



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

Fisia Italimpianti S.p.A.

**Financial statements as at and for the year ended
31 December 2020**

(with independent auditors' report on review thereof)

KPMG S.p.A.

24 March 2021



KPMG S.p.A.
Revisione e organizzazione contabile
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Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010

*To the sole shareholder of
Fisia Italmimpianti S.p.A.*

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Fisia Italmimpianti S.p.A. (the "Company"), which comprise the balance sheet as at 31 December 2020, the profit and loss account and cash flow statement for the year then ended and notes thereto.

In our opinion, the financial statements give a true and fair view of the financial position of Fisia Italmimpianti S.p.A. as at 31 December 2020 and of its financial performance and cash flows for the year then ended in accordance with the Italian regulations governing their preparation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report. We are independent of Fisia Italmimpianti S.p.A. in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matters – Management and coordination

As required by the law, the Company disclosed the key figures from the latest financial statements of the company that manages and coordinates it in the notes to its own financial statements. Our opinion on the financial statements of Fisia Italmimpianti S.p.A. does not extend to such data.



Responsibilities of the directors and board of statutory auditors ("Collegio Sindacale") of Fisia Italmianti S.p.A. for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the Italian regulations governing their preparation and, in accordance with the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Company's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the Company or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit



evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at the appropriate level required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Opinion pursuant to article 14.2.e) of Legislative decree no. 39/10

The directors of Fisia Italmimpianti S.p.A. are responsible for the preparation of the directors' report at 31 December 2020 and for the consistency of such report with the related financial statements and its compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to express an opinion on the consistency of the directors' report with the Company's financial statements at 31 December 2020 and its compliance with the applicable law and to state whether we have identified material misstatements.

In our opinion, the directors' report is consistent with the financial statements of Fisia Italmimpianti S.p.A. at 31 December 2020 and has been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Milan, 24 March 2021

KPMG S.p.A.

(signed on the original)

Luca Magnano San Lio
Director of Audit

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

2020 ANNUAL REPORT

Fisia Italimpianti S.p.A.

Single-member company managed and coordinated by Webuild S.p.A.

Registered office in Genoa, Via De Marini 1, fully paid-up share capital of €3,400,000 (three million four hundred thousand/00), Genoa company registration no, tax code and VAT no. 02340830997, REA no. 478693

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COMPANY OFFICERS
(at 4 March 2021)

BOARD OF DIRECTORS (°)

Chairman

Gianfranco Catrini

Chief executive officer

Silvio Oliva

Directors

Flavio di Pietro

BOARD OF STATUTORY AUDITORS (*)

Chairman

Gianmario Guglielmetti

Standing statutory auditors

Guido Arrigoni

Giovanni Tampalini

Substitute statutory auditors

Francesco Farina

Pietro Paolo Rampino

INDEPENDENT AUDITORS (▪)

KPMG S.p.A.

(°) in office until approval of the financial statements at 31 December 2020

(*) in office until approval of the financial statements at 31 December 2020

(▪) term of engagement from 2018 to 2020

LIST OF BRANCHES

ABU DHABI

Fisia Italimpianti, Al Wahda City 1 –
Commercial Tower, 27th Floor, Office No. 2704,
Muroor Street, Abu Dhabi, U.A.E.
P.O. BOX 47849 – Abu Dhabi (U.A.E.)

DUBAI

Fisia Italimpianti S P A (Dubai Branch)
Office No: 111E - Ibn Battuta Gate Building,
Jebel Ali, Dubai. PO BOX : 34144.

SAUDI ARABIA

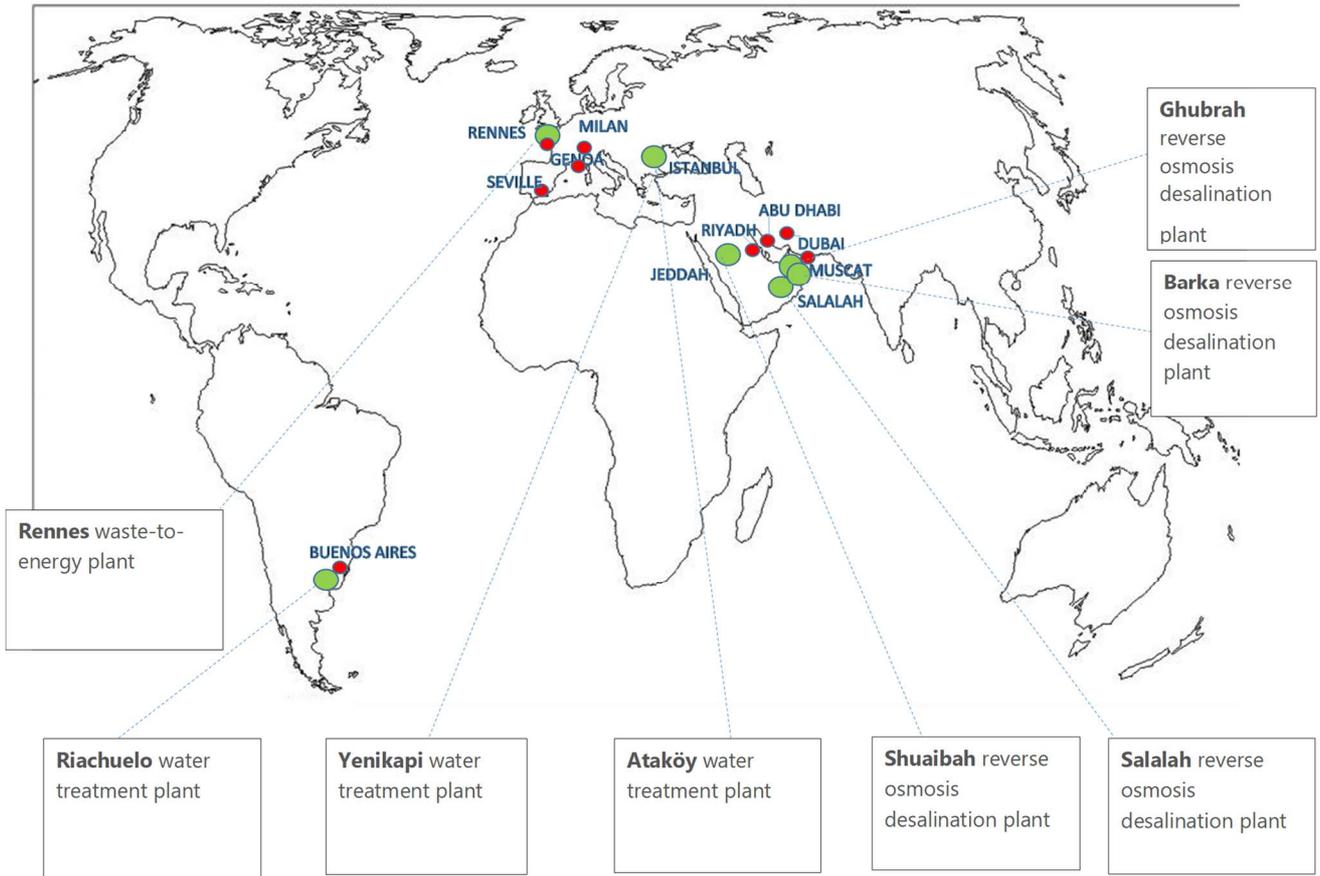
Fisia Italimpianti, Al Nemer Center, Building
No-1 Office No. 714 - Olaya District - Riyadh
12214
P.O. BOX 93854 - Riyadh (Kingdom of Saudi
Arabia)

ARGENTINA

Fisia Italimpianti, Avenida del Libertador n. 602,
piso 22 B, Ciudad de Buenos Aires

MILAN

Via dei Missaglia 97 (MI)



FINANCIAL HIGHLIGHTS

(Thousands of Euros)

	2020	2019
Profit and loss account		
Production revenues	3,977	9,501
Operating loss	(9,424)	(3,887)
Loss before tax	(15,799)	(12,038)
Net loss for the year	(15,759)	(11,303)
Balance sheet		
Net fixed assets	9,316	9,026
Net deficit	(4,237)	(1,592)
Net financial debt	3,018	4,397
Operating figures		
Order backlog	1,522	3,261
Employees	(no.) 92	97

DIRECTORS' REPORT

Dear shareholder

The financial statements as at and for the year ended 31 December 2020, presented for your approval, show a net loss of €15,759,468.

The company's intense commercial drive over the year has been successful leading, in particular, to the acquisition of two new contracts to build desalination plants in Oman (Barka and Ghubrah) and prospects in the water treatment and plant engineering sectors. However, its tangible results in production terms were not seen in 2020, partly because of the continued impact of the Covid-19 emergency on the international situation and the related measures imposed to contain its spread.

The net loss for the year is partly a result of the extra costs incurred on contracts which meant the company had to revise its estimates of the costs to complete them, mostly incurred during the year to complete the Shuaibah and Salalah plants in Saudi Arabia and Oman, respectively. This affected the performances and results of UTE Abeima Fisia Shuaibah and Fisia Abeima LLC for the Shuaibah plant and UTE Abeima Fisia Salalah, Fisia LLC and Fisia Abeima Salalah JV for the Salalah plant.

These unbudgeted-for costs were partly offset by progress on other contracts and their outcome, especially UT Fisia Acciona for the Riachuelo Lot 2 contract in Argentina. This contract will make a larger contribution to the company's revenue and profitability in 2021.

The combination of these two factors meant that the company was unable to cover its overheads. In fact, its operating costs amount to approximately €9.2 million.

This situation was anomalous and non-recurring for the reasons explained in more detail in the sections on the contracts and equity investments.

The "Outlook" section presents the forecast development presented in the five-year business plan while the sections on the company's market and products analyse the prospects for the products and markets of greatest interest to Fisia Italimpianti.

We ask you to approve the financial statements at 31 December 2020 and are confident that you will continue to assist us to achieve our objectives.

PERFORMANCE

Fisia Italimpianti projects

Fisia Italimpianti S.p.A. is an international leader in the sustainable design and construction of water treatment and desalination plants. Thanks to over 90 years of experience, it is one of the most competitive global contractors in its sector and offers cutting edge solutions for water desalination and treatment, desalination using renewable sources of energy and the sustainable management of urban solid waste.

Its services include technological and engineering management, design, supply, construction, roll-out and maintenance of plants. The main ongoing projects are described below.

Project Rennes

Project Rennes is worth approximately €7 million (Fisia's share: €2 million) and includes the design of a new urban waste-to-energy plant for Rennes (France). The heat produced by the plant will be recovered and used to generate steam which will then be used to produce electricity and/or heat for the district heating of urban buildings. The contract was assigned to a joint venture comprised of Fisia Italimpianti, RUTHS (Italy), Legendre (France) and Studio Paumier (France).

Construction of the plant is subject to approval of the designs that the joint venture are preparing and are being defined at the date of this report. This project is worth €95 million and is included in a conditional tranche contract which has already been signed with the customer (Fisia Italimpianti's share: €34 million).

Acquisition of this contract has facilitated Fisia Italimpianti's return to the incineration market.

NEW ORDERS AND THE ORDER BACKLOG

The company's order backlog at 31 December 2020 is as follows:

Area/Country	Project	Residual order backlog at 31 December 2020 (Thousands of Euros)
Dubai	Jebel Ali M	582
Dubai	JEBEL ALI "M" + "M2" + "M3" - SPARE PARTS	372
Dubai	JEBEL ALI L2"	392
France	Metropole Rennes	176
TOTAL		1,522

At year end, the order backlog is worth €1.5 million and it does not include orders obtained by some investees, namely:

- the Atakoy state-of-the-art waste water treatment plant (Istanbul - Turkey) under construction by the subsidiary Fisia Alkatas JV, in which the company has a 51% investment (50% as per the shareholder agreements). The contract is worth €84.3 million and production carried out during the year amounts to €0.9 million (2016: €4.9 million; 2017: €35.4 million; 2018: €42.8 million; 2019: €0.8 million). All the works were completed in 2020 and the provisional acceptance certification has been received. The warranty period has started;
- the Shuaibah reverse osmosis desalination plant (Saudi Arabia) under construction by the associates UTE Abeima Fisia Shuaibah and Fisia Abeima LLC, in which the company has a 50% investment. The value of the contract assigned to UTE Abeima Fisia Shuaibah (the offshore portion) is USD123.3 million of which Fisia Italimpianti's share is USD61.6 million. No production took place during the year. The onshore portion of the contract assigned to Fisia Abeima LLC is worth USD135.5 million (Fisia Italimpianti's share is USD67.7 million) with costs of €2.9 million for the year. The plant has been delivered to the customer with the taking over certificate as per schedule. It is currently under warranty (the warranty period ends in May 2021);
- the Salalah reverse osmosis desalination plant (Oman) under construction by the associate UTE Abeima Fisia Salalah (offshore portion; Fisia Italimpianti's share: USD30.1 million) and Fisia

Abeima Salalah JV (onshore portion; Fisia Italimpianti's share: USD29.8 million). The entire contract is worth USD117.2 million, of which Fisia Italimpianti's share is USD59.9 million. Production for the year amounts to USD6.2 million and €9.6 million for the offshore and onshore portions, respectively.

Works worth €0.3 million (USD0.4 million) offshore portion are still outstanding, while they have been completed for the onshore portion;

- the Yenikapi water purification plant in Istanbul (Turkey) under construction by the subsidiary Fisia Alkatas Alke JV, in which the company has a 50% investment. The contract is worth USD37 million, production for the year amounts to €0.4 million and works approximating €36 million are still outstanding. The design stage has been completed and the subsidiary is awaiting authorisation from the customer to commence the works;
- the Riachuelo Lot 2 water treatment plant under construction by the investee Fisia It - Acciona-Agua UT. The contract is worth €172.2 million, production for the year amounts to €12.3 million and the company's share of the outstanding works is €98.9 million.
- The company has obtained two new engineering, procurement and construction contracts in Oman for two desalination plants worth approximately USD330 million. Both plants will be built to the north of Muscat on the country's northern coast on the Gulf of Oman. They will serve residents living in the area around the capital. The customer is Oman Power & Water Procurement (OPWP) and Fisia Italimpianti will build the reverse osmosis desalination plants as part of a 50:50 joint venture with GS Inima. The Ghubrah 3 IWP plant will produce 300,000 cubic metres of water a day while the Barka 5 IWP plant will produce 100,000 cubic metres. The company's share of the contracts is €92.9 million and €40.8 million for Ghubrah 3 and Barka 5, respectively.

FINANCIAL RISKS

The company is exposed to financial risks, including the following:

- *market risk* deriving from the company's exposure to changes in interest rates and exchange rates between the Euro and the other currencies in which it operates and the raw materials used in the production process;
- *credit risk* deriving from the company's exposure to potential losses arising from the customers' non-compliance with their obligations;

- *liquidity risk* deriving from the risk that the financial resources necessary to meet obligations may not be available at the agreed terms and deadlines.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises currency risk, interest rate risk and commodity price risk.

Currency risk

Due to its international operations, the company is exposed to currency risk arising on fluctuations in the exchange rates between the currencies of the countries where it operates and the Euro. At year end, it was mostly exposed to the US dollar and currencies pegged to it.

The company's currency risk management policy hinges on the following strategies:

- use of the contract consideration agreed in local currency to cover the contract costs to be incurred in the same currency or related currencies;
- analyses of the foreign currency exposures on a cumulative and forward-looking basis by deadline and agreement of forwards in the same currency based on the company's net exposure at the deadlines.

Adoption of these guidelines allowed the company to mitigate its currency risk vis-à-vis the US dollar. At year end, the company did not have any hedges.

Credit risk

Credit risk is the company's exposure to potential losses caused by a customer's default. Its customers include governments or government agencies and major international companies.

Given the company's type of customer and the countries where it operates, this risk is not material.

Liquidity risk

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

With respect to working capital requirements, the company's strategy aims at ensuring that each ongoing contract is financially independent.

However, in exceptional cases, Fisia Italimpianti's membership of a large solid group means it is able to overcome any temporary financing requirements by using external credit facilities.

THE MARKET

In recent years, the company has built up its product portfolio, drawing on its enhanced capabilities and experience. It has also rolled out a project to increase its geographical footprint, moving to a more global approach from its traditional focus on the Arab states of the Persian Gulf. Therefore, the comments made in this section refer to the global market.

Demand for new plants in the thermal desalination market is expected to peter out according to the projections made by independent bodies and available information. Servicing may still be required for existing plants, many of which are nearing the end of their useful lives. This technology is outdated and, therefore, the thermal desalination market has lost ground.

The reverse osmosis desalination technology is the most commonly used in all the areas where this is possible. It is the most interesting market in terms of volumes and potential opportunities.

Demand continues to be lively in the water treatment plant sector, both for civil use and industrial plants. This sector offers the greatest possibility for growth in the medium term from a technical and geographical viewpoint.

All the market segments in which the company operates are expanding, including at a fast pace in some geographical areas. Therefore, it can reasonably be assumed that the company will grow its business and this assumption underpins its new five-year plan referred to in other sections of this report.

PRODUCTS

The company's portfolio principally consists of water treatment plants (desalination and other treatment processes).

It is also active in the plant engineering sector and, specifically, in the waste treatment plant segment.

The main features of the available products and the company's positioning are described below.

Desalination

Desalination plants can be split into two main technological families:

- evaporation;
- membrane separation.

Evaporation

The company is a global leader in the use of the MSF (multi stage flash) technology and has built many plants using this technology for a total of more than 3.5 million cubic metres of installed capacity.

This technology has lost favour drastically in the last decade due to the fact that the membrane separation plants are more energy efficient and require less investment costs.

The thermal technology market in the company's traditional geographical areas, such as, specifically the Arab states of the Persian Gulf (UAE, Saudi Arabia, Oman, Qatar, etc.) is now limited to the reconditioning of existing plants.

Membrane separation - Reverse osmosis

The global RO technology market has grown at a fast pace in recent years.

Following the fine-tuning of the potable water pre-treatment technologies (floating and ultra filtering), which made the process usable in areas where the quality of seawater is not very suitable for this type of plant, this technology is gaining ground and is the currently the most popular choice of public and private sector customers.

Fisia Italimpianti had already accumulated experience in small sized plants in previous years and has recently transitioned to this type of plant, acquiring contracts for four medium to large plants in just a few years and specifically:

- Shuaibah 3 (Saudi Arabia), 250,000 cubic metres/day. Completed in May 2019 and currently under warranty;
- Salalah 3 (Oman), 113,500 cubic metres/day. Entering production at year end;
- Ghubrah 3 (Oman), 300,000 cubic metres/day. Acquired at the end of 2020;
- Barka 5 (Oman), 100,000 cubic metres/day. Acquired at the end of 2020.

Thanks to these projects and its experience, the company is excellently placed to acquire a market leadership position, like in the thermal plant sector.

Water treatment

The company has extensive know-how and experience in this sector, gained through the construction of numerous waste water and potable water treatment plants.

It has acquired some significant contracts in recent years as described below:

- the Atakoy purification plant in Istanbul (Turkey) which includes, inter alia, an advanced biological processing treatment plant with 240,000 cubic metres/day throughput, a MBR (membrane bio-reactor) section of 20,000 cubic metres/day and significant revamping of the existing part of the plant to allow it to produce 360,000 cubic metres/day;

- a pre-treatment waste water plant at Riachuelo (Buenos Aires, Argentina), comprising an initial pumping section followed by coarse, fine and extra fine screens, followed by grit and de-greasing sections and a final lifting station. Its processing capacity is more than 2 million cubic metres/day.
- the Yenikapi treatment plant in Istanbul (Turkey) with capacity of 450,000 cubic metres/day.

Waste-to-Energy

The company has some important contracts in this sector including the Acerra plant, completed in 2010, which has three lines and processes 2,000 tonnes per day.

In 2019, the company was awarded the contract to revamp the WtE plant of the Rennes municipality (France), which processes 140,000 tonnes/year of urban solid waste and generates 15 MW of electricity and 49.6 MW of thermal energy. The contract has enabled Fisia Italimpianti to re-enter this sector, including through joint ventures with other Webuild Group companies, which has interesting growth opportunities.

IT SYSTEMS

Development of the company's remote working project, rolled out in the summer of 2019, was accelerated during the year, partly to deal with the Covid-19 emergency. As a result, the number of company laptops given to employees increased, as did VNP accesses to the intranet and utilisation of unified communication and collaboration platforms that combine work chats, video conferences, content sharing and application integration. The company also upgraded the hardware of its fixed work stations so it could be used remotely.

The company invested in software to make the use of its applications on a remote basis easier (using Remote Desktop) and to comply with BIM (Building Information Modeling) as agreed with its foreign partners for the newly acquired contracts.

During the year, it restyled its internal communication channel provided on its web platform and used to share and view multimedia content online (video sharing). It had already revisited its website in line with the Group's rebranding directives.

COMMUNICATION

The communication project, launched in 2018, covered various marketing aspects to reinforce the company's reputation on the market and emphasise its membership of Webuild Group.

During the year, the company carried out many projects to consolidate its reputation on the water desalination and treatment market.

This firstly involved designing and creating a new logo, which was necessary after the parent changed its name. As a result, the company updated its website and all its communication tools.

Fisia Italimpianti also stepped up its collaboration with its parent in the communication sector, sharing news and key information through their social media channels.

Another project entailed updating the video sharing web channel by reorganising its structure to make it more user-friendly and extending its content with the most recent videos of the plants being built by Fisia Italimpianti.

EQUITY INVESTMENTS

The company did not acquire or sell equity investments during the year, nor did it set up new companies.

The main activities performed during the year by the company's investees on the projects awarded in previous years are described below:

Fisia Italimpianti and Acciona Agua UT (Riachuelo plant)

In 2019, Fisia italimpianti acquired a contract worth roughly USD215 million to build Lot 2 of the Riachuelo system in Buenos Aires, Argentina. This mega engineering and infrastructure project will reduce pollution in the catchment basin and Rio de la Plata, which Argentina's most polluted river Riachuelo River flows into.

The company will build a waste water pre-treatment plant and the related load and return shafts with a capacity of 27 cubic metres/second, making it one of the largest plants of its kind in the world upon its completion.

This project is the second of three lots for the Riachuelo system, which will improve the serious environmental issues of the Matanza Riachuelo catchment basin, providing flexibility and safety to the water purification system of Buenos Aires which will directly considerably improve the health and quality of life of the city's roughly 4.3 million residents considerably.

The executive designs were approved during the year and the works have started.

Brennero Galleriacque S.c.r.l.

Following the customer's communication received at the end of 2019, Brennero Galleriacque S.c.r.l. terminated all the contracts entered into with third parties to operate the plant with Isarco S.c.r.l. in 2020 and informed the customer.

Therefore, the activities to operate the water treatment plant in Fortezza were discontinued. As this was the consortium company's business scope, it had duly achieved it and therefore no longer had a reason to exist. Accordingly, a meeting of its members was called to take the necessary measures to wind up the company.

Fisia Ve Alkatas İş Ortaklığı and Fisia – Alkatas – Alke İş Ortaklığı JV (Atakoy and Yenikapi plants, Turkey)

During the year, activities continued on the Atakoy project in Turkey [a contract acquired in 2016 by Fisia Italimpianti as part of a joint venture with Altakaş Construction J.S.C. to build phase 2 of the state-of-the-art waste water treatment plant in Ataköy for the customer Iski - İstanbul Su ve Kanalizasyon İdaresi (Istanbul Water and Sewerage Administration)]. This project is a cornerstone of the urban waste water treatment programme for the heavily populated city of Istanbul and the project's objective is to improve the environmental situation of the Bosphorus Strait and the Marmara Sea. The contract is worth roughly €84 million and is being carried out by a joint venture comprising the company and the Turkish company Alkatas. The contract obtained the customers' provisional acceptance on 9 March 2020.

The Yenikapi project, worth €37 million, involves the construction of a new water deputation plant in Istanbul. Its acquisition strengthens Fisia Italimpiant's reputation as an operator that designs and builds plants that improve the ecosystem. The company is part of a joint venture with the Turkish companies Alkatas and Alke. The authorisations necessary to commence the works are still pending partly due to the Covid-19 emergency.

In August 2018, the company set up a new subsidiary, Fisia Mühendislik ve İnşaat A. Ş. (Fisia Engineering and Construction JSC), in Istanbul to scope out the opportunities in the Turkish market.

UTE Abeima Fisia Shuaibah and Fisia Abeima LLC (Shuaibah plant, Saudi Arabia)

This contract was awarded in April 2017 and consists of the engineering, procurement and construction of a reverse osmosis desalination plant in the Shuaibah area to provide potable water to the cities of Jeddah, Medina and Taif.

The contract is being performed on a project financing basis by an SPE owned by ACWA Power, a major Saudi developer of energy generation and seawater desalination projects.

It is worth approximately €215 million and is being carried out by Fisia Italimpianti as a 50:50 joint venture with the Abengoa group company.

The plant was built in just 21 months, gaining global recognition as a fast track project. It was delivered to the customer with receipt of the taking over certificate within the contractually-established timeline. In 2020, the plant was awarded the prestigious Global Water Award as the best desalination plant of 2019.

U.T.E. Abeima Fisia Salalah, Fisia LLC, Fisia Abeima Salalah JV (Salalah plant, Oman)

In December 2017, the company was awarded a contract worth roughly USD117 million as part of a joint venture to build a reverse osmosis desalination plant to provide potable water to the Dhofar region. The plant is the second project assigned by ACWA Power, thus strengthening the joint venture's relationship with one of the largest international investors in the water and energy sectors. In 2020, the project was held back by the local and international restrictions imposed by the global pandemic and the joint venture is renegotiating the contract with the customer as these delays are due to "force majeure" and "change in law" events. The plant's commissioning is currently at an advanced stage and should be delivered in the first few months of 2021.

HUMAN RESOURCES

The following table summarises information about the company's workforce at year end.

Number	31.12.2020	31.12.2019
Managers	10	10
Middle managers and white collars	82	87
Total	92	97

During the year, 11 people joined the company and 16 left. At year end, the company's foreign branches had 11 employees.

ORGANISATIONAL MODEL AND CODE OF CONDUCT

In 2019, DNV - PK Consulting completed its audit in line with the recommendations of the supervisory body in its previous report to update the company's organisational model to comply with the most recent regulatory measures and new predicate crimes, including those about personal data protection (Regulation (EU) no. 2016/679, enacted on 25 May 2018). The parent's compliance unit made subsequent changes to the model in 2020, updating the most recent revision to reflect the changes made to the company's organisational structure, process management and the new predicate crimes. It also reperformed the risk assessment.

As provided for by the model, during 2020, the supervisory body regularly carried out its checks and reported on its findings to the competent bodies.

RESEARCH AND DEVELOPMENT

The company carries out research and development activities using an integrated cross-company system that covers all its internal units.

It continuously reviews each product line's characteristics to ensure they meet market trends and commercial strategies together with the technical and operating bodies in order to improve both its opex and capex.

Specifically, it concentrated on improving the technology for the reverse osmosis desalination process and its research objectives were to:

- reduce energy consumption;
- improve the intake seawater pre-treatment processes;
- optimise the permeate's post-treatment processes.

Reduce energy consumption

The company developed a method for the first stage of osmosis using the partial split system which shortens the extension of the second stage, when required, and optimises electricity consumption while concurrently reducing investment costs.

Fisia Italimpianti also studied the pressure centre system for the centralised feeding of the reverse osmosis racks to provide customers with optimised solutions in terms of energy consumption, plant availability and investment costs.

Improve the pre-treatment of the intake seawater

The studies' objectives are to identify a preferred method to optimise the pre-treatment system and the operating processes when the plant is fully operational depending on the characteristics of the water to be treated.

The previously-developed calculation models for the RO plants' pre-treatment technologies were validated and fine-tuned using feedback from the roll-out of the Shuaibah RO plant.

During 2020, the company also developed pre-treatment technologies using dual media filtration which increases the throughput resulting in smaller pre-treatment footprint and lower investment costs.

Remineralisation plants for the permeate produced by the RO plants

In previous years, the company registered patents for the post-treatment of the distillate produced by both thermal and reverse osmosis plants or the water compounds produced by hybrid plants.

The research and development unit developed a model for the post-treatment of the permeate from reverse osmosis plants using calcium gravity filters fed from the upflow water.

The calculation model will be tested/fine-tuned after the Salalah RO plant has been rolled out.

QUALITY, SAFETY AND THE ENVIRONMENT

The company has an integrated quality, occupational health and safety and environmental management system that has been certified by Det Norske Veritas in accordance with the ISO 9001:2015, ISO 45001:2018 and ISO 14001:2015 standards.

Accredia EA 34 and EA 28 sector certifications

The company maintained the certificates for two sectors, ED 34 for the design, commercial, procurement, human resources and inspection processes and EA 28 for the assembly and commissioning processes as per the terms of the agreement with Accredia.

Quality

In September 2020, DVN performed its annual audit of the company with the second inspection for the maintenance of the ISO 9001 certificate, which it confirmed after a remote inspection of the Genoa head office and the Salalah Oman work site. The certificate expires on 29 October 2021.

In 2020, the company reviewed the procedures and instructions for the system to ensure they comply with its parent's procedures and are up-to-date and reflect the operating situation, the mandatory and regulatory requirements and the plans to improve its organisation, in line with the actions scheduled by management at the start of the year.

The company's key objectives were:

- to ensure compliance with the organisational, management and control model as per Legislative decree no. 231/01 resolved on by the company's board of directors on 11 June 2018 with inclusion of the new predicate crimes;
- to perform an internal audit in September 2020 of all the processes that can or could affect product quality;
- to improve the internal operating processes and their interaction;

Health and safety

In May 2020, DNV performed its annual audit with its second inspection and migration to the new ISO 45001:2008 certificate, which it confirmed after the remote inspection of the Genoa head office and the Salalah Oman work site. The certificate expires on 8 March 2021.

In 2020, the company reviewed the QHSE manual and the procedures and instructions for the system in line with the new ISO 45001 standard to ensure they comply with the parent's procedures, are up-to-date and reflect the operating situation, the mandatory and regulatory requirements and the plans to improve its organisation and the prevention and control requirements pursuant to the reference international regulation and Legislative decree no. 81/2008, in line with the actions programmed by management at the start of the year.

The company's key objectives were:

- to ensure compliance with the new ISO 45001:2018 standard;
- to ensure compliance with the organisational, management and control model as per Legislative decree no. 231/01 resolved on by the company's board of directors on 11 June 2018 with inclusion of the new predicate crimes;
- to analyse the internal procedures to ensure compliance with health and safety standards;
- to perform an internal audit in July 2020 to check all the accident prevention processes and that they comply with the current legislation;
- to introduce measures to improve and monitor the accident prevention and protection activities;
- to improve the internal operating processes and their interaction;

Environment

In July 2020, DVN GL performed its annual audit of the company with the first inspection for the maintenance of the ISO 14001;2015 certificate, which it confirmed after a remote inspection of the Genoa head office and the Salalah Oman work site. The certificate expires on 1 August 2022.

In 2020, the company reviewed the procedures and instructions for the system to ensure they comply with its parent's procedures and are up-to-date and reflect the operating situation, the mandatory and regulatory requirements and the plans to improve its organisation, in line with the actions scheduled by management at the start of the year.

The company's key objectives were:

- to analyse the internal procedures to ensure compliance with environmental standards;
- to perform an internal audit in May 2020 to check all the environmental processes and compliance with the current legislation;
- to introduce measures to improve and monitor the environmental prevention and protection activities;
- to improve the internal operating processes and their interaction.

The certifying bodies' reports issued after their audits for quality, safety and environmental certification did not identify any cases of non-compliance.

RELATED PARTY TRANSACTIONS

Transactions with related parties, which are shown in the next table, take place on an arm's length basis.

RECEIVABLES		PAYABLES		
Financial - due within one year	Trade - due within one year	Financial - due within one year	Trade - due within one year	Other payables

Parents

Webuild S.p.A.	-	300	2,609	1,067	-
Salini Costruttori S.p.A.	283	-	-	-	-
Total	283	300	2,609	1,067	-

Subsidiaries

Brennero Galleriacque S.c.r.l.	106	56	-	83	-
Fisia LLC	81	-	-	-	314
Fisia Alkatas JV	647	16	-	-	-
Fisia Mühendislik	107	-	-	-	-
Fisia Alkatas Alke JV	275	42	-	-	-
Fisia It – Acciona UT	4,207	3,195	-	-	-
Total	5,423	3,309	-	83	314

Associates

Fisia Abeima LLC	3,094	-	-	-	-
Abeima Fisia Salalah UTE	-	749	594	-	-
Fisia Abeima Salalah JV	2,346	-	-	-	-
UTE Abeima Fisia Shuaibah	-	152	5,542	-	-
Total	5,440	901	6,136	-	-

Subsidiaries of parents

Fisia Ambiente S.p.A.	1	49	-	-	-
Isarco S.c.r.l.	-	9	-	-	-
Impregilo Saudi Arabia LTD	-	-	-	1	-
Gestione Napoli S.r.l. in liq.	-	-	-	-	-
Iglys	-	-	814	195	-
Impregilo Intern.Infrastruct.	-	-	743	-	-
Total	1	58	1,557	196	-

TOTAL	11,147	4,568	10,302	1,346	314
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COSTS		REVENUE		
Purchases of goods and services	Financial charges	Sales of goods and services	Other revenues	Financial income

Parents

Webuild S.p.A.	428	404	146	33	1
Salini Costruttori S.p.A.	-	-	-	-	13
Total	428	404	146	33	14

Subsidiaries

Fisia Alkatas JV	-	-	-	42	-
Brennero Galleriacque S.c.r.l.	78	-	55	-	1
Fisia Alkatas Alke JV	-	-	-	11	-
Fisia It – Acciona UTE	-	-	835	-	2,565
Total	78		890	53	2,566

Associates

Abeima Fisia Salalah UTE	-	-	448	177	-
UTE Abeima Fisia Shuaibah	-	-	150	101	-
Total	-	-	598	278	-

Subsidiaries of parents

Fisia <u>Ambiente</u> S.p.A.	-	-	40	-	-
Isarco S.c.r.l.	-	-	36	-	-
Impregilo Int. Inf..	-	99	-	-	-
Iglys	-	120	-	-	-
Total		219	76		-

Total	506	623	1,710	364	2,580
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BUSINESS OUTLOOK

The company has prepared a five-year 2021-2025 business plan.

This plan is substantially a continuation of previous plans in terms of the company's products and geographical markets.

Moreover, thanks to both the experience acquired in recent years and the new projects awards towards the end of 2020, the assumptions underpinning the plan are now more solid than those used in previous plans.

The business plan includes financial projections for the five-year period and is based on assumptions, deemed reasonable by the directors, about:

- its potential order pipeline;
- contract profitability;
- the sustainability of the financial plan.

Specifically, the plan provides for acquisitions of more than €1 billion, average annual production (including through the investees) of around €250 million and operating profits from its second year.

At 31 December 2020, the company fell under the scope of article 2447 of the Italian Civil Code as it has a net deficit of €4,236,703.

On 18 February 2021, the parent company Webuild S.p.A. (formerly Salini Impregilo S.p.A.) informed the company, upon its request, that it waived its right to financial receivables of €6,718,700 existing at that date.

The parent has confirmed that it will provide the company with financial assistance in 2021 should this become necessary.

The company's board of directors discussed the plan (as summarised above) during its meeting of 4 March 2021.

ANALYSIS OF THE COMPANY'S FINANCIAL POSITION, PERFORMANCE AND CASH FLOWS

FINANCIAL POSITION

(Thousands of Euros)	31/12/2020	31/12/2019	Variation
A. NET FIXED ASSETS			
Intangible fixed assets	95	125	(30)
Tangible fixed assets	103	121	(18)
Financial fixed assets	9,118	8,780	338
	9,316	9,026	290
B. WORKING CAPITAL			
Work in progress net of progress payments	(1,861)	(1,641)	(220)
Payments on account to suppliers	157	174	(17)
Trade receivables	10,266	9,072	1,194
Other assets	1,091	267	824
Trade payables	(5,011)	(5,157)	146
Other liabilities	(2,155)	(2,542)	387
Provisions for risks	(12,334)	(5,525)	(6,809)
	(9,846)	(5,352)	(4,494)
C. INVESTED CAPITAL LESS CURRENT LIABILITIES	(529)	3,674	(4,203)
D. EMPLOYEES' LEAVING ENTITLEMENT	(689)	(869)	180
E. NET CAPITAL REQUIREMENTS	(1,219)	2,805	(4,024)
covered by:			
F. OWN FUNDS			
Paid-up share capital	3,400	3,400	-
Reserves and retained earnings	8,123	6,311	1,812
Net loss for the year	(15,759)	(11,303)	(4,456)
	(4,237)	(1,592)	(2,645)
G. NET FINANCIAL DEBT			
Non-current financial receivables	-	-	-
Current loans and borrowings	14,236	7,887	6,349
Non-current loans and borrowings	-	-	-
Liquid funds and current financial receivables	(11,218)	(3,490)	(7,728)
	3,018	4,397	(1,379)
H. TOTAL AS IN E.	(1,219)	2,805	(4,024)

CALCULATION AND ALLOCATION OF ADDED VALUE

(Thousands of Euros)	2020	2019
Production revenues	3,415	4,237
Other revenues and income	562	5,264
PRODUCTION REVENUES	3,977	9,501
Raw materials, consumables, supplies and goods	118	(84)
Services	3,026	(3,704)
Use of third party assets	510	(497)
Utilisations of provisions for risks and charges	-	25
Other operating costs	2,220	(715)
ADDED VALUE PRODUCED (LOST)	(1,896)	4,475
Net write-downs of equity investments	(6,720)	(8,335)
Other financial income	734	148
TOTAL ADDED VALUE	(7,882)	(3,712)
allocated as follows:		
- to employees	(7,447)	(8,261)
- to financial backers	(390)	36
- benefit from national tax consolidation scheme	40	736
SELF-FINANCING CAPACITY	(15,679)	(11,201)
to invested capital (amortisation and depreciation)	(81)	(102)
NET LOSS FOR THE YEAR	(15,759)	(11,303)

Genoa, 4 March 2021

On behalf of the board of directors

Chairman
Gianfranco Catrini

Fisia Italimpianti S.p.A.

Single-member company managed and coordinated by Webuild S.p.A.

Head office in Via De Marini 1 – 16149 GENOVA (GE) Tax code 02340830997

Financial statements as at and for the year ended 31 December 2020

	Euro	Euro
BALANCE SHEET - ASSETS	31 December 2020	31 December 2019
A) Share capital proceeds to be received:		
B) Fixed assets:		
<i>I. Intangible fixed assets</i>		
3) Industrial patents and intellectual property rights	11.977	18.245
4) Concessions, trademarks, licences and similar rights	-	-
7) Other	83.482	106.498
Total intangible fixed assets	95.459	124.743
<i>II. Tangible fixed assets</i>		
2) Plant and machinery	2.254	2.855
3) Industrial and commercial equipment	-	-
4) Other assets	100.878	118.569
Total tangible fixed assets	103.132	121.424
<i>III. Financial fixed assets</i>		
1) Equity investments:		
a) subsidiaries	3.949.429	2.642.202
b) associates	5.168.280	6.137.893
	9.117.709	8.780.095
2) Financial receivables	-	-
Total financial fixed assets	9.117.709	8.780.095
TOTAL FIXED ASSETS	9.316.300	9.026.262
C) Current assets		
<i>I. Inventory</i>		
3) Contract work in progress	47.258	-
5) Payments on account	157.475	174.270
	204.733	174.270
<i>II. Receivables</i>		
1) Trade receivables		
- due within one year	5.698.974	5.454.737
- due after one year	-	-
2) From subsidiaries		
- due within one year	3.308.944	2.431.882
- due after one year	-	-
3) From associates		
- due within one year	900.771	827.912
- due after one year	-	-
4) From parents		
- due within one year	300.304	95.734
- due after one year	-	-
5) From subsidiaries of parents		
- due within one year	57.487	261.399
- due after one year	-	-
5-bis) Tax receivables		
- due within one year	542.848	36.041
- due after one year	-	-
5-quater) From others		
- due within one year	460.236	150.338
- due after one year	-	-
Total receivables	11.269.564	9.258.043
<i>III. Current financial assets</i>		
7) Financial assets related to cash pooling arrangements	11.147.373	3.268.881
Total current financial assets	11.147.373	3.268.881
<i>IV. Liquid funds:</i>		
1) Bank and postal accounts	58.567	211.657
3) Cash-in-hand and cash equivalents	11.650	9.788
Total liquid funds	70.217	221.445
C) TOTAL CURRENT ASSETS	22.691.887	12.922.639
D) Prepayments and accrued income:		
1) Other prepayments and accrued income	87.574	80.695
TOTAL ASSETS	32.095.761	22.029.596

BALANCE SHEET - LIABILITIES**A) Net Equity:**

	<u>Euro</u> 31 December 2020	<u>Euro</u> 31 December 2019
I. Share capital	3.400.000	3.400.000
II. Share premium reserve	-	-
III. Revaluation reserves	-	-
IV. Legal reserve	4.586	4.586
V. Statutory reserves	-	-
VI. Other reserves		
- reserve for unrealised exchange rate gains	40.865	40.865
- translation reserve	422.154	172.939
- reserve to cover losses	7.562.526	6.000.000
VII. Hedging reserve	-	-
VIII. Retained earnings	92.634	92.634
Net loss for the year	(15.759.468)	(11.303.457)
X. Reserve for own shares	-	-
Total net deficit	(4.236.703)	(1.592.433)

B) Provisions for risks and charges:

4) Other	12.333.620	5.525.371
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Total provisions for risks and charges

12.333.620	5.525.371
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C) Employees' leaving entitlement

689.285	869.141
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D) Payables:

4) Bank loans and borrowings		
- due within one year	3.933.660	180.345
- due after one year	-	-
	3.933.660	180.345
6) Payments on account		
- due within one year	1.908.275	1.640.876
- due after one year	-	-
	1.908.275	1.640.876
7) Trade payables		
- due within one year	3.664.625	4.133.384
- due after one year	-	-
	3.664.625	4.133.384
9) Payable to subsidiaries		
- due within one year	397.108	880.968
- due after one year	-	-
	397.108	880.968
10) Payable to associates		
- due within one year	6.135.604	4.005.697
- due after one year	-	-
	6.135.604	4.005.697
11) Payables to parents		
- due within one year	3.675.957	3.349.820
- due after one year	-	-
	3.675.957	3.349.820
11-bis) Payables to subsidiaries of parents		
- due within one year	1.753.500	837.525
- due after one year	-	-
	1.753.500	837.525
12) Tax payables		
- due within one year	420.049	438.242
- due after one year	-	-
	420.049	438.242
13) Social security charges payable		
- due within one year	566.189	656.266
- due after one year	-	-
	566.189	656.266
14) Other payables		
- due within one year	811.240	973.948
- due after one year	-	-
	811.240	973.948

Total payables

23.266.207	17.097.071
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E) Accrued expenses and deferred income:

1) Other accrued expenses and deferred income	43.352	130.447
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TOTAL LIABILITIES

43.352	130.447
32.095.761	22.029.596

	Euro 2020	Euro 2019
PROFIT AND LOSS		
A) Production revenues:		
1) Turnover from sales and services	3.368.214	4.237.338
2) Change in work in progress		
3) Change in contract work in progress	47.258	-
4) Internal work capitalised		
5) Other revenues and income	561.629	5.263.528
Total production revenues	3.977.101	9.500.865
B) Production cost:		
6) Raw materials, consumables, supplies and goods	117.621	83.845
7) Services	3.025.800	3.704.236
8) Use of third party assets	509.882	497.283
9) Personnel expenses:	-	-
a) Wages and salaries	5.400.975	5.987.431
b) Social security contributions	1.434.813	1.542.029
c) Employees' leaving entitlement	374.570	391.606
e) Other costs	236.580	339.611
Total	7.446.938	8.260.677
10) Amortisation, depreciation and write-downs:		
a) Amortisation of intangible fixed assets	36.852	47.259
b) Depreciation of tangible fixed assets	43.938	54.622
Total	80.790	101.881
12) Provisions for risks	-	25.000
14) Other operating costs	2.220.067	715.101
Total production cost	13.401.098	13.388.024
Operating loss (A-B)	(9.423.997)	(3.887.158)
C) Financial income and charges:		
16) Other financial income		
d) other income:		
- from parents	14.049	8.395
- from subsidiaries	2.566.352	2.462
- other	1.480	574.879
Total	2.581.881	585.736
	2.581.881	585.736
17) Interest and other financial charges:		
- to subsidiaries	-	4.388
- to parents	403.789	30.487
- other	2.244.047	18.254
Total	2.647.836	53.129
17 bis) Net exchange rate gains (losses)	410.601	(348.391)
Net financial income (15+17-17)	344.646	184.216
D) Adjustments to financial assets and liabilities		
18) Write-backs		
a) equity investments	3.091.337	504.121
19) Write-downs		
a) equity investments	9.811.186	8.839.166
Total adjustments (18-19)	(6.719.849)	(8.335.045)
Result before tax (A-B+-C+-D)	(15.799.200)	(12.037.987)
20) Income taxes:		
a) Current taxes	(62.618)	(1.565)
d) Income from national tax consolidation scheme	102.350	736.095
Total	39.732	734.530
Net loss for the year	(15.759.468)	(11.303.457)

Chairman
Gianfranco Catrini

Cash flow statement

	Euro 2020	Euro 2019
A. Cash flows from operating activities		
Net loss for the year	(15.759.468)	(11.303.457)
Income taxes	(39.732)	(734.530)
Interest income/(expense)	65.955	(560.632)
Dividends	-	-
(Gains)/losses on the sale of assets	-	-
1. Net loss before income taxes, interest, dividends and gains/losses on the sale of assets	(15.733.245)	(12.598.619)
<i>Non-monetary adjustments not affecting net working capital</i>		
Accruals to provisions	-	25.000
Accruals for employees' leaving entitlement	374.570	391.606
Release of provisions for risks	-	-
Amortisation and depreciation	80.790	101.881
Write-backs	6.719.849	8.335.045
Other non-monetary adjustments	-	5.902.856
2. Cash flows before changes in net working capital	(8.558.036)	2.157.769
<i>Changes in net working capital</i>		
Increase in inventory	(47.258)	-
Increase in payments on account and advances	267.399	185.836
Increase in trade receivables	(244.237)	(2.085.784)
Decrease/(increase) in receivables from group companies	(5.789.065)	290.380
Decrease/(increase) in other current assets	(823.584)	81.221
Decrease in trade payables	(468.759)	(3.184.497)
Increase in payables to group companies	5.132.516	4.632.527
Increase/(decrease) in other current liabilities	(358.073)	356.417
Other changes in net working capital (advances to suppliers)	16.797	334.578
3. Cash flows after changes in net working capital	(10.872.300)	2.768.446
<i>Other adjustments</i>		
Interest collected/(paid)	(65.955)	560.632
Income taxes	39.732	736.095
Dividends collected	-	-
Utilisation of employees' leaving entitlement	(554.426)	(420.112)
Utilisation of provisions	-	-
4. Cash flows after other adjustments	(11.452.949)	3.645.061
Cash flows generated by (used in) operating activities (A)	(11.452.949)	3.645.061
B. Cash flows from investing activities		
<i>Tangible fixed assets</i>		
(Investments)	(25.646)	(44.078)
Disinvestments	-	-
<i>Intangible fixed assets</i>		
(Investments)	(7.568)	(43.011)
Disinvestments	-	-
<i>Financial fixed assets</i>		
(Investments)	-	(2.829.690)
Disinvestments	-	-
<i>Current financial assets</i>		
(Investments)	-	-
Disinvestments	-	-
<i>Acquisition or sale of subsidiaries or business units net of cash acquired</i>	-	-
Cash flows used in investing activities (B)	(33.214)	(2.916.779)
C. Cash flows from financing activities		
<i>Third party funds</i>		
Increase in financial assets related to cash pooling arrangements	(7.878.492)	(1.304.527)
Increase in short-term bank borrowings	3.753.315	180.345
Increase (decrease) in loans and borrowings from other financial backers	-	-
Increase in loans	(2.244.357)	-
Decrease in loans	4.838.486	-
<i>Own funds</i>		
Proceeds from issue of share capital	-	-
Capital increase (waiver of financial receivables)	12.865.983	-
Sale (repurchase) of own shares	-	-
Dividends (and interim dividends) paid	-	-
Cash flows generated by (used in) financing activities (C)	11.334.935	(1.124.182)
Decrease in liquid funds (A ± B ± C)	(151.228)	(395.900)
Opening liquid funds	221.445	617.344
Closing liquid funds	70.217	221.445

Chairman
Gianfranco Catrini

Notes to the financial statements as at and for the year ended 31 December 2020

I - Basis of preparation

Basis of presentation

The financial statements of Fisia Italimpianti S.p.A. (the “company”) have been prepared on a going concern basis as set out in the 2021-2025 business plan approved on 4 March 2021 and described in the “Outlook” section of the directors’ report.

Its parent, Webuild S.p.A. (formerly Salini Impregilo S.p.A.), has confirmed that it will support the company until the approval of the draft financial statements for the year ending 31 December 2021, should this be necessary, to facilitate its achievement of the targets set out in the 2021-2025 business plan (described in the Directors’ report) and its related commitments.

The financial statements have been prepared in accordance with the provisions of article 2423 and following articles of the Italian Civil Code, interpreted in the context of and integrated by the reporting standards promulgated by the Italian Accounting Standard Setter. They consist of a balance sheet, a profit and loss account, a cash flow statement and these notes.

Each balance sheet, profit and loss account and cash flow statement caption presents the corresponding figures of the previous year. Where necessary, the latter are adjusted for comparative purposes and the related effects are disclosed in the notes, if material. The cash flow statement shows the reasons for increases and decreases in liquid funds during the year and has been prepared under the indirect method, using the layout provided for by OIC 10.

The company does not prepare consolidated financial statements even though it has controlling investments as it is directly controlled by Webuild S.p.A., with registered office in Milan (Italy), and indirectly by Salini Simonpietro e C. S.a.p.A., with registered office in Rome (Italy), which prepare consolidated financial statements of the smallest and largest group of companies that include the parent as a subsidiary, respectively. The consolidated financial statements of Webuild Group are available on the website www.webuildgroup.com, while the consolidated financial statements of Salini Simonpietro e C. Group are filed with the competent chamber of commerce as required by law. The amounts presented in the balance sheet, profit and loss account and cash flow statement are in Euros, without decimal points, while those disclosed in the notes are expressed in thousands of Euros, except as otherwise specified.

The relevant section of the Directors’ report provides information about the company’s transactions with its subsidiaries, associates, parents, subsidiaries of parents and other related parties. These transactions take place on an arm’s length basis.

Significant-post balance sheet events, the proposal for approval of the financial statements and off-balance sheet commitments, guarantees and contingent liabilities are presented in specific sections of these notes.

Accounting policies

The financial statements have been prepared in Euros and in a transparent manner to give a true and fair view of the company’s financial position, results of operations and cash flows. The financial statements captions have been measured in accordance with the general principles of prudence and

accruals on a going-concern basis. Captions have been recognised and presented in accordance with the substance over form principle, if in compliance with the Italian Civil Code and the OIC. The accounting policies are unchanged from the previous year to ensure the comparability of the company's financial statements over the years.

No exceptional events took place during the year, which would have led the company to depart from the accounting policies, as permitted by article 2423.5 of the Italian Civil Code, in order to give a true and fair view of its financial position and results of operations. Moreover, the company did not make any revaluations under specific laws.

Management and coordination

As required by articles 2497 and 2497-septies of the Italian Civil Code, it should be noted that the company is managed and coordinated by Webuild S.p.A. (formerly Salini Impregilo S.p.A.).

The key figures from the most recently approved financial statements (31 December 2019) of the direct parent are provided below in accordance with article 2497-bis of the Italian Civil Code. The parent, Webuild S.p.A., registered office in Via dei Missaglia 97, Milan, prepares consolidated financial statements which can be found on its website www.wbuildgroup.com.

The company elected to join the national tax consolidation scheme in 2018 with its parent as the tax consolidator. This option is for three years, i.e., until 2020.

Financial statements as at and for the year ended 31 December 2019	
<u>Key figures</u>	
Thousands of Euros	
STATEMENT OF FINANCIAL POSITION	
NON-CURRENT ASSETS	1,946,947
CURRENT ASSETS	4,521,267
TOTAL ASSETS	6,468,215
EQUITY	
- Share capital	600,000
- Share premium	654,486
- Other reserves	195,321
Other comprehensive expense	(8,019)
- Losses carried forward	(19,981)
- Profit for the year	70,960
TOTAL EQUITY	1,492,767
NON-CURRENT LIABILITIES	1,853,767
CURRENT LIABILITIES	3,121,681
TOTAL EQUITY AND LIABILITIES	6,468,215
STATEMENT OF PROFIT OR LOSS	
TOTAL REVENUE	2,740,990
TOTAL COSTS	(2,484,018)
NET FINANCING COSTS	(102,845)
INCOME TAXES	(83,167)
LOSS FOR THE YEAR	70,960

Fixed assets

Intangible fixed assets

They are recognised at acquisition cost.

Industrial patents and intellectual property rights and other intangible assets are amortised in line with their residual income generating potential.

Tangible fixed assets

They are initially recognised at acquisition cost, including the related transaction costs, net of depreciation. They have not been revalued. Gains and losses on their sale form part of the net profit of the year in which the sale is made.

Leasehold improvement costs are allocated to the relevant assets only when they lengthen their useful lives. Pursuant to the principle of materiality as per article 2423.4 of the Italian Civil Code and the reference OIC, the depreciation rates are halved in the first year of depreciation of the assets. The rates applied to each category are set out below:

Light construction	10%
Plant and machinery	25%-15%
Equipment	15%
Furniture and equipment	12%-20%
Vehicles	25%

If, at the reporting date, there are indications of impairment losses on tangible and intangible fixed assets, the recoverable amount of such assets is estimated. If the recoverable amount, being the higher of value in use and fair value less costs to sell, is lower than the corresponding carrying amount, the assets are written down.

The write-down is not maintained in subsequent years if the reasons therefor cease to exist. The write-down is reversed up to the amount the asset would have had if the write-down had never taken place, that is, net of the amortisation/depreciation that would have been recognised in the absence of the write-down. Write-downs of goodwill and deferred charges cannot be reversed.

Ordinary maintenance and repair costs are expensed when incurred.

Financial fixed assets

Investments in subsidiaries and associates are measured using the equity method.

Equity-accounted investments are initially recognised at acquisition cost, including the related transaction costs, which comprise bank and financial brokerage charges, i.e., commissions, costs and taxes.

Upon initial recognition, the acquisition cost of an equity investment is compared to the relevant share of the investee's net equity at the acquisition date or, alternatively, that resulting from its most recent financial statements.

If an initial positive difference is identified which can be attributed to higher carrying amounts of the investee's assets, measured at present value, or to goodwill, the investment is recognised at acquisition cost, including the initial positive difference. Otherwise, the investment is impaired and the write-down is recognised as a write-down of equity investments in the profit and loss account.

If an initial negative difference is identified which can be attributed to a good deal, the investment is recognised at the investee's higher net equity, adjusted compared to its cost, recognising an undistributable reserve in net equity as a balancing entry. Should the initial negative difference be attributable to assets recognised at higher carrying amounts than their recoverable amounts, liabilities recognised at lower carrying amounts than their settlement amounts or forecast losses, the investment is initially recognised at acquisition cost and the difference is recorded off-the-books as a provision for future risks and charges. The company will use this provision in future years to adjust the investee's net profits or losses, in order to reflect the assumptions made upon acquisition.

For equity accounting purposes, the company used the financial statements approved by the investees' share/quotaholders, or the draft financial statements formally prepared by the investees' boards of directors, if the share/quotaholders' meetings called to approve the financial statements have not yet been held.

The net profit or loss for the year and net equity shown in an investee's financial statements are subject to the same adjustments required for consolidation purposes. The company's share of an investee's adjusted net profit or loss increases or decreases the carrying amount of the investment, with a balancing entry in the profit and loss account. Dividends received reduce the investment's carrying amount. Changes in the investee's net equity that did not affect its net profit or loss for the year increase or decrease its carrying amount and the specific undistributable reserve, without affecting the company's profit and loss account. If, as a result of net losses, the carrying amount of an investment becomes negative, it is written off and, should the company be legally or otherwise bound to support its investee, the losses exceeding the write-off are recognised in the provisions for risks and charges.

Pursuant to article 2426 of the Italian Civil Code, any gains arising from equity accounting are recognised in a reserve that cannot be distributed to the extent of the amount not used for any investor's "own loss". Any dividends received from investees make a corresponding amount of that reserve available.

If any impairment losses are identified, the investment is written down, even when the resulting carrying amount is lower than the amount arising from equity accounting.

The financial statements of investees prepared in foreign currency are translated using:

- the average annual rate to write back/write down the company's share of their net profit or loss;
- the closing rate to write back equity investments, recognising the difference in the translation reserve (under equity).

Receivables and payables

Receivables and payables are recognised at amortised cost, considering the time value of money and, for receivables, their estimated realisable value.

The company recognises receivables at their estimated realisable value by writing down their carrying amount through the provision for bad debts, in order to provide for any risk of impairment. To this end, the company considers specific indicators based on past trends and any other useful information about a probable impairment. The write-downs are estimated on an individual basis for significant receivables and collectively for the others, by calculating the expected impairment losses at the reporting date.

Foreign currency receivables and payables are translated into Euros using the closing rate. Exchange rate gains and losses are recognised in caption 17-bis of the profit and loss account. A breakdown between realised and unrealised gains and losses is provided in these notes.

The amortised cost method is not applied when its effects are irrelevant, which is usually the case for current payables or when transaction costs, commissions paid between the parties and any other difference between the original and settlement amounts at the due date are insignificant.

Furthermore, pursuant to article 12.2 of Legislative decree no. 139/2015, the company opted not to recognise receivables and payables arising before 1 January 2016 at amortised cost and did not discount them.

Prepayments and accrued income, accrued expenses and deferred income

They are recognised on an accruals basis and relate to costs and revenue common to two or more years, the amount of which varies over time.

Inventory

Contract work in progress for the construction of assets (or combinations of assets) or for the supply of non-standard goods or services is recognised under inventory and measured using the percentage of completion method applied to the total consideration.

The company applies the cost-to-cost method to determine the percentage of completion. Any losses to complete the contract that can be estimated based on objective evidence or reasonable assumptions are expensed in full when they come to light and are included in the calculation of contract work in progress.

This method represents the best estimate of the works programme at the date of preparation of the financial statements. The company regularly updates the underlying assumptions, which include the best estimates of the contract and counterparty risk.

The carrying amount of contract work in progress agreed in a foreign currency is firstly calculated in that currency using the percentage of completion method applied to the contract consideration, after which it is translated into Euros using the exchange rate ruling on the invoice date. If the amount invoiced is lower than the works' carrying amount, the difference is translated into Euros at the closing rate. Progress billings for work not yet approved by customers are recognised under liabilities. Progress billings for each contract may exceed the contract work in progress' carrying amount or vice versa, depending on the contract terms agreed with the customer.

Pre-operating costs are expensed in line with the percentage of completion of the project, calculated using the method set out above.

Costs to acquire new contracts are expensed if the contracts have not been acquired before the reporting date.

Provisions for risks and charges

They include accruals made to cover specific losses and liabilities that are certain or possible, but whose amount or due date is unknown at the reporting date given the specific nature of the company's operations.

Provision for future risks and charges

This provision is set up to cover the risk of possible liabilities arising from the settlement of disputes or claims for compensation.

Risks for which a liability is probable are described in these notes without provision as per the OIC. No provision is made for remote risks.

The company complies with the general principles of prudence and accruals-basis of accounting when measuring provisions and does not set up provisions for generic risks without economic justification.

Provision for labour disputes

This provision includes accruals for possible liabilities arising from labour disputes.

Employees' leaving entitlement

This is the company's outstanding payable to its employees vested at 31 December 2006, net of any advances made.

Law no. 296 of 27 December 2006 (the 2007 Finance Act) introduced new rules for Italian employees' leaving entitlement (TFR) accruing after 1 January 2007.

As a result of this pension reform:

- the company retains the entitlements vested up to 31 December 2006;
- the entitlements accrued after 1 January 2007 are either, depending on the employees' explicit or tacit agreement:
 - a. transferred to external pension funds;
 - b. maintained by the Italian group companies, which transferred them to the INPS (the Italian social security institution) treasury fund.

Entitlements accruing after 1 January 2007 continue to be presented in caption B9) "Employees' leaving entitlement" of the profit and loss account. Caption C "Employees leaving entitlement" in the balance sheet shows the entitlements vested at 31 December 2006. Caption D13 "Social security charges payable" includes the payable accrued at 31 December 2017 for the entitlements still to be transferred to the pension funds and social security institutions.

Revenues and costs

Revenues from the sale of goods and the costs to purchase them are recognised when title thereto is substantially transferred (transfer of risks and rewards).

Revenues include changes in work in progress (see the paragraph on Inventory).

Financial income and charges are recognised on an accruals basis.

Revenues from services and the costs to purchase them are recognised when the services have been rendered or when the related fees are due, in the case of contracts with progress billings.

Grants and aid are recognised in the profit and loss account when the company is reasonably certain it will receive them.

Revenues and costs, whose amount or impact is exceptional, are disclosed in a specific section of these notes.

Translation criteria

Assets and liabilities generated by foreign currency transactions are initially recognised in Euros, applying the transaction-date spot rate between the Euro and foreign currency to the foreign currency amount. Foreign currency monetary assets and liabilities, including provisions for risks and charges set up for foreign currency liabilities, are translated into Euros using the spot closing rate. The related exchange rate gains and losses are recognised in the profit and loss account. Non-monetary foreign currency assets and liabilities are maintained in the balance sheet at the transaction-date exchange rate. Consequently, any exchange rate gains or losses are not recognised separately. 'Any unrealised net exchange rate gain on foreign currency monetary items forms part of the net profit or loss for the year and, when the financial statements and consequent allocation of the net profit or loss for the year are approved, it is recognised in a undistributable reserve for the part not used for the loss for the year, if any. Should the net profit for the year be lower than the unrealised net exchange rate gain, the amount recognised in the undistributable reserve is equal to the net profit for the year.

Income taxes and deferred taxes

The company has availed of the option provided for by article 117 and subsequent articles of Presidential decree no. 917/86 for the group taxation scheme. Accordingly it transfers its obligation to pay IRES to the tax parent, Webuild S.p.A..

Income taxes are calculated using an estimate of the taxable profit in accordance with the ruling tax legislation, the applicable exemptions and any tax credits. The company recognises deferred taxes on temporary differences between the carrying amounts of assets and liabilities and their tax base.

Deferred tax assets on deductible temporary differences and carryforward tax losses are recognised when the company is reasonably certain they will be recovered through future taxable profits or sufficient taxable temporary differences in the years in which the deferred tax assets reverse.

Deferred tax assets not recognised or impaired in prior years as the requirements for their recognition were not met are recognised or reinstated in the year in which the relevant requirements are met.

Deferred tax assets and liabilities are offset if the relevant requirements are met (offsetting ability and intention) and the resulting positive or negative balance is respectively stated under the specific captions of current assets or provisions for risks and charges.

When the expected taxable profit will not be sufficient to realise the deferred tax assets based on the company's tax planning, they are reversed to profit or loss.

Commitments, guarantees and contingent liabilities

They are disclosed in these notes.

Risks for which a liability is probable are described in these notes and provided for appropriately.

II - Breakdown of the captions and changes compared to the previous year (Thousands of Euros)

Assets

B) Fixed assets

I. Intangible fixed assets

Balance at 31/12/2020	95
Balance at 31/12/2019	125
Variation	<u>(30)</u>

Changes in intangible fixed assets

	31/12/2019	Increases	Amortisation	31/12/2020
Industrial patents and intellectual property rights	18	6	12	12
Other	107	1	25	83
Total	125	7	37	95

At 31 December 2020, intangible fixed assets comprise:

- industrial patents and intellectual property rights of €12 thousand;
- other intangible fixed assets of €83 thousand.

Industrial patents and intellectual property rights include the licences purchased to use application software, amortised over the licence term.

Other intangible fixed assets comprise the cost of renovating the Genoa offices.

Previous revaluations, amortisation and write-downs

The carrying amounts do not include revaluations or write-downs.

II. Tangible fixed assets

Balance at 31/12/2020	103
Balance at 31/12/2019	121
Variation	<u>(18)</u>

Plant and machinery

	<i>Amount</i>
Balance at 31/12/2019	3
Acquisitions	-
Disposals (Carrying amount)	-
Depreciation	1
Balance at 31/12/2020	2

Other assets

	<i>Amount</i>
Balance at 31/12/2019	119
Acquisitions	26
Disposals (Carrying amount)	-
Depreciation	44
Balance at 31/12/2020	101

Tangible fixed assets show a decrease of €18 thousand, being the net balance of depreciation (€44 thousand) and acquisitions (€26 thousand). Changes in this caption and accumulated depreciation are given in the following tables:

Tangible fixed assets

<i>Historical cost</i>	<i>Opening balance 01/01/2020</i>	<i>Increases</i>	<i>Decreases</i>	<i>Closing balance</i>
Plant and machinery				
- Light construction	33	-	-	33
- Plant and machinery	8	-	-	8
Industrial and commercial equipment	42	-	-	42
Total	83	-	-	83
Other assets:				
- Office furniture and equipment	714	23	-	737
- Vehicles	31	-	-	31
- Other	50	4	-	54
Total	795	-	-	822
Total	878	27	-	905

<i>Accumulated depreciation</i>	<i>Opening balance</i>	<i>Depreciation</i>	<i>Decrease due to disinvestments</i>	<i>Closing balance</i>
Light construction	33	-	-	33
Plant and machinery	4	-	-	4
Industrial and commercial equipment	43	1	-	44
Total	80	1	-	81
Other assets:				
- Furniture and equipment	595	39	-	635
- Vehicles	31	-	-	31
- Other	51	4	-	55
Total	677	43	-	720
Total	757	44	-	802

III. Financial fixed assets

Balance at 31/12/2020	9,118
Balance at 31/12/2019	8,780
Variation	<u>(338)</u>

The directly held equity investments are as follows:

Subsidiaries

	<i>Registered office</i>	<i>Share/quota capital</i>	<i>Net equity (deficit) at 31/12/20 €000</i>	<i>2020 net profit (loss) €000</i>	<i>Invest. %</i>	<i>31/12/20 €000</i>	<i>31/12/19 €000</i>
Fisia & Alkatas JV	Istanbul (Turkey)	TRY1,000	(597)	2,151	50	-	-
Fisia Alkatas & Alke JV	Istanbul (Turkey)	-	42	25	50	-	14
Brennero Galleriacque S.c.r.l	Genoa (Italy)	€10,000	10	-	51	5	5
Fisia Mühendislik	Istanbul (Turkey)	TRY50,000	(99)	(54)	100	-	-
Fisia LLC	Muscat (Oman)	OMR250,000	(5,552)	(6,398)	70 (*)	-	441
Fisia Italimpianti succursale Argentina e Acciona Agua Suc. Arg. UTE	Buenos Aires (ARG)	ARS224,263,365	6,068	3,102	65	3,944	2,182
Total						3,950	2,642

(*)Although it holds a nominal 30% investment in Fisia LLC, based on agreements, the local partner is entitled solely to 0.5% of the profits generated by the ongoing contract.

Associates

	<i>Registered office</i>	<i>Share capital</i>	<i>Net equity (deficit) at 31/12/2020</i> €'000	<i>2020 net profit (loss)</i> €'000	<i>Invest. %</i>	<i>31/12/2020</i> €'000	<i>31/12/2019</i> €'000
UTE Abeima Fisia Shuaibah	Seville (Spain)	-	10,336	(969)	50	5,168	6,138
UTE Abeima Fisia Salalah	Seville (Spain)	-	(313)	(3)	51	-	-
Fisia Abeima LLC	Riyadh (Saudi Arabia)	SAR500,000	(12,389)	(5,765)	50	-	-
Total						5,168	6,138

Fisia & Alkatas JV was set up in 2016 to carry out phase 2 of the state-of-the-art waste water treatment plant in Atakoy (Istanbul, Turkey). This project is worth €83.9 million.

In 2017, the consortium company Brennero Galleriacque S.c.r.l. was set up to operate the water treatment plant as part of the works for the “ISARCO River Underpass” lot of the Brenner base tunnel “sub lot of the main works”.

Again in 2017, UTE Abeima Fisia Shuaibah and Fisia Abeima LLC were incorporated to build a reverse osmosis desalination plant with a capacity of 250,000 cubic metres/day in the Shuaibah area (Saudi Arabia). The contract is worth USD255 million.

Fisia Abeima LLC has a share capital of SAR500,000 of which the company holds SAR250,000, paid up in 2017 (€58 thousand).

In 2018, UTE Abeima Fisia Salalah and Fisia LLC were set up to build a reverse osmosis desalination plant with a capacity of 113,500 cubic metres/day in the Salalah area (Oman). The contract is worth USD117 million.

Fisia Italimpianti has paid in OMR101,640 of Fisia LLC’s share capital of OMR250,000.

Fisia LLC owns 51% of Fisia Abeima Salalah JV, entrusted with the on-shore part of the Salalah plant contract. Fisia LLC recognises its share of the joint venture’s profit in its profit and loss account.

The company set up Fisia Mühendislik Ve İnşaat A.Ş., with its registered office in Istanbul, to strengthen its base in Turkey. The subsidiary has a share capital of TRY50,000, entirely subscribed by the company.

In 2018, the company and the Turkish companies Alkatas and Alke set up a joint venture which won the contract to build a water treatment plant in the Yenikapi quarter awarded by ISKI (the Istanbul Water and Sewerage Administration).

In 2019, Fisia Italimpianti S.p.A. Sucursal Argentina and Acciona Agua S.A. Sucursal Argentina set up a joint venture (“UTE”, Unión Transitoria de Empresas) to carry out the Riachuelo Lot 2 contract on behalf of the customer Agua y Saneamientos S.A.. The joint venture had an initial operating fund of ARS200,000 contributed by the two joint venturers as follows: Fisia Italimpianti S.p.A. Sucursal Argentina: 65%; Acciona Agua S.A. Sucursal Argentina: 35%. The Argentine branch won the contract and subsequently transferred it to the UTE Fisia Acciona. Payment of part of the contract acquisition price (65% of 30%) by Fisia Italimpianti S.p.A. Sucursal Argentina was considered to be a capital injection to the joint venture and is included in the investment’s carrying amount.

The company's share of the profits and losses of the subsidiaries and associates is recognised in captions D18a) Write-backs of equity investments (€3,091 thousand) and D19a) Write-downs of equity investments (€9,811 thousand).

C) Current assets

I. Inventory

Balance at 31/12/2020	205
Balance at 31/12/2019	174
Variation	31

Contract work in progress presented under current assets in the balance sheet is net of progress billings and progress payments for work accepted.

Inventory may be broken down as follows:

	<i>31/12/2020</i>	<i>31/12/2019</i>
Contract work in progress	47	-
Advances to suppliers	158	174
Total	205	174

The contract work in progress is shown below:

	<i>WIP</i>	<i>Advances from customers</i>	<i>Progress billings</i>	<i>Total advances and progress billings</i>
Desalination				
Jebel Ali M spare parts	-	-	227	227
Jebel Ali L2	-	-	337	337
Jebel Ali M	-	-	647	647
Barka	-	-	365	365
Gubrah	-	-	332	332
Metropole Rennes	47	-	-	-
Total	47	-	1.908	1.908

Contract work in progress is calculated using the cost-to-cost method, net of progress billings and progress payments for work accepted. The balance entirely relates to the Metropole Rennes contract.

Payments on account under liabilities (€1,908 thousand) include progress billings issued on the agreed dates for the amount that exceeds the gross work in progress calculated using the cost-to-cost method.

Advances to suppliers decreased by €17 thousand, mostly due to the completion of their work.

Contractual obligations for works and services still to be provided at year end are described in the section on new orders and the order backlog of the Directors' report.

I. Receivables

Balance at 31/12/2020	11,269
Balance at 31/12/2019	9,258
Variation	2,011

They may be broken down by due date as follows:

	<i>31/12/2020 Due within one year</i>	<i>31/12/2019 Due within one year</i>
Trade receivables	5,699	5,455
From subsidiaries	3,309	2,432
From associates	901	828
From parents	300	96
From subsidiaries of parents	57	261
Tax receivables	543	36
From others	460	150
Total	11.269	9,258

Trade receivables relate to fees for invoices issued and to be issued to customers for works performed, and progress billings as contractually established.

The increase in trade receivables is mostly due to the commercial activities of the year.

The caption includes approximately €4.8 million due from Consorzio Valle Crati, awarded by arbitration, which has become definitive, together with interest calculated at the legal rate and compensation for damage equal to 5% per year, as well as all the related arbitration costs.

Assisted by their legal advisors, the directors deem that the receivable is not only certain and due but is also fully recoverable as:

- the customer's appeal was rejected in the ruling of October 2019 and the company was able to resume an enforcement procedure (which was suspended due to the pending appeal) for which it had accrued €2.4 million;
- the arbitration tribunal accepted the company's petition against the order to suspend other seizures in its award of October 2019 and the company was assigned €3,095 thousand, of which it collected €766 thousand in January 2021, and it is now awaiting to be assigned additional receivables from third parties;
- two rulings of November 2019 ordered the municipalities that were part of the consortium to pay their share of the amount due to the company, as had already been ordered by the special commissioner.

- the total amount of seized receivables is approximately €5 million (in addition to amounts held by the municipal treasurer to be allocated).

As a result, the directors are reasonably confident that the company will collect the entire receivable.

Trade receivables are recognised net of the provision for bad debts of €835 thousand.

Changes in the provision for bad debts during the year are as follows:

	<i>31/12/2019</i>	<i>Increases</i>	<i>Decreases</i>	<i>31/12/2020</i>
Write-downs (trade receivables)	673	-	-	673
Write-downs (default interest)	162	-	-	162
Total	835	-	-	835

This provision is deemed suitable considering the risks of non-recoverability of the receivables.

Receivables from subsidiaries of €3,309 thousand mainly relate to services (engineering, personnel) and cost recharges (at market conditions). They are mostly due from Fisia Italimpianti succursale Argentina and Acciona Agua Suc. Arg. UTE (€3,195 thousand).

Receivables from associates of €901 thousand mostly refer to engineering services (€749 thousand from UTE Abeima Fisia Salalah and €152 thousand from UTE Abeima Fisia Shuaibah). Receivables from subsidiaries of parents of €57 thousand also relate to engineering services.

Foreign currency trade receivables amount to USD996 thousand, AED3,077 thousand and ARS297,101 thousand retranslated into Euros using the closing rates. Unrealised exchange rate gains and losses arising from the retranslation at closing rates compared to the transaction-date rates or the previous year closing rates, when they refer to transactions carried out before 2020, are recognised in the profit and loss account. The note to caption C) Financial income and charges provides information about the exchange rate gains and losses.

A breakdown of receivables by geographical segment is as follows:

	<i>Italy</i>	<i>Other countries</i>	<i>Middle East</i>	<i>Total</i>
Trade receivables	4,471	412	816	5,699
From subsidiaries	56	3,195	58	3,309
From associates	-	901	-	901
From parents	300	-	-	300
From subsidiaries of parents	57	-	-	57
Tax receivables	79	464	-	543
From others	8	452	-	460
Total	4,971	5,424	874	11,269

Tax receivables mostly include VAT (for December) to be transferred to the parent as part of the company's inclusion in the national VAT consolidation scheme.

The company did not pay IRAP on account during the year as the necessary conditions were not met.

The company has not recognised deferred tax assets on temporary differences that arose during calculation of the tax loss for the year as their full realisation within the relevant business plan period is not reasonably certain.

Temporary differences deductible in subsequent years mainly relate to the measurement of contract work in progress and the taxed provision for bad debts.

Receivables from others include guarantee deposits of €60 thousand while the remainder is mostly comprised of cost recharges.

III. Current financial assets

Balance at 31/12/2020	11,147
Balance at 31/12/2019	3,269
Variation	<u>7,878</u>

The caption mostly relates to cash pooling transactions made to optimise cash flows between the investees and to support project activities. It includes receivables of €4,207 thousand, €3,094 thousand and €2,346 thousand due from UTE Fisia Acciona, Fisia Abeima LLC and Fisia Abeima Salalah J.V., respectively, at the reporting date.

Other balances refer to amounts given to the Turkish investees to ensure they could continue to operate and specifically Fisia & Alkatas JV (€647 thousand), Fisia Alkatas & Alke JV (€275 thousand) and Fisia Mühendislik (€107 thousand).

The caption also includes receivables of €283 thousand due from parents (Salini Costruttori) and €106 thousand from subsidiaries (Brennero Galleriacque S.c.a.r.l.) for the transfer of amounts collected from the customer for the operation of a water treatment plant.

A breakdown of the caption is provided below:

	31/12/2020	31/12/2019	Variation
Parents			
Salini Costruttori S.p.A.	283	269	14
Total	283	269	14
Subsidiaries			
Brennero Galleriacque S.c.r.l.	106	598	(492)
Fisia LLC	81	26	55
Fisia & Alkatas JV	647	547	100
Fisia Mühendislik	107	80	27
Fisia Alkatas & Alke JV	275	413	(138)
Fisia It – Acciona UT	4,207	-	4207
Total	5,423	1,664	3,759
Associates			
Fisia Abeima LLC	3,094	1,335	1,759
Fisia Abeima Salalah JV	2,346	-	2346
Total	5,440	1,335	4,105
Subsidiaries of parents			
Fisia Ambiente S.p.A.	1	-	1
Total	1	-	1
Total	11,147	3,268	7,879

IV. Liquid funds

Balance at 31/12/2020	70
Balance at 31/12/2019	221
Variation	<u>(151)</u>

	<i>31/12/2020</i>	<i>31/12/2019</i>
Bank deposits	58	211
Cash-in-hand and cash equivalents	12	10
Total	70	221

Bank deposits and petty cash in foreign currency amount to USD8 thousand, AED168 thousand, KWD3 thousand, SAR24 thousand and ARS36 thousand. They are translated into Euros using the spot closing rate.

D) Prepayments and accrued income

Balance at 31/12/2020	88
Balance at 31/12/2019	81
Variation	7

The caption may be analysed as follows:

	31/12/2020	31/12/2019
Prepayments		
Commissions on sureties	8	5
Insurance	4	14
Leases	24	21
Other prepayments	52	41
Total	88	81

The prepayments mostly consist of commissions on sureties charged in advance by the issuer banks, performance bonds given to customers, leases and other prepayments.

A) Net Equity

Balance at 31/12/2020	(4,237)
Balance at 31/12/2019	(1,592)
Variation	(2,645)

	31/12/2020	31/12/2019
Share capital	3,400	3,400
Legal reserve	5	5
Other reserves	8,025	6,214
Retained earnings	92	92
Net profit (loss) for the year	(15,759)	(11,303)
Total	(4,237)	(1,592)

The company's share capital of €3,400,000 comprises 3,400,000 ordinary shares with a nominal amount of €1 all held by the sole shareholder Webuild S.p.A..

The company does not hold own shares.

	Share capital	Legal reserve	Retained earnings	Other reserves	Retained earnings / Net profit (loss) for the year	Total
31 December 2018	3,400	2	46	311	49	3808
Allocation of 2018 net profit	-	3	46	-	(49)	-
Translation reserve	-	-	-	(97)	-	(97)
Waiver of the receivable to cover losses	-	-	-	6,000	-	6,000
Net loss for 2019	-	-	-	-	(11,303)	(11,303)
31 December 2019	3,400	5	92	6,214	(11,303)	(1,592)
Allocation of 2019 net loss	-	-	-	(11,303)	11,303	-
Translation reserve	-	-	-	249	-	249
Waiver of the receivable to cover losses	-	-	-	12,865	-	12,865
Net loss for 2020	-	-	-	-	(15,759)	(15,759)
31 December 2020	3,400	5	92	8,025	(15,759)	(4,237)

The shareholder approved the coverage of the net loss for 2019 in the ordinary meeting of 7 April 2020.

Changes in the translation reserve during the year relate to the translation of the investees' foreign currency financial statements as described in the section on the basis of presentation. The year-end balance is €422 thousand.

During the year, the parent waived its right to receivables of €12,865 thousand (taxable amount of €12,865 thousand) to allow the company to rectify its net deficit.

At year end, the company fell under the scope of article 2447 of the Italian Civil Code as it had a net deficit of €4,236,703.

Its parent has confirmed that it will provide the company with financial assistance in 2021 should this become necessary. In addition, on 18 February 2021, before the date of preparation of this annual

report, the parent waived its right to receivables of €6,718,700 to allow the company to reconstitute its net equity.

The following table shows the availability and possible distribution of the reserves:

	<i>Amount</i>	<i>Possible use (A, B, C)</i>	<i>Available portion</i>	<i>Summary of use of previous three years</i>	
				<i>To cover losses</i>	<i>Other</i>
Share capital	3,400			3,600	
Income-related reserves:					
Legal reserve	5	B	-	8	
Retained earnings (losses carried forward)	92	B		159	
Other reserves					
- Translation reserve (equity investments in foreign currency)	422	B			
- Reserve to cover losses	7,563	B			
- Reserve for unrealised exchange rate gains	41	B			
Total	11,524			-	
Non-distributable portion	11,524		-		
Distributable portion	-				

Legend:

A: capital increases B: to cover losses C: dividends

B) Provisions for risks and charges

Balance at 31/12/2019	12,334
Balance at 31/12/2020	5,525
Variation	6,809

This caption of €12,334 thousand comprises:

- the provision for labour law disputes of €25 thousand;
- the provision for losses on equity investments of €12,309 thousand.

The provision for labour law disputes, which took place during the previous year, has been set up for possible work-related disputes.

The provision for losses on equity investments relates to subsidiaries or associates measured using the equity method with a net deficit at the reporting date.

Provisions for risks and charges underwent the following changes during the year:

	31.12.2019	Accruals	Releases	Other changes	31.12.2020
<i>Provision for labour law disputes</i>	25	-	-	-	25
<i>Total</i>	25	-	-	-	25
<i>Provision for losses on equity investments:</i>					
Fisia Abeima LLC	3,883	2,854	-	(543)	6,195
Fisia Alkatas & Alke JV	0	5	-	-	5
Fisia & Alkatas JV	1,374	0	1,075	-	298
Fisa LLC	0	5,957	-	(405)	5,552
Fisia Mühendislik	70	54	-	(24)	99
UTE Abeima Fisia Salalah	173	1	-	(15)	159
<i>Total</i>	5.500	8.871	1.075	(987)	12.308
<i>Provisions for risks and charges Total</i>	5,525	8,871	1,075	(987)	12,334

The “Other changes” column relates to the entities that prepare their financial statements in currencies other than the Euro for which the company’s share of their net equity/deficit is translated into Euro and changes in line with fluctuations in exchange rates.

C) Employees’ leaving entitlement

Balance at 31/12/2020	689
Balance at 31/12/2019	869
Variation	<u>(180)</u>

The decrease in the caption is due to:

	<i>Amount</i>
31 December 2019	869
<i>Increases for:</i>	
- accruals	375
<i>Decreases for:</i>	
- departures/advances/transfers to INPS	(195)
- pension plans	(360)
Total variation	(180)
31 December 2020	689

The caption refers to the balance outstanding at 31 December 2006, net of advances paid. Entitlements accrued after 1 January 2007 have been allocated to the pension plans or kept with the company, which transferred them to the INPS treasury fund, in line with its employees' explicit or tacit decisions. The caption "Social security charges payable" includes the amount to be transferred to the pension funds and social security institutions at the reporting date.

D) Payables

Balance at 31/12/2020	23,266
Balance at 31/12/2019	17,097
Variation	<u>6,169</u>

They are measured at amortised cost, considering the passage of time and their due dates. They may be broken down as follows:

	<i>31/12/2020</i> <i>Due within</i> <i>one year</i>	<i>31/12/2019</i> <i>Due within</i> <i>one year</i>
Bank loans and borrowings	3,934	180
Payments on account and advances	1,908	1,641
Trade payables	3,665	4,134
Payable to subsidiaries	397	880
Payable to associates	6,136	4,006
Payables to parents	3,676	3,350
Payables to subsidiaries of parents	1,753	838
Tax payables	420	438
Social security charges payable	566	656
Other payables	811	974
Total	23,266	17,097

Bank loans and borrowings of €3,934 thousand mostly consist of the credit line granted by Banco de Patagonia for the financial commitment with the joint venture active in Argentina transferring the Riachuelo Lot 2 project. This credit line of ARS326,699 thousand (the equivalent of €3,164 thousand) is guaranteed by the parent Webuild S.p.A..

Trade payables to group and non-group suppliers subject to currency risk are retranslated into Euros using the closing rate. Unrealised exchange rate differences arising on the retranslation using the closing rates compared to those ruling on the transaction date or the prior year closing rates are taken to profit or loss. Foreign currency trade payables amount to USD1,059 thousand, AED1,406 thousand, QAR16 thousand, KWD165 thousand, SAR5 thousand, OMR9 thousand and ARS649 thousand.

Payables to subsidiaries include costs recharged by Brennero Galleriacque of €83 thousand and the subscribed but not paid-up share capital of Fisia LLC (Oman) of €314 thousand.

Payables to associates include a short-term loan of USD6,800 thousand given by UTE Abeima Fisia Shuaibah.

Payables of €3,676 thousand to the parent, Webuild S.p.A., are of a financial and trading nature (€2,609 thousand and €1,067 thousand, respectively). The balance includes loans and borrowings from the parent's foreign branches of €2,557 thousand.

Tax payables include deferred VAT of €190 thousand and withholdings on employees' and consultants' remuneration of €230 thousand.

The company did not provide for IRES or IRAP as it made a tax loss.

The other payables include amounts due to employees for unpaid holidays, deferred remuneration and the related social security contributions of €775 thousand and amounts due to other third parties of €36 thousand.

None of the payables are secured by collateral on company assets.

Payables to subsidiaries, parents, associates and subsidiaries of parents may be broken down as follows:

	<i>Subsidiaries</i>	<i>Parents</i>	<i>Associates</i>	<i>Subsidiaries of parents</i>	<i>Total</i>
Trade payables	83	1067	-	196	1,346
Financial payables	-	2,609	6,136	1,557	10,302
Other payables	314	-	-	-	314
Total	397	3.676	6,136	1.753	11.962

A breakdown of payables by geographical segment is as follows:

	<i>Italy</i>	<i>EU</i>	<i>Middle East</i>	<i>South America</i>	<i>Other countries</i>	<i>Total</i>
Payables						
Trade payables	1,732	912	1005	7	9	3,665
Payables to subsidiaries	83	-	314	-	-	397
Payables to parents	3,676	-	-	-	-	3,676
Payables to associates	-	6,136	-	-	-	6,136
Payables to subsidiaries of parents	-	-	1	1009	743	1,753
Total	5,491	7,048	1,320	1,016	752	15,627
Payments on account	-	696	1,211	-	-	1,861
Other payables	2,566	-	-	3165	-	5,731
Total	8,057	7,698	2,531	4,181	752	23,219

E) Accrued expenses and deferred income

Balance at 31/12/2020	43
Balance at 31/12/2019	130
Variation	<u><u>(87)</u></u>

The accrued expenses relate to commissions on performance bonds accrued at year end and not yet charged by the issuer banks.

Profit and loss account

A) Production revenues

Balance for 2020	3,977
Balance for 2019	9,501
Variation	<u>(5,524)</u>

	<i>2020</i>	<i>2019</i>	<i>Variation</i>
Turnover from sales and services	3,368	4,237	(869)
Change in contract work in progress	47	-	47
Other revenues and income	562	5,264	(4,702)
Total	3,977	9,501	(5,524)

Turnover from sales and services mostly relates to technical services provided to subsidiaries and associates (€1,710 thousand).

Production revenues by geographical segment

	<i>Revenues</i>	<i>Other revenues and income</i>	<i>Total</i>
Italy	230	226	456
EU	1,816	6	1,822
South America	423	5	428
Middle East	946	325	1,271
Total	3,415	562	3,977

Other revenues and income

	<i>2020</i>	<i>2019</i>	<i>Variation</i>
Prior year income	77	2,212	(2,135)
Compensation for damages	113	1,766	(1,653)
Cost recoveries and other	372	1,286	(914)
Total	562	5,264	(4,702)

Prior year income mainly relates to the elimination of payables due to the lapsing of their terms of prescription; therefore, it is extraordinary in nature.

The cost recoveries mostly refer to the costs recharged to joint ventures and suppliers.

B) Production cost

Balance for 2020	13,401
Balance for 2019	13,388
Variation	13

	2020	2019	Variation
Raw materials, consumables, supplies and goods	118	84	34
Services	3,026	3,704	(678)
Use of third party assets	510	497	13
Wages and salaries	5,401	5,987	(586)
Social security contributions	1,435	1,542	(107)
Employees' leaving entitlement	374	392	(18)
Other costs	236	340	(104)
Amortisation of intangible fixed assets	37	47	(10)
Depreciation of tangible fixed assets	44	55	(11)
Provisions for risks	0	25	(25)
Other operating costs	2,220	715	1505
Total	13,401	13,388	13

Raw materials, consumables, supplies and goods and Services

The larger balances relate to the purchase of components and spare parts for contracts, supplies for ongoing projects, and with respect to services, subcontracts, outsourced processing, legal and technical consultancy, transport costs, travel costs and insurance services.

Services also include the fees of €16 thousand (paid to the parent as part of its services provided to the Group) and €15 thousand due to the company's boards of directors and statutory auditors, respectively. The company's chief executive officer does not receive a specific fee as his duties are provided to the Group as a whole and he is remunerated for that.

Use of third party assets

This caption mainly includes the cost of leasing equipment and vehicles (€210 thousand) and of leasing the Genoa offices and other business premises (€299 thousand).

Personnel expenses

This caption includes all the personnel-related expenses such as merit salary increases, promotions, cost-of-living adjustments, unpaid holidays and the accruals required by law and national collective employment contracts.

Personnel expenses for the head office employees amount to €7,447 thousand.
The head office's average workforce and actual number of employees are as follows:

	<i>Average for 2020</i>	<i>Actual no. at 31/12/2020</i>	<i>Average for 2019</i>	<i>Actual no. at 31/12/2019</i>
Managers	9	10	10	10
Junior managers	33	33	38	35
White collars	52	49	52	52
Total	94	92	100	97

During the year, 11 people joined the company and 16 left.

The personnel expenses of the branches in Dubai, Abu Dhabi, Saudi Arabia and Argentina amount to €787 thousand. At year end, these branches had 11 employees with local employment contracts.

Amortisation of intangible fixed assets

Amortisation is calculated systematically considering the assets' residual income generating potential as set out in the section on the basis of preparation. It amounts to €37 thousand for the year.

Depreciation of tangible fixed assets

Depreciation of €44 thousand was calculated on the basis of the assets' residual useful lives and use in the production process. The rates used are presented in the section on the basis of preparation.

Other operating costs

This caption may be broken down as follows:

	<i>2020</i>	<i>2019</i>	<i>Variation</i>
Taxes and duties, registration tax	127	98	29
Entertainment costs	1	7	(6)
Association membership fees	10	12	(2)
Fines and penalties	4	81	(77)
Prior year expense	2,058	492	1,566
Sundry costs	20	25	(5)
Total	2,220	715	(91)

The caption almost solely comprises prior year expense related to trade discounts on fees invoiced in previous years to the subsidiary Fisia Alkatas JV. The cost of fines and penalties, losses on tangible fixed assets and prior year expense are all of an extraordinary nature.

The taxes and duties include the cost of authenticating documents with foreign embassies and to register the branches, as well as other indirect taxes.

Sundry costs mostly include the cost incurred to settle claims made by a customer out of court.

C) Financial income and charges

Balance for 2020	345
Balance for 2019	184
Variation	<u>161</u>

A breakdown of this caption is provided below:

Other financial income - Other income

	<i>Parents</i>	<i>Subsidiaries</i>	<i>Other</i>	2020	2019
Other financial income	14	2,566	1	2,581	586
Total	14	2,566	1	2,581	586

Other financial income of €14 thousand from parents relates to the giro accounts with the direct and indirect parents, which bear interest at market rates.

Other financial income from subsidiaries nearly entirely relates to Fisia Italimpianti succursale Argentina and Acciona Agua (€2,566 thousand).

Other financial income from others mostly consists of default interest due from a customer.

Interest and other financial charges

	<i>Subsidiaries</i>	<i>Parents</i>	<i>Other</i>	2020	2019
Interest expense on loans and borrowings	-	404	2,179	2,583	48
Bank fees and commissions	-	-	65	65	5
Total	-	404	2,244	2,648	53

Interest expense on loans and borrowings relates to the short-term loans from Webuild S.p.A. (€404 thousand, including €320 thousand provided through its Argentine branch) which bear interest at market rates. Interest and other financial charges to “Other” relates to the credit line granted by Banco di Patagonia (described in the note to payables).

Net exchange rate gains (losses)

	2020		2019	
Exchange rate gains:				
- realised	1,600		492	
- unrealised	3,312		67	
Total exchange rate gains		4,912		559
Exchange rate losses:				
- realised	(1,550)		(769)	
- unrealised	(2,951)		(138)	
Total exchange rate losses		(4,501)		(907)
Net exchange rate gains (losses)		411		(348)

Unrealised net exchange rate gains amount to €361 thousand.

D) Adjustments to financial assets and liabilities

Balance for 2020	(6,720)
Balance for 2019	(8,335)
Variation	<u>(1,615)</u>

	2020	2019	Variation
Write-backs of equity investments	3,091	504	2,587
Write-downs of equity investments	(9,811)	(8,839)	(972)
Total	(6,720)	(8,335)	(1,615)

Write-backs and write-downs of equity investments show the company's share of the net profits or losses of its subsidiaries and associates measured using the equity method.

Write-backs relate to the company's share of the net profits of:

- Fisia & Alkatas JV (€1,075 thousand);
- Fisia Acciona UTE (€2,016 thousand).

Write-downs relate to the company's share of the net losses of:

- UTE Abeima Fisia Shuaibah (€485 thousand);
- Fisia Alkatas Alke JV (€19 thousand);
- Fisia LLC (€6,398 thousand);
- UTE Abeima Fisia Salalah (€1 thousand).
- Fisia Abeima LLC (€2,854 thousand);
- Fisia Mühendislik (€54 thousand).

Income taxes

Balance for 2020	40
Balance for 2019	734
Variation	<u>(694)</u>

	<i>2020</i>	<i>2019</i>	<i>Variation</i>
Current income taxes	(63)	(2)	(61)
Income from national tax consolidation scheme	102	736	(634)
Total	40	734	(694)

The company did not provide for IRES or IRAP during the year as the necessary conditions were not met.

A reconciliation between the theoretical and the average effective tax rates are as follows:

	<i>2020</i> %	<i>2019</i> %
IRES - Ordinary applicable rate	24.00	24.00
<i>Effect of increases (decreases) in the applicable rate:</i>		
Non-deductible costs/non-taxable income - permanent differences	(13.63)	(18.09)
Temporary differences for which the related benefits can be reasonably determined	0.35	0.03
Total effect	(13.28)	(18.06)
Total IRES rate	10.72	5.94
Prior year adjustment / foreign taxes	0.25	-
IRES - Effective rate		
Total tax rate on the loss before tax	(0.25)	(5.94)

This table only refers to IRES. The company did not calculate the IRAP tax given its specific nature. The company recognised a tax benefit of €40 thousand, due to the tax loss of €102 thousand transferred to its parent as part of the national tax consolidation scheme for 2019 as per the related regulation. The difference relates to foreign direct taxes. The IRES tax base is negative. At the

reporting date, the company did not recognise any potential benefit from the national tax consolidation scheme for its tax loss for the year to be transferred to the parent.

Off-balance sheet commitments, guarantees and contingent liabilities

	<i>31/12/2020</i>	<i>31/12/2019</i>
Guarantees to third parties	52,442	45,299

Sureties given to third parties are mostly provided for by the related contracts with customers and are issued for advances received, to ensure the contract's performance and withholdings and sureties to participate in calls for tenders.

The company has given guarantees to third parties on behalf of:

- Fisia Alkatas JV of €4,184 thousand;
- Fisia Alkatas Alke of €842 thousand;
- UTE Fisia Abeima Shuaibah of €6,754 thousand;
- UTE Abeima Fisia Salah of €13,098 thousand.

On 11 February 2020, Webuild S.p.A. provided Banco di Patagonia with a guarantee of USD6,500 thousand (the equivalent of €5,677 thousand at 31 December 2020) for the credit line granted to the company's Argentine branch.

Webuild S.p.A. has also issued letters of patronage of €18,288 thousand on behalf of UTE Fisia Acciona.

In January 2020, the tax authorities commenced an audit of IRES, IRAP and VAT for 2017, which was then suspended due to the Covid-19 emergency and recommenced in January 2021. It is still ongoing and no findings have been communicated at the date of preparation of this report.

During the year, a dispute arose between Fisia Abeima Salah JV, owned by Fisia LLC (Oman) and one of its suppliers, whose contract was terminated for non-fulfillment. At the date of preparation of the financial statements, this dispute is still in the preliminary stages, so the lawyers who assist the investee company cannot currently express their opinion on the relative outcome. In any case, the company's management deems the request unfounded and legitimate the termination of the contract and therefore the risk of losing is remote.

Disclosure about public aid

With respect to the transparency disclosure about government grants introduced by article 1.125-129 of Law no. 124/2017 as subsequently amended by Decree law no. 113/2018 (the "Safety decree") and Decree law no. 135/2018 (the "Simplification decree"), it should be noted that the company did not receive subsidies, grants or other financial benefits of any kind from the public administration and similar bodies, subsidiaries controlled by public administrations or companies with public sector bodies as investors.

Significant events after the end of the year

The transaction to reconstitute the company's net equity described earlier took place after the reporting date.

In March 2021, the procedures to renew the SOA certification took place. In addition to the existing categories, the SOA certification will be unlimited for the following categories thanks to the Webuild/Fisia Italimpianti intragroup availment agreement and, solely for the OS14 category, the Astaldi/Fisia Italimpianti availment agreement;

- OG1 (Civil and industrial buildings);
- OG6 (Aqueducts, gas pipelines, oil pipelines, irrigation works and evacuation works);
- OG7 (Sea works and dredging);
- OG8 (River works, defence, hydraulic and reclamation);
- OG9 (Equipment for the production of electric energy);
- OG10 (Installations for the transformation and distribution of electric energy);
- OG11 (Technological systems);
- OG12 (Works of reclamation and environmental protection);
- OS3 (Water-sanitary systems);
- OS4 (Electromechanical-transporter systems);
- OS14 (Waste elimination and recovery systems);
- OS21 (Special structural works);
- OS22 (Drinking water and purification systems);
- OS28 (Thermal and conditioning systems);
- OS30 (Internal electrical systems).

Proposal for the coverage of the net loss for the year

The net loss for the year amounts to €15,759,468.07 and the net deficit to €4,236,703.64 at 31 December 2020. As a result, the company falls under the scope of article 2447 of the Italian Civil Code. However, the parent notified its intention of waiving its right to financial receivables of €6,718,700.00 in its communication of 18 February 2021, specifying that this amount was to be transferred to a reserve to cover losses in order that the company no longer falls under the scope of articles 2446 and 2447 of the Italian Civil Code. After recognising this reclassification resulting from the waiver, the reserve amounts to €14,281,225.53. We propose that it be used in full to partly cover the net loss for the year and the remainder of €1,478,242.54 be carried forward.

Genoa, 4 March 2021

On behalf of the board of directors
Chairman
Gianfranco Catrini