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

Separate Unit of Astaldi SpA

Independent auditor's report
in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010

Consolidated financial statements as of 31 December 2020

Independent auditor's report
in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010

To the Proxy of the Separate Unit of
Astaldi SpA

Report on the Audit of the Consolidated Financial Statements as of 31 December 2020

Opinion

We have audited the consolidated financial statements of the Separate Unit of Astaldi SpA, which comprise the consolidated statement of financial position as of 31 December 2020, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the period then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Separate Unit of Astaldi SpA as of 31 December 2020, and of the result of its operations and cash flows for the period then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

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 *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of this report. We are independent of the Separate Unit of Astaldi SpA and of the company Astaldi SpA pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Proxy and the Board of Statutory Auditors for the Consolidated Financial Statements

The Proxy is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and, in the terms prescribed by law, for such internal control as he determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

PricewaterhouseCoopers SpA

Sede legale: **Milano** 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Capitale Sociale Euro 6.890.000,00 i.v. C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 071 2132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 080 5640211 - **Bergamo** 24121 Largo Belotti 5 Tel. 035 229691 - **Bologna** 40126 Via Angelo Finelli 8 Tel. 051 6186211 - **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - **Catania** 95129 Corso Italia 302 Tel. 095 7532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 055 2482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 010 29041 - **Napoli** 80121 Via dei Mille 16 Tel. 081 36181 - **Padova** 35138 Via Vicenza 4 Tel. 049 873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091 349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521 275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 085 4545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06 570251 - **Torino** 10122 Corso Palestro 10 Tel. 011 556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461 237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422 696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 040 3480781 - **Udine** 33100 Via Poscolle 43 Tel. 0432 25789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332 285039 - **Verona** 37135 Via Francia 21/C Tel. 045 8263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444 393311

www.pwc.com/it

The Proxy is responsible for assessing the ability of the Separate Unit of Astaldi SpA to continue as a going concern and, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the consolidated financial statements, the Proxy uses the going concern basis of accounting unless he either intends to liquidate the Separate Unit of SpA or to cease operations, or has no realistic alternative but to do so.

The board of statutory auditors of Astaldi SpA is responsible for overseeing, in the terms prescribed by law, the financial reporting process of the Separate Unit of Astaldi SpA.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 International Standards on Auditing (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 the consolidated financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained 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;

- We obtained 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 internal control of the Separate Unit of Astaldi SpA;

- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Proxy;

- We concluded on the appropriateness of the Proxy's 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 ability of the Separate Unit of Astaldi SpA to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Separate Unit of Astaldi SpA to cease to continue as a going concern;

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

- We obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Separate Unit of Astaldi SpA to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the Separate Unit of Astaldi SpA. We remain solely responsible for our audit opinion on the consolidated financial statements.

We communicated with those charged with governance, identified at an appropriate level as 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 identified during our audit.

Report on Compliance with other Laws and Regulations

Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree No. 39/2010

The Proxy of the Separate Unit of Astaldi SpA is responsible for preparing an explanatory report on the consolidated financial statements of the Separate Unit of Astaldi SpA as of 31 December 2020, including its consistency with the relevant consolidated financial statements and its compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to express an opinion on the consistency of the explanatory report with the consolidated financial statements of the Separate Unit of Astaldi SpA as of 31 December 2020 and on its compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the explanatory report is consistent with the consolidated financial statements of the Separate Unit of Astaldi SpA as of 31 December 2020 and is prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree No. 39/2010, issued on the basis of our knowledge and understanding of the entity and its environment obtained in the course of the audit, we have nothing to report.

Rome, 7 April 2021

PricewaterhouseCoopers SpA

Signed by

Luigi Necci
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers.

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

Separate Unit of Astaldi SpA

Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010

Financial statements as of 31 December 2020

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

Independent auditor's report
in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010

To the Proxy of the Separate Unit of
Astaldi SpA

Report on the Audit of the Financial Statements as of 31 December 2020

Opinion

We have audited the financial statements of the Separate Unit of Astaldi SpA, which comprise the statement of financial position as of 31 December 2020, the statement of profit or loss, statement of comprehensive income, statement of changes in equity, statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Separate Unit of Astaldi SpA as of 31 December 2020, and of the result of its operations and cash flows for the period then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of this report. We are independent of the Separate Unit of Astaldi SpA and of the company Astaldi SpA pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Proxy and the Board of Statutory Auditors for the Financial Statements

The Proxy is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and, in the terms prescribed by law, for such internal control as he determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Proxy is responsible for assessing the ability of the Separate Unit of Astaldi SpA to continue as a going concern and, in preparing the financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the financial statements, the Proxy uses the going concern basis of accounting unless he either intends to liquidate the Separate Unit of SpA or to cease operations, or has no realistic alternative but to do so.

The board of statutory auditors of Astaldi SpA is responsible for overseeing, in the terms prescribed by law, the financial reporting process of the Separate Unit of Astaldi SpA.

Auditor's 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 auditor's 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 International Standards on Auditing (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 the financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained 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;

- We obtained 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 internal control of the Separate Unit of Astaldi SpA;

- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Proxy;

- We concluded on the appropriateness of the Proxy's 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 ability of the Separate Unit of Astaldi SpA to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Separate Unit of Astaldi SpA to cease to continue as a going concern;

- We evaluated 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 communicated with those charged with governance, identified at an appropriate level as required pwc

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 identified during our audit.

Report on Compliance with other Laws and Regulations

Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree No. 39/2010

The Proxy of the Separate Unit of Astaldi SpA is responsible for preparing an explanatory report on the financial statements of the Separate Unit of Astaldi SpA as of 31 December 2020, including its consistency with the relevant financial statements and its compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to express an opinion on the consistency of the explanatory report with the financial statements of the Separate Unit of Astaldi SpA as of 31 December 2020 and on its compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the explanatory report is consistent with the financial statements of the Separate Unit of Astaldi SpA as of 31 December 2020 and is prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree No. 39/2010, issued on the basis of our knowledge and understanding of the entity and its environment obtained in the course of the audit, we have nothing to report.

Rome, 7 April 2021

PricewaterhouseCoopers SpA

Signed by

Luigi Necci
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers.

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

FINANCIAL REPORT OF ASTALDI S.P.A.'S SEPARATE UNIT AT 31 DECEMBER 2020

prepared in accordance with Article 2447-*septies* of the Italian Civil Code

PICTURE - THIRD BOSPHORUS BRIDGE - TURKEY

ASTALDI
PATRIMONIO DESTINATO

Separate Unit of Astaldi S.p.A.
Registered office in Rome (RM), Via Giulio Vincenzo Bona 65
Subscribed and paid-up share capital: € 340,431,460.27 (Astaldi S.p.A.)
Rome Company Register and Tax Code 00398970582
Rome Economic and Administrative Index no. 152353
VAT no. 00880281001

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EXPLANATORY REPORT ON THE FINANCIAL STATEMENTS

PICTURE 1: ETLIK HOSPITAL - TURKEY

ASTALDI PATRIMONIO DESTINATO

CONTENTS OF THE SECTION

COMPOSITION OF THE BOARDS OF THE SEPARATE UNIT

Proxy for the management and sale of the Separate Unit[1]	**Claudio Sforza**
Independent Auditors[2]	PricewaterhouseCoopers S.p.A.

[1] In the execution of the Composition Proposal, by a board resolution of 24 May 2020, Mr Claudio Sforza was entrusted with a special mandate for the management and sale of the Separate Unit, in the interests of the Unsecured Creditors holding PFIs (as defined below). The mandate became effective on the date of the publication of the order of approval of the Astaldi S.p.A. composition with creditors procedure, i.e. 17 July 2020. For more details reference should be made to the information provided below, as well as to the website www.astaldi.com, Investor Relations Section - Composition with Creditors.

[2] According to the resolution passed by the shareholders' meeting of Astaldi S.p.A. held on 31 July 2020, PricewaterhouseCoopers S.p.A. was appointed to carry out the statutory audit of the Financial Statements of the Separate Unit for the financial years 2020 to (and including) 2028 for € 90,000 per year. The fees for the engagement concerning the audit of the consolidated accounts amount to € 25,000.

Dear Sirs,
I have prepared the financial statements of the Separate Unit ("Separate Unit" or "SU") at 31 December 2020 pursuant to Article 2447-*septies* of the Italian Civil Code and in accordance with the IAS/IFRS in the execution of my duties under a general mandate with representation that was granted to me on 21 July 2020 pursuant to and for the purposes of Article 1704 et seq. of the Italian Civil Code, which is irrevocable pursuant to Article 1723 of the Italian Civil Code in that it was conferred in the interests of the Unsecured Creditors holding the Participating Financial Instruments ("PFIs") issued by Astaldi S.p.A. (the "Company").
The separate and consolidated financial statements of the Separate Unit (the "Financial Statements"), as a whole, provide information on the performance of its operations from 17 July 2020 (i.e. the effective date of the establishment of the Separate Unit) to 31 December 2020 and consist of the statement of financial position, the statement of profit or loss, the statement of cash flows and the related explanatory notes, as well as of this accompanying explanatory report.
In consideration of the structure of the Separate Unit, the information on the consolidated and separate management of the Separate Unit is presented in this single Report in making use of the option provided for by Legislative Decree no. 32 of 2 February 2007.
The Financial Statements of the Separate Unit are also subject to the statutory audit of accounts on the part of PricewaterhouseCoopers S.p.A., the same audit firm of Astaldi S.p.A..

INTRODUCTION

As provided for in the plan and proposal concerning Astaldi S.p.A.'s composition with creditors on a going concern basis no. 63/2018 (as approved by the Court of Rome by order no. 2900/2020, published on 17 July 2020), on the date on which the composition was approved, the resolution passed by the Board of Directors' meeting of Astaldi S.p.A. held on 24 May 2020 came into effect, which provides for the establishment of a Separate Unit in accordance with Article 2447-*bis* et seq. of the Italian Civil Code in order to segregate from the core assets scope of Astaldi S.p.A. the set of assets and legal relationships intended to be sold, the net proceeds of which are to be used to satisfy those of the Company's unsecured creditors whose claims by title or cause date back to before 28 September 2018.

The sole and specific business for which the Separate Unit is intended, therefore, is the liquidation of the assets and rights of which it is composed and the allocation of their proceeds to Astaldi S.p.A.'s unsecured creditors holding PFIs, according to the provisions of the composition proposal, the Separate Unit's economic and financial plan and the regulation governing the procedures, terms and conditions of issue, the characteristics, the circulation regime and the financial and administrative rights of the PFIs (the "PFI Regulation").

To retrace the most significant events that have led to the establishment and subsequent efficacy of the Separate Unit, it should be noted that: with its ruling of 4 May 2020, the Court of Rome *(i)* set the hearing date for the proceedings for approval of Astaldi S.p.A.'s composition with creditors procedure at 23 June 2020 and *(ii)* acknowledged the completion of the voting process for the composition with creditors proposal of Astaldi S.p.A. (the "Composition Proposal"), whereby the proposal was approved by an overall majority of 69.4% of the creditors eligible to vote (equal to a total of roughly € 3,017 million). Such percentage comprises the votes in favour validly cast at the Creditors' Meeting on 9 April 2020 (equal to 58.32%), along with additional votes in favour validly cast over the twenty following days (11.08%) in accordance with the provisions of Article 178 of Royal Decree no. 267 of 16 March 1942 (the "Bankruptcy Law" or "B.L.").

Subsequently, implementing the plan and the Composition Proposal (already favourably considered by the creditors), by a resolution dated 24 May 2020, the Company's Board of Directors resolved to set up the Separate Unit in accordance with Article 2447-bis et seq. of the Italian Civil Code, for the sole purpose of settling all of Astaldi's unsecured debt (the "Unsecured Debt"), that is of satisfying the Company's unsecured creditors by means of title or previous cause at 28 September 2018 (the "Unsecured Creditors") by selling all the assets, rights and legal relationships transferred to the Separate Unit. The Board also duly resolved:

(i) to assign management and sale of the Separate Unit, in the interest of the Unsecured Creditors, to Mr Claudio Sforza, an individual fulfilling the professional and integrity requirements prescribed for members of the board of statutory auditors (the "Separate Unit Proxy" or the "Proxy"), granting him a specific, irrevocable mandate with representation (the "Mandate"), to be finalised before the date of publication of the Court of Rome order approving the Composition Proposal (the "Approval", which took place on 17 July 2020) and with effect from the same date. The Mandate concerns performance, in the name and on behalf of Astaldi S.p.A., but in the interest of the Unsecured Creditors holding the PFIs, of all acts, legal transactions, contracts and activities of any sort and kind, as deemed necessary, useful and/or appropriate to execute the specific deal to which the Separate Unit is dedicated and to manage and sell all the assets, rights and legal relationships of the Separate Unit in execution of the Plan;

(ii) to approve the economic and financial plan of the Separate Unit (the "Separate Unit Plan" or the "Plan" or the "EFP"), which covers a period from 2020 to 2023, a period within which it is expected that the sale of the assets transferred to the Separate Unit will be completed, in implementation of the Composition Proposal and within the terms defined therein;

(iii) to establish the rules for reporting on the Separate Unit;

(iv) to issue, in one or more issues, PFIs with no par value, pursuant to Article 2447-bis, sub-paragraph e), of the Italian Civil Code, to be assigned to the Unsecured Creditors in exchange for contribution to the Separate Unit of the unsecured claims owned (the "Unsecured Claims") pursuant to Article 2447-bis, sub-paragraph d) of the Italian Civil Code;

(v) to approve the PFI Regulation, for which reference is made to the information provided by the Company on the website www.astaldi.com, in the Investor Relations – Composition with Creditors section;

(vi) to grant each Unsecured Creditor one PFI for each €1.00 of Unsecured Claim contributed, while not recognising cash adjustments or the issuance of fractional PFIs and, therefore, cancelling the remainders. The PFIs are equity-based instruments and the contribution made by each Unsecured Creditor for release of the PFIs is a forgivable loan and does not grant any right to return and/or reimbursement of the contribution, but exclusively the financial and administrative rights pertaining to those PFIs;

(vii) that the first issue of PFIs be executed after the Approval, in a number corresponding to the amount of the Unsecured Debt indicated in the liabilities of the composition with creditors Plan, as adjusted in the Report by the Court-Appointed Receivers prepared pursuant to Article 172 of the Bankruptcy Law (the "Report 172"). Any additional issues of PFIs will be made after a specific resolution by the Board of Directors, on a half-yearly basis after any recognition, in court or out of court, of unsecured claims not included in the liabilities of the composition with creditors Plan or the possible materialisation of liabilities that were taken into account during recognition of the provisions for risks within the Plan.

Specific assets, rights and legal relationships (assets and liabilities) of the Company were merged and segregated into the Separate Unit, which were held for sale, including the ownership of the entire capital of Astaldi Concessioni S.p.A. ("Astaldi Concessioni").

In particular, implementing the composition with creditors plan of Astaldi S.p.A. (the "Composition Plan") and the Composition Proposal, Astaldi Concessioni first underwent a proportionate partial demerger, executed with a deed dated 28 May 2020 (becoming effective on 12 June 2020), designed to isolate the liquidation perimeter intended to serve the remuneration of the PFIs and transferred to the Separate Unit (mainly composed of concessions) from the core assets scope of Astaldi Concessioni (which has flowed into a newly incorporated company named Astaldi Concessions S.p.A.). The assets included in Astaldi Concessions S.p.A. ("Astaldi Concessions"), the capital of which is wholly owned by Astaldi S.p.A., essentially refer to Operation & Maintenance ("O&M")[3] contracts, other minor concessions and other related assets and liabilities, including those vis-à-vis third parties.

The statement of profit or loss and the statement of financial position items at 17 July 2020 take account of the effects of the demerger of Astaldi Concessioni, the investment in which, equal to 100%, is included in the assets of the Separate Unit, as noted above. On the contrary, none of the 100% investment in the beneficiary Astaldi Concessions S.p.A. falls within the scope of the Separate Unit assets.

In the performance of his functions, the Separate Unit Proxy is also assisted by services placed at his disposal by Astaldi Concessions under a service agreement signed on 8 June 2020 (the "Service Agreement"). These are corporate services including, but not limited to, administrative services (i.e., assisting the Proxy in drawing up the Financial Report, managing concession projects and carrying out asset disposals).

The costs associated with the Service Agreement vary according to the number and benchmark value of the assets that were managed by the Separate Unit during the reporting period of operation with an annual cap set at approximately € 2.8 million.

In implementing the Board of Directors' resolution of 24 May 2020, Astaldi S.p.A. issued, among others, 3,199,975,846 PFIs, in accordance with Article 2447-*ter*, paragraph 1.e), of the Italian Civil Code, in favour of the Unsecured Creditors of Astaldi S.p.A. on 6 November 2020. The PFIs were assigned at a ratio of 1 PFI for each €1.00 of unsecured claim contributed to the Separate Unit, as provided for in the Composition Proposal.

As provided in the PFI Regulation, the PFIs were placed in the system of Monte Titoli S.p.A., the Italian Central Securities Depository, in a dematerialised form in accordance with Article 83-*bis* et seq. of Legislative Decree no. 58 of 24 February 1998, as amended and supplemented and with the related implementing rules and will be handled by authorised intermediaries joining the centralised management system of Monte Titoli S.p.A. (the "Authorised Intermediaries").

PFIs confer the rights referred to in the PFI Regulation on holders, are not convertible and may only be transferred in compliance with the provisions of the PFI Regulation, as required by the applicable legislation, through the Authorised Intermediaries.

[3] O&M activities include routine and non-routine maintenance on works and plants that have already been constructed (i.e., the integrated management of services at facilities with a high technological content such as hospital facilities, the maintenance of works and plants, heat and energy management, the management of healthcare technologies and, electro-medical equipment, the sterilisation of surgical instruments, the provision of hotel services such as laundering, cleaning and catering and the maintenance of parks and gardens and shopping centres).

Through the Proxy, the Company has opened a register of holders of PFIs and keeps it up to date in accordance with the applicable regulations.

The PFIs (together with the shares issued by Astaldi S.p.A. in the execution of the Composition Proposal) to which confirmed creditors are entitled and in relation to which they have not yet provided the data needed for the transfer of the instruments have been credited to a securities deposit account held in the name of Astaldi S.p.A. itself but on behalf of third parties, as already communicated to the market and the creditors on 2 November 2020.

TABLE 1: SUMMARY OF THE MAIN EVENTS LEADING UP TO THE ESTABLISHMENT OF THE SEPARATE UNIT[4]

24 May 2020	In accordance with the terms of the Composition Plan and Proposal presented to the Rome Court and approved by the creditors, Astaldi S.p.A. announced that the Company's Board of Directors had resolved, pursuant to Articles 2447-bis et seq. Of the Italian Civil Code, to establish a Separate Unit for the sole purpose of satisfying the Company's Unsecured Creditors by selling all the assets, rights and legal relationships included in the Separate Unit and allocating the net proceeds from the sale of the assets to holders of the participating financial instruments that the Company simultaneously resolved to issue and that were assigned to the Unsecured Creditors after final approval of the composition with creditors.
12 June 2020	Astaldi S.p.A. announced that the incorporation of Astaldi Concessions S.p.A. had become effective, which was the beneficiary company of the assets and liabilities created from the demerger of Astaldi Concessioni.
17 June 2020	The Company announced that the Board of Directors approved the financial statements at 31 December 2018 and at 31 December 2019 and called the Shareholders' Meeting (i) in ordinary session, to approve the 2018 and 2019 financial statements, as well as to appoint the Board of Directors and to assign the statutory audit of the accounts for the years 2020-2028, and (ii) in extraordinary session, to implement the transactions envisaged in the Composition Proposal.
23 June 2020	The hearing was held before the Court of Rome for the approval of the composition with creditors procedure of Astaldi S.p.A..
17 July 2020	The Court of Rome, upon completion of its review of the compliance of the composition with creditors procedure and the results of the creditors' vote, published its order in approval of the composition with creditors on a going concern basis of Astaldi S.p.A..
31 July 2020	The Shareholders' Meeting of Astaldi S.p.A. approved the 2018 and 2019 financial statements, appointed the Board of Directors and passed a resolution on the capital increases necessary for and preparatory to the implementation of the Composition Plan and Proposal.

[4] The table is a summary of the main events recorded during 2020 that were decisive for the purposes of determining the scope of the Separate Unit. For fuller documentation, reference should be made to the information published on the website www.astaldi.com, Investor Relations – Composition with Creditors section.

6 November 2020	After having executed the capital increases reserved for Webuild S.p.A. and the Company's Unsecured Creditors, work was completed on the assignment of the new shares and the Participating Financial Instruments to Unsecured Creditors.

It should be noted that, in accordance with Article 2447-*quinquies*, paragraph 4, of the Italian Civil Code, any joint and several liability on the part of Astaldi S.p.A. for the obligations undertaken in connection with the aforesaid specific business, for which the Separate Unit is intended, is expressly ruled out. However, it is understood that, by law, Astaldi S.p.A. will be liable only for any obligations deriving from the commission of unlawful acts and will charge any loss to the Separate Unit if such an unlawful act is committed in the framework thereof.

COMPOSITION OF ASSETS AND LIABILITIES TRANSFERRED TO THE SEPARATE UNIT

Composition of ASSETS

Specific assets, rights and legal relationships (assets and liabilities) of the Company have been merged (and segregated) into the Separate Unit, including the investment in Astaldi Concessioni, all to be valued. In particular:

a) Astaldi S.p.A.'s financial assets with Astaldi Concessioni and its 100% investment therein (the "AstCon Investment") with all the financial assets and liabilities, including intragroup, and Astaldi Concessioni's investments in other companies (the "AstCon Investees") and, mainly:

(i) Astaldi Concessioni's financial assets with the SPV holding the concession to build and operate the Etlik Integrated Health Campus in Ankara, Turkey (Ankara Etlik Hastane Saglik Hizmetleri Isletme Yatirim A.Ş., "Etlik") and its 46% investment therein (the "Etlik Investment");
(ii) Astaldi Concessioni's financial assets with the SPV holding the concession to build and operate the Arturo Merino Benítez International Airport in Santiago, Chile (Sociedad Concesionaria Nuevo Pudahuel S.A., "NPU") and its 15% investment therein (the "NPU Investment");
(iii) Astaldi Concessioni's financial assets with the SPV holding the concession to build and operate the West Metropolitan Hospital in Santiago, Chile (Sociedad Concesionaria Metropolitana de Salud S.A., "Salud" or "SCMS") and its 51% investment therein (the "Salud Investment").

The Separate Unit will take on all Astaldi S.p.A.'s rights and obligations arising from its AstCon Investment and with the AstCon Investees. Similarly, it will take over all the relationships (assets and liabilities), rights, financial assets, obligations and costs of Astaldi Concessioni and the AstCon Investees vis-à-vis all private and public sector third parties without limitation or exception, as well as any obligations arising from guarantees, counter-guarantees and hold harmless letters given by Astaldi to private or public sector third parties in conjunction with the obligations of Astaldi Concessioni and the AstCon Investees;

b) all Astaldi S.p.A.'s rights and obligations with IC Içtas Inşaat Sanayi ve Ticaret A.Ş. ("ICTAS"), deriving from the sale of its 20% investment (the "Third Bosphorus Bridge Investment") in Ica Ictas Astaldi Ucuncu Bogaz Koprusun ve Kuzey Marmana Otoyolu Yatirim ve Isletme A.Ş. (the project company holding the concession agreement for the construction and operation of the Third Bosphorus Bridge, the "Third Bosphorus Bridge Operator") to ICTAS. The sale of the Third Bosphorus Bridge Investment to ICTAS was designed and regulated within a broader transaction between Astaldi S.p.A. and ICTAS (the "ICTAS Settlement Agreement"). Within the scope of the ICTAS Settlement Agreement, as a result of this sale, the related consideration of USD315 million (the "Third Bosphorus Bridge Financial Asset") and the obligation to pay ICTAS, as compensation, an amount of USD100 million (the "ICTAS Compensation"), to settle any reciprocal disputes and claims, as well as any claims and debts due for the discontinuation of the other transactions with ICTAS are part of the Separate Unit assets. Pursuant to the terms of the composition plan of Astaldi S.p.A. and the Composition Proposal, the Separate Unit has also taken over Astaldi S.p.A.'s liabilities to some Turkish commercial and financial creditors, solely in relation to the Third Bosphorus Bridge Financial Asset and certain assets located in Turkey;

c) the 18.14% investment in the SPV holding the concession to build and operate the Gebze-Orhangazi-Izmir Motorway in Turkey (Otoyol Yatirim ve Isletme A.Ş., "GOI") (the "GOI Investment"). All the rights and obligations deriving from the GOI investment are transferred to the Separate Unit, which also has sole responsibility for all relationships (assets and liabilities), rights, financial assets, costs and obligations, including guarantees, counter-guarantees and hold harmless letters given by Astaldi S.p.A. to GOI or to third parties to secure GOI's commitments or to third parties for obligations related to the GOI Investment;

d) the 5% investment in Etlik (the "Etlik Non-controlling Interest"). All the rights and obligations deriving from the Etlik Non-controlling Interest are transferred to the Separate Unit, which also has sole responsibility for all relationships (assets and liabilities), rights, financial assets, costs and obligations, including guarantees, counter guarantees and hold harmless letters given by Astaldi S.p.A. to Etlik or to third parties to secure Etlik's commitments or to third parties for obligations related to the Etlik Non-controlling Interest;

e) Astaldi S.p.A.'s amounts due from Instituto de Ferrocarriles del Estado (the "Venezuelan Financial Assets") for the works to develop the Puerto Cabello-La Encrucijada, San Juan De Los Morros-San Fernando de Apure and Chaguaramas-Cabruta railway lines (the "Venezuelan Projects") carried out as part of a joint venture with Webuild S.p.A. and Ghella S.p.A. (the "Joint Venture") for a total nominal amount of approximately €433 million, plus related costs. The Separate Unit has sole responsibility for the entire amount of the Venezuelan Financial Assets and related costs, as well as all the assets, costs and expenses necessary to complete the projects, including the assets, costs and expenses of the arbitration proceedings commenced by the Joint Venture before the Paris International Chamber of Commerce against Instituto de Ferrocarriles del Estado and Venezuela to obtain payment of its outstanding amounts due (including the Venezuelan Financial Assets) and related costs for the works carried out as part of the Venezuelan Projects;

f) the office building in Via Giulio Vincenzo Bona 65, Rome, which houses the Company's registered and head offices (the "Property"). The Separate Unit has sole responsibility for the title rights to the Property, the related obligations and costs of all kind related to title that can be opposed by the creditors.

Summarising this representation, all the assets, rights and legal relationships (assets and liabilities) related to the following macro areas have been transferred to the Separate Unit assets:

- equity investments, receivables and financial assets for shareholder loan relating to concessionaire companies, partly directly belonging to the Separate Unit and partly indirectly held through the wholly-owned subsidiary Astaldi Concessioni;
- other assets items such as receivables, obligations and titles entirely transferred to the Separate Unit by Astaldi S.p.A.

PICTURE 2: CONCESSIONS TO BE SOLD

ASSET - SPV	COUNTRY	SECTOR	Investment held directly	Investment held through ASTALDI Concessioni SpA
Etlik Hospital		Healthcare infrastructure	5%	46%
Gebze-Orhangazi-Izmir Motorway		Transport infrastructure	18.14%	-
Felix Bulnes Hospital		Healthcare infrastructure	51%	-
Santiago Airport		Transport infrastructure	-	15%

PICTURE 3: OTHER COMPONENTS OF THE LIQUIDATION PERIMETER

Other asset components	COUNTRY	ORGIN
ICTAS settlement agreement		rights and obligations arising from the sale of 3BB quotas
Venezuelan Financial Assets		assignment of claims
Office building		rights and obligations for property ownership

It should be noted that some of the Separate Unit assets were released from the liens that secured the bonds issued by Astaldi S.p.A. when the financial manoeuvre underlying the composition with creditors of Astaldi S.p.A. was completed in November 2020.

Composition of LIABILITIES

The debts that Astaldi S.p.A. expects to settle by making use of the net proceeds of the sale of the assets transferred to the Separate Unit have been transferred to the Separate Unit liabilities, in accordance with the Composition Proposal of Astaldi S.p.A..

In particular, the Separate Unit Liabilities are made up of:

- unsecured liabilities, as identified in the report prepared by Astaldi S.p.A.'s Court-appointed Receivers in accordance with Article 172 of Bankruptcy Law (the "Report 172").

  The unsecured liabilities, which also include provisions against possible unsecured liabilities, could vary and/or be adjusted as a result of subsequent events, also comprising court or out-of-court procedures, that might modify their amounts or composition. In accordance with the PFI Regulation, the scope of the Separate Unit includes, among others, any possible contingent liability generated by the unfavourable outcome of disputes (including any not initiated or not known to Astaldi S.p.A. at present) regarding legal issues that have come into being by virtue of material acts, events and circumstances, which by title or cause date back to before 28 September 2018 (i.e. the date of submission of the request for composition with creditors of Astaldi S.p.A.).

  The Separate Unit includes some cases brought against Astaldi S.p.A. that have not been accounted for in this Financial Report because the risk of their being lost has been considered to be remote. Should the future course of these disputes indicate the emergence of a probable liability, the related provisions for risks on unsecured claims shall be set aside and steps will be taken to proceed with the related discharge of debt for accounting purposes, as has been done for the provisions for risks on unsecured claims – and, more generally, for all unsecured debt – transferred to the Separate Unit on the part of Astaldi S.p.A..

  It should be noted that PFIs will be issued for liabilities that are considered to be likely at present and liabilities that are only possible or remote (and have, therefore, not been recognised) should the related unsecured debt arise after the results of the disputes are known, as provided for in the Composition Proposal and the PFI Regulation.

  The total unsecured debt transferred to the Separate Unit (either ascertained or likely) has been converted into an equity reserve in the Separate Unit against the distribution of PFIs (including future distributions from the provisions for risks recognised) in favour of the respective Unsecured Creditors;

- the amounts due to certain Turkish parties (the "Turkey Debt"). As provided for in the Composition Proposal and the PFI Regulation, the Turkey Debt will be paid in full in cash before the remuneration of the PFIs from the Third Bosphorus Bridge Financial Asset and from the proceeds of the sale of the other assets of the Separate Unit located in Turkey only.
  The Turkey Debt is specifically composed as follows:
  - a portion relating to the amount due to shareholder ICTAS defined within the ICTAS Settlement Agreement;
  - a portion relating to payables to Turkish banks: Isbank, Vakiflar, Ziraat, Ziraat Katilim, Akbank (the "Turkish Banks");
  - a portion of debt to other Turkish suppliers and providers.

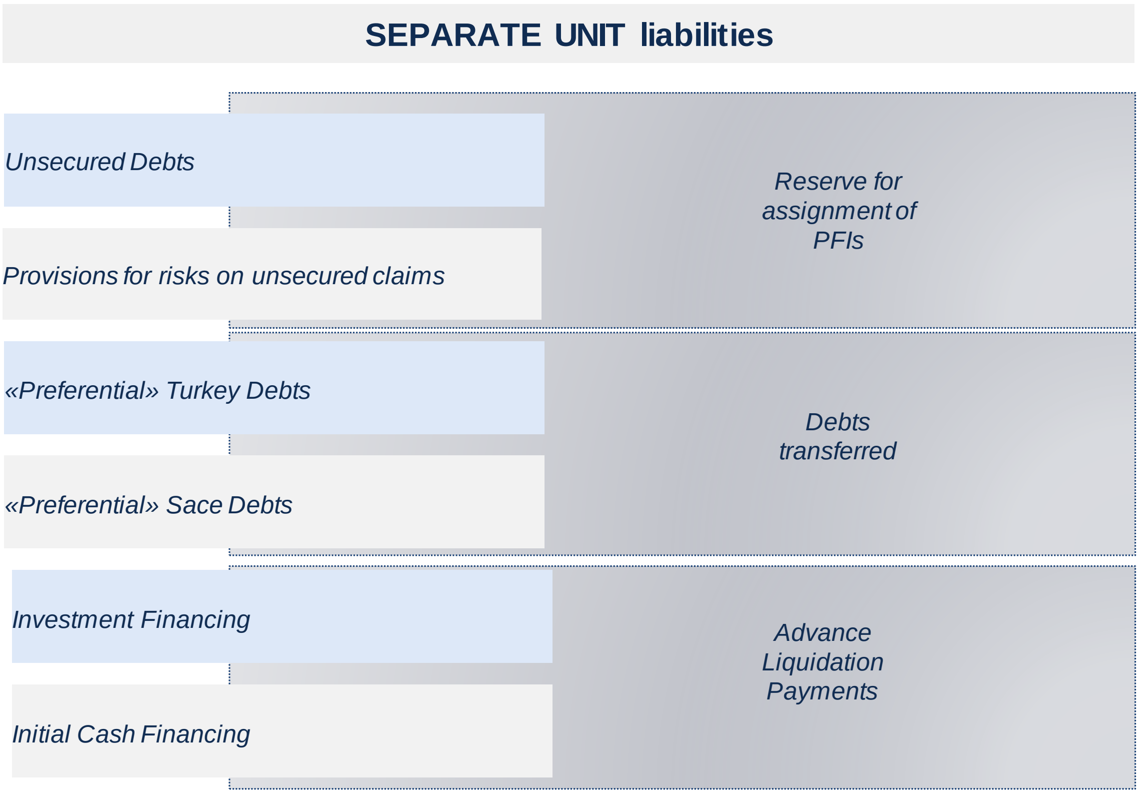
  With specific reference to the portion relating to the Turkish Banks, it should be noted that Astaldi S.p.A. has concluded with each bank:

  a. as many standstill agreements (signed between 16 September 2019 and 19 September 2019) as needed, whereby each bank undertakes not to demand the payment of Astaldi S.p.A.'s (Separate Unit's) debt during the "standstill period", which, it is agreed, will last until the occurrence of the first event of (i) the expiry of the period of 18 (eighteen) months after the execution of each standstill agreement (the second half of March 2021); or (ii) the completion of the sale of the Third Bosphorus Bridge Operator to the Chinese Joint Venture (as defined below);

b. even with the participation of ICTAS, as many protocols as needed regarding methods of payment whereby ICTAS has undertaken to pay the part of the consideration due to Astaldi S.p.A. that is equal to the latter's debt to each bank, paying the relative amount directly into the current account that the Company has opened with each bank;

- the amount due to Sace S.p.A. (the "Sace Debt"). According to the provisions laid down in the settlement agreement between Astaldi S.p.A. and Sace S.p.A., which was authorised by the Court of Rome on 19 March 2020 (the "SACE Settlement"), the Sace Debt will be paid in cash from the Separate Unit before the remuneration of the PFIs from the proceeds of the sale in the agreed order of distribution during the three-year period from 2020 to 2022;
- the amount due to Astaldi S.p.A. for the funds that it has undertaken to commit to the Separate Unit in order to provide the latter with the resources required to meet the necessary investments (equity injection) on the completion of the works still under construction (Santiago Airport and Etlik Hospital) (the "Investment Financing") and the initial injection of liquidity (the "Initial Cash Financing"). These financings are to be considered as Advance Liquidation Payments as defined in the PFI Regulation.

PICTURE 4: SUMMARY DESCRIPTION OF THE SEPARATE UNIT LIABILITIES



The Separate Unit also includes all the assets, rights and legal relationships (assets and liabilities) that come into being and arise on any basis during the course of and as an effect of its operations. On the other hand, expressly excluded from the Separate Unit are all the legal relationships, rights, financial assets, obligations and costs, including those arising from guarantees, counter-guarantees and hold harmless letters given by Astaldi S.p.A., which are connected solely with the execution of the works entrusted by the companies Etlik, NPU, Salud, GOI and the Third Bosphorus Bridge Operator directly to Astaldi S.p.A. or to joint ventures, consortia or companies established in any legal form with the participation of Astaldi S.p.A..

For more details regarding the guarantees transferred to the Separate Unit, reference should be made to the Notes to the Financial Statements.

PERFORMANCE OF OPERATIONS

The annual separate financial statements of the Separate Unit for the financial period ended 31 December 2020 show, in aggregate, Revenues equal to approximately €0.8 million, negative EBITDA of approximately €1.3 million and a Net Loss of approximately €20.5 million in the statement of profit or loss.

The annual consolidated financial statements of the Separate Unit for the financial period ended 31 December 2020 show, in aggregate, Revenues equal to approximately €0.5 million, negative EBITDA of approximately €1.8 million and a Net Loss of approximately €26.6 million in the statement of profit or loss.

The position relating to each asset included in the scope of the Separate Unit is summarised below. Both the assets held directly by the Separate Unit and those it holds indirectly through the investment in Astaldi Concessioni are considered.

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Focus on CONCESSIONS

ETLIK HOSPITAL

Ankara Etlik Hastane Saglik Hizmetleri Isletme Yatirim A.S. Ankara Etlik Hospital Management and Investment Inc.

Country	TURKEY
Sector	Healthcare Infrastructure
Phase	Construction
Interest held by ASTCON	46%
Interest held by the Separate Unit	5%

The Separate Unit includes the amounts that Astaldi S.p.A. and Astaldi Concessioni claim against the Turkish company Ankara Etlik Hastane Saglik Hizmetleri Isletme Yatirim A.S. Ankara Etlik Hospital Management and Investment Inc. (Etlik, as defined above) on account of shareholder loan, as well as Astaldi S.p.A.'s and Astaldi Concessioni's investments equal to 5% and 46%, respectively.

Etlik is the holder of the concession agreement signed with the Turkish Ministry of Health ("MOH") for the design, construction and operation of the Etlik Hospital Campus in Ankara (the "Etlik Hospital").

This is a project for the construction of a healthcare facility that is to be one of the biggest in continental Europe with more than 3,699 beds and a total area of 1,145,129 square metres.

The term of the concession originally arranged was 27.5 years, consisting of 3.5 years for design and construction and the remaining 24 years for operation. As a result of some delays also arising from the variations requested by the Granting Authority (Ministry of Health), which gave rise to some defaults around the project financial documentation, a number of additional deeds to the main concession agreement were negotiated with the Granting Authority in 2020 in order to remedy these delays and take the effects of the new law on concessions of 2020 into account; the law was aimed at remedying all the unfavourable impacts of the fluctuations in the value of the Turkish lira that had occurred as early as from 2019.

The negotiations ended favourably during 2020: some contractual terms and conditions were amended, including a 2.5-year extension of the construction period (at present this period is expected to end on 31 December 2021) with a consequent reduction in the duration of the period of operation.

Prudentially, the risk of lengthened completion time was taken into account in valuing this asset within this Financial Report of the Separate Unit, also owing to some reports issued in the meantime by the technical advisors of the institutions financing the work. As of the date of preparation of this Financial Report, we feel that construction times will not respect the time schedule.

Again according to the agreement, the effective term of the operation phase will be assessed again when the facility has been constructed on the basis of final and budget macroeconomic criteria, which will determine whether any advances will be made on the Customer's availability fees paid during this phase. Should it be necessary, such advances would be used to ensure amortisation of the financial debt.

In the operation phase, the agreement refers to non-medical hospital services (cleaning, internal catering, waste collection, laundering, disinfestation, security, assistance to patients, help desk, maintaining, managing and operating civil and plant works, running the IT infrastructure that provides services in the campus, managing green spaces), as well as clinical services (laboratories, imaging, sterilisation and rehabilitation) and commercial services (cafeteria, retail areas, public services and parking).

The facility is in the construction stage at present and preparations are being made for the operation phase.

GEZBE IZMIR MOTOWAY

Otoyol Yatirim ve Isletme A.S.

Country	TURKEY
Sector	Transport Infrastructure
Phase	Operation
Interest held by ASTCON	-
Interest held by the Separate Unit	18.14%

The Separate Unit includes the amounts that Astaldi S.p.A. claims against the Turkish company Otoyol Yatirim ve Isletme A.S. (GOI, as defined above) on account of shareholder loan, as well as Astaldi S.p.A.'s investment equal to 18.14% in GOI; the company is the holder of the concession agreement for the construction and operation of the Gebze – Orhangazi – Izmir motorway (the "Motorway"), the remaining interests in which are held by the following companies: Makyol (25.9%), Ozaltin (25.9%), Nurol (25.9%) and Gocay (4%).

The investment is in the design, construction and operation (entrusted to a special O&M company) under a concession agreement, concerning a new Turkish motorway section. The motorway follows a route of about 400 km from Gebze to Orhangazi and Izmir including a suspension bridge, the fourth longest in the world (the Izmit Bay Bridge). At present the Concession is due to end in September 2035. The work was completed and came into service in several stages and was opened in its entirety in August 2019.

The Customer pays a guaranteed revenue setting a number of equivalent vehicles for each section of motorway and for the bridge in accordance with the toll prices set down in the Concession agreement.

Receipts are in Turkish lire, both the tolls taken from users and the final balance received twice a year, but the base tariffs are in dollars according to the tender specifications and subsequent amendments, based on the US inflation and the USD/TRY exchange rate.

Tariffs for users are adjusted twice a year in February and August and paid in March and/or September the same year.

The customer has always paid the final balance regularly to date.

Although the effects of the pandemic have been substantial, with severe restrictions in Turkey too, the combined result of the macroeconomic variables and of trends in borrowing, exchange rates and lower operating costs, was, nevertheless, nearly total observance of the 2020 budget: a very small 0.5% difference from the original estimate made by the management.

On 22 December 2020 Customer KGM asked for motorway and bridge tolls for users to be kept as low as possible, setting a ceiling of 25% more than the 2020 tariffs for the year 2021 only (instead of 25.5% as agreed as per contract).

The Turkish authorities considered it necessary to make this request, which involved various concession projects throughout the country, in order to limit the effects that exchange rates would have on prices for end users.

This change will be the object of an addendum to the contract that is to be signed formally during 2021 after being put before the financial institutions for their formal approval.

The shareholders collectively have instructed a financial advisor of high international standing (JP Morgan) to transfer all their interests in GOI.

However, it should be noted that the mandate agreement signed with the financial advisor JP Morgan expired in March 2021 and no additional addendum had been signed at the date of preparation of this Financial Report.

Preliminary work is being done at the moment on scouting for and identifying potential bidders; work, however, has slowed mainly owing to the situation brought about by the global pandemic.

FELIX BULNES HOSPITAL

Sociedad Concesionaria Metropolitana de Salud ("Salud")

Country	CHILE
Sector	Healthcare Infrastructure
Phase	Construction
Interest held by ASTCON	51%

The Separate Unit has received, through Astaldi Concessioni, the amounts that the latter company's Chilean branch (Astaldi Concessioni – Agencia en Chile) claims from the Chilean company Sociedad Concesionaria Metropolitana de Salud (Salud or SCMS as defined above), as well as Astaldi Concessioni's investment of 51% held in the company, which is the holder of the concession agreement for the construction, maintenance and operation of the Felix Bulnes Hospital in Santiago de Chile (the "Felix Bulnes Hospital").

SCMS is the holder of the concession agreement for the design, financing and construction of the Felix Bulnes Hospital, which belongs to the health assistance network of the Servicio de Salud Metropolitano Occidente en Santiago de Chile, and for managing commercial and non-medical services. The agreement also provides for the supply and maintenance of electro-medical equipment and furnishings. This new facility has 10 storeys and a heliport with about 523 beds and 600 car spaces over an area of 130,000 square metres. The term of the concession is 20 years, consisting of 52 months for construction and 15 years for operation.

In early 2017, after Astaldi Concessioni had sold 49% of its total investment, a strategic partnership was entered into with the Meridiam Latam Holding S.L. ("Meridiam") infrastructure fund, whose total entry into the capital of SCMS was to take place gradually. Among other arrangements, control over the company under consideration passed to Meridiam with the transfer of 49% of the investment[5].

Under the agreement between Astaldi Concessioni and Meridiam, there is a commitment for the gradual sale of Astaldi Concessioni's total remaining investment in SCMS (equal to 51%) to be completed in two steps:

- a 21% share of the investment after provisional acceptance (*Puesta en Servicio Provisoria*, "PSP");
- the remaining 30% share, with a completion bonus, after final acceptance (*Puesta en Servicio Definitiva*, "PSD").

Problems arose with the EPC contractor Astaldi S.p.A., Chilean Branch, during 2018, against whom both a performance bond and a retention bond were enforced; the procedure for the termination of the contract was also started, as the contractor's performance as regards the completion of the works before the contractually agreed time limit (31 January 2019) was considered inadequate against a work progress of 98%.

As a result of the aforesaid termination, progress in the design phases became irregular and slow, and consequently also the sale of Astaldi Concessioni's remaining investment in SCMS to Meridiam. Furthermore, the termination of the contract gave rise to extra construction costs and

[5] In spite of the fact that Astaldi Concessioni retained the majority following the above-mentioned sale, under the shareholders' agreement with Meridiam, rights and powers corresponding to a higher interest of 70%, were given to the latter immediately, anticipating the effects of a further transfer in the future.

consequently the need to obtain more financial support than initially planned in terms of additional capital to be paid up by the shareholders. In other words, SCMS' s shareholders (including Astaldi Concessioni) were asked to put down more capital than initially expected following the termination.

Astaldi Concessioni felt that it had suffered serious consequences after entrusting the governance of the company to shareholder Meridiam and that it could not put down more capital than that laid down in the agreement it had signed initially.

As a result, in September 2019 shareholder Meridiam sued Astaldi Concessioni for damages, by a request for international arbitration before the International Chamber of Commerce (ICC), requesting about USD18.9 million in compensation as penalties for various alleged breaches of contract, the main breaches being default on the payment of the first and second additional contribution to capital and failure to comply with Meridiam's voting instructions in a general meeting held to approve the capitalisation of a part of a subordinate loan it had executed.

On the contrary, Astaldi Concessioni in its turn took action against Meridiam, opposing the latter's requests in that they were based on situations deliberately brought about in order to provoke Astaldi Concessioni's breach of contract and acquire total control over SCMS, absolutely flouting the principles of good faith and cooperation between the shareholders of the same company. At the same time, Astaldi Concessioni submitted a counter-claim, asking the court to rule:

(i) that Meridiam was obliged to buy from Astaldi Concessioni the remaining 51% of the interests in SCMS on a permanent basis and pay it the entire price that had been agreed, and that SCMS should reimburse an amount of approximately €0.95 million in surety fees to the Company; as well as

(ii) that Meridiam had not complied with a set of provisions of the Shareholder's Agreement as a result of some decisions made by the members of the Board of SCMS.

In this regard, Astaldi Concessioni's legal counsels issued an opinion which (in the light of the factual and legal considerations relevant and applicable to the case, and also subject to certain assumptions, qualifications and limitations that were set out in the opinion), considered the arguments in Meridiam's claims to be unfounded; according to this opinion, there are valid and reasonable elements and grounds for believing that the Arbitration Tribunal will take a favourable view of Astaldi Concessioni's defence and counterclaim action. Prudentially, however, Astaldi Concessioni has taken steps to adjust the book value of its investment, conforming it to Astaldi Concessioni's corresponding stake in SCMS' equity, considering that this value is its recoverable amount pending the final settlement of the arbitration proceedings in progress.

On 29 January 2021 Meridiam presented a Statement of Defence (*Memorial de Contestación de Demanda*) in which it repeated its objections to Astaldi Concessioni's counter-claims.

On the same date Astaldi Concessioni filed a defence pleading that also included witness statements. The court then set 19 March 2021 for the production of documents.

Following the establishment of the Separate Unit, the Proxy gauged Meridiam's readiness to reach an amicable settlement of the dispute, also to avoid the expense of the arbitration proceedings and not only the uncertainty typical of an arbitration award. Nevertheless, the solution of the dispute that the shareholder fears would lead to there being no contribution to the Separate Unit from this quarter.

To date, the final hearing has been scheduled at the end of October 2021. Therefore, the arbitration award is expected to be issued in early 2022. According to the opinions prepared by the legal counsels (Cuatrecasas, Baraona) to Astaldi S.p.A. on 16 February 2021 and 11 February 2021, respectively, there is a possible risk of the company losing the case.

SANTIAGO AIRPORT

Sociedad Concesionaria Nuevo Pudahuel S.A. ("NPU")

Country	CHILE
Sector	Transport Infrastructure
Phase	Operation
Interests held by ASTCON	15%

The Separate Unit includes the amounts that Astaldi Concessioni claims from the Chilean company Sociedad Concesionaria Nuevo Pudahuel S.A (NPU as defined above) on account of shareholder loan, as well as Astaldi Concessioni's investment of 15% held in the company. NPU is also invested in by the French companies Group ADP and Vinci Airports for 45% and 40%, respectively.

NPU is the holder of the concession for *(i)* the refurbishment of Terminal 1 of the Arturo Merino Benítez international airport in Santiago de Chile (the "Airport"); *(ii)* the construction of Terminal 2 of the Airport with two car parks; *(iii)* the operation of the Airport's aviation and non-aviation services (including retail services) for a term of 20 years as from 2015.

At the moment Terminal 2, which has already been built, is being operated and works are in progress on Terminal 1 under the concession agreement. Progress has encountered some difficulties arising on one hand from the fall in air traffic owing to the COVID-19 epidemiological emergency and on the other hand from requests from the contractor to be paid for the construction works.

As regards operation, there has been a substantial increase in the number of passengers transported (from 16 million in 2014 to 23.3 million in 2018) at the Airport since the concession was awarded (2015). If the 30-million passenger ceiling had been exceeded, improved terms would have been the result for NPU: a further Chilean Ministry of Public Works ("MPW") investment in the construction of a third terminal, a possible rise of 22.44% in the royalties at present paid to NPU and a possible extension of the term of the concession.

As at 31 December 2020, a total of 703 thousand passengers had been transported (-66.9% compared to 2019), broken down as follows: domestic traffic 499.2 thousand passengers (-59% compared to 2019), international traffic 203.6 thousand passengers (-77.4% compared to 2019). The monthly figures for December confirm the downward trend for the entire year 2020, with a drop of 65% in total passengers.

The situation that came into being with Covid-19, together with social and political affairs and the previous difficulties with the construction works, entailed greater costs and longer completion times. Although NPU has submitted various requests to the customer – MPW - to set out a strategy to restore the balance of the concession, as matters stand these various attempts at negotiation have been unsuccessful.

On 19 January 2021 the French shareholders alone filed an application to initiate the ICSID[6] procedure under the France-Chile convention (the majority of the interests in NPU is held by French concerns). This procedure requires an obligatory conciliation procedure that must last at most 6 months. The ICSID claim is based on the fact that the Chilean Government took emergency

[6] ICSID is an International Centre for Settlement of Investment Disputes established by the World Bank that resolves issues on the basis of the specific bilateral Treaties entered into between the countries concerned. In this case, reference is made to the treaty entered into between France and Chile.

measures to keep the Covid-19 pandemic at bay (not the least being the total closure of the frontiers) without, however, making any provision for compensatory measures to cushion economic and financial impacts on the aviation sector.

As at the date of preparation of this Report, the Separate Unit, through the subsidiary Astaldi Concessioni, was considering the possibility reserved for the subsidiary to lodge a claim with ICSID under the Bilateral Treaty between Italy and Chile[7].

The Astaldi Chile - Vinci Costruction JV (the "Constructor") has been entrusted with construction work under a works contract (the "EPC Contract") and the works, 91.7% of which have been carried out, were originally to be completed in April 2021.

The Constructor has filed some claims, through NPU, with the MPW, which are listed below:

(a) a request for the extension of completion times owing to design faults, offsetting the costs;

(b) a request for the extension of completion times owing to additional works requested by the customer, offsetting the costs;

(c) compensation for Covid-19 costs.

As regards relations with the technical panel (an institution under Chilean concession laws called upon to hand down opinions regarding potential disputes between customer and concession holders), as of the date of the preparation of this Report, NPU was preparing to request the panel to redress the financial equilibrium of the concession agreement in order to compensate it for the adverse impacts of the restrictive measures brought in by the Government as a result of the pandemic.

In the light of the complex situation that has arisen and in the absence, at the moment, of reasonably reliable indications regarding the outcome of NPU's requests, the Separate Unit has proceeded prudentially with the write-down of the entire value of the investment.

Focus on other assets

Settlement agreement with IC Içtas Inşaat Sanayl ve Ticaret A.Ş. ("ICTAS")

Relations concerning the sale of the interests held in the project company of the Third Bosphorus Bridge.

The Separate Unit retains sole responsibility for (i) all rights and obligations arising from the Third Bosphorus Bridge Financial Asset in accordance with the provisions of the contract of sale that was signed with ICTAS on 20 June 2019 (the ICTAS Settlement Agreement) and was authorised by the Court of Rome on 2 November 2019.

The Separate Unit received, among others, all claims and obligations of Astaldi S.p.A. against the Turkish company ICTAS, arising under the contract providing for the sale – which had been already completed at the reporting date - in favour of the latter, concerning the Company's investment of 20% and the amount claimed on account of shareholder loan in Ica Ictas Astaldi Ucuncu Bogaz Koprusum Ve Kunzey Marmana Otoyolu Yatirim Ve Isletme AS (the Third

[7] In this case, reference is instead made to the treaty entered into between Italy and Chile.

Bosphorus Bridge Operator), which holds the concession agreement for the construction and operation of the "Third Bosphorus Bridge."

In particular, under the contract arrangements, the Separate Unit holds (i) a credit of USD315 million (equal to approximately €281 million) from ICTAS as consideration for the aforesaid sale; (ii) a debt of USD100 million (equal to approximately €89 million) to ICTAS for the waiver of the right to bring any further and different disputes with ICTAS itself (the "ICTAS Compensation"), to be paid by offsetting it against the aforesaid higher credit.

Therefore, the Third Bosphorus Bridge Financial Asset (namely the net amount that the Separate Unit claims from ICTAS) amounts to USD215 million (equal to approximately €192 million), less transaction costs determined differently according to whether the sale of the Third Bosphorus Bridge Operator to a Chinese joint venture (the "Chinese Joint Venture") is concluded or not on the part of ICTAS.[8]

It is as well to point out that according to the economic and financial plan (the "EFP") for the Separate Unit, a part of the Third Bosphorus Bridge Financial Asset is to be used to satisfy some creditors of Astaldi S.p.A. in accordance with the provisions of the composition proposal.

The abovementioned terms of payment laid down in the respective agreements in relation to the Turkey Debt and the SACE Debt are set out in the PFI Regulation.

As regards the Turkey Debt, in setting the order of priority of the deductions to make from the proceeds of the sale of the assets so that the "Net Liquidation Proceeds" in each Distribution can be calculated, Article 2.36 of the PFI Regulation puts in first place "*the sums to pay the Turkey Creditors*", i.e., the Turkey Debt to subtract from the proceeds of the sale of the Assets of Turkey including the Third Bosphorus Bridge Financial Asset (as well as the Etlik Investment and the GOI Investment).

Accordingly, as regards the Third Bosphorus Bridge Financial Asset – unless the Turkey Debt has been settled, in the meantime, using the proceeds of the other Assets of Turkey – what will be distributed is the amount realised by the payment of the Turkey Debt and the other further deductions referred to in the aforesaid Article 2.36 of the PFI Regulation.

On the basis of the SACE Settlement Agreement, the SACE Debt is to be described as a Contingent Liability which, by virtue of the abovementioned Article 2.36 of the PFI Regulation - must also be deducted in order to calculate the Net Liquidation Proceeds of each Distribution. In other words, the SACE Debt is to be repaid in advance with respect to unsecured claims - albeit after the payment of the Turkey Debt.

The structure of the Settlement Agreement

The debit and credit relationships between the Separate Unit and ICTAS are governed by the settlement agreement signed on 20 June 2019, as amended (the ICTAS Settlement Agreement) which is subject to the condition precedent of the Court's approval as part of the composition with creditors procedure, which took place on 21 November 2019.

As noted above, under the ICTAS Settlement Agreement, the parties settled some disputes amicably that had arisen between them, agreeing, for our purposes, to transfer to ICTAS, already the holder of the remaining interests in the Third Bosphorus Bridge Operator, the 20% investment

[8] Values taken from the economic and financial plan of the Separate Unit attached to the resolution approving its establishment dated 24 May 2020 (share swap ratio of June 2019).

that the Separate Unit already held in the Third Bosphorus Bridge Operator and the shareholder loan credit against the payment of the price on the part of the buyer.

Under the ICTAS Settlement Agreement, there are two different possibilities for the payment of the consideration, according to whether ICTAS, in its turn, reaches an agreement or not for the sale of the entire capital of the Third Bosphorus Bridge Operator to a consortium of Chinese companies (the Chinese Joint Venture), with which negotiations are in progress at present.

The ICTAS Settlement Agreement provides for the payment of the Third Bosphorus Bridge Financial Asset, equal to USD215.0 million, on the part of ICTAS either:

(a) if the sale is made to the Chinese Joint Venture, in a single amount to be paid "after" the completion of the sale. If the sale to the Chinese Joint Venture is completed with the payment of a consideration in excess of USD1,250,000,000, ICTAS will pay the Separate Unit a further amount of 25% of the excess paid by the buyer with reference to the 20% investment transferred by the Company;

or

(b) if the sale is not made to the Chinese Joint Venture, by deferred payment of the Third Bosphorus Bridge Financial Asset (as increased by interest as from 31 January 2020 at the annual rate of EURIBOR +1.75%), according to the following methods:

- 10% of the amount within the 4th quarter of 2020;
- 10% of the amount within the 4th quarter of 2021;
- 30% of the amount within the 4th quarter of 2022;
- 50% of the amount within the 4th quarter of 2023.

According to the ICTAS Settlement Agreement, even were a sale to the Chinese Joint Venture completed after the estimated deadline for the closing of the transaction (February 2020), which in fact has been the case, ICTAS would in any case have to pay the total Third Bosphorus Bridge Financial Asset to the Separate Unit in a single amount, as illustrated above, as required within the scope of amendment no. 5 of 11 October 2019.

The parties have decided on two forms of security for the recovery of the Separate Unit's claim:

(a) ICTAS will transfer the amounts it claims from the Third Bosphorus Bridge Operator to the Separate Unit as shareholder loan and rights to the distribution of dividends, if and when they become payable, within the limits of the amount due to the Separate Unit;

(b) the delivery of 5 international bills of exchange constituting enforcement orders to an Escrow Agent, issued by ICTAS in favour of the Separate Unit and in particular:
   - 4 bills of exchange (the "Principal Bills") equal to, respectively:
      - USD21,283,205.99 expiring on 31 December 2020;
      - USD21,283,205.99 expiring on 31 December 2021;
      - USD63,849,617.98 expiring on 31 December 2022;
      - USD 106,416,209.96 expiring on 31 December 2023,

     which, on maturity (i) if ICTAS pays their amount, will be given back to it; or (ii) if not, will be delivered to the Separate Unit;
   - 1 bill of exchange expiring on 31 December 2020 (the "Additional Bill") as security for the interest on each Principal Bill; if interest is duly paid on a Principal Bill, on maturity, it is to be replaced by another bill with the same maturity as that of the subsequent Principal Bill.

Furthermore, in the event of the sale of the Third Bosphorus Bridge Operator to the Chinese Joint Venture, the ICTAS Settlement Agreement provides for a dedicated account to be opened to receive the consideration for ICTAS and provides for the latter's commitment, at the time of the closing of the sale, to grant the Separate Unit an irrevocable order for the bank concerned to transfer the portion of the consideration received from the Chinese Joint Venture, equal to the amount of the Third Bosphorus Bridge Financial Asset, to the account that the Separate Unit chooses to open with the said bank for this purpose.

The commitments to the Turkish Creditors

As noted above, according to the EFP for the Separate Unit, the amount necessary to settle the Turkey Debt is to be allocated from the proceeds of the recovery of the Third Bosphorus Bridge Financial Asset. The Turkey Debt mainly consists of the original debt of the Separate Unit to 5 Turkish bank, as well as to some Turkish suppliers, for an amount totalling approximately €142 million (the Turkish Debt)[9]. That a part of the Third Bosphorus Bridge Financial Asset is to be allocated to the settlement of the Turkey Debt becomes understandable when one considers that the Italian composition with creditors procedure is not recognised in Turkish law. Consequently, in the absence of these "preferential rights" granted to the Turkish creditors, the latter could have taken action to recover their credit by force, probably attacking the Separate Unit assets located in Turkey, in spite of the approval of the composition with creditors.
For this purpose, the Separate Unit has concluded with each bank:

(a) as many standstill agreements (signed between 16 September 2019 and 19 September 2019) as needed, whereby each bank undertakes not to demand the payment of the Separate Unit's debt during the "standstill period", which, it is agreed, will last until the occurrence of the first event of (i) the expiry of the period of 18 (eighteen) months after the execution of each standstill agreement (the second half of March 2021); or (ii) the completion of the sale of the Third Bosphorus Bridge Operator to the Chinese Joint Venture;

(b) even with the participation of ICTAS, as many protocols as needed regarding methods of payment whereby ICTAS has undertaken to pay the part of the consideration due to the Separate Unit that is equal to the latter's debt to each bank, paying the relative amount directly into the current account that the Company has opened with each bank.

The commitment to SACE

As noted above, according to the EFP for the Separate Unit, the amount necessary to settle the Separate Unit's Debt to SACE S.p.A., equal to approximately €29 million, in addition to related legal interest at a special rate under Legislative Decree no. 123 of 1998 (the SACE Debt) is also to be allocated from the proceeds of the recovery of the Third Bosphorus Bridge Financial Asset.

In this case too, in fact, the parties concerned reached a settlement agreement (the SACE Settlement Agreement) during the composition with creditors procedure in order to settle amicably SACE's claim regarding the nature of its credit; this agreement, too, is subject to the condition precedent of the Court's authorisation in the framework of the composition with creditors procedure.

Under the SACE Settlement Agreement, while giving SACE's claim priority, the parties determined a method of payment that differs from the other claims of the same rank claimed against the Separate Unit. Payment is to be deferred as follows:

- €20,000,000 (or the amount obtained from the sale of the Third Bosphorus Bridge Operator to the Chinese Joint Venture, if less), to be paid by 31 December 2020 by using the proceeds arising from the aforesaid sale to the Chinese Joint Venture, as therein scheduled for 2020;
- €5,000,000 (or more if there is a remainder not paid in the first instalment) by 31 December 2021;

[9] Values taken from the economic and financial plan of the Separate Unit attached to the resolution approving its establishment dated 24 May 2020 (share swap ratio of June 2019).

- €4,000,000 by 31 December 2022.

The parties also stipulated that these amounts, in general, should be paid from the proceeds of the sale of the assets afterwards contributed to the Separate Unit – and thus even before their maturities in the event of the sale of assets other than the Third Bosphorus Bridge Financial Asset– following the procedure set out in the PFI Regulation for Contingent Liabilities.

Present situation

As regards the position in its negotiations with the Chinese Joint Venture, ICTAS has informed the Separate Unit, also orally, that the conclusion of the negotiations has been delayed owing to the COVID-19 emergency and that some further steps that have to be taken could be completed during the 2021 financial year.

As the sale to the Chinese Joint Venture was not completed by 31 December 2020, the first expiry date of the mechanism for the deferred payment mentioned above, ICTAS paid the first 10% of the amount on 14 January 2021, as increased by interest as from 31 January 2020 at the annual rate of EURIBOR +1.75%), as a direct reduction in its debts to the Turkish Banks, as required by the payment protocols in place with the banks themselves.

As at the reporting date, talks were in progress with both SACE and the Turkish Banks with the object of obtaining an extension of payment times owing to the delay in the completion of the sale of the Third Bosphorus Bridge Operator to the Chinese Joint Venture.

Venezuelan Financial Assets

The Separate Unit also includes the Venezuelan Financial Assets, i.e. the amounts initially claimed by the Company against the Istituto de Ferrocarriles del Estado (the "IFE") and the Bolivarian Republic of Venezuela ("Venezuela"), as well as all assets, costs and charges necessary to recover them, including the assets, costs and charges related to the arbitration proceedings regarding the claims, initiated before the Paris International Chamber of Commerce (the "ICC").

They specifically consist of the amounts claimed under some contracts for the construction of civil works in certain sections of the Venezuelan railway network executed by the Company as a member of the following consortia:

(i) the Contuy Consortium, invested in by Astaldi S.p.A., Webuild S.p.A. and Ghella (the "Italian Companies"), as well as by Venezuelan companies Ghella Sogene and Otaola Ingenieria (holding interests equal to 32.33%, 32.33%, 11.12%, 11.11% and 11.11%, respectively) and holding the contract for works relating to the Puerto Cabello -La Encrucijada project;

(ii) the GEI Consortium, consisting solely of the Italian Companies of the above consortium (each holding a 33.33% interest), holding the contract for works for the Southern Lots.

Although the works that were the object of these contracts were duly carried out by the Consortia and certified by the IFE, the latter has not paid the consideration due. This led the members of the Consortia, also in view of the unsuccessful outcome of the various attempts at an amicable resolution of the dispute, to stop the works in progress on one hand and on the other hand to bring the arbitration proceedings mentioned above, which are pending before the ICC in Paris at present (the arbitration proceedings, however, were initiated at the request of the Italian Companies alone).

In particular, the Company's claim in the arbitration proceedings is for the payment of the consideration as:

(a) consideration for the works executed and certified by the IFE with reference to the Puerto Cabello -La Encrucijada project;
(b) consideration for the works in progress, again with reference to the Puerto Cabello -La Encrucijada project;
(c) consideration for the works executed and certified by the IFE with reference to the projects concerning the Southern Lots.

As regards the value of the Venezuelan Financial Assets, the nominal amount of which consists of a total of €433 million[10], in January 2021 the Separate Unit's Proxy asked Professor Enrico Laghi to express an opinion on the fair value measurement as at 31 December 2020. It emerges from his opinion that the value that can be assigned to these financial assets can be placed within certain ranges that he sets out, adding that the lower values in these ranges of measurement are more likely.

For the purposes of recognition in the Financial Report of the Separate Unit, prudentially, the recoverable value of the Venezuelan Financial Assets estimated by Professor Laghi has been discounted at a rate considered fair considering the characteristics of the market concerned (4%). Again for reasons of prudence, the estimated legal costs of the arbitration proceedings in progress have also been deducted from its value calculated as above, for an amount of €5.0 million.

The building office at Via Bona

The Separate Unit retains sole responsibility for all the property rights, obligations and charges (including taxes), without exclusions or exceptions, on the property for office use located in Rome, at Via Giulio Vincenzo Bona no. 65, as recorded in the Rome land registry on Sheet no. 293, particles nos. 859 and 887 and owned by the Separate Unit, by virtue of the deed drawn up by Salvatore Mariconda, Notary Public, on 30 November 2010, file no. 6655/4626, with the related obligations and charges of any kind and nature resting on the owner (the Property).

At present, the Property is the object of a usage contract between the Separate Unit and Astaldi S.p.A. in accordance with the provisions of the EFP for the Separate Unit.

During 2020 the Separate Unit commenced the preparatory work on the sale of the building following a public tender procedure based on transparency and equality of treatment with the aim of finding potential buyers. Specifically, preliminary information was published on both national dailies and property websites with requests for expressions of interest on 10 December 2020.

No expression of interest has been received until now, probably also owing to the pandemic emergency caused by COVID-19, which also slowed the property market seriously and the market for property for office use in particular.

The estimated value of this asset within the scope of this Financial Report takes the most recent adverse market scenario into account and is based especially on various surveys that the Separate Unit has commissioned from leading property advisors during 2020.

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[10] The total amounts due for works that have been executed claimed by the members of the Consortium in the arbitration proceedings consist of:
(i) works certified by the customer (i.e. invoices issued and to be issued) for a total amount of approximately USD1,017 million for the consortium; the Separate Unit's share of these is equal to USD345 million (approximately €289.5 million);
(ii) works in progress and not yet certified, including, among others, an amount of USD171 million relating to the Separate Unit (approximately €143.5 million).

RESULTS OF OPERATIONS AND FINANCIAL POSITION

Consolidated statement of profit or loss and statement of financial position of the Separate Unit

The consolidated financial statements of the Separate Unit show negative EBITDA of approximately -€1.8 million during the period between 17 July 2020 (the date of the Court of Rome's approval of the Composition Proposal of Astaldi S.p.A. and then of the effectiveness of the establishment of the Separate Unit) and 31 December 2020. The main element in this result are the costs sustained for the operations of the Separate Unit (approximately -€2.3 million), only partly offset by the revenues from letting the Property located at Via Bona to Astaldi S.p.A. (approximately +€0.5 million).

The results of operations for the period came to approximately -€26.6 million and included the negative contribution given by EBITDA referred to above, as well as:

- the negative effect of amortisation, depreciation and impairment (approximately -€4.1 million), mainly relating to the write-down of the subordinated loan held in SCMS;
- losses for the period relating to joint ventures and associates valued at equity (equal to approximately €25.8 million);
- net financial income of approximately €5.0 million, which includes foreign exchange losses of approximately €8.9 million, offset by financial income of approximately €13.9 million. The latter item is mainly attributable to the revaluation of the receivable relating to the sale of the Third Bosphorus Bridge Operator at 31 December 2020;
- taxes relating entirely to the consolidation of Astaldi Concessioni, equal to approximately €0.05 million.

TABLE 2: SEPARATE UNIT - CONSOLIDATED STATEMENT OF PROFIT OR LOSS AT 31 DECEMBER 2020

Breakdown of Consolidated Statement of profit or loss (€/000)	31/12/2020
Total value of production	515
Total operating costs	(2,281)
EBITDA	**(1,766)**
Total amortisation, depreciation and impairment	(4,080)
Operating result	**(5,845)**
Profit (loss) on equity-accounted investments	(25,754)
Net financial income and expense	5,026
Profit / Loss before tax	**(26,573)**
Taxes	(45)
Profit / (Loss) for the period	**(26,618)**

The main items of the assets in the consolidated statement of financial position of the Separate Unit are described below.

As at 31 December 2020 non-current assets stood at approximately €570.7 million, mainly consisting of non-current financial assets (approximately €81.4 million) and equity investments (approximately €483.0 million). The negative differential compared to the values recorded at 17 July 2020, equal to approximately -€6.4 million, related to:

- the changes in the item relating to equity investments, which showed a decrease by an amount of approximately -€22.9 million during the reporting period, mainly as a result of the write-down of the investment held in GOI;
- the opposite effect relating to an increase in other non-current financial assets for €16.5 million.

Current assets, equal to approximately €214.2 million at 31 December 2020, showed a decrease of approximately €2.8 million compared to the value posted at 17 July 2020, mainly due to an increase in other current assets (for about €1.3 million) and an increase in cash and cash equivalents (for about €1.6 million).

The increase recorded in cash and cash equivalents from approximately €0.1 million at 17 July 2020 to approximately €1.7 million at 31 December 2020, was mainly due to Astaldi S.p.A.'s payments as cash funding to the Separate Unit (in accordance with the provisions of the Composition Proposal) during the reporting period.

Finally, with reference to the balance sheet assets, non-current assets held for sale, equal to approximately €2.1 million, include the reclassification of the equity investment and the shareholder loan held in SCMS on the part of Astaldi Concessioni. The value of these assets showed a decrease compared to the value posted at 17 July 2020 as a result of the valuation at equity carried out at 31 December 2020.

With reference to the main liabilities recognised at 31 December 2020, it should be noted that:

- non-current liabilities, equal to approximately €37.2 million, are sums paid out by Astaldi S.p.A. as advance liquidation payments as defined in the PFI Regulation, aimed at financing the agreed equity commitments of the companies included in the perimeter of the Separate Unit that hold concession agreements;
- trade payables totalled approximately €4.8 million and mainly related to payables for invoices to be received;
- current financial liabilities, equal to approximately €45.1 million, mainly consisted of loans relating to banks resident in Turkey;
- other current liabilities, recognised for approximately €31.0 million, at 31 December 2020, are mainly preferential debt arising from the settlement agreement signed between Astaldi S.p.A. and SACE S.p.A. before the approval of the composition with creditors procedure on the part of the Court of Rome.

Due to the balance of assets and liabilities reported above, the equity for accounting purposes of the Separate Unit was positive for approximately €668.9 million at 31 December 2020.

Of the total equity of the Separate Unit recognised at 31 December 2020, an amount of about €622.7 million is due to Astaldi S.p.A.'s unsecured creditors, who have already been assigned PFIs issued. The remainder of approximately €46.2 million is due to unsecured creditors whose status is only a potential one at present; therefore, their portions of PFIs have not yet been issued from the Separate Unit.

TABLE 3: SEPARATE UNIT – CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2020 COMPARED TO 17 JULY 2020

Breakdown of Consolidated statement of financial position (€/000)	31/12/2020	17/07/2020
Property, plant and equipment	5,974	6,022
Other non-current financial assets	81,437	64,980
Other non-current assets	3	3
Equity investments	482,985	505,844
Deferred tax assets	327	298
TOTAL Non-current assets	**570,726**	**577,147**
Contract assets	17,244	17,244
Trade receivables	15,508	15,653
Tax receivables	537	462
Other current assets	179,304	178,037
Cash and cash equivalents	1,656	106
TOTAL Current assets	**214,249**	**211,502**
Non-current assets held for sale	2,089	8,506
TOTAL ASSETS	**787,064**	**797,155**
TOTAL EQUITY	**668,854**	**693,062**
TOTAL Non-current liabilities	**37,198**	**21,630**
Trade payables	4,764	3,789
Current financial liabilities	45,144	45,680
Tax payables	84	41
Other current liabilities	31,020	32,951
TOTAL Current liabilities	**81,012**	**82,463**
TOTAL EQUITY AND LIABILITIES	**787,064**	**797,155**

In order to make it easier to identify the assets held for sale in the consolidated assets of the Separate Unit at 31 December 2020, the summary table below sets out the values of the individual assets and related items concerned. The table also provides the references to the notes to the consolidated financial statements reported below.

TABLE 4: BREAKDOWN OF ASSETS HELD FOR SALE AND RELATED ITEMS AT 31 DECEMBER 2020

Description of the asset	€/000	Items concerned	Ref. Notes to the Financial Statements (NFS)
Etlik Hospital	**132,755**		
Investment	55,430	Equity-accounted investments	NFS - par 6.2
Financial receivable	77,325	Other non-current financial assets	NFS - par 6.3
Third Bosphorus Bridge	**175,355**		
Investment	-	n.a.	
Net financial receivable	175,355	Other current assets	NFS - par 6.8
Gebze - Orhangazi - Izmir – Motorway GOI	**427,749**		
Investment	427,555	Equity-accounted investments	NFS - par 6.2
Financial receivable	194	Other non-current financial assets	NFS - par 6.3
Santiago Airport - NPU	**3,333**		
Investment	-	Equity investments	
Financial receivable	3,333	Other non-current financial assets	NFS - par 6.3
Felix Bulnes Hospital - SCMS	**2,089**		
Investment	-	Non-current assets held for sale	NFS - par 6.10
Financial receivable	2,089	Non-current assets held for sale	NFS - par 6.10
Venezuelan Financial Assets	**32,752**	Trade receivables and contract assets	NFS - par 6.5 - 6.6
Property located at Via Bona	**5,973**	Property, plant and equipment	NFS - par 6.1
Total	**780,005**		

Separate statement of profit or loss and statement of financial position of the Separate Unit

During the period between 17 July 2020 (the date of the Court of Rome's approval of the Composition Proposal of Astaldi S.p.A. and then of the effectiveness of the establishment of the Separate Unit) and 31 December 2020, the Separate Unit recorded final negative EBITDA of approximately -€1.3 million, mainly attributable to the costs sustained for its operations, equal to approximately €2.1 million, partially offset by revenues of approximately €0.8 million relating to the rent received on the Property located at Via Bona let to Astaldi S.p.A., on the one hand, and, on the other, to costs charged back to Astaldi Concessioni S.p.A., whose sole shareholder is the Separate Unit, incurred by the Separate Unit on its behalf (i.e. the service agreement that was also entered into in the interests of Astaldi Concessioni S.p.A. with Astaldi Concessions, a subsidiary of Astaldi S.p.A.).

The overall results of operations recognised in the reporting period showed a loss of approximately -€20.5 million and included the negative contribution given by EBITDA, as well as:

- amortisation, depreciation and impairment carried out at 31 December 2020, totalling approximately €21.4 million;
- net financial income of approximately €14.8 million;
- foreign exchange losses of approximately -€12.6 million.

TABLE 5: SEPARATE UNIT - SEPARATE STATEMENT OF PROFIT OR LOSS AT 31 DECEMBER 2020

Breakdown of Separate statement of profit or loss (€/000)	31/12/2020
Total value of production	828
Total operating costs	-2,106
EBITDA	**-1,277**
Total amortisation, depreciation and impairment	-21,446
Operating result	**-22,723**
Net financial income and expense	14,762
Net foreign exchange gains/(losses)	-12,576
Profit / Loss before tax	**-20,537**
Profit / (Loss) for the period	**-20,537**

The main items of the assets in the separate statement of financial position of the Separate Unit are described below.

As at 31 December 2020 non-current assets stood at approximately €686.2 million, mainly consisting of non-current financial assets (approximately €247.0 million) and equity investments (approximately €433.2 million). The negative differential compared to the values recorded at 17 July 2020, equal to approximately -€16.2 million, related to:

- the changes in other non-current financial assets, which showed an increase of approximately €3.5 million, mainly due to the loans granted to Astaldi Concessioni during the reporting period;
- the changes in the item relating to equity investments, which showed a decrease by an amount of approximately -€19.7 million during the reporting period, as a result of the adjustment to fair value measurement at 31 December 2020.

Current assets increased from approximately €232.4 million at 17 July 2020 to approximately €239.3 million at 31 December 2020, mainly due to:

- a rise in other receivables and current assets (due to the combined effect of the higher receivable relating to the Third Bosphorus Bridge for approximately €0.8 million and a higher amount for invoices to be issued to subsidiaries for approximately €3.9 million);
- the amount of cash and cash equivalents recognised at 31 December 2020, equal to approximately €1.5 million. Astaldi S.p.A. made an initial cash funding of about €2.0

million to the Separate Unit during the reporting period, in the execution of its Composition Plan.

The Separate Unit's liabilities recognised at 31 December 2020 benefitted from the discharge of unsecured debt being transferred to the Separate Unit on the part of Astaldi S.p.A..

With reference to the main liabilities recognised at 31 December 2020, it should be noted that:

- non-current liabilities, equal to approximately €34.4 million, are sums paid out by Astaldi S.p.A. as advance liquidation payments as defined in the PFI Regulation, aimed at financing the agreed equity commitments of the companies included in the perimeter of the Separate Unit that hold concession agreements;
- trade payables totalled approximately €11.2 million and mainly related to: payables to third-party suppliers for invoices to be received in relation to the Turkey Debt (approximately €2.8 million), past payables to Astaldi Concessioni (approximately €2.9 million) and invoices to be received from subsidiaries (approximately €5.5 million);
- current financial liabilities, equal to approximately €146.9 million, mainly consisted of: (i) bank loans relating to banks resident in Turkey for approximately €43.8 million; (ii) payables for cash pooling to Astaldi Concessioni for approximately €70.2 million; (iii) loans payable to Astaldi Concessioni for approximately €32.9 million.
  Current financial liabilities showed a total decrease of approximately €5.7 million compared to the value posted at 17 July 2020 due to the exchange differences on payables to the banks resident in Turkey (approximately €1.7 million) and the currency adjustment to cash pooling payables and other payables to Astaldi Concessioni (approximately €4.0 million);
- current provisions for risks related to the impairment of equity investments and showed a decrease of approximately €1.6 million compared to the value posted at 17 July 2020 as a result of the write-down made to the investment in Astaldi Concessioni;
- other current liabilities, recognised for approximately €29.4 million at 31 December 2020, mainly consisted of the preferential debt relating to the settlement agreement signed between Astaldi S.p.A. and SACE S.p.A. at a time before the approval of the composition with creditors procedure on the part of the Court of Rome.

Of the total equity in the Separate Unit's separate accounts recognised at 31 December 2020, an amount of about €627.3 million is due to Astaldi S.p.A.'s unsecured creditors, who have already been assigned PFIs issued. The remainder of approximately €46.5 million is due to unsecured creditors whose status is only a potential one at present; therefore, their portions of PFIs will be issued at a later time on the part of the Separate Unit.

TABLE 6: SEPARATE UNIT – SEPARATE STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2020 COMPARED TO 17 JULY 2020

Breakdown of Separate statement of financial position (€/000)	31/12/2020	17/07/2020
Property, plant and equipment	5,973	6,020
Equity investments	433,191	452,892
Non-current financial assets	247,030	243,503
TOTAL Non-current assets	**686,193**	**702,414**
Trade receivables	15,508	15,556
Contract assets	17,244	17,244
Other receivables and current assets	204,990	199,569
Cash and cash equivalents	1,522	-
TOTAL Current assets	**239,264**	**232,369**
TOTAL ASSETS	**925,456**	**934,783**
TOTAL EQUITY	**673,829**	**693,062**
TOTAL Non-current liabilities	**34,366**	**21,630**
Trade payables	11,196	9,983
Current financial liabilities	146,914	152,662
Current provisions for risks	29,729	28,132
Other current liabilities	29,423	29,314
TOTAL Current liabilities	**217,262**	**220,092**
TOTAL EQUITY AND LIABILITIES	**925,456**	**934,783**

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

On 13 January 2021, ICTAS took steps to pay the amount of USD23,628,953, including interest accrued at 31 December 2020, as first instalment of the total amount due to the Separate Unit. This sum is to be used to pay a part of the current debt to the Turkish Banks, in accordance with the provisions of the PFI Regulation, as well as of the Standstill Agreements signed between the Separate Unit and the Turkish Banks.

As far as it is given to know from what information is available from ICTAS, the completion of the transaction for the sale of the Third Bosphorus Bridge Operator to the Chinese Joint Venture, which would entail the Separate Unit's collecting the remaining part of the sale price in a single amount, has been delayed owing to the COVID-19 emergency and some further steps have to be taken. The procedure could be finalised during the 2021 financial year.

Finally, it should be noted that, as an event that occurred after the reporting date, the holders of PFIs were informed on 16 February 2021 of the convening of the first Special General Meeting of PFI Holders, which was held at the registered office of Astaldi S.p.A. – Separate Unit, in Rome, at Via Giulio Vincenzo Bona no. 65, on 16 March 2021 at 10:00 a.m., in order to discuss and pass resolutions on the following agenda:

- amendments to Articles 1.5, 2.40, 6.1, 7.1 (a), 7.2, 7.9 and 9.2 of the PFI Regulation;

- appointment of the PFI Common Representative in accordance with Article 7.1(a) of the PFI Regulation;
- determination of the fees due to the PFI Common Representative.

Nevertheless, the meeting called for 16 March 2021 was not valid to deliberate the items on the agenda since only 10.21% of the PFIs were present. This was not sufficient to reach the quorum laid down in the PFI Regulation.

RESEARCH AND DEVELOPMENT ACTIVITIES

The Separate Unit did not carry out any R&D activity during the reporting period.

RELATIONS WITH SUBSIDIARIES, ASSOCIATES, PARENT COMPANIES AND ENTITIES CONTROLLED BY PARENT COMPANIES

The table below summarises the credit and debit relationships with the only subsidiary Astaldi Concessioni S.p.A..

TABLE 7: EXPOSURE TO ASTALDI CONCESSIONI S.P.A.

Exposure to Astaldi Concessioni (€/000)	Balance at 31/12/2020
Receivables from Astaldi Concessioni S.p.A.	267,682
Payables to Astaldi Concessioni S.p.A.	-111,435
Total exposure to Astaldi Concessioni S.p.A.	**156,246**

EXPOSURE TO RISKS AND UNCERTAINTIES

The global spread of the COVID-19 emergency exposed the Separate Unit to the consequences of extraordinary measures taken by various world governments in the different countries in which the assets included in the perimeter of the Separate Unit are located, both within and outside Europe.

A number of actions were taken and safeguards were adopted in order to cope with this extraordinary event, on one hand to make an adequate and prompt response to the requirement to protect the health of all the employees and on the other hand to monitor the situation of the assets included in the liquidation perimeter of the Separate Unit so that their economic value is preserved as much as possible and business continuity is supported, in the sense of the capacity to operate with a view to achieving the highest realisable value of the Company's assets.

Taxing economic, global and domestic prospects and public funds that have struggled to respond to the pandemic emergency are leading to the depreciation of many emerging countries' currencies. The devaluation trends tend to coincide with the propagation of the pandemic and have affected entities differently also according to how greatly it is spreading and the consequent measures governments have taken to contain it. We see in particular that, up to now, the Turkish lira has been one of the currencies that have suffered most from the current healthcare crisis.

A risk assessment has been conducted for the Separate Unit with a view to updating the organisational, management and control model under Legislative Decree no. 231 of 2001, as amended and supplemented, of Astaldi S.p.A. (hereinafter the "OM"), and strengthening internal control systems.

The risk assessment has appraised all the processes in the Separate Unit, mapping them for sensitive areas at risk of the commission of criminal offences and identifying control systems.

The special part of the OM, specifically devoted to the Separate Unit, contains the results of the assessment and has been implemented as a specific section in the latest updated version of the OM of Astaldi S.p.A.

Other types of risk impact on the Separate Unit to the same substantial extent as they impact on Astaldi S.p.A., to which report reference should be made for more information on risks and uncertainties.

The Separate Unit, however, has a risk assessment system that evaluates the possibility of risks having a material impact on their specific processes.

For more information, reference should be also made to the paragraph on the Risk Management in the Notes to the consolidated and separate financial statements that accompany this Explanatory Report.

OUTLOOK

According to the Composition Plan of Astaldi S.p.A., the sole objective of the Separate Unit is the satisfaction of the Unsecured Creditors of Astaldi S.p.A.; accordingly, all the preliminary and subsequent action necessary to sell the assets to be liquidated within the time and in the manner laid down will be taken in conformity to the Plan and the Proxy's mandate.

Similarly, in compliance with operational obligations, payments of equity and shareholder loans related to assets still being developed will continue, as will also the ongoing monitoring of the particular aspects of each asset.

LIST OF SUB-OFFICES

No sub-offices are included in the perimeter of the Separate Unit assets.

CONCLUSIONS

The Financial Report of the Separate Unit showed a consolidated net loss of approximately -€26.6 million at 31 December 2020.

No sale process was completed between 17 July and 31 December 2020 such as to create liquidity in the net liquidation proceeds that could be distributed to the holders of PFIs, in accordance with the provisions of the PFI Regulation.

Therefore, no partial distributions are planned in favour of the holders of PFIs from the results at 31 December 2020.

Roma, 16 March 2021

for the Separate Unit
The Proxy
Claudio Sforza

CONSOLIDATED FINANCIAL STATEMENTS OF THE SEPARATE UNIT AT 31.12.2020

PICTURE 5: GEBZE OTOYOL IZMIR MOTORWAY (GOI) - TURKEY

ASTALDI
PATRIMONIO DESTINATO

CONTENTS OF THE SECTION

Consolidated Financial Statements of the Separate Unit

Consolidated Statement of Profit or Loss

(€'000)	Note	FY ended 31 December 2020
Other revenue and income	5.1	515
Purchase costs		(1)
Service costs	5.2	(2,101)
Personnel expenses	5.3	(33)
Other operating costs	5.4	(145)
Amortisation, depreciation and impairment losses	5.5	(4,080)
Operating loss		**(5,845)**
Loss on equity-accounted investments	5.6	(25,754)
Net financial income (expense)	5.7	13,890
Net exchange gains / (losses)	5.8	(8,864)
Pre-tax loss		**(26,573)**
Income taxes	5.9	(45)
Loss for the period		**(26,618)**

Consolidated Statement of Comprehensive Income

(€'000)	**Note**	**FY ended 31 December 2020**
Loss for the period		(26,618)
Change in subordinated loans at FVOCI[11]	6.3	2,410
Comprehensive loss for the period		**(24,208)**

[11] With reference to the FVOCI Changes shown in the table, it should be noted that IFRS 9, provides, among other things, for the possibility of classifying financial assets at fair value through other comprehensive income (hereinafter also "FVOCI"). A financial asset is classified among financial assets at fair value through other comprehensive income if both of the following conditions are met: (i) the financial asset is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; (ii) the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest determined on the amount of the outstanding nominal value (SPPI).
Following the analyses of the business model on the basis of which the Company intends to manage the subordinated loans (semi-equity) granted to the SPVs of the business line of concessions, it was necessary to classify part of these loans within the category under consideration.

Consolidated Statement of Financial Position

(€'000)	Note	At 31 December 2020
Property, plant and equipment	6.1	5,974
Equity-accounted investments	6.2	482,985
Non-current financial assets	6.3	81,437
Deferred tax assets	6.4	327
Other non-current assets		3
Total non-current assets		**570,726**
Trade receivables	6.5	15,508
Contract assets	6.6	17,244
Tax assets	6.7	537
Other current receivables and assets	6.8	179,304
Cash and cash equivalents	6.9	1,656
Total current assets		**214,249**
Non-current assets held for sale	6.10	2,089
Total assets		**787,064**
Reserve for Participating Financial Instruments (PFIs)	6.11	668,854
Total equity of PFIs		**668,854**
Non-current loans and borrowings	6.12	34,366
Deferred tax liabilities		2,832
Total non-current liabilities		**37,198**
Current loans and borrowings	6.12	45,144
Payables to suppliers	6.13	4,764
Tax liabilities	6.14	84
Other current payables and liabilities	6.15	31,020
Total current liabilities		**81,012**
Total liabilities		**118,210**
Total equity and liabilities		**787,064**

Consolidated Statement of Cash Flows

(€'000)	Note	FY ended 31 December 2020
Pre-tax loss		(26,573)
Adjustments for:		
Amortisation, depreciation and impairment losses	5.5	4,084
Releases of provision for write-down	5.5	(4)
Net financial (income)/expense	5.7	(13,890)
Profit / (Loss) on equity-accounted investments	5.6	25,754
Other non-monetary items		10,269
Cash flows generated in operating activities before changes in net working capital		**(360)**
Change in trade receivables	6.5	145
Change in trade payables	6.13	975
Change in other assets/liabilities	6.3 - 6.4 - 6.6 - 6.8 -6.10 - 6.14	(1,619)
Net cash flows generated in operating activities		**(859)**
Total change in cash and cash equivalents	6.9	1,550
Opening cash and cash equivalents	6.9	106
Closing cash and cash equivalents		**1,656**

Consolidated Statement of Changes in Equity of PFIs

(€'000)	**Reserve for Participating Financial Instruments (PFIs)**	*of which: Other comprehensive income*
At 17 July 2020	**693,062**	-
Loss for the period	(26,618)	-
Change in subordinated loans at FVOCI	2,410	*2,410*
At 31 December 2020	**668,854**	***2,410***

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General information

The Separate Unit, and the companies it controls, were established in accordance with article 2447-*bis* et seq. of the Italian Civil Code in the implementation of the Composition with Creditors Proposal of Astaldi S.p.A. that was filed with the Court of Rome on 14 February 2019 (as updated on 19 June 2019 and subsequently supplemented on 16 July 2019, 20 July 2019 and 2 August 2019) and was approved with a favourable vote by the majority of Astaldi S.p.A.'s composition creditors admitted to vote in April 2020.

On 17 July 2020, the set-up of the Separate Unit became effective following the final approval of the composition with creditors procedure of Astaldi S.p.A..

Finally, on 6 November 2020, there was the completion of the capital increase of Astaldi S.p.A. reserved for WeBuild S.p.A. ("**Webuild**"), through which, in exchange for an injection of €225 million, WeBuild acquired control over the capital of Astaldi S.p.A., holding a total stake of approximately 66% at present.

At the same time as the above-mentioned capital increase, the participating financial instruments of the Separate Unit (PFIs) were issued in favour of the Unsecured Creditors of Astaldi S.p.A., as required by the Composition Proposal.

The Composition Proposal provides for the allocation of the net proceeds from the sale of the assets transferred to the Separate Unit in favour of Astaldi S.p.A.'s Unsecured Creditors.

In particular, the issue of the PFIs assigned to Astaldi S.p.A.'s Unsecured Creditors took place at the same time as the execution of the capital increases of Astaldi S.p.A. (6 November 2020). The unsecured creditors of Astaldi S.p.A. were granted 1 PFI for each €1 of unsecured claim they claimed against Astaldi S.p.A.. This right shall also be granted to those unsecured creditors that may be confirmed at a later time after the approval. Therefore, it should be noted that additional PFIs may be issued to unsecured creditors that were not included in the Composition Plan as at the date of the shareholders' meeting resolution that approved it, provided that in the meantime the claims of such creditors have been ascertained by a final or provisionally enforceable judgment, or acknowledged by Astaldi S.p.A. in writing.

The holders of PFIs are granted the right to receive the net proceeds from the sales of the assets included in the Separate Unit, net of any related transaction costs, any and all applicable taxes and duties and any prior liabilities included in the Separate Unit, as provided for in the PFI Regulation, the Composition Proposal and related annexes, as well as any additional amount relating to liabilities, including contingent liabilities, which shall be borne by the Separate Unit.

The specific business for which the Separate Unit is intended is therefore the satisfaction of Astaldi S.p.A.'s unsecured creditors, who will benefit, through the PFIs, from the proceeds from the liquidation of the assets forming part of the Separate Unit.

The Separate Unit has been incorporated and is domiciled in Italy, with registered office in Rome, at Via Giulio Vincenzo Bona no. 65, and is organised according to the legal system of the Italian Republic.

2. Summary of accounting standards

This section provides a description of the most significant accounting standards adopted to prepare these consolidated financial statements for the period ended 31 December 2020 (hereinafter the "**2020 Consolidated Financial Statements**").

It should be noted that, as provided for in the Composition Proposal, the resolution passed by the Board of Directors of Astaldi S.p.A. on 24 May 2020, which provided for the establishment of a Separate Unit in accordance with article 2447-bis et seq. of the Italian Civil Code, became effective on the date the composition with creditors procedure of Astaldi S.p.A. was approved by the Court of Rome on 17 July 2020.

In other words, the date of 17 July 2020 is the date of incorporation of the Separate Unit, i.e. the date of first recognition of the assets, liabilities and legal relationships it received from Astaldi S.p.A.. For this reason, the 2020 Consolidated Financial Statements describe the performance of operations of the Separate Unit from 17 July 2020 to 31 December 2020 and relate to the first reporting period of the Separate Unit.

2.1 Basis of preparation

(i) *Introduction*

The 2020 Consolidated Financial Statements constitute the first consolidated accounts prepared by the Separate Unit and the financial period ended 31 December 2020 coincides with the period running from 17 July 2020, i.e. the date when the Separate Unit was established, to 31 December 2020, the reporting date of the financial period.

(ii) *Compliance with EU-IFRS*

The 2020 Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards, issued by the International Accounting Standards Board, and adopted by the European Union ("**EU-IFRS**"). By "EU-IFRS" are meant all International Financial Reporting Standards, all International Accounting Standards ("**IAS**"), all the interpretations of the International Financial Reporting Interpretations Committee ("**IFRIC**"), previously known as the Standing Interpretations Committee ("**SIC**"), which, as at the date of approval of the 2020 Consolidated Financial Statements, had been already endorsed by the European Union in accordance with the procedure laid down in Regulation (EC) No. 1606/2002 of the European Parliament and the European Council of 19 July 2002.

The 2020 Consolidated Financial Statements have also been prepared on the basis of the best knowledge of the EU-IFRS and by taking account of the best practice on the subject; any possible future interpretation guidelines and revisions will be reflected in the accounts for the subsequent financial periods, according to the methods provided for by the reference accounting standards from time to time.

2.2 Form and content of accounting statements

The 2020 Consolidated Financial Statements have been prepared in Euro, which is the currency of the prevailing economic environment in which the Separate Unit operates. All amounts included herein are shown in thousands of Euros, except as otherwise stated.

The schedules forming part of the 2020 Consolidated Financial Statements and the related classification criteria adopted by the Separate Unit, within the scope of the options provided for in IAS 1 – "Presentation of Financial Statements", are listed below:

- *the consolidated statement of financial position* has been prepared by classifying assets and liabilities on a "current/non-current" basis;

- *the consolidated statement of comprehensive income* - the schedule of which applies a classification of costs and revenues based on their nature - shows the results of operations, added to by the items that are recognised directly under equity, other than those relating to transactions carried out with the Separate Unit's PFI holders, as expressly required by EU-IFRS;

- *the consolidated statement of cash flows* has been prepared by showing the cash flows from operating activities according to the "indirect method";

- *the consolidated statement of changes in equity of the PFIs* for the period running from 17 July 2020 to 31 December 2020.

The schedules that have been used are those that provide the best representation of the results of operations, financial position and cash flows of the Separate Unit and its subsidiary.

Classification of assets and liabilities as current or non-current

The Separate Unit and its subsidiary classify an asset as a current item when:

- it is held for sale or consumption, or is expected to be realised, in the normal course of their operating cycle;
- it is held primarily for the purpose of trading;
- they expect to realise it within twelve months after the reporting period; or
- it consists of cash or cash equivalents the use of which is not subject to restrictions or limitations that would prevent its use for at least twelve months after the reporting period.

All assets that do not meet the conditions listed above are classified as non-current items.

The Separate Unit and its subsidiary classify a liability as a non-current item when:

- they expect to settle the liability in their normal operating cycle;
- they hold it primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- they do not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All liabilities that do not meet the conditions listed above are classified as current items.

2.3 Consolidation criteria and methods

In accordance with the provisions of IFRS 3 "Business Combinations" (hereinafter "**IFRS 3**"), the Separate Unit does not appear to constitute a company activity (i.e. a business). This is because, by its very nature, the Separate Unit is not characterised by any process that contributes to generating income.

The assets and legal relationships included in the perimeter of the Separate Unit can, in substance, be described as assets intended for liquidation. These assets have in fact been "segregated" within the Separate Unit, in line with the provisions of the Composition Proposal, not for the purpose of creating production, as required by IFRS 3, but rather for the sole purpose of satisfying Astaldi S.p.A.'s unsecured creditors; since in the meantime the latter have become holders of PFIs, which incorporate the related rights to receive the proceeds of the Separate Unit, they will benefit from the net proceeds deriving from the sale of the aforesaid assets.

In view of the above provisions and assuming that the Separate Unit itself does not constitute a business (as defined by IFRS 3), it is therefore believed that the assets and legal relationships that have been transferred to the Separate Unit and its subsidiaries can be reasonably treated as a set of assets that are not aggregated with each other and that are managed by a single Proxy in the exclusive interests of Astaldi S.p.A.'s unsecured creditors.

In providing for the cases in which the standard does not apply (i.e. in the case of the group of assets under consideration), IFRS 3 establishes that in case of an acquisition of an asset or a group of assets that do not constitute a business "the acquirer shall identify and recognise the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets in IAS 38 Intangible Assets) and liabilities assumed. The cost of the group shall be allocated to the individual identifiable assets and liabilities based on the basis of their relative fair values at the date of purchase. Such a transaction or event does not give rise to goodwill."

As noted above, since all the net assets transferred to the Separate Unit and its subsidiaries are not intended to "create production" and do not therefore constitute an independent going concern, upon "initial recognition" (17 July 2020) the assets and legal relationships transferred to the Separate Unit were measured at their respective fair values, which consist of their acquisition cost as at 17 July 2020, the date when the Separate Unit was established.

After initial recognition, the assets and legal relationships referred to above have been accounted for according to the accounting standards applicable to each case from time to time. As a result, the figures at 31 December 2020 take account of the changes that occurred between 17 July 2020 and 31 December 2020 arising, at least in part, from the application of the criteria to account for each case, as well as from the recognition of the results of the impairment tests carried out on the individual assets.

(i) Subsidiaries

An investor controls an entity when it has: i) exposure, or rights, to variable returns and ii) the ability to use its power over the investee to affect the amount of the investor's returns. An investor shall reassess whether it controls the entity if facts and/or circumstances indicate that there are changes to one or more of the above-mentioned elements of control.

Subsidiaries are consolidated on a line-by-line basis as from the date on which control was acquired and cease to be consolidated as from the date on which control is transferred to third parties.

The table below shows the scope of consolidation at 31 December 2020:

(In Euro)	**Country**	**Registered office**	**At 31 December 2020**	**Functional currency**	**Share capital**
			% of direct ownership		**Nominal value**
Astaldi Concessioni S.p.A.	Italy	Rome	100%	EUR	22,635,327

It should be noted that the reporting date of the financial statements of Astaldi Concessioni S.p.A. coincides with that of the Separate Unit (31 December 2020).

It is understood that Astaldi Concessioni, a company that is wholly owned by the Separate Unit and that already existed before the latter was established, will prepare its financial statements in continuity with what was done in previous financial periods and in accordance with the reference accounting standards.

For the sole purposes of preparing the 2020 Consolidated Financial Statements of the Separate Unit, the assets of Astaldi Concessioni will be valued according to the reference accounting standards applicable to the Separate Unit.

The criteria adopted for line-by-line consolidation are as follows:

- assets and liabilities, as well as income and costs of subsidiary entities are recorded on a line-by-line basis, attributing the related share of equity and net profit (loss) for the period to minority shareholders, where applicable; these shares are shown separately under equity and in the statement of comprehensive income
- profits and losses, including any related tax effect, arising from transactions carried out between companies consolidated on a line-by-line basis and not yet realised with third parties are eliminated, except for any losses that are not eliminated if the transaction provides evidence of an impairment of the transferred asset. The mutual relationships involving payables and receivables, costs and revenues, as well as financial income and expense are also eliminated;
- any difference between the acquisition cost and the relevant portion of equity relating to investments acquired after control has been obtained (acquisition of non-controlling interests) is recognised as equity attributable to the Separate Unit and its subsidiaries; similarly, gains and losses deriving from the sale of non-controlling interests without loss of control are recognised in equity;
- if a sale of equity investments results in a loss of control, the Separate Unit and its subsidiaries:
  - eliminate the assets (including goodwill) and liabilities of the subsidiary at their carrying amount on the date of loss of control;
  - eliminate the carrying amount of non-controlling interests at the date of loss of control (including the accumulated value of other comprehensive income attributable to them);
  - recognise the fair value of the proceeds of the transaction that resulted in the loss of control;
  - recognise any retained residual equity investment at fair value as at the date of loss of control. The value of any retained equity investment, aligned with its fair value as at the date of loss of control, is the new book value of the investment, which also constitutes the reference value for any subsequent measurement according to the applicable accounting policies;
  - reclassify, through the consolidated statement of profit or loss, any amount recognised as other comprehensive income relating to the investee whose control has been lost, for which a transfer to profit or loss is required. If their transfer to profit or loss is not required, these amounts are transferred to the equity item of "Reserves for profits carried forward";
  - recognise the resulting difference in the consolidated income statement as profit or loss attributable to the Separate Unit.

(ii) Associates

Associates are those companies over which the Separate Unit and its subsidiaries exercise significant influence, which is presumed to exist when the investment is of between 20% and 50% of voting rights.

Associates are initially recognised at fair value and are subsequently measured according to the equity method.

The method for applying the equity method is described below:

- the book value of equity-accounted investments is aligned with the equity of the related company, as adjusted, if necessary, to reflect the application of EU-IFRS and includes the recognition of the higher values attributed to assets and liabilities and goodwill (if any), identified at the date of acquisition, through a process similar to that described above for business combinations;
- any profits or losses attributable to the Separate Unit and its subsidiaries are accounted for from the date on which the significant influence commenced and until the date on which it ceases. If, as a result of losses, the equity-accounted company shows a negative equity, the carrying amount of the investment is cancelled and any surplus attributable to the Separate Unit and its subsidiaries is recognised under a specific provision for risks where the latter has undertaken to fulfil legal or implicit obligations of the investee, or in any case to cover its losses; any changes in the equity of equity-accounted companies, which are not reported in the result of the statement of profit or loss, are accounted for directly in the statement of comprehensive income;
- any unrealised gains and losses generated from transactions carried out between the Separate Unit/subsidiaries and the equity-accounted investee are eliminated in proportion to the value of the interest held by the Separate Unit and its subsidiaries in the investee itself, except for any losses that consist of an impairment of the underlying asset, and dividends that are eliminated in full.

  If there is any objective evidence of impairment losses, the investment in associates is tested for recoverability by comparing their book value with the related recoverable amount. When the reasons for any write-down cease to apply, the value of the equity investments is reversed within the limits of the write-downs made, with the effect charged to profit or loss.

  The sale of shares of investment that results in the loss of joint control or significant influence over the investee entails the recognition in the consolidated statement of profit or loss of the difference between:
  - the fair value of any retained residual equity investment and the proceeds arising from the sale of the shares of investment; and
  - the book value of the investment at the date on which the equity method was abandoned.

2.4 Accounting policies

The sections below provide a brief description of the most significant accounting standards and policies used to prepare the 2020 Consolidated Financial Statements.

Statement of financial position

Property, plant and equipment

These are recognised at fair value and subsequently depreciated. Revaluations of property, plant and equipment are not permitted, even in application of specific laws.

Property, plant and equipment are depreciated systematically on a straight-line basis over their technical and economic useful life, which is the estimated period over which the asset will be used by the Separate Unit and its subsidiaries. This period runs from the month in which the use of the asset commences or could have commenced. When the tangible asset consists of more than one significant component with different useful lives, depreciation is carried out for each component. The value to be depreciated consists of the book value reduced by the presumed net disposal value at the end of its useful life. Land is not depreciated, even if purchased together with a building, as are tangible assets held for sale. Any changes in the depreciation schedule, deriving from a review of the useful life of the tangible asset, the residual value or the methods for obtaining the economic benefits of the asset, are recognised on a prospective basis.

Depreciation methods and periods

Depreciation begins when the asset becomes available for use and is carried out systematically in relation to the residual possibility of its use, namely on the basis of the estimated useful life.

Below is the estimated useful life of the main tangible assets:

PROPERTY, PLANT AND EQUIPMENT	Estimated useful life (in years)
Buildings	30
Plant and equipment	10

<u>*Impairment of property, plant and equipment*</u>

Property, plant and equipment with definite useful life

At each reporting date of the consolidated financial statements, a test is carried out in order to assess whether tangible assets show any evidence of impairment loss. Both internal and external sources of information are considered for this purpose. Internal sources consider the following elements: the obsolescence or physical deterioration of the asset, any significant changes in the intended use of the asset and the economic performance of the asset compared to what was expected. Instead, external sources consider the following elements: the market price trend of the assets, any technological, market or regulatory discontinuities, the trend in market interest rates or the cost of capital used to measure investments.

If there is any evidence of impairment, the recoverable value of the aforesaid assets is estimated, allocating any write-down compared to the related book value to profit or loss. The recoverable value of an asset consists of the higher of its fair value, net of ancillary selling costs, and its value in use, i.e. the present value of the future cash flows estimated for the asset. In determining the value in use, the expected future cash flows are discounted by using a pre-tax discount rate that reflects the current market valuations of the cost of money, in relation to the period of the investment and the specific risks attached to the asset. The recoverable value of an asset that does not generate largely independent cash flows is determined in relation to the cash generating unit ("**CGU**") to which the asset belongs.

An impairment loss is recognised through profit or loss if the book value of the asset, or of the related CGU to which it is allocated, is higher than its recoverable value. Any impairment of CGUs is firstly recognised as a reduction in the book value of any goodwill allocated thereto and, then, as a reduction in other assets, in proportion to their book value and within the limits of the related recoverable value. If the reasons for a previous write-down cease to apply, the book value of the asset is reversed and charged to profit or loss, within the limits of the net carrying amount that the asset in question would have had if no write-down had been made and the related depreciation had been carried out.

<u>*Financial assets*</u>

Upon initial recognition, financial assets must be classified into one of the three categories listed below on the basis of the following elements:

- the entity's business model used to manage financial assets; and

- the characteristics relating to the contractual cash flows of the financial asset.

Financial assets are subsequently derecognised from the consolidated financial statements only if the sale has involved the substantial transfer of all risks and rewards associated therewith. On the other hand, if a significant share of the risks and rewards has been retained in relation to the transferred financial assets, the latter continue to be entered in the consolidated financial statements, even if the legal title to the assets has actually been transferred.

Financial assets measured at amortised cost

This category includes financial assets that meet both of the following conditions:
- the financial asset is held under a business model whose objective is achieved by collecting contractually agreed cash flows (Hold-to-Collect business model); and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the amount of capital to be repaid ("SPPI test" passed).

Upon initial recognition, these assets are accounted for at fair value, including transaction costs or income directly attributable to the instrument itself. After initial recognition, the financial assets under consideration are measured at amortised cost, using the effective interest method. The amortised cost method is not used for assets – measured at historical cost - whose short-term life makes the effect of applying discounting-back negligible, as well as for those without a definite maturity and for uncommitted credit facilities.

Financial assets measured at fair value through comprehensive income

This category includes financial assets that meet both of the following conditions:
- the financial asset is held under a business model whose objective is achieved by both collecting contractually agreed cash flows and by selling the financial asset (Hold-to-Collect business model); and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the amount of capital to be repaid ("SPPI test" passed).

This category includes equity investments that do not qualify as subsidiaries, associates and joint ventures and are not held for trading purposes, for which the option has been exercised to designate them at fair value though comprehensive income.

Upon initial recognition, the assets are accounted for at fair value, including transaction costs or income directly attributable to the instrument itself. After initial recognition, equity investments other than those held in subsidiaries, associates and joint ventures are measured at fair value, and the amounts recognised against an entry in equity (Statement of Comprehensive Income) must not subsequently be transferred to profit or loss, even in the event of any disposal. The only component referable to these equity instruments that is subject to recognition through profit or loss consists of the related dividends.

As regards the equity instruments included in this category, which are not listed in an active market, the cost criterion is used as an estimate of the fair value only on a residual basis and limited to a few circumstances, namely if insufficient more recent information is available to measure fair value, or if there is a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

Financial assets measured fair value through profit or loss

This category includes financial assets other than those classified among "Financial assets measured at amortised cost" and among "Financial assets measured at fair value through comprehensive income".

Upon initial recognition, financial assets measured at fair value through profit or loss are stated at fair value, without considering transaction costs or income directly attributable to the instrument itself. On subsequent reporting dates they are measured at fair value through profit or loss.

Impairment of financial assets

In accordance with the provisions of IFRS 9, the Separate Unit and its subsidiaries apply a simplified approach in order to estimate expected credit losses over the entire life of the instrument and take into account their past experience regarding credit losses, as adjusted on the basis of prospective factors that are specific to the nature of the Separate Unit's and its subsidiaries' claims and the economic environment.

In summary, the Separate Unit and its subsidiaries measure expected losses on financial assets so as to reflect:

- an unbiased, probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date of the consolidated financial statements about past events, present conditions, and forecasts of future economic conditions.

A financial asset is impaired when one or more events have occurred which have an adverse impact on its estimated future cash flows. Observable data relating to the following events constitute evidence that the financial asset is impaired (it may not be possible to identify a single event: the impairment of financial assets may be due to the combined effect of various events):

a) significant financial difficulty of the issuer or debtor;
b) a breach of contract, such as a default or past due event;
c) for economic or contractual reasons relating to the debtor's financial difficulty, the creditor grants to the debtor a concession that the creditor would not otherwise consider;
d) it becomes probable that the debtor will enter bankruptcy or any other financial reorganisation;
e) the disappearance of an active market for that financial asset due to financial difficulties; or
f) the purchase or origination of the financial asset at a deep discount that reflects incurred credit losses.

For financial assets accounted for at amortised cost, when an impairment loss has been identified, its value is measured as the difference between the book value of the asset and the present value of expected future cash flows, as discounted on the basis of the initial effective interest rate. This value is recognised through profit or loss.

Derecognition of financial assets and liabilities

Financial assets are derecognised when one of the following conditions is met:

- the contractual right to receive cash flows from the asset has expired;
- the Separate Unit and its subsidiaries have substantially transferred all risks and rewards associated with the asset;
- the Separate Unit and its subsidiaries have neither transferred nor retained substantially all the risks and rewards associated with the financial asset but have relinquished control over it.

Financial liabilities are derecognised when they are extinguished, i.e. when the contractual obligation is fulfilled, cancelled or becomes statute-barred. An exchange of debt instruments with substantially different contractual terms must be accounted for as an extinguishment of the initial financial liability and the recognition of a new financial liability. Similarly, a substantial change in the contractual terms of an existing financial liability, even partially, must be accounted for as an extinguishment of the initial financial liability and the recognition of a new financial liability.

Offsetting financial assets and liabilities

The Separate Unit and its subsidiaries offset financial assets and liabilities if and only if:

- there is a legally enforceable right to offset the amounts recognised in the consolidated financial statements;
- there is an intention either to offset on a net basis or to realise the asset and settle the liability simultaneously.

Cash and cash equivalents

Cash and cash equivalents include cash and demand deposits, as well as financial assets with an original maturity of three months or less, readily convertible into cash and subject to an insignificant risk of changes in value. The items of cash and cash equivalents are measured at fair value. Time deposits that do not meet the requirements of IFRS are not included in cash and cash equivalents.

Short-term bank deposits with an original maturity of three months or more that do not meet the requirements of IAS 7 are included in a specific item of current assets.

Collection transactions are recorded by date of bank transaction, while the date of payment order is also taken into account for payment transactions.

Financial liabilities and payables to suppliers

Financial liabilities and payables to suppliers are recorded when the Separate Unit and its subsidiaries become a party to the related contract and are initially measured at fair value adjusted for directly-attributable transaction costs.

Subsequently, they are measured at amortised cost using the effective interest method.

Financial liabilities are derecognised from the consolidated financial statements when the contractual rights to the related cash flows expire or when the financial liability is disposed of with the substantial transfer of all the risks and rewards deriving from its ownership.

Provisions for risks and charges

Provisions for risks and charges concern costs and charges of a determined nature and whose existence is certain or probable, the amount and/or date of occurrence of which could not be determined at the reporting date of the consolidated financial statements. Accruals to such provisions are recognised when:

- it is probable that there is a present obligation (either legal or constructive) arising from a past event;
- it is probable that an outflow of resources will be required to settle the obligation;
- the amount of the obligation can be estimated reliably.

The amount recognised as a provision is the best estimate of the amount that the Separate Unit and its subsidiaries would reasonably pay to settle the obligation or to transfer it to third parties at the reporting date of the consolidated financial statements. Where the effect of the time value of money is material and the payment dates of the obligations can be estimated reliably, the provision is determined by discounting the expected cash flows that are determined by taking account of the risks associated with the obligation; the increase in the provision due to the passage of time is recognised as "Financial expense" through profit or loss.

Provisions are updated periodically in order to reflect changes in cost estimates, the time needed to fulfil the obligation and the discount rate; reviews of estimates are charged to the same item of the statement of profit or loss to which the provision has been previously charged. Provisions for risks and charges are subject to discounting if it is possible to reasonably estimate the time when the cash outflows will occur. When the liability relates to property, plant and equipment, changes in the estimate of the provision are recognised as a contra-entry against the asset to which they refer, within the limits of the book values; any possible surplus is recognised through profit or loss.

If it is envisaged that all or part of the expenses required to settle an obligation will be reimbursed by third parties, the indemnity, when virtually certain of being obtained, is recognised as a separate asset.

Fair value measurement

Fair value measurement and related disclosures are carried out in accordance with IFRS 13 - Fair Value Measurement. The fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

A fair value measurement assumes that the transaction to sell an asset or to transfer a liability takes place in the principal market, i.e. the market with the greatest volume and level of activity for the asset or liability. In the absence of a principal market, the transaction is assumed to take place in the most advantageous market to which the Separate Unit and its subsidiaries have access, i.e., the market that maximises the amount that would be received to sell the asset or minimises the amount that would be paid to transfer the liability.

The fair value of an asset or liability is determined by considering the assumptions that market participants would use when pricing the asset or liability, assuming that they are acting in their best economic interest. Market participants are buyers and sellers who are independent of each other and knowledgeable, as well as able and willing, but not obliged or induced, to enter into a transaction for the asset or liability.

Fair value measurement of financial instruments

The fair value of listed financial instruments is determined by applying prices that are directly observable on the market, while specific valuation techniques are required for unlisted financial instruments, which make use of the greatest possible number of inputs observable on the market. When this is not possible, inputs are estimated by management taking account of the characteristics of the instruments being valued. Changes in assumptions made in estimating inputs could affect the fair value recognised in the consolidated financial statements for these instruments.

The levels of financial instruments classified on the basis of a hierarchy that reflects the significance of the inputs used in measuring fair value are reported below (IFRS 13 - Fair Value Measurement):

- Level 1: quoted prices (active market): inputs are quoted prices in active markets for assets or liabilities that are identical to those being valued.
- Level 2: inputs that are observable on the market (e.g., for derivatives, exchange rates observed by the Bank of Italy, market rate curves, volatility provided by Bloomberg, credit spreads calculated on the basis of Credit default swaps, etc.) other than quoted prices included within Level 1;
- Level 3: inputs are unobservable on the market (own assumptions, for example, cash flows, risk-adjusted spreads, etc.).

Statement of profit or loss

Revenue recognition

Revenue from contracts with customers is recognised when the following conditions are met:
- the contract with a customer has been identified;
- the performance obligations in the contract have been identified;
- the transaction price has been determined;
- the price has been allocated to the performance obligations in the contract;
- the performance obligation in the contract has been fulfilled.

The Separate Unit and its subsidiaries recognise revenue from contracts with customers when (or as) they fulfil the performance obligation by transferring the promised good or service (i.e., asset) to the customer. The asset is transferred when (or as) the customer obtains its control.

The Separate Unit and its subsidiaries transfer the control of the good or service over time, and therefore fulfil the performance obligation and recognise revenue over time, if one of the following criteria is met:
- the customer simultaneously receives and uses the rewards arising from the entity's performance as the latter performs it;
- the performance of the Separate Unit and its subsidiaries creates or improves the asset (e.g., work in progress) that the customer controls as the asset is originated or improved;
- the performance of the Separate Unit and its subsidiaries does not originate an asset that presents an alternative use for the Separate Unit and its subsidiaries and they have the enforceable right to payment for the completed performance until the relevant date.

If the performance obligation is not fulfilled over time, it is fulfilled at a point in time. In this case, the Separate Unit and its subsidiaries recognise the revenue at the time when the customer obtains control of the promised asset.

The contractual consideration included in contracts with customers may include fixed amounts, variable amounts, or both of them. If the contractual consideration includes a variable amount (e.g., discounts, price concessions, incentives, penalties, or any other similar item), the Separate Unit and its subsidiaries must estimate the amount of consideration to which they will be entitled in exchange for transferring promised goods or services to a customer. The Separate Unit and its subsidiaries include the amount of the estimated variable consideration in the transaction price if, and only to the extent that, it is highly probable that there will no significant downward adjustment to the amount of recognised cumulative revenue when the uncertainty associated with the variable consideration has been subsequently resolved.

The Separate Unit and its subsidiaries allocate the transaction price to each performance obligation on the basis of the stand-alone selling prices (SSPs) of each performance obligation. When an SSP does not exist, the Separate Unit and its subsidiaries estimate the SSP by using an adjusted market approach.

The Separate Unit and its subsidiaries apply judgment in determining performance obligations, variable consideration and transaction price allocation.

The incremental costs of obtaining contracts with customers are accounted for as an asset and amortised over the term of the underlying contract if the Separate Unit and its subsidiaries expect to recover them. These costs are the costs that the Separate Unit and its subsidiaries incur to obtain a contract with customers that they would not have incurred if the contract had not been successfully obtained. The costs that would have been incurred even if the contract had not been obtained must be recognised as an expense when they are incurred, unless they can be explicitly charged to the customer even if the contract is not obtained.

Costs incurred to fulfil contracts with customers are capitalised as assets and amortised over the term of the underlying contract only if such costs do not fall within the scope of another accounting standard (e.g., IAS 2 - Inventories, IAS 16 - Property, Plant and Equipment, and IAS 38 - Intangible Assets) and meet all of the following conditions:

- the costs relate directly to a contract or an anticipated contract, which the entity can specifically identify;
- the costs generate or enhance resources of the entity that will be used in satisfying (or continuing to satisfy) its performance obligations in the future;
- the costs are expected to be recovered.

Cost recognition

Costs are recognised on an accruals basis when they relate to services and goods that have been purchased or consumed during the financial period or for systematic allocation or when their future useful life cannot be identified.

Income and expenses arising from the disposal and/or sale of non-current assets are recognised under the specific item of "Capital gains / (losses) on disposal of non-current assets" of the statement of profit or loss.

Financial income and expense are recognised through profit or loss during the financial period in which they accrue.

Foreign currency transactions

Revenues and costs relating to transactions denominated in currencies other than the functional currency are stated at the exchange rate prevailing on the date when the transaction is carried out.

Monetary assets and liabilities denominated in currencies other than the functional currency are translated into the functional currency by using the exchange rate prevailing at the reporting date of the consolidated financial statements, with effect through profit or loss. Non-monetary assets and liabilities denominated in currencies other than the functional currency and measured at cost are stated at the exchange rate prevailing at the date of initial recognition; when measurement is carried out at fair value, or at the recoverable or realisable value, the entity adopts the exchange rate that is prevailing at the date when this value is determined.

Income taxes

Current income taxes for the financial period, recognised among "Tax liabilities", net of advances paid, or among "Tax assets" when the net balance is a credit, are calculated on the basis of estimated taxable income and in accordance with current tax legislation. Taxable income differs from net profit in the income statement in that it excludes income and cost components that are taxable or deductible in other financial periods, or that are not taxable or deductible at all. In particular, these payables and receivables are determined by applying the tax rates set out in the regulations in force at the reporting date.

Current taxes are recognised in the statement of profit or loss, except for those relating to items recorded outside this statement, which are recognised directly in equity.

Deferred tax assets and liabilities are calculated on the temporary differences between the balance sheet values recorded in the financial statements and the corresponding values recognised for tax purposes, applying the tax rate prevailing at the date when the temporary difference is reversed, determined on the basis of the tax rates set out in the regulations in force at the reporting date.

Deferred tax assets for all taxable temporary differences, tax losses or unused tax credits are recognised when their recovery is probable, i.e. when it is expected that sufficient taxable income will be available in the future to recover the asset. Deferred tax assets are tested for recoverability at the end of each period. Deferred tax assets that are not recognised in the financial statements are reassessed at each reporting date of the financial statements and are recognised to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are recognised in the statement of profit or loss, except for those relating to items recorded outside this statement, which are recognised directly in equity.

Deferred tax assets and liabilities arising from the application of regulations enacted by the same tax authority are offset if there is a legally enforceable right of offsetting current tax assets against current tax liabilities that will be generated when they are reversed.

Deferred tax assets are classified among non-current assets and are offset at the level of each tax jurisdiction, if they relate to taxes that can be offset. The credit balance of offsetting is stated among "Deferred tax assets".

Related parties

Related parties are those that share with the Separate Unit and its subsidiaries the same controlling entity, companies that directly or indirectly control them, are controlled or are subject to joint control by the Separate Unit and its subsidiaries and those in which they hold an interest such as to be able to exercise significant influence. The definition of related parties also includes the members of the Board of Directors of Astaldi S.p.A. and executives with strategic responsibilities, who are those who have the power and responsibility, either directly or indirectly, for the planning, management and control of the operations of the Separate Unit and its subsidiaries.

Due to the reasons behind its establishment, the Separate Unit must only pursue the interests of the PFI holders and not even those of the Astaldi Group, given that in no case may the results of the Separate Unit's operations benefit Astaldi S.p.A. or the shareholders of Astaldi S.p.A.. For this purpose, the Separate Unit's Proxy is granted full operational autonomy, under the resolution and the Proxy's

Mandate, even in case of any possible conflict with the interests of Astaldi S.p.A., where conflicting with the interests of the PFI Holders.

Having stated this, the Separate Unit cannot be considered to be a "*related party*" of Astaldi S.p.A..

2.5 Newly-issued accounting standards

Accounting standards, amendments and interpretations not yet applicable and not early adopted

As at the reporting date of these 2020 Consolidated Financial Statements, the competent bodies of the European Union had not yet completed the endorsement process required for the adoption of the following accounting standards and amendments:

Accounting standard / amendment	EU-endorsed	Effective date
IFRS 17 Insurance Contracts	NO	Financial periods commencing from 1 January 2023
Amendments to IAS 1 - Presentation of Financial Statements: Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 23 January 2020 and 15 July 2020, respectively)	NO	Financial periods commencing from 1 January 2023
Amendments to • *IFRS 3 Business Combinations;* • *IAS 16 Property, Plant and Equipment;* • *IAS 37 Provisions, Contingent Liabilities and Contingent Assets* • *Annual Improvements 2018-2020*	NO	Financial periods commencing from 1 January 2022
Amendments to IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021)	NO	Financial periods commencing from 1 January 2023
Amendments to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on 12 February 2021)	NO	Financial periods commencing from 1 January 2023

Accounting standards, amendments and interpretations endorsed by the EU but not yet adopted

As at the reporting date of these 2020 Consolidated Financial Statements, the competent bodies of the European Union had approved the adoption of the following accounting standards and amendments, not early adopted by the Separate Unit and its subsidiaries:

Accounting standard /amendment	EU-endorsed	Effective date	Early adopted by the Separate Unit
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2 (issued on 27 August 2020)	YES	Financial periods commencing from 1 January 2021	NO
Amendments to IFRS 4 - Insurance Contracts – Deferral of IFRS 19 (issued on 25 June2020)	YES	Financial periods commencing from 1 January 2021	NO

3. Financial risk management

The Separate Unit's and its subsidiaries' operations are exposed to the following risks:

- market risk (defined as interest rate risk and exchange risk);
- credit risk; and
- liquidity risk.

The risk management strategy is designed to minimise any potential adverse impact on financial performance. Some types of risk are mitigated by using derivative instruments. Risk management is centralised and identifies, assesses and hedges financial risks in close cooperation with the business units of the Separate Unit and its subsidiaries. The company management provides guidance on monitoring risk management, as well as guidance on specific areas, regarding interest rate risk, foreign exchange risk and the use of derivative and non-derivative instruments.

Interest rate risk

The Separate Unit and its subsidiaries rely on third-party financial resources in the form of borrowing. Any changes in interest rates affect the cost and return on the various forms of financing and lending, thus having an impact on the amount of net financial costs. The Separate Unit and its subsidiaries did not enter into any derivative contract for hedging purposes during the reporting period.

Exchange risk

The exposure to the risk of fluctuations in exchange rates derives from the assets held by the Separate Unit and its subsidiaries in currencies other than the Euro. It should be noted that the Separate Unit and its subsidiaries do not use derivatives for the purpose of hedging exchange risk on foreign currency items: net exposure, in financial terms, to exchange risk therefore consists of Net foreign exchange gains / (losses), amounting to a loss of €8,864 thousand for the financial period ended 31 December 2020.

Credit risk

Credit risk essentially arises from receivables from customers. In order to mitigate credit risk attached to commercial counterparties, the Separate Unit and its subsidiaries have put in place procedures aimed at limiting the concentration of exposures on each counterparty or group, through an analysis of their credit rating. The ongoing monitoring of accounts receivable allows the Separate Unit and its subsidiaries to promptly detect any default or deterioration in the credit rating of their counterparties and to take any appropriate mitigating action.

The Separate Unit and its subsidiaries apply the simplified approach required by IFRS 9 to estimate the recoverability of their trade receivables. The resulting adjustment to estimates, as shown in the table below, takes account of the risk of uncollectibility of receivables through the differentiation of the ECL (Expected Credit Losses) applied to homogeneous groups of accounts with respect to risk profile and ageing, i.e., depending on the progress of actions taken to recover non-performing loans.

It is believed that the book value of trade receivables approximates their fair value, given their short-term nature and their measurement at fair value upon initial recognition. Therefore, no evidence of impairment loss was reported which was such as to justify a write-down.

Liquidity risk

Liquidity risk is associated with the Separate Unit's and its subsidiaries' ability to meet obligations that mainly arise from financial liabilities. Prudent management of liquidity risk attached to the normal operations of the Separate Unit and its subsidiaries involves maintaining an adequate level of cash and cash equivalents.

The tables below show the cash flows expected in future financial periods in relation to financial liabilities at 31 December 2020:

At 31 December 2020 *(€'000)*	**Book value**	**Within 12 months**	**Between 1 and 5 years**	**Beyond 5 years**
Current and non-current loans and borrowings	79,510	45,144	34,366	-
Payables to suppliers	4,764	4,764	-	-
Total	**84,274**	**49,908**	**34,366**	**-**

Capital risk

The objective of the Separate Unit and its subsidiaries within the scope of capital risk management is mainly to safeguard the value of their assets with the aim of pursuing the satisfaction of Astaldi S.p.A.'s unsecured creditors, who will benefit from the proceeds of the sale of the assets forming part of the Separate Unit through their PFIs.

Financial assets and liabilities by category

Non-current financial assets and liabilities are settled or valued at market rates, and their fair value is therefore regarded as being substantially in line with present book values.

Below is a classification of financial assets and liabilities by category at 31 December 2020:

At 31 December 2020 *(€'000)*	**Loans and receivables**	**Equity-accounted investments**	**Total financial assets / liabilities**	**Non-financial assets / liabilities**	**Total**
Assets					
Equity-accounted investments	-	482,985	**482,985**	-	**482,985**
Other current and non-current receivables and assets	179,303	-	**179,303**	-	**179,303**
Trade receivables	15,508	-	**15,508**	-	**15,508**
Cash and cash equivalents	1,656	-	**1,656**	-	**1,656**
Total assets	**196,468**	**482,985**	**679,453**	**-**	**679,453**
Liabilities					
Current and non-current loans and borrowings	79,510	-	**79,510**	-	**79,510**
Payables to suppliers	4,764	-	**4,764**	-	**4,764**
Other current liabilities	31,020	-	**31,020**	-	**31,020**
Total liabilities	**115,294**	**-**	**115,294**	**-**	**115,294**

Fair value measurement

The fair value of financial assets that are listed in an active market is based on market prices as at the reporting date of the 2020 Consolidated Financial Statements. The fair value of assets that are not listed in an active market is determined by using valuation techniques that are based on a set of methods and assumptions linked to market conditions as at the reporting date of the 2020 Consolidated Financial Statements.

Below is a classification of the fair values of financial instruments on the basis of the following hierarchy levels:

- Level 1: Fair values determined with reference to (unadjusted) quoted prices in active markets for identical financial instruments;
- Level 2: Fair values determined by using valuation techniques with reference to variables observable in active markets;
  Level 3: Fair values determined by using valuation techniques with reference to unobservable market variables.

At 31 December 2020 *(€'000)*	**Level 1**	**Level 2**	**Level 3**	**Total**
Subordinated loans	-	81,437	-	**81,437**
Total subordinated loans	**-**	**81,437**	**-**	**81,437**

For valuation purposes, the Separate Unit and its subsidiaries make use of company models that are generally used in financial practice and third-party models (market rate curves, volatility provided by Bloomberg, credit spreads calculated on the basis of Credit default swaps, etc.).

There were no transfers between the different levels of the fair value hierarchy during the periods under consideration.

4. Estimates and Assumptions

The preparation of the 2020 Consolidated Financial Statements in accordance with IFRS has required the Proxy to use estimates and assumptions that affect the value of assets and liabilities included in the statement of financial position, rather than in the disclosures made in the related explanatory notes, as to both contingent assets and liabilities as at the date of disclosure of the 2020 Consolidated Financial Statements, and revenues and expenses for the period.

Estimates are based on experience and other factors that are regarded as material. Actual results may therefore differ from those estimated. Estimates are reviewed periodically and the effects of any change are recognised through profit or loss in the period in which the estimate is reviewed.

The cases that require greater subjectivity on the part of the directors in making estimates are reported below:

- **Credit evaluation**: the provision for bad debts reflects estimates of expected losses on the credit portfolio of the Separate Unit and its subsidiaries. Any provisions set aside for expected credit losses are estimated on the basis of past experience with reference to accounts receivable with similar credit risk and present and historical outstanding amounts, as well as of careful monitoring of the quality of the credit portfolio and the present and expected conditions of economy and target markets. Estimates and assumptions are reviewed periodically and the effects of any changes are recognised through profit or loss in the financial period in which they accrue.
- **Impairment of assets:** assets are written down when events or changes in circumstances provide evidence that the book value in the consolidated financial statements may not be recovered. Events that may lead to an impairment of assets are changes in business plans, changes in market prices and a reduced use of plants. The decision whether to make a write-down and the determination of its amount depend on the company management's assessments of complex and highly uncertain factors, including future price trends, the impact of inflation and technological improvements on production costs, production profiles and supply and demand conditions. The impairment is determined by comparing the carrying amount with the related recoverable amount, which consists of the greater of fair value, net

of disposal costs, and value in use determined by discounting cash flows expected from the use of the asset. Expected cash flows are calculated on the basis of the information available at the time of the estimate and of subjective opinions on the trend in future variables, such as prices, costs, growth rates of demand, production profiles, and are discounted by using a rate that takes account of the risk inherent in the asset concerned.

- **Useful life of property, plant and equipment with definite useful lives**: depreciation is calculated on the basis of the useful life of the asset, which is determined at the time the asset is recognised in the Consolidated Financial Statements. Useful life assessments are based on historical experience, market conditions and expectations of future events that could affect it, including changes in technology. As a result, it is possible that the actual useful life may differ from the estimated one.
- **Measurement of provisions for risks on unsecured claims**: the Separate Unit sets aside provisions that are mainly connected with legal disputes and the estimation of which is the result of a complex process in which the final judgment is supported by legal opinions;
- **Measurement of remote liabilities**: the Separate Unit also include liabilities that are regarded as remote in relation to unsecured claims for an amount of about €175.3 million. Should these liabilities arise, the Separate Unit should allocate additional PFIs to unsecured creditors as required by the PFI Regulation;
- **Fair value measurement of assets and liabilities**: the fair value of unlisted assets and liabilities is determined by means of commonly used financial valuation techniques that require basic assumptions and estimates. These assumptions may not occur in the period of time and in the manner that are expected. Estimates made by the Separate Unit and its subsidiaries may therefore differ from actual final data.

5. Notes to the statement of comprehensive income

5.1 Other revenue and income

The table below shows the breakdown of "Other revenue and income" for the financial period ended 31 December 2020:

(€'000)	**FY ended 31 December 2020**
Rental income	467
Revenues from services and commissions	38
Contingent asset	10
Total	**515**

5.2 Service costs

The table below shows the breakdown of "Service costs" for the financial period ended 31 December 2020:

(€'000)	**FY ended 31 December 2020**
Legal, tax and administrative services	1,833
Insurance	100
Directors' and Statutory Auditors 's fees	84
Technical and business consultancy	70
Processing costs and other services	15
Rent	8

Reimbursements of expenses, business trips and travel	5
Other services	1
Total	**2,101**

5.3 Personnel expenses

The table below shows the breakdown of “Personnel expenses” for the financial period ended 31 December 2020:

(€’000)	FY ended 31 December 2020
Wages and salaries	26
Social security contributions	5
Other personnel expenses	1
Post-employment benefits	1
Total	**33**

The table below provides the exact number of the employees of the Separate Unit and its subsidiaries, broken down by category, at 31 December 2020:

(in units)	At 31 December 2020 Exact number at period-end
Managers	3
White-collars	5
Total	**8**

5.4 Other operating costs

The table below shows the breakdown of “Other operating costs” for the financial period ended 31 December 2020:

(€’000)	FY ended 31 December 2020
Duties and other indirect taxes	143
Administrative management expenses	1
Bank expenses and charges	1
Total	**145**

5.5 Amortisation, depreciation and impairment losses

The table below shows the breakdown of “Amortisation, depreciation and impairment losses” for the financial period ended 31 December 2020:

(€’000)	FY ended 31 December 2020
Net write-down of the shareholder loan to associate Sociedad Concessionaria Metropolitana de Salud	4,032
Positive effects from the application of amortised cost	(4)
Depreciation of buildings	46
Depreciation of plant and equipment	2
Total	**4,076**

For more details, reference should be made to note 6.1 “Property, plant and equipment”.

5.6 Profit /(Loss) on equity-accounted investments

The table below shows the breakdown of "Profit /(Loss) on equity-accounted investments" for the financial period ended 31 December 2020:

(€'000)	FY ended 31 December 2020
Profit /(Loss) on GOI investment	19,701
Profit /(Loss) on ETLIK investment	3,158
Profit /(Loss) on SCMS investment	2,895
Total	**25,754**

For more details, reference should be made to notes 6.2 "Equity-accounted investments" and 6.10 "Non-current assets held for sale".

5.7 Net financial income (expense)

The table below shows the breakdown of "Net financial income (expense)" for the financial period ended 31 December 2020:

(€'000)	FY ended 31 December 2020
Interest income on loans	2,734
Other financial income	13,088
Total financial income	**15,822**
Interest expense to banks	(101)
Other interest expense and financial expense	(1,831)
Total financial expense	**(1,932)**
Total	**13,890**

"Other financial income" mainly includes interest accrued on the amounts receivable that the Separate Unit claims from the Turkish company Ica Ictas Ve Ticaret AS. For more information, reference should be made to note 6.8 "Other current receivables and assets".

5.8 Net exchange gains / (losses)

The table below shows the breakdown of "Net exchange gains / (losses)" for the financial period ended 31 December 2020:

(€'000)	FY ended 31 December 2020
Realised exchange gains	17,400
Realised exchange losses	(366)
Estimated exchange losses	(25,898)
Total	**(8,864)**

5.9 Income taxes

The table below shows the breakdown of "Income taxes" for the financial period ended 31 December 2020:

	FY ended 31 December
(€'000)	**2020**
Current taxes	12
Deferred taxes	33
Total	**45**

The table below provides the reconciliation of theoretical and actual tax charge for the financial period ended 31 December 2020:

	FY ended 31 December
(€'000)	**2020**
Pre-tax loss	*26,573*
Theoretical taxes	**6,378**
IRAP (Regional Production Activity) tax	1
Deferred tax assets not stated on tax losses and permanent differences	(6,334)
Effective taxes	**45**

6. Notes to the statement of financial position

6.1 Property, plant and equipment

The table below shows the breakdown of "Property, plant and equipment" for the financial period ended 31 December 2020:

(€'000)	Land	Buildings	Plant and equipment	Total
Balance at 17 July 2020	**2,653**	**3,324**	**44**	**6,022**
Of which:				
- historical cost	*2,653*	*3,324*	*44*	*6,022*
-accumulated depreciation	-	-	-	-
Depreciation		(46)	(2)	(48)
Balance at 31 December 2020	**2,653**	**3,278**	**42**	**5,974**
Of which:				
- historical cost	*2,653*	*3,324*	*44*	*6,022*
- accumulated depreciation	-	*(46)*	*(2)*	*(48)*

"Land" and "Buildings" include, respectively, the value of the land and of the building standing thereon located in Rome, at Via Giulio Vincenzo Bona no. 65.

"Plant and equipment" mainly relate to a PV plant.

6.2 Equity-accounted investments

The table below shows the breakdown of associates and joint ventures at 31 December 2020. The share capital of the companies listed below only consists of ordinary shares, which are held by the Separate Unit and its subsidiaries. The country of incorporation or registration is also the main place of their business, and the percentage of ownership is equal to the percentage of voting rights held.

(€'000)	Country	At 31 December 2020		Nature of the relationship	Measurement method	At 31 December 2020
		% of direct ownership	*% of indirect ownership*			Book value
GOI	Turkey	18.14%	-	Associate	Equity method	427,555
ETLIK	Turkey	5%	46%	Associate	Equity method	55,430
Total						**482,985**

Financial information selected for associates

The tables below provide a summary of the financial information concerning the associates that is regarded as material for the Separate Unit and its subsidiaries. This information represents the amounts shown in the financial statements of the associates, and not the share held by the Separate Unit and its subsidiaries. In addition, this financial information has been used to reflect adjustments made by the Group in order to apply the equity method, including fair value adjustments and changes for differences in accounting policies.

Statements of financial position, profit or loss and cash flows of associate GOI at 31 December 2020

(USD'000)	**At 31 December 2020**
	GOI
Statement of financial position highlights:	
Current assets	
Cash and cash equivalents	229,664
Trade receivables	243,684
Contract assets	17,001
Other current receivables and assets	770,842
Total current assets	**1,261,191**
Property, plant and equipment	1,178
Intangible assets	2,793
Non-current contract assets	6,246,639
Deferred tax assets	-
Other non-current receivables and assets	63,935
Non-current assets	**6,314,545**
Current liabilities	
Financial liabilities	448,381
Payables to suppliers	1,438
Derivatives	358,006
Other current liabilities	19,250
Total current liabilities	**827,075**
Non-current liabilities	
Financial liabilities	3,971,493
Employee benefits	67
Derivatives	-
Deferred tax liabilities	212,910
Other non-current liabilities	-
Total non-current liabilities	**4,184,470**
Equity	**2,564,191**

(USD'000)	**FY ended 31 December 2020**
	GOI
Statement of profit or loss highlights:	
Revenue	753,501
Cost of sales	(57,914)
Service costs	(4,060)
Other operating costs	30,265
Net provisions and impairment losses	-
Net financial expense	(294,273)
Income taxes	(64,322)
Profit from continuing operations	**363,197**
Profit from discontinued operations	**-**
Profit for the period	**363,197**
Other comprehensive expense	(65,968)
Total comprehensive income	**297,229**

Statements of financial position, profit or loss and cash flows of associate Etlik at 31 December 2020

(€'000)	**At 31 December 2020**
	ETLIK
Statement of financial position highlights:	
Current assets	
Cash and cash equivalents	3,679
Trade receivables	64,648
Contract assets	-
Other current receivables and assets	31,285
Total current assets	**99,612**
Property, plant and equipment	25
Intangible assets	2
Non-current contract assets	869,653
Deferred tax assets	43,209
Other non-current receivables and assets	107
Non-current assets	**912,996**
Current liabilities	
Financial liabilities	16,034
Payables to suppliers	1,164
Derivatives	14,195
Other current liabilities	597
Total current liabilities	**31,990**
Non-current liabilities	
Financial liabilities	694,714
Employee benefits	-
Derivatives	110,959
Deferred tax liabilities	-
Other non-current liabilities	118,689
Total non-current liabilities	**924,362**
Equity	**56,256**

(€'000)	**FY ended 31 December 2020**
	ETLIK
Statement of profit or loss highlights:	
Revenue	28,934
Cost of sales	(28,934)
Service costs	-
Other operating costs	-
Net provisions and impairment losses	(464)
Net financial income	5,416
Income taxes	(20,158)
Profit / (Loss) from continuing operations	**(15,206)**
Profit from discontinued operations	
Loss for the period	**(15,206)**
Other comprehensive income (expense)	
Total comprehensive expense	**(15,206)**

6.3 Non-current financial assets

The table below shows the breakdown of this item at 31 December 2020:

(€'000)	**At 31 December 2020**
Subordinated loans	80,852
Other non-current financial receivables	585
Total	**81,437**

Subordinated loans (approximately €80.9 million) relate to loans disbursed to the following project companies:

- Etlik for the construction of the Etlik Hospital for approximately €77.3 million;
- NPU for the construction of Santiago Airport for approximately €3.3 million;
- GOI for the construction of the GOI Motorway for approximately €0.2 million.

6.4 Deferred tax assets

This item includes taxes calculated by the Chilean Branch of Astaldi Concessioni.

6.5 Trade receivables

The table below shows the breakdown of "Trade receivables" at 31 December 2020:

(€'000)	**At 31 December 2020**
Trade receivables	15,508
Provision for write-down of trade receivables	-
Total	**15,508**

No write-downs of trade receivables were carried out during 2020.

It is deemed that the book value of trade receivables approximates their fair value, given their short-term nature.

6.6 Contract assets

The table below shows the assets and liabilities recognised under contracts with customers at 31 December 2020:

(€'000)	**At 31 December 2020**
Works under construction	1,552,629
Advances	(1,535,385)
Total	**17,244**

This item relates to the amount of Venezuelan Financial Assets relating to work in progress. Specifically, these are amounts to be received from the Istituto Autonomo de Ferrocarriles for works at Porto Cabello in Venezuela.

6.7 Tax assets

“Tax assets”, equal to €537 thousand at 31 December 2020, mainly include VAT, withholding tax and tax credits.

6.8 Other current receivables and assets

The table below shows the breakdown of “Other current receivables and assets” at 31 December 2020:

(€'000)	At 31 December 2020
Other receivables from customers	175,357
Trade receivables from associates and Joint Ventures	2,972
Other receivables from associates and Joint Ventures	26
Checking account	606
Other receivables	279
Receivables from social security institutions	64
Total	**179,304**

"Other receivables from customers", equal to €175,357 thousand at 31 December 2020, mainly related to the Separate Unit’s receivables from and liabilities to the Turkish company Ica Ictas Ve Ticaret AS (ICTAS), arising from the sale to the latter of the 20% investment already held by Astaldi S.p.A. in Ica Ictas Astaldi ucuncu Bogaz Koprusum Ve Kunzey Marmana Otoyolu Yatirim Ve Isletme AS (Third Bosphorus Bridge Operator), a company that holds the concession contract for the construction and management of the "Third Bosphorus Bridge" project.

Under the ICTAS Settlement Agreement, as a result of the aforesaid sale, the Separate Unit’s assets also include the related consideration of USD315 million (the Third Bosphorus Bridge Financial Asset), and the obligation to pay ICTAS, by way of compensation, an amount of USD100 million (the ICTAS Compensation), in order to settle any reason for mutual dispute and claims, as well as any credit and debt positions, in relation to the termination of any relationship with ICTAS.

It should also be noted that the Separate Unit’s Economic and Financial Plan, in line with the Composition Proposal, has allocated part of the Third Bosphorus Bridge Financial Asset to satisfy the prior claims of certain Astaldi S.p.A. creditors transferred to the Separate Unit.

This Third Bosphorus Bridge Financial Asset is measured at fair value through comprehensive income.

ICTAS settlement agreement

The debit and credit relationships between the Separate Unit and ICTAS are governed by the settlement agreement signed on 20 June 2019 and was amended following the authorisation given by the Court within the composition with creditors procedure on 21 November 2019 (the ICTAS Settlement Agreement).

Under the ICTAS Settlement Agreement, there are two different possibilities for the payment of the consideration, according to whether ICTAS, in its turn, reaches an agreement or not for the sale of the entire capital of the Third Bosphorus Bridge Operator to a consortium of Chinese companies (the Chinese Joint Venture) with which the related negotiations are in progress. In particular, it is envisaged that ICTAS will pay the Third Bosphorus Bridge Financial Asset, either:

(a) if the sale is made to the Chinese Joint Venture: in a single amount to be paid "after" the completion of the sale to the Chinese Joint Venture. Furthermore, if the sale to the Chinese Joint Venture is completed with the payment of a consideration in excess of USD1,250,000,000.00, the ICTAS Settlement Agreement provides for ICTAS' obligation to pay the Separate Unit a further amount of 25% of the excess paid by the buyer with reference to the 20% investment transferred by the Company; or

(b) if the sale is not made to the Chinese Joint Venture: by deferred payment of the Third Bosphorus Bridge Financial Asset (as increased by interest as from 31 January 2020 at the annual rate of EURIBOR +1.75%), as follows:

- 10% of the amount within the 4th quarter of 2020;
- 10% of the amount within the 4th quarter of 2021;
- 30% of the amount within the 4th quarter of 2022;
- 50% of the amount within the 4th quarter of 2023.

For more details, reference should be made to the Explanatory Report on the Financial Statements.

6.9 Cash and cash equivalents

The table below shows the breakdown of "Cash and cash equivalents" at 31 December 2020:

	At 31 December
(€'000)	**2020**
Bank and post-office accounts	1,655
Cash-in-hand and cash equivalents	1
Total	**1,656**

Term deposits are shown as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable upon a 24-hour prior notice without any loss of interest.

6.10 Non-current assets held for sale

This item is made up as follows:

	At 31 December
(€'000)	**2020**
Equity-accounted investments	-
Non-current financial receivables measured at Fair Value	2,089
Total non-current assets held for sale	**2,089**

"Non-current assets held for sale" include:

- the equity investment held in Sociedad Concessionaria Metropolitana de Salud equal to €0 thousand, an amount that is affected by the write-down made at 31 December 2020, equal to €2,895 thousand;
- "Non-current financial receivables", which entirely relate to the existing subordinated loan granted to Sociedad Concessionaria Metropolitana de Salud for an amount of €2,089 thousand. This item includes the effects arising from the adjustment to the value of the investment.

6.11 Consolidated equity of PFIs

Reserve for Participating Financial Instruments (PFIs)

The table below shows the changes in the number of Participating Financial Instruments for the financial period ended 31 December 2020:

	Number of PFIs *(in units)*		
	17 July 2020	*Changes*	*31 December 2020*
PFIs issued on 5 / 6 November	3,199,975,846	-	3,199,975,846
PFIs to be issued	237,301,659	-	237,301,659
Total PFIs	3,437,277,505	-	3,437,277,505

The issue of PFIs, with no par value, is equal to the overall amount of all unsecured debts ascertained, net of some minimal rounding-down operations, excluding the provisions for unsecured claims contributed to the Separate Unit. Each confirmed unsecured creditor is entitled to receive 1 PFI for each €1.00 of its confirmed unsecured claim.

Additional issues of PFIs will be resolved by the Board of Directors of Astaldi S.p.A. against a contribution of value equal to the unsecured creditors' claims subsequently recognised from time to time.

The "Reserve for Participating Financial Instruments (PFIs)" consists of the value of the share of equity attributable to the holders of PFIs, both issued and to be issued.

It should be noted that the PFIs to be issued relate to potential unsecured creditors, i.e. not yet ascertained, arising from provisions for risks transferred to the Separate Unit by Astaldi S.p.A. on a going concern basis on the effective date of the composition with creditors. Should the unsecured creditors be ascertained, they would be entitled to the PFIs, which will then be issued according to the proportions described above.

It should also be noted that additional unsecured claims could arise from further litigation and pre-litigation disputes, which amount to approximately €175.3 million. Should additional unsecured claims that are not currently provided for be ascertained, they would be entitled to new PFIs, to be issued according to the proportions described above.

Finally, it should be noted that any additional future issue of PFIs would generate a dilutive effect for the holders of PFIs that have been already issued.

The Reserve for PFIs cannot be distributed and cannot be aggregated with other equity items, nor can it be used, with a consequent reduction in its amount, in order to cover losses.

Fair value measurement reserve

The Separate Unit also holds certain investments in debt instruments measured at fair value through other comprehensive income. The changes in the fair value of these instruments are recognised in equity. When the instrument is derecognised or impaired, the amount of the reserve is recognised through profit or loss.

For the related changes recorded during the period, reference should be made to the "Statement of Changes in Equity".

6.12 Loans and borrowings (current and non-current)

The table below shows the breakdown of “Loans and borrowings (current and non-current)” at 31 December 2020:

(€’000)	At 31 December 2020
Subordinated loan payables to Astaldi S.p.A.	34,366
Total non-current loans and borrowings	***34,366***
Bank loans	45,144
Total current loans and borrowings	***45,144***
Total loans and borrowings	**79,510**

The table below shows the breakdown of loans and borrowings by maturity at 31 December 2020:

At 31 December 2020 *(€’000)*	**Within 12 months**	**Between 1 and 5 years**	**Beyond 5 years**	**Total**
Bank loans	45,144	-	-	**45,144**
Subordinated loan payables to shareholders		34,366	-	**34,366**
Total	**45,144**	**34,366**	**-**	**79,510**

“Bank loans” relate to the Separate Unit’s debt to 5 banks resident in Turkey, as well as to some suppliers resident in Turkey (the Turkey Debt). The Turkey Debt will be cash settled in full, in advance with respect to the remuneration of the PFIs, from the Third Bosphorus Bridge Financial Asset and only the proceeds arising from the sale of the Separate Unit’s other assets located in Turkey.

For this purpose, the Separate Unit has concluded with each bank:

(a) as many Standstill Agreements (signed in September 2019) as needed, whereby each bank undertakes not to demand the payment of the Separate Unit’s debt during the “standstill period”, which, it is agreed, will last until the occurrence of the first event of (i) the expiry of the period of 18 (eighteen) months after the execution of each standstill agreement (and then, during the second half of March 2021); or (ii) the completion of the sale of ICTAS to the Chinese Joint Venture;

(b) even with the participation of ICTAS, as many protocols as needed regarding methods of payment whereby ICTAS has undertaken to pay the part of the consideration due to the Separate Unit that is equal to the latter’s debt to each bank, paying the relative amount directly into the current account that the Separate Unit has opened with each bank;

For more details, reference should be made to the Explanatory Report on the Financial Statements.

6.13 Payables to suppliers

The table below shows the breakdown of “Payables to suppliers” at 31 December 2020:

(€’000)	At 31 December 2020
Payables to suppliers	11
Invoices to be received	4,753
Total	**4,764**

This item includes payables to suppliers that are segregated in the Separate Unit and its subsidiaries and are not subject to discharge of debt.

It is considered that the book value of payables to suppliers approximates their fair value given their short-term nature.

6.14 Tax liabilities

This item, equal to €84 thousand at 31 December 2020, mainly includes withholding tax payables.

6.15 Other current payables and liabilities

The table below shows the breakdown of "Other current payables and liabilities" at 31 December 2020:

(€'000)	**At 31 December 2020**
Payables to social security institutions	22
Payables to employees	141
Other current payables	30,857
Total	**31,020**

"Payables to employees", equal to €141 thousand at 31 December 2020, are mainly attributable to wages and remuneration due to permanent staff members.

"Other current payables", equal to €30,857 thousand at 31 December 2020, mainly relate to a debt of €29 million to SACE, a company specialised in providing services in the insurance and financial sector, which will be settled by using the proceeds arising from the recovery of the Third Bosphorus Bridge Financial Asset and other sales of assets that will be carried out by the Separate Unit.

According to the terms and conditions of the settlement agreement between Astaldi S.p.A. and SACE S.p.A., which was authorised by the Court of Rome on 19 March 2020, the Separate Unit will proceed with the cash payment of the SACE debt, in advance of the remuneration of the PFIs (and on a subordinated basis with respect to the Turkey Debt), using the proceeds of the sale, according to the distribution order envisaged during the three-year period from 2020 to 2022. For more details, reference should be made to the Explanatory Report on the Financial Statements.

7. Related-party transactions

Related parties are identified according to the provisions of IAS 24. Related-party transactions are mainly of a commercial and financial nature, and are linked to operations carried out at arm's length; however, there is no guarantee that, if these transactions had been concluded between or with third parties, the latter would have negotiated and signed the related contracts, or carried out the transactions themselves, under the same terms and conditions and in the same manner.

By related parties are meant those that share with the Separate Unit the same controlling entity, companies that directly or indirectly control it, are controlled or are subject to joint control by the Separate Unit and those in which it holds an interest such as to be able to exercise significant influence. The definition of related parties also includes the Separate Unit's Proxy.

Due to the reasons behind its establishment, the Separate Unit must only pursue the interests of the PFI holders and not even those of the Astaldi Group, given that in no case may the results of the Separate Unit's operations benefit Astaldi S.p.A. or the shareholders of Astaldi S.p.A.. For this purpose, the Separate Unit's Proxy is granted, under the resolution and the Proxy's Mandate, full operational autonomy even in case of any possible conflict with the interests of Astaldi S.p.A., where conflicting with the interests of the PFI Holders.

Having stated this, the Separate Unit cannot be considered to be a "*related party*" of Astaldi S.p.A..

It should be noted that no related-party transactions were carried out during 2020.

8. Contingent assets and liabilities

As at 31 December 2020, the Separate Unit and its subsidiaries showed unsecured contingent liabilities that included liabilities whose risk of loss has been determined to be remote.

9. Commitments and guarantees

Investment commitments

As at 31 December 2020, the Separate Unit had no commitments for outstanding investments, the debt for which has not already been recorded in the 2020 Consolidated Financial Statements, except for the investments that Astaldi S.p.A. and Astaldi Concessioni have committed to make in the project companies for the Etlik Hospital (Etlik) and Santiago Airport (NPU) required to complete the construction.

Commitments to purchase goods

The Separate Unit and its subsidiaries have not entered into any agreement for the future purchase of goods for resale. Accordingly, there were no commitments outstanding for this reason at 31 December 2020.

Guarantees

The table below shows the guarantees outstanding at 31 December 2020:

(€'000)		**At 31 December**
Project	***Types***	**2020**
Santiago Airport	Performance Bond – Operation	1,902
Santiago Airport	Performance Bond – Operation	1,525
Santiago Airport	Performance Bond – Construction	961
Santiago Airport	Equity Stand By Letter of Credit	13,232
Gebze Izmir Motorway	Performance Bond – Operation	1,136
Etlik Hospital	Equity Stand By Letter of Credit	36,785
Etlik Hospital	Investment Term Performance Bond	3,163
Etlik Hospital	Additional Investment Term Performance Bond	710
Total guarantees issued		**59,414**

It should be noted that these guarantees were issued by Astaldi S.p.A. in the interests of Astaldi S.p.A. and Astaldi Concessioni, as partners in the individual projects.

10. Significant events after the reporting date

As far as it is given to know from what information is available from ICTAS, the completion of the transaction for the sale of the Third Bosphorus Bridge Operator to the Chinese Joint Venture has been delayed owing to the COVID-19 emergency and some further steps have to be taken, with the sale expected to take place in 2021.

As the sale to the Chinese Joint Venture was not completed by 31 December 2020, the first expiry date of the mechanism for the deferred payment, ICTAS paid the first 10% of the amount on 14 January 2021, as increased by interest as from 31 January 2020 at the annual rate of EURIBOR +1.75%, as a direct reduction in its debts to the Turkish Banks, as required by the Payment protocols in place with the banks themselves.

As of today, discussions are underway with both SACE and the Turkish banks, aimed at obtaining an extension of the payment terms in view of the delayed conclusion of the sale of the Third Bosphorus Bridge Operator to the Chinese Joint Venture on the part of ICTAS.

11. Opening statement of financial position of the Separate Unit and its subsidiaries

The opening statement of financial position of the Separate Unit and its subsidiaries at 17 July 2020 is provided below.

(€'000)	**At 17 July 2020**
Property, plant and equipment	6,022
Equity-accounted investments	505,844
Non-current financial assets	64,980
Deferred tax assets	298
Other non-current assets	3
Total non-current assets	**577,147**
Trade receivables	15,653
Contract assets	17,244
Tax assets	462
Other current receivables and assets	178,037
Cash and cash equivalents	106
Total current assets	**211,502**
Non-current assets held for sale	8,506
Total assets	**797,155**
Reserve for Participating Financial Instruments (PFIs)	693,062
Total equity of PFIs	**693,062**
Non-current loans and borrowings	21,630
Total non-current liabilities	**21,630**
Current loans and borrowings	45,680
Payables to suppliers	3,789
Tax liabilities	41
Other current payables and liabilities	32,953
Total current liabilities	**82,463**
Total liabilities	**104,093**
Total equity and liabilities	**797,155**

12. Changes in consolidated equity of PFIs according to the legal framework

The table below provides a statement of changes in consolidated equity of the Separate Unit's PFIs, which reflects, as at 17 July 2020, the measurement at nominal value of payables and unsecured provisions of Astaldi S.p.A. transferred to the Separate Unit in order to provide a consistent disclosure with respect to its establishment, including from a legal framework point of view, as reported in the documentation accompanying the Composition Proposal of Astaldi S.p.A..

(€'000)	**Reserve for Participating Financial Instruments (PFIs)**	*of which: Other comprehensive income*	**Other reserves**	**Total Equity of PFIs**
At 17 July 2020	**-**	**-**	**(2,729,185)**	**(2,729,185)**
Discharge of debt			3,422,247	3,422,247
Award of PFIs	693,062		(693,062)	-
Loss for the period	(26,618)			(26,618)
Changes in subordinated loans at FVOCI	2,410	*2,410*		2,410
At 31 December 2020	**668,854**	***2,410***	**-**	**668,854**

The approach underlying this disclosure takes account of the following issues:

- the approval of Astaldi S.p.A.'s Composition with Creditors Proposal was approved on 17 July 2020. As at that date, the resolution to set up the Separate Unit became effective and Astaldi S.p.A. proceeded with the transfer to the Separate Unit of the assets subject to liquidation on the one hand, and, on the other, the unsecured liabilities of Astaldi S.p.A. (including the provisions for risks on unsecured claims) and other prior-period debts that shall be borne by the Separate Unit in accordance with the Composition Proposal (i.e. Turkey Debt, SACE S.p.A. debt).

  As at that date, given that the nominal value of total liabilities transferred to the Separate Unit was greater than related assets, the Separate Unit's equity was negative and equal to approximately €2,729 million;

- as at 6 November 2020, at the same time as the execution of Astaldi's capital increases, including that reserved for Webuild, the Separate Unit's PFIs were issued to the benefit of the ascertained unsecured creditors of Astaldi S.p.A., in addition to the newly-issued shares of Astaldi S.p.A. to be allocated to them in accordance with the provisions of the Composition Proposal.

  Against the issue of the PFIs in question (and of the Astaldi S.p.A. shares to the benefit of unsecured creditors), the unsecured liabilities were then cancelled on 6 November 2020;

- from 6 November 2020 onwards - therefore including the recognition at 31 December 2020, the Separate Unit's net equity is the same in both disclosures provided above. In fact, the two proposed schedules differ, as at 17 July 2020 only, due to a different method of reporting unsecured liabilities subject to discharge of debt within the Separate Unit's scope. In other words:

  - the schedule prepared according to IAS/IFRS takes as reference the fair value of the unsecured liabilities of Astaldi S.p.A. as at the date of initial recognition of the Separate Unit (17 July 2020). The fair value of these liabilities is already "affected" by the impact arising from the subsequent formal cancellation of the unsecured liabilities of the Separate Unit, thus determining an amount equal to €0 and the accrual of the right to receive the realisable value of the assets through the assignment of the PFIs;

- the schedule prepared according to the reference legal framework instead envisages that the effects are recorded as at 6 November 2020 at the same time as the issue of the PFIs and Astaldi S.p.A. shares. Until 5 November 2020, the unsecured liabilities had in fact not yet been "extinguished", as the related financial instruments subject to the substituted performance (*datio in solutum*) provided for in the Composition Proposal of Astaldi S.p.A. had not yet been issued.

For the Separate Unit
The Proxy
Claudio Sforza

FINANCIAL STATEMENTS OF THE SEPARATE UNIT AT 31.12.2020

PICTURE 6: SANTIAGO AIRPORT - CHILE

ASTALDI
PATRIMONIO DESTINATO

CONTENTS OF THE SECTION
Financial Statements of the Separate Unit

Statement of Profit or Loss

(in Euros)	Note	FY ended 31 December 2020
Other revenue and income	5.1	828,406
Service costs	5.2	(1,969,227)
Personnel expenses	5.3	(38,102)
Other operating costs	5.4	(98,352)
Amortisation and depreciation	5.5	(47,420)
Net provisions and impairment losses	5.6	(21,398,711)
Operating loss		**(22,723,406)**
Net financial income (expense)	5.7	14,762,104
Net exchange gains / (losses)	5.8	(12,575,721)
Pre-tax loss		**(20,537,023)**
Loss for the period		**(20,537,023)**

Statement of Comprehensive Income

(in Euros)	**Note**	**FY ended 31 December** **2020**
Loss for the period		(20,537,023)
Change in subordinated loans at FVOCI	6.3	1,304,016
Comprehensive loss for the period		**(19,233,007)**

Statement of Financial Position

(in Euros)	Note	At 31 December 2020
Property, plant and equipment	6.1	5,972,580
Equity investments	6.2	433,190,631
Non-current financial assets	6.3	247,029,614
Total non-current assets		**686,192,825**
Trade receivables	6.4	15,508,411
Contract assets	6.5	17,243,606
Other current receivables and assets	6.6	204,989,645
Cash and cash equivalents	6.7	1,521,856
Total current assets		**239,263,518**
Total assets		**925,456,343**
Reserve for Participating Financial Instruments (PFIs)	6.8	673,828,818
Total equity of PFIs		**673,828,818**
Non-current loans and borrowings	6.9	34,365,553
Total non-current liabilities		**34,365,553**
Current loans and borrowings	6.9	146,913,800
Payables to suppliers	6.10	11,195,939
Current provisions for risks	6.11	29,729,082
Other current payables and liabilities	6.12	29,423,151
Total current liabilities		**217,261,972**
Total liabilities		**251,627,525**
Total equity and liabilities		**925,456,343**

Statement of Cash Flows

(in Euros)	Note	FY ended 31 December 2020
Pre-tax loss		(20,537,023)
Adjustments for:		
Amortisation, depreciation and impairment losses	5.5 - 5.6	19,748,384
Net provisions for risks	5.6	1,596,842
Net financial (income)/expense	5.7	(14,762,104)
Other non-monetary items		5,101,295
Cash flows generated in operating activities before changes in net working capital		**(8,852,606)**
Change in trade receivables	6.4	47,983
Change in payables to suppliers	6.10	1,212,904
Change in other assets/liabilities	6.6 - 6.11	9,113,575
Net cash flows generated in operating activities		**1,521,856**
Investments in property, plant and equipment	6.1	-
Equity investments	6.2	-
Net cash flows generated in investing activities		**-**
New issues of long-term loans	6.9	-
(Decrease)/increase in short-term loans	6.9	-
Net cash flows generated in financing activities		**-**
Total change in cash and cash equivalents	6.7	1,521,856
Opening cash and cash equivalents	6.7	-
Closing cash and cash equivalents		**1,521,856**

Statement of Changes in Equity of PFIs

(in Euros)	**Reserve for Participating Financial Instruments (PFIs)**	*of which: Other comprehensive income*
At 17 July 2020	**693,061,825**	
Loss for the period	(20,537,023)	
Change in subordinated loans at FVOCI	1,304,016	*1,304,016*
At 31 December 2020	**673,828,818**	***1,304,016***

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

1. General information

The Separate Unit under article 2447-*bis* et seq. of the Italian Civil Code (Separate Unit or "SU") was established in the implementation of the Composition with Creditors Proposal that was filed with the Court of Rome on 14 February 2019 (as updated on 19 June 2019 and subsequently supplemented on 16 July 2019, 20 July 2019 and 2 August 2019) and was approved with a favourable vote by the majority of Astaldi S.p.A.'s composition creditors admitted to vote in April 2020.

On 17 July 2020, the set-up of the Separate Unit became effective following the final approval of the composition with creditors procedure of Astaldi S.p.A..

Finally, on 6 November 2020, there was the completion of the capital increase of Astaldi S.p.A. reserved for WeBuild, through which, in exchange for an injection of €225 million, WeBuild acquired control over about 66% of the capital of Astaldi S.p.A., holding a total stake of approximately 66% at present.

At the same time as the above-mentioned capital increase, the participating financial instruments of the Separate Unit (PFIs) were issued in favour of the Unsecured Creditors of Astaldi S.p.A., as required by the Composition Proposal.

The Composition Proposal provides for the allocation of the net proceeds from the sale of the assets transferred to the Separate Unit in favour of Astaldi S.p.A.'s Unsecured Creditors.

In particular, the issue of the PFIs assigned to Astaldi S.p.A.'s Unsecured Creditors took place at the same time as the execution of the capital increases of Astaldi S.p.A. (6 November 2020). The unsecured creditors of Astaldi S.p.A. were granted 1 PFI for each €1 of unsecured claim they claimed against Astaldi S.p.A.. In particular, 3,199,975,846 PFIs were issued at the time of the aforesaid discharge of debt. This right shall also be granted to those unsecured creditors that may be confirmed at a later time after the approval. Therefore, it should be noted that additional PFIs will be issued to unsecured creditors that were not included in the Composition Plan as at the date of the shareholders' meeting resolution that approved it, provided that in the meantime the claims of such creditors have been ascertained by a final or provisionally enforceable judgment, or acknowledged by Astaldi S.p.A. in writing.

The holders of PFIs are granted the right to receive the net proceeds from the sales of the assets included in the Separate Unit, net of any related transaction costs, any and all applicable taxes and duties and any prior liabilities included in the Separate Unit, as provided for in the PFI Regulation, the Composition Proposal and related annexes, as well as any additional amount relating to liabilities, including contingent liabilities, which shall be borne by the Separate Unit.

The specific business for which the Separate Unit is intended is therefore the satisfaction of Astaldi S.p.A.'s unsecured creditors, who will benefit, through the PFIs, from the proceeds from the liquidation of the assets forming part of the Separate Unit.

The Separate Unit has been incorporated and is domiciled in Italy, with registered office in Rome, at Via Giulio Vincenzo Bona no. 65, and is organised according to the legal system of the Italian Republic.

2. Summary of accounting standards

This section provides a description of the most significant accounting standards adopted to prepare these separate financial statements for the financial period ended 31 December 2020 (the "2020 Separate Financial Statements").

It should be noted that, as provided for in the Composition Proposal, the resolution passed by the Board of Directors of Astaldi S.p.A. on 24 May 2020, which provided for the establishment of a Separate Unit in accordance with article 2447-bis et seq. of the Italian Civil Code, became effective on the date the composition with creditors procedure of Astaldi S.p.A. was approved by the Court of Rome on 17 July 2020.

In other words, the date of 17 July 2020 is the date of incorporation of the Separate Unit, i.e. the date of first recognition of the assets, liabilities and legal relationships it received from Astaldi S.p.A.. For this reason, the 2020 Separate Financial Statements describe the performance of its operations from 17 July 2020 to 31 December 2020 and relate to the first reporting period of the Separate Unit.

2.1 Basis of preparation

(iii) *Introduction*

The 2020 Separate Financial Statements constitute the first separate accounts prepared by the Separate Unit and the financial period ended 31 December 2020 coincides with the period running from 17 July 2020, i.e. the date when the Separate Unit was established, to 31 December 2020, the reporting date of the financial period.

(iv) *Compliance with EU-IFRS*

The 2020 Separate Financial Statements have been prepared in accordance with International Financial Reporting Standards, issued by the International Accounting Standards Board, and adopted by the European Union ("**EU-IFRS**"). By "EU-IFRS" are meant all International Financial Reporting Standards, all International Accounting Standards ("**IAS**"), all the interpretations of the International Financial Reporting Interpretations Committee ("**IFRIC**"), previously known as the Standing Interpretations Committee ("**SIC**"), which, as at the date of approval of the 2020 Separate Financial Statements, had been already endorsed by the European Union in accordance with the procedure laid down in Regulation (EC) No. 1606/2002 of the European Parliament and the European Council of 19 July 2002.

The 2020 Separate Financial Statements have also been prepared on the basis of the best knowledge of the EU-IFRS and by taking account of the best practice on the subject; any possible future interpretation guidelines and revisions will be reflected in the accounts for the subsequent financial periods, according to the methods provided for by the reference accounting standards from time to time.

2.2 Form and content of accounting statements

The 2020 Separate Financial Statements have been prepared in Euro, which is the currency of the prevailing economic environment in which the Separate Unit operates. All amounts included herein are shown in Euro units, except as otherwise stated.

The schedules forming part of the 2020 Separate Financial Statements and the related classification criteria adopted by the Separate Unit, within the scope of the options provided for in IAS 1 – "Presentation of Financial Statements", are listed below:

- *the statement of financial position* has been prepared by classifying assets and liabilities on a "current/non-current" basis;
- *the statement of comprehensive income* - the schedule of which applies a classification of costs and revenues based on their nature - shows the results of operations, added to by the items that are recognised directly under equity, other than those relating to transactions carried out with the Separate Unit's PFI holders, as expressly required by EU-IFRS;
- *the statement of cash flows* has been prepared by showing the cash flows from operating activities according to the "indirect method";
- *the statement of changes in equity of the PFIs* for the period running from 17 July 2020 to 31 December 2020.

The schedules that have been used are those that provide the best representation of the results of operations, financial position and cash flows of the Separate Unit.

Classification of assets and liabilities as current or non-current

The Separate Unit classifies an asset as a current item when:

- it holds it as held for sale or consumption, or is expected to be realised, in the normal course of their operating cycle;
- it holds it primarily for the purpose of trading;
- it expects to realise it within twelve months after the reporting period; or
- it consists of cash or cash equivalents the use of which is not subject to restrictions or limitations that would prevent its use for at least twelve months after the reporting period.

All assets that do not meet the conditions listed above are classified as non-current items.

The Separate Unit classifies a liability as a non-current item when:

- it expects to settle the liability in their normal operating cycle;
- it holds it primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All liabilities that do not meet the conditions listed above are classified as current items.

2.3 Accounting policies

The sections below provide a brief description of the most significant accounting standards and policies used to prepare the 2020 Separate Financial Statements.

Statement of financial position

Property, plant and equipment

These are recognised at fair value as deemed cost and subsequently depreciated. Revaluations of property, plant and equipment are not permitted, even in application of specific laws.

Property, plant and equipment are depreciated systematically on a straight-line basis over their technical and economic useful life, which is the estimated period over which the asset will be used by the Separate Unit. This period runs from the month in which the use of the asset commences or could have commenced. When the tangible asset consists of more than one significant component with different useful lives, depreciation is carried out for each component. The value to be depreciated consists of the book value reduced by the presumed net disposal value at the end of its useful life. Land is not depreciated, even if purchased together with a building, as are works of art and tangible assets held for sale. Any changes in the depreciation schedule, deriving from a review of the useful life of the tangible asset, the residual value or the methods for obtaining the economic benefits of the asset, are recognised on a prospective basis.

Depreciation methods and periods

Depreciation begins when the asset becomes available for use and is carried out systematically in relation to the residual possibility of its use, namely on the basis of the estimated useful life.

Below is the estimated useful life of the main tangible assets:

PROPERTY, PLANT AND EQUIPMENT	Estimated useful life (in years)
Buildings	30
Plant and equipment	10

Impairment of property, plant and equipment

Property, plant and equipment with definite useful life

At each reporting date of the financial statements, a test is carried out in order to assess whether tangible assets show any evidence of impairment loss. Both internal and external sources of information are considered for this purpose. Internal sources consider the following elements: the obsolescence or physical deterioration of the asset, any significant changes in the intended use of the asset and the economic performance of the asset compared to what was expected. Instead, external sources consider the following elements: the market price trend of the assets, any technological, market or regulatory discontinuities, the trend in market interest rates or the cost of capital used to measure investments.

If there is any evidence of impairment, the recoverable value of the aforesaid assets is estimated, allocating any write-down compared to the related book value to profit or loss. The recoverable value of an asset consists of the higher of its fair value, net of ancillary selling costs, and its value in use, i.e. the present value of the future cash flows estimated for the asset. In determining the value in use, the expected future cash flows are discounted by using a pre-tax discount rate that reflects the current market valuations of the cost of money, in relation to the period of the investment and the specific risks attached to the asset. The recoverable value of an asset that does not generate largely independent cash flows is determined in relation to the cash generating unit ("CGU") to which the asset belongs.

An impairment loss is recognised through profit or loss if the book value of the asset, or of the related CGU to which it is allocated, is higher than its recoverable value. Any impairment of CGUs is firstly recognised as a reduction in the book value of any goodwill allocated thereto and, then, as a reduction in other assets, in proportion to their book value and within the limits of the related recoverable value. If the reasons for a previous write-down cease to apply, the book value of the asset is reversed and charged to profit or loss, within the limits of the net carrying amount that the asset in question would have had if no write-down had been made and the related depreciation had been carried out.

Financial assets

Upon initial recognition, financial assets must be classified into one of the three categories listed below on the basis of the following elements:

- the entity's business model used to manage financial assets; and
- the characteristics relating to the contractual cash flows of the financial asset.

Financial assets are subsequently derecognised from the financial statements only if the sale has involved the substantial transfer of all risks and rewards associated therewith. On the other hand, if a significant share of the risks and rewards has been retained in relation to the transferred financial assets, the latter continue to be entered in the financial statements, even if the legal title to the assets has actually been transferred.

Financial assets measured at amortised cost

This category includes financial assets that meet both of the following conditions:

- the financial asset is held under a business model whose objective is achieved by collecting contractually agreed cash flows (Hold-to-Collect business model); and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the amount of capital to be repaid ("SPPI test" passed).

Upon initial recognition, these assets are accounted for at fair value, including transaction costs or income directly attributable to the instrument itself. After initial recognition, the financial assets under consideration are measured at amortised cost, using the effective interest method. The amortised cost method is not used for assets – measured at historical cost - whose short-term life makes the effect of applying discounting-back negligible, as well as for those without a definite maturity and for uncommitted credit facilities.

Financial assets measured at fair value through comprehensive income

This category includes financial assets that meet both of the following conditions:

- the financial asset is held under a business model whose objective is achieved by both collecting contractually agreed cash flows and by selling the financial asset (Hold-to-

Collect business model); and

- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the amount of capital to be repaid ("SPPI test" passed).

This category includes equity investments that do not qualify as subsidiaries, associates and joint ventures and are not held for trading purposes, for which the option has been exercised to designate them at fair value though comprehensive income.

Upon initial recognition, the assets are accounted for at fair value, including transaction costs or income directly attributable to the instrument itself. After initial recognition, equity investments other than those held in subsidiaries, associates and joint ventures are measured at fair value, and the amounts recognised against an entry in equity (Statement of Comprehensive Income) must not subsequently be transferred to profit or loss, even in the event of any disposal. The only component referable to these equity instruments that is subject to recognition through profit or loss consists of the related dividends.

As regards the equity instruments included in this category, which are not listed in an active market, the cost criterion is used as an estimate of the fair value only on a residual basis and limited to a few circumstances, namely if insufficient more recent information is available to measure fair value, or if there is a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

Financial assets measured fair value through profit or loss

This category includes financial assets other than those classified among "Financial assets measured at amortised cost" and among "Financial assets measured at fair value through comprehensive income".

Upon initial recognition, financial assets measured at fair value through profit or loss are stated at fair value, without considering transaction costs or income directly attributable to the instrument itself. On subsequent reporting dates they are measured at fair value through profit or loss.

(i) *Subsidiaries*

An investor controls an entity when it has: i) exposure, or rights, to variable returns and ii) the ability to use its power over the investee to affect the amount of the investor's returns. An investor shall reassess whether it controls the entity if facts and/or circumstances indicate that there are changes to one or more of the above-mentioned elements of control.

Investments in subsidiaries are recognised at cost and subsequently written down if there is evidence of any permanent impairment loss.

(ii) *Associates*

These are companies over which the Separate Unit exercises significant influence, which is presumed to exist when the investment is of between 20% and 50% of voting rights.

Investments in associates are recognised at cost and subsequently written down if there is evidence of any permanent impairment losses.

Impairment of financial assets

In accordance with the provisions of IFRS 9, the Separate Unit applies a simplified approach in order to estimate expected credit losses over the entire life of the instrument and take into account their past experience regarding credit losses, as adjusted on the basis of prospective factors that are specific to the nature of the Separate Unit's claims and the economic environment.

In summary, the Separate Unit measures expected losses on financial assets so as to reflect:

- an unbiased, probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date of the financial statements about past events, present conditions, and forecasts of future economic conditions.

A financial asset is impaired when one or more events have occurred which have an adverse impact on its estimated future cash flows. Observable data relating to the following events constitute evidence that the financial asset is impaired (it may not be possible to identify a single event: the impairment of financial assets may be due to the combined effect of various events):

a) significant financial difficulty of the issuer or debtor;
b) a breach of contract, such as a default or past due event;
c) for economic or contractual reasons relating to the debtor's financial difficulty, the creditor grants to the debtor a concession that the creditor would not otherwise consider;
d) it becomes probable that the debtor will enter bankruptcy or any other financial reorganisation;
e) the disappearance of an active market for that financial asset due to financial difficulties; or
f) the purchase or origination of the financial asset at a deep discount that reflects incurred credit losses.

For financial assets accounted for at amortised cost, when an impairment loss has been identified, its value is measured as the difference between the book value of the asset and the present value of expected future cash flows, as discounted on the basis of the initial effective interest rate. This value is recognised through profit or loss.

Derecognition of financial assets and liabilities

Financial assets are derecognised when one of the following conditions is met:

- the contractual right to receive cash flows from the asset has expired;
- the Separate Unit has substantially transferred all risks and rewards associated with the asset;
- the Separate Unit has neither transferred nor retained substantially all the risks and rewards associated with the financial asset but have relinquished control over it.

Financial liabilities are derecognised when they are extinguished, i.e. when the contractual obligation is fulfilled, cancelled or becomes statute-barred. An exchange of debt instruments with substantially different contractual terms must be accounted for as an extinguishment of the initial financial liability and the recognition of a new financial liability. Similarly, a substantial change in the contractual terms of an existing financial liability, even partially, must be accounted for as an extinguishment of the initial financial liability and the recognition of a new financial liability.

Offsetting financial assets and liabilities

The Separate Unit offsets financial assets and liabilities if and only if:

- there is a legally enforceable right to offset the amounts recognised in the financial statements;
- there is an intention either to offset on a net basis or to realise the asset and settle the liability simultaneously.

Cash and cash equivalents

Cash and cash equivalents include cash and demand deposits, as well as financial assets with an original maturity of three months or less, readily convertible into cash and subject to an insignificant risk of changes in value. The items of cash and cash equivalents are measured at fair value. Time deposits that do not meet the requirements of IFRS are not included in cash and cash equivalents.

Short-term bank deposits with an original maturity of three months or more that do not meet the requirements of IAS 7 are included in a specific item of current assets.

Collection transactions are recorded by date of bank transaction, while the date of payment order is also taken into account for payment transactions.

Financial liabilities and payables to suppliers

Financial liabilities and payables to suppliers are recorded when the Separate Unit becomes a party to the related contract and are initially measured at fair value adjusted for directly-attributable transaction costs.

Subsequently, they are measured at amortised cost using the effective interest method.

Financial liabilities are derecognised from the financial statements when the contractual rights to the related cash flows expire or when the financial liability is disposed of with the substantial transfer of all the risks and rewards deriving from its ownership.

Provisions for risks and charges

Provisions for risks and charges concern costs and charges of a determined nature and whose existence is certain or probable, the amount and/or date of occurrence of which could not be determined at the reporting date of the financial statements. Accruals to such provisions are recognised when:

- it is probable that there is a present obligation (either legal or constructive) arising from a past event;
- it is probable that an outflow of resources will be required to settle the obligation;
- the amount of the obligation can be estimated reliably.

The amount recognised as a provision is the best estimate of the amount that the Separate Unit would reasonably pay to settle the obligation or to transfer it to third parties at the reporting date of the financial statements. Where the effect of the time value of money is material and the payment dates of the obligations can be estimated reliably, the provision is determined by discounting the expected cash flows that are determined by taking account of the risks associated with the obligation; the increase in the provision due to the passage of time is recognised as "Financial expense" through profit or loss.

Provisions are updated periodically in order to reflect changes in cost estimates, the time needed to fulfil the obligation and the discount rate; reviews of estimates are charged to the same item of the statement of profit or loss to which the provision has been previously charged. Provisions for risks and charges are subject to discounting if it is possible to reasonably estimate the time when the cash outflows will occur. When the liability relates to property, plant and equipment, changes in the estimate of the provision are recognised as a contra-entry against the asset to which they refer, within the limits of the book values; any possible surplus is recognised through profit or loss.

If it is envisaged that all or part of the expenses required to settle an obligation will be reimbursed by third parties, the indemnity, when virtually certain of being obtained, is recognised as a separate asset.

Fair value measurement

Fair value measurement and related disclosures are carried out in accordance with IFRS 13 - Fair Value Measurement. The fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

A fair value measurement assumes that the transaction to sell an asset or to transfer a liability takes place in the principal market, i.e. the market with the greatest volume and level of activity for the asset or liability. In the absence of a principal market, the transaction is assumed to take place in the most advantageous market to which the Separate Unit has access, i.e., the market that maximises the amount that would be received to sell the asset or minimises the amount that would be paid to transfer the liability.

The fair value of an asset or liability is determined by considering the assumptions that market participants would use when pricing the asset or liability, assuming that they are acting in their best economic interest. Market participants are buyers and sellers who are independent of each other and knowledgeable, as well as able and willing, but not obliged or induced, to enter into a transaction for the asset or liability.

Fair value measurement of financial instruments

The fair value of listed financial instruments is determined by applying prices that are directly observable on the market, while specific valuation techniques are required for unlisted financial instruments, which make use of the greatest possible number of inputs observable on the market. When this is not possible, inputs are estimated by management taking account of the characteristics of the instruments being valued. Changes in assumptions made in estimating inputs could affect the fair value recognised in the financial statements for these instruments.

The levels of financial instruments classified on the basis of a hierarchy that reflects the significance of the inputs used in measuring fair value are reported below (IFRS 13 - Fair Value Measurement):

- Level 1: quoted prices (active market): inputs are quoted prices in active markets for assets or liabilities that are identical to those being valued.
- Level 2: inputs that are observable on the market (e.g., for derivatives, exchange rates observed by the Bank of Italy, market rate curves, volatility provided by Bloomberg, credit spreads calculated on the basis of Credit default swaps, etc.) other than quoted prices included within Level 1;
- Level 3: inputs are unobservable on the market (own assumptions, for example, cash flows, risk-adjusted spreads, etc.).

Statement of profit or loss

Revenue recognition

Revenue from contracts with customers is recognised when the following conditions are met:
- the contract with a customer has been identified;
- the performance obligations in the contract have been identified;
- the transaction price has been determined;
- the price has been allocated to the performance obligations in the contract;
- the performance obligation in the contract has been fulfilled.

The Separate Unit recognises revenue from contracts with customers when (or as) it fulfils the performance obligation by transferring the promised good or service (i.e., asset) to the customer. The asset is transferred when (or as) the customer obtains its control.

The Separate Unit transfers the control of the good or service over time, and therefore fulfils the performance obligation and recognises revenue over time, if one of the following criteria is met:
- the customer simultaneously receives and uses the rewards arising from the entity's performance as the latter performs it;
- the performance of the Separate Unit creates or improves the asset (e.g., work in progress) that the customer controls as the asset is originated or improved;
- the performance of the Separate Unit does not originate an asset that presents an alternative use for the Separate Unit and it has the enforceable right to payment for the completed performance until the relevant date.

If the performance obligation is not fulfilled over time, it is fulfilled at a point in time. In this case, the Separate Unit recognises the revenue at the time when the customer obtains control of the promised asset.

The contractual consideration included in contracts with customers may include fixed amounts, variable amounts, or both of them. If the contractual consideration includes a variable amount (e.g., discounts, price concessions, incentives, penalties, or any other similar item), the Separate Unit must estimate the amount of consideration to which it will be entitled in exchange for transferring promised goods or services to a customer. The Separate Unit includes the amount of the estimated variable consideration in the transaction price if, and only to the extent that, it is highly probable that there will no significant downward adjustment to the amount of recognised cumulative revenue when the uncertainty associated with the variable consideration has been subsequently resolved.

The Separate Unit allocates the transaction price to each performance obligation on the basis of the stand-alone selling prices (SSPs) of each performance obligation. When an SSP does not exist, the Separate Unit estimates the SSP by using an adjusted market approach.

The Separate Unit applies judgment in determining performance obligations, variable consideration and transaction price allocation.

The incremental costs of obtaining contracts with customers are accounted for as an asset and amortised over the term of the underlying contract if the Separate Unit expects to recover them. These costs are the costs that the Separate Unit incurs to obtain a contract with customers that it would not have incurred if the contract had not been successfully obtained. The costs that would have been incurred even if the contract had not been obtained must be recognised as an expense when they are incurred, unless they can be explicitly charged to the customer even if the contract is not obtained.

Costs incurred to fulfil contracts with customers are capitalised as assets and amortised over the term of the underlying contract only if such costs do not fall within the scope of another accounting standard (e.g., IAS 2 - Inventories, IAS 16 - Property, Plant and Equipment, and IAS 38 - Intangible Assets) and meet all of the following conditions:

- the costs relate directly to a contract or an anticipated contract, which the entity can specifically identify;
- the costs generate or enhance resources of the entity that will be used in satisfying (or continuing to satisfy) its performance obligations in the future;
- the costs are expected to be recovered.

Cost recognition

Costs are recognised on an accruals basis when they relate to services and goods that have been purchased or consumed during the financial period or for systematic allocation or when their future useful life cannot be identified.

Income and expenses arising from the disposal and/or sale of non-current assets are recognised under the specific item of "Capital gains / (losses) on disposal of non-current assets" of the statement of profit or loss.

Financial income and expense are recognised through profit or loss during the financial period in which they accrue.

Foreign currency transactions

Revenues and costs relating to transactions denominated in currencies other than the functional currency are stated at the exchange rate prevailing on the date when the transaction is carried out.

Monetary assets and liabilities denominated in currencies other than the functional currency are translated into the functional currency by using the exchange rate prevailing at the reporting date of the financial statements, with effect through profit or loss. Non-monetary assets and liabilities denominated in currencies other than the functional currency and measured at cost are stated at the exchange rate prevailing at the date of initial recognition; when measurement is carried out at fair value, or at the recoverable or realisable value, the entity adopts the exchange rate that is prevailing at the date when this value is determined.

Related parties

Related parties are those that share with the Separate Unit the same controlling entity, companies that directly or indirectly control it, are controlled or are subject to joint control by the Separate Unit and those in which it holds an interest such as to be able to exercise significant influence. The definition of related parties also includes the Proxy of the Separate Unit.

2.4 Newly-issued accounting standards

Accounting standards, amendments and interpretations not yet applicable and not early adopted

As at the reporting date of these 2020 Separate Financial Statements, the competent bodies of the European Union had not yet completed the endorsement process required for the adoption of the following accounting standards and amendments:

Accounting standard / amendment	EU-endorsed	Effective date
IFRS 17 Insurance Contracts	NO	Financial periods commencing from 1 January 2023
Amendments to IAS 1 - Presentation of Financial Statements: Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 23 January 2020 and 15 July 2020, respectively)	NO	Financial periods commencing from 1 January 2023
Amendments to *• IFRS 3 Business Combinations;* *• IAS 16 Property, Plant and Equipment;* *• IAS 37 Provisions, Contingent Liabilities and Contingent Assets* *• Annual Improvements 2018-2020*	NO	Financial periods commencing from 1 January 2022
Amendments to IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021)	NO	Financial periods commencing from 1 January 2023
Amendments to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on 12 February 2021)	NO	Financial periods commencing from 1 January 2023

Accounting standards, amendments and interpretations endorsed by the EU but not yet adopted

As at the reporting date of these 2020 Separate Financial Statements, the competent bodies of the European Union had approved the adoption of the following accounting standards and amendments, not early adopted by the Separate Unit:

Accounting standard /amendment	EU-endorsed	Effective date	Early adopted by the Separate Unit
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2 (issued on 27 August 2020)	YES	Financial periods commencing from 1 January 2021	NO
Amendments to IFRS 4 - Insurance Contracts – Deferral of IFRS 19 (issued on 25 June 2020)	YES	Financial periods commencing from 1 January 2021	NO

3. Financial risk management

The Separate Unit's operations are exposed to the following risks:

- market risk (defined as interest rate risk and exchange risk);
- credit risk; and
- liquidity risk.

The Separate Unit's risk management strategy is designed to minimise any potential adverse impact on its financial performance. Some types of risk are mitigated by using derivative instruments. Risk management is centralised and identifies, assesses and hedges financial risks in close cooperation with the business units of the Separate Unit. The company management provides guidance on monitoring risk management, as well as guidance on specific areas, regarding interest rate risk, foreign exchange risk and the use of derivative and non-derivative instruments.

Interest rate risk

The Separate Unit relies on third-party financial resources in the form of borrowing. Any changes in interest rates affect the cost and return on the various forms of financing and lending, thus having an impact on the amount of net financial costs. The Separate Unit did not enter into any derivative contract for hedging purposes during the reporting period.

Exchange risk

The exposure to the risk of fluctuations in exchange rates derives from the assets held by the Separate Unit in currencies other than the Euro. It should be noted that the Separate Unit does not use derivatives for the purpose of hedging exchange risk on foreign currency items: the Separate Unit's net exposure, in financial terms, to exchange risk therefore consists of Net foreign exchange gains / (losses), amounting to a loss of €12,575,721 thousand for the financial period ended 31 December 2020.

Credit risk

Credit risk essentially arises from receivables from customers. In order to mitigate credit risk attached to commercial counterparties, the Separate Unit has put in place procedures aimed at limiting the concentration of exposures on each counterparty or group, through an analysis of their credit rating. The ongoing monitoring of accounts receivable allows the Separate Unit to promptly detect any default or deterioration in the credit rating of its counterparties and to take any appropriate mitigating action.

The Separate Unit applies the simplified approach required by IFRS 9 to estimate the recoverability of its trade receivables. The resulting adjustment to estimates, as shown in the table below, takes account of the risk of uncollectibility of receivables through the differentiation of the ECL (Expected Credit Losses) applied to homogeneous groups of accounts with respect to risk profile and ageing, i.e., depending on the progress of actions taken to recover non-performing loans.

It is believed that the book value of trade receivables approximates their fair value, given their short-term nature and their measurement at fair value upon initial recognition. Therefore, the

Separate Unit has not recognised any evidence of impairment loss which was such as to justify a write-down.

Liquidity risk

Liquidity risk is associated with the Separate Unit's ability to meet obligations that mainly arise from financial liabilities. Prudent management of liquidity risk attached to the normal operations of the Separate Unit involves maintaining an adequate level of cash and cash equivalents.

The tables below show the cash flows expected in future financial periods in relation to financial liabilities at 31 December 2020:

At 31 December 2020 *(in Euros)*	**Book value**	**Within 12 months**	**Between 1 and 5 years**	**Beyond 5 years**
Current and non-current loans and borrowings	181,279,353	146,913,800	34,365,553	-
Payables to suppliers	11,195,939	11,195,939	-	-
Total	**192,475,292**	**158,109,739**	**34,365,553**	**-**

Capital risk

The objective of the Separate Unit within the scope of capital risk management is mainly to safeguard the value of its assets with the aim of pursuing the satisfaction of Astaldi S.p.A.'s unsecured creditors, who will benefit from the proceeds of the sale of the assets forming part of the Separate Unit through their PFIs.

Financial assets and liabilities by category

Non-current financial assets and liabilities are settled or valued at market rates, and their fair value is therefore regarded as being substantially in line with present book values.

Below is a classification of financial assets and liabilities by category at 31 December 2020:

At 31 December 2020 *(in Euros)*	**Loans and receivables**	**Equity investments**	**Total financial assets / liabilities**	**Non-financial assets / liabilities**	**Total**
Assets					
Equity investments	-	433,190,631	**433,190,631**	-	**433,190,631**
Non-current financial assets	247,029,614	-	**247,029,614**	-	**247,029,614**
Other current receivables and assets	204,989,645	-	**204,989,645**	-	**204,989,645**
Trade receivables	15,508,411	-	**15,508,411**	-	**15,508,411**
Cash and cash equivalents	1,521,856	-	**1,521,856**	-	**1,521,856**
Total assets	**469,049,526**	**433,190,631**	**902,240,157**	**-**	**902,240,157**
Liabilities					
Current and non-current loans and borrowings	181,279,353	-	**181,279,353**	-	**181,279,353**
Payables to suppliers	11,195,939	-	**11,195,939**	-	**11,195,939**
Other current liabilities	29,423,151	-	**29,423,151**	-	**29,423,151**
Total liabilities	**221,898,443**	-	**221,898,443**	**-**	**221,898,443**

Fair value measurement

The fair value of financial assets that are listed in an active market is based on market prices as at the reporting date of the 2020 Separate Financial Statements. The fair value of assets that are not listed in an active market is determined by using valuation techniques that are based on a set of methods and assumptions linked to market conditions as at the reporting date of the 2020 Separate Financial Statements.

Below is a classification of the fair values of financial instruments on the basis of the following hierarchy levels:

- Level 1: Fair values determined with reference to (unadjusted) quoted prices in active markets for identical financial instruments;
- Level 2: Fair values determined by using valuation techniques with reference to variables observable in active markets;
- Level 3: Fair values determined by using valuation techniques with reference to unobservable market variables.

At 31 December 2020 *(in Euros)*	**Level 1**	**Level 2**	**Level 3**	**Total**
Subordinated loans	-	7,774,520	-	**7,774,520**
Total subordinated loans	-	**7,774,520**	-	**7,774,520**

For valuation purposes, the Separate Unit makes use of company models that are generally used in financial practice and third-party models (market rate curves, volatility provided by Bloomberg, credit spreads calculated on the basis of Credit default swaps, etc.).

There were no transfers between the different levels of the fair value hierarchy during the periods under consideration.

4. Estimates and Assumptions

The preparation of the 2020 Separate Financial Statements in accordance with IFRS has required the Management to use estimates and assumptions that affect the value of assets and liabilities included in the statement of financial position, rather than in the disclosures made in the related explanatory notes, as to both contingent assets and liabilities as at the date of disclosure of the 2020 Separate Financial Statements, and revenues and expenses for the period.

Estimates are based on experience and other factors that are regarded as material. Actual results may therefore differ from those estimated. Estimates are reviewed periodically and the effects of any change are recognised through profit or loss in the period in which the estimate is reviewed.

The cases that require greater subjectivity on the part of the directors in making estimates are reported below:

- **Credit evaluation**: the provision for bad debts reflects estimates of expected losses on the credit portfolio of the Separate Unit. Any provisions set aside for expected credit losses are estimated on the basis of past experience with reference to accounts receivable with similar credit risk and present and historical outstanding amounts, as well as of careful monitoring of the quality of the credit portfolio and the present and expected conditions of economy and target markets. Estimates and assumptions are reviewed periodically and the effects of any changes are recognised through profit or loss in the financial period in which they accrue.

- **Impairment of assets:** assets are written down when events or changes in circumstances provide evidence that the book value in the 2020 Separate Financial Statements may not be recovered. Events that may lead to an impairment of assets are changes in business plans, changes in market prices and a reduced use of plants. The decision whether to make a write-down and the determination of its amount depend on the company management's assessments of complex and highly uncertain factors, including future price trends, the impact of inflation and technological improvements on production costs, production profiles and supply and demand conditions. The impairment is determined by comparing the carrying amount with the related recoverable amount, which consists of the greater of fair value, net of disposal costs, and value in use determined by discounting cash flows expected from the use of the asset. Expected cash flows are calculated on the basis of the information available at the time of the estimate and of subjective opinions on the trend in future variables, such as prices, costs, growth rates of demand, production profiles, and are discounted by using a rate that takes account of the risk inherent in the asset concerned.
- **Useful life of property, plant and equipment with definite useful lives**: depreciation is calculated on the basis of the useful life of the asset, which is determined at the time the asset is recognised in the Financial Statements. Useful life assessments are based on historical experience, market conditions and expectations of future events that could affect it, including changes in technology. As a result, it is possible that the actual useful life may differ from the estimated one.
- **Measurement of provisions for risks on unsecured claims**: the Separate Unit sets aside provisions that are mainly connected with legal disputes and the estimation of which is the result of a complex process in which the final judgment is supported by legal opinions;
- **Remote risk assessment**: the Separate Unit also include provisions for risks on unsecured claims stated among memorandum accounts, which include liabilities in relation to which the risk of default has been regarded as remote for an amount of €175.3 million;
- **Fair value measurement of assets and liabilities**: the fair value of unlisted assets and liabilities is determined by means of commonly used financial valuation techniques that require basic assumptions and estimates. These assumptions may not occur in the period of time and in the manner that are expected. Estimates made by the Separate Unit may therefore differ from actual final data.

5. Notes to the statement of comprehensive income

5.1 Other revenue and income

The table below shows the breakdown of "Other revenue and income" for the financial period ended 31 December 2020:

	FY ended 31 December
(in Euros)	**2020**

Rental income	467,000
Revenues from services and commissions	361,406
Total	**828,406**

5.2 Service costs

The table below shows the breakdown of "Service costs" for the financial period ended 31 December 2020:

(in Euros)	**FY ended 31 December 2020**
Legal, tax and administrative services	1,786,487
Insurance	100,253
Technical and business consultancy	67,007
Processing costs and other services	15,480
Total	**1,969,227**

5.3 Personnel expenses

The table below shows the breakdown of "Personnel expenses" for the financial period ended 31 December 2020:

(in Euros)	**FY ended 31 December 2020**
Wages and salaries	30,439
Social security contributions	5,643
Other personnel expenses	276
Post-employment benefits	1,744
Total	**38,102**

The table below provides the exact number of the employees of the Separate Unit, broken down by category, for the period ended 31 December 2020:

(in units)	**Exact number at 31 December 2020 (period-end)**
Managers	2
White-collars	2
Total	**4**

5.4 Other operating costs

The table below shows the breakdown of "Other operating costs" for the financial period ended 31 December 2020:

(in Euros)	FY ended 31 December 2020
Duties and other indirect taxes	97,870
Administrative management expenses	433
Bank expenses and charges	49
Total	**98,352**

5.5 Amortisation and depreciation

The table below shows the breakdown of "Amortisation and depreciation" for the financial period ended 31 December 2020:

(in Euros)	FY ended 31 December 2020
Depreciation of buildings	45,619
Depreciation of plant and equipment	1,801
Total	**47,420**

For more details, reference should be made to note 6.1 "Property, plant and equipment".

5.6 Net provisions and impairment losses

The table below shows the breakdown of "Net provisions and impairment losses" for the financial period ended 31 December 2020:

(in Euros)	FY ended 31 December 2020
Write-down of investments in associates	19,700,964
Provision for refinancing of equity investments	1,596,842
Write-down of loans to associates	100,905
Total	**21,398,711**

"Write-down of investments in associates" is mainly attributable to the investment in associate GOI.

For more details on the item of "Provision for refinancing of equity investments", reference should be made to note 6.11 "Current provisions for risks".

5.7 Net financial income (expense)

The table below shows the breakdown of "Financial income" for the financial period ended 31 December 2020:

(in Euros)	FY ended 31 December 2020
Interest income on loans	3,689,345

Other financial income	12,859,493
Total financial income	**16,548,838**
Interest expense on bank loans	(1,786,734)
Total financial expense	**(1,786,734)**
Total	**14,762,104**

"Other financial income" mainly includes interest accrued on the amounts receivable that the Separate Unit claims from the Turkish company Ica Ictas Ve Ticaret AS. For more information, reference should be made to note 6.6 "Other current receivables and assets".

5.8 Net exchange gains / (losses)

The table below shows the breakdown of "Net exchange gains / (losses)" for the financial period ended 31 December 2020:

	FY ended 31 December
(in Euros)	**2020**
Realised exchange gains	5,070,919
Estimated exchange gains	3,058,043
Estimated exchange losses	(20,704,683)
Total	**(12,575,721)**

5.9 Income taxes

With reference to taxes, it should be noted, in this regard, that on 22 July 2020, Astaldi S.p.A. submitted an application for ruling under article 11 of law no. 212 of 27 July 2002 to the Revenue Agency ("RA") with the aim of: (i) correctly interpreting the tax regulations applicable to the case under consideration and therefore, (ii) setting out the methods for including the Separate Unit's tax result within the scope of calculation of Astaldi S.p.A.'s taxable income.

On 22 January 2021 Astaldi S.p.A. provided the Revenue Agency with additional documentation the latter had requested after considering the application for ruling.

On 24 March 2021, the Revenue Agency, in response to the application submitted by Astaldi S.p.A., confirmed that, for tax purposes, the Separate Unit is characterised by the fact that it is an institution intended for the segregation of assets and, while also confirming that it is the company (Astaldi SpA) from which these "gem" assets originate that is the only entity that can be regarded as a taxable entity for tax purposes.

Therefore, the Separate Unit's assets earmarked for a specific business cannot be counted among taxpayers either for IRES (Corporate Income) or IRAP (Regional Production Activity) tax purposes.

It follows that any and all operations connected with management of the Separate Unit's assets shall necessarily be attributed to the company (Astaldi S.p.A.) within which this unit has been established and which shall assume responsibility for any related tax obligation.

6. Notes to the statement of financial position

6.1 Property, plant and equipment

The table below shows the breakdown of "Property, plant and equipment" for the financial period ended 31 December 2020:

(in Euros)	Land	Buildings	Plant and equipment	Total
Balance at 17 July 2020	**2,652,728**	**3,323,539**	**43,733**	**6,020,000**
Of which:				
- historical cost	*2,652,728*	*3,323,539*	*43,733*	*6,020,000*
-accumulated depreciation	-	-	-	-
Depreciation		(45,619)	(1,801)	(47,420)
Balance at 31 December 2020	**2,652,728**	**3,277,920**	**41,932**	**5,972,580**
Of which:				
- historical cost	*2,652,728*	*3,323,539*	*43,733*	*6,020,000*
- accumulated depreciation	-	*(45,619)*	*(1,801)*	*(47,420)*

"Land" and "Buildings" include, respectively, the value of the land and of the building standing thereon located in Rome, at Via Giulio Vincenzo Bona no. 65.

"Plant and equipment" entirely relate to a PV plant.

6.2 Equity investments

<u>*Subsidiaries*</u>

The table below shows the breakdown of the Separate Unit's subsidiaries at 31 December 2020. The share capital of the company listed below only consists of ordinary shares, which are held directly by the Separate Unit. The country of incorporation or registration is also the main place of its business, and the percentage of ownership is equal to the percentage of voting rights held.

(in Euros)	Country	At 31 December 2020	Nature of the relationship	At 31 December 2020
		% of ownership		**Book value**
Astaldi Concessioni S.p.A.	Italy	100%	Subsidiary	-
Total				**-**

As at 31 December 2020, the investment held in Astaldi Concessioni S.p.A. showed a fair value equal to zero.

<u>*Associates and joint ventures*</u>

The table below shows the breakdown of the Separate Unit's associates and joint ventures at 31 December 2020. The share capital of the companies listed below only consists of ordinary shares, which are held directly by the Separate Unit. The country of incorporation or registration is also the main place of their business, and the percentage of ownership is equal to the percentage of voting rights held.

(in Euros)	**Country**	**At 31 December 2020**	**Nature of the relationship**	**At 31 December 2020**
		% of ownership		**Book value**
GOI	Turkey	18.14%	Associate	427,555,131
ETLIK	Turkey	5%	Associate	5,635,500
Total				**433,190,631**

6.3 Non-current financial assets

The table below shows the breakdown of this item at 31 December 2020:

(in Euros)	**At 31 December 2020**
Loans to associates	239,255,094
Subordinated loans	7,774,520
Total	**247,029,614**

6.4 Trade receivables

The table below shows the breakdown of "Trade receivables" at 31 December 2020:

(in Euros)	**At 31 December 2020**
Trade receivables	15,508,411
Provision for write-down of trade receivables	-
Total	**15,508,411**

No write-downs of trade receivables were carried out during 2020.

It is deemed that the book value of trade receivables approximates their fair value, given their short-term nature.

6.5 Contract assets

The table below shows the assets and liabilities recognised by the Separate Unit under contracts with customers at 31 December 2020:

(in Euros)	**At 31 December 2020**
Works under construction	1,552,628,518
Advances	(1,535,384,912)
Total	**17,243,606**

This item relates to the amount of Venezuelan Financial Assets relating to work in progress. Specifically, these are amounts to be received from the Istituto Autonomo de Ferrocarriles for works at Porto Cabello in Venezuela.

6.6 Other current receivables and assets

The table below shows the breakdown of "Other current receivables and assets" at 31 December 2020:

	At 31 December
(in Euros)	**2020**
Other receivables from customers	175,354,746
Trade receivables from subsidiaries	24,516,643
Trade receivables from associates and Joint Ventures	1,130,516
Other receivables from subsidiaries	3,237,118
Checking account	672,695
VAT tax assets	7,689
Other receivables	70,238
Total	**204,989,645**

"Other receivables from customers", equal to €175,354,746 at 31 December 2020, mainly related to the Separate Unit's receivables from and liabilities to the Turkish company ICTAS, arising from the sale to the latter of the 20% investment already held by the Separate Unit in Ica Ictas Astaldi ucuncu Bogaz Koprusum Ve Kunzey Marmana Otoyolu Yatirim Ve Isletme AS (Third Bosphorus Bridge Operator), a company that holds the concession contract for the construction and management of the "Third Bosphorus Bridge" project.

Under the ICTAS settlement agreement, as a result of the aforesaid sale, the Separate Unit's assets also include the related consideration of USD315 million (the Third Bosphorus Bridge Financial Asset), and the obligation to pay ICTAS, by way of compensation, an amount of USD100 million (the ICTAS Compensation), in order to settle any reason for mutual dispute and claims, as well as any credit and debt positions, in relation to the termination of any relationship with ICTAS.

It should also be noted that the Separate Unit's Economic and Financial Plan, in line with the Composition Proposal, has allocated part of the Third Bosphorus Bridge Financial Asset to satisfy the claims of certain Astaldi S.p.A. creditors.

This Third Bosphorus Bridge Financial Asset had been measured at fair value through comprehensive income at 17 July 2020 and at amortised cost at 31 December 2020.

ICTAS settlement agreement

The debit and credit relationships between the Separate Unit and ICTAS are governed by the settlement agreement signed on 20 June 2019 and was amended following the authorisation given by the Court within the composition with creditors procedure on 21 November 2019 (the ICTAS Settlement Agreement).

Under the ICTAS Settlement Agreement, there are two different possibilities for the payment of the consideration, according to whether ICTAS, in its turn, reaches an agreement or not for the sale of the entire capital of the Third Bosphorus Bridge Operator to a consortium of Chinese companies (the Chinese Joint Venture) with which the related negotiations are in progress. In particular, it is envisaged that ICTAS will pay the Third Bosphorus Bridge Financial Asset, either:

(a) if the sale is made to the Chinese Joint Venture: in a single amount to be paid "after" the completion of the sale to the Chinese Joint Venture. Furthermore, if the sale to the Chinese Joint Venture is completed with the payment of a consideration in excess of USD1,250,000,000.00, the ICTAS Settlement Agreement provides for ICTAS' obligation to pay the Separate Unit a further amount of 25% of the excess paid by the buyer with reference to the 20% investment transferred by the Company; or

(b) if the sale is not made to the Chinese Joint Venture: by deferred payment of the Third Bosphorus Bridge Financial Asset (as increased by interest as from 31 January 2020 at the annual rate of EURIBOR +1.75%), as follows:

- 10% of the amount within the 4th quarter of 2020;
- 10% of the amount within the 4th quarter of 2021;
- 30% of the amount within the 4th quarter of 2022;
- 50% of the amount within the 4th quarter of 2023.

For more details, reference should be made to the Explanatory Report on the Financial Statements.

6.7 Cash and cash equivalents

The table below shows the breakdown of "Cash and cash equivalents" at 31 December 2020:

(in Euros)	**At 31 December 2020**
Bank and post-office accounts	1,521,856
Cash-in-hand and cash equivalents	-
Total	**1,521,856**

Term deposits are shown as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable upon a 24-hour prior notice without any loss of interest.

6.8 Equity of PFIs

<u>Reserve for Participating Financial Instruments (PFIs)</u>

The table below shows the changes in the number and value of Participating Financial Instruments for the financial period ended 31 December 2020:

	Number of PFIs *(in units)*
Participating Financial Instruments	3,199,975,846
At 31 December 2020	

The issue of PFIs, with no par value, is equal to the overall amount of all unsecured debts, excluding provisions for unsecured claims. Additional issues of PFIs will be resolved by the Board of Directors of Astaldi S.p.A. against a contribution of value equal to the unsecured creditors' claims subsequently recognised from time to time.

Each confirmed unsecured creditor is entitled to receive 1 PFI for each €1.00 of its confirmed unsecured claim.

The "Reserve for Participating Financial Instruments (PFIs)" consists of the value of the share of equity attributable to the holders of PFIs, both issued and to be issued.

The Reserve for PFIs cannot be distributed and cannot be aggregated with other equity items, nor can it be used, with a consequent reduction in its amount, in order to cover losses.

Fair value measurement reserve

The Separate Unit also holds certain investments in debt instruments measured at fair value through other comprehensive income. The changes in the fair value of these instruments are recognised in equity. When the instrument is derecognised or impaired, the amount of the reserve is recognised through profit or loss.

For the related changes recorded during the period, reference should be made to the "Statement of Changes in Equity".

6.9 Loans and borrowings (current and non-current)

The table below shows the breakdown of “Loans and borrowings (current and non-current)” at 31 December 2020:

	At 31 December
(in Euros)	**2020**
Subordinated loan payables to shareholders	34,365,553
Total non-current loans and borrowings	***34,365,553***
Bank loans	43,883,050
Cash pooling payables to subsidiaries	70,159,339
Loans from subsidiaries	32,871,411
Total current loans and borrowings	***146,913,800***
Total loans	**181,279,353**

The table below shows the breakdown of loans and borrowings by maturity at 31 December 2020:

At 31 December 2020 *(in Euros)*	**Within 12 months**	**Between 1 and 5 years**	**Beyond 5 years**	**Total**
Bank loans	43,883,050	-	-	**43,883,050**
Cash pooling payables to subsidiaries	70,159,339	-	-	**70,159,339**
Subordinated loan payables to shareholders		34,365,553	-	**34,365,553**
Loans from subsidiaries	32,871,411	-	-	**32,871,411**
Total	**146,913,800**	**34,365,553**	**-**	**181,279,353**

"Bank loans" relate to the Separate Unit's debt to 5 Turkish banks. The Turkey Debt (which also includes the debt to some Turkish suppliers and the debt to ICTAS) will be cash settled in full, in advance with respect to the remuneration of the PFIs, from the Third Bosphorus Bridge Financial Asset and only the proceeds arising from the sale of the Separate Unit's other assets located in Turkey.

For this purpose, the Separate Unit has concluded with each bank:

(a) as many Standstill Agreements (signed in September 2019) as needed, whereby each bank undertakes not to demand the payment of the Separate Unit's debt during the "standstill period", which, it is agreed, will last until the occurrence of the first event of (i) the expiry of the period of 18 (eighteen) months after the execution of each standstill agreement (and then, during the second half of March 2021); or (ii) the completion of the sale of ICTAS to the Chinese Joint Venture;

(b) even with the participation of ICTAS, as many protocols as needed regarding methods of payment whereby ICTAS has undertaken to pay the part of the consideration due to the Separate Unit that is equal to the latter's debt to each bank, paying the relative amount directly into the current account that the Separate Unit has opened with each bank;

For more details, reference should be made to the Explanatory Report on the Financial Statements.

6.10 Payables to suppliers

The table below shows the breakdown of "Payables to suppliers" at 31 December 2020:

	At 31 December
(in Euros)	**2020**
Payables to suppliers	2,838,807
Invoices to be received	8,357,132
Total	**11,195,939**

This item includes payables to suppliers that are segregated in the Separate Unit and are not subject to discharge of debt.

It is considered that the book value of payables to suppliers approximates their fair value given their short-term nature.

Payables to suppliers relate to the overall Turkey Debt.

6.11 Current provisions for risks

The table below shows the breakdown of "Current provisions for risks" for the financial period ended 31 December 2020:

(in Euros)	**Provision for risks for refinancing of subsidiaries**	**Total**
At 17 July 2020	**28,132,240**	**28,132,240**
Provisions	1,596,842	**1,596,842**

At 31 December 2020	**29,729,082**	**29,729,082**

The “Provision for risks for refinancing of subsidiaries”, equal to €29,729,082 at 31 December 2020, includes the provision set aside by the Separate Unit in order to support the refinancing of subsidiary Astaldi Concessioni.

6.12 Other current payables and liabilities

The table below shows the breakdown of “Other current payables and liabilities” at 31 December 2020:

(in Euros)	**At 31 December 2020**
Tax liabilities	58,737
Payables to social security institutions	9,669
Payables to employees	40,616
Other current payables	29,314,129
Total	**29,423,151**

"Tax liabilities”, equal to Euro 58,737 at 31 December 2020, are substantially attributable to tax deductions to be paid to the Tax Office.

“Payables to employees", equal to €40,616 at 31 December 2020, are mainly attributable to wages and remuneration due to permanent staff members.

"Other current payables", equal to €29,314,129 at 31 December 2020, mainly relate to a debt to SACE, a company specialised in providing services in the insurance and financial sector, which will be settled by using the proceeds arising from the collection of the Third Bosphorus Bridge Financial Asset, as well as from the sale of other assets of the Separate Unit.

According to the terms and conditions of the settlement agreement between Astaldi S.p.A. and SACE S.p.A., which was authorised by the Court of Rome on 19 March 2020, the Separate Unit will proceed with the cash payment of the SACE debt, in advance of the remuneration of the PFIs (and on a subordinated basis with respect to the Turkey Debt), using the proceeds of the sale, according to the distribution order envisaged during the three-year period from 2020 to 2022. For more details, reference should be made to the Explanatory Report on the Financial Statements.

7. Related-party transactions

Related parties are identified according to the provisions of IAS 24. Related-party transactions are mainly of a commercial and financial nature, and are linked to operations carried out at arm’s length; however, there is no guarantee that, if these transactions had been concluded between or with third parties, the latter would have negotiated and signed the related contracts, or carried out the transactions themselves, under the same terms and conditions and in the same manner.

The tables below show the relations with related parties that include, for the reporting period:

- Subsidiaries;

- Associates and joint ventures;
- the Separate Unit's Proxy.

The table below summarises the impact of related-party transactions on the statement of profit or loss and the statement of financial position at 31 December 2020 and for the financial period ended 31 December 2020.

(in Euros)	**Subsidiaries**	**Associates and joint ventures**	**Separate Unit's Proxy**	**Total related parties**	**Financial statement item**	**Impact on financial statement item**
Transactions' impact on the statement of profit or loss						
Other revenues and income						
Financial period ended 31 December 2020	361,406	-	-	361,406	828,406	44%
Net financial income and expenses						
Financial period ended 31 December 2020	3,582,781	-	-	3,582,781	3,689,345	97%

(in Euros)	**Subsidiaries**	**Associates and joint ventures**	**Separate Unit's Proxy**	**Total related parties**	**Financial statement item**	**Impact on financial statement item**
Transactions' impact on the statement of financial position						
Non-current financial assets						
At 31 December 2020	239,255,094	-	-	239,255,094	247,029,614	97%
Other current receivables and assets						
At 31 December 2020	28,426,457	1,130,516	-	29,556,973	204,989,645	14%
Current loans and borrowings						
At 31 December 2020	103,030,750	-	-	103,030,750	146,913,800	70%
Payables to suppliers						
At 31 December 2020	8,404,620	-	-	8,404,620	11,195,939	75%

8. Contingent assets and liabilities

As at 31 December 2020, the Separate Unit showed contingent liabilities, whose risk of loss has been determined to be remote for an amount equal to about €175.3 million.

9. Commitments and guarantees

Investment commitments

As at 31 December 2020, the Separate Unit had no commitments for outstanding investments, the debt for which has not already been recorded in the 2020 Separate Financial Statements, except for the investments that Astaldi S.p.A. and Astaldi Concessioni have committed to make in the project companies for the Etlik Hospital (Etlik) and Santiago Airport (NPU) required to complete the construction.

Commitments to purchase goods

The Separate Unit has not entered into any agreement for the future purchase of goods for resale. Accordingly, there were no commitments outstanding for this reason at 31 December 2020.

Guarantees

The table below shows the guarantees outstanding at 31 December 2020:

(in Euros)		**At 31 December**
Project	***Types***	**2020**
Santiago Airport	Performance Bond – Operation	1,902,132
Santiago Airport	Performance Bond – Operation	1,525,181
Santiago Airport	Performance Bond – Construction	961,042
Santiago Airport	Equity Stand By Letter of Credit	13,231,861
Gebze Izmir Motorway	Performance Bond – Operation	1,135,747
Etlik Hospital	Equity Stand By Letter of Credit	36,784,815
Etlik Hospital	Investment Term Performance Bond	3,162,715
Etlik Hospital	Additional Investment Term Performance Bond	709,733
Total guarantees issued		**59,413,226**

It should be noted that these guarantees were issued by the Separate Unit in the interests of Astaldi Concessioni, as partners in the individual projects.

10. Significant events after the reporting date

As far as it is given to know from what information is available from ICTAS, the negotiations concerning the transaction for the sale by ICTAS of the Third Bosphorus Bridge Operator to the Chinese Joint Venture, resulting in the consequent acceleration in collecting the related Third Bosphorus Bridge Financial Asset, has been delayed owing to the COVID-19 emergency and some further steps have to be taken, with the sale expected to take place during the 2021 financial period.

As the sale to the Chinese Joint Venture was not completed by 31 December 2020, the first expiry date of the mechanism for the deferred payment, ICTAS paid the first 10% of the amount due on 14 January 2021, as increased by interest as from 31 January 2020 at the annual rate of EURIBOR +1.75%. The payment in question contributed to a direct reduction in debts to the Turkish Banks, as required by the Payment protocols in place with the banks themselves.

As of today, discussions are underway with both SACE and the Turkish banks, aimed at obtaining an extension of the payment terms in view of the delayed conclusion of the sale of the Third Bosphorus Bridge Operator to the Chinese Joint Venture.

11. Opening statement of financial position of the Separate Unit

The opening statement of financial position of the Separate Unit at 17 July 2020 is provided below.

(in Euros)	**At 17 July 2020**
Property, plant and equipment	6,020,000
Equity investments	452,891,595
Non-current financial assets	243,502,699
Total non-current assets	**702,414,294**
Trade receivables	15,556,394
Contract assets	17,243,606
Other current receivables and assets	199,569,098
Cash and cash equivalents	-
Total current assets	**232,369,098**
Total assets	**934,783,392**
Reserve for Participating Financial Instruments (PFIs)	693,061,825
Total equity of PFIs	**693,061,825**
Non-current loans and borrowings	21,629,801
Total non-current liabilities	**21,629,801**
Current loans and borrowings	152,662,362
Payables to suppliers	9,983,035
Current provisions for risks	28,132,240
Other current payables and liabilities	29,314,129
Total current liabilities	**220,091,766**
Total liabilities	**241,721,567**
Total equity and liabilities	**934,783,392**

12. Changes in equity of PFIs according to the legal framework

The table below provides a statement of changes in equity of the Separate Unit's PFIs, which reflects, as at 17 July 2020, the measurement at nominal value of payables and unsecured provisions of Astaldi S.p.A. transferred to the Separate Unit in order to provide a consistent disclosure with respect to its establishment, including from a legal framework point of view, as reported in the documentation accompanying the Composition Proposal of Astaldi S.p.A..

(in Euros)	**Reserve for Participating Financial Instruments (PFIs)**	*of which: Other comprehensive income*	**Other reserves**	**Total Equity of PFIs**
At 17 July 2020	**-**	**-**	**(2,729,184,540)**	**(2,729,184,540)**
Discharge of debt			3,422,246,365	3,422,246,365
Award of PFIs	693,061,825		(693,061,825)	-
Loss for the period	(20,537,023)			(20,537,023)
Changes in subordinated loans at FVOCI	1,304,016	*1,304,016*		1,304,016
At 31 December 2020	**673,828,818**	***1,304,016***	**-**	**673,828,818**

The approach underlying this disclosure takes account of the following issues:

- the approval of Astaldi S.p.A.'s Composition with Creditors proposal was approved on 17 July 2020. As at that date, the resolution to set up the Separate Unit became effective and Astaldi S.p.A. proceeded with the transfer to the Separate Unit of the assets subject to liquidation on the one hand, and, on the other, the unsecured liabilities of Astaldi S.p.A. (including the provisions for risks on unsecured claims) and other prior-period debts that shall be borne by the Separate Unit in accordance with the Composition Proposal (i.e. Turkey Debt, SACE S.p.A. debt).

  As at that date, given that the nominal value of total liabilities transferred to the Separate Unit was greater than related assets, the Separate Unit's equity was negative and equal to approximately €2,729 million;

- as at 6 November 2020, at the same time as the execution of Astaldi S.p.A.'s capital increases, including that reserved for Webuild, the Separate Unit's PFIs were issued to the benefit of the ascertained unsecured creditors of Astaldi S.p.A., in addition to the newly-issued shares of Astaldi S.p.A. to be allocated to them in accordance with the provisions of the Composition Proposal.

  Against the issue of the PFIs in question (and of the Astaldi S.p.A. shares to the benefit of Unsecured Creditors), the unsecured liabilities stated in the Separate Unit's accounts were then cancelled on 6 November 2020;

- from 6 November 2020 onwards - therefore including the recognition at 31 December 2020, the Separate Unit's net equity is the same in both disclosures provided above. In fact, the two proposed schedules differ, as at 17 July 2020 only, due to a different method of reporting unsecured liabilities subject to discharge of debt within the Separate Unit's scope. In other words:

  - the schedule prepared according to IAS/IFRS takes as reference the fair value of the unsecured liabilities of Astaldi S.p.A. as at the date of initial recognition of the Separate Unit (17 July 2020). The fair value of these liabilities is already "affected" by the impact arising from the subsequent formal cancellation of the unsecured liabilities of the Separate Unit, thus determining an amount equal to €0 and the accrual of the right to receive the realisable value of the assets through the assignment of the PFIs;

  - the schedule prepared according to the reference legal framework instead envisages that the effects are recorded as at 6 November 2020 at the same time as the issue of the PFIs and Astaldi S.p.A. shares. Until 5 November 2020, the unsecured liabilities had in fact not yet been "extinguished", as the related financial instruments subject to the substituted performance (*datio in solutum*) provided for in the Composition Proposal of Astaldi S.p.A. had not yet been issued.

For the Separate Unit
The Proxy
Claudio Sforza