morocco and Tunisia), whose powers on the same date were assigned to Cesare Bernardini, former General Manager (Europe, Asia and Africa and Brenner, Italy). With Board resolution dated 10 February 2021, Cesare Bernardini therefore assumed the role of General Manager of Operations – see § “Events after the reporting date”.

[13] Appointed as General Manager of Turkey with Board resolution dated 27 July 2020.

Financial highlights

Table 1 - Selected profit or loss figures - Astaldi Group

(€ millions)	December 2020 Consolidated Financial Statements of the Astaldi Group		December 2020 Pro-forma Core Assets Scope (*management view*)*	
Total revenue	**1,452.3**	**100.0%**	**1,453.2**	**100.0%**
Gross operating profit (loss)	**(47.3)**	**-3.3%**	**72.4**	**5.0%**
Operating profit (loss)	**(124.5)**	**-8.6%**	**18.1**	**1.2%**

(*) The "**Pro-forma Core Assets Scope (management view)**", to be understood as operating data not subject to auditing, reflects the effects of the segregation of the Separate Unit and excludes the non-recurring effects attributable to the composition with creditors procedures of Astaldi and certain Group companies.

Table 2 - Selected statement of financial position figures and financial indicators - Astaldi Group

(€ millions)	**31/12/2020**	**31/12/2019**
Net invested capital	660.0	761.5
Equity	975.8	(1,540.1)
Total Net Financial Position / (Total Net Financial Debt)	315.8	(2,301.6)

Note: The Total Net Financial Debt and Equity as at 31 December 2019 do not take into account the effect of the discharge of debt, as the order approving the Astaldi composition with creditors was issued on 17 July 2020.

Group profile

The Astaldi Group (the "**Group**") is an **internationally renowned group** and **one of the major players in the Italian construction sector**, with a **significant presence in Europe and worldwide**. Listed on the stock exchange since 2002, it mostly operates as an EPC[14] contractor and delivers complex and integrated projects. It designs, develops and operates public infrastructure and large-scale civil engineering works. As of 5 November 2020 the Astaldi Group is part of the Webuild Group.

The Group has an **offer capacity based on several product lines - transport infrastructure, hydraulic and energy production plants, civil and industrial construction and industrial plants**. It **also operates under concession and provides operation and maintenance (O&M) services** for the management of the infrastructure and works it builds.

Transport Infrastructure represents the Group's core business, divided into the following sectors: (*i*) railways and metros, (*ii*) roads and motorways and (*iii*) airports and ports, within which Astaldi designs, builds and sometimes operates the infrastructure built, using **highly qualified human resources** and **internationally recognised expertise**. Just in the past decade, the Astaldi Group has **completed more than 2,000 kilometres of railway and metro lines and more than 1,600 kilometres of road and motorway sections**, including about 300 kilometres of tunnels and about 180 kilometres of bridges and viaducts. Over the same period, in the Hydraulic and Energy Production Plants sector, among other things it built **7 hydroelectric plants, 5 dams and 2 waste-to-energy plants**, and in the Civil and Industrial Construction sector it completed **39 buildings, including 12 healthcare facilities**.

Figure 1 – Astaldi Group business areas and product lines (Core Assets Scope)

[14] Engineering, Procurement, Construction.

At 31 December 2020, the **Group's Order Backlog amounted to approximately €8.3 billion**, of which **about €6.4 billion (77% of the total) for Construction and approximately €1.9 billion (23% of the total) for O&M**. At the same date, the **Group's Order Backlog was located for approximately €3.9 billion (47% of the total) in Italy** and **€4.4 billion (53% of the total) abroad**, where it operates in Europe (Romania, Poland, Sweden, Turkey), the American Continent (Chile, Canada, USA, Paraguay), Africa (Algeria) and Asia (India).

In 2020 the Astaldi Group **recorded total revenue of about €1.4 billion**, **97% of which from Construction** and the remaining **3% from O&M contracts**, while **38% derived from projects in Italy**, with the remaining **62% generated by projects abroad** (mainly Europe and America).

At 31 December 2020 the Group had an average annual workforce of **4,032 employees**, of whom **roughly 27% based in Italy** and the remaining 73% abroad and distributed to oversee the **over 50 operational projects that the Group has under way worldwide**.

Key events of 2020

The key events recorded by the Company during 2020 as well as the main press releases issued as part of the composition with creditors procedure are summarised below. For completeness, also refer to the information available on the website www.astaldi.com, in the section Media – Press releases, in addition to what is presented below in terms of the Composition with Creditors Procedure and events recorded after the reporting date – see § "Composition with creditors on a going concern basis as per Article 186–bis of the Bankruptcy Law" and "Events after the reporting date".

Table 3 – Key events recorded in 2020

19 March 2020	Astaldi announced that it had finalised the sale to IC Içtas Inşaat Sanayi ve Ticaret A.Ş. of the shares held in the asset represented by the Third Bosphorus Bridge, the concession for the construction and management of the Northern Marmara Highway that includes the Yavuz Sultan Selim bridge (the "**Third Bosphorus Bridge**") in Turkey.
12 May 2020	Astaldi announced that it had signed a €407 million contract (including the price revision) for the design and construction of Lot 5 of the Sibiu-Pitesti Motorway in Romania, over 30 kilometres long. The new infrastructure is identified as the most important motorway construction being carried out in Romania and will ensure a strengthening of the country's connections to the rest of Europe.
19 May 2020	In Italy, the delivery ceremony was held for the start of construction on Mega-Lot 3 of the Jonica State Road (SS-106), a strategic work to reinforce the transportation network in the southern part of the country.
17 June 2020	Astaldi announced that the Board of Directors approved the financial statements at 31 December 2018 and at 31 December 2019 and called the Shareholders' Meeting (*i*) in ordinary session, to approve the aforementioned financial statements, as well as to appoint the Board of Directors and to assign the statutory audit of the accounts for the years 2020-2028, and (*ii*) in extraordinary session, to implement the transactions envisaged in the Composition with Creditors Proposal.
2 July 2020	In Italy, the drilling ceremony of the last diaphragm of the Monte Olibano Tunnel was held as part of the project for the construction of the Cumana Railway. Once implemented, the new infrastructure will allow the modernisation and strengthening of the transport system in the metropolitan area of Naples.
31 July 2020	The Shareholders' Meeting of Astaldi (*i*) in ordinary session, approved the financial statements at 31 December 2018 and at 31 December 2019, as well as the appointment of the new Board of Directors and the assignment of the statutory audit of the accounts for the years 2020-2028 to PricewaterhouseCoopers, and (*ii*) in extraordinary session, implemented the transactions envisaged in the Composition with Creditors Proposal.
10 August 2020	In Italy, a ceremony was held for the signing of the agreement between RFI (FS Group) and the IRICAV DUE Consortium to start work on the construction of the new Verona–Padua High Speed and High Capacity Railway Line. The contract refers to the design (final and executive) and construction of the First Functional Lot Verona-Vicenza Junction, part of the entire line, which will be built by IRICAV DUE (working as General Contractor, an investee of Astaldi for 37.49% and Webuild for 45.44%).
10 September 2020	The negotiations between the lending banks (Lenders) and the Customer of the project for the construction and management under concession of the Etlik Integrated Health Campus in Ankara, Turkey, were successfully concluded with the approval of the Lenders. The agreement establishes some waivers relating to conditions precedent required for the restructuring of the initiative's financing, remedying the existing project defaults and restoring the initiative to performing condition.
21 September 2020	Astaldi reported that Metro Line 5 in Bucharest, Romania, opened on 15 September 2020.
30 September 2020	In Romania, in Bucharest, two new motorway segments were inaugurated and opened to traffic: the Ogra–Campia Turzii, part of the A3 Transylvania Motorway, and the Ciurel Motorway Junction, which is the terminal part of the urban segment of the A1 Motorway.
23 December 2020	In Italy, a new section of the Quadrilatero Marche-Umbria Road System opened up to traffic, a strategic artery for the economic development of the country's central-eastern area. The formal opening followed the approval by ANAS (FS Group) of two last additional lots of the new infrastructure, for the part referred to the Pedemontana delle Marche road.

Table 4 – Key press releases issued in 2020 regarding the Composition with Creditors Procedure.

15 January 2020	The Astaldi Board of Directors resolved to convene the General Meetings of the Bondholders of the bonds "€140,000,000 4.875 per cent. Equity-Linked Notes due 2024" and "€750,000,000 7.125% Senior Notes due 2020". Calling the meetings is a necessary step in Astaldi's composition with creditors procedure. Pursuant to Italian law, the result of voting by each of the aforementioned Meetings on Astaldi's composition with creditors proposal was then announced by the Joint Representative of the Bondholders at the creditors' meeting.
11 February 2020	Astaldi announced that the report prepared by the Court-Appointed Receivers pursuant to Article 172 of the Bankruptcy Law had been submitted to the Court of Rome in Astaldi's composition with creditors procedure. At the conclusion of their observations and findings, the Court-Appointed Receivers expressed their positive opinion on the legal and economic feasibility of the Composition with Creditors Plan and Proposal.
25 February 2020	The General Meeting of the bondholders of the bond "€140,000,000 4.875 per cent. Equity-Linked Notes due 2024" was held on its first call and approved said Composition with Creditors Proposal with 80.05% of the votes present. The General Meeting of the bondholders of the bond "€750,000,000 7.125% Senior Notes due 2020" called on that day to resolve on the Composition with Creditors Proposal was not held because the quorum was not reached, so the meeting was postponed until the second call.
9 March 2020	In light of the worsening COVID–19 emergency, the Astaldi Board of Directors resolved to postpone to 17 March 2020 the General Meeting of the bondholders of the bond "€750,000,000 7.125% Senior Notes due 2020", already convened on second call for 10 March 2020.
17 March 2020	The General Meeting of the bondholders of the bond "€750,000,000 7.125% Senior Notes due 2020" met on second call with 73.2% of those present voting against, rejecting the Composition with Creditors Proposal.
23 March 2020	With a special order, the Court of Rome, Bankruptcy Section, postponed the creditors' meeting and their vote (the "**Meeting**"), previously called for 26 March 2020, until 9 April 2020. Having declared the urgency of the composition with creditors procedure, the short postponement was ordered in light of the COVID–19 emergency, to allow the Meeting to be held electronically.
9 April 2020	The Astaldi creditors' meeting was held electronically. On the basis of the valid votes cast on that day, the composition with creditors proposal on a going concern basis made by Astaldi received 58.32% of the votes in favour cast by the voting credit claims, thereby achieving on that date the majority required for its approval.
5 May 2020	Astaldi reported that the Court of Rome, Bankruptcy Section, issued a specific order scheduling the hearing in judges' chambers on 23 June 2020 for its decision on approval of the composition with creditors pursuant to Article 180 of the Bankruptcy Law. Inter alia, the order took note of the conclusion of voting on the composition with creditors proposal, with the proposal being approved by a 69.4% majority of the voting credit claims. The figure comprises the votes validly cast until 9 April 2020 (58.32% of the votes were in favour), along with additional votes in favour validly cast over the 20 days after the meeting (11.08%), in accordance with the provisions of Article 178 of the Bankruptcy Law.
14 May 2020	Astaldi announced that the Meeting of the bondholders of the bond "Up to Euro 190,000,000.00 Super-senior Secured PIYC Floating Rate Notes due 12 February 2022", which met on 13 May 2020, unanimously approved certain changes to the loan rules.
25 May 2020	In accordance with the terms of the Composition with Creditors Plan and Proposal presented to the Rome Court and approved by the creditors, Astaldi announced that the Board of Directors had resolved on 24 May 2020, pursuant to Articles 2447-bis et seq. Italian Civil Code, to establish a separate unit for the sole purpose of satisfying the parent's unsecured creditors by selling all the assets, rights and legal relationships included in the separate unit and allocating the net proceeds from the sale of the assets to holders of the participating financial instruments that the parent simultaneously resolved to issue and that were assigned to the unsecured creditors after final approval of the composition with creditors.
12 June 2020	Implementing the Composition with Creditors Plan and Proposal submitted to the Court of Rome and approved by the creditors, Astaldi announced that the incorporation of Astaldi Concessions had become effective. This company was created from the partial demerger of Astaldi Concessioni (100% Astaldi Group), as resolved on 22 January 2020.
17 June 2020	Astaldi announced that the Board of Directors approved the financial statements at 31 December 2018 and at 31 December 2019 and called the Shareholders' Meeting (*i*) in ordinary session, to approve the aforementioned financial statements, as well as to appoint the Board of Directors and to assign the statutory audit of the accounts for the years 2020-

	2028, and (*ii*) in extraordinary session, to implement the transactions envisaged in the Composition with Creditors Proposal.
17 July 2020	The Court of Rome, upon completion of its review of the compliance of the Composition with Creditors Procedure and the results of the creditors' vote, published its order in approval of the composition with creditors on a going concern basis of Astaldi. The order, issued without opposition as prescribed by paragraph 3 of Article 180 of the Bankruptcy Law, is not subject to appeal and, therefore, must be considered irrevocable and immediately enforceable.
31 July 2020	The Shareholders' Meeting of Astaldi (*i*) in ordinary session, approved the financial statements at 31 December 2018 and at 31 December 2019, as well as the appointment of the new Board of Directors and the assignment of the statutory audit of the accounts for the years 2020-2028 to PricewaterhouseCoopers, and (*ii*) in extraordinary session, implemented the transactions envisaged in the Composition with Creditors Proposal.
20 October 2020	Astaldi announced that on 19 October 2020, it had signed an unsecured loan agreement (the "**RCF Loan Agreement**") with a pool of banks comprised by Banca Monte dei Paschi di Siena, Banco BPM, BNP Paribas (Italian Branch), Intesa Sanpaolo and Unicredit (the "**Banks**"), pursuant to which the Banks committed themselves, subject to satisfaction of certain conditions precedent for disbursement, to provide Astaldi with a revolving credit facility in cash totalling €200 million (the "**RCF 200**"), which is pre-preferential pursuant to Article 182-quater, paragraph 1, and Article 111 of the Bankruptcy Law, and usable, after the approval date of the composition with creditors and execution of the capital increase reserved for Webuild S.p.A., to finance the ordinary business activities of Astaldi and allow repayment of the portion of the bond that has not yet been repaid at that date (the "**Pre-preferential Bond**", as identified below – see § "Composition with creditors on a going concern basis as per Article 186–bis of the Bankruptcy Law").
21 October 2020	Following up on the resolution by the shareholders' meeting held on 31 July 2020, Astaldi announced, also pursuant to Article 85-*bis* of the Issuer Regulation and Article 2.6.2, paragraph 1, sub-paragraph a) of the Stock Market Regulation of Borsa Italiana, the new composition of the fully subscribed and paid-in share capital, beginning on 23 September 2020, equal to €22,510,345.00, for a total of 97,871,066 shares without par value.
29 October 2020	Astaldi announced that CONSOB (Italian Stock Exchange Regulator), with a bulletin dated 28 October 2020, approved the publication of the Prospectus relating to the admission of Astaldi S.p.A. ordinary shares to trading on the electronic stock market, more specifically, of (*i*) 978,260,870 newly issued Astaldi S.p.A. ordinary shares originating from a capital increase, with exclusion of rights offering pursuant to Article 2441, fifth paragraph of the Italian Civil Code, reserved for subscription by Webuild (the "**New Shares**" and the "**Webuild Increase**"), and (*ii*) maximum 428,929,765 newly issued Astaldi S.p.A. ordinary shares originating from a capital increase, with exclusion of rights offering pursuant to Article 2441, fifth paragraph of the Italian Civil Code, reserved for unsecured creditors of Astaldi S.p.A. in conversion of claims they have against Astaldi (the "**New Conversion Shares**" and the "**Capital Increase by Conversion**"). Both of these capital increases were approved by the Extraordinary Shareholders' Meeting on 31 July 2020 and are necessary for the execution of Astaldi's composition with creditors pursuant to Article 161, sixth paragraph of the Bankruptcy Law, as approved by the Court of Rome by order published on 17 July 2020. The Prospectus was consequently made available on the Company's website and at its registered office.
6 November 2020	Among other things, Astaldi announced (*i*) that it executed the Webuild Increase and the Capital Increase by Conversion, (*ii*) that it completed the assignment of the New Shares and the Participating Financial Instruments to unsecured creditors, (*iii*) that it issued and assigned the Anti-Dilutive Warrants and the Lender Warrants (also "**2020-2023 Astaldi Warrants**", as identified below – see § "Composition with creditors on a going concern basis as per Article 186–bis of the Bankruptcy Law").
12 November 2020	Astaldi fully repaid the pre-preferential bond "Euro 190,000,000.00 Super-senior Secured PIYC Floating Rate Notes due 12 February 2022" ahead of time (the "**Pre-preferential Bond**", subscribed by Beyond and illimity). As required by the rules of said Pre-preferential Bond, the full early repayment was made as a result of the Webuild Increase and the subsequent disbursement of the RCF 200 (as identified above).
19 November 2020	Astaldi published the updated Articles of Association, available on the website www.astaldi.com.
22 December 2020	Astaldi announced the new composition of the share capital, fully subscribed and paid up, following the request on 26 November 2020 by Banco BPM to exercise 4,222,094 2020-2023 Astaldi Warrants, for which 4,222,094 2020-2023 Astaldi Warrants were consequently cancelled and 4,222,094 Astaldi Ordinary Shares were assigned to Banco BPM.

Composition with creditors on a going concern basis as per article 186–bis of the Bankruptcy Law

Foreword

On 28 September 2018 Astaldi S.p.A. ("**Astaldi**" or the "**Company**") filed an application for composition with creditors on a going concern basis as per Articles 161 et seq. of the Bankruptcy Law (procedure no. 63/2018, the "**Astaldi Composition with Creditors**" or the "**Procedure**") with the Court of Rome, Bankruptcy Section (the "**Court of Rome**").

The final version of the composition with creditors plan was filed on 19 June 2019 (the "**Plan**"), together with the composition with creditors proposal and the additional documentation required (subsequently supplemented on 16 July 2019, 20 July 2019 and 2 August 2020 – the "**Composition with Creditors Proposal**").

In order to support the Plan, among other things, Astaldi accepted the offer of financial and industrial support formulated by Webuild S.p.A. ("**Webuild**", then Salini Impregilo S.p.A.) on 13 February 2019, then supplemented and confirmed on 15 July 2019 (the "**Webuild Offer**"). From 5 November 2020 Webuild holds a stake in Astaldi, which at the date of preparation of this report stands at 66.10% of the total capital, acquired as part of the Astaldi Composition with Creditors.

For further information on the reasons for the financial difficulties and the various steps of the Astaldi Composition with Creditors, as well as for the description of the Composition with Creditors Plan and Proposal (approved by the Court of Rome on 17 July 2020), please refer to what is presented in the Annual Report as at 31 December 2019 available on the website www.astaldi.com in the section Investor Relations – Financial Reports.

Here, please note that the Plan envisaged:

a) the separation between:
   i. Astaldi's assets related to construction, infrastructure construction, plant engineering, study, design, transport, maintenance, facility management and complex system management, intended to continue as a going concern (the "**Core Assets Scope**");
   ii. Astaldi's assets relating to the management under concession of infrastructure and other assets, intended for liquidation and to be transferred to a separate unit pursuant to Articles 2447-*bis* et seq. of the Italian Civil Code (the "**Astaldi Separate Unit**");

b) the satisfaction of the creditors involved in the composition:
   i. with regard to pre-preferential creditors and preferential creditors, in cash, also through the resources deriving from Webuild's financial support through a capital increase in Astaldi for €225,000,000.00 (the "Webuild Increase", as detailed below);
   ii. with regard to the "**Unsecured Creditors**" (understood as the unsecured creditors of Astaldi at 28 September 2018, the date specified in the Astaldi Composition with Creditors), by assigning them: (*a*) newly issued Astaldi ordinary shares to be assigned to them as settlement of their claims in the ratio of 12.493 new shares for every €100 of unsecured claim against Astaldi, and (*b*) participating financial instruments issued by Astaldi pursuant to Article 2447-*ter*, paragraph 1, letter e) of the Italian Civil Code, which give them the exclusive right to receive the net proceeds from the sale of the assets in the Separate Unit (Participating Financial Instruments, the "**PFIs**"), in the ratio of 1 PFI for each €1.00 of unsecured claim. In fact, the Astaldi

Composition with Creditors provides both for the participation of the Unsecured Creditors in the core assets (through the assignment of ordinary Company shares) and their exclusive right to benefit from the proceeds of the disposal of assets destined for liquidation (through the assignment of the PFIs). The Unsecured Creditors are to be understood in their capacity as both “**Confirmed Creditors**” (understood as the Unsecured Creditors by title or cause prior to the publication of Astaldi's pre-composition appeal on 1 October 2018, as resulting from the list of debts filed together with the Composition with Creditors Proposal and the additions made by the Court-Appointed Receivers upon completion of the assessments assigned to them pursuant to Article 171 of the Bankruptcy Law) and “**Additional Creditors**”, understood as “**Potential Creditors**” (Unsecured Creditors whose claims, after completion of the assessments assigned to the Court-Appointed Receivers pursuant to Article 171 of the Bankruptcy Law, were not wholly or partially included in the debts listed in the composition liabilities, but instead were fully included in the provisions for risks listed in the composition liabilities, as adjusted by the Court-Appointed Receivers) or “**Unforeseen Creditors**” (understood as (*i*) the Unsecured Creditors whose claims, after completion of the assessments assigned to the Court-Appointed Receivers pursuant to Article 171 of the Bankruptcy Law, were not even partially included in the debts and provisions for risks listed in the composition liabilities, and (*ii*) Potential Creditors for the portion not satisfied by the Capital Increase by Conversion, as defined below);

c) Astaldi’s issuance of warrants intended for Webuild and aimed at ensuring that Webuild maintains a certain stake in Astaldi depending on the results of the subscription of Astaldi shares reserved for Unsecured Creditors (the “**Anti-Dilutive Warrants**”).

In the same period as the transactions envisaged by the Composition with Creditors Proposal, Astaldi also issued warrants intended for banks that have made new resources available during the Procedure (the “Lenders”, as detailed below), aimed at ensuring them the possibility of subscribing to a stake in the Company's share capital (the “**Lender Warrants**”).

For the sake of completeness, the key steps of the Procedure recorded from 1 January 2020 are shown below.

Composition with creditors on a going concern basis

In February 2020 the Court-Appointed Receivers submitted the report prepared pursuant to Article 172 of the Bankruptcy Law to the Court of Rome. At the conclusion of their observations and findings, the Court-Appointed Receivers expressed their positive opinion on the legal and economic feasibility of the Composition with Creditors Plan and Proposal, finding that the Proposal was “*certainly more advantageous for the unsecured creditors*” than the alternative scenario of extraordinary administration.

Subsequently, on 25 February 2020, the General Meeting of the bondholders of the bond “€140,000,000 4.875 per cent. Equity-Linked Notes due 2024” was held on its first call and approved said Composition with Creditors Proposal with 80.05% of the votes present. Then, on 17 March 2020, the General Meeting of the bondholders of the bond “€750,000,000 7.125% Senior Notes due 2020” met on second call with 73.2% of those present voting against, rejecting the Composition with Creditors Proposal. The two votes represent a necessary step in the Procedure and, pursuant to Italian law, the result of voting by both Meetings was then announced by the Joint Representative of the Bondholders at the creditors' meeting, as defined below.

On 9 April 2020, the meeting of Astaldi's creditors was held electronically (the “**Meeting**”), and, at the end of the voting, with order of 4 May 2020, the Court of Rome noted that 69.4% of the credits admitted to vote voted in favour of the Composition with Creditors Proposal. With order no. 2900/2020 filed and published on 17 July 2020 (General Court Docket no. 26945/2020 – the "**Approval Order**"), the Court of Rome approved the Astaldi Composition with Creditors. Since the only opposition filed by creditors was withdrawn, the Approval Order became final and effective from 17 July 2020. The shareholders' resolution on the capital increase reserved for Webuild was then passed on 31 July 2020.

Moreover, with a Board resolution of 24 May 2020, implementing the Composition with Creditors Plan and Proposal (on that date already approved by the creditors), the Company's Board of Directors established the Astaldi Separate Unit. The Board of Directors also resolved:

(i) to assign management and sale of the Astaldi Separate Unit, in the interest of the Unsecured Creditors, to Mr Claudio Sforza, an individual fulfilling the professional and integrity requirements prescribed for members of the board of statutory auditors (the "**Astaldi Separate Unit Proxy**"), granting him a specific, irrevocable mandate (the "**Mandate**"), to be finalised before the date of publication of the Court of Rome order approving the Composition with Creditors Proposal (the "**Approval**", which took place on 17 July 2020) and with effect from the same date. The Mandate concerns performance, in the name and on behalf of Astaldi, but in the interest of the Unsecured Creditors holding the PFIs, of all acts, legal transactions, contracts and activities of any sort and kind, as deemed necessary, useful and/or appropriate to execute the specific deal to which the Astaldi Separate Unit is dedicated and to manage and sell all the assets, rights and legal relationships of the Astaldi Separate Unit in execution of the Plan;
(ii) to approve the financial plan of the Astaldi Separate Unit (the "**Astaldi Separate Unit Plan**"), which covers a period from 2020 to 2023, a period within which it is expected that the sale of the assets transferred to the Astaldi Separate Unit will be completed, in implementation of the Composition with Creditors Proposal and within the terms defined therein;
(iii) to establish the rules for reporting on the Astaldi Separate Unit, notwithstanding the fact that such Astaldi Separate Unit is subject to audit by the same independent auditors of the Company;
(iv) to issue, in one or more issues, PFIs with no par value, pursuant to Article 2447-*bis*, sub-paragraph e), of the Italian Civil Code, to be assigned to the Unsecured Creditors in exchange for contribution to the Astaldi Separate Unit of the unsecured claims owned (the "**Unsecured Claims**") pursuant to Article 2447-*bis,* sub-paragraph d) of the Italian Civil Code;
(v) to approve the Regulation for the PFIs (the "**PFI Regulation**"), for which reference is made to the information provided by the Company on the website www.astaldi.com, in the Liquidation Perimeter section;
(vi) to grant each Unsecured Creditor one PFI for each €1.00 of Unsecured Claim contributed, while not recognising cash adjustments or the issuance of fractional PFIs and, therefore, cancelling the remainders. The PFIs are equity-based instruments and the contribution made by each Unsecured Creditor for release of the PFIs is a forgivable loan and does not grant any right to return and/or reimbursement of the contribution, but exclusively the financial and administrative rights pertaining to those PFIs;
(vii) that the first issue of PFIs be executed after the Approval, in a number corresponding to the amount of the unsecured claim indicated in the liabilities of the Plan, as adjusted in the Report by the Court-Appointed Receivers prepared pursuant to Article 172 of the Bankruptcy Law. Any additional issues of PFIs will be made after a specific resolution by the Board of Directors, on a half-yearly basis after any recognition, in court or out of court, of unsecured claims not included in the liabilities of the Composition with Creditors Plan or the possible materialisation of liabilities that were taken into account during recognition of the provisions for risks within the Plan. The first issue took place in November 2020, as detailed below.

For further information on the assets, rights and legal relationships (related assets and liabilities) of the Company and of Astaldi Concessioni S.p.A. ("**Astaldi Concessioni**") merged and segregated into the Separate Unit, please refer to the Astaldi Separate Unit Financial Report attached to Astaldi S.p.A.'s Separate Financial Statements as at 31 December 2020.

Here it is considered appropriate to point out that, in view of establishing the Astaldi Separate Unit, in implementation of the Composition with Creditors Plan and Proposal, Astaldi Concessioni first underwent a proportionate partial demerger, executed with a deed dated 28 May 2020 (becoming effective 12 June 2020), designed to isolate the liquidation perimeter (that will remain within the demerged Astaldi Concessioni) from the assets of the Core Assets Scope (which has flowed into a newly incorporated company named Astaldi Concessions S.p.A. ("**Astaldi Concessions**")). The assets included in Astaldi Concessions essentially refer to O&M contracts, other minor concessions for which construction work is expected to be completed and other related assets and liabilities, including those vis-à-vis third parties.

On 31 July 2020, in order to comply with the obligations assumed with the Astaldi Composition with Creditors, the Extraordinary Shareholders' Meeting of Astaldi resolved, among other things:

(i) (*a*) an indivisible increase in share capital against payment, with exclusion of rights offering pursuant to Article 2441, paragraphs 5 and 6, Italian Civil Code, for a total amount of €225,000,000.00, including the share premium, through the issuance of 978,260,870 ordinary shares without par value, at a unit price of €0.23, to be reserved for subscription by Webuild and to be paid in cash (the "**Webuild Increase**"); (*b*) the issuance and allocation reserved for Webuild of 80,738,448 Anti-Dilutive Warrants, which give Webuild the right to the allocation of a maximum 80,738,448 Astaldi ordinary shares without par value ("bonus shares") at the ratio of 1 newly issued Astaldi ordinary share for every 1 Anti-Dilutive Warrant exercised; (*c*) the issuance of a maximum 80,738,448 Astaldi ordinary shares without par value ("bonus shares") to be assigned upon the exercise of Anti-Dilutive Warrants, without any change in share capital;
(ii) a divisible increase in share capital against payment, with exclusion of rights offering pursuant to Article 2441, paragraphs 5 and 6, Italian Civil Code, for a maximum total amount of €98,653,846.00, including the share premium, through the issuance of a maximum 428,929,765 Astaldi shares without par value, at a unit price of €0.23, to be reserved for subscription by the Confirmed Creditors and the Potential Creditors, to be assigned to them in settlement of their claims at the ratio of 12.493 new shares for every €100.00 in unsecured claim against Astaldi ("**Capital Increase by Conversion**");
(iii) a divisible increase in share capital against payment, with exclusion of rights offering pursuant to Article 2441, paragraphs 5 and 6, Italian Civil Code, for a maximum total amount of €10,000,000.00, including the share premium, through the issuance of a maximum 43,478,261 Astaldi shares without par value, at a unit price of €0.23, to be reserved for subscription by the Unforeseen Creditors, to be assigned to them in settlement of their claims at the ratio of 12.493 new shares for every €100.00 in unsecured claim against Astaldi ("**Unforeseen Creditors Capital Increase**").

On the same date, the Astaldi Shareholders' Meeting also resolved: (*a*) the issuance and assignment of 79,213,774 Lender Warrants to the Astaldi lending banks, granting the right to subscribe ordinary shares of Astaldi at the ratio of one share for every Lender Warrant, to be exercised by the deadline of three years after the date of entry of the resolution in the Company Register; (*b*) a divisible increase in share capital against payment, with exclusion of rights offering pursuant to Article 2441, paragraphs 5 and 6, Italian Civil Code, for a maximum total amount of €18,219,168.00, including the share premium (the "**Lender Warrant Capital Increase**"), through the issuance of a maximum 79,231,774 Astaldi shares without par value, at a unit price of €0.23, to be reserved exclusively and irrevocably for service of the Lender Warrants and thus exercise of the subscription right due to the holders of those Lender Warrants.

In execution of the shareholders' resolutions adopted by Astaldi on 31 July 2020, on 5 November 2020:

(i) Webuild fully subscribed and paid the Webuild Increase, with an issue in its favour of 978,260,870 new Astaldi shares;
(ii) Astaldi carried out the Capital Increase by Conversion, by issuing 399,782,755 new Astaldi shares;
(iii) Astaldi issued 3,199,975,846 PFIs for a value of €3,199,975,846.00;
(iv) Astaldi issued and assigned to Webuild 80,738,448 Anti-Dilutive Warrants;
(v) Astaldi issued and assigned to the lending banks (Unicredit, Intesa Sanpaolo, SACE, BNP Paribas, Banca Monte dei Paschi di Siena and Banco BPM) 79,213,774 Lender Warrants.

Following the request by Banco BPM on 26 November 2020 to exercise 4,222,094 Lender Warrants, 4,222,094 Lender Warrants were consequently cancelled and 4,222,094 Astaldi shares were issued and assigned to Banco BPM, as part of the Lender Warrant Capital Increase.

At the date of preparation of this report, therefore, the amount of Astaldi's share capital is equal to €340,431,460.27 divided into 1,480,136,785 shares, already including the sum of €91,950,033.65 and the corresponding 399,782,755 shares subscribed on 5 November 2020 in execution of the Capital Increase by Conversion, and the sum of €971,081.62 and the corresponding 4,222,094 shares subscribed on 26 November 2020 relating to the Lender Warrant Capital Increase. The Unforeseen Creditors Capital Increase has been approved but not subscribed, not even partially.

As a result of the transactions described above, at the date of preparation of this report Astaldi's capital is therefore 66.10% owned by Webuild, 3.57% by Fin.Ast. and the remaining 30.33% by the market[15].

For the sake of completeness, on 19 October 2020 Astaldi signed an unsecured loan agreement (the "**RCF Loan Agreement**") with a pool of banks comprised by Banca Monte dei Paschi di Siena, Banco BPM, BNP Paribas (Italian Branch), Intesa Sanpaolo and Unicredit (the "**Lenders**"), pursuant to which the Banks committed themselves, subject to satisfaction of certain conditions precedent for disbursement, to provide Astaldi with a revolving credit facility in cash totalling €200 million (the "**RCF 200**"), which is pre-preferential pursuant to Article 182-quater, paragraph 1, and Article 111 of the Bankruptcy Law, and usable, after the Approval and execution of the Webuild Increase, to finance the ordinary business activities of Astaldi and allow repayment of the portion of the pre-preferential bond that has not yet been repaid at that date (the "**Pre-preferential Bond**", also "Up to Euro 190,000,000.00 Super-senior Secured PIYC Floating Rate Notes due 12 February 2022", subscribed in 2019 by Beyond and illimity). Astaldi then made the full early repayment of the Pre-preferential Bond on 12 November 2020, as a result of the Webuild Increase and the subsequent disbursement of the RCF 200, as required by the loan rules.

Appeals to the Supreme Court against the approval order of 17 July 2020

On 14 and 15 September 2020 the Company was notified of two extraordinary appeals to the Supreme Court pursuant to Article 111 of the Italian Constitution, separately filed by an individual ("**Individual Appeal**") and a group of bondholders ("**First Collective Appeal**"), against the approval order of 17 July 2020. Subsequently, on 13 and 14 October 2020 the Company received notification of two further extraordinary appeals to the Supreme Court, respectively filed by eight ("**Second Collective Appeal**") and eighteen bondholders ("**Third Collective Appeal**"), which almost fully reproduce the arguments contained in the First Collective Appeal. The four appeals were combined pursuant to art. 335 of the Italian Code of Civil Procedure and were assigned General Court Docket no. 23901/2020.

On 23 October 2020, Astaldi served its counter-appeal against the First Collective Appeal and the Individual Appeal, replying with a single filing to both appeals, given the substantial similarity of most of the grounds for appeal, requesting that they be declared inadmissible or unfounded. Subsequently, on 2 November 2020 the Company filed its pleadings.

With a further counter-appeal served on 20 November 2020, again pursuant to art. 372 of the Italian Code of Civil Procedure, Astaldi replied with a single filing to the Second Collective Appeal and the Third Collective Appeal, requesting that they be declared inadmissible or unfounded. Subsequently, on 3 December 2020 the Company filed its pleadings with the clerk of the court.

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[15] Of which 16,984,348 shares allocated to Group Companies in conversion of unsecured claims against Astaldi S.p.A.

At the date of preparation of this report, the Court of Cassation has yet to schedule a hearing or a meeting to deal with the appeals.

Based on the assertions of its lawyers, stressing that the filing of appeals does not hinder the execution of the composition with creditors, the Company considers the risk of losing to be remote, considering the appeals to be unfounded and inadmissible.

Other procedures linked to the Astaldi composition with creditors

NBI S.P.A. – SEPARATE COMPOSITION WITH CREDITORS PROCEDURE

On 5 November 2018 NBI S.p.A. ("**NBI**", a company wholly owned by Astaldi) initiated a separate composition with creditors on a going concern basis procedure before the Court of Rome, filing a specific appeal pursuant to art. 161, paragraph 6, of the Bankruptcy Law. Subsequently, NBI was authorised to continue some orders and obtained clearance from the Court of Rome for the issuance of a DURC (certification of labour compliance) and the collection of some receivables due from customers. The composition with creditors proposal was then filed on 7 June 2019, within the time authorised by the Court of Rome. As a result of the clarifications requested by the Court and within the timeline set by it, on 6 November 2019 NBI filed a revised composition with creditors proposal. It also commenced a debt restructuring procedure in Chile. NBI informed the Court of Rome with its communication of 7 February 2020 that it had obtained the majority vote required by Chilean law for approval of its local debt restructuring proposal presented in that country. With order of 26 February 2020, the Court of Rome accepted NBI's application for the composition with creditors procedure and ordered that the creditors' meeting be called for 24 June 2020. On 9 May 2020, the relevant court-appointed receivers issued a positive opinion on the plan and proposal submitted pursuant to art. 172 of the Bankruptcy Law. On 24 June 2020 the creditors' meeting was held electronically, and after voting the composition with creditors proposal and plan submitted by NBI were approved by a large majority (78.12% of the total amount of credits admitted to the voting). By order of 22 July 2020, the Court of Rome scheduled the hearing for 30 September 2020 for its decision on approval of the NBI composition with creditors. The Court of Rome published its order approving the NBI composition with creditors on 9 October 2020. The order, issued without opposition as prescribed by Article 180, paragraph 3 of the Bankruptcy Law, is not subject to appeal and, therefore, must be considered irrevocable and immediately enforceable. In short, NBI's composition with creditors provides for the full settlement of pre-preferential and preferential claims together with the cash settlement of a portion of unsecured claims equal to 10.1% over the period of the plan, in addition to any payments to unsecured creditors deriving from the sale of certain assets not needed by the company to operate as a going concern. Execution of the composition with creditors is assigned to NBI, and the relevant court-appointed receivers will monitor exact compliance with the composition with creditors. Furthermore, in accordance with NBI's composition with creditors proposal, the Court appointed a liquidator responsible for the disposal of assets not necessary for the company to operate as a going concern and entrusted said liquidator with a series of tasks aimed at satisfying creditors. The approval sanctioned the return of NBI to a performing condition.

AFRAGOLA FS S.C.R.L. – SEPARATE COMPOSITION WITH CREDITORS PROCEDURE

On 3 June 2019 Afragola FS S.c.r.l. ("**Afragola**", consortium company 82.54% owned by Astaldi and the remaining 17.46% by NBI) initiated a separate composition with creditors subject to confirmation procedure before the Court of Rome pursuant to art. 161, paragraph 6 of the Bankruptcy Law. By order of 12 June 2019, the Court of Rome set 3 September 2019 as the deadline for the submission of the composition with creditors proposal, the composition with creditors plan and the additional documentation required by law. With a subsequent petition dated 30 August 2019, pursuant to art. 161, last paragraph of the Bankruptcy Law, Afragola asked the Court of Rome to grant a sixty-day extension of such deadline. With order dated 5 September 2019, the Court of Rome authorised the extension requested. On 4 November 2019 Afragola filed a composition with creditors proposal pursuant to art. 160 et seq. of the Bankruptcy Law with liquidation instructions. With order issued on 22 January 2020 the bankruptcy judge made some remarks on the composition with creditors proposal submitted by the company, to which Afragola replied on 25 February 2020 with clarifications, accompanied by an update of the plan, the related declaration and other documents. With order issued on 4 October 2020 and filed with the clerk on 5 November 2020, the Court of Rome admitted Afragola to the composition with creditors procedure. On 10 March 2021, the creditors' meeting was held, and pursuant to Article 178, paragraph 4 of the Bankruptcy Law the voting procedures will be completed on 30 March 2021. At the meeting, the proposal received around 40% of the votes in favour. Therefore, at the date of preparation of this report, the directors consider it highly likely that approval of the proposal will be obtained.

PARTENOPEA FINANZA DI PROGETTO S.c.p.A. – SEPARATE COMPOSITION WITH CREDITORS PROCEDURE

Partenopea Finanza di Progetto ("**PFP**", consortium company 99% owned by Astaldi) filed a petition for bankruptcy with the Court of Naples and, not having sufficient means to meet its debts (its main asset is a receivable from Astaldi, not collectable due to the composition with creditors procedure of the parent), has in turn filed an appeal with the Court of Naples pursuant to art. 161, paragraph 6 of the Bankruptcy Law. The Court of Naples granted PFP until 1 June 2019 (subsequently extended to 31 July 2019) for the submission of the composition with creditors proposal. On 31 July 2019 PFP submitted the proposal, and on 8 August 2019 the Court of Naples requested clarifications, setting a hearing for 18 September 2019. As a result of the clarifications requested by the Court and within the timeline set by it, the company filed a revised composition with creditors proposal with the related documentation. With order of 15 January 2020, the Court of Naples accepted PFP's application for the composition with creditors. With a report drafted pursuant to art. 172 of the Bankruptcy Law filed on 16 March 2020 the relevant court-appointed receiver expressed a "*positive opinion on the plan, with regard to its legal and economic feasibility*", clarifying that "*the plan proposed by PFP appears to have substantial logic and reasonableness and should be considered feasible and appropriate with respect to the possible concrete alternatives (bankruptcy)*". With order of 27 April 2020, the PFP creditors' meeting, originally scheduled for 30 April 2020, was postponed to 17 June 2020. With order issued on 23 July 2020, the Court of Naples declared the PFP proposal to be approved, setting the hearing for the approval of the company's composition with creditors for 23 September 2020 pursuant to art. 180 of the Bankruptcy Law. With order of 21 October 2020, the Court of Naples approved PFP's composition with creditors and appointed the liquidator in charge of disposing of the company's assets and distributing the proceeds to creditors.

ASTALDI CHILE BRANCH - JUDICIAL REORGANISATION PROCEDURE

On 6 November 2018 the Astaldi Chile Branch applied to the Court of Santiago (the "**Court of Santiago**") to have the Astaldi composition with creditors procedure endorsed so that the effects of the Italian procedure would be valid in that country. The Chilean bankruptcy law provides that endorsement of crossborder composition with creditors procedures gives the debtor temporary protection from individual enforcement actions by creditors. As provided for by the local law, the Astaldi Chile Branch applied to the Court of Santiago for a precautionary financial protection measure as per Article 57, no. 1 of the local bankruptcy law ("**Financial Protection**"). Subsequently, upon a creditor's request, the Court of Santiago revoked Astaldi Chile Branch's Financial Protection. Consequently, on 25 February 2019 the Astaldi Chile Branch applied for the Chilean judicial reorganisation procedure (which is an alternative to a winding up procedure) which, in short, provides for (*i*) the presentation by the Astaldi Chile Branch of a debt restructuring proposal for its Chilean creditors, (*ii*) the appointment of a body by the three main Chilean creditors to assist the debtor in preparing its proposal and to express an opinion on its feasibility, and (*iii*) the calling of a meeting of Chilean creditors to vote on the debtor's proposal. On 27 March 2019, Astaldi presented an application to the Court of Rome for its authorisation to activate the procedure, which the Court granted on 29 March 2019. Consequently, on the same day the Astaldi Chile Branch presented its judicial debt restructuring agreement proposal to the eleventh civil courtroom of Santiago ("Juzgado Civil"). The proposal was put to the vote of creditors on 15 April 2019 and was approved by a sufficiently large majority (over 90% of qualified creditors, by amount and per capita). Starting from that date, the Chilean debt restructuring agreement is valid in accordance with Chilean bankruptcy legislation and, therefore, the branch commenced payment of the instalments as per the agreement within the dates and using the methods approved therein. Subsequently, as a result of the COVID-19 pandemic that has significantly affected the Chilean economy, CODELCO – the main client of the Astaldi Chile Branch – instructed the stoppage/slowdown of activities on two operating sites, Chuquicamata Mine and El Teniente Mine. As of June 2020 the payment of the amounts envisaged in the original judicial restructuring agreement was therefore impacted, and consequently an amendment to the payment plan was presented to Chilean creditors (and approved by the creditors in September 2020), which takes into account the consequent change in flows to service the judicial restructuring. This amendment calls for the payment in 2022 of the two outstanding portions of principal for 2020. The two deferred portions are those of 15 July 2020 and 15 October 2020. The new reorganisation provides for the payment of instalments of varying amounts from April 2022 (last instalment of the old reorganisation) to July 2023 (last instalment of the new reorganisation). For the sake of completeness, note that the instalment of January 2021 (envisaged in the amended calendar) was regularly paid on the scheduled date. The Company's directors consider the risk of possible negative effects on the Company to be remote.

ASTALDI HONDURAS BRANCH - JUDICIAL ADMINISTRATION

At the request of certain creditors and in accordance with local regulations, Astaldi's representatives in Honduras had to make a formal statement before the local Court regarding the value of the assets held by the Company. On 25 May 2019 the local judicial authority appointed a judicial administrator with full powers to manage the assets of the Astaldi Honduras Branch (while Astaldi representatives were deprived of any dispositive authority) for the purpose of their management and conservation in order to liquidate them in favour of local creditors, still ongoing. The Company's directors consider the risk of possible negative effects on the Company to be remote, in addition to what is already envisaged in the provisions.

ASTALDI PERU BRANCH - BANKRUPTCY PROCEDURE

Prompted by a Peruvian creditor and following a series of checks, including with Astaldi's legal advisers, the local commission (INDECOPI - *Instituto Nacional de Defensa de la Competencia y de la Protección de la Propiedad Intelectual*) initiated ordinary bankruptcy procedure of the Astaldi Peru Branch with a decision on 18 March 2019. On 4 April 2019, the Astaldi Peru Branch appealed against such decision. Under current legislation, on 22 October 2019 the competent authority established that the appeal was unfounded. On 9 December 2019 the bankruptcy procedure was therefore formally initiated. At the date of preparation of this report, the credit reconciliation phase is under way. The Company's directors consider the risk of possible negative effects on the Company to be remote.

Directors' report

Contents

Introduction

Foreword

The Astaldi Group's 2020 Annual Report comprises this directors' report, the consolidated financial statements, the separate financial statements of the parent, Astaldi S.p.A., the report on corporate governance and ownership structure and the related annexes.

Pursuant to Legislative Decree no. 32 of 2 February 2007 and given the structure of the Astaldi Group (the "**Group**"), Astaldi S.p.A. ("**Astaldi**" or the "**Company**") decided to present in a single report – called the directors' report (the "**Report**") – the information that in the past was contained in the directors' reports of the consolidated financial statements and of the separate financial statements of Astaldi S.p.A.

The Annual Report as at 31 December 2020 was prepared in accordance with the IAS (International Accounting Standards) and IFRS (International Financial Reporting Standards) issued by the IASB (International Accounting Standards Board), and the interpretations issued by the IFRIC (International Financial Reporting Interpretations Committee) and the SIC (Standing Interpretations Committee), recognised in the European Union pursuant to Regulation (EC) no. 1606/2002 and in force at the reporting date. Reference has also been made to the measures issued by CONSOB in implementation of Article 9, paragraph 3, of Legislative Decree no. 38/2005. For the sake of completeness, please also refer to the Notes to the consolidated financial statements annexed to this Report for the part referring to the "Accounting policies", and in particular to the "Newly-issued and endorsed standards and interpretations applicable to annual periods beginning on or after 1 January 2020".

The parent's Board of Directors approved the 2020 Annual Report on 17 March 2021.

From 5 November 2020 Astaldi is subject to management and coordination by Webuild S.p.A. ("**Webuild**").

Main changes in the consolidation scope

In 2020 the consolidation scope of the Astaldi Group underwent some changes, also in implementation of the provisions of the Composition with Creditors Plan and Proposal (see § "Composition with creditors on a going concern basis as per Article 186–bis of the Bankruptcy Law"). Specifically, note that:

i. as a result of the establishment of the Astaldi Separate Unit, from the approval of the Composition with Creditors Proposal (17 July 2020), legal segregation has been achieved between the assets and liabilities transferred to the Astaldi Separate Unit and those within the Core Assets Scope, as defined above;
ii. in the first half of 2020, Astaldi Concessioni S.p.A. was involved in a proportionate partial demerger, resulting in the establishment of Astaldi Concessions S.p.A.;
iii. within the broader context of the agreement signed with the partner ICTAS for the transfer of the stake held in the Concession Operator of the Third Bosphorus Bridge (the "**ICTAS Transaction**" - see § "Composition with creditors on a going concern basis as per Article 186–bis of the Bankruptcy Law"), Astaldi S.p.A. has withdrawn from projects carried out in partnership with ICTAS in Russia and Turkey.

For the sake of completeness, please refer to the Notes to the consolidated financial statements annexed to this Annual Report for the part referring to the "Consolidation Scope", and in particular to the "Main changes in the consolidation scope".

COVID-19 disclosure

During 2020, the Italian and other EU and non-EU governments applied extraordinary measures to curb the spread of the COVID-19 virus, declared a pandemic by the World Health Organization.

According to statistics, Italy was one of the countries hit hardest by the pandemic, especially in the initial stages. This circumstance has exposed the Company to risks generated by the extraordinary measures applied by the Italian government to prevent and/or curb the spread of the virus involving, inter alia, the temporary closure of industrial plants and construction sites, as well as severe restrictions to the movement of people and means of transport. Moreover, the global spread of the pandemic exposed the Company to the consequences deriving from the application of extraordinary measures issued both in Europe and beyond, where the Group operates or has offices or sites.

The effects on the world economy have been and continue to be significant, and the economies of the countries in which the Group operates – albeit to varying degrees – have not escaped the consequent economic and social impacts.

Below is a brief description of the measures implemented and the effects experienced by the Astaldi Group during the year as a result of the pandemic.

Stable coordination unit implemented at the corporate level

At the end of February 2020, in an effort to oversee all issues related to the COVID-19 situation (at that date not yet declared a pandemic, but already a growing emergency), the Astaldi Group set up a specific committee. Chaired by senior management, its members include the heads of all head-office and peripheral operating structures along with the heads of the parent's main departments involved, in order to (*i*) monitor the spread of the virus at Italian and foreign production units, (*ii*) supervise measures to contain the risk of infection, (*iii*) activate channels to liaise with the Italian embassies in the countries where the Group operates, (*iv*) coordinate actions to safeguard contracts with customers against the possible impact of the pandemic on production activities.

Measures introduced to protect the health of Astaldi Group employees

Following the spread of the virus, Astaldi and its subsidiaries progressively implemented due precautionary measures, also related to safety and securing the health of employees and suppliers on job sites, in compliance with the Prime Minister's various decrees, ministerial circulars, orders from the national civil protection service, along with recommendations issued over time by other authorities in Italy and abroad.

Despite promptly implementing the health protocols defined in the general guidelines set out in the agreement reached between social partners and the government right from the onset of the pandemic, the parent has encountered growing problems in organising the work of the Italian production units, basically as manpower is not available due to the disease, the ban on movement between regions and lock-down restrictions progressively imposed by regional authorities (which put a stop to commuting, especially common among blue collar workers). As routine activities became impossible to guarantee in many production sites, a large number of customers decided to suspend works. Accordingly, starting in mid-March and once the sites had been brought up to safety standards, the parent implemented a series of actions to protect the employees and company value (using up accrued holidays and leave, implementing shock absorbers provided by the Italian government, introducing working from home). In April and May, the parent closed the Rome and Milan offices and accordingly reduced the working hours of the entire workforce by applying for the COVID-19 government-sponsored lay-off scheme[16],

[16] Conventionally to be understood as the government-sponsored lay-off scheme introduced by the Heal Italy Decree (Law Decree no. 18 of 17 March 2020) in response to the health emergency caused by COVID-19.

while simultaneously ruling that the remaining work be performed from home. Moreover, even before closing down the production units, the parent had drafted protocols introducing a series of measures (control, distancing, personal protection, sanitisation of the workplace and work tools, health monitoring, managing emergencies following detection of Covid-19 symptoms) to guarantee the safety of work areas in preparation for the resumption of activities. Therefore, these protocols were fully implemented with the gradual recommencement of production activities at the various sites starting in May 2020 as soon as restrictions around the country began to be lifted. In order to offer further protection to employees, starting from 1 March and for the whole of 2020, the parent has taken out a specific insurance policy covering Covid-19 risks for its employees and their family units. At the date of preparation of this report, production activities had resumed in Italy.

Beyond Italy, considering the rapid spread of the virus, extraordinary measures were progressively adopted in almost all the countries where the Group operates to restrict the circulation of goods and people, with the closure of plants and commercial and production activities. Similarly to Italy, such measures, together with those implemented by the Group to protect employee health, made it progressively difficult for the Group to continue its ordinary production activities. This led to the slowdown or, in some cases, the suspension of production activities, with additional problems (due to restrictions on air traffic) linked to the logistics of personnel who were off-site at the outbreak of the pandemic (because they were forced to repatriate due to the health emergency or, on the contrary, because they were unable to return to the production sites that remained open). At the date of preparation of this report, almost all projects abroad were fully operational with the exception of Algeria, where activities only restarted in mid-February 2021 following a specific authorisation from the local authorities.

Impacts on operations

According to the World Health Organization[17], at the date of preparation of this report the ten countries most affected by the pandemic worldwide are the United States, India, Brazil, Russia, UK, France, Spain, Italy, Turkey and Germany. With regard to these areas, the Group is operational only in the United States (with a single project that has not been affected by business stoppages due to COVID-19), Turkey (where the pandemic has not caused problems for the Etlik Integrated Health Campus in Ankara, as the project was already on standby for other issues, then resolved in September 2020 with operations resuming normally), as well as Italy and India (where the effects of the pandemic have been more evident). In the second half of 2020 all activities resumed again, with the exception of specific situations (Algeria, where some impediments related to the pandemic remain and where activities only restarted in mid-February 2021 following a specific authorisation from the local authorities).

Regarding the situation experienced during 2020, the impacts deriving from the COVID-19 emergency began to have indirect effects on the production of projects starting in the first months of the year, especially in Italy, and then spread to the sites in Europe, North America and South America. Despite the highly uncertain situation, mitigating actions (activities and discussions started with all customers) have already been implemented in the short term in Italy and abroad in an effort to neutralise the negative effects (most importantly financial stress) of the lockdown and the resulting suspension or slowdown of activities.

These measures concerned requests by Astaldi regarding contracts in Italy and abroad for:

(i) accelerating payment of slow-moving items (mostly claims[18] and contractual variations);

(ii) recovery of higher costs incurred for the new protocols adopted to guarantee employee health and safety in the workplace;

(iii) payment of all progress reports issued and work in progress at the beginning of the lockdown;

[17] Source: *WHO Coronavirus Disease (COVID–19) Dashboard*, World Health Organization – March 2021 update.

[18] Requests made to the customer in a project for the payment of higher compensation, reimbursement or indemnities in addition to the contractual consideration, which are normally made when the Group incurs higher costs that are deemed to be directly and/or indirectly ascribable to the customer itself.

(iv) rescheduling progress reports' issue dates and related payments;

(v) possibly obtaining advances and/or payments on account on contracts and/or projects and supplies to cover the considerable financial costs of resuming work and simultaneously maintaining the supplier/subcontractor system;

(vi) reviewing production cycles to take into account new site and supply logistics, as well as to allow effective management of the measures put in place to protect employee health;

(vii) rescheduling contractual deadlines due to slowdowns or total stoppages of work.

Please refer to the following for further information on the specific situations in the sites of the Astaldi Group at the date of preparation of this report.

Italy

Of the numerous measures adopted in 2020 by the Italian government to deal with the health emergency, those worthy of note include: (*i*) the "Heal Italy Decree" (Law Decree no. 18 of 17 March 2020) which allocated a total of €25 billion to support, among other things, the health system and civil protection and to preserve employment and support income and businesses; (*ii*) the "Liquidity Decree" (Law Decree no. 23 of 8 April 2020), which provided for the granting of state guarantees to support credit for €400 billion; (*iii*) the "Relaunch Decree" (Law Decree no. 34 of 19 May 2020), which put in place tax measures for an additional €55 billion in support of, among other things, families and businesses; (*iv*) the Prime Minister's Decree[19] of 7 August 2020, which allocated an additional €25 billion to support and relaunch the economy. With the latter decree, the total resources deployed to respond to the emergency in Italy amounted to €100 billion (equal to 6 percentage points of GDP[20]). This decree was followed by various so-called "relief" Prime Minister's decrees containing further urgent measures to address the consequences of the COVID-19 epidemic (24 October 2020, 7 November 2020, 21 November 2020, 29 November 2020). Subsequently, on 18 December 2020, the Council of Ministers approved a law decree that introduces additional urgent provisions to address the health risks associated with the spread of the COVID-19 virus and provides for the allocation of €645 million to be used for the immediate relief of some commercial activities. Subsequently, Council of Ministers no. 86 of 23 December 2020 approved a law decree containing urgent provisions regarding the extension of legal deadlines. Among other things, the text provides for the extension of some terms related to the measures followed by the declaration of a state of epidemiological emergency due to COVID-19 until the date of cessation of the state of emergency, and in any case no later than 31 March 2021 (then postponed to 6 April 2021 with Prime Minister's decree on 2 March 2021), with the provision that the related measures are implemented within the limits of the available resources authorised by current legislation.

For the sector in question, the "Simplifications Decree" (Law Decree no. 76 of 16 July 2020) introduced a series of measures aimed at reducing levels of bureaucracy, among other things providing for the acceleration of tender procedures and for the start of construction sites, the reduction of contract award times and the introduction of a model based on dedicated extraordinary commissioners to facilitate the rapid execution of some projects identified as strategic. Furthermore, the Government launched the so-called "Fast Italy Plan" consisting of 66 infrastructure projects (of which 40 priority works), which aims to strengthen and modernise the country's railway, road and motorway, port and airport system through an investment plan equal to €131 billion declared as already available. These measures are in addition to those already introduced by the "Unfreeze Italy Decree" (Law decree no. 133 of 12 September 2014) and the "2020 Budget Law" (Law no. 160 of 27 December 2019), which favoured the introduction of mechanisms aimed at restarting the infrastructure sector at a national level.

In this context, also worth considering are two recent changes to the regulation concerning contract advances, referred to in art. 35, paragraph 18, of Legislative Decree no. 50/2016, contained in the Heal Italy Decree and in the Relaunch Decree and which follow changes to the regulation already put in place in 2019 with the Unfreeze

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[19] DPCM (Prime Minister's Decree).

[20] Gross Domestic Product.

Job Sites Decree. Taken as a whole, these measures strengthen the instrument of contract advances with the aim of providing new impetus to the companies put to the test by the lockdown. In fact, it was established that under certain conditions and within certain limits the advance envisaged in the aforementioned art. 35, paragraph 18 can be increased from 20% to 30%.

With regard to the management of the Group's contracts, during the first half of 2020 and for about two months there were production slowdowns, and in some cases total stoppage of construction works (i.e. Brenner Base Tunnel, Cumana Railway Line and Naples-Capodichino Metro Station in Naples Line 1, Infraflegrea Project and Quadrilatero Marche-Umbria Road System, Nuovo Ospedale del Sud-Est Barese in Monopoli-Fasano, Sigonella NATO Base, Container Terminal of the Port of Taranto). The activities related to the contracts still in the design or initial start-up phase (e.g. in the case of the Verona-Padua high speed and high capacity railway line and the Jonica State Road), but also those activities considered essential for the territory and which by virtue of this are still ongoing despite the emergency (i.e. the Rome Metro), were carried out continuously, although in compliance with the safety measures necessary for the protection of the health of personnel and all related activities connected to the construction site. The State also made an extraordinary contribution, which made it possible to put in place instruments such as the aforementioned COVID-19 government-sponsored lay-off scheme (used at a Group level for 70% of personnel) and which, among other things, with the Relaunch Decree and the Simplifications Decree introduced measures to support liquidity. In particular, the aforementioned increase in contract advances from 20% to 30% envisaged by the Relaunch Decree resulted in benefits for some specific Italian contracts (specifically, Quadrilatero Marche-Umbria Road System, Brenner Base Tunnel and Jonica State Road Mega-Lot 3). In the second half of 2020 all projects gradually returned to full operation, implementing the new safety protocols.

Europe (including Turkey)

The COVID–19 pandemic has caused a serious economic shock with significant negative repercussions throughout Europe. The impact on the GDP growth of individual countries will depend on the duration of the pandemic and the measures taken worldwide to slow its spread, protect production capacities and, more generally, support the economy. EU Member States have already taken or are taking budgetary measures to increase the capacity of health systems and support categories and sectors that have been strongly affected. Important liquidity support measures and other forms of guarantee were also adopted. In general, in Romania, Poland, Sweden and Turkey the construction sites have not experienced disruptions in operations due to COVID-19.

Romania[21] – The country has not escaped the effects of the COVID–19 pandemic on the global economy, at least as recorded in the first half of 2020. In any case, the local government is working to contain the effects of the crisis and to support businesses, not just in the health sector. In July 2020 the Romanian Government launched an important post-COVID–19 relaunch plan that aims at a new model for economic development, with investments of approximately €100 billion by 2023 involving various sectors, including infrastructure and health. The plan is one of the most important state investment programmes in recent years and also provides for structural measures including, by way of example, the establishment of a national development bank as a credit institution to support investment projects. With regard to infrastructure, among other things the relaunch plan calls for: (*i*) the connection of all regions of Romania through approximately 3,000 kilometres of motorways and state roads by 2030; (*ii*) the start of work on a new metro line in Cluj-Napoca, a strategic centre for the development of the country; (*iii*) the completion of the metro connection between Bucharest and the Henri Coanda International Airport of Bucharest-Otopeni; (*iv*) the construction of three regional hospitals in Cluj-Napoca, Iasi and Craiova by 2027; (*v*) a road, water and sewerage renovation plan, which includes the restoration of 20,000 kilometres of local roads; (*vi*) investments in the energy sector for a total amount of about €12.5 billion between 2020 and 2025. Important liquidity support measures and other forms of guarantee were

[21] Sources - *The World Bank in Romania. Country Snapshot*, World Bank, April 2020; *Commission Report. Romania. Report prepared pursuant to Article 126 (3) of the Treaty on the functioning of the European Union*, European Commission, 14 February 2020; *Planul Național de Investiții și Relansare Economică*, Government of Romania, July 2020.

also adopted, especially for small and medium-sized enterprises. The July 2020 economic relaunch plan also provides for active measures for employment and social protection, such as: the extension of unemployment benefits for job categories whose activities were suspended; the stimulation of flexible work programmes and subsidies for vocational training; the stimulation of employment for youth, those over 50 and citizens returning from abroad; measures to encourage teleworking. The financing of these measures will be covered by the European SURE programme (launched after the crisis caused by the pandemic). With specific regard to the Group's ongoing projects in Romania, where not already envisaged, measures are being taken to revise/update the contract price in agreement with the customers in order to allow for a proportionate adjustment of costs in light of the changed market conditions because of the pandemic.

Poland[22] – Lockdowns and closures of borders have helped to preserve Poland from the spread of the COVID-19 pandemic, but have not saved the country from its economic effects which led to 2020 being classified as one of the worst years of the last 30. To cope with the emergency and support the country's economy, the Polish Government introduced the so-called Shield Plan, a package of fiscal measures and initiatives totalling PLN312.1 billion (about €69 billion), equal to approximately 3.2% of the GDP estimated for 2020. The infrastructure sector suffered less from the effects of the pandemic as it managed to contain downtime and, more generally, the impact on construction. It should also be noted that in July 2020 the results of the presidential elections confirmed the second term of the incumbent President.

Sweden[23] – Despite a strong recovery in GDP in the last four months of 2020 (4.9% on the previous quarter) – driven by the recovery in exports together with an increase in domestic consumption (SCB estimates – Swedish Statistical Institute) – the Swedish economic forecast for 2020 foresees a contraction in GDP of 3.4% (European Commission estimates, updated in November 2020) due to the severe economic shock caused by the COVID-19 pandemic. At the same time, a marked rebound is expected in 2021 which is estimated to lead to GDP growth of 3.3%, due to the post-pandemic global recovery. In fact, the Swedish Government reacted to the economic effects of the pandemic by adopting measures to defend employment, stimulate the economy with large injections of liquidity and facilitate access to credit for a total cost, as calculated by the Swedish Government, equal to about 3% of GDP. For the sector at hand, the current infrastructure investment plan with a time horizon until 2029 (2018–2029 National Transport System Plan adopted by the Swedish Government in May 2018) continues to drive the market with initiatives aimed at relaunching the country's infrastructure system, also in connection with European networks (total investment planned equal to SEK700 billion – approximately €67.5 billion). Lastly, note that the two Group contracts in progress in the country (Haga and Kvarnberget Station, part of the West Link – Gothenburg Rail Link) were not significantly impacted by the effects of the pandemic in light of the willingness of local authorities not to impose particular restrictions on the workplace and on production in general.

Turkey[24] – The increasing number of cases at the end of October 2020 led the Turkish Government to adopt more stringent measures: total lockdown on the weekend, curfew after 9 pm, limited circulation, closure of all public and dining venues, obligation to present a SARS-CoV-2 PCR negative test upon entry into the country. In 2020 the Turkish Central Bank (CBRT) revised its monetary policy, raising the official interest rate from 10.25% in October 2021 to 15% in November 2020 (subsequently to 17% on 21 January 2021). This was due to factors that have negatively affected the inflation outlook, such as the "delayed" effects of the depreciation of the Turkish lira, the increase in international food prices and worsening inflation expectations. Following the appointment of the new Minister of Treasury and Finance (in November 2020), the Turkish Government also announced a new line aimed at increasing the quality of public finance, combating inflation and maintaining

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[22] Sources - *Commission Report. Poland. Report prepared pursuant to Article 126 (3) of the Treaty on the functioning of the European Union*, European Commission, 20 May 2020.

[23] Sources – SCB Statistics Sweden https://www.scb.se/en/finding-statistics/statistics-by-subject-area/national-accounts/national-accounts/national-accounts-quarterly-and-annual-estimates/; European Commission (updated in November 2020) https://ec.europa.eu/info/sites/info/files/economy-finance/ip136_en_2.pdf; *The Government's work in response to the virus responsible for COVID-19*, Swedish Government – Ministry of Finance.

[24] Sources – *Policy Responses to COVID–19 – Policy Tracker: Turkey*, International Monetary Fund; *OECD Economic Outlook Volume 2020. Issue 1: Preliminary Version – Economic Forecast Summary (June 2020) – Turkey Economic Snapshot*, OECD, June 2020.

fiscal legislation, including through a programme of micro-reforms aimed at enhancing macroeconomic stability. It is also worth noting that in Turkey the pandemic has not caused problems for the Etlik Integrated Health Campus in Ankara, as the project was already on standby for other issues (then resolved in September 2020 with operations resuming normally).

American Continent

Chile[25] – Chile suffered severely from the effects of the pandemic, which added to those of the social turmoil at the end of 2019. Consequently, in August 2020 Moody's lowered its outlook rating for the country's sovereign credit from stable to negative. The decision is essentially motivated by the rapid increase in debt levels that Chile has experienced in recent years, whose trend has accelerated with the spread of the pandemic. However, with a credit rating of A-1, Chile remains one of the most stable economies in Latin America. The country has entered the pandemic with low fiscal reserves and debt levels compared to countries with the same rating, although the pandemic is gradually deteriorating its position. The impacts of the pandemic (Chile is one of the hardest hit countries in Latin America), the deteriorating global economic prospects and the turbulence of the financial markets are in fact creating a serious economic and financial shock, which for Chile mainly translates into weaker economic growth and a greater demand for social programmes. Moreover, the pandemic has exacerbated discontent over certain social issues, such as the high cost of living, the quality and coverage of public services and income inequality. The International Monetary Fund notes that the Chilean economy contracted with an estimated fall in real GDP of 6% in 2020, and forecasts a recovery in 2021 with a growth rate of 4.5% supported by significant fiscal, monetary and financial measures. To counter the emergency situation, the Chilean Government has a plan to relaunch the national economy (*Plan paso a paso Chile se recupera*). This plan includes infrastructure investments of USD34 billion (equal to €28 billion), more than 10% of the country's GDP, of which USD9.4 billion (equal to €7.8 billion) for the two-year period 2020–2022, for the construction of 2,130 projects in the next two years involving the building and modernisation of bridges and motorways, railway and metro lines, ports and airports and hydraulic works. The objective is to protect income, support the most vulnerable groups of the population, safeguard jobs – including with remote working – and ensure business continuity, on the one hand accelerating payments to suppliers and on the other putting in place advantageous tax initiatives. Social shock absorbers have also been introduced nationally. Within Astaldi, Chile is undoubtedly the area most affected by the COVID-19 pandemic among those where the Group has operations. The consequences of the spread of the virus on the contracts that the Astaldi Group has in the country have been significant, and, precisely in order to mitigate the economic impact that could result negotiations are under way with customers (private and public), and results are expected in the short term. Construction sites were at a standstill (even for more than two months, particularly for the El Teniente mining project) and there was a sharp slowdown in activities upon resumption, as a result of stringent safety procedures adopted. At the date of preparation of this report, activities have resumed full operation, in particular with regard to the El Teniente project. Note also that on 15 April 2019 the Astaldi Chile Branch saw the successful completion of the judicial reorganisation procedure (initiated following the Astaldi composition with creditors) with the acceptance of the relevant proposal by the creditors, a proposal that provided for the payment of the debt through instalments corresponding to the cash flows deriving from the contracts. The aforementioned shutdown of construction sites then resulted in the need to renegotiate the original repayment plan of the branch's debts – for details, see § "Composition with creditors on a going concern basis as per Article 186–bis of the Bankruptcy Law", in the part referring to the "Other procedures linked to the Astaldi composition with creditors".

Canada[26] – Canada has put in place a long-term investment plan to strengthen the country's infrastructure system. This plan calls for investments worth more than CAD180 billion (€116 billion) to be made in 12 years, starting from 2016, in five priority areas: infrastructure for mass transport and other transport infrastructure (CAD38.8 billion, equal to €24.7 billion), renewable energy (CAD26.9 billion, equal to €17.1 billion), infrastructure for social welfare (CAD25.3 billion, equal to €16.1 billion). To cope with the COVID-19 emergency, this plan was

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[25] Sources – *Outlook for Latin America and the Caribbean: An Intensifying Pandemic*, International Monetary Fund, 26 July 2020; ***Plan paso a paso Chile se recupera***, Chilean Government, 3 September 2020; ***Trading Economics*** https://tradingeconomics.com/chile/rating.
[26] Sources - *Investing in Canada Plan*, Government du Canada.

reinforced with an additional CAD33 billion (equal to €21 billion). With regard to the areas where the Astaldi Group is present, only Quebec passed a special law to compensate for a percentage of employees' salaries during the period of total work stoppage. During the spread of the virus all work in Quebec was stopped, and in order to prevent companies from immediately dismissing their personnel, the provincial government established a system similar to the government-sponsored lay-off scheme used in Italy. Note that in Canada, as a result of the pandemic only the activities related to the contracts of the investee TEQ in Quebec (a very marginal part of the Group's Order Backlog in the country) were halted, but it was in this province that the local government introduced the aforementioned shock absorbers.

USA – As with other countries, the United States identified infrastructure as a driving force to counter the effects of the pandemic. The country suffered and continues to suffer heavily from the spread of COVID–19 infection, and as a counteraction the government has launched a plan to modernise the country's infrastructure system with investments of USD2 billion (equal to €1.6 billion) in bridges, roads and other infrastructure. The plan launched is much broader than those previously approved in the country and will be financed with new federal debt, leveraging a market characterised by interest rates equal to zero. For the Astaldi Group, the only contract in place in the area (I–405 Motorway) was not halted.

Paraguay[27] - For Paraguay, where the Group has one project for the construction of a hydroelectric plant financed by an independent binational body, at the date of preparation of this Report there was no impact on production, as this project in the area is still in the start-up phase.

Other countries

Algeria – In order to mitigate the economic impacts of the COVID-19 pandemic, the Algerian government is working on an economic recovery plan that among other things aims to introduce a series of measures for the simplification of bureaucratic processes and the revision of public procurement rules. We remind you that the Astaldi Group has two railway projects in Algeria, which were halted due to measures put in place by the Algerian government to prevent the spread of the virus, and that work resumed only in mid-February 2021 following a specific authorisation from the local authorities.

India – Although the country is suffering heavily from the effects of the COVID-19 pandemic, as a result of an easing of virus containment measures, lockdowns and mobility limits the infrastructure sector has been almost fully operational since the second half of 2020. The Indian Government is considering policy actions in support of the domestic economy, with effects that cannot yet be estimated at the date of preparation of this Report.

Outlook

Please refer to the information provided below on the outlook – see § “Outlook” and “Events after the reporting date”.

Here it is only appropriate to underscore that, with regard to the economic effects generated by the spread of the COVID-19 pandemic, there was a decrease in production for the period of approximately 20% compared to what was planned, with a consequent impact on the Operating Profit (Loss) that was substantially related to the margins not achieved by these activities.

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[27] Sources – *2020 World Economic Outlook, International Monetary Fund, April 2020.*

Comments on the Group's operating performance

The Group's performance

The Astaldi Group's Reclassified Statement of Profit or Loss for 2020 is as follows.

Table 5 – Reclassified Statement of Profit or Loss for 2020 - Astaldi Group

(€'000)	**Note no.***	**2020**	**%**	**2019**	**%**
Revenue from contracts with customers	1	1,380,830	95.1%	1,368,827	92.8%
Other operating revenue	2	71,481	4.9%	106,197	7.2%
Total revenue		**1,452,311**	**100.0%**	**1,475,024**	100.0%
Operating costs	3 – 4	(1,143,048)	-78.7%	(1,135,850)	-77.0%
Added value		**309,263**	**21.3%**	**339,174**	23.0%
Personnel expenses	5	(248,109)	-17.1%	(300,872)	-20.4%
Other operating costs	6	(42,000)	-2.9%	(24,231)	-1.6%
Change in costs capitalised to fulfil a contract	7	1,887	0.1%	(2,863)	-0.2%
Share of profits (losses) from joint ventures and associates	8	(68,371)	-4.7%	30,671	2.1%
Gross operating profit (loss)		**(47,331)**	**-3.3%**	**41,878**	2.8%
Amortisation and depreciation	9	(53,680)	-3.7%	(50,985)	-3.5%
Provisions	10	(6,196)	-0.4%	4,307	0.3%
Impairment losses	9	(17,281)	-1.2%	14,546	1.0%
Capitalised internal costs		--	0.0%	--	0.0%
Operating profit (loss)		**(124,487)**	**-8.6%**	**9,747**	0.7%
Out-of-period income from discharge of debt on continuing operations	11	2,172,144	149.6%	--	0.0%
Net financial income (expense)	12 – 13	(36,795)	-2.5%	(45,906)	-3.1%
Pre-tax profit (loss)		**2,010,863**	138.5%	**(36,159)**	-2.5%
Income taxes	14	(179,443)	-12.4%	(27,804)	-1.9%
Out-of-period income from discharge of debt on discontinued operations	11	74,127	5.1%	--	0.0%
Net profit (loss) from discontinued operations	15	(104,324)	-7.2%	(6,620)	-0.4%
Profit (loss) for the year		**1,801,223**	**124.0%**	**(70,584)**	**-4.8%**
Profit (loss) attributable to non-controlling interests		(499)	0.0%	1,417	-0.1%
Profit (loss) attributable to the owners of the parent		1,801,721	-124.1%	(72,000)	

(*) Notes to the Consolidated Financial Statements as at 31 December 2020 attached to this Report.

To facilitate the analysis of the performance for the period, for operating purposes only, some selected statement of profit or loss figures are shown below, focusing on the Pro-forma Core Assets Scope, to be understood as operating data not subject to auditing that reflects the effects of the segregation of the Separate Unit and excludes the non-recurring effects attributable to the composition with creditors procedures of Astaldi and certain Group companies.

Table 6 - Selected statement of profit or loss figures - Astaldi Group

(€ millions)	**December 2020** **Consolidated Financial Statements Astaldi Group**		**December 2020** **Pro-forma Core Assets Scope** (*management view*)*	
Total revenue	**1,452.3**	**100.0%**	**1,453.2**	**100.0%**
Gross operating profit (loss)	**(47.3)**	**-3.3%**	**72.4**	**5.0%**
Operating profit (loss)	**(124.5)**	**-8.6%**	**18.1**	**1.2%**

(*) The "**Pro-forma Core Assets Scope (management view)**", to be understood as operating data not subject to auditing, reflects the effects of the segregation of the Separate Unit and excludes the non-recurring effects attributable to the composition with creditors procedures of Astaldi and certain Group companies.

The consolidated results of the Astaldi Group at 31 December 2020 were affected by (*i*) the slowdown in the start-up of projects due to delays in the provision of the guarantees necessary to start and/or continue some contracts, and (*ii*) the impact of COVID-19, which led to construction site stoppages and/or slowdowns in the activities related to the procedures adopted for the management and containment of the health emergency for some projects (especially in Italy, but also abroad). The mitigating actions introduced by the Company made it possible to limit those effects and, as necessary, negotiations are under way with its own customers, aiming to guarantee the reimbursement of the extra costs consequently incurred and/or a redefinition of delivery times to compensate for the delays related to the pandemic (see § "COVID-19 disclosure").

As at 31 December 2020, total revenue amounted to €1,452.3 million, including €1,380.8 million (95.1% of the total) of revenue from contracts with customers and the remaining €71.5 million (4.9% of the total) of other operating revenue. Total revenue for the Pro-forma Core Assets Scope amounted to €1,453.2 million (*management view not subject to audit*). Compared to the previous year, the figure shows a decrease of 1.5% compared to €1,475.0 million at 31 December 2019, due essentially to the slowdown in production caused by COVID-19, especially in Italy and on the American continent.

38% of revenue from contracts with customers was attributable to activities in Italy and the remaining 62% to projects abroad (mainly Europe and the American continent). In terms of business lines, 97% came from Construction and the remaining 3% from O&M contracts.

The works that most contributed to the year's production were, in Italy, (*i*) for Construction, Maxi–Lot 2 of the Quadrilatero Marche-Umbria Road System which gradually resumed work after the beginning of May 2020, Mega-Lot 3 of the Jonica State Road which was operating at full capacity in the second half of the year, the Naples-Cancello and Apice-Hirpinia sections of the Naples-Bari high speed railway line, as well as Line 4 of the Milan Metro, the Brenner Base Tunnel and Line C of the Rome Metro, and (*ii*) for O&M, GE.SAT., the O&M Company of the Four Tuscan Hospitals. In Europe, the accounts reflect the progress of the projects in Sweden (Haga and Kvarnberget Station), Romania (three lots of the Frontieră-Curtici-Simeria railway line and Braila

Bridge) and Poland (Warsaw Southern Bypass and S–7 expressway for the Naprawa-Skomielna Biała section). Overall, these projects compensate for the slowdown in production volumes in Turkey, following the final completion of the Gebze-Orhangazi-Izmir Motorway in the second half of 2019. On the American continent, production was driven by works in the USA (I-405 highway) and Canada (HuLRT Project and contracts of the subsidiary T.E.Q. Construction Enterprise Inc.). Taken as a whole, these projects counteracted the general delay in Chile in the development and/or start-up of some projects as a result of the severe restrictions adopted by the local authorities to contain the pandemic. Lastly, we note the progress of activities in Asia, for orders in India (VBSL, Mumbai Metro) and Africa, and for contracts in Algeria (railway lots), although both areas were penalised by the measures introduced in response to COVID-19.

The tables below show the distribution of the Astaldi Group's revenue from contracts with customers by geographical segment and business line as at 31 December 2020.

Table 7 – Revenue from contracts with customers by geographical segment

(€ millions)	***31 December 2020***	***%***	***31 December 2019***	***%***	***Annual variation***
Italy	**526**	**38.1%**	**431**	**31.5%**	**95**
Abroad	**855**	**61.9%**	**938**	**68.5%**	**(83)**
Europe [(*)]	*462*	*33.5%*	*470*	*34.3%*	*(8)*
American continent	*374*	*27.1%*	*452*	*33.0%*	*(78)*
Africa	*6*	*0.5%*	*10*	*0.7%*	*(4)*
Asia	*13*	*0.9%*	*6*	*0.4%*	*7*
TOTAL	***1,381***	***100%***	***1,369***	***100%***	***12***

[(*)] In this table, Europe does not include Italy but does include Turkey.
Note: Revenue from contracts with customers, as identified in Note 1 of the Consolidated Financial Statements as at 31 December 2020, attached to this Report.

Table 8 – Revenue from contracts with customers by business line

(€ millions)	***31 December 2020***	***%***	***31 December 2019***	***%***	***Annual variation***
Construction	**1,341**	**97.1%**	**1,324**	**96.7%**	**17.1**
Transport infrastructure of which:	**1,125**	**81.5%**	**992**	**72.5%**	**132.6**
Railways and metros	*538*	*38.9%*	*519*	*37.9%*	*18.2*
Roads and motorways	*469*	*34.0%*	*347*	*25.3%*	*122.6*
Ports and airports	*118*	*8.6%*	*126*	*9.2%*	*(8.3)*
Hydraulic works and energy generation plants	**23**	***1.7%***	**18**	***1.4%***	***(4.2)***
Civil and industrial construction	**94**	***6.8%***	**126**	***9.2%***	***(31.9)***
Industrial plants	**99**	***7.2%***	**187**	***13.6%***	***(87.8)***
O&M	**40**	**2.9%**	**45.0**	**3.3%**	**(5.1)**
TOTAL	***1,381***	***100.0%***	***1,369***	***100.0%***	***12.0***

Note: Revenue from contracts with customers, as identified in Note 1 of the Consolidated Financial Statements as at 31 December 2020, attached to this Report.

At 31 December 2020, the gross operating profit (loss) was a loss of €47.3 million (profit of €41.9 million and margin of 2.8% at 31 December 2019), including €12.8 million of non-recurring effects related to the composition with creditors procedure (advisors and legal expenses). The gross operating profit (loss) of the Pro-forma Core Assets Scope was a profit of €72.4 million, with a margin of 5% (*management view not subject to audit*). Compared to the previous year, the figures are penalised by the pandemic and more generally by the production slowdowns mentioned above.

The cost structure reflects the dynamics of production volumes and the composition with creditors: (*i*) operating costs reflect, in particular, the progress of significant contracts in Italy and Romania, as well as in Sweden, while (*ii*) personnel expenses reflect the effects of the slowdown in direct activities in Chile, as well as the actions undertaken by the Parent in the context of the composition with creditors procedure in order to adapt the operating structure to the new business environment. The accounts for the period also include portions of losses from joint ventures and associates for €68.4 million (profits of €30.7 million at 31 December 2019), essentially attributable to the lack of contributions from the stakes held in the Turkish Concession Operators, as they are segregated within the scope of the Separate Unit.

At 31 December 2020 the operating profit (loss) was a loss of €124.5 million (profit of €9.8 million with margin of 0.7% at 31 December 2019). Excluding non-recurring effects related to the composition with creditors procedure, the operating profit (loss) of the Pro-forma Core Assets Scope was a profit of €18.1 million with a margin of 1.2% (*management view not subject to audit*). Compared to the previous year, the figures are penalised mainly by non-recurring effects related to specific provisions and more conservative valuations of some claims (not included in the Core Assets Scope), as well as by revisions to the budgets of some contracts being closed. More specifically, the provisions relate to the risk associated with any adverse actions that could be taken by creditors seeking payment that are involved in Astaldi's composition with creditors but that are located in foreign countries that do not recognise the composition with creditors procedure, as well as to the partial revision of the budgets of contracts being closed that do not fall within the Core Assets Scope.

The accounts for the period show out-of-period income from discharge of debt, both for continuing operations (€2,172.1 million) and for discontinued operations (€74.1 million), as a result of the approval of the composition with creditors of Astaldi and some of its investees. The figure includes the accounting for the positive economic effects deriving from the discharge of debt realised at the time of the assignment of the new conversion shares and the PFIs to unsecured creditors in light of the cancellation of their claims.

The balance of financial income and expense is a net financial expense of €36.8 million (€45.9 million at 31 December 2019), with an impact on revenue falling to 2.5% (3.1% at 31 December 2020).

Income taxes for the period are estimated at €179.4 million (€27.8 million at 31 December 2019), with an increase on the previous year essentially linked to the effects of the approval of the Astaldi composition with creditors, and specifically to the tax treatment applicable to the out-of-period income from discharge of debt detailed above.

The net profit (loss) from discontinued operations is a net loss of €104.3 million (loss of €6.6 million as at 31 December 2019) and includes the effects of the reclassification within discontinued operations of the income components attributable to the areas/contracts closed or identified as closing in execution of the Composition with Creditors Plan and Proposal (i.e. Russia, Honduras, other minor countries).

The changes described above resulted in a net profit attributable to the owners of the parent of €1,801.7 million compared to a loss of €72 million at 31 December 2019.

The Group's financial position and performance

The Astaldi Group's Reclassified Statement of Financial Position at 31 December 2020 is as follows. As regards the 2020 financial year, the values in the table take into account the effect of the discharge of debt resulting from the approval of the Astaldi composition with creditors on 17 July 2020.

Table 9 – Reclassified Statement of Financial Position at 31 December 2020 - Astaldi Group

(€'000)	**Note no.***	**31/12/2020**	**31/12/2019**
Intangible assets	20	35,139	48,295
Property, plant and equipment	17-19	61,180	100,065
Equity investments	21	88,152	502,088
Other non-current assets, net	14-22-23	159,318	396,460
Non-current assets held for sale	30	9,933	154,060
Liabilities directly associated with non-current assets held for sale	30	(15,111)	(172,040)
Right-of-use assets	18	23,440	38,724
TOTAL non-current assets (A)		**362,051**	**1,067,652**
Inventories	24	38,675	38,231
Contract work in progress	25	927,083	796,967
Trade receivables	27	379,178	26,717
Amounts due from customers	27	351,735	578,259
Other assets	23	296,959	255,960
Tax assets	28	79,271	68,620
Progress payments from customers	25	(693,978)	(384,063)
Sub total		**1,378,923**	**1,380,691**
Trade payables	35	(116,664)	(69,461)
Amounts payable to suppliers	35	(594,566)	(1,024,881)
Other liabilities	34	(332,424)	(432,119)
Sub total		**(1,043,655)**	**(1,526,462)**
Operating working capital (B)		**335,269**	**(145,771)**
Employee benefits	33	(6,189)	(6,998)
Provisions for risks and charges	37	(31,119)	(153,344)
Total provisions (C)		**(37,308)**	**(160,342)**
Net invested capital (D) = (A) + (B) + (C)		**660,012**	**761,540**
Cash and cash equivalents	29	500,344	314,061
Current loan assets	22	130,120	100,012
Current financial assets from concession activities		--	--
Securities		--	--
Current financial liabilities	32	(165,315)	(2,844,903)
Non-current financial liabilities	32	(198,976)	(185,541)
Non-recourse financial debt		--	--
Net financial debt of disposal groups	30	116	179,412
Net loans and borrowings (E)		**266,290**	**(2,436,959)**
Financial assets from concession activities		--	--
Non-current loan assets	22	49,512	135,331
Total net loans and borrowings (F)		**315,802**	**(2,301,628)**
Equity attributable to the owners of the parent	31	(973,628)	1,541,825
Equity attributable to non-controlling interests	31	(2,186)	(1,737)
Equity (G) = (D) - (F)		**975,814**	**(1,540,088)**

(*) Notes to the reconciliation with the Consolidated Financial Statements as at 31 December 2020 attached to this Report.

The consolidated financial position of the Astaldi Group as at 31 December 2020 was impacted by effects attributable to the pandemic, as well as by the developments of the composition with creditors, including the effects of the discharge of debt resulting from the approval of the Astaldi composition with creditors on 17 July 2020.

Net invested capital amounted to €660.0 million (€761.5 million at the end of 2019), showing a reduction of €101.5 million on the previous year, essentially as a result of the events mentioned above.

Total non-current assets decreased by €705.6 million, dropping to €362.0 million from €1,067.6 million at 31 December 2019. The performance for the period was essentially determined (*i*) by the decrease in equity investments by €413.9 million and non-current assets held for sale by €144.1 million, attributable to the transfer of certain specific equity investments (SPVs) to the Separate Unit, and (*ii*) by the consequent reduction in other net non-current assets by €237.1 million. Moreover, right-of-use assets decreased by €15.3 million, including, as required by the new IFRS 16 (Leases), the value of leased assets (used for the performance of contracts in Chile, the USA and Italy).

Operating working capital increased by €481.0 million, going to €335.3 million from a negative value of €145.8 million as at 31 December 2019. The working capital cycle, while still influenced by the financial tension of the composition with creditors, showed signs of a first reversal of the trend and the resumption of business despite the effects of the COVID-19 pandemic. Contract work in progress increased by €130.1 million for the progress of contracts, in particular in Italy (Rome Metro Line C, Brenner Base Tunnel, Mega-Lot 3 of the Jonica State Road), Romania (Braila Bridge) and the USA (I-405 highway). The performance for the period takes into account an increase of €395 million in contract advances, mainly attributable to Italian contracts (Mega-Lot 3 of the Jonica State Road, Quadrilatero Marche-Umbria Road System, Verona-Padua high speed railway line), also following the application of art. 120 of the Relaunch Decree (Law Decree no. 34 of 19 May 2020 – *urgent measures to aid the liquidity of contractors*) which, it is recalled, established an increase of up to 30% of advances on public works under certain conditions (see § “COVID-19 disclosure”).

Equity increased by €2,515.9 million, going to €975.8 million from a negative amount of €1,540.1 million as at 31 December 2019. The figure for the period includes the dynamics described above, as well as the effects of the discharge of debt and the Webuild Capital Increase executed in November 2020 (see § “Composition with creditors on a going concern basis as per Article 186–bis of the Bankruptcy Law”).

CONSOLIDATED NET FINANCIAL POSITION

The breakdown of the Astaldi Group's Consolidated Net Financial Position as at 31 December 2020, as per CONSOB Communication no. DEM/6064293/2006, is provided below with a comparison with the year ended 31 December 2019. As regards the 2020 financial year, the values in the table take into account the effects of the discharge of debt, as the approval order took effect on 17 July 2020.

Table 10 – Consolidated Net Financial Position at 31 December 2020 – Astaldi Group

	(€'000)		**31/12/2020**	**31/12/2019**
A	Cash		500,344	314,061
C	**Liquidity**	**(A+B)**	**500,344**	**314,061**
	Current loan assets		130,120	100,012
	of which with related parties			*15,863*
D	**Current loan assets**		**130,120**	**100,012**
E	Current bank loans and borrowings		(30,880)	(1,568,807)
F	Current portion of bonds		-	(907,446)
	of which with related parties			*(6,689)*
G	Current portion of non-current debt		(4,883)	(29,745)
H	Other current loans and borrowings		(129,552)	*(338,905)*
	of which with related parties			(20,189)
J	**Current Financial Debt**	**(E+F+G+H+I)**	**(165,315)**	**(2,844,903)**
K	**Net current financial debt**	**(J+D+C)**	**465,149**	**(2,430,830)**
L	Non-current bank loans and borrowings		(183,657)	(9,398)
M	Bonds		-	(130,572)
N	Other non-current financial liabilities		(15,319)	(45,571)
P	**Non-current financial debt**	**(L+M+N+O)**	**(198,976)**	**(185,541)**
Q	Net financial debt from continuing operations	**(K+P)**	**266,174**	**(2,616,371)**
R	**Net financial position of disposal groups**		**116**	**179,412**
	of which with related parties			200,616
S	**Net financial debt**	**(Q+R)**	**266,290**	**(2,436,959)**
	Non-current loan assets		11,008	14,015
	Subordinated loans		38,504	*121,316*
	of which with related parties			60,949
T	Non-current loan assets		49,512	135,331
U	**Total Net Financial Position / (Total Net Financial Debt)**		**315,802**	**(2,301,628)**

At 31 December 2020, the Net Financial Position was positive for €315.8 million, an improvement of €2,617.4 million on the previous year (total financial debt of €2,301.6 million at 31 December 2019).

The figure for the period includes (*i*) the effects of the discharge of debt as a result of the approval of the composition with creditors on 17 July 2020, and in particular the elimination of unsecured liabilities through the allocation of the newly issued shares and the PFIs, as provided for in the Composition with Creditors Plan, as well as (*ii*) the effects of the Webuild Capital Increase executed on 5 November 2020 (see "Composition with creditors on a going concern basis as per Article 186–bis of the Bankruptcy Law".). The figure for the period also includes the settlement of a portion of pre-preferential claims, relating only to legal expenses, as well as the settlement of a first portion of preferential claims relating to employees, carried out in compliance with the provisions of civil law regarding the degree of preference to be applied in the settlement of debt positions and in compliance with the provisions of the aforementioned approval order. Compared to what was originally envisaged in the Company's Composition with Creditors Plan, pre-preferential claims relating to the remuneration of the court-appointed receivers are still to be settled, for which the Company is awaiting a decision by the Court of Rome, and the remaining part of the preferential claims is to be settled within 12 months of the approval order (i.e. by 17 July 2021). Note that the Net Financial Position also includes the component – measured in accordance with IFRS 2 – relating to the additional remuneration linked to the Lender Warrants granted to the Lending Banks of the new 200-million RCF Line.

CONSOLIDATED STATEMENT OF CASH FLOWS

The Astaldi Group's Statement of Cash Flows for 2020 is as follows.

Table 11 – Statement of Cash Flows for 2020 – Astaldi Group

(€'000)	2020	2019
A) Net cash flows generated by (used in) operating activities	**(14,316)**	**(217,463)**
B) Cash flows generated by (used in) investing activities	**(55,792)**	**(620,349)**
C) Cash flows generated by (used in) financing activities	**255,745**	**383,345**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C) *	**185,637**	**103,848**
OPENING CASH AND CASH EQUIVALENTS	**314,823**	**210,974**
CLOSING CASH AND CASH EQUIVALENTS	**500,460**	**314,823**

*Including changes in bank deposits classified as non-current assets held for sale (Disposal Group)

Financial position and performance of the parent Astaldi S.p.A.

Financial performance of Astaldi S.p.A.

The Reclassified Statement of Profit or Loss of the Parent Astaldi S.p.A. for 2020 is as follows. For further information on the performance for the period, please refer to Astaldi S.p.A.'s Separate Financial Statements attached to this Report.

Table 12 – Reclassified Statement of Profit or Loss for 2020 – Astaldi S.p.A.

(€'000)	Note no.*	2020	%	2019	%
Revenue from contracts with customers	1	989,547	94.3%	1,037,943	92.3%
Other operating revenue	2	60,033	5.7%	86,960	7.7%
Total revenue		**1,049,581**	**100.0%**	**1,124,902**	100.0%
Operating costs	3 – 4	(870,641)	-83.0%	(861,257)	-76.6%
Added value		**178,940**	**17.0%**	**263,646**	23.4%
Personnel expenses	5	(167,816)	-16.0%	(226,935)	-20.2%
Other operating costs	6	(37,676)	-3.6%	(16,638)	-1.5%
Change in costs capitalised to fulfil a contract	7	1,860	0.2%	(125)	0.0%
Share of profits (losses) from joint ventures and associates	8	(96,219)	-9.2%	30,805	2.7%
Gross operating profit (loss)		**(120,912)**	**-11.5%**	**50,753**	4.5%
Amortisation and depreciation	9	(41,257)	-3.9%	(44,129)	-3.9%
Provisions	10	(35,261)	-3.4%	(21)	0.0%
Impairment losses	9	(26,601)	-2.5%	4,831	0.4%
Capitalised internal costs		--	0.0%	--	0.0%
Operating profit (loss)		**(224,030)**	**-21.3%**	**11,435**	1.0%
Out-of-period income from discharge of debt on continuing operations	11	2,309,146	220.0%	--	0.0%
Net financial income (expense)	12 – 13	(83,344)	-7.9%	(31,824)	-2.8%
Pre-tax profit (loss)		**2,001,772**	190.7%	**(20,389)**	-1.8%
Income taxes	14	(180,046)	-17.2%	(26,837)	-2.4%
Out-of-period income from discharge of debt on discontinued operations	11	74,127	7.1%		0.0%
Net profit (loss) from discontinued operations	15	(90,459)	-8.6%	(6,531)	-0.6%
Profit (loss) for the year		**1,805,394**	**172.0%**	**(53,757)**	**-4.8%**

(*) Notes to the reconciliation with the Separate Financial Statements of Astaldi S.p.A. as at 31 December 2020 attached to this Report.

Financial position and performance of Astaldi S.p.A.

The Reclassified Statement of Financial Position of the Parent Astaldi S.p.A. at 31 December 2020 is as follows. As regards the 2020 financial year, the values in the table take into account the effect of the discharge of debt resulting from the approval of the Astaldi composition with creditors on 17 July 2020. For further information on the performance for the period, please refer to Astaldi S.p.A.'s Separate Financial Statements attached to this Report.

Table 13 – Reclassified Statement of Financial Position at 31 December 2020 – Astaldi S.p.A.

(€'000)	**Note no.***	**31/12/2020**	**31/12/2019**
Intangible assets	20	28,687	37,231
Property, plant and equipment	17-19	37,110	72,111
Equity investments	21	111,794	537,653
Other non-current assets, net	14-22-23	145,617	380,480
Non-current assets held for sale	30	10,103	149,633
Liabilities directly associated with non-current assets held for sale	30	(15,337)	(173,392)
Right-of-use assets	18	14,719	29,589
TOTAL non-current assets (A)		**332,692**	**1,033,306**
Inventories	24	30,981	32,492
Contract work in progress	25	722,000	692,554
Trade receivables	27	609,404	183,385
Amounts due from customers	27	208,304	422,326
Other assets	22-23	344,082	567,506
Tax assets	28	34,345	39,005
Progress payments from customers	25	(434,244)	(330,097)
Sub total		**1,514,872**	**1,607,170**
Trade payables	35	(500,079)	(367,669)
Amounts payable to suppliers	35	(240,434)	(735,506)
Other liabilities	32-34-36	(245,112)	(425,862)
Sub total		**(985,626)**	**(1,529,037)**
Operating working capital (B)		**529,247**	**78,134**
Employee benefits	33	(3,976)	(4,765)
Provisions for risks and charges	37	(42,895)	(178,340)
Total provisions (C)		**(46,871)**	**(183,104)**
Net invested capital (D) = (A) + (B) + (C)		**815,068**	**928,335**
Cash and cash equivalents	29	339,462	241,134
Current loan assets	22	69,518	128,683
Current financial assets from concession activities			
Securities			
Current financial liabilities	32	(90,408)	(2,847,232)
Non-current financial liabilities	32	(189,046)	(177,222)
Non-recourse financial debt			
Net financial debt of disposal groups	**30**	**116**	**173,485**
Net loans and borrowings (E)		**129,642**	**(2,481,152)**
Financial assets from concession activities			
Non-current loan assets	22	77,358	62,059
Total net loans and borrowings (F)		**207,001**	**(2,419,094)**
Equity (G) = (D) - (F)	**31**	**1,022,069**	**(1,490,758)**

(*) Notes to the reconciliation with the Separate Financial Statements of Astaldi S.p.A. as at 31 December 2020 attached to this Report.

NET FINANCIAL POSITION

The breakdown of the Net Financial Position of the Parent Astaldi S.p.A. as at 31 December 2020, as per CONSOB Communication no. DEM/6064293/2006, is provided below with a comparison with the year ended 31 December 2019. As regards the 2020 financial year, the values in the table take into account the effects of the discharge of debt, as the approval order took effect on 17 July 2020.

For further information on the performance for the period, please refer to Astaldi S.p.A.'s Separate Financial Statements attached to this Report.

Table 14 – Net Financial Position at 31 December 2020 – Astaldi S.p.A.

(€'000)		**31/12/2020**	**31/12/2019**
Cash		339,462	241,134
Securities held for trading			
Cash and cash equivalents	**A**	**339,462**	**241,134**
Current loan assets		69,518	128,683
Current financial assets from concession activities			
Current loan assets	**B**	**69,518**	**128,683**
Current bank loans and borrowings		(12,124)	(1,478,799)
Current portion of bonds			(907,446)
Current portion of non-current debt		(2,899)	(2,784)
Other current loans and borrowings		(75,384)	(458,203)
Total current loans and borrowings	**C**	**(90,408)**	**(2,847,232)**
Net current financial debt		**318,573**	**(2,477,415)**
Non-current bank loans and borrowings		(183,657)	(8,065)
Bonds			(130,572)
Other non-current financial liabilities		(5,389)	(38,585)
Total non-current loans and borrowings	**D**	**(189,046)**	**(177,222)**
Total gross debt	**E=C+D**	**(279,454)**	**(3,024,454)**
Gross non-recourse debt	**F**		
Total net financial debt	**G=A+B+E+F**	**129,526**	**(2,654,637)**
Net financial position of disposal groups	**H**	**116**	**173,485**
Total financial debt	**I=G+H**	**129,642**	**(2,481,152)**
Non-current loan assets		38,855	27,146
Subordinated loans		38,504	34,912
Financial assets from concession activities			
Non-current loan assets	**L**	**77,358**	**62,059**
Total net financial debt	**M=I+L**	**207,001**	**(2,419,094)**
Treasury shares in portfolio			
Total Net Financial Position / (Total Net Financial Debt)	**O=M+N**	**207,001**	**(2,419,094)**

STATEMENT OF CASH FLOWS

The Statement of Cash Flows of the Parent Astaldi S.p.A. for 2020 is as follows. For further information on the performance for the period, please refer to Astaldi S.p.A.'s Separate Financial Statements attached to this Report.

Table 15 – Statement of Cash Flows for 2020 – Astaldi S.p.A.

(€)	2020	2019
A) Net cash flows generated by (used in) operating activities	**(158,360,101)**	**(229,507,358)**
B) Cash flows generated by (used in) investing activities	**9,126,273**	**(105,374,251)**
C) Cash flows generated by (used in) financing activities	**246,915,926**	**431,216,141**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C) *	**97,682,098**	**96,334,532**
CLOSING CASH AND CASH EQUIVALENTS	**339,578,088**	**241,895,990**

*Including changes in bank deposits classified as non-current assets held for sale (Disposal Group)

Reconciliation between the equity and profit or loss of the parent Astaldi S.p.A. with the Group's equity and profit or loss

Pursuant to CONSOB communication no. DEM/6064293 of 28 July 2006, the following table provides a reconciliation of the Parent's equity and profit or loss for the year with those of the Group.

Table 16 – Reconciliation between the Parent's equity and profit or loss with those of the Group

(€'000)	**Equity at 31/12/2020**	**2020 profit (loss)**	**Equity at 31/12/2019**	**2019 profit (loss)**
Astaldi S.p.A.	**1,022,069**	**1,805,394**	**(1,490,758)**	**(53,757)**
- Elimination of carrying amount of investments in subsidiaries and share of profit or loss of equity-accounted associates	(48,432)	73,119	(100,480)	6,541
- Equity and profit (loss) of subsidiaries net of non-controlling interests and other minor adjustments	(193,788)	(19,638)	(201,519)	(34,107)
- Elimination of the loss allowances of subsidiaries	89,101	40,781	48,320	9,322
- Elimination of the provisions for risks on subsidiaries	245,155	42,543	202,612	
- Elimination of the effects of discharge of debt on Corporate Guarantees	(140,478)	(140,478)		
Consolidated financial statements (portion attributable to the owners of the parent)	**973,628**	**1,801,721**	**(1,541,825)**	**(72,000)**
Consolidated financial statements (portion attributable to the non-controlling interests)	**2,186**	**(499)**	**1,737**	**1,417**
Consolidated financial statements	**975,814**	**1,801,223**	**(1,540,088)**	**(70,584)**

Disclosure as per art. 114 of Legislative Decree no. 58/98 (“Consolidated Finance Act”)

With regard to the Disclosure as per art. 114 of Legislative Decree no. 58/98 (“**Consolidated Finance Act**” - *Testo Unico della Finanza*, *TUF*) relating to data from 31 December 2020, which is provided as per CONSOB’s request of 15 May 2018, please refer to what was reported by the Company in a press release available on the website www.astaldi.com, in the section Media - Press Releases.

Order backlog

Definition and structure

The order backlog of the Astaldi Group (the "**Group**") is the sum of the projects to be performed for contracts awarded to the Group net of revenue recognised in profit or loss at the reporting date.

It is calculated as *(i)* the revenue to complete projects measured in accordance with the IFRSs for the Construction contracts, and *(ii)* as revenue due for existing management contracts for the O&M segment.

The Group includes orders in progress and any new orders (net of any backlog decreases) and options, as defined below, in its order backlog. Orders in Progress are *(i)* for the Construction segment, the sum of the projects for which contracts have been signed or awarded as per the relevant calls for tenders and for which the customer has guaranteed the funds necessary to start and complete the works, and *(ii)* for the O&M segment, the projects for which contracts have been signed or for which the Group has a contractual obligation. New Orders include additions to the Orders in Progress (including contract increases for existing projects). Backlog decreases, if any, are amounts not included in the order backlog (mostly due to modifications to existing orders or also the termination of contracts). Any options refer to projects awarded or for which the Group is the preferred bidder in the related call for tenders as well as those for which the related contract and/or financing is still to be signed or those with conditions precedent that have not yet been met (this may arise even if the Group has made the related investments). Projects carried out as unconsolidated joint ventures are included in the order backlog for just the portion proportionate to the Group's investment in such joint venture.

At 31 December 2020, the Group's Order Backlog amounted to approximately €8.3 billion, of which about €6.4 billion (77% of the total) for Construction and approximately €1.9 billion (23% of the total) for O&M. At the same date, the Group's Order Backlog was located for approximately €3.9 billion (47% of the total) in Italy and about €4.4 billion (53% of the total) abroad, where it operates in Europe (Romania, Poland, Sweden, Turkey), the American Continent (Chile, Canada, USA, Paraguay), Africa (Algeria) and Asia (India).

The above data are to be understood as referring to the Core Assets Scope as defined in the Composition with Creditors Plan and Proposal (see § "Composition with creditors on a going concern basis as per Article 186–bis of the Bankruptcy Law").

Table 17 – Changes in the Order Backlog by business line – Astaldi Group (Core Assets Scope)

(€ millions)	**01/01/2020**	**Increases/Decreases**	**Decreases for production**	**31/12/2020**
Construction	**6,573**	**1,158**	**(1,341)**	**6,390**
Transport infrastructure of which:	**5,355**	**1,273**	**(1,125)**	**5,503**
Railways and metros	*3,161*	*372*	*(538)*	*2,995*
Roads and motorways	*2,002*	*909*	*(469)*	*2,442*
Airports and ports	*192*	*(8)*	*(118)*	*66*
Hydraulic works and energy generation plants	**168**	***(2)***	**(23)**	***143***
Civil and industrial construction	**791**	***(59)***	**(94)**	***638***
Industrial plants	**259**	***(54)***	**(99)**	***106***
O&M	**1,313**	**592**	**(40)**	**1,865**
Civil construction of which:	**1,313**	**592**	**(40)**	**1,865**
Healthcare construction	*1,313*	*592*	*(40)*	*1,865*
INDUSTRIAL PORTFOLIO	***7,886***	***1,750***	***(1,381)***	***8,255***

Table 18 – Changes in the Order Backlog by geographical segment – Astaldi Group (Core Assets Scope)

(€ millions)	**01/01/2020**	**Increases/Decreases**	**Decreases for production**	**31/12/2020**
Italy	**3,797**	**632**	**(526)**	**3,903**
Abroad	**4,089**	**1,118**	**(855)**	**4,352**
Europe (*)	*2,302*	*1,082*	*(462)*	*2,922*
Americas	*1,425*	*(106)*	*(374)*	*945*
Africa	*98*	*(2)*	*(6)*	*90*
Asia	*264*	*144*	*(14)*	*395*
INDUSTRIAL PORTFOLIO	***7,886***	***1,750***	***(1,381)***	***8,255***

(*) In this table, Europe does not include Italy but does include Turkey.

New Orders

At 31 December 2020 the Astaldi Group recorded **approximately €1.8 billion of New Orders** related to new contracts and/or net increases on existing contracts, specifically for €1.1 billion (64% of the total) abroad (in Romania, Turkey, Poland) and the remaining €632 million (36% of the total) in Italy. Broken down by business, the New Orders include approximately €1.2 billion (66% of the total) for Construction (Transport Infrastructure) and the remaining €592 million (34% of the total) for O&M (Healthcare Construction).

The New Orders include, among others:

(i) the €407 million contract (including the price revision) for the design and construction of Lot 5 of the Sibiu-Pitesti Motorway in Romania (over 30 kilometres long, a strategic project for the country), signed in May 2020;

(ii) the increase of €164 million in the relevant share in the contract for the Verona-Vicenza Junction First Functional Lot of the Verona-Padua high speed/high capacity Railway Line in Italy, following the signing of the Rider to the original Agreement on 6 August 2020.

For more information please refer to § "Construction" for details on the individual geographical segments referred to above.

Construction

Foreword

Construction is the Group's core business.

As at 31 December 2020, the Group was involved in Construction with over 50 projects in 11 countries worldwide, developed in Italy, Europe (Romania, Poland, Sweden and Turkey), the American continent (Chile, Canada, USA, Paraguay), Africa (Algeria) and Asia (India). At the same date, Construction generated 97% of revenue and accounted for 77% of the Order Backlog.

In the Construction business, the Group operates in the following sectors:

(i) **Transport Infrastructure** – It represents the Group's core business, divided into (*i*) railways and metros, (*ii*) roads and motorways, (*iii*) airports and ports, for which the Group designs, builds and sometimes operates the infrastructure built. As at 31 December 2020 Transport Infrastructure generated 81% of revenue and accounted for approximately 66% of the Order Backlog;

(ii) **Hydraulic and Energy Production Plants** – The Group operates as an EPC[28] Contractor for the design, construction and maintenance of plants for the production of renewable energy, hydraulic and hydroelectric plants, waste-to-energy plants, dams, aqueducts, wastewater treatment plants. As at 31 December 2020, Hydraulic and Energy Production Plants generated approximately 2% of revenue and accounted for approximately 2% of the Order Backlog;

(iii) **Civil and Industrial Construction** – The Group designs, builds and sometimes operates healthcare, sports, administrative, university and industrial facilities, and car parks. As at 31 December 2020, Civil and Industrial Construction generated approximately 7% of revenue and accounted for approximately 8% of the Order Backlog;

(iv) **Industrial Plants** – The Group designs, assembles, installs and operates engineering, electrical, HVAC (Heating, Ventilation, Air Conditioning) and other systems within the Transport Infrastructure, Hydraulic and Energy Production Plants, and Civil and Industrial Construction sectors. In the Industrial Plants sector, the Group operates mainly through NBI, a Group company wholly owned by Astaldi. As at 31 December 2020, Industrial Plants generated 7% of revenue and accounted for approximately 1% of the Order Backlog.

Below is a brief summary table of the Group's current main projects, conventionally identified as projects having a residual backlog exceeding €50 million as at 31 December 2020. This is followed by a brief analysis of the geographical segments where the Group operates in the Construction sector.

[28] Engineering, Procurement, Construction.

Table 19 – Astaldi Group's main projects with a residual backlog exceeding €50 million as at 31 December 2020

Projects	Residual backlog *(€ millions)*	% progress
Brenner Base Tunnel - Mules 2-3 Lot	211.9	*56.6%*
Verona-Padua high speed/high capacity Railway Line (Verona-Vicenza Junction First Functional Lot)	879.7	*5.0%*
Naples-Bari high capacity Railway Line, Naples-Cancello Section	127.7	*28.5%*
Naples-Bari high capacity Railway Line, Apice-Hirpinia Section	235.5	*2.7%*
Rome Metro Line C	106.4	*88.4%*
Line 4 of the Milan Metro (EPC Contract)	170.9	*72.7%*
Infraflegrea Project - Monte Sant'Angelo Railway Connector	127.0	*28.5%*
Jonica State Road (SS-106), Mega-Lot 3	510.7	*13.1%*
Quadrilatero Marche-Umbria Road System, Maxi Lot 2	204.3	*67.6%*
New Cagliaritana State Road (SS -554)	62.2	*1.1%*
Nuovo Ospedale del Sud-Est Barese in Monopoli-Fasano	56.3	*21.7%*
ITALY		
Sibiu-Pitesti Motorway, Lot 5	393.1	*1.4%*
Braila Bridge	183.3	*37.2%*
Frontieră-Curti-Simeria Railway Line - Lot 3	150.6	*44.9%*
Frontieră-Curti-Simeria Railway Line - Lot 2B	82.8	*56.9%*
Frontieră-Curti-Simeria Railway Line - Lot 2	65.5	*60.0%*
Romania		
S2 - Warsaw Southern Bypass - Lot A	52.3	*78.3%*
S-7 expressway, Naprawa-Skomielna Biała Section and Zakopianka Tunnel	59.5	*68.7%*
Gdańsk Waste-to-Energy Plant	53.9	*14.1%*
Poland		
Gothenburg Rail Link - Haga Station	194.7	*37.4%*
Gothenburg Rail Link – Kvarnberget	94.7	*31.0%*
Sweden		
Etlik Integrated Health Campus in Ankara (Etlik Hastane EPC)	212.4	*54.7%*
Istanbul Metro (Kirazli–Halkali Section)	77.3	*2.2%*
Turkey		
EUROPE		
New Linares Hospital	107.1	*14.3%*
Barros Luco Trudeau Hospital in Santiago	240.4	*7.1%*
Chile		
I-405 Highway	231.6	*51.3%*
USA		
Hurontario Light Rail Transit Project (HULRT)	212.9	*11.1%*
Canada		
Yaciretà Hydroelectric Power Plant (Brazo Aña Cuá Project)	62.1	*7.2%*
Paraguay		
AMERICAS		
Saida-Tiaret Railway Line	71.2	*80.1%*
Algeria		
AFRICA		
Versova-Bandra Sea Link ("VBSL") in Mumbai	364.4	*2.0%*
India		
ASIA		
TOTAL PROJECTS	**560.2**	
Other initiatives	788.1	
TOTAL ASTALDI CONSTRUCTION BACKLOG	**6,390.3**	

Italy

Italy is Astaldi's home ground and its reference market. Despite the country's particular economic situation of recent years, it continues to be central to the Group's commercial development policies and expansion strategies. The main sectors of interest are Transport Infrastructure (railways, roads, motorways and ports) and Civil Construction (hospitals). As at 31 December 2020, Construction in Italy generated 38% of revenue and accounted for 40% of the Order Backlog.

CURRENT MAIN PROJECTS IN ITALY

Below is a brief description of the current main construction contracts in Italy. The projects listed – referring only to the Core Assets Scope (as defined by the Composition with Creditors Plan and Proposal – see § "Composition with creditors on a going concern basis as per Article 186–bis of the Bankruptcy Law") – are conventionally identified as projects having a residual backlog exceeding €50 million as at 31 December 2020.

Italy // Brenner Base Tunnel (Mules 2–3 Lot) – The contract refers to the construction of the main section of the Italian side of the Brenner Base Tunnel, the **Italian-Austrian joint project for the construction of a railway tunnel that will connect Italy to Austria**. The work is part of the project to upgrade the Munich-Verona railway line which **will become the longest underground railway line in the world** once completed. Lot "Mules 2–3" includes the construction of approximately 75 kilometres of tunnels of various sizes, excavated in part using traditional tunnelling methods and in part using Tunnel Boring Machines (TBMs). The customer is BBT SE, a company 50% owned by Italy and 50% by Austria, and the works are being carried out in a consortium by Astaldi (47.23%) with Ghella (Italy, 47.21%), PAC (Italy, 5.55%) and Cogeis (Italy, 0.01%). This project includes the construction of main line tunnels, an emergency stop, an exploratory tunnel and side tunnels. The main line tunnels running towards the south will be excavated using only traditional tunnelling methods, while the main line tunnels running north will be excavated in part using traditional methods and in part using TBMs. Due to the COVID-19 pandemic work was suspended from 14 March 2020 to 18 May 2020.
Sustainable value of the work[29] *– Once completed, the entire infrastructure will ensure (i) a reduction in noise pollution, CO_2 emissions and traction energy consumption of up to 40% thanks to the line running underground and the significant reduction in maximum slopes, (ii) the separation of freight traffic from passenger traffic, with a consequent reduction in travel times for the fastest trains (from the current 75 minutes to 25 minutes), (iii) the strengthening of freight traffic by rail, also in response to the objectives set by the EU Transport White Paper.*

Italy // High Speed/High Capacity Verona-Padua Railway Line (Verona-Vicenza Junction First Functional Lot) – The contract includes the design (final and executive) and construction of the Verona-Vicenza Junction First Functional Lot, part of the entire Verona-Padua high speed, high capacity railway line that will be built by the IRICAV DUE consortium, General Contractor owned by Astaldi (37.49% share), with Webuild (leader, 45.44%), Hitachi Rail STS (Italy, 17.05%), Fintecna (Italy, 0.01%) and Lamaro (Italy, 0.01%). On 6 August 2020 the relevant contract was signed (Rider to the original Agreement – hereinafter, the "**Rider**") for a total value of €2,470 million. This First Functional Lot, which is expected to be completed by 2027, **will consist of a 44.2 kilometre route and cross 13 municipalities, quadrupling the existing line and increasing its integration with the European network**. The work consists of two Construction Lots, of which (*i*) the First Construction Lot (amounting to €874 million) has already been started with the signing of the Rider of 6 August 2020, and (*ii*) the Second Construction Lot (amounting to €1,596 million) will be financed within 12 months of said signing. As a result of the signing of the Rider, for the Astaldi Group the value of the contract – already in the Order Backlog, based on the original Agreement – was increased by an amount equal to €164 million for Astaldi's share in the

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[29] Source: FS Group.

second half of 2020. The customer is RFI (FS Group). Since it is still in the start-up phase, in 2020 the project was not slowed down due to COVID-19.
Sustainable value of the work[30] *– Once completed, the entire infrastructure will ensure (i) a reduction in travel times, (ii) an increase in capacity and regularity of traffic, (iii) the improvement of the regional transport system thanks to the freed-up capacity of the historic line, (iv) a greater integration of the Italian railway system with the European network.*

Italy // Naples-Bari High Capacity Railway Line, Naples-Cancello and Apice–Hirpinia Sections – The project refers to the design and construction of two sections of the new Naples-Bari high capacity railway line, **a strategic work for Southern Italy**. The works are being carried out by a joint venture between Astaldi (40%) and Webuild (leader, 60%). The customer is RFI (FS Group).
Naples-Cancello section – The contract consists of the construction of a variation of the existing Naples-Cancello line, along a first section of 15.5 kilometres of the Naples-Bari line, including an artificial tunnel of 2.3 kilometres built using the "cut and cover" method, 4 viaducts and 3 new stops, in addition to the connection to the Naples-Afragola high speed station (also built by Astaldi). The completion of the preparatory work for the activation of the Napoli–Cancello variation is scheduled for August 2023, while the completion of all the work and the dismantling of the existing line is scheduled for July 2024.
Apice-Hirpinia section – The contract involves the construction of an additional 18.7 kilometres of new section, a variation with respect to the existing line, including the construction of the Hirpinia station, 3 natural tunnels and 4 viaducts.
Sustainable value of the work[31] *– Once completed, the entire infrastructure will ensure, among other things, (i) a reduction in travel times, with a recovery of up to 35 minutes on the Rome-Bari section, (ii) an increase in transport capacity, from 4 to 10 trains/hour, (iii) greater accessibility to the regions served.*

Italy // Line C of the Rome Metro – The contract includes the construction, supply of rolling stock and roll-out of the new metro line (25.4 km of route, 29 stations) along the Monte Compatri/Pantano-Clodio/Mazzini to Rome section. The customer is Roma Metropolitane (Municipality of Rome). The works are entrusted to Metro C S.c.p.A., general contractor owned by Astaldi (34.5%), with Vianini Lavori (Italy, 34.5%), Hitachi Rail (Italy, 14%), Cooperativa Muratori e Braccianti di Carpi (Italy, 10%) and Consorzio Cooperative Costruzioni (Italy, 7%). Line C is the **first fully-automated metro line built in Rome**. **Driverless technology** allows operating the line completely automatically, ensuring the safe running of trains and the operation of the transport service. For this project, the First Strategic Phase from the Monte Compatri/Pantano station to the San Giovanni station (19 kilometres of line, 22 stations) has been completed, with delivery of the third functional phase up to the San Giovanni station on 8 March 2018, while Section T3 is being built from the San Giovanni station to Piazza Venezia (approximately 3 kilometres). The project includes construction of two stations, Amba Aradam and Fori Imperiali, and two ventilation shafts, Giardini di Via Sannio and Piazza Celimontana. At the end of 2019, the customer ordered the final design activities be recommenced for the Fori Imperiali-Venezia sub-section, bringing forward the mechanised tunnelling of the line tunnels from the end of Section T3 to Piazza Venezia. The final project of the Piazza Venezia Station was delivered in June 2020, and despite the COVID–19 pandemic emergency and thanks to the adoption by the company of all measures to prevent and protect against the risk of spreading the virus, the mechanised tunnelling of the line tunnels from the end of Section T3 to Piazza Venezia was completed at the end of August 2020.
Sustainable value of the work[32] *- At full capacity, Line C of the Rome Metro will be able to transport over 600,000 people per day, with a transport capacity of 60,000 passengers during peak hours. Due to the characteristics and uniqueness of the region served, the design and construction of the line represent a true engineering challenge, also accepted with the aim of enhancing the invaluable archaeological heritage found*

[30] Source: RFI (FS Group), Hearings in the Chamber of Deputies, "*RFI Hearings. Prime Minister's Decree Scheme for Extraordinary Commissioners - 3 February 2021*".
[31] Source: RFI (FS Group), Hearings in the Chamber of Deputies, "*RFI Hearings. Prime Minister's Decree Scheme for Extraordinary Commissioners - 3 February 2021*".
[32] Source: Metro C.

during excavations. Indeed, inside San Giovanni Station an exhibit of archaeological finds was built to give passengers an immersive experience, and the same strategy was adopted for the construction of the Amba Aradam and Fori Imperiali stations, also intended to house important museum installations for the exhibition and promotion of what was found during the excavations.

Italy // Line 4 of the Milan Metro (EPC Contract) – The EPC contract is tied to the concession for the development and long-term operation of the new Line 4 of the Milan Metro. **The new infrastructure will be a light, fully automated metro serving the city** along the San Cristoforo-Linate Airport line (15.2 km, 21 stations, maximum passenger capacity of 24,000 passengers/hour in both directions). The EPC Contract includes the (final and executive) design and construction of all the civil works, including the superstructure, systems and supply of the rolling stock. The contract also includes the construction of a depot/workshop in San Cristoforo for the recovery and maintenance of rolling stock. The construction of civil works and non-system plants is entrusted to Metro Blu S.c.r.l., owned by Astaldi (50%) and Webuild (general contractor, 50%). On 5 February 2019, the Customer – the Municipality of Milan – and the operator (SPV Linea M4 S.p.A., 9.63% owned by the Astaldi Group and 9.7% by Webuild) signed Rider no. 1 which, inter alia, revised the general construction schedule providing for the activation of the line's functional sections, acceptance of the extra consideration for the time delays, waiver of the claims, additional variations and the review of the security and coordination plan. Subsequently in September 2019, SPV Linea M4 and the contractor (MM4, a consortium including Astaldi) signed the new EPC contract. From an execution point of view, all the tunnels of the West, East and Central Sections have been completed and works are under way to complete the stations, structures and connections between the tunnels and the stations/structures (also using the innovative soil freezing technique), as well as the surface finishing works, the superstructure and non-system plants. Works slowed down due to the pandemic associated with the spread of the COVID–19 virus, as well as archaeological finds at De Amicis Station, along the Central Section. However, the Linate Station-Forlanini FS Station First Functional Section is scheduled to become operational in the first half of 2021. For more information on the relevant concession contract of the Astaldi Group, see § "Concessions".
Sustainable value of the work[33] – *Once completed, Line 4 of the Milan Metro (together with Line 5, also built by Astaldi) will ensure (i) -30 million trips by car per year, (ii) -2% of pollutant emissions, (iii) -16 million tonnes in fuel consumption per year.*

Italy // Infraflegrea Project - Monte Sant'Angelo Railway Connector and work on the Pozzuoli Port – The contract covers a number of activities in the urban areas of the Naples and Pozzuoli municipalities. They include construction of Line 7 of the Naples Regional Metro System (the Monte Sant'Angelo railway connector), extension and upgrading of the Pozzuoli Port and works for the Bagnoli ring road. The works are entrusted to Infraflegrea Progetto S.p.A. – general contractor owned by Astaldi (51%) and Giustino Costruzioni (Italy, 49%) – and the portions financed at 4 August 2016 are being carried out by Astaldi as executing partner. At the date of preparation of this Report, the Monte Sant'Angelo railway connector and the work on the Pozzuoli Port have been partially financed, while the other works have yet to be funded. For this initiative, for the First and Second Lots an extension of the completion times was granted until 31 December 2021. For the Parco San Paolo Station, the activities of moving the underground services, removing war devices and archaeological investigations have been completed, pending the ratification by the Municipal Council of the approval of the variation appraisal at the Services Conference. For the work on the Pozzuoli Port, the examination of the project at the Services Conference is still ongoing, and is expected to be concluded favourably in the first quarter of 2021. During 2020 work progress was severely affected by the COVID-19 emergency, stopping completely in the period between March and May 2020.
Sustainable value of the work – *The Monte Sant'Angelo Railway Connector alone will serve 2,000,000 people, guaranteeing an increase in use also for the two connected railway lines, Circumflegrea and Cumana.*

[33] Source: M4.

Italy // Jonica State Road (SS-106), Mega-Lot 3 – The contract includes the construction of Mega-Lot 3 of the SS-106 Jonica State Road (also called Lot DG-41/08) using the EPC method. The contract consists in the construction of the new section from the intersection with SS-534 (at Sibari) to Roseto Capo Spulico. The section is 38 km with three twin-tube bored tunnels, 15 viaducts, 11 artificial tunnels and four junctions. The customer is ANAS (FS Group) and the works are being carried out by Sirjo S.c.p.A., general contractor owned by Astaldi (60%) and Webuild (40%). The Executive Design was approved on 9 March 2020. The works are expected to take 2,274 days from the date of signature of the works delivery document (19 May 2020). At the date of preparation of this Report, archaeological excavations, the foundation works of some viaducts, the construction in the factory of prefabricated elements of the artificial tunnels and the assembly of viaduct structures are under way. Since it is still in the start-up phase, in 2020 the project was not halted due to COVID-19.
Sustainable value of the work[34] *– Once completed, among other things the new infrastructure will (i) ensure an increase in the level of road safety and a reduction in the environmental impact of traffic in the area, (ii) create a strategic link, as the work will allow the completion of an integrated Adriatic-Ionian-Tyrrhenian transport system in Southern Italy, and (iii) serve about 200,000 users, improving the accessibility, economy and tourism of sites of significant historical and archaeological value (Sibari excavations).*

Italy // Quadrilatero Marche-Umbria Road System, Maxi Lot 2 – The contract covers the upgrading and extension of the Perugia-Ancona section (roughly 31 km in both directions, including 22 km of tunnels) and the construction of the Pedemontana delle Marche Road (around 36 km, single lane, including 5 km of tunnels) on a general contracting basis. The customer is Quadrilatero Marche S.p.A., a subsidiary of ANAS (FS Group). The contractor is Dirpa 2 S.c.ar.l., owned by Consorzio Stabile Operae (99.98%), in turn owned by Astaldi for 98%, NBI (Astaldi Group) for 1% and GIT Service for the remaining 1%. The works are executed by Astaldi. At the date of preparation of this report, 17 kilometres of route have been formally handed over to ANAS and works continue on the remaining sections. As a result of the national emergency caused by the COVID-19 pandemic, in March 2020 there was a progressive loss of productivity up to a total halt of works and a subsequent gradual resumption of activities starting from the beginning of May 2020.
Sustainable value of the work[35] *– Once completed, among other things the new infrastructure will ensure the upgrading of the Marche-Umbria road system, with consequent economic impacts and greater accessibility to the regions served. The work will also ensure a 20% reduction in travel times on the Perugia-Ancona section, with consequent benefits in terms of pollution levels.*

Italy // New Cagliaritana State Road (SS-554) – The contract relates to the integrated total award of the executive design and subsequent works to upgrade the urban road to Astaldi as per Article 53.2.c) of Legislative Decree no. 163/2006. It includes elimination of the intersections along roughly seven km of the Cagliaritana state road (SS-554) from Km 1+500 to Km 7+100 (the first stage). The customer is ANAS (FS Group). The works are financed with European funds (Development and Cohesion Fund Programme) and by the Sardinia Region. Agreement of the contract is subject to the customer's approval of the definitive project. After the design phase, on 10 October 2018 the project was sent to the Italian Superior Council for Public Works (**CSLP**) for its approval. In September 2019, the CSLP expressed its favourable opinion, subject to the re-presentation of the revised definitive project updated to include certain requests. In December 2019, Astaldi sent the customer the revised definitive project as per the CSLP's requests and, in May 2020, ANAS sent the project to the Ministry of the Environment and Land and Sea Protection for commencement of the Environmental Impact Assessment, the results of which are not known at the date of preparation of this Report.
Sustainable value of the work *– Once completed, among other things the new infrastructure will ensure greater accessibility to the regions served.*

Italy // Nuovo Ospedale del Sud-Est Barese in Monopoli-Fasano – The contract covers all the civil works and systems for the **new healthcare facility of excellence** in Puglia, which will have 299 beds and nine operating rooms in a surface area of 178,000 square metres. The works are slated to take approximately three

[34] Source: ANAS (FS Group).
[35] Source: ANAS (FS Group).

years. The customer is the local health authority of the Bari Province. The contract was awarded to Astaldi as part of a joint venture with Guastamacchia (whose shares have been reduced to 0.01%). Construction continued in 2020, though the site had a total work stoppage from 23 March 2020 to 11 May 2020, as ordered by the customer following the COVID-19 epidemiological emergency.
Sustainable value of the work *– Once completed, the new infrastructure will ensure the expansion and modernisation of hospital care capacity in the Apulia Region, benefiting 236,000 people. The project also involves the construction of a photovoltaic plant capable of producing 512 Kw, as well as the replanting of 199 old trees in the project area.*

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Note that for the aforementioned projects – Brenner Base Tunnel, Mules 2-3 Lot, Naples-Bari high capacity Railway Line, Rome Metro Line C, Milan Metro Line 4, Infraflegrea Project, Quadrilatero Marche-Umbria Road System, Maxi Lot 2 – costs were incurred for activities that had not initially been budgeted, therefore requests for additional consideration were submitted. These costs were taken into account in the valuation of contractual assets and liabilities to the extent that their recognition is considered highly probable, also based on the opinions expressed by the Group's consultants.

REFERENCE SCENARIO AND OUTLOOK

Italy remains one of the countries most affected by the COVID-19 pandemic, and its economy has not escaped the resulting effects. In this regard, please refer to the information provided on the subject (see § “COVID–19 disclosure”). However, it is considered appropriate to report here what has been done by the Italian Government for the reference sector. In 2020, the Simplifications Decree (Law Decree no. 76 of 16 July 2020) introduced a series of measures aimed at reducing levels of bureaucracy, among other things providing for the acceleration of tender procedures and for the start of construction sites, the reduction of contract award times and the introduction of a model based on dedicated official receivers to facilitate the rapid execution of some projects identified as strategic. Furthermore, the government launched the so-called Fast Italy Plan consisting of 66 infrastructure projects (of which 40 priority works), which aims to strengthen and modernise the country's railway, road and motorway, port and airport system through an investment plan equal to €131 billion declared as already available. These measures are in addition to those already introduced by the Unfreeze Italy Decree (Law Decree no. 133 of 12 September 2014) and the 2020 Budget Law (Law no. 160 of 27 December 2019), which favoured the introduction of mechanisms aimed at restarting the infrastructure sector at a national level. In this context, also worth considering are two recent changes to the regulation concerning contract advances, referred to in art. 35, paragraph 18, of Legislative Decree no. 50/2016, contained in the Heal Italy Decree and in the Relaunch Decree and which follow changes to the regulation already put in place in 2019 with the Unfreeze Job Sites Decree (Law Decree no. 32 of 18 April 2019). Taken as a whole, these measures strengthen the instrument of contract advances with the aim of providing new impetus to the companies put to the test by the lockdown and the general effects of the pandemic. In fact, it was established that under certain conditions and within certain limits the advance envisaged in the aforementioned art. 35, paragraph 18 can be increased from 20% to 30%.

The issue of infrastructure development is also at the centre of the agenda of the new Draghi government, which took office on 13 February 2021. The government aims to address the crisis that the country is experiencing, stimulating a robust and effective economic recovery in terms of employment, with an approach that also involves the Infrastructure sector and which has already led to the creation of a Ministry for Ecological Transition, as well as the transformation of the Ministry of Infrastructure and Transport into the current Ministry of Sustainable Infrastructure and Mobility. Indeed, the aim is to encourage recovery through an acceleration of the 58 works envisaged by the aforementioned Unfreeze Job Sites Decree (road, railway, port, water and safety infrastructure). The resources put in place amount to €65-70 billion, of which €22 billion will be used for works in the North, €18 billion in the Centre and €27 billion in the South.[36] The new infrastructure is considered of fundamental importance for the regions that will benefit from it, but also for the country's economic development and for the increase in employment levels. The development guidelines of the Italian Infrastructure sector will be set out in the National Recovery and Resilience Plan that the new Draghi government must submit to the European Commission by 30 April 2021. By the same date, a draft proposal for a Prime Minister's decree implementing the Unfreeze Job Sites Decree, to be approved by 30 June 2021, is also expected. The acceleration of priority works will be supported by the introduction of extraordinary Commissioners for construction sites, highly qualified technical-administrative professionals in charge of speeding up procedures, but who will also be immediately operational.

Europe

The Group's foothold in Europe includes its historical stamping grounds such as Poland, Romania and Turkey as well as areas it has recently moved into like Sweden. It mainly carries out contracts in the transport infrastructure sector (roads, motorways, airports and railways) as well as small energy projects (Waste-to-Energy plants). As at 31 December 2020, Construction in Europe generated 33% of revenue and accounted for 20% of the Order Backlog.

CURRENT MAIN PROJECTS IN EUROPE

Below is a brief description of the current main construction contracts in Europe. The projects listed – referring only to the Core Assets Scope (as defined by the Composition with Creditors Plan and Proposal – see § "Composition with creditors on a going concern basis as per Article 186–bis of the Bankruptcy Law") – are conventionally identified as projects having a residual backlog exceeding €50 million as at 31 December 2020.

Romania // Sibiu-Pitesti Motorway, Lot 5 – The contract (100% Astaldi) covers the construction of over 30 km of the Sibiu-Pitesti Motorway, **the most important section under construction in Romania**. The contract was signed in May 2020, thus being included in the New Orders of the period. It is an EPC contract and covers the design and construction of Lot 5 of the motorway, from Km 92+600 to Km 122+950. The planned duration of the works is 60 months, 12 months of which for design and 48 months for construction. The contract is financed partly with European funds (85%) and partly with State funds (15%) and includes the adjustment of contract prices starting from the date of the submission of the bid. The customer is CNAIR, the state company owned by the Romanian Ministry of Transport and Infrastructure, and the works were awarded to the Astaldi Group.
Sustainable value of the work *– Once completed, the new infrastructure will ensure the expansion and modernisation of transport capacity in the area, as well as the greater accessibility to the regions served.*

Romania // Braila Bridge – The contract covers the **design and construction of a 1,975-metre suspension bridge on the Danube 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 European LIOP Funds (Large Infrastructure Operational Programme). Design and construction will be performed as a joint venture between Astaldi (main contractor, 60%) and IHI (Japan, 40%). The design work was completed in 2018 and the construction phase began at the

[36] Sources - *Unfreeze Job Sites infrastructure projects: hearing of Minister Giovannini in joint committees, 8th Senate committee and 8th and 9th Chamber committees*, hearing in the Senate as part of the examination of Government Act no. 241 on the identification of infrastructure projects (Unfreeze Job Sites Law Decree), joint committees, Public Works committee of the Senate and Environment and Transport committee of the Chamber, 2 March 2021.

start of 2019. At the date of preparation of this Report, approximately 60% of the work on the suspension bridge had been completed.
Sustainable value of the work *– Once completed, the new infrastructure will ensure a 20% reduction in travel times, as well as an expansion of the transport system in the area and greater accessibility to the regions served. Its completion will also contribute to endowing the country with an iconic work, which will contribute to the country's connection to the rest of Europe.*

Romania // Frontieră–Curtici–Simeria Railway Line (Lots 2A and 2B and Lot 3) – The contract includes the rehabilitation of 120 kilometres of the Frontieră–Curtici–Simeria railway line, divided into three lots and **part of 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 (Large Infrastructure Operational Programme) and 25% by the state.
Lots 2A and 2B – These two lots involve the rehabilitation of about 80 kilometres of railway line, the construction of 11 stations, 30 bridges and a tunnel, as well as the installation of a European Rail Traffic Management System (ERTMS) for signalling and telecommunications. Construction work will take 36 months. Some sections were delivered to the customer in 2019, and the rest of the works continued in 2020. The execution of the works is entrusted to a joint venture between Astaldi (leader, 49.5%), FCC Construction (Spain, 49.5%) and Salcef (Italy, 1%).
Lot 3 - The contract includes the rehabilitation of 40 km of railways 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 installation of the ERTMS signalling and telecommunications system, the renovation of eight railway stations and some minor works. Construction work will take 3 years. The execution of the works is entrusted to a joint venture between Astaldi (49.5%), FCC Construction (Spain, leader, 49.5%) and Convesa (Spain, 1%).
Sustainable value of the work *– Once completed, the new infrastructure will ensure a 50% reduction in travel times, encouraging the use of rail transport in place of road transport, and allowing for a significant reduction in CO2 emissions, as well as an expansion of the transport system in the area and greater accessibility to the regions served. The project also provides for a substantial reduction of noise pollution in urban areas adjacent to the railway, as well as works to manage the flow of the Mures river in the event of flooding and the greening of areas adjacent to the railway. It is estimated that the entire project will serve 3.2 million people.*

Poland // S-2 Warsaw Southern Bypass (Lot A) – The contract (100% Astaldi) covers the development of lot A of the Warsaw Southern Bypass, a **strategic project to develop the city's infrastructure**, **ensuring significant benefits connected with the reduction of traffic congestion in the city centre**. The works involve the design and construction of approximately 5 kilometres of expressway with two separate three-lane carriageways in each direction, linking the Puławska and Przyczółkowa junctions. The performance of complex works along the route is planned comprising nine bridges, a twin-tube tunnel measuring 2.3 kilometres in length, two road junctions and all related works. The customer is Poland's General Road and Motorways Authority (GDDKiA) and the works are being financed using EU funding. The works were awarded to the Astaldi Group.
Sustainable value of the work *– Once completed, the new infrastructure will ensure a reduction of about 1 hour of travel along the entire section. Furthermore, approximately 60% of excavation materials will be recycled and approximately 20,000 square metres of green areas will be restored.*

Poland // S-7 Expressway, Naprawa-Skomielna Biała Section and Zakopianka Tunnel – The contract (100% Astaldi) provides for the construction of the Naprawa–Skomielna Biała section of the S-7 Krakow–Rabka Zdrój expressway, **including the Zakopianka Tunnel, the longest bored road tunnel in Poland**. It will involve the construction of 3 km of new sections, including 2 km of twin-tube tunnels, a 400 m viaduct, external works, systems and environmental protection works. The customer is Poland's General Road and Motorways Authority (GDDKiA) and the works were awarded to the Astaldi Group.
Sustainable value of the work *– Once completed, the new infrastructure will ensure a reduction of about 30 minutes of travel along the entire section. Furthermore, approximately 60% of the excavation materials will be recycled.*

Poland // Gdańsk waste-to-energy plant – The contract covers the construction of a WtE plant to treat urban waste in the Gdańsk-Gdynia-Sopot metropolitan area and Operation and Maintenance (O&M) activities for 25 years. The planned duration of construction activities is 48 months, 12 months of which for design, and 36 months for the construction work. The construction activities are being carried out by a joint venture comprising Astaldi (leader, with a 51% share), and Termomeccanica Ecologia (Italy, 49%). An SPE will be set up for the O&M activities, held by Astaldi (with a 10% stake), Termomeccanica Ecologia (10%), and Dalkia Wastenenergy (formerly Tirù, France, 80%). The customer is Port Czystej Energii, a municipal special-purpose company established by the Municipality of Gdańsk for the management of the investment. The contract is financed with European funds and the state budget.
Sustainable value of the work *– Once completed, the plant will ensure (i) the treatment of 160,000 tonnes of urban waste per year, (ii) 12MW of electricity, with energy production for about 110,000 MWh/year, serving about 55,000 families, (iii) 36MW of heat, with heat production serving about 4,200 families.*

Sweden // Gothenburg Rail Link - Haga Station (West Link – Lot E04 Haga Station) – The EPC contract includes the design and construction of a new underground station of the railway link in the city centre and a 1.5 km service tunnel. The works are being carried out by the AGN Haga AB joint venture, which includes Astaldi (40%), Gülemark (Turkey, 40%) and NRC Group (Norway, 20%). The customer is Trafikverket, the national transport authority. The works are financed using European funds and the state budget. They are expected to take roughly eight years, with completion slated for 2026. In 2020, the project was not significantly impacted by the effects of the pandemic in light of the willingness of local authorities not to impose particular restrictions on the workplace and on production in general.
Sustainable value of the work *– Once completed, as a whole the new infrastructure will allow for a significant expansion of the regional rail transport system, ensuring fast travel under Gothenburg and the connection of the city centre.*

Sweden // Gothenburg Rail Link – Kvarnberget (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 project, which Astaldi is already involved in via construction of Haga Station (see above). The tunnel is being built using the “cut and cover” method. The works, financed using European funds and local funding, are being carried out by the AGN Haga AB joint venture, which includes Astaldi (40%), Gülemark (Turkey, 40%) and NRC Group (Norway, 20%). The customer is Trafikverket, the Swedish transport authority. As a result of the rider signed in the second half of 2020, the works are planned to take approximately five years, with completion slated for June 2023. In 2020, the project was not significantly impacted by the effects of the pandemic in light of the willingness of local authorities not to impose particular restrictions on the workplace and on production in general.
Sustainable value of the work *– Once completed, as a whole the new infrastructure will allow for a significant expansion of the regional rail transport system, ensuring fast travel under Gothenburg and the connection of the city centre.*

Turkey // Etlik Integrated Health Campus in Ankara (Etlik Hastane EPC) – The EPC contract includes the design, construction and supply of electro-medical equipment and furnishings, as well as the long-term operation under concession of the healthcare facility that, for its size, **is one of the largest projects under way in Europe in the health sector**. The customer is the Turkish Ministry of Health (the entity granting the concession) and the works are being carried out by a joint venture between Astaldi (51%) and Turkeler (Turkey, 49%). In 2020, the COVID-19 pandemic has not caused problems for the project as it was already on standby for other issues, then resolved in September 2020 with operations resuming normally. In September 2020, the negotiations between the project’s lending banks (Lenders) and the customer were successfully concluded with the Lenders’ approval of some waivers relating to conditions precedent required for the restructuring of the initiative's financing. A new work end date was thus negotiated (31 December 2021) and a contractual variant was defined due to the larger scope of work. Lastly, it is worth noting that, in implementation of the Composition with Creditors Plan and Proposal, in 2020 the Astaldi Group's participation in the Concession linked to this initiative was included in Astaldi's Separate Unit (see § “Composition with creditors on a going concern basis as per Article

186–bis of the Bankruptcy Law"). For further information please refer to the Financial Report of the Astaldi Separate Unit attached to Astaldi S.p.A.'s Separate Financial Statements as at 31 December 2020.
***Sustainable value of the work** – Once completed, the work will ensure a significant expansion of the hospital care capacity in the area, as it will provide 3,700 beds in eight buildings, as well as a hotel, for a total of about 1.2 million square metres of total area and 400,000 square metres of greenery. The user base is expected to be 100,000 people per day.*

<u>Turkey // Istanbul Metro (Kirazli–Halkali Section)</u> – The contract (to be performed by a joint venture, Astaldi having a 15% share) concerns the construction of civil works and the installation of electromechanical systems for the new section of the Istanbul Metro, which will connect Kirazli to Halkali. The contract includes construction of 10 km of twin-tube tunnels, (including 7 km using TBMs), nine stations and related works. The customer is the Municipality of Istanbul. The works were awarded to the Astaldi Group. In 2020 the project was not impacted by the COVID-19 pandemic.
***Sustainable value of the work** – Once completed, the new infrastructure will serve 52,000 passengers/hour in each direction.*

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Note that for the aforementioned projects – Braila Bridge, Frontieră-Curtici-Simeria Railway Line, Lots 2A and 2B and Lot 3, Warsaw Southern Bypass, S-7 Expressway, Naprawa-Skomielna Biała Section and Zakopianka Tunnel – costs were incurred for activities that had not initially been budgeted, therefore requests for additional consideration were submitted. These costs were taken into account in the valuation of contractual assets and liabilities to the extent that their recognition is considered highly probable, also based on the opinions expressed by the Group's consultants.

REFERENCE SCENARIO AND OUTLOOK

The COVID–19 pandemic has caused a serious economic shock with significant negative repercussions throughout Europe. The impact on the GDP growth of individual countries will depend on the duration of the pandemic and the extent of the measures taken worldwide to slow its spread, protect production capacities and, more generally, support the economy. EU Member States have already taken or are taking budgetary measures to increase the capacity of health systems and support the people and sectors that have been strongly affected. Important liquidity support measures and other guarantees were also adopted. Below is a brief summary of the situation in the European countries where the Astaldi Group operates, in line with the information provided above (see § "COVID-19 disclosure").

<u>Romania</u>[37] – The country has not escaped the effects of the COVID–19 pandemic on the global economy, at least as recorded in the first half of 2020. The local government is working to contain the effects of the crisis and to support businesses. In July 2020 the Romanian Government launched an important post-COVID–19 relaunch plan that aims at a new model for economic development, with investments of approximately €100 billion by 2023 involving various sectors, including infrastructure and health. The plan is one of the most important state investment programmes in recent years and also provides for structural measures including, by way of example, the establishment of a national development bank as a credit institution to support investment projects. With regard to infrastructure, among other things the relaunch plan calls for: (*i*) the connection of all regions of Romania through approximately 3,000 kilometres of motorways and state roads by 2030; (*ii*) the start of work on a new metro line in Cluj-Napoca, a strategic centre for the development of the country; (*iii*) the completion of the metro connection between Bucharest and the Henri Coanda International Airport of Bucharest-Otopeni; (*iv*) the construction of three regional hospitals in Cluj-Napoca, Iasi and Craiova by 2027; (*v*) a road, water and

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[37] Sources - *The World Bank in Romania. Country Snapshot*, World Bank, April 2020; *Commission Report. Romania. Report prepared pursuant to Article 126 (3) of the Treaty on the functioning of the European Union*, European Commission, 14 February 2020; *Planul Național de Investiții și Relansare Economică*, Government of Romania, July 2020.

sewerage renovation plan, which includes the restoration of 20,000 kilometres of local roads; (*vi*) investments in the energy sector for a total amount of €12.48 billion between 2020 and 2025. Important liquidity support measures and other forms of guarantee were also adopted, especially for small and medium-sized enterprises. The July 2020 economic relaunch plan also provides for active measures for employment and social protection, such as: the extension of unemployment benefits for job categories whose activities were suspended; the stimulation of flexible work programmes and subsidies for vocational training; the stimulation of employment for youth, those over 50 and citizens returning from abroad; measures to encourage teleworking. The financing of these measures will be covered by the European SURE programme (launched after the crisis caused by the pandemic). With specific regard to the Group's ongoing projects in Romania, where not already envisaged, measures are being taken to revise/update the contract price in agreement with the customers in order to allow for a proportionate adjustment of costs in light of the changed market conditions because of the pandemic.

Poland[38] – Lockdowns and closures of borders have helped to preserve Poland from the spread of the COVID-19 pandemic, but have not saved the country from its economic effects which led to 2020 being classified as one of the worst years of the last 30. To cope with the emergency and support the country's economy, the Polish government introduced the so-called Shield Plan, a package of fiscal measures and initiatives totalling PLN312.1 billion (about €69 billion), equal to approximately 3.2% of the GDP estimated for 2020. The infrastructure sector suffered less from the effects of the pandemic as it managed to contain downtime and, more generally, the impact on activities. It should be noted that in July 2020 the results of the presidential elections confirmed the second term of the incumbent President.

Sweden[39] – Despite a strong recovery in GDP in the last four months of 2020 (4.9% on the previous quarter) – driven by the recovery in exports together with an increase in domestic consumption (SCB estimates – Swedish Statistical Institute) – the Swedish economic forecast for 2020 foresees a contraction in GDP of 3.4% (European Commission estimates, updated in November 2020) due to the severe economic shock caused by the COVID-19 pandemic. At the same time, a marked rebound is expected in 2021 which is estimated to lead to GDP growth of 3.3%, due to the post-pandemic global recovery. In fact, the Swedish government reacted to the economic effects of the pandemic by adopting measures to defend employment, stimulate the economy with large injections of liquidity and facilitate access to credit for a total cost, as calculated by the Swedish government, equal to about 3% of GDP. For the sector at hand, the current infrastructure investment plan with a time horizon until 2029 (2018–2029 National Transport System Plan adopted by the Swedish government in May 2018) continues to drive the market with initiatives aimed at relaunching the country's infrastructure system, also in connection with European networks (total investment planned equal to SEK700 billion – approximately €67.5 billion).

Turkey[40] – The increasing number of cases at the end of October 2020 led the Turkish Government to adopt more stringent measures: total lockdown on the weekend, curfew after 9 pm, limited circulation, closure of all public and dining venues, obligation to present a SARS-CoV-2 PCR negative test upon entry into the country. The Turkish Central Bank (CBRT) revised its monetary policy, raising the official interest rate from 10.25% in October 2021 to 15% in November 2020, and subsequently to 17% on 21 January 2021. This was due to factors that have negatively affected the inflation outlook, such as the "delayed" effects of the depreciation of the Turkish lira, the increase in international food prices and worsening inflation expectations. Following the appointment of the new Minister of Treasury and Finance (in November 2020), the Turkish Government also announced a new line aimed at increasing the quality of public finance, combating inflation and maintaining fiscal legislation,

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[38] Sources - *Commission Report. Poland. Report prepared pursuant to Article 126 (3) of the Treaty on the functioning of the European Union*, European Commission, 20 May 2020.

[39] Sources – SCB Statistics Sweden https://www.scb.se/en/finding-statistics/statistics-by-subject-area/national-accounts/national-accounts/national-accounts-quarterly-and-annual-estimates/; European Commission (updated in November 2020): https://ec.europa.eu/info/sites/info/files/economy-finance/ip136_en_2.pdf; *The Government's work in response to the virus responsible for COVID-19*, Swedish Government – Ministry of Finance.

[40] Sources – *Policy Responses to COVID–19 – Policy Tracker: Turkey*, International Monetary Fund; *OECD Economic Outlook Volume 2020. Issue 1: Preliminary Version – Economic Forecast Summary (June 2020) – Turkey Economic Snapshot*, OECD, June 2020.

including through a programme of micro-reforms aimed at enhancing macroeconomic stability. According to more recent estimates (Global Economic Prospects, January 2021), the World Bank has increased Turkey's GDP growth projections for 2020, estimating growth of 0.5% for the whole year, followed by growth of 4.5% in 2021 and 5% in 2022.

American continent

For the Astaldi Group the American Continent includes both the group's traditional markets (USA and Chile), areas where it has recently started operating (Canada and Paraguay) as well as areas where it is discontinuing its activities (Mexico, Peru and Central America). Its main sectors of interest are transport infrastructure (roads and motorways), followed by civil construction and energy generation plants. Chile is the Group's main market in Latin America, where it is active in the transport infrastructure (airports), healthcare buildings and mining sectors. As at 31 December 2020, Construction on the American Continent generated 27% of operating revenue and accounted for 11% of the Order Backlog.

CURRENT MAIN PROJECTS ON THE AMERICAN CONTINENT

Below is a brief description of the current main construction contracts on the American Continent as at 31 December 2020.

The projects listed – referring only to the Core Assets Scope (as defined by the Composition with Creditors Plan and Proposal – see § "Composition with creditors on a going concern basis as per Article 186–bis of the Bankruptcy Law") – are conventionally identified as projects having a residual backlog exceeding €50 million as at 31 December 2020.

Chile // Barros Luco Trudeau Hospital in Santiago – The contract (100% Astaldi) covers the design and construction of a new hospital in Santiago, Chile. The works will take seven years. The customer is the Chilean Ministry of Health. The works are financed using state funds. The works were awarded to the Astaldi Group. The design phase was delayed due to changes requested by the customer and the difficulties caused by the severe isolation measures imposed by the Chilean authorities to contain the COVID-19 pandemic. At the date of preparation of this report, the design phase was coming to an end and it is believed that the entire executive design will be approved by the first quarter of 2021, at the same time as the start of construction.
Sustainable value of the work *– Once completed, the new hospital will have 967 beds and 28 operating rooms, split into two 10-floor buildings (with one underground floor to house the nuclear medicine department), covering a total area of 200,000 square metres and 10,000 square metres of green areas. The new structure will serve 2,000,000 people. The project also includes a number of solutions aimed at ensuring the structure's energy efficiency (solar panels, air recycling systems, laminated glass, electrical regeneration systems for lifts).*

Chile // New Linares Hospital – The EPC contract (100% Astaldi) includes the design and construction of a new healthcare facility in central Linares in the Maule region. The works were awarded to Astaldi and the systems will be built by NBI (Astaldi Group). The works will take just over six years, with design activities starting in 2017. The customer is the Chilean Ministry of Health and the works are financed using state funds. The design phase ended with the approval of the executive design in the last quarter of 2020 and construction began in January 2021. Preliminary activities to get the construction sites up and running have already started. Even though it is still in the start-up phase, in 2020 the project suffered some slowdowns due to COVID-19.
Sustainable value of the work *– Once completed, the new facility will have 329 beds and 11 operating rooms in a surface area of roughly 87,000 square metres in an eight-floor building, including one underground. The new structure will serve 265,600 people. Among other things, the project includes the development of about 15,500 square metres of green areas.*

Canada // Hurontario Light Rail Transit (HULRT) Project – The contract covers the design, construction, financing and 30-year operation of an 18-kilometre, 19-stop light rail transport system that will run along Horontario Street from Port Credit in Mississuaga to the Brampton Gateway Terminal in Brampton, Ontario. The project was commissioned by Infrastructure Ontario and Metrolinx and was awarded to the Mobilinx Consortium, consisting of Astaldi (28%) and Webuild (42%) and other partners from Canada and other countries. Design continued in 2020, and work began to eliminate interference with underground services and traffic management.
Sustainable value of the work *– Once completed, the new infrastructure will ensure an integrated transport system that will extend to the entire region and provide a sustainable alternative to mobility.*

USA // I-405 Highway – The contract includes the design and construction of the improvement works for 26 km of the I-405 highway between Los Angeles and San Diego. **To date, it is one of the most important projects assigned in California for the infrastructure sector**. The customer is OCTA (Orange County Transportation Authority) and the works are being carried out by OC 405 Partners, a joint venture between the Astaldi Group (40%) and OHL (Spain, 60%). In 2018, the designs were prepared for the bridges and the main structures, and activities were carried out to demolish the existing structures to be replaced and for traffic management. In 2019, the design phase was completed and construction of 11 bridges and three miles of drainage infrastructure were commenced. Construction continued in 2020 without being halted by COVID-19, and is currently in full operation.
Sustainable value of the work *– Once completed, the work will ensure a 45% reduction in travel times for 257,000-370,000 vehicles per day (depending on the location).*

Paraguay // Yaciretà Hydroelectric Power Plant (Brazo Aña Cuá Project) – The contract covers works to upgrade the Yaciretà Hydroelectric Power Plant on Río Paraná. The contract covers all the civil works and some electromechanical works to install three additional Kaplan turbines in the existing hydroelectric power plant to increase its installed capacity by 270 MW for an average annual energy output of 1,700 GWh. The works are being carried out in a free zone in Paraguay. The execution of the works is entrusted to a joint venture between Astaldi (leader, 55%), Rovella Carranza (Argentina, 25%) and Tecnoedil Constructora (Paraguay, 20%). The customer is Entidad Binacional Yaciretà, the independent binational body that operates the plant. The start of the works, approved by the customer on 4 March 2020, was then postponed to 24 June 2020 due to the difficulties related to the COVID-19 pandemic, which compromised the full operation of the construction site. Activities have now begun and are proceeding in full compliance with the safety protocols imposed by the local authorities to prevent COVID-19 infections. At the date of preparation of this report, the progress of the work was in line with the contractual schedule agreed with the customer.
Sustainable value of the work *– Once completed, the work will ensure an increase of 9% in the plant's installed capacity.*

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Note that for the aforementioned project – Barros Luco Trudeau Hospital in Santiago, Chile – costs were incurred for activities that had not initially been budgeted, therefore requests for additional consideration were submitted. These costs were taken into account in the valuation of contractual assets and liabilities to the extent that their recognition is considered highly probable, also based on the opinions expressed by the Group's consultants.

REFERENCE SCENARIO AND OUTLOOK

Below is a brief summary of the situation in the countries on the American Continent where the Astaldi Group operates, in line with the information provided above (see § "COVID-19 disclosure").

Chile[41] – Chile suffered severely from the effects of the pandemic, which added to those of the social turmoil at the end of 2019. In August 2020 the Moody's rating agency lowered its outlook for Chile's sovereign credit from

[41] Sources – *Outlook for Latin America and the Caribbean: An Intensifying Pandemic,* International Monetary Fund, 26 July 2020; ***Plan paso a paso Chile se recupera***, Chilean Government, 3 September 2020.

stable to negative. The decision is essentially motivated by the rapid increase in debt levels that the country has experienced in recent years, whose trend has accelerated with the spread of the COVID-19 pandemic. However, with a credit rating of A-1, Chile remains one of the most stable economies in Latin America. The country has entered the pandemic with low fiscal reserves and debt levels compared to countries with the same rating, although the pandemic is gradually deteriorating its position. The impacts of the pandemic (Chile is one of the hardest hit countries in Latin America), the deteriorating global economic prospects and the turbulence of the financial markets are in fact creating a serious economic and financial shock, which for Chile mainly translates into weaker economic growth and a greater demand for social programmes. Moreover, the pandemic has exacerbated discontent over certain social issues, such as the high cost of living, the quality and coverage of public services and income inequality. The International Monetary Fund notes that the Chilean economy contracted with an estimated fall in real GDP of 6% in 2020, and forecasts a recovery in 2021 with a growth rate of 4.5% supported by significant fiscal, monetary and financial measures. To counter the emergency situation, the Chilean government has a plan to relaunch the national economy (*Plan paso a paso Chile se recupera*). This plan includes infrastructure investments of USD34 billion (equal to €28 billion), more than 10% of the country's GDP, of which USD9.4 billion (equal to €7.9 billion) for the two-year period 2020–2022, for the construction of 2,130 projects in the next two years involving the building and modernisation of bridges and motorways, railway and metro lines, ports and airports and hydraulic works. The objective is to protect income, support the most vulnerable groups of the population, safeguard jobs and ensure business continuity, on the one hand accelerating payments to suppliers and on the other putting in place advantageous tax initiatives. Social shock absorbers have also been introduced nationally.

Canada[42] – Canada has put in place a long-term investment plan to strengthen the country's infrastructure system. This plan calls for investments worth more than CAD180 billion (equal to €116 billion) to be made in 12 years, starting from 2016, in five priority areas: infrastructure for mass transport and other transport infrastructure (CAD38.8 billion, equal to €24.7 billion), renewable energy (CAD26.9 billion, equal to €17.1 billion), infrastructure for social welfare (CAD25.3 billion, equal to €16.1 billion). To cope with the COVID-19 health emergency, this plan was reinforced with an additional CAD33 billion (equal to €21 billion). In the areas affected by the Group's existing contracts, only Quebec passed a special law to compensate for a percentage of employees' salaries during the period of total work stoppage. During the spread of the virus all work in Quebec was stopped, and in order to prevent all companies from immediately dismissing their personnel, the provincial government established a system similar to the government-sponsored lay-off scheme used in Italy.

USA – As with other countries, the United States identified infrastructure as a driving force to counter the effects of the pandemic. The country suffered and continues to suffer heavily from the spread of COVID–19 infection, and as a counteraction the government has launched a plan to modernise the country's infrastructure system with investments of USD2 billion (equal to €1.6 billion) in bridges, roads and other infrastructure. The plan launched is much broader than those previously approved in the country and will be financed with new federal debt, leveraging a market characterised by interest rates equal to zero.

Paraguay[43] – The country has reacted effectively to the COVID-19 emergency and therefore has managed to contain the pandemic, recording only a small number of victims (compared to the rest of the world). However, the economic impact has been harsh and the International Monetary Fund expects a decline in GDP of 5% in 2020. In any case, the local government is reacting by trying to relaunch economic growth through a series of reforms.

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[42] Sources - *Investing in Canada Plan*, Government du Canada.

[43] Sources – *2020 World Economic Outlook, International Monetary Fund, July 2020.*

Africa

The Astaldi Group's work in Africa mainly refers to its historical presence in Algeria. As at 31 December 2020, Construction in Africa generated 0.5% of revenue and accounted for 1% of the Order Backlog, all for Transport Infrastructure.

CURRENT MAIN PROJECTS IN AFRICA

Below is a brief description of the current main construction contracts in Africa. The projects listed – referring only to the Core Assets Scope (as defined by the Composition with Creditors Plan and Proposal – see § "Composition with creditors on a going concern basis as per Article 186–bis of the Bankruptcy Law") – are conventionally identified as projects having a residual backlog exceeding €50 million as at 31 December 2020.

Algeria // Saida-Tiaret Railway Line – The contract covers the design and construction of 154 km of a single-track railway line along the Saida-Tiaret section with 45 railway bridges and viaducts, 35 road overpasses, four main stations and nine switching stations. It includes the executive design and development of the railway works and the railway signalling and telecommunication systems for the entire lot, the earthwork activities, road structures and road deviations from km 108.5 km to km 154 for a total of 45.5 km of a single track non-electrified railway line. The customer is ANESRIF, the national agency for the development and modernisation of the Algerian railway system. The works are being carried out by a joint venture between Astaldi (58.92%) and COSIDER (Italy, 41.08%). Following the COVID-19 emergency, the project was halted due to measures put in place by the Algerian government to prevent the spread of the virus, and work resumed only in mid-February 2021 following a specific authorisation from the local authorities.
***Sustainable value of the work** – Once completed, the new infrastructure will ensure an improvement in the national transport system and greater accessibility to the regions served.*

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Note that for the aforementioned project – the Saida-Tiaret Railway Line – costs were incurred for activities that had not initially been budgeted, therefore requests for additional consideration were submitted. These costs were taken into account in the valuation of contractual assets and liabilities to the extent that their recognition is considered highly probable, also based on the opinions expressed by the Group's consultants.

REFERENCE SCENARIO AND OUTLOOK

Below is a brief analysis of the reference scenario in Algeria.

Algeria – In order to mitigate the economic impacts of the COVID-19 pandemic, the Algerian government is working on an economic recovery plan that among other things aims to introduce a series of measures for the simplification of bureaucratic processes and the revision of public procurement rules.

Asia

For the Astaldi Group, Asia mainly refers to India, a country it has recently moved into. As at 31 December 2020, Construction in Asia generated around 1% of revenue and accounted for 5% of the Order Backlog, all for Transport Infrastructure.

CURRENT MAIN PROJECTS IN ASIA

Below is a brief description of the current main construction contracts in Asia. The projects listed – referring only to the Core Assets Scope (as defined by the Composition with Creditors Plan and Proposal – see § "Composition with creditors on a going concern basis as per Article 186–bis of the Bankruptcy Law") – are conventionally identified as projects having a residual backlog exceeding €50 million as at 31 December 2020.

India //Versova–Bandra Sea Link ("VBSL") in Mumbai – The EPC contract (to be performed by a joint venture, with Astaldi having a 50% share) covers the work to improve the road system in Mumbai. The new infrastructure will require the construction of complex works at sea and stretch for a length of approximately 17.7 kilometres, linking the neighbourhoods of Bandra, Otter, Juhu and Versova. The new infrastructure will be situated about 900-1,800 metres from the coast of the city of Mumbai. In addition, the Main Bridge will also include the construction of a cable-stayed bridge of 150 metres and three bridges of variable section, with a main span of 100 metres, to guarantee navigation in the area. Maintenance activities for two years are also planned. The customer is Maharashtra State Road Development Corporation (MSRDC), and the works will be financed by a pool of banks headed by SBI (State Bank of India) and guaranteed by the State. The works were awarded to Astaldi, in a joint venture with the Indian company Reliance Infrastructure. The State of Maharashtra suffered a serious setback due to the COVID-19 pandemic, with consequent restrictions that have seriously compromised operations starting from a total lockdown in March 2020 that lasted until July 2020. The construction sites then resumed but with reduced efficiency due to the lack of workers, who mainly come from outside Mumbai, as internal mobility in India is still limited. However, it now seems that such restrictions are being eased.
Sustainable value of the work *– Once completed, the work will ensure a 30% reduction in travel times for a forecasted peak of 175,800 vehicles per day.*

REFERENCE SCENARIO AND OUTLOOK

Below is a brief analysis of the reference scenario in India.

India – Although the country is suffering heavily from the effects of the COVID-19 pandemic, as a result of an easing of virus containment measures, lockdowns and mobility limits the infrastructure sector has been almost fully operational since the second half of 2020. The Indian government is considering policy actions in support of the domestic economy, with effects that cannot yet be estimated at the date of preparation of this report.

Operation & Maintenance

Over the last ten years the Group has acquired recognised expertise in the provision of Operation and Maintenance ("**O&M**") services, typically for works built by Astaldi. The services provided include ordinary and extraordinary maintenance of civil works and plants, heat and energy management, the management of health technologies, electromedical equipment and the sterilisation of medical instruments, as well as the management of hotel services such as, for example, cleaning and catering, management of green areas and commercial areas.

Within this sector the Group is particularly interested in the hospital segment, where it has already honed its skills significantly thanks to its prior experience gained in the concessions segment.

O&M activities are typically carried out in order to provide the services that enable the Operation of the infrastructure built. For this purpose, a specific O&M Company (special purpose entity dedicated to the provision of services and maintenance of the infrastructure) is established for each contract. The O&M Companies were initially owned by Astaldi Concessioni, and from June 2020 by Astaldi Concessions (following the partial demerger of Astaldi Concessioni – see § "Composition with creditors on a going concern basis as per Article 186–bis of the Bankruptcy Law"), from which it inherited industrial activities, human resources and skills, as well as the references of a decade of activity, with the aim of continuing to support the Astaldi Group in the development of the O&M sector.

As at 31 December 2020, O&M activities generated about 3% of revenue and accounted for 23% of the Order Backlog. The residual O&M backlog as at 31 December 2020 amounted to €1,865.0 million.

Below is a brief description of the initiatives that the Astaldi Group had in place in the O&M sector as at 31 December 2020.

OPERATIONAL INITIATIVES

GE.SAT (Four Tuscan Hospitals, Italy) – GE.SAT, in which the Astaldi Group holds a majority stake of 53.85%, is the O&M Company of the Four Tuscan Hospitals built by Astaldi under concession – Ospedale San Jacopo of Pistoia, Ospedale Santo Stefano of Prato, Ospedale San Luca of Lucca, Ospedale delle Apuane of Massa Carrara – with a total of 1,710 beds. Under the O&M contract entered into with the Operator SAT (valid until 2033), since 2013 GE.SAT has provided all non-health and commercial services for the four hospitals, all completed and under management.

VENETA SANITARIA FINANZA DI PROGETTO ("**VSFP**") (Ospedale dell'Angelo in Venice-Mestre, Italy) – VSFP, of which the Group owns a minority stake, is the O&M Company responsible for the O&M activities of Ospedale dell'Angelo in Venice-Mestre (680 beds). Built by the Astaldi Group via project finance, the hospital has been managed since 2008.

ANKARA ETLIK HASTANE IŞLETME VE BAKIM A.Ş. (Etlik Integrated Health Campus in Ankara, Turkey) - Ankara Etlik Hastane Işletme ve Bakim A.Ş. is the O&M Company – in which the Group holds a 51% stake – established for the execution of the O&M activities for the Etlik Integrated Health Campus in Ankara, which Astaldi is executing under concession in a joint venture with a Turkish company. The O&M Company is the sole contractor of all services under concession, which include maintenance (of civil works, systems, medical equipment, etc.), health support (hospital integrated information system, clinical support services such as laboratory, imaging, sterilisation and rehabilitation) and hotel services (catering, cleaning, laundry, waste disposal, security and pest control). At the date of preparation of this report, the Company was selecting the providers of the various services under concession, in order to be fully operational once the work is completed. For more information on the related EPC Contract, see § “Construction” in the “Europe” section.

OTHER INITIATIVES

SAMO (West Metropolitan Hospital in Santiago, Chile) – Sociedad Austral de Mantenciones y Operaciones (“**SAMO**”), in which the Astaldi Group holds a 100% stake, is the O&M Company established for the West Metropolitan Hospital in Santiago. Its opening was affected by the dispute that arose between Astaldi’s Chilean branch (acting as EPC Contractor) and the Operator (Sociedad Concesionaria Metropolitana de Salud S.A., “**SCMS**”) after the latter’s decision to terminate the EPC contract in January 2019. In order to safeguard its position, jeopardised by SCMS’s serious non-fulfilment as well as non-compliance with the start dates of the management phase, in September 2019 SAMO was obliged to notify the termination of the O&M contract and commence arbitration proceedings.

Concessions

The Astaldi Group's involvement in this segment takes the form of stakes in the capital of operators having in turn concessions for the construction and operation of works typically built by Astaldi. As a rule, during the construction phase, the projects are financed on a non-recourse basis through equity injections by the shareholders of the operator, debt dedicated to the project, medium- to long-term bridge loans and project finance.

As at 31 December 2020, the concessions held by the Astaldi Group can be divided into two clusters: those relating to the Core Assets Scope and those included in Astaldi's Separate Unit, as defined in the Composition with Creditors Plan and Proposal (see § "Composition with creditors on a going concern basis as per Article 186–bis of the Bankruptcy Law").

The initiatives related to the Core Assets Scope consist of minority stakes in the capital of operators active in the Transport Infrastructure segment in Italy and Canada that Webuild also has a stake in. The initiatives included in Astaldi's Separate Unit, on the other hand, are the main concessions held by the Astaldi Group at the commencement date of the composition with creditors (28 September 2018). For further information on these initiatives, refer to the Financial Report of Astaldi's Separate Unit attached to Astaldi S.p.A.'s Separate Financial Statements as at 31 December 2020.

For the sake of completeness, it should be noted here that, in implementation of the Composition with Creditors Plan and Proposal, Astaldi Concessioni – the hub of the Astaldi Group dedicated to the development of Concessions and O&M – underwent a proportionate partial demerger, approved with a deed dated 28 May 2020, designed to isolate the scope of the assets to be liquidated (to be included in Astaldi's Separate Unit), which remains within the demerged Astaldi Concessioni, from the assets of the Core Assets Scope, which has flowed into a newly incorporated company named Astaldi Concessions S.p.A. ("**Astaldi Concessions**"), also wholly owned by Astaldi. As a result of this demerger, the O&M activities and minor stakes in concessions detailed below were assigned to Astaldi Concessions.

The resolution to demerge Astaldi Concessioni was taken by the Shareholders' Meeting of Astaldi Concessioni on 22 January 2020 and registered with the Rome company registrar on 23 January 2020. The parent waited for the terms reserved to the subsidiary's creditors to oppose the demerger to expire before finalising the demerger deed. This deadline was 26 May 2020, given the suspension of judicial activities during the lockdown period imposed in Italy to deal with the COVID-19 public health emergency[44]. The formal stipulation of the demerger deed and the separation of the demerged company (Astaldi Concessioni) from the beneficiary (Astaldi Concessions) took place on 28 May 2020, effective from 8 June 2020, when the deed was registered with the Rome company registrar. The Astaldi Separate Unit was set up as approved by Astaldi's Board of Directors on 24 May 2020, subject to the condition precedent that the composition with creditors proposal be authorised (which took place on 17 July 2020).

Below is a brief description of the concessions of the Astaldi Group as at 31 December 2020 related to the Core Assets Scope (as defined above).

[44] The deadline was originally 23 March 2020 and was deferred to 26 May 2020 given the extraordinary suspension of activities imposed by the COVID-19 public health emergency, as the provisions of art. 83 of Law decree no. 18/2020 and art. 36, paragraph 1 of Law decree no. 23/2020 established the extraordinary suspension of civil, criminal and tax proceedings for the period between 9 March 2020 and 11 May 2020.

CONCESSIONS RELATED TO THE ASTALDI GROUP'S CORE ASSETS SCOPE

SPV Linea M4 | Italy
Infrastructure: Line 4 of the Milan metro.
Project KPI: 15.2 km of metro line, 21 stations, transportation capacity of 24,000 passengers/hour in either direction
Operator: SPV Linea M4 (Astaldi Group's share: 9.63%, Webuild's share: 9.7%).
Status of the concession: under construction and not yet operational.
The investment refers to the construction and subsequent operation of the new Line 4 of the Milan metro to be built as a P3 (Public Private Partnership). The infrastructure will be light, fully automated, driverless metro trains with station doors and a CBTC (Communication Based Train Control) signalling system. The concession includes the design, construction and long-term operation (until January 2047) of the public transport service for the entire line from San Cristoforo to Linate Airport (15.2 km of line and 21 stations for a maximum transportation capacity of 24,000 passengers/hour in both directions). The concession also comprises the construction of a depot/workshop in San Cristoforo for the recovery and maintenance of rolling stock (47 vehicles). The concession is in the construction phase. Please also refer to the information provided on the relevant EPC Contract in § "Construction" regarding "Italy".
Sustainable value of the work[45] *– The new Line 4 of the Milan Metro (together with Line 5, also built by Astaldi) will ensure (i) -30 million trips by car per year, (ii) -2% of pollutant emissions, (iii) -16 million tonnes in fuel consumption per year.*

MOBILINX | Canada
Infrastructure: Hurontario Light Rail Transit (HULRT).
Project KPI: 19 kilometres of railway with 19 stations
Operator: MOBILINX (Astaldi Group's share: 28%, Webuild's share: 42%).
Status of the concession: under construction and not yet operational.
The investment refers to the design, construction, financing and 30-year operation of a 19-kilometre, 19-stop light rail transport system that will run along Hurontario Street from Port Credit in Mississuaga to the Brampton Gateway Terminal in Brampton, Ontario. Astaldi (28%) is a member of the Mobilinx consortium that was awarded the contract, together with Webuild (42%) and other partners from Canada and other countries. Design continued in 2020, and work began to eliminate interference with underground services and traffic management – see § "Construction" regarding the "American Continent".
Sustainable value of the work *– Once completed, the new infrastructure will ensure an integrated transport system that will extend to the entire region and provide a sustainable alternative to mobility.*

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[45] Source: M4.

Astaldi Separate Unit

The Astaldi Separate Unit was established in 2020 in implementation of the Composition with Creditors Plan and Proposal. The unit was set up as approved by Astaldi's Board of Directors on 24 May 2020, subject to the condition precedent that the composition with creditors proposal be authorised (which took place on 17 July 2020) – see § "Composition with creditors on a going concern basis as per Article 186–bis of the Bankruptcy Law".

In summary, the initiatives included in Astaldi's Separate Unit are the main concessions held by the Astaldi Group at the commencement date of the composition with creditors (28 September 2018). For further information on individual projects refer to the Statement of Cash Flows of Astaldi's Separate Unit attached to Astaldi S.p.A.'s Separate Financial Statements as at 31 December 2020.

Here it is worth providing the following information.

EARLY LIQUIDATION PAYMENTS

With regard to Astaldi Group's concessions included in the Separate Unit, note that the Composition with Creditors Plan provided for a commitment by Astaldi to make early payments to the Separate Unit up to a maximum amount of €77 million (the "**Early Liquidation Payments**"). The Early Liquidation Payments are mainly aimed at ensuring the fulfilment of the equity/subordinated loan payment commitments for the concessions that fall within the Group's Core Assets Scope (i.e. the Etlik Integrated Health Campus in Ankara, Turkey, and the Arturo Benitez International Airport in Santiago, Chile). With respect to the planned commitment, at 31 December 2020 Astaldi had made Early Liquidation Payments for a total of approximately €34.4 million, of which approximately €2 million as an initial cash endowment for the Separate Unit. Also in accordance with the Composition with Creditors Proposal, the Early Liquidation Payments will be returned to Astaldi by the Separate Unit upon sale of the assets included therein.

STANDSTILL AGREEMENT WITH TURKISH BANKS

Due to the fact that Turkey does not recognise the composition with creditors on a going concern basis procedure, thus excluding Turkish creditors from the protection guaranteed by such procedure, Astaldi commenced negotiations in 2019 with some Turkish banks that have claims with Astaldi's Turkish branch (also related to commitments deriving from the guarantees issued in favour of the subsidiary ASTUR) in order to reach a **standstill** agreement on credit collection actions pending the sale of the investments in the SPEs operating the projects in Turkey, with the understanding that upon collection the claims of the banks involved in the agreement will be fully settled. Under the standstill agreement, upon the sale of the first Turkish asset for disposal and collection of the related amount, the Turkish banks will receive full repayment of the principal and full payment of the interest expense calculated at the contractual rate up to the date of repayment of the principal. The standstill agreement, entered into in September 2019, will expire at the earliest of *(i)* the date when the sale price of the first Turkish asset (i.e. the Third Bosphorus Bridge) is collected and *(ii)* 18 months after the signing of the agreement (i.e. March 2021). In accordance with the provisions of the Composition with Creditors Plan and the Separate Unit Plan, the claims of the Turkish banks will be settled from the Astaldi Separate Unit with the proceeds from the sale of the Turkish assets. Note that in January 2021 the Astaldi Separate Unit received the payment of the first instalment of the sale price of the Third Bosphorus Bridge for an amount equal to approximately USD24 million. In accordance with the standstill agreements, this payment was forwarded fully and directly to the Turkish banks. The Astaldi Separate Unit is currently negotiating an extension of the standstill agreement's duration to take account of the instalment payment of the price of the stake in the Third Bosphorus Bridge by the buyer.

GUARANTEES

As a result of the establishment and separation of the Astaldi Separate Unit, also due to the demerger of Astaldi Concessioni, the guarantee commitments made as a shareholder of the operators of the projects included in the Separate Unit are attributable to the latter.

Below is a summary table of the guarantee commitments of the Separate Unit as at 31 December 2020.

Table 20 – Separate Unit's Guarantee Commitments as at 31 December 2020.

COUNTRY	PROJECT	TYPE OF GUARANTEE	VALUE (€)
CHILE	Airport of Santiago	Management Performance Bond	4,388,355
		Equity Stand By Letter of Credit	13,231,861
TURKEY	Gebze Izmir Motorway	Management Performance Bond	1,135,747
	Etlik Hospital	Equity Stand By Letter of Credit	36,784,815
		Investment Term Performance Bond	3,872,448
Total Guarantees Issued			**59,413,226**

The values are expressed in euros, valued at the exchange rate as at 31 December 2020.

For more information on Astaldi's commitments to the Separate Unit and other details, see the resolution establishing the Separate Unit, adopted by the Board of Directors on 24 May 2020 and available on the website www.astaldi.com in the Liquidation Perimeter section.

SERVICE AGREEMENT

Thanks to a specific service agreement, the Astaldi Separate Unit makes use of the services rendered by Astaldi Concessions for the performance of (i) administrative management and compliance support, (ii) operational management of the assets under concession included in the Separate Unit, (ii) disposal of the assets under concession.

CIVIL LITIGATION

Italy // Monte Nieddu Dam – For the contract relating to the Monte Nieddu Dam, Astaldi filed an application for termination of contract pursuant to art. 169-*bis* of the Bankruptcy Law with the Court of Rome. The Court-Appointed Receivers[46] asked the customer (Consorzio di Bonifica della Sardegna Meridionale, the "**consortium**") to present its position in relation to the termination of the contract, and the customer stated its intention to find an out-of-court solution that would make the contract financially stable. In discussing the content of a possible agreement, the consortium proposed the settlement of the parent's claims via an amicable settlement as per Article 240 of Legislative Decree no. 163/2006. The person responsible for such procedure

[46] To be understood as the Court-Appointed Receivers responsible for Astaldi's composition with creditors procedure.

(the Italian *RUP*, *Responsabile Unico del Procedimento*) presented the parties with the proposal of the amicable settlement commission with a notification dated 9 July 2019. The proposal includes the payment of €8.2 million for work carried out up to the 16th progress report[47] (30 June 2018) against the claim for €30.6 million, in addition to €3.97 million "*starting from recommencement of work until completion of work*" and €1.2 million "*due if the contract is terminated after the 16th progress report*", specifying that, pursuant to the law, the proposal is subject to both parties accepting it. With resolution of 29 July 2019, the consortium stated that it was not obliged to accept the proposal of the competent commission. Subsequently, with notification dated 24 September 2019, the consortium formalised a proposal for the payment of claims of €6 million. On 12 November 2019, the Rome Court issued a decree authorising the termination of the contract. As a result, Astaldi notified the consortium on 13 November 2019 stating the termination of the contract as per Article 169-bis of the Bankruptcy Law. On 12 December 2019, the consortium requested that Astaldi formalise the status of the work site and the works, inviting Astaldi to dismantle the site. The status report was drafted jointly by the parties on 10 June 2020. The parent recognised the penalties estimated to result from the termination of the contract in the separate and consolidated financial statements at 31 December 2018.

Poland // E–59 Railway Line – On 27 September 2018, Astaldi notified the customer of this project 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. It also informed the customer of a number of events that legitimised the parent to terminate the contract due to the customer's default. On 5 October 2018, the customer replied by terminating the contract and requesting payment of the penalty (amounting to PLN130.9 million, the equivalent of approximately €29 million) and enforcing the guarantees totalling €20.3 million (including the advance payment bond). Subsequently, on 7 February 2019, the customer filed an application before the Court of Warsaw, requesting the payment of penalties for an amount of PLN87.25 million (the equivalent of €19 million), net of the value of the performance bond enforced (€9.4 million). The customer also requested the reimbursement of direct payments made to subcontractors for an amount of PLN10.7 million (including interest) (the equivalent of about €2.4 million). Astaldi filed its defence brief on 2 December 2019 and the first-instance ruling is still pending. Following the termination of the contract, Astaldi issued its final statement to the customer requesting payment for work performed but not paid. However, as such final statement was not paid and attempts to resolve the matter out of court were unsuccessful, Astaldi filed a claim before the Warsaw Court on 17 March 2020 for the non-payment of work performed and certified by the Works Management, for PLN17.6 million (the equivalent of approximately €4 million). Subsequently, Astaldi filed an additional claim on 26 May 2020 requesting payment of a further PLN16.8 million (the equivalent of €3.9 million, of which about €1.3 million related to unpaid invoices and about €2.6 million for the works performed and not certified by the Works Management). Also based on the opinions of its external legal advisers, the parent recognised the estimated penalties of terminating the contract in the separate and consolidated financial statements at 31 December 2018.

Poland // Dęblin-Lublin No. 7 Railway Line – On 27 September 2018, just after work began, Astaldi as the leader of the consortium (with a 94.98% share) for development of the Dęblin–Lublin Railway Line notified the customer 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. It also informed the customer of a number of events that legitimised the company to terminate the contract due to the customer's default. On 5 October 2018, the customer replied by terminating the contract and requesting payment of the penalty (amounting to PLN248.7 million, the equivalent of €55 million) and enforcing the guarantees totalling €43.3 million (including the advance payment bond). Subsequently, on 7 February 2019, the customer filed an application before the Court of Warsaw, requesting the payment of penalties for an amount of PLN155.63 million (the equivalent of approximately €34.4 million), net of the value of the performance bond

[47] Based on progress reports.

enforced (€21.7 million). The customer also requested the reimbursement of direct payments made to the subcontractors employed by the consortium for an amount of PLN66.85 million (including interest) (the equivalent of about €15 million). Astaldi filed its defence brief on 2 December 2019 and the ruling is still pending. Following the termination of the contract, Astaldi issued its final statement to the customer requesting payment for work performed but not paid. However, as such final statement was not paid and attempts to resolve the matter out of court were unsuccessful, Astaldi filed a claim before the Warsaw Court on 17 March 2020 for the non-payment of work performed and certified by the Works Management, for PLN37.9 million (the equivalent of approximately €8.4 million). Subsequently, Astaldi filed an additional claim on 26 May 2020 requesting payment of a further PLN135.3 million (the equivalent of about €30 million) for work performed but not certified by the Works Management. Also based on the opinions of its external legal advisers, the parent recognised the estimated penalties of terminating the contract in the separate and consolidated financial statements at 31 December 2018.

Chile // ESO E-ELT (European Extremely Large Telescope) Observatory – On 3 December 2018, Astaldi's joint venture partner Cimolai claimed Astaldi had defaulted on the commitments made under the deed of partnership and regulations and thus requested its investment in the joint venture be diluted to 0.01%. On 5 December 2018, Astaldi strongly disputed Cimolai's claim as being ungrounded and unlawful. This was followed by reciprocal disputes between the parties. In the meantime, Cimolai temporarily became the general contractor to allow the works to continue. On 17 June 2019 Cimolai commenced a formal dispute (arbitration) and appointed its arbitrator. The claim is for damages of roughly €100 million, including €38.2 million for collections exceeding work performed, €43.5 million for greater damage (higher costs that Cimolai will have to incur compared to Astaldi's budget forecasts) and €12 million for delays. Astaldi deems all claims to be unfounded, and requests the payment of €6.5 million as damages suffered for requests from third-party suppliers. On 8 July 2019, Astaldi appointed the second arbitrator. The two arbitrators appointed the third member and chairperson of the arbitration board. Since November 2019, briefs are being exchanged and documents are being appraised. On 30 January 2020 the first appearance hearing was held, during which the arbitration board assigned the parties the terms for their preliminary briefs. The discussion hearing was held on 18 June 2020. With order dated 7 September 2020, the arbitration board appointed an expert to analyse some technical and accounting issues, subject to the formulation of the relief sought during the appearance hearing scheduled for 20 November 2020. The board reserved the right to decide on the appointment of the expert following the request of the parties and gave a deadline to Cimolai, until 15 February 2021, to provide arguments on the documentation filed by Astaldi. The award is expected to be issued in 2021. There is good cause to believe that the arbitration board may reject Cimolai's claims or at most accept them but at far lower amounts than petitioned. Therefore, the parent recognised a prudent accrual in the financial statements at 31 December 2018 for the lesser amount petitioned that is subject to risk, also based on the opinions of its external legal advisers.

USA // Astaldi Construction Corporation – Given the difficulties encountered by Astaldi Construction Corporation ("**ACC**", a Group company incorporated under US law) during the development of the projects in Florida and taking into account the fact that Astaldi, due to its financial difficulties also resulting from the application for composition with creditors dated 28 September 2018, was unable to provide additional resources to the contracts, ACC had to acknowledge its default on projects in progress due to its substantial inability to continue the works. Therefore, in 2019 the customer (FDOT) exercised its right to request the intervention of the relevant sureties (American Home Assurance Company, Fidelity and Deposit Company of Maryland, Liberty Mutual Insurance Company and Zurich American Insurance Company, i.e. the guarantors for the performance of the works of the projects in question – jointly, the "sureties") that had issued the performance bonds. After a period of support provided by the sureties to ACC to continue its operations, the sureties decided to exclude ACC from the performance of the contracts and assign them to other parties. Following the request for compensation for costs incurred by the sureties for the completion of the aforementioned projects, on 25 November 2019 Zurich Insurance Plc. (Rappresentanza Generale per l'Italia) requested that the parent, as the indemnitor of ACC, include the receivable related to its share of the co-insurance among Astaldi's composition with creditors liabilities. A similar request was received from Liberty

Mutual Insurance Company and American Home Assurance Company on 9 January 2020. The accruals to the provision for risks for the guarantees Astaldi had issued for ACC's projects are included in the separate and consolidated financial statements at 31 December 2018. On 23 June 2020 a draft agreement (the "**Term Sheet Agreement**") was also signed with the sureties involved in the projects in the USA (and Canada), whereby payment to the sureties of all or part of the amounts due for the higher costs incurred to complete the works in Florida (defined and fixed by the agreement itself) will be possible only after the realisation of the expected profit of the I-405 Highway project in California and the sale of a real estate asset in Florida, as well as, under certain conditions, the realisation of amounts from litigation pending in Canada. On 30 October 2020, the Company signed the final agreement (the "**Settlement Agreement**") with the sureties (AIG Liberty and Zurich) based on the provisions of the Term Sheet Agreement. On 29 December 2020 the sale of the ACC property in Florida was completed, whose net proceeds were allocated to the partial settlement of the Sureties' claims under the Settlement Agreement. Furthermore, the relevant equity investment was fully impaired in Astaldi's separate financial statements due to the above. Therefore, reference should be made to the notes to the separate and consolidated financial statements at 31 December 2018 to see the statement of financial position and statement of profit or loss effects of the above.

Peru // Alto Piura Hydro Project – This project was hindered by significant delays due to a series of unexpected events that led to a considerable rise in costs for the contractor (Obrainsa Astaldi consortium, the "**Consortium**") which the customer (PEIHAP) refused to pay. On 18 September 2018, the customer formally communicated its decision to proceed with an *Intervención Económica* in the project (the "**Economic Intervention**" by the customer to assist the contractor) and requested a contribution of PEN20 million (roughly USD6 million, equal to about €5 million) from the Consortium. As it is difficult to challenge a measure of this type, the Consortium accepted the Economic Intervention by the customer while reserving its right to object/challenge the decision, setting out in a letter dated 4 October 2018 the items to be considered in establishing the payable/receivable amounts in discussion. With its resolution dated 24 October 2018, the customer terminated the contract due to default. The contractor commenced an arbitration proceeding to challenge both the Economic Intervention and the termination. The chairperson of the arbitration board was appointed on 22 December 2018. The proceeding was initially suspended due to the COVID-19 health emergency and then restarted on 1 July 2020. Concurrently with this proceeding, there are four other arbitrations underway for the payment of higher fees, commenced during the performance of the contract, pursuant to the terms of the contract. Also based on the opinions of its external legal advisers, the parent recognised the estimated penalties of terminating the contract in the separate and consolidated financial statements at 31 December 2018. There was no change in the estimate included in the financial statements as at 31 December 2019 and in the half-yearly financial statements as at 30 June 2020.

Peru // Cerro Del Águila Hydroelectric Project – In November 2011, the Consorcio Rio Mantaro ("**CRM**" or "**Consortium**"), formed by Astaldi (leader at 50%) and the Peruvian group GyM – Grana y Montero S.A., was awarded the EPC contract worth USD680 million (equal to about €561 million) to build the Cerro del Águila hydroelectric power plant in Peru. The work comprised building a concrete dam of 380,000 cubic metres, an underground power plant with 510MW of installed power, nine kilometres of tunnels, and 60 kilometres of access roads. The contract was commissioned by the Peruvian company KALLPA Generación S.A. (the "**Customer**" or "**KALLPA**") which generates and distributes energy. On 15 February 2012, CRM signed a subcontract with Andritz Hydro, a leader in supplying electro-mechanical systems, to complete the electro-mechanical works (excluding civil construction works) of the hydroelectric power plant. However, serious defects were found in the electro-mechanical supplies during the performance of the subcontracted works as well as continued delays in completing the works due to the subcontractor's conduct. This meant that CRM had to negotiate a deferral of the contractual milestones with KALLPA. However, the subcontractor's defaults continued. Inevitably, these circumstances led to the customer raising specific disputes against the Consortium, leading to penalties being imposed in September 2016. As a result of the above and in order to obtain reimbursement of the greater costs and damage incurred, on 1 June 2017, the Consortium filed for an arbitration with the ICC (International Chamber of Commerce) in Paris (ICC no. 22863/JPA) for an initial estimated amount of USD80 million (equal to €66 million). The arbitration award was issued on 7 May 2020, unfortunately against the Consortium. On 7 September 2020, Astaldi filed a notice of objection with the Court of Appeal of Rome pursuant to art. 840 of the

Italian Code of Civil Procedure for the revocation and suspension of the ruling of such Court of 18 June 2020 recognising the enforceability of the arbitration award in Italy. Moreover, on 7 October 2020 CRM appealed the award to the Peruvian courts. The appeal triggers a procedure which the local companies expect to last eight to ten months. The appeal does not suspend the enforceability of the award unless a guarantee of the same amount is issued. The negative effects of the award were reflected in the separate and consolidated financial statements at 31 December 2018.

Nicaragua // El Comejen–Waslala Road (Sections I and II) – There were significant delays in the project in 2018 as a result of force majeure events affecting the supply of materials for the site, thus slowing down the progress of work. Deeming the contractor (Astaldi Nicaragua Branch) responsible for the delay, the customer (local Ministry of Transport and Infrastructure) decided to terminate both contracts (Sections I and II) as per Article 15.2 of the contract and enforced the advance payment bonds, paid on 1 March 2019 by the counter-guarantor bank (Monte Paschi di Siena). On 24 August 2020, the customer repeated its intention to commence a settlement procedure in order to reach an amicable solution to the disputes for this project along with the Pantasma–Wiwilí project. The negotiations are currently under way. Also based on the opinions of its external legal advisers, the parent recognised the estimated penalties of terminating the contract in the separate and consolidated financial statements at 31 December 2018. There was no change in the estimate included in the financial statements as at 31 December 2019 and in the half-yearly financial statements as at 30 June 2020.

Venezuela // ICC Arbitration no. 24538/JPA – Astaldi, Ghella and Webuild are members of the Consorzio di Imprese Italiane (the “Consortium”) that is executing projects in Venezuela relating to the Puerto Cabello-La Encrucijada railway line and the San Juan de Los Morros-San Fernando de Apure and Chaguaramas-Cabruta railway lines. Due to the increasing complexities encountered in the country, on 13 June 2019 with the help of its legal advisors the Consortium filed for arbitration (ICC no. 24538/JPA), in accordance with ICC rules, against the Bolivarian Republic of Venezuela and the Instituto de Ferrocarriles del Estado (“IFE”, a Venezuelan Ministry of Transport body). The arbitration was requested to collect huge amounts of trade receivables (non-payment for works performed and already certified by the customer IFE) as well as compensation for damage deriving from the irregular performance of the contract and other typical issues in construction contracts (delays in delivering areas, price revisions, lost profit, unforeseen costs, additional works, etc.), all to be quantified at a later stage. The Bolivarian Republic of Venezuela issued two replies (one under President Maduro and one under President Guaidò), refuting the jurisdiction of the ICC, reiterating the authority of the local courts, denying the local government’s liability and reserving its right to appeal any claims on such issues. The consortium appointed Josè Rosell as arbitrator and Venezuela (President Maduro) appointed Deva Villanùa. On 9 April 2020, the ICC court confirmed the appointment of the two co-arbitrators, Josè Rosell and Deva Villanùa. Again in April 2020, the lawyers of Venezuela (under President Maduro) and the IFE accepted the consortium’s lawyers’ proposal for the co-arbitrators to select the chairperson of the arbitration board in agreement with the parties. Accordingly, the proposal was formally presented to the ICC secretary who accepted it, allowing 30 days for the appointment of the chairperson. On 22 May 2020, the two co-arbitrators reached an agreement on Joao Bsco Lee, who accepted the appointment. On 1 October 2020, the Court approved the Terms of Reference with the terms of the mandate of the arbitration board. According to the proceedings schedule, by 12 March 2021 the arbitration board must decide on the legal representation of the Republic of Venezuela and then rule on its standing to decide the dispute. Reference should be made to the details set out in the notes to the separate and consolidated financial statements at 31 December 2020 regarding the recoverable amount of the parent and Group’s exposure to the Venezuelan government.

Main Group companies

Astaldi Concessions

Astaldi Concessions S.p.A. ("**Astaldi Concessions**") is the company wholly owned by Astaldi that, in implementation of the Composition with Creditors Plan and Proposal, was incorporated in 2020 as a result of a proportionate partial demerger involving Astaldi Concessioni, the Astaldi Group's hub dedicated to the development of Concessions and O&M activities.

The proportionate partial demerger, approved with a deed dated 28 May 2020, aimed to isolate the scope of the assets to be liquidated (to be included in Astaldi's Separate Unit), which remains within the demerged Astaldi Concessioni, from the assets of the Core Assets Scope, which has flowed into a newly incorporated company, Astaldi Concessions S.p.A., also wholly owned by Astaldi. As a result of this demerger, the O&M activities and minor stakes in concessions held by the Astaldi Group at the date of commencement of the composition with creditors (28 September 2018) were assigned to Astaldi Concessions – for details, see § "Composition with creditors on a going concern basis as per Article 186–bis of the Bankruptcy Law".

The resolution to demerge Astaldi Concessioni was taken by the Shareholders' Meeting of Astaldi Concessioni on 22 January 2020 and registered with the Rome company registrar on 23 January 2020. The parent waited for the terms reserved to the subsidiary's creditors to oppose the demerger to expire before finalising the demerger deed. This deadline was 26 May 2020, given the suspension of judicial activities during the lockdown period imposed in Italy to deal with the COVID-19 public health emergency[48]. The formal stipulation of the demerger deed and the separation of the demerged company (Astaldi Concessioni) from the beneficiary (Astaldi Concessions) took place on 28 May 2020, effective from 8 June 2020, when the deed was registered with the Rome company registrar. The Astaldi Separate Unit was set up as approved by Astaldi's Board of Directors on 24 May 2020, subject to the condition precedent that the composition with creditors proposal be authorised (which took place on 17 July 2020). For further information on Astaldi Concessioni, refer to the Financial Report of Astaldi's Separate Unit attached to Astaldi S.p.A.'s Separate Financial Statements as at 31 December 2020.

As at 31 December 2020, the concessions held by Astaldi Concessions are all those managed by the Astaldi Group in the O&M sector (see § "Operation and Maintenance"), in addition to the concessions included in the Astaldi Group Core Assets Scope (see § "Concessions").

NBI

NBI S.p.A. ("**NBI**") is the Company of the Astaldi Group – wholly owned by Astaldi – active in the facility management and plant engineering sector, specialised in renewable energies, engineering and complex system management.

NBI designs innovative processes and systems, creates plant engineering solutions – including civil works – and provides Maintenance and Energy Services, especially in the Health, Infrastructure, Industry, Management and

[48] The deadline was originally 23 March 2020 and was deferred to 26 May 2020 given the extraordinary suspension of activities imposed by the COVID-19 public health emergency, as the provisions of art. 83 of Law Decree no. 18/2020 and art. 36, paragraph 1 of Law Decree no. 23/2020 established the extraordinary suspension of civil, criminal and tax proceedings for the period between 9 March 2020 and 11 May 2020.

Commercial sectors. It is active both in Italy and abroad, where it operates in synergy with the other Astaldi Group companies, offering specialised support mainly in Chile and Turkey.

On 5 November 2018, NBI initiated a separate composition with creditors on a going concern basis procedure before the Court of Rome, filing a specific appeal pursuant to art. 161, paragraph 6, of the Bankruptcy Law. See § "Composition with creditors on a going concern basis as per Article 186-bis of the Bankruptcy Law" for more information. Here, it is worth noting that the Court of Rome published its order approving the NBI composition with creditors on 9 October 2020. The order, issued without opposition as prescribed by Article 180, paragraph 3 of the Bankruptcy Law, is not subject to appeal and, therefore, must be considered irrevocable and immediately enforceable. The approval sanctioned the return of NBI to a performing condition.

Astaldi Construction Corporation

Astaldi Construction Corporation ("**ACC**") is based in Florida and has managed the Astaldi Group's activities in the US for more than 30 years, acting as contractor for Transport Infrastructure construction projects (mainly motorways and viaducts) on behalf of public sector customers.

As at 31 December 2020, ACC had one project under way, referring to the design and execution of works to modernise 26 kilometres of the I-405 Highway in partnership with the Spanish company OHL – for more information, please refer to § "Construction" regarding the "American Continent".

TEQ Construction Enterprise

TEQ Construction Enterprise ("**TEQ**") is the company of the Astaldi Group dedicated to supporting the development of the Canadian market. It is based in Montréal, operates mainly in the province of Quebec and has specific expertise in the civil construction sector, both as a Contractor and as a Construction Management operator.

Risk management

With the aim of ensuring timely, efficient and effective responses to any uncertain event capable of negatively or positively impacting the achievement of strategic business objectives, the Astaldi Group pursues the continuous development of a Risk Management system that is strongly integrated with decision-making and planning processes.

Due to the nature of its business, the Risk Management process that the Astaldi Group has adopted is based on an approach aimed at identifying, assessing, managing and monitoring the main risks, both at the enterprise level (Enterprise Risk Management) and at the project level (Project Risk Management).

In 2020, the presence of Astaldi in various European and non-European countries – both with offices and with sites – exposed the Group to the consequences deriving from the extraordinary measures adopted by their respective governments in response to the global spread of the COVID-19 emergency.

The central role and the solidity of the Astaldi Group's Risk Management system in support of the main corporate decision-making processes emerged precisely in this emergency situation. To deal with this extraordinary event, a series of measures and safeguards were promptly put in place, aimed on the one hand at responding adequately and promptly to the need to protect the health of all employees, and on the other at monitoring the situations of production sites in order to preserve the value generated by production and support business continuity as far as possible.

While this emergency was being managed, the Astaldi Risk Management Model continued to be developed. Both at the project level and from the perspective of ERM (Enterprise Risk Management), much attention was paid to adjusting the analysis, taking into account the changing conditions of the reference scenario. This development was also based on the assumption of a model that incorporates the guidelines introduced by Borsa Italiana's Corporate Governance Code (formerly the Code of Conduct for Listed Companies) in order to meet the Board of Directors' need to define the nature and level of risk compatible with the Group's strategic objectives and relevant guidelines for the internal controls and risk management system, after consulting the control and Risks Committee.

In this perspective, in 2020 particular attention was paid to strengthening two central areas: the dissemination of risk culture in the company and the development of risks related to ESG (Environmental, Social, Governance) issues.

In order to disseminate the "risk culture" in the company, workshops were organised and held by the Group Risk Management on a monthly basis involving personnel from Corporate and peripheral areas divided into uniform working groups. Such workshops had the following objectives:

- Strategic objective – to fortify the "risk culture" within the organisation, i.e. the collective and individual ability to identify, understand, discuss and make decisions on current and future risks;
- General objectives – *a*) accountability at all levels of the organisation with respect to risk governance through the development of management and employee awareness of risk exposure and opportunities to be seized; *b*) making the organisation "resilient", i.e. able to develop the ability to identify and adapt to changes in the business environment;
- Specific objective – train personnel by increasing their skills and making them feel like an active part of risk analysis and management.

The Group's growing sensitivity to structured ESG risk management is also in sync with the guidance of Borsa Italiana, which revised its Corporate Governance Code, published at the end of 2019, placing particular emphasis on the integration of sustainability – including environmental and social sustainability – in the strategies, risk management and remuneration policies of listed companies. On the other hand, Legislative decree no. 254/2016, which regulates the management of non-financial information and data, establishes the liability (and the related sanctions) of the Board of Directors and the Board of Statutory Auditors for the correct presentation of such information, risks and related policies. The EC guidelines on non-financial reporting refer to an adequate internal control system to manage ESG risks and non-financial information in order to ensure that the data and information reported are correct and accurate.

The overall objective is to move towards a Sustainable Enterprise Risk Management (SERM) process that, compared to the traditional ERM process, also includes the analysis of non-financial risks with an integrated approach that aims to understand and manage these risks, also identifying business opportunities and improving corporate resilience for the creation of sustainable corporate value over time for the benefit of all Stakeholders.

Sustainability

Reference should be made to the Non-Financial Statement for the year ended 31 December 2020 prepared by the Astaldi Group as per Legislative Decree no. 254 of 30 December 2016. This report is available in the Investor Relations – Financial Reports section of the Group's website www.astaldi.com.

Human Resources and Organisation

Changes in the workforce

In 2020, in continuity with the trend identified at the start of the Composition with Creditors Procedure, the workforce of the Astaldi Group further plummeted (-40%) compared to the previous year, down to an average workforce of 4,032 employees.

This was a result of the Group's downsizing of activities and the streamlining actions rolled out in the second half of 2018 and continued throughout 2019 and 2020.

Specifically, in 2020 the number of managers dropped to 165 (-12%), junior managers to 155 (-10%), white collars to 1,880 (-18%) and blue collars to 1,832 (-54%).

Management actions taken to counter the effects of the pandemic

At the end of February 2020, the objectives of workforce streamlining outlined in the Company's Business Plan were superseded by the urgent measures that the Company had to adopt with respect to human resources due to the outbreak of the COVID-19 pandemic, with regard to both the need to minimise the risks of infection in the workplace and the operational and economic repercussions that the suspension or slowdown of activities produced on the Company's organisation.

As already noted above (see § "COVID–19" disclosure), the measures adopted to protect the health of employees, to support business continuity and/or continued remuneration and to defend production activities were of a different nature: rigorous application of sanitisation and distancing measures in the workplace, repeated periodic serological and antigen testing campaigns, application of isolation protocols in the event of detection of positive cases, facilitation of remote working where compatible with the job, use of holidays and leave for professionals whose tasks were not compatible with remote working, COVID-19 government-sponsored lay-off scheme[49] in Italy or similar measures abroad, insurance policy in the event of hospitalisation due to COVID-19.

More specifically, between March and May 2020, due to the lockdown, remote working and a simultaneous partial reduction in working hours through the use of the COVID-19 government-sponsored lay-off scheme were used for the personnel at Corporate level. 98% of the workforce worked remotely.

Starting in June 2020, with the reopening of the Rome office and after completing a first serological testing campaign for all personnel, we returned to a partial normality, alternating physical attendance with remote working, gradually varying the percentages based on the trend of infections in the country.

In June 2020 and the first week of July 2020 the COVID-19 government-sponsored lay-off scheme was still being partially used. Overall, between March 2020 and the first week of July 2020 the partial use of the COVID-19 government-sponsored lay-off scheme concerned on average 87% of junior managers, white collars and blue collars, for a total of about 21,200 hours out of 104,000 workable hours (about 20%).

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[49] Conventionally to be understood as the government-sponsored lay-off scheme introduced by the Heal Italy Decree (Law Decree no. 18 of 17 March 2020) in response to the health emergency caused by COVID-19.

Since September 2020, antigen testing campaigns have been repeated every 20-30 days on all personnel.

Where compatible with the work to be done, remote working and the COVID-19 government-sponsored lay-off scheme were used for Italian contract personnel. Between March 2020 and May 2020 most of the construction sites signed work suspension agreements with the customers, noting the difficulties related to the mobility of workers between regions and the numerous absences due to illness. The COVID-19 government-sponsored lay-off scheme was also used for contracts where work was completed but collective personnel reduction procedures could not be executed due to the blocking of dismissals.

Overall, in 2020 the use of the COVID-19 government-sponsored lay-off scheme affected about 54% of employees hired as junior managers, white collars and blue collars.

Finally, as was done at Corporate level, the construction sites also organised several screening campaigns to prevent the spread of the virus.

Similar measures were taken for personnel employed abroad, both as regards measures to reduce the risk of infection and as regards measures to support workers. Some local governments (Canada and Chile) for the first time also introduced measures similar to the COVID-19 government-sponsored lay-off scheme used in Italy.

In some cases (Algeria and Tunisia), expatriate personnel were forced to return home, and since the COVID-19 government-sponsored lay-off scheme did not apply to them, other solutions were found to protect the continuity of their remuneration and work as far as possible (use of holidays, remote working, temporary employment in other activities, partially paid leave).

Trade union relations

As described above, in 2020 trade union relations were essentially based on the management of the health emergency, i.e. the sharing of precautionary containment measures adopted in the workplace to combat the COVID-19 epidemic, including through the establishment of committees within the various production units.

Furthermore, during the epidemiological emergency, due to the slowdown in the work on Italian projects the use of the COVID-19 government-sponsored lay-off scheme as a shock absorber was discussed during meetings with the unions. This solution was used for employees of the Rome and Milan offices and those employed on the construction sites.

Training

Training has always played a fundamental role in the management and development of the Astaldi Group's human resources. While the corporate and health crises did not reduce the level of attention to this area, they certainly forced a reshaping of the training programmes and the teaching methodology.

In terms of content, it was preferred to act with targeted and customised actions based on the needs of the resources working in the Corporate structure, pursuing the objectives of developing fundamental skills to ensure organisational stability at this critical time, increasing the loyalty of resources and preparing them for the change that the Company is undergoing.

At the same time, for the resources working on the projects it was decided to focus the training on the young talents, who participated in the entire technical and management programme of the Astaldi Corporate Academy project.

The teaching methodology was completely revised due to the restrictions imposed by the pandemic and the necessary infection prevention measures. Therefore, only distance learning methods were used (seminars, webinars and e-learning courses).

Overall, approximately 2,000 hours of training were delivered on the following content: administration and financial statements, organisational analysis, management training, safety and environment management, IT, internal audit, languages and the quality management system.

Organisation

The rationalisation of organisational structures that started in 2019 continued in 2020 following the reduction and reconfiguration of the scope of the Company's activities. In particular, further actions to improve efficiency were taken, including the cancellation of the Sustainability and QHSE Management service and the consequent redistribution of its responsibilities within other company functions, and the decision-making chain was further streamlined with the elimination of the Europe Deputy General Management Department.

In light of these changes, the documentation of the Company Management System was updated by revising the manual, the job description and the main procedures, and the organisational weights of the positions were recalibrated according to the weighting systems adopted by the Group.

For the sake of completeness, please also refer to the information on the organisation provided below in § "Significant events after the reporting date".

Report on Corporate Governance and Ownership Structure

Reference should be made to the Report on Corporate Governance and Ownership Structure at 31 December 2020 prepared by the Astaldi Group as per Article 123-bis of the Consolidated Finance Act. This report is made available in the Governance–Report on Corporate Governance section of the Group's website www.astaldi.com.

Main risks and uncertainties

In addition to what is set out in the above "Risk management" section on the general risk management model adopted by the Astaldi Group, the specific risk situations examined by management for the reporting period are set out below.

Going concern

The situation of the Company and the Group described in the Financial Report as at 31 December 2019 and in the Financial Report as at 30 June 2020 was examined with regard to the events that occurred in particular in the second half of 2020 and led the Company's management to make the appropriate considerations regarding the possibility of continuing to operate as a going concern.

In this regard, with respect to the main uncertainties that could have given rise to significant doubts about the Company's and the Group's ability to continue to operate as a going concern, as summarised in the notes to the 2019 financial statements – the positive development of which was widely illustrated in the notes to the Half-yearly Financial Report as at 30 June 2020 – the Board of Directors took into account the further favourable results of the overall asset and financial turnaround already initiated by the Company with the filing of the composition with creditors application and culminating in the full implementation of the integrated financial manoeuvre referred to in the composition with creditors proposal.

Specifically, the following elements were considered:

(i) the capital increases on 5 November 2020 for an amount initially equal to €323.5 million – of which €225 million dedicated to Webuild S.p.A. and €98.5 million for unsecured creditors – to which further capital increases may subsequently be added due to the exercise of the lending bank warrants by the lending banks and the issuance of shares in conversion of unsecured claims subsequently ascertained;

(ii) the granting of a revolving credit facility by banks for €200 million (the "**RCF Loan Agreement**") to fund Astaldi's ordinary activities, including the full redemption (with funds from the credit facility) of the residual portion of the Pre-preferential Bond[50];

(iii) the granting of a bonding facility benefiting Astaldi for a total of €384 million (the "**Bonding Facility**") aimed at providing Astaldi with the resources needed to issue guarantees for projects in progress;

(iv) the sale of specific assets excluded from the Astaldi core assets scope which, with the approval of the composition with creditors were transferred to a separate unit as per Article 2447-bis of the Italian Civil Code along with other assets/liabilities set out in the composition with creditors plan of 19 June 2019 (the "**Separate Unit**"), whose proceeds will be used to settle the claims of Astaldi's unsecured creditors against the assignment thereto of specific Participating Financial Instruments;

(v) the implementation of the provisions referred to in the "Relaunch Decree" issued following the COVID-19 emergency (Law Decree no. 34 of 19 May 2020) with regard to the benefits introduced by the urgent measures to aid the liquidity of contractors regarding the collection of advance payments from individual customers;

(vi) the Company's ability to settle pre-preferential and preferential claims as envisaged in the composition with creditors plan within the terms set out in the approval order (i.e. 12 months from the date of the approval order).

[50] Bond originally valued at €75 million, issued on 12 February 2019 ("*Euro 75,000,000.00 Super-senior Secured PIYC Floating Rate Notes due 12 February 2022*"), subsequently increased and amended to €190 million on 27 November 2019 ("*Up to Euro 190,000,000.00 Super-senior Secured PIYC Floating Rate Notes due 12 February 2022*").

Finally, the Directors carefully monitored and assessed all aspects related to the COVID-19 emergency, and did not identify any critical issues such as to significantly compromise the objectives set out in the Company's 2021-2023 business plan.

Taking into account the above and the provisions of the treasury plan from 1 January 2021 to 30 June 2022, the Directors of the Company believe that the Group can continue to operate as a going concern as at present there are no significant uncertainties that could give rise to significant doubts in this regard.

Main risky and/or uncertain situations

The most significant pending litigation is outlined below together with the main situations that can be considered risky and/or uncertain as at 31 December 2020. For the sake of completeness, please also refer to what is detailed on the subject in the section dedicated to the Separate Unit (see § “Astaldi Separate Unit”).

CIVIL LITIGATION

For the litigation detailed below, note that with regard to the assessment of the individual cases unless otherwise specified the Directors considered the risk of Astaldi losing the case to be remote.

Italy // Astaldi-Municipality of Avola litigation - The works on the water system in the Municipality of Avola were substantially completed and handed over to the Administration on 13 February 1999. Note that on 28 January 2021 judgement no. 453/2021 was filed by the Court of Catania – Business Section – which ordered the Municipality of Avola to pay €4.1 million, in addition to revaluation and interest from the date of the application (Astaldi share equal to 50%).

Italy // Brenner Base Tunnel, Mules 2–3 Lot – As part of the contract concerning the construction of the Mules 2–3 Lot, the main part of the Italian side of the Brenner Base Tunnel, following the establishment of the Technical Advisory Board on 16 December 2020 pursuant to art. 6, of Decree law no. 76/2020, on 5 February 2021 Decision no. 1 was filed, which recognised to the joint venture executing the works the amount of approximately €25.5 million for increased safety charges. This amount will be paid out as progress reports are filed, based on the percentage of the project’s completion.

Italy // Salerno-Reggio Calabria Motorway, Second Lot – With regard to the dispute about the construction of the works to upgrade the Salerno-Reggio Calabria motorway to CNR 80 type 1/A standards, on 12 February 2020 Judgement no. 1058/2020 was published, which ordered the customer (ANAS) to pay Astaldi the total amount of €3 million. This amount was fully collected.

Italy // San Filippo Municipal Stadium in Messina – With regard to the dispute arising from the contract for the construction of the San Filippo Municipal Stadium in Messina, on 3 December 2020 the Municipality of Messina decided to settle the dispute with the contractor. The Municipality of Messina agreed to pay Astaldi the amount of €1.7 million by April 2021 in full and complete satisfaction of all claims.

Italy // New Site of the Marshals and Brigadiers School of the Carabinieri of Florence – With regard to the dispute for the construction of the New Site of the Marshals and Brigadiers School of the Carabinieri of Florence, with Judgement no. 1239/2020 of 20 January 2020, in acceptance of Astaldi's petition, the Court of Rome ordered the Italian Ministry of Infrastructure and Sustainable Mobility (formerly the Ministry of Infrastructure and Transport) to pay the amount of €1.5 million plus interest and revaluation. The judgement became final and enforcement proceedings were initiated for the compulsory recovery of this amount. This amount refers to the reserves recorded in the accounts for Lot B and not subject to the arbitration award of 21 September 2011. We remind you that at present the litigation relating to Lots A and B has entailed an overall settlement for the joint venture executing the works of approximately €55 million plus any additional costs established by law, of which

€36 million already collected. Following a series of attachment attempts with the Bank of Italy, most recently with an order issued on 8 March 2020, following the new declaration of the garnishee the enforcement judge assigned Astaldi (on behalf of the joint venture) the sum of €22.4 million, which represents the total amount due to the joint venture for the litigation in question net only of the amount established for the Lot A reserves – post-award, still in progress. For the sake of completeness, note that the Bank of Italy made the payment on 24 March 2021.

Italy // Ospedale San Luca of Lucca and Ospedale delle Apuane di Massa Carrara - The mediation procedure pursuant to art. 5, paragraph 2 of Legislative Decree no. 28 of 4 March 2010 with respect to the two disputes pending before the Court of Florence related to the construction of the Ospedale San Luca of Lucca and the Ospedale delle Apuane of Massa Carrara was settled through the Operator SAT. This mediation involved the payment by the competent Local Health Authorities (ASL) of the total amount of €7.8 million.

Italy // CO.MERI (Jonica State Road, Lot DG–21) – With regard to the litigation relating to the construction of the E-90, a section of the Jonica State Road (SS-106) from the Squillace Junction (Km 178+350) to the Simeri Crichi Junction, on 29 October 2020 the Court of Appeals of Rome fully rejected the appeal of ANAS (customer) against the arbitration award of 28 October 2013 which had awarded CO.MERI the amount of approximately €103 million, including any additional costs established by law.

Chile // Punilla Multi-Purpose Dam – Right from the outset, this contract for the construction and operation of the multi-purpose dam under concession on behalf of the Chilean Ministry of Public Works was blighted by issues threatening to jeopardise the feasibility of the project leading to a supplementary agreement ("**Framework Agreement**") being defined and signed by the Ministry of Public Works in January 2018. However, while Astaldi – through its subsidiary Astaldi Concessioni (subsequently Astaldi Concessions which, due to a demerger, became the owner of all the rights and obligations related to the project) – immediately made good on its commitments (also incurring additional costs), the Ministry never completed the process to have the agreement legally validated. Moreover, the environmental impact assessment for some areas (to be performed by the Ministry) is still pending to date and without it works cannot be performed. In addition, the Group has been summonsed as a third party for environmental damage following the forced expropriation by the Ministry in November 2018 for certain lots. Such summons - actually against the Ministry since Astaldi was not involved in the expropriation procedures - brought the relevant works to a standstill. The most important critical issue involves the storage capacity set out in the contract (625 million cubic metres) which actually turned out to be lower (563 million cubic metres), negatively impacting both the minimum irrigation service guaranteed under contract and the forecast revenue from the project (which is therefore no longer financially sustainable). Astaldi brought the issue before the Concessions Technical Panel (the "**Technical Panel**"), the local advisory body in charge of resolving any disputes between operators and customers before arbitration. The Technical Panel acknowledged the error in the call for tenders documents and stated that the contract cannot be performed in its current format and presented possible solutions (re-establishing the storage capacity, acknowledging the extra costs incurred by Astaldi, or amending the concession contract, compensating Astaldi for lower revenue). Despite these complications, Astaldi has always reached the set contract milestones. However, in order to limit further exposure, also in light of the findings of the Technical Panel, on 10 August 2019, Astaldi did not pay the remainder of the contractual minimum mandatory amount (36 months after winning the project). As a result, on 14 August 2019, the Ministry enforced the performance bond (roughly €15 million) issued by a local insurance company. On 2 September 2019, the Ministry presented a request to terminate the concession for gross negligence, thus commencing an arbitration as per local regulations on concessions. In compliance with the principles established by the bilateral investment treaty signed between Italy and Chile in 1995, through its subsidiary Astaldi Concessioni (subsequently Astaldi Concessions, as noted above) in October 2019 the Astaldi Group initiated a six-month amicable negotiation between the parties that ended in April 2020 without any settlement. After this period, Webuild can choose between continuing the dispute before a local court, an UNCITRAL (United Nations Commission on International Trade Law) arbitration or an ICSID (International Centre for Settlement of Investment Disputes) international arbitration. Also based on the opinions of its external legal advisers, the operator (indirectly controlled by Astaldi) adjusted the carrying amount of the investment made up to 31 December 2018 to its recoverable amount and recognised the reduction in fees in line with the enforcement of the guarantee in 2019.

Chile // Arturo Merino Benítez International Airport in Santiago (ICC Arbitration no. 25888/GR). On 12 March 2015, Supreme Decree no. 105 was issued, signed by the President of the Republic and the Minister of Public Works (MOP - *Ministerio de Obras Públicas*), as customer, with which the concession for the construction, renovation, maintenance and operation of the Arturo Merino Benítez International Airport in Santiago de Chile was awarded to Sociedad Concesionaria Nuevo Pudahuel S.A. ("**NPU**") (45% owned by Aéroports de Paris, 40% by VINCI Airports and 15% by Astaldi Concessioni - now included in the Astaldi Separate Unit). On 18 November 2015, NPU entrusted an EPC contract to a joint venture formed by Astaldi and VINCI Construction Grands Projets (VCGP) (the "**JV**") for the design, construction and renovation of the airport. Due to the delay of the customer (MOP) in approving the final design prepared by the Contractor within the contractual deadlines, from the outset the contract has suffered serious delays, consequently generating additional costs for the JV, in particular due to a general difficulty in planning the activities and consequent loss of productivity and significant cost overruns linked to the continuous interruptions that occurred during the design approval process. Indeed, the loss of productivity has led on the one hand to the need for additional resources to mitigate the delays suffered, and on the other to longer time spent on site than planned. The management of the leader VCGP has also been problematic, from the outset putting in place a costly site organisation and a decidedly weak contractual strategy with respect to the operator NPU, which is 40% owned by Vinci. This management model and the operational choices, largely in contrast with Astaldi, have over time generated a deterioration in the result of the project. Throughout the project VCGP has always rejected the proposals for improvements in management and process efficiency offered by Astaldi, so much so that it has expressed its intention to file a lawsuit for mismanagement. At the same time, Astaldi was struggling with the financial crisis that then led to the composition with creditors procedure, so the Company was unable to meet the significant financial needs of the JV. VCGP agreed to provide the necessary financial resources to the JV, also for Astaldi's share. VCGP's conflict of interest with the VINCI Airports group company, which holds 40% in NPU, resulted in a lack of determination in demanding that NPU and the MOP immediately cover all the higher costs incurred. Astaldi has always challenged this policy, but it has gone unheeded. Due to this growing level of disagreement, on 23 November 2020 – formally citing the successful conclusion of Astaldi's composition with creditors procedure and the subsequent capital increase of 5 November 2020 – VCGP exercised its right of withdrawal from the Interim Agreement, a document signed in June 2019 by which VCGP agreed to provide the necessary financial resources to the JV also for Astaldi's share. Moreover, on 4 December 2020 VCGP asked Astaldi to repay the share of loans to the JV (plus interest) contributed by VCGP to that point, for approximately €38 million. For its part, believing that the distress of the JV was caused by the unilateral mismanagement of the leader (VCGP) and its proposal to resolve the dispute amicably having been refused, Astaldi challenged the request and proceeded on 14 December 2020 to file an arbitration application with the International Chamber of Commerce against VCGP, requesting that the latter bear all the costs of its management choices and indemnify Astaldi against any further risk deriving from the project. Subsequent to the arbitration application, consistent with its approach and having argued Astaldi's default, VCGP also declared its exclusion from the JV. Pursuant to the agreements between the parties, without prejudice to the fact that the determination of liability is the subject of the arbitration pending to date, the defaulting party ceases to participate in the joint venture and an expert (appointed by the parties, or, in the event of disagreement, by the International Chamber of Commerce) must certify any credit (or debt) of the excluded party, taking into account the reasonably foreseeable losses and revenue actually accrued at the exclusion date. At the end of the project, the excluded party shall not be entitled to the effects of a better result than expected, while in the event of a worse result (lower profits or greater losses) the consequences shall be borne by the excluded party in proportion to its original stake.

Chile // Arturo Merino Benítez International Airport in Santiago. Arbitration before the Concessions Arbitration Commission – As part of the EPC contract for the design, construction and renovation of the airport, on 24 May 2019 the joint venture formed by Astaldi and VINCI Construction Grands Projets (VCGP) gave the operator NPU, for subsequent submission to the *Panel Técnico de Concesiones* (the "**Technical Panel**"), the quantification of the additional costs incurred as a result of the delayed approval of the project by the customer, the Minister of Public Works (MOP – *Ministerio de Obras Públicas*). On 16 August 2019, the Technical Panel only partially acknowledged the Contractor's claims (for approximately €12 million). Following this result, on 4 August 2020 the operator submitted an application to the *Comisión Arbitral de Concesiones* in accordance with the back-to-back principle regarding the reserve referred to in the ruling of the Technical Panel. The amount requested in the arbitration is equivalent to approximately €101.4 million. The arbitration is currently in progress. On 18 March 2020, the Contractor submitted a new request to the Operator for the subsequent submission to the Technical Panel for the recognition of the additional costs associated with the changes to the Baggage Handling System (BHS) and the check-in system of Terminal T-2. On 15 May 2020, while acknowledging the right to the reimbursement of the additional costs, the Technical Panel rejected the request, considering the methodology used for the quantification to be inadequate. Therefore, in November 2020 a new application for arbitration was submitted to the *Comisión Arbitral de Concesiones* for an amount equivalent to approximately €29.5 million. The arbitration is currently in progress.

Canada // Muskrat Falls Hydroelectric Project – During the construction of the Muskrat Falls Hydroelectric Project in Canada, a series of unforeseeable circumstances together with some operational difficulties during the start-up phase of the works led to an increase in the costs of the entire project. More specifically, the level of productivity of the local workforce was unpredictably and abnormally low. In December 2016, Astaldi Canada Inc. and the customer (Muskrat Falls Corporation - "**MFC**") signed a rider to the contract (Completion Contract) in which the customer acknowledged the higher costs incurred by the Contractor in the construction of the project. However, the difficulties continued and the Contractor submitted a further request for an extension of the execution time and for the reimbursement of additional costs, in particular for civil works in the hydroelectric power plant. MFC did not accept the Contractor's requests and was therefore forced to initiate arbitration proceedings. Therefore, during the performance of the works for this project (95% completed to date), on 27 September 2018 – before the presentation of the application for composition with creditors procedure – Astaldi Canada Inc. notified MFC that it was requesting arbitration for payment *quantum meruit* of the actual value of the works performed due to the fact that Nalcor had arbitrarily imposed a pain/gain share mechanism to its sole advantage and to Astaldi's cost, thus causing the contractor to incur financial difficulties in performing the works. In addition, Astaldi claimed Nalcor had not fulfilled its obligation of good faith or its contractual obligations as seen in a series of defaults and omissions during the works. The estimated amount of damages set out in the application was CAD429 million (equal to €280 million). In reply, the customer sent a notice of default on 28 September 2018 and subsequently terminated the contract by sending a notice of termination on 8 November 2018, enforcing the letters of credit acting as performance bond (CAD100 million, equal to €65 million) and advance payment bond (CAD84 million, equal to about €55 million) for a total of CAD 184 million, equal to €120 million, generically alleging lack of funds and non-payment of subcontractors and third parties. The Arbitration Board was established on 26 November 2018. During 2019, briefs were exchanged and documents are currently being appraised. More specifically, Astaldi filed its brief on 31 May 2019, requesting the Arbitration Board to order the customer to pay (*i*) CAD284.4 million (equivalent to about €186 million) for work performed and unpaid, (*ii*) CAD14.2 million (equivalent to €9 million) for costs incurred by the Contractor following the termination of the contract, (*iii*) CAD100 million (equivalent to €65 million) to return the value of the Letter of Credit and (*iv*) CAD30.8 million (equivalent to €20 million) for machinery, materials and loss of profit, for a total amount of CAD429.4 million (equivalent to €280 million). On 26 August 2019, MFC filed its defence brief with a counterclaim, with which it requested the Arbitration Board to order Astaldi to pay CAD315.5 million (equivalent to €206 million) as damages; considering the balance of the values to be executed and the amount of the Letter of Credit enforced, the amount requested by the customer was reduced to CAD55.7 million (equivalent to approximately €36 million). The hearing of witnesses took place on 2-12 November 2020, while the experts will be heard in March 2021. The award is expected in the fourth quarter of 2021. The Separate Financial Statements of Astaldi S.p.A. and the Consolidated Financial Statements of the Astaldi Group as at 31 December 2018 already included the effects of the enforcement of the bonds and no change in the estimate was recognised in the financial statements as at 31 December 2019 and 31 December 2020.

Romania – Rehabilitation of the Frontieră-Curtici-Simeria Railway Line, Lot 2A (ICC Arbitration no. ICC/25794/HBH) – The contract for the renovation of the railway line and the refurbishment of some stations was signed on 19 May 2017 by CFR (Romanian railways) and the Astaldi-FCC-Salcef-Thales lot 2A joint venture. During the execution of the works, a series of events occurred outside the Contractor's responsibilities including the lack of possession of work areas, the lack of construction permits, the absence and delay in expropriations, delays in the delivery of technical documentation and the lack of environmental authorisations. In order to obtain an extension of the completion times of the works and to recover the higher charges and costs incurred by the Contractor due to the aforementioned events, on 13 November 2020 the Contractor filed an application for arbitration against the customer CFR according to the rules of the International Chamber of Commerce (ICC). The applicant requested that the arbitration board rule on non-compliance with the contractual obligations of the counterparty, and therefore grant an extension for the completion of the work as well as order CFR to pay a sum amounting to no less than RON66.3 million (equivalent to approximately €13.4 million) plus interest and the reimbursement of charges and expenses incurred for the proceedings. The arbitration board is in the process of being established.

Romania – Rehabilitation of the Frontieră-Curtici-Simeria railway line, Lot 2B (ICC Arbitration no. ICC/25795/HBH)– The contract for the renovation of the railway line was signed on 19 May 2017 by CFR (Romanian railways) and the Asocierea Astaldi-FCC-Salcef-Thales lot 2B joint venture. During the execution of the works, a series of events occurred outside the Contractor's responsibilities including the lack of possession of work areas, the lack of construction permits, the absence and delay in expropriations, delays in the delivery of technical documentation and the lack of environmental authorisations. In order to obtain an extension of the completion times of the works and to recover the higher charges and costs incurred by the Contractor due to the aforementioned events, on 13 November 2020 the Contractor filed an application for arbitration against the customer CFR according to the rules of the International Chamber of Commerce (ICC). The applicant requested that the arbitration board rule on non-compliance with the contractual obligations of the counterparty, and therefore grant an extension for the completion of the work as well as order CFR to pay a sum amounting to no less than RON78.7 million (equivalent to approximately €15.9 million) plus interest and the reimbursement of charges and expenses incurred for the proceedings. The arbitration board is in the process of being established.

Romania – Rehabilitation of the Frontieră-Curtici-Simeria Railway Line, Lot 3 (Arbitration no. 88/20) – The contract relating to Lot 3 of the Frontieră-Curtici-Simeria Railway Line was signed on 7 August 2017 by CFR (Romanian railways) and the Asocierea FCC-ASTALDI-CONVENSA lot 3 joint venture. During the execution of the works, a series of events occurred outside the Contractor's responsibilities including the lack of possession of work areas, the lack of construction permits, the absence and delay in expropriations, the presence of archaeological remains and delays in the delivery of technical documentation. In order to obtain an extension of the completion times of the works and to recover the higher charges and costs incurred by the Contractor due to the aforementioned events, on 13 November 2020 the Contractor filed an application for arbitration with the International Court of Arbitration of the Bucharest Chamber of Commerce against the customer CFR. The applicant requested that the arbitration board rule on non-compliance with the contractual obligations of the counterparty, and therefore grant an extension for the completion of the work as well as order CFR to pay a sum amounting to no less than RON106.1 million (equivalent to approximately €21.4 million) plus interest and the reimbursement of charges and expenses incurred for the proceedings. The arbitration is currently in progress.

CRIMINAL LITIGATION

The Directors maintain that there is only a remote risk of the Company being involved financially in the outcomes of the litigation outlined below.

Italy // Criminal Proceedings related to Line C of the Rome Metro – With regard to the preliminary investigations for the out-of-court Agreement signed by Roma Metropolitane S.r.l. and Metro C S.c.p.A., on 23 January 2019, an extension was requested for the preliminary investigations into Metro C in relation to the crime, as per Legislative Decree no. 231/2001. Metro C adopted the model as per Legislative Decree no. 231/2001 with Board of Directors' resolution of 20 December 2007. There are no proceedings as per Legislative decree no. 231/2001 against Astaldi. With regard to this investigation, at the request of the Public Prosecutor with order dated 9 September 2020 the Judge for Preliminary Investigations (*Giudice per le Indagini Preliminari*, *GIP*)ordered the closure of the proceeding, having found that the evidence gathered is not sufficient to support the accusations in court.

Italy // Investigations related to Metro C – – In July 2016 the Company became aware of preliminary investigations carried out by the Public Prosecutor's Office of Rome as part of a criminal investigation relating to the construction of Line C of the Rome Metro. The works were awarded by Roma Metropolitane S.r.l. to Metro C S.c.p.A. ("Metro C"), an SPE 34.5% owned by Astaldi. The alleged offence was aggravated fraud involving public disbursements (art. 640-*bis* of the Italian Criminal Code), and the investigations were focused on some managers of Roma Metropolitane S.r.l. and Metro C S.c.p.A., including the current Chief Executive Officer of Astaldi as well as four other former managers of Astaldi, who are no longer employed there. On 19 July 2018, the conclusion of the preliminary investigations pursuant to art. 415-*bis* of the Italian Code of Criminal Procedure was served. The preliminary hearing was held on 12 September 2020, and since more time was needed further hearings were scheduled for 3 November 2020 and 15 December 2020. That day the civil claimants appeared (Italian Ministry of Infrastructure and Transport, Lazio Region, Municipality of Rome and Roma Metropolitane S.r.l.). The trial is in its initial phase. As part of the investigation, on 11 July 2016 Metro C S.c.p.A. was served a search and seizure warrant and is also being investigated for infractions of Legislative Decree no. 231/2001 (with order of 9 September 2020, the Judge for Preliminary Investigations then ordered the closure of the proceeding – see the above paragraph). With regard to Metro C S.c.p.A., it should be noted that it adopted the model as per Legislative Decree no. 231/2001 with Board of Directors' resolution of 20 December 2007. With regard to this last investigation, at the request of the Public Prosecutor the Judge for Preliminary Investigations ordered the closure of the proceeding, having found that the evidence gathered is not sufficient to support the accusations in court.

Italy // Proceedings relating to the Jonica State Road SS-106 (Lot DG-21) - Fiumarella – On 16 March 2017 the Court of Catanzaro ordered the indictment of three employees of Astaldi, officials of CO.MERI, in charge of the works on the Jonica State Road SS-106 (Lot DG21) on behalf of ANAS (FS Group). The proceeding concerns alleged negligent damage followed by flooding, landslide or avalanche (art. 427 and art. 449 of the Italian Criminal Code) due to alleged errors in rainfall calculations during the design phase, which allegedly affected the dispersal of rainwater affecting an area of 100 metres of private property. On 9 April 2018 it was decided to postpone the hearing to 12 November 2018, which was then further postponed to 3 June 2019. At the hearing on 3 June 2019, the technical consultant of the Public Prosecutor's office was heard and a postponement was ordered to hear two prosecution witnesses and the two civil claimants at the hearing on 21 October 2019, then postponed to 24 May 2020. The hearing set on 24 May 2020 to hear the two witnesses and the two civil claimants was postponed due to the pandemic to 2 November 2020, and subsequently to 1 March 2021. Negotiations are under way with the civil claimants for compensation of the damages and a waiver of their joining the case. At the hearing on 1 March 2021, the new judge Ms. Gennaro acknowledged the waiver by the civil claimants to join the case, their failure to be present to be heard and the failure to summon the other two witnesses of the Public Prosecutor. She then adjourned the case until the hearing on 24 May 2021 for the continuation of the hearing of the Public Prosecutor's witnesses.

Italy // Investigations relating to the Jonica State Road (Lot DG21) - Germaneto Wall – On 28 June 2017, as part of an ongoing investigation of unknown persons following the collapse of a wall, the Public Prosecutor's Office of Catanzaro ordered the seizure of a section of the Jonica State Road SS-106, built by CO.MERI, 99.99% owned by Astaldi. On 26 July 2017 ANAS (FS Group) informed the Group of the release of the area. CO.MERI is working with ANAS to ascertain the reasons behind the accident, in order to prepare a project for the repair works. As part of this investigation, on 20 March 2018 the designer of CO.MERI, currently an Astaldi manager, the works manager and the tester were notified of the conclusion of the preliminary investigations for negligent collapse (art. 434 and art. 449 of the Italian Criminal Code). The preliminary hearing was first set for 15 October 2018, then postponed to 20 November 2018 and finally to 5 February 2019. At this hearing ANAS and the Consumer Protection Association appeared as civil claimants, and the Judge postponed the proceedings to 19 March 2019 to decide on the admissibility of the Association and for discussion. At the hearing, the Preliminary Hearing Judge (*Giudice dell'Udienza Preliminare*, *GUP*) ordered an evidentiary hearing and postponed it to 17 June 2019, and then to 2 July 2019, assigning technical consultants with the task of ascertaining the causes of the collapse and those responsible. Having made the assignment, the Preliminary Hearing Judge adjourned the case until 29 January 2020 for the hearing of the court-appointed expert. The hearing of 29 January 2020 for the court-appointed expert was postponed at the request of the defence to 6 April 2020 and then, due to the pandemic, it was postponed to 30 October 2020 and subsequently to 18 January 2021. The court-appointed experts were heard and the discussion was postponed to 15 March 2021. At the hearing of 15 March 2021, scheduled for the discussion of all parties, the defence of the Works Manager chose to continue the trial using the abbreviated procedure, and the Judge adjourned the case until the hearing of 4 June 2021, at which time the defendant Works Manager will be heard and the discussion will take place. Intending to issue a single order, the judge postponed the discussion of the other defence arguments to the same date.

Italy // Investigations relating to the Jonica State Road (Lot DG21) - Borgia Junction – At the end of 2017, the outer part of the deceleration lane of the Borgia junction collapsed. Road traffic was restricted to the overpass lane only. In November 2017 the Italian Tax Police (*Guardia di Finanza*) performed an inspection and requested the General Contractor to produce any relevant documentation. In December 2017 CO.MERI started a geognostic survey and prepared a project (already approved by the works management), and preparatory activities are currently in progress. On 28 February 2018 and 1 March 2018, the Public Prosecutor's consultant performed tests on site. The defendants (including an Astaldi employee – designer) were charged with the crime of abetting negligent disaster for having generally and specifically caused the collapse of the SS 106 road travelling north near the Borgia junction. The preliminary hearing was scheduled for 7 February 2020. At the preliminary hearing on 7 February 2020, the Preliminary Hearing Judge of the Court of Catanzaro rejected the defendants' motion to dismiss and ordered them to stand trial, the hearing being scheduled for 8 July 2020. At that hearing, the Judge, about to be transferred, adjourned the case until the hearing of 20 January 2021 (with a subsequent postponement to 12 May 2021).

Italy // Della Monica accident, proceedings relating to the Fiera Milano project – In 2012, at the Fiera di Rho Milano area, a gate caused the death of a worker. On 13 June 2016, the Milan Public Prosecutor's Office initiated a criminal proceeding with an accusation of manslaughter against two Astaldi managers (at the time working at NPF S.c.a.r.l., 50% owned by Astaldi, which performed the works for the Fiera di Rho Milano project). On 9 March 2017 the Court of Milan declared its lack of jurisdiction and the consequent transfer of the case to the Court of Bergamo, before which the proceedings resumed. The first hearing of the trial was to be held on 9 July 2018 but was postponed to 29 October 2018. The Judge set a deadline until 10 October 2018 to allow Astaldi to prepare its observations on the list of documents which the Public Prosecutor had requested. Furthermore, the Public Prosecutor was authorised to summon two eyewitnesses and a judicial police officer who intervened at the scene of the accident. Hearings were finally scheduled on 25 January 2019, 15 February 2019 and 22 February 2019. With regard to these proceedings, other defendants – not related to the Astaldi Group – who were officials at the specialised company in charge of the design, construction and installation of the gate concluded the proceedings with a settlement. On 10 June 2020, the Court of Bergamo acquitted one of the two Astaldi managers involved in the proceedings (Nicoletta Miniero), together with another defendant unrelated to the Astaldi Group, but sentenced the other (Gennaro Fiscina) to 9 months' imprisonment with a suspended sentence and the conviction expunged from his criminal record. The judgement will be filed within 90 days from the reading of the sentence. Three other defendants not related to the Astaldi Group were sentenced to the same penalty with the same dual legal benefits. In October 2020 an appeal was filed by the defendants.

Italy // Proceedings relating to Partenopea Finanza di Progetto (Ospedale del Mare of Naples) – In July 2009, the Public Prosecutor's Office of Naples initiated criminal proceedings with an accusation of aggravated fraud against the State (art. 640, paragraph 2, no. 1 of the Italian Criminal Code) with regard to the concession of the Ospedale del Mare. The proceeding involves criminal accusations against numerous public officials and technical consultants, as well as against a former official of Astaldi and the operator (SPE) Partenopea Finanza di Progetto S.c.p.A. ("PFP", at the time 59.99% owned by Astaldi, which subsequently increased its stake to 99.99%) pursuant to Legislative Decree no. 231/2001. At the hearing on 26 November 2020, at the end of the preliminary stage the Public Prosecutor discussed the case requesting a ruling that the statute of limitations had expired for the various crimes relating to natural persons and the sole conviction of PFP for the purposes of Legislative Decree no. 231/2001 (payment of 400 shares of €1,550 each and some disqualifications). The defence discussions were scheduled for 2021.

Italy // Investigation related to Unicredit Factoring – In June 2019, the Company learned that the Chairman and the Chief Executive Officer of Astaldi were being investigated for the crime of misappropriation in criminal proceedings no. 21903/2019 (Public Prosecutor’s Office at the Court of Rome) following a complaint filed by Unicredit Factoring. The Company is currently cooperating with the Public Prosecutor's Office and the Judicial Police Authorities formally tasked with acquiring documents useful for investigations. No further developments in the investigation are known.

Italy // Investigation related to the Niagara srl complaint – In December 2020 the Company learned that the Chairman and the Chief Executive Officer of Astaldi were being investigated in criminal proceedings General Court Docket no. 24699/19 via preliminary investigations before the Public Prosecutor’s Office at the Court of Rome for the crimes referred to in Articles 236, 223, 216 of Royal Decree 267/42 following a complaint filed by Niagara S.r.l. Niagara is a subcontractor that was allegedly unpaid in violation of the contract, and that – for ridiculous amounts equal to a few tens of thousands of euros – also filed a civil lawsuit against the entire Astaldi Board of Directors, making reckless accusations of unfair preference in bankruptcy related to the aforementioned non-payment. The Company has well-founded reasons to affirm that, on the contrary, the non-payment was related to contractual breaches of the subcontractor. The possible risk of having to pay compensation in the parallel civil proceedings under way also appears negligible in the event of a loss. The Company is currently cooperating with the Public Prosecutor's Office and the Judicial Police Authorities formally tasked with acquiring documents useful for investigations. No further developments in the investigation are known. The civil case is still ongoing after the initial exchanges of briefs.

Italy // Investigation relating to the Aosta Factor and Vianini complaint – For the merits of the matter see the civil litigation section, and in particular the paragraphs relating to Line C of the Rome Metro – Metro C S.c.p.A. v Astaldi litigation and Vianini-Astaldi litigation. In this context, Aosta Factor and Vianini also filed a complaint to ascertain any criminal implications of the matter. Subsequent to the formalisation of the settlement agreements reached by the parties, Aosta Factor withdrew the complaint and Vianini agreed to do the same.

El Salvador // Investigation of the El Chaparral Project – On 21 January 2019, the parent became aware that the Public Prosecutor’s Office of the Republic of El Salvador (*Fiscalía*) had commenced proceedings alleging crimes against the Public Administration by certain individuals. One of the people under investigation is an Astaldi employee who acts as a representative of Astaldi’s El Salvador branch. The alleged corruption, and the request for precautionary measures, refers to the settlement of the El Chaparral project in 2012. This agreement called for the consensual termination of the contract due to the extraordinary and unforeseen geological situation of the site, which made it impossible to proceed with the construction of the aforementioned project. This agreement included an indemnity to the Company of USD28.7 million (equal to about €24 million) paid between November 2012 and February 2013. This amount was derived from the total of approximately USD108.5 million, equal to €89 million (of which USD85 million, equal to €70 million, for works performed and USD23.5 million, equal to €19 million, as reimbursement of the higher costs incurred for the partial execution of the work and subsequent termination), with subsequent deduction of the sums previously paid by the customer for approximately USD79.8 million (equal to about €66 million). The Public Prosecutor’s Office of the Republic of El Salvador also began proceedings against another employee of Astaldi’s El Salvador branch (as the agent of the branch) for income tax evasion by not presenting income related to the above-mentioned settlement. The proceedings are currently at a preliminary stage. Both proceedings were suspended on 22 March 2020 due to the COVID-19 pandemic. However the experts appointed by the prosecutor continued their activities. In the meantime the Company learned (on 6 July 2020) that the former customer of the El Chaparral Project, the Hydroelectric Executive Commission of the Rio Lempa (“CEL”), filed an application on 25 June 2020 for preventive seizure against Astaldi with the same criminal court for the sum of USD173 million (equal to about €143 million), of which: (*i*) USD61.3 million, equal to €50 million, for damages consisting of payments not due to

Astaldi (CEL disputes both the valuation of the works carried out and the higher charges recognised in the settlement), and (*ii*) USD111.6 million, equal to €92 million, for loss of profit from the lack of electricity generation due to the failure to build the dam until 2020. The requested amount was then increased to USD227 million (equal to €187 million), by a further USD54 million (equal to €44 million), according to CEL due as financial charges and interest on the amount claimed as damages. On 28 September 2020 the Salvadoran Court issued a preventive cautionary seizure order on Astaldi's assets, up to the amount of USD227 million (equal to €187 million), in relation to the subsidiary civil liability under El Salvador regulations for legal entities whose employees or agents are liable for corruption offences. The Salvadoran Court also requested mutual legal assistance from the Italian Republic under Article 46 of the United Nations Convention against Corruption. Astaldi was informed of the aforementioned measure first on 29 September 2020 through reports of the foreign press, and subsequently on 2 October 2020 via formal notification. On 8 October 2020 the Company then filed an appeal for the revocation of the order granting the aforementioned precautionary measure. Subsequently, with an order dated 26 October 2020 (learned of by the Company on 31 October), the *Camara Tercera Penal* of the local Court established the nullity of the seizure – against both the defendants and the Company, whose subsidiary civil liability had been established – referring the case to the court of first instance (*Juzgado Noveno de Instruccion*) to replace the order with another measure to be issued according to the criteria outlined by the *Camara Tercera* which had found several defects in the act. With a procedure that does not call for hearings, the *Juzgado Noveno* will therefore have to assess and reissue the order following the guidance of the *Camara Tercera*, nullifying the seizure or granting it with new and adequate reasons, a circumstance that, based on the experience of Astaldi's local lawyers (*Consortium Legal*), is still possible. On 3 February 2021, CEL reiterated its request for the granting of a preventive seizure (and related international cooperation). On 10 February 2021, the Judge reserved the right to decide based on the findings of the appraisals under way in the criminal proceedings. In this unlikely event, any amounts due that may be recognised with respect to the matter under investigation would be subject to the same treatment as envisaged in the Proposal for Composition with Unsecured Creditors (as defined in the Composition with Creditors Proposal – see § "Composition with creditors on a going concern basis as per Article 186–bis of the Bankruptcy Law"). Furthermore, based on the provisions governing compositions with creditors, the aforementioned precautionary measure requested by the local court would not be enforceable since the alleged amounts claimed and not ascertained were incurred prior to the publication in the company register of the appeal pursuant to art. 161 of the Bankruptcy Law, filed by the Company for admission to the composition with creditors procedure. Regarding any liability pursuant to Legislative Decree no. 231/2001, based on the information available, the Company considers that the related administrative offence abstractly attributable to it pursuant to art. 25 of Legislative Decree no. 231/2001 must be considered as non-prosecutable pursuant to art. 22 of Legislative Decree no. 231/2001 since five years have elapsed since the commission of the act, in the absence of significant interrupting acts. Although the criminal proceedings in El Salvador are still in the preliminary stage, the Company's risk of being found liable for the damage in dispute has so far been assessed by the directors of the parent as being remote since there does not seem to be a real and immediate risk of conviction which might lead to civil liability for the parent, if proven, for the damage related to the crime. Based on such considerations and the opinions of the legal advisers (even the local ones), even though the criminal proceedings are still pending, to date the directors deem the risk of liability for the parent to be remote, and for this reason no accrual was made in the consolidated financial statements.

Honduras // Investigations of the Bahía de Tela Complex – With a letter dated 16 February 2018, as part of an investigation related to the Bahía de Tela project the *Dirección Nacional de Investigación e Inteligencia – División de Investigación* of Honduras asked Astaldi for information regarding the construction of the road leading to the Bahía de Tela Complex, the construction contract of the project, as well as other related information. This project was completed almost ten years ago (December 2010). Based on the information available, the investigation does not seem to involve Astaldi and the content of the letter is very general (there are no accusations of crime nor does it specify the involvement of natural persons).

USA // Astaldi Construction Corporation - United States Attorney of the U.S. Department of Justice - District of Columbia – On 22 January 2020 Astaldi Construction Corporation received a communication from the United States Attorney of the U.S. Department of Justice – District of Columbia regarding a criminal investigation. Said communication accompanied a subpoena in which the Company was invited to provide documents and information relating to persons of Honduran nationality who may have had relations with the company and with the Group. Astaldi is making every effort to provide the US authorities with the required documentation and information, and investigations are still ongoing. At the same time, on 9 July 2020 Astaldi signed a document with the US authorities aimed at interrupting the statute of limitations until March 2021 with regard to a purely theoretical or possible liability that could concern Group companies with respect to the ongoing investigation. There are no proceedings concerning the Company's liability pursuant to Legislative Decree 231/2001 for events in the periods relating to the financial information in this Report.

Peru // Investigation related to the Lomas de Ilo Project – At the end of October 2020, the Company learned from Peruvian press reports that criminal investigations were under way in Peru. The case concerns the Lomas de Ilo Irrigation Project (for a total value of approximately USD30 million, equivalent to approximately €25 million), executed at the time by the Consortium formed by Obrainsa (local entity) and Astaldi. The investigations were actually initiated by the local Public Prosecutor's Office (*Fiscalía*) to ascertain whether public officials had been bribed, presumably by a representative of Obrainsa (who also held an executive position in the Consortium). At present, the Astaldi parties involved are possible fact witnesses. These include Astaldi's former representative in the country and in the Consortium (currently no longer employed by the Group) and two current Group employees (involved only to a pro-forma extent or indirectly and in any event unrelated to the facts of the case). Such facts, which gave rise to an accusation of bribery of local officials, allegedly took place between January and April 2014. Regarding any liability pursuant to Legislative Decree no. 231/2001, based on the information available, the Company considers that the related administrative offence abstractly attributable to it pursuant to art. 25 of Legislative Decree no. 231/2001 must be considered as non-prosecutable pursuant to art. 22 of Legislative Decree no. 231/2001 since five years have elapsed since the commission of the act, in the absence of significant interrupting acts. Local regulations provide for the civil liability of legal entities with compensation for damages paid to the injured person in the event of the conviction of one or more of the representatives, managers and/or officials of the legal entity who have committed unlawful acts for the legal entity's benefit. The very early state of the proceedings did not allow local lawyers to make assessments of Astaldi's abstract liability in this regard. There are also disqualification measures against legal entities, such as ancillary penalties determined in criminal proceedings (i.e. fines, prohibitions against carrying out certain activities, suspension of business, closure of plants, etc.). It is also worth noting that the Company has not been operational in the country for a long time.

Alternative performance indicators

The group assesses its financial performance using alternative performance indicators (API), which are not defined by the International Financial Reporting Standards (IFRS) but that the Company's Management considers representative of the results achieved and useful for monitoring the performance of the Company and the Group.

The related calculation methods are set out below to assist an understanding of the analysis.

EBITDA (gross operating profit (loss)) – Indicator of the operating performance calculated by deducting operating costs, personnel expenses and other operating costs from revenue. It includes the Group's share of the profits or losses of joint ventures and associates active in the Group's core business.

EBIT (net operating profit (loss)) – Indicator of the operating performance calculated by deducting amortisation, depreciation, impairment losses and provisions as well as capitalised internal costs from EBITDA.

EBT (pre-tax profit (loss)) – Indicator of the operating performance calculated by deducting net financial income (expense) from EBIT.

Non-recourse financial debt – Form of financing specific to concession operators, which is not secured by the parent Astaldi S.p.A. but rather by the cash flows generated by the projects performed by the SPEs over the concession operation period.

Net financial exposure of the Group – Obtained by deducting from net financial debt, calculated as per CONSOB communication no. DEM/6064293 of 28 July 2006, which refers to the ESMA (former CESR) recommendation of 10 February 2005, non-current loan assets, subordinated loans and financial assets from concession activities, as well as other specific components like treasury shares.

Total net financial debt – Obtained by deducting from total financial debt, calculated as per CONSOB communication no. DEM/6064293 of 28 July 2006, which refers to the ESMA (former CESR) recommendation of 10 February 2005, non-current loan assets, subordinated loans and financial assets from concession activities.

Total net non-current assets – The sum of non-current assets; specifically, this includes intangible assets, Group's technical equipment, equity investments and other non-current items (such as non-current assets held for sale and directly associated liabilities).

Operating working capital – The sum of current loans and receivables and liabilities arising from the Group's core business (trade receivables and payables, inventories, contract work in progress, tax assets, progress payments/billings from customers and other current assets and liabilities).

Net invested capital – The sum of total net non-current assets, operating working capital, provisions for risks and charges and provisions for employee benefits.

Significant events after the reporting date

Below is a summary of the significant events that occurred after the end of the 2020 financial year, also referring for completeness to the information available on the website 2, in the Media - Press releases section.

On 10 February 2021, the Astaldi Board of Directors co-opted Daniela Montemerlo and David Morganti by resolution approved by the Board of Statutory Auditors as new independent, non-executive directors, replacing the non-independent, non-executive director Alessandro De Rosa, who resigned on 21 January 2021 for personal reasons, and the independent, non-executive director Flavia Insom, who ceased to hold office on 5 November 2020. The Board verified that the two new directors meet the requirements of independence set forth in the legislation and the Corporate Governance Code. The new directors Montemerlo and Morganti will remain in office until the next Shareholders' Meeting pursuant to the Articles of Association in force and art. 2386 of the Italian Civil Code. As confirmed by the Appointments and Remuneration Committee, the new composition of the Company's Board of Directors continues to ensure the gender balance prescribed by current law.

On the same date, following the aforementioned changes, the Board of Directors also appointed: (*i*) Daniela Montemerlo as a member of the Control and Risks Committee, which is consequently composed of directors Nicoletta Mincato (Chairwoman), Daniela Montemerlo and Teresa Naddeo; (*ii*) David Morganti as a member of the Appointments and Remuneration Committee, which is consequently composed of directors Teresa Naddeo (Chairwoman), Nicoletta Mincato and David Morganti; (*iii*) Daniela Montemerlo as a member of the Related Parties Committee, which is consequently composed of Andrea Gemma (Chairman), Maria Raffaella Leone and Daniela Montemerlo.

At the same time, the Company announced that it had terminated by mutual agreement its employment relationship with Francesco Maria Rotundi, General Manager at the Astaldi Group, whose powers were assigned to Cesare Bernardini, former General Manager at the Astaldi Group, who therefore assumed the role of General Manager of Operations as part of the mandate conferred on him on the same date by the Company's Board of Directors.

In March 2021, in consortium with Webuild and Pizzarotti, the Astaldi Group (25%) was declared the top bidder for the contract worth just over €1 billion for the executive design and construction of sections B2 (12.7 kilometres, from Lentate sul Seveso to Cesano Maderno) and C (20 kilometres, from Cesano Maderno to the A–51 east ring road of Milan) of the Pedemontana Lombarda motorway. Commissioned by Autostrada Pedemontana Lombarda S.p.A., the project must be completed ahead of the Winter Olympics in Milan-Cortina in 2026.

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The corporate integration process between Webuild and Astaldi began on 14 March 2021. The Boards of Directors of Astaldi S.p.A. and Webuild S.p.A., meeting on the same date, agreed that it was appropriate to proceed with a proportionate partial demerger of Astaldi in favour of Webuild, which at a corporate level will result in the definitive separation between Astaldi's core assets and Astaldi's separate unit established on 24 May 2020 as part of the composition with creditors procedure (the "**Separate Unit**" – see § "Composition with creditors on a going concern basis as per Article 186–bis of the Bankruptcy Law"). The project will provide for the assignment of the core assets to Webuild, while Astaldi will maintain ownership of the assets and the creditor and debtor relationships that were transferred to the Separate Unit.

The guidelines of the project include the allocation to Astaldi shareholders of 203 Webuild ordinary shares for every 1,000 Astaldi ordinary shares held by them. This swap ratio was identified by the Astaldi and Webuild Boards of Directors, the Astaldi Board of Directors having constantly kept informed the Related Parties Committee, which is supported by Equita as an independent financial advisor. This ratio was also identified taking into account the earnings and the financial position and performance of the two groups during 2020 and based on generally applied valuation methods, particularly the so-called “fundamental” methods based on the economic and financial plans of the two groups. For the transaction Astaldi and Webuild are assisted by EY and Partners as financial advisors of the Boards of Directors, and Equita and Lazard as independent financial advisors of the Related Parties Committees.

The Astaldi Board of Directors believes that the transaction represents the natural evolution of a project that has given continuity to an industrial business of international importance while safeguarding employment levels, and that now will bring together important businesses to create a major Italian player in the infrastructure sector that can contribute to the country’s infrastructural development. The precise terms and conditions of the transaction, which constitutes a further important stage in the implementation of “Progetto Italia”, will be submitted for the approval of the Webuild and Astaldi board meetings scheduled for 19 March. It is expected that the terms of the demerger project will be as follows:

(a) Webuild will be the assignee of all Astaldi's assets, liabilities and legal relationships after discharge of debt as part of the composition with creditors that are not included in the Separate Unit, as defined in the composition with creditors plan;
(b) the assets, rights and obligations relating to the Separate Unit will remain the property of Astaldi, without prejudice to the intended use of the Separate Unit in compliance with the Astaldi composition with creditors;
(c) on the effective date of the demerger, Astaldi shareholders will receive newly issued Webuild ordinary shares, with cancellation of all Astaldi ordinary shares (including shares held by Webuild) and consequent delisting of Astaldi from the electronic stock market of Borsa Italiana S.p.A.;
(d) any unsecured creditors of Astaldi that are recognised as such after the effective date of the demerger will be entitled to receive ordinary shares of Webuild and will retain the right to receive participating financial instruments from Astaldi based on the Separate Unit, in accordance with Astaldi's composition with creditors plan;
(e) as part of the demerger, on the date immediately preceding the effective date of the transaction Webuild's shareholders will receive Webuild warrants that will entitle them to receive new Webuild shares in such number that their shareholding remains unchanged in the event that new Webuild shares are issued to additional Astaldi unsecured creditors as described above. Webuild will also issue its own warrants in place of those assigned by Astaldi to certain lending banks under the composition with creditors proposal;
(f) the share capital of the demerged Astaldi will be eliminated and simultaneously restored with a subscription of new capital by a new foundation, which, as the sole shareholder of the demerged Astaldi, will guide the management and orderly disposal of the assets of the Separate Unit by Astaldi according to the composition with creditors proposal.

After approval by the two Boards of Directors scheduled for 19 March 2021, based on the timing agreed by the two companies, extraordinary shareholders’ meetings will be called for the purpose of approving the demerger project on 29 April 2021 in the case of Astaldi, and on 30 April 2021 in the case of Webuild.

It is expected that the transaction will be implemented through the execution of the demerger deed only after the Court of Rome issues the order certifying the execution of the Astaldi composition with creditors, in accordance with the provisions of the order approving the Composition with Creditors Proposal dated 17 July 2020. This order is expected to be issued by July.

The transaction is subject to the application of the procedure on transactions with significant related parties. The Boards of Directors of Astaldi and Webuild will therefore approve the transaction and the related mutual commitments together with the single demerger project subject to a reasoned opinion of the respective related parties committees on the corporate interest in completing the transaction and on the substantial fairness and propriety of the related conditions.

For further information, please also refer to the press release issued by the Company on 15 March 2020, available on the website www.astaldi.com, in the Media - Press releases section.

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On 14 March 2021 the Astaldi Board of Directors also approved Astaldi's business plan for the three-year period 2021-2023 on a stand-alone basis for the purposes of (*i*) determining the allocation ratio between the shares of the companies involved in the integration and (*ii*) providing the financial advisors – of the respective boards and related parties committees, as well as the expert appointed by the Court of Milan pursuant to and for the purposes of art. 2506-*ter* and 2501-*sexies* of the Italian Civil Code – with the elements necessary for the definition of the allocation ratio and relative fairness opinions.

Outlook

As noted above, the corporate integration process between Webuild and Astaldi began on 14 March 2021. The Boards of Directors of the two companies took note of the progress of the activities related to the proportionate partial demerger project, as described above (see § “Significant events after the reporting date”).

The transaction represents the natural evolution of a project that has given continuity to an industrial business of international importance while safeguarding employment levels, and that thus brings together two important businesses to create a major Italian player in the infrastructure sector that can contribute to the country’s infrastructural development. The integration is a further important step in “Progetto Italia”, an operation aimed at strengthening the Italian construction sector.

In the coming months the Group's attention will therefore be focused on the completion of the integration process with Webuild, but also on the progress of the planned operational and commercial activities.

Other information

Research and development

The Astaldi Group did not incur any R&D expenditure in 2020.

Management and coordination as per article 2497 and subsequent articles of the Italian Civil Code

At the date of preparation of this report, Astaldi was subject to the management and coordination of Webuild S.p.A.

Financial instruments

Reference should be made to the Notes to the Consolidated Financial Statements as at 31 December 2020 for the disclosures on financial instruments required by Article 2428, paragraph 2, no. 6-*bis* of the Italian Civil Code.

Resolutions about information memoranda for significant transactions

For some years now, the Astaldi's Board of Directors has decided to avail of the option not to publish the information memoranda required for significant transactions such as mergers, demergers, capital increases through contributions of assets in kind, acquisitions and sales. It took this decision as per Article 70.8 and Article 71.1-bis of the Issuer Regulation published by CONSOB.

Remuneration report

Reference should be made to the Remuneration Report for the period prepared by the Astaldi Board of Directors as per Article 123-ter of the Consolidated Finance Act. This report is made available in the Governance - Corporate Documents section of the Group's website www.astaldi.com in accordance with the legally-required timeframe and methods.

Astaldi shares held by directors, statutory auditors and key management personnel at 31 December 2020

Reference should be made to the Remuneration Report for the period prepared by the Astaldi board of directors as per Article 123-ter of the Consolidated Finance Act. This report is made available in the Governance - Corporate Documents section of the Group's website www.astaldi.com in accordance with the legally-required timeframe and methods.

Treasury shares

Currently there is no treasury share purchase plan. As at 31 December 2020, there were no treasury shares in the portfolio, except as indicated in the section below - see § "Astaldi shares held by subsidiaries".

Astaldi shares held by subsidiaries

As at 31 December 2020, Astaldi subsidiaries held 16,984,348 shares. The values indicated refer to the shares assigned in conversion to the Group companies that were unsecured creditors of Astaldi, in compliance with the Composition with Creditors Proposal.

Related party transactions

For information on related party transactions see Note 41 to the Consolidated Financial Statements as at 31 December 2020.

Atypical and/or unusual transactions

In 2020, the Astaldi Group did not carry out any atypical or unusual transactions, as defined in CONSOB communication no. DEM/6064293.

Foreign non-EU subsidiaries

Astaldi S.p.A. states that its internal procedures comply with the measures of Article 15.a)/b)/c) of the Stock Market Regulation ("Conditions for the listing of shares of parents set up and governed by laws of non-EU member states", CONSOB regulation no. 20249/17) issued to implement Article 66-bis.2 of Legislative Decree no. 58/1998.

Specifically, Astaldi notes that:

- Astaldi S.p.A. (the "Parent") always has copies of the Articles of Association and details of the members of the company bodies of all the non-EU subsidiaries, that are significant as per Article 15.2 of the Stock Market Regulation, as well as details of the positions held. Astaldi S.p.A. makes available to the market, *inter alia*, the financial statements of its non-EU subsidiaries, that are significant as per Article 15.2 of the Stock Market Regulation, prepared for inclusion in the consolidated financial statements (at least the statement of financial position and the statement of profit or loss).
- The Astaldi Group's current administrative-accounting and reporting procedures are suitable to regularly provide the parent's management and independent auditors with the financial figures of the non-EU foreign subsidiaries, that are significant as per Article 15.2 of the Stock Market Regulation, required to prepare the consolidated financial statements.

With respect to the parent's checks of information provided to the independent auditors necessary to audit the parent's annual and interim financial statements, the current communication procedure with the independent auditors, split by corporate governance control level and in place throughout the year, is efficient.

List of foreign branches

Below is the list of the ten foreign operating branches of the Group as at 31 December 2020, of which four are located in Europe (Romania, Poland, Sweden and Turkey), four on the American continent (Chile, Canada, United States and Argentina), one in Asia (India) and one in Africa (Algeria).

For the sake of completeness, note that as at 31 December 2020 the Group had an additional seven non-operating foreign branches (Bulgaria, El Salvador, Indonesia, Peru, Singapore, Tunisia, Venezuela) and 14 foreign branches in liquidation (Bolivia, Costa Rica, Georgia, Guatemala, Guinea Bissau, Honduras, Iran, Mexico, Nicaragua, Oman, Panama, Czech Republic, Russia, Tanzania).

Table 21 – Foreign operating branches as at 31 December 2020 – Astaldi Group

Algeria
Bureau Administratif et Financier
Lotissement 19/20
Aissat Idir Cheraga
W Alger

Argentina
Desvío a Pescadores, Km. 8.9,
Ciudad de San Luis,
Provincia de San Luis

Canada
780 Brewster Street
Suite 3-300 Montreal Quebec, H4C 2K1

Chile
Avenida Américo Vespucio N° 01199
Sector Lo Boza, Quilicura
Santiago

India
Unit No 7 level 2 Kalpataru Synergy
Opposite Grand Hyatt Sanya Cruz East
Mumbai Maharashtra – 400055

Poland
Ul. Sapiezynska 10a 00-215
Warsaw

Romania
Str. Nicolae Caramfil Nr. 53
Et3, Sector 1
CP 014142
Bucharest

USA
8220 State Road 84, Suite 300,
Davie, FL 33324

Sweden
Engelbrektsgatan 9-11
114 32 Stockholm

Turkey
Kizilirmark Mahallesi
Dumlupinar Bulvari No: 3C1 - 160
Cankaya/Ankara

Conclusions

Dear shareholders,

The separate financial statements of Astaldi S.p.A at the same date show a net profit for the year equal to €1,805,393,771, which we propose to allocate as follows:

a) €1,394,909,707 to cover previous losses;
b) €17,021,573 to the legal reserve for an amount equal to 5% of the share capital;
c) €23,996,625 to the undistributable reserve pursuant to art. 6, paragraph 2 of Legislative Decree no. 38/2005, due to the amount of gains recognised with respect to the measurement of equity investments using the equity method;
d) the residual amount of €369,465,866, to the Extraordinary Reserve.

Filippo Stinellis	**Paolo Citterio**
Chief Executive Officer	***Manager in charge of financial reporting***